

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

DESPATCH

File

TO: THE SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: The Canadian Ambassador, Tokyo, Japan.

Reference: My Despatch No. 967 of Sept. 2, 1955

Subject: Establishment of the Provisional
National Congress of Formosa

Security: CONFIDENTIAL

No: 1007

Date: September 15, 1955

Enclosures: One (in duplicate)

Air or Surface Mail: AIR

Post File No: 210-3-1

Ottawa File No.

50056-A-40

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Miss Ireland

References

Reps English with enclosure
Washington
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Wellington
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On September 13, 1955, the Embassy received a letter dated September 1, 1955 from the Secretary General of the Provisional National Congress of Formosa addressed to the "Premier Minister of Canada", enclosing a signed copy in romanized Formosan, together with a signed English translation, of a declaration dated September 1, 1955 regarding the establishment of the "Provisional National Congress of Formosa". I attach a copy of the letter and the original of the signed declaration and translation, copies of which have been retained on file here. The declaration appears to be the operative instrument adopted at the meeting in Tokyo on September 1, 1955 which I described in my despatch under reference.

2. The declaration states that one of the principal missions of the Congress is to draw up ("legislate") a provisional constitution as the basis for a provisional government for Formosa. It is not clear whether the provisional constitution is now in existence or whether it is yet to be drafted. Apart from this statement of purpose and of course the declaration of the establishment of the Congress, the declaration says nothing new. It merely restates the views of the Formosan Democratic Independence Party with which we are already familiar, namely,

(a) the natives of Formosa should be allowed to establish a free independent Republic of Formosa;

(b) the Republic should be democratic;

(c) the Republic should possess permanent neutrality guaranteed by the United Nations.

3. I have not acknowledged receipt of the enclosures.

[Signature]
Ambassador.

Internal Circulation

Distribution to Posts

C O P Y

Provisional National Congress of Formosa
P.O. Box No. 41, Kyobashi, Tokyo, Japan

September 1, 1955

No. 36, Taira-Machi, Meguro-ku, Tokyo

The Premier Minister of Canada

Dear Sir:

Enclosed herewith, please find a copy of
our Declaration of the Establishment of the Provisional National
Congress of Formosa in romanized Formosan with an English
translation.

Very Respectfully Yours

Sgd. Lim Kiam Hong

Secretary General of the
Provisional National
Congress of Formosa

DECLARATION OF THE ESTABLISHMENT OF THE PROVISIONAL NATIONAL CONGRESS
OF FORMOSA

We, representatives of the twenty-four prefectures and cities of Formosa, who have escaped from our fatherland, Formosa, and assemble here, in Tokyo, Japan, hereby declare to the whole world, the establishment of the Provisional National Congress of Formosa.

The Provisional National Congress of Formosa is the supreme organ representing the will of the Formosan natives. Therefore it will represent the eight million Formosan natives in taking charge of both the internal and external affairs of Formosa from the 1st of September, 1955, and hereafter.

One of the principal missions of the Congress is to legislate the Provisional Constitution of the Republic of Formosa, based on which the Provisional Government of the Republic of Formosa is to be established.

Every race has the inborn right of erecting its own independent country according to its free will. Unfortunately our Formosan race has been overrun by alien invaders in the past and present, during which we have been struggling under the banner of democracy and independence all the time. And hereby we pledge most solemnly to exert our combined efforts, with body, mind and soul, towards the great cause, at this moment of establishing the Provisional National Congress of Formosa.

Should the great war explode with A- or H-bombs discovered by the advanced, modern science, it is evident that mankind will be fallen into the depth of self-annihilation. In order to avoid the war, the fundamental causes of international disputes should be eradicated. As clearly indicated in the history, Formosa has been a place of conflict among the big powers. Hence, the eternal world-peace cannot be secured unless the Republic of Formosa is established by the Formosan natives under the principle of racial self-determination.

We, native Formosans, are peace-loving people except invasion made by alien races against us. Thus permanent neutrality guaranteed by the United

Nations will be the foundation of the Republic of Formosa.

Confronted with the present, complicated, international situations around Formosa Area, we want to declare hereby that any decision or any resolutions made by the United Nations or the powers concerned on the Formosan problem will be invalid and will not be accepted by the eight million Formosan natives, should it be against the will of the Formosan natives, or without the agreement of the Provisional National Congress of Formosa.

Hereby we solemnly declare as above, on behalf of the native Formosans, to the whole world.

The Provisional National Congress of Formosa

The Honorary President: Liāu Būn-gē *Thomas W. S. Lia*

The President: Gō Chín-lām *Chin-lam Go*

The Vice President: Tē Bān-hók *Ban-hok*

The Chairman of the Foreign Relations Committee: Tân Soan-būn *Soan-bun Tan*

The Chairman of the Internal Affairs Committee: Tân Kim-chōan *Tan Kim Chuan*

The Chairman of the Financial Affairs Committee: Koeh Thāi-sēng *Thai-seng*

The Chairman of the Provisional Constitution Drafting Committee: Kán Būn-Kai *Kan Bun Kai*

September 1, 1955.

No. 36, Taira-machi, Meguro-ward,
Tokyo, Japan.

TAI-OAN LIM-SI KOK-BIN GI-HOE SENG-LIP SOAN-GEN

Goan, Tai-oan ji-chap-si koan-chhi ê tai-piau, thoat-chhut goan ê cho-kok Tai-oan, chu-chip ti chia, Jit-pun, Tang-kiā, ti-chia tui choan-se-kai soan-gen Tai-oan Lim-si Kok bin Gi-hoe ê seng-lip.

Tai-oan Lim-si Kok-bin Gi-hoe si Tai-oan goan-chu-bin choe-ko min-i ê tai-piau-ki-koan, só-í che si tai-piau Tai-oan peh-pah-ban goan-chu-bin; chu chit-chheng kau-pah go-chap go-ni¹ kau-goh it-jit khi i-au chhu-li Tai-oan lai-goa ê su-kiān.

Chit-ê Kok-hoe ê chu-iau sú-beng ê chit-ê chu-si lip-hoat Tai-oan Kiōng-ho-kok ê Lim-si Hian-hoat, kin-ki chit ê lai seng-lip Tai-oan Kiōng-ho-kok ê Lim-si Cheng-hu.

Tak ê min-chok to ū i ê thian-seng ê koan-li, kin-ki i ê chu-iū i-chi lai kian-lip chu-ki ê tok-lip kok-ka. Put-heng goan ê Tai-oan Bin-chok ti koe-khi kap hian-chai to-pi goa-chok chhim-liok, ehong-si ti chit-ê ki-kan goan to put-si chai bin-chu kap tok-lip ê ki-ha ke-siok hun-tau. Iu koh goan ti chia seng-lip Tai-oan Lim-si Kok-bin Gi-hoe ê chit-si giam-tiong soan-se, kek-lek thoan-kiat goan ê lek-liong, tui chit ê toa bok-pliau chin goan ê sin, sim kap leng.

Hian-tai chin-po ê kho-hak só hoat-beng ê goan-chu kap chui-so pok-tan ê tai-chian na hoat-seng, jin-lui hian-jian e ham-lo ti chu-biat ê chhim-ian. In-ū iau phia-bian tai-chian, só-í kok-che kiu-hun ê kin-pun goan-in tek-khak tloh chhu-siau. Lek-sú beng-beng ki-chai, Tai-oan si liat-kiōng pit-cheng ê tē. Só-í, na bo Tai-oan goan-chu-bin kin-ki bin-chok-chu-koat ê goan-chek lai kian-lip Tai-oan-kiōng-ho-kok, se-kai-eng-oan ê ho-peng si be thang tit tloh.

Goan, Tai-oan goan-chu-bin si ai ho-peng ê jin-bin, ti-hui si siu goa-chok ê chhim-liok. Kok-lian po-ho² ê eng-se-tiong-lip si Tai-oan-kiōng-ho-kok ê ki-chho.

Tui-i Tai-oan chiu-ūi hok-chap ê hian-chai kok-che kiok-se, goan ti chia ai seng-beng, hoan-si pōe-hoan Tai-oan goan-chu-bin ê i-chi jim-ho Kok-lian a-si tai-kok-kan ê koat-teng to bo hau, a-si chiah ê ki-koan ê jim-ho koat-gi na bo Tai-oan Lim-si Kok-bin Gi-Hoe ê tong-i, peh-pah-ban ê Tai-oan goan-chu-bin

to bô beh chiap-siū.

Ti Chia goán t̄ai-piáu T̄ai-oân goán-chu-bîn t̄ui choan-sè-kài í-siōng soan-gên.

T̄ai-oân L̄im-si Kok-bîn Gi-hōe

Bēng-ī gi-tiūⁿ : Liâu Būn-gē. *Thomas W. I. Lias*

Gi-tiūⁿ : Gō Chín-lam. *Chin Lam Go*

Hū-gi-tiūⁿ : Tēⁿ Bān-hōk. *Tebayhok*

Gōa-kau uí-oân-tiūⁿ : Tân Soan-būn. *Soanbun Tan*

Lōe-chēng uí-oân-tiūⁿ : Tân kim-choaⁿ. *Tan Kimchoan*

Chai-chēng uí-oân-tiūⁿ : Koeh Thài-sēng. *Koeh Thai-seng*

L̄im-si hiàn-hoat khi-chho uí-oân-tiūⁿ? Kán Būn-kai. *Kan Bun-kai*

Chit-chheng káu-pah gō-chap-gō-niⁿ, káu-gōeh, it-jit

Jit-pun Tang-kiaⁿ, Bok-hék-khu Pēng-teng, saⁿ-chap-lák Hoan-tē.

NUMBERED LETTER

CANADIAN EYES ONLY
CONFIDENTIAL

To THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: The Canadian Embassy,
Tokyo, Japan.

Reference: Mr. Davis' Despatch No. 70 of
January 19, 1956.

Subject: Formosan Independence Movement

Security:.....

No:..... 914

Date: December 13, 1957.

Enclosures: 2 (in duplicate)

Air or Surface Mail: Air

Post File No: 8-3-6

Ottawa File No.	
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References

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We are attaching some translated material dealing with the Formosan independence movement. This material has been excerpted from the Foreign Ministry's Analysis of Communist China mentioned in our letter No. 890 of December 10, 1957, and the source of the information in it should therefore be kept confidential.

2. According to the Foreign Ministry's analysis, there is no hope of a Formosan independence movement achieving success in Formosa because of the strict control maintained by the Nationalist Chinese police. Within Japan, the Formosan independence movement is split into pro-communist and anti-communist components and it succeeds in achieving only enough publicity to remind other countries - especially the United States - of its existence. Much of the information contained in this analysis of the organization, activities and future goals of Liao-Wen Chi's Formosan Independence Party is probably known to you already from previous reports of this Embassy and from your other sources of information and need not be repeated here. One point worthy of special interest, however, is the suggestion that Liao has actually had some secret dealings with Communist China.

3. Since we last reported on the Formosan movement in the despatch under reference, there has been little news of Liao's group except that on February 28 this year a cocktail party was held at the Dai Ichi Hotel in Tokyo to celebrate the "Tenth Anniversary of the Independence of Formosa" (i.e. in memory of the Nationalist Chinese massacre of Formosans on February 28, 1947) and the "First Anniversary of the Temporary Government of Formosa". Some 300 guests attended the reception at which Liao announced the formation of an "Overseas Formosan Residents Association". Liao is also reported to have declared that he had sent a "directive" to the youth of Formosa instructing them to extend their full cooperation to American headquarters in Formosa "in case of an emergency", and to refrain from any act which would "give Formosa to the Communists".

4. The Nationalist Chinese Embassy in Tokyo was quick to denounce Liao's meeting as a "farce" and he was challenged to conduct his activities in Formosa if he sincerely wished for the "liberation" of his people. The

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Internal
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Embassy also released a statement allegedly prepared by one Cheng-Fong-Sen, a former vice-president of Liao's organization who has since broken off his relations with the independence movement. This statement charged that Liao's movement was a "deception and full of conflicts in principle and the party is merely a puppet set-up being used by a handful of communist inclined people....The party is composed of a few of the Chinese residents in Japan who receive directives from Peking and whose activities are in line with those now living in mainland China, belonging to the Shieh Shueh-Hong faction, who played an important part in the instigation of the February 28th incident in Formosa."

Embassy.

Formosan Movement

(From Chapter 5, Section 4)

Trends of the Formosans

It is inconceivable in the present circumstances of stringent police surveillance, that the military organizations of the Nationalist Government should fall under the control of the Formosan movements. Formosan officers must be content with lowly rank though most of the Formosan troops are enlisted men in the Nationalist Chinese Army. They cannot understand why they must sacrifice their lives for the defence of the Chenmen and Matsu islands and they are greatly discontented. The common people wish to see those from the continent go home and to see themselves free from the confinement imposed by the Nationalist regime. But because of stringent surveillance, it is inconceivable that they should be organized, at least openly.

The Formosan independence movement in Japan has its own internal complications, for some of its members are pro-Communist, while others are pro-Nationalist. The movement lacks a strong unifying personality for its leadership. Its activities are sufficient only to enable its existence to be known in the United States and other countries and there is no good prospect of its influence extending to Formosa.

The so-called Formosan Independence Party (with Liao Wen-chi as President) held an inauguration ceremony of the "Formosan Provisional Assembly" at the residence of the Koga family at Taira-machi, Meguro-ku, Tokyo on September 1st, 1955. (The late Mr. Koga was President of Taipei Bank of Commerce and Industry). The inaugural declaration stated that the "Provisional Assembly" would be the supreme organ representing eight million Formosans on and after September 1st, that it had the important task of enacting a provisional Constitution, and that it would make the Republic of Formosa permanently neutral under the guarantee of the United Nations. The Provisional Assembly elected 24 members (all residents in Tokyo) to act as representatives of the 24 cities and prefectures of Formosa, and elected officers as follows:

Honorable Chairman	Liao Wen-chi	(scheduled to be the Head of the Government)
Chairman	U Shin-nan	(doctor, deputy Chief of the Independence Party)
Vice-Chairman	Cheng Wan-fu	(trader)
Foreign Affairs Commissioner	Chen I-wen	(old Singapore resident, speaks fluent English)
Domestic Affairs Commissioner	Chen Kin-sen	
Financial Commissioner	Kuo Tai-sheng	
Chairman of Provisional Constitution Drafting Committee	Chien Wen-kai	

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Some 100 people were present at the ceremony, including Kanichiro Kamei and other Japanese, one American and one Indian. It is reported that some 50 members of the opposition rushed to the place and made trouble by throwing eggs.

Concerning this meeting, Chien Wen-kei (Secretary-General who is said to keep in contact with Communist China) stated informally on August 31, 1955, that:

1) After the assembly had come into being, he would start drafting the Constitution and establish a "Provisional Government of the Republic of Formosa" at an appropriate time in the future. That time would come when (a) a decision is made by the United Nations about the Formosan issue and whether, depending on that decision, the Chiang regime might continue and (b) when the Nationalists pull out of the Matsu and Chenmen islands and, thus can they be regarded as having declined to the status of a government in exile in Formosa.

2) The party intends to penetrate more actively into Formosa in the future and to use elections and other functions to its advantage through its underground organizations. The present strength of the party is estimated at 200 thousand in Formosa and about 2 thousand in Japan. The Party's policy is aimed at preventing Formosa from falling into the hands of Communist China in any case. (Note: in this connection, the opposition group of Hwang Nan-hong and others claim that the Liao Wen-chi and Chien Wen-kei group are actually in friendly contact with Communist China and disguise themselves as absolutely anti-Communist).

3) The party intended to send President Liao to the Asian-African Conference as its representative, but this did not materialize. (Note: They say it was because of financial reasons, but actually it was because the Indonesians denied him a visa.) Instead, it sent a petition to that Conference to the effect that "the Chiang regime's Occupation is illegitimate. It is hoped that the Formosan issue will be discussed at the Asian-African Conference and that Formosa and the Pescadores will be placed under a United Nations trusteeship for three years and that after the three years, they will be granted independence." This petition was read by the Ceylonese Prime Minister, Kotelawala, at a press conference, causing a great sensation. The party also presented a memorial to the Summit Conference of July at Geneva, appealing for "the neutrality and inviolability of the Formosan Strait, the neutralization of Formosa and the Pescadores, the dissolution of the Nationalist Government at the responsibility of the Allied Powers and permanent neutrality of Formosa under the guarantee of the United Nations."

4) The reason why the party broke with the Hwang Nan-group (this group broke with the Independence Party in the spring of 1955 to form a Formosan Independence League, which is still weaker than the former) is that Hwang is the leader of a group of exiles from the Mainland and concurrently an officer of a secret society affiliated with Li Tsyng-jen's group: he is a member of the Mainland group completely and cannot be regarded as a genuine Formosan. So the party discharged him from the post of Vice-President of the party and made him an advisor. Dissatisfied with this, he organized the "Formosan Independence League" this spring. But the League is very weak, for it lists quite arbitrarily the names of the Independence Party members among its membership.

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

DESPATCH

File

TO: THE SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: The Canadian Ambassador, Tokyo, Japan

Reference: My despatch 967 of September 2, 1955

Subject: Formosan Democratic Independence Party

Security: UNCLASSIFIED

No: 1009

Date: September 14, 1955

Enclosures: *gm*

Air or Surface Mail: Air

Post File No: 210-3-1

Ottawa File No.

50056A-60

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Miss Ireland

References

Mr. [unclear] to see file [unclear] [unclear]

Attached is a clipping from this morning's The Mainichi quoting a Party spokesman to the effect that the Nationalist Chinese Government has offered \$30,000 for the head of Dr. Liao, President of the Formosan Democratic Independence Party. The spokesman alleges that the Nationalist Chinese intelligence agents in Japan are keeping the Party, said to number 2000, under surveillance. Neither the threat against Dr. Liao, nor an alleged threat to shoot Liao's nephew, in jail in Taiwan, seems to scare the Democratic Independence Party.

Ambassador

Internal Circulation

Distribution to Posts

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CANADIAN EMBASSY

TOKYO

Subject.....

Date *Sept. 14, 1955* Publication *The Mainichi*

\$30,000 Said Offered For Capture Of Exile Formosan

The Nationalist Chinese Government has allegedly offered \$30,000 for the head of Dr. Thomas W. I. Liao, president of the exile Formosan Democratic Independence Party, it was charged by a Party spokesman Tuesday.

This Nationalist offer, he said, came as a reaction to the establishment of a 24-man Formosan Provisional National Congress in Tokyo on September 1.

The offer was reported by a Formosan national who had been believed to be politically neutral by Nationalist intelligence agents, the Formosan spokesman said.

Nationalist intelligence agents operate in Japan under the leadership of a Moscow classmate of President Chiang Kai-shek's eldest son Chiang Ching-kuo, the Formosans assert.

Their duties are to watch the movements and activities of Formosan independence advocates, and also to keep watch on Nationalist officials in Japan to prevent defections to the Communists, the Formosans charge.

Dr. Liao, a 47-year-old U.S.-trained chemical engineer, resides at the Tokyo YMCA but frequently stays at other undisclosed places to "avoid close supervision by the Nationalists."

Formosan independence leaders also charged that the Nationalists had threatened to shoot Dr. Liao's nephew, Liao Suh Oh (serving the fifth year of a seven-year sentence) if the Formosan underground leaders did not enter into talks with the Nationalists.

(The Chinese Ambassador in Japan stated in an interview with the United Press that the Nationalists did not want to talk with the Formosans as alleged.)

"They would not dare shoot Liao Suh Oh," a Party spokesman confidently stated.

"And we are not considering talking with them," he added. There were also threats to burn down the Party head-

quarters in Tokyo, they stated. As with all independence movements at their embryonic stage the real backing and the future possibilities of realization of Democratic Independence Party's hopes are factors still unknown.

The Party claims a membership in Japan of 2,000 officially registered with Japanese authorities; underground organization in Formosa and branches in Hongkong, Singapore and New York.

Formosan independence leaders lay great hopes in the views advanced by Walter Lippman and ex-U.S. Secretary of State Dean Acheson regarding Formosa.

NUMBERED LETTER

TO: THE CANADIAN EMBASSY, WASHINGTON
 FROM: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA, CANADA.
 Reference:
 Subject: Activities of the Formosan Democratic Independence Party.

Security: RESTRICTED
 No: Y-1309
 Date: September 13, 1955.
 Enclosures:
 Air or Surface Mail:
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References

Attached is a copy of a letter from our Embassy in Tokyo on the above subject. We hear spasmodically of the activities of the Formosan Democratic Independence Party and its President, Dr. Liao, but we have not been inclined to take them too seriously. In April, 1954 they sent a petition to the Prime Minister asking him to promote a discussion of the Formosan problem at the Geneva Conference, and a copy of this document was referred to you. We also sent you two months ago a copy of a letter from Dr. Liao to the Tokyo Mainichi explaining the errors in both the Nationalist and Communist Chinese view of Formosa.

2. I should be grateful if you would sound out State Department opinion of Dr. Liao and his organization, and in particular whether they attach any importance to his activities.

A. R. Menzies

Internal Circulation

for the
 Under-Secretary of State
 for External Affairs.

Distribution to Posts

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA: Far Eastern/J. F. McKinney/wp (FILE COPY)

NUMBERED LETTER

RESTRICTED

TO: THE CANADIAN EMBASSY, TOKYO

Security:.....

No:..... I- 545

FROM: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA, CANADA.

Date:..... September 13, 1955

Enclosures:.....

Reference:..Your letter No. 967 of Sept. 2, 1955

Air or Surface Mail:.....

Subject:....Activities of the Formosan

Post File No:.....

.....Democratic Independence Party.....

Ottawa File No.	
50056-A-40	
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References

Thank you for your letter. We have, as you suggested, asked our Embassy in Washington to sound out State Department opinion of Dr. Liao and his activities, and we shall pass on to you any information which we receive from that source.

A. R. Menzies

for the Under-Secretary of State for External Affairs.

Internal Circulation

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DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

NUMBERED LETTER

File

To THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: The Canadian Embassy, Tokyo, Japan

Reference: Our letter 770 of June 29, 1955

Subject: Activities of the Formosan Democratic Independence Party

Security: RESTRICTED

No: 967

Date: September 2, 1955

Enclosures:

Air or Surface Mail: Air

Post File No: 210-3-1

Ottawa File No.	
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Mr McKinney

References

London
CDDN
Paris
New Delhi
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Canberra
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Date Sept. 16/55/20

Internal Circulation

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The Formosan Democratic Independence Party has taken a further step towards fulfilling its aims of the liberation of Formosa from the Nationalist Chinese and the establishment of an independent Republic of Formosa. The action consisted in the establishment on September 1, 1955 at a meeting in Tokyo of the "Provisional National Congress of Formosa" consisting of 24 members representing the 24 prefectures and cities on Formosa. Dr. Go Chin Nam, Vice-President of the Formosan Democratic Independence Party, became President of the Congress and Dr. Liao, President of the party, became Honorary President of the Congress. Fifty Formosans who took part in the meeting were apparently heckled by Nationalist Chinese who had heard about the meeting. Press reports of the event have produced little other information about the Congress, but in view of Dr. Liao's previous efforts at publicizing the Party, it is to be expected that further information will be forthcoming in due course of time.

2. The newspapers have also provided some information about Dr. Liao which had not previously come to the attention of this Embassy. Dr. Liao is stated to be a U.S.-trained professor of mechanical engineering, aged 47, who was active in the nationalist Formosan uprisings of 1947. After the suppression of these uprisings, Dr. Liao fled to Shanghai and then to Hong Kong where, in 1948, the Formosan Democratic Independence Party was covertly organized. The Party is said to have underground branches in Formosa, New York, Singapore and Hong Kong and to have the "full support" of the eight million Formosans. In 1950 Dr. Liao is said to have come to Tokyo from Hong Kong and to have suffered arrest by the Japanese authorities at the instigation of the Nationalist Chinese representative on the Allied Council, resulting in seven months incarceration in Sugamo Prison in Tokyo. Dr. Liao's views on foreign policy as expounded at the recent Congress appear to be based on a desire to maintain friendship with Japan in the north, the Philippines in the South and the United States in the east, as a countervailing influence against Chinese Nationalists and Communists. He has suggested that an independent Formosa ought to be provided protection by the UN.

3. It is far from clear how powerful the Formosan Democratic Independence Party is and how effectively it can pursue its aims. However, the recent move to establish a Congress suggests to me either that Dr. Liao sees some prospect of his aims being fulfilled as a result of the recent relaxation of tension over Formosa, or that the U.S. may be bolstering up the Formosan independence movement as a possible card to play against the Chinese Communists as and when the U.S. moves into more fundamental discussions with the Central People's Government.

1955 SEP 7 AM 9:37

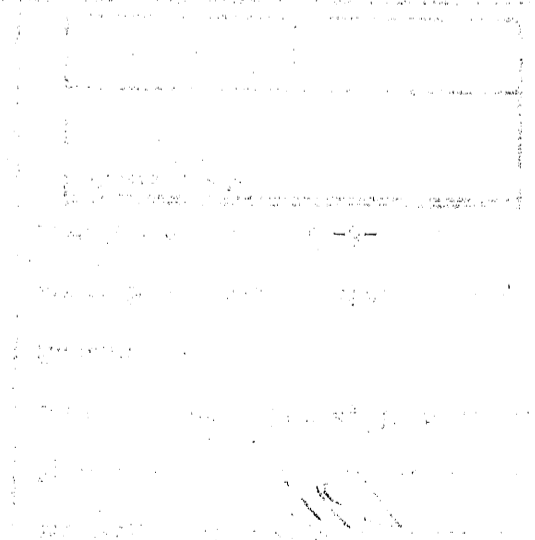
Faint, mostly illegible typed text at the top of the page.

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Handwritten note: *22/21.10.55*

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Handwritten initials or signature at the bottom right of the page.

4. Since it is a part of the Canadian Government's attitude toward the Formosa problem that the people of Formosa should have a say in their ultimate fate, I wonder if you could produce any information on Dr. Liao's movement. We should like to be in a position to follow Dr. Liao's activities as fully as possible and unless you can foresee some objection, I would propose that the Embassy in Tokyo might endeavor to find out a little more about Dr. Liao's Party by making enquiries of the U.S. Embassy here. It might be useful, too, to see what our Embassy in Washington could find out from the State Department at the same time.

A handwritten signature in black ink, appearing to be 'R. J. A.', written in a cursive style.

Ambassador

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FILE 50050-A-40 pt 2.

Open PD Closed

Date 12/6/90

References and Related Files

File No.

Subject

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INDEXED

Series <i>Top Secret</i>	File/Dossier <i>50056-A-40</i>	Volume <i>2</i>	Dates <i>1/10/50-30/1/53</i>	Location/Lieu <i>1</i>
Title/Titre <i>Status of Formosa - Policy of Western Powers</i>	Screeners <i>A.R. MENZIES</i>		Date <i>14/9/83</i>	
Category/Catégorie <i>6</i>	Declassified Déclassé <input checked="" type="checkbox"/>	Partly declassified Déclassé en partie <input type="checkbox"/>	Closed Non déclassé <input type="checkbox"/>	Release date Date du déclassement

Explanation/Explication
This volume begins with exchanges between Canada to UN and Ottawa re a draft resolution on Formosa. Cda found nothing UN in Formosa issue. PRC del arms at UN. Memos on legal status of Formosa. Items re Status of Formosa in neg. J. G. Peace Treaty. Role of US 7th Fl. in Formosa Strait. 12 Apr 51 dismissed by MacArthur. All material is over 30 yrs old. I recommend declassification
A.R. Menzies

EXT 210 (11/77)

A.R. MENZIES

**FOR SUBSEQUENT CORRESPONDENCE
SEE NEXT PART OF FILE**

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ORIGINAL
File No. 100543-46
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Security Classification
SECRET

Copy on 50054 H 40

JAN 31 1953

FROM: THE CANADIAN AMBASSADOR TO THE UNITED STATES
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

file on 50056-A-40
RBE

System CYPHER-AUTO	No. WA-252	Date: January 30, 1953.
Priority IMMEDIATE	Reference:	
Departmental Circulation	Subject: Modification to Presidential Order to 7th Fleet Regarding Formosa.	
MINISTER UNDER/SEC D/UNDER/SEC A/UNDER/SEC'S	The State Department through Allison this afternoon informed the Australian, British, New Zealand and South African Embassies and ourselves that the United States Government had decided to modify the order issued to the 7th Fleet on June 27th, 1950, which instructed the fleet to prevent both an attack on Formosa and operations by the Chinese Nationalist forces against the mainland. The interdiction against Chinese Nationalist operations would now be removed.	
Done _____	2. President Eisenhower will announce this new policy in the course of his "State of the Union" message to be delivered on Monday. He will say that the 7th Fleet should no longer be employed as a shield for Communist China. He will affirm that this question does not imply any aggressive intentions on the part of the United States. He will make some reference to the history of the original order to the 7th Fleet, pointing out that one of its main objectives was an endeavour to avoid Chinese Communist intervention in the Korean war. Despite this the Chinese Communists had embarked on aggression in Korea. In view of this fact and in the circumstances brought about by the Chinese rejection of the Indian resolution, which commanded such widespread support amongst the United Nations, the United States Navy cannot continue to serve as a defence arm for the Chinese Communists, in a manner which aids them in their aggression. The President would therefore issue instructions that the order to the 7th Fleet be revised in an appropriate manner.	
Date _____	3. Only the embassies mentioned above have so far been informed of the intended order. The State Department will send messages to the United States Ambassadors in those countries participating in the Korean war, and in India and Japan, giving some	

Reference: To all ~~the Embassy~~
To all ~~the Embassy~~ ~~the Command~~
To file ~~the Embassy~~

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- References
(Urgent)
- X SSEA
 - X USSEA
 - X SECY TO CABINET
 - X U. N. DIVISION
 - X AMERICAN DIVISION
 - X DEFENCE LIAISON (1)
 - X DEFENCE LIAISON (2)
 - X WASHINGTON
 - X LONDON
 - X TOKYO
 - X NEW DELHI
 - X KARACHI
 - X PARIS
 - X CANBERRA
 - X WELLINGTON
 - X NEW YORK
 - X SECY C.O.S.C.
 - X J.I.S.
 - X D.M.I.
 - X D.N.I.
 - X D.A.L.
- Done _____
Date _____
- 20M-50-P-794
- Not Done
Governor-General
Mr. Martin
Prime Minister

further background information to President Eisenhower's proposed order. This State Department message to United States embassies abroad will make the following points:

1. In no other part of the world is there a situation where United States forces are committed to the defence of Communist territory;

2. The 7th Fleet's instructions to prevent an attack upon Formosa will stand (it is not expected that this will be precisely said in President Eisenhower's "State of the Union" message);

3. It is not expected that the new order will have very much material effect on the present situation;

4. Since the original order had been a unilateral act on the part of the President of the United States,

President Eisenhower does not think that responsibility for modifying that order should be shared.

4. We questioned Allison as to his views on the probable practical result of the new order. Allison explained that no one was thinking of any large-scale operations by the Chinese Nationalists against the mainland. He referred to island-raiding and the possibility of some commando raids. Allison also said he did not expect that the Chinese Communists would be induced to attack Formosa, as a result of this United States move. He maintained that a Chinese Communist decision to attack Formosa would be based purely on a calculation of their military capacity to capture it. So far as policy is concerned, it has always been the declared objective of the Chinese Communists to incorporate Formosa into their territories.

5. Allison said there were two main motivations to the United States Government's decision:

1. The Government believed it necessary to clear its position in this matter with its own people, who would not understand continued use of United States forces to defend territory of the Chinese Communists, when they were engaged in war against the United States and others;

2. Although major operations by the Chinese Nationalists against the mainland are not envisaged, the mere threat of this would be embarrassing to Peking and should aid the United Nations side in the prosecution of the Korean war by pinning down considerable bodies of Communist forces in Central China.

6. We had discussed Far Eastern policy with Alexis Johnson this morning, to assist in preparing comments as requested in your letter Y-69 of January 20th. Johnson indicated that Allison would have something to say to us later in the day about the order to the 7th Fleet. When we drew attention to the obvious dangers which would exist if Chinese Nationalist raiders were escorted by or carried in United States vessels, Johnson observed that "of course that would be quite another question" and "we are not talking about that".

7. Johnson doubted that removal of the interdiction on Chinese Nationalist moves would have an adverse effect on armistice possibilities for Korea. He thought that on balance the contrary might be the case and that the threat from Formosa, while not in itself sufficient to bring the Communists to a willingness to stop fighting, might contribute to that end.

8. I am bringing with me to Ottawa a memorandum on other aspects of United States Far Eastern policy, which might provide comments upon your letter Y-69 of January 20th.

9. There has been a leak to the press about the intended new instructions to the 7th Fleet. United States officials will deny any knowledge of it, if questioned by the press.

Allen

File -
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Submitted 3 Jan 1953. This copy for
subject file

January 2, 1953

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FORMOSA

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Under Article 2 of the Treaty of

Peace with Japan signed at San Francisco on September 8, 1952, by Canada, Japan, and 47 other signatories, Japan renounced "all right, title, and claim" to Formosa; but the Peace Treaty did not specify to whom sovereignty over Formosa was transferred. The difficulty over Formosa arises from the claims of two rival governments of China: the National Government of China, with its capital at Taipei, Formosa, which is recognized by Canada, and the Central People's Government of China, with its capital at Peking, which is not recognized by Canada. Both these governments consider Formosa to be an integral part of China.

2. Canada's attitude is that Formosa should be neutralized while fighting is going on in Korea. It does not follow, however, that if and when the Korean question is settled satisfactorily we should refuse to discuss the future

of Formosa within the context of international agreements that have already been reached concerning it. Any other course would be contrary to our obligation under the Charter of the United Nations to seek a peaceful solution of this kind of international dispute.

3. The question of Formosa's strategic significance has long been a domestic issue in the United States. Until the Korean crisis, however, the official United States position was one of non-interference, although it was considered preferable, other things being equal, if Formosa were not in the hands of a potentially hostile Power.

4. Since the Chinese intervention in Korea, however, the United States has tended to attach increasing importance to the strategic value of Formosa, particularly because of its threat to the line of communications between the Philippines and Okinawa. Domestic factors, especially since the dismissal of General MacArthur, have reinforced this attitude. The Canadian military view of Formosa on the other hand has been that in the event of war with China or with the Soviet Union assisted by China it would be of limited strategic value.

5. In general, we have taken the position that political considerations and the danger of embroiling the United States in a war with China outweighed strategic factors, except perhaps during hostilities in Korea. We have resisted the suggestion that the United Nations might assume any long-run responsibility for the disposition of the island or its denial to the Chinese Communists. In this, we have been influenced by Asian opinion, and by the obvious difficulties involved in finding any rational solution in view of the existence of the Nationalist regime on the island.

TOP SECRET

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~~File~~
m. H. G.
File
7950056 A-40

Despatch No. 4098

Ottawa File No. 5666-40

Date: December 10, 1952.

Security Classification - None

FROM: THE HIGH COMMISSIONER FOR CANADA, LONDON

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Subject: British Representation in Formosa.

50056-A-40
77 77

At question time in the House of Commons on December 1 the United Kingdom Government reaffirmed its intention to maintain the British Consulate-General at Tamsui in Formosa.

2. The question was asked by a left-wing Labour member who implied that the amount of work done by the Consulate-General did not justify its being continued. He also suggested that the existence of this mission was one of the objections of the Peking Government and one of the reasons why the British Charge d'Affaires in Peking was not fully recognized.

3. The Foreign Under-Secretary said that the duties of the Consul-General included the protection of about 160 British subjects in Formosa, the protection of British commercial and shipping interests and such matters as the issue of passports and visas. In the light of the work being done he was satisfied that the retention of the post was fully justified. It was not true to say that the Peking authorities had objected to the existence of a British consular post in Formosa.

Post
File
No.
AR 204/1

Copy to:
Tokyo
Washington

H.R. Horne (Sgd.)
for the
High Commissioner.

CLARK DW 5475-EF-40

Far Eastern/C.A.Ronning/BKM
November 28, 1952.

CONFIDENTIAL

Mr. R. [Signature]
to see
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MEMORANDUM FOR THE UNDER-SECRETARY

50056-A-40	40
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Technical Assistance to Nominees of the Chinese Nationalist Government in Formosa

In reply to the request you penned on the memorandum from Economic Division of November 25, I would say that there would seem to be no political reason why applicants from Formosa for technical training in Canada should all be refused. It is still true that Formosa is receiving more economic and technical assistance from the United States by far than any other part of Asia, but I see no reason why we should not accept applicants for certain specialized types of technical work just because individuals are, at the present time, in Formosa. I am of the opinion, however, that we should observe the following precautions in changing our previous policy:

Agree

- (a) We should not advertise the fact that we are now prepared to receive applicants for technical training from Formosa and draw unnecessary attention to our change in policy;
- (b) We should accept only applicants for technical training as Formosa is already overstocked with administrative experts.

2. I have discussed this with Mr. Thurrott and he assures me that we can reject applicants without giving any reason and that each applicant would be considered entirely on his own merits for special training in Canada.

Economic Division
To note
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C.A. Ronning
Far Eastern Division

28.11.45 (U.S.)

Ext 2A

See 4/44
[Handwritten initials]

file on 50056-A-40 RBE

OTTAWA FILE
NO. 50073-40
76/76
SECURITY CLASSIFICATION
SECRET <i>J.1</i>

Letter No... 663

Date..... October 23, 1952

FROM: OFFICE OF THE HIGH COMMISSIONER FOR CANADA IN AUSTRALIA

TO: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference... Washington Telegram WA-2354 of September 30 to Ottawa

Subject... Visit of Australian Minister in Manila to Formosa.

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Post File
No... 120-2

1. Mr. Maybee called yesterday on Mr. Harry of the Pacific Division in the Department of External Affairs to enquire about the recent visit of the Australian Minister in the Philippines, Rear Admiral G.D. Moore, to Formosa. Mr. Harry made available the enclosed document which is a slightly condensed version of Admiral Moore's despatch reporting on his visit.
2. For background Mr. Harry mentioned that the possibility of a visit to Formosa by an Australian official had been broached at the ANZUS Council meeting in August and that the idea had received American blessing. He emphasized that Admiral Moore had gone to Formosa on leave. The idea that the visit was an official "good will" tour had been developed by the Chinese, as you will observe from the first few paragraphs of the enclosure. Mr. Harry said that Admiral Moore had not been given any special briefing in connection with this visit and the report represented the reactions of one who was not especially versed in Chinese affairs. The despatch speaks for itself and requires no special comment.
3. In response to the query, Mr. Harry said that the Department was not giving any consideration to the possibility of opening a diplomatic mission in Formosa.

[Signature]
Office of the High Commissioner

NOV 11 1952

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COPY

DESPATCH OF 22ND SEPTEMBER, 1952, FROM
AUSTRALIAN MINISTER, MANILA.

VISIT TO FORMOSA

To preserve the unofficial nature of my visit I approached the Chinese Ambassador to the Philippines (who had suggested to me some 15 months earlier that I should pay a visit to Formosa) and reminded him of his suggestion and said that as I had some leave due to me I was thinking of taking my wife for about a week's visit. Before asking permission from Canberra, however, I wanted his opinion as to whether it was a good time to go. He said it was a good time to go and stated that he would write to various officials and friends. I informed him that I would not know for about 48 hours whether my visit would be approved. In due course I informed him that approval had been given, and reminded him that as I was going on leave I hoped he would make this clear to his friends so that I should not be crowded out with official functions. I also asked him about golf, scenic places to visit and theatres.

However, the next day in Manila a Chinese newspaper reporter requested an interview. He informed me that the Chinese Embassy had told him I was going to Taipei, and desired some information concerning my visit. I assured him I was going there on leave, but he said the speculation was that I was going there to report to my Government on whether we should have diplomatic representation in Taipei. This thought was undoubtedly inspired by the fact that some two or three weeks earlier the Spanish Ambassador to the Philippines had been accredited also to the Chinese Nationalist Government in Formosa, and it was considered likely that I was going to pave the way for similar representation. I attempted to disillusion him but had the impression that he preferred his own line of thought.

The Ambassador gave me four letters of introduction, in all of which he stated that I was going to Taipei on a "good-will visit".

The result was that on our arrival I found a programme of official calls, official visits, luncheons, dinners and a visit (2½ days) to Kao Ksiung in the South. Also the press and photographers in large numbers cross-examined me closely concerning my visit, almost entirely on the question of establishing a diplomatic mission. One, however, asked me whether I had come to discuss the Pacific Pact with the Nationalist Government. It was, of course, inevitable that the Chinese Nationalist would endeavour to make the maximum capital for themselves with the press out of my visits. They are very ready to seize upon anything which can be represented as indicating an increasing interest in their regime.

We were accommodated at the Grand Hotel (formerly a Japanese shrine) which was in the process of being repaired and was not really ready for visitors, but it was explained to me that the water pipes in the official guest house were under repair which prevented our being accommodated there. This was fortunate because it gave a much less official air to our visit, and we were permitted to pay our way. A car was put at our disposal by the Department of Foreign Affairs.

2.

The following are some comments on the personalities on whom I paid formal calls:-

Mr. C. Y. Hu - Vice Minister of Foreign Affairs.

I found him rather uninteresting. He smelled somewhat strongly of liquor. He stated that he had spent five years in Canberra. He expressed himself strongly in favour of invading the mainland.

Dr. George Yeh - Minister of Foreign Affairs,

He was very interesting and stated that he knew Mr. Casey. He stated that in the last two years they have broken three communist rings, one of which had direct wireless contact with Moscow and another with the mainland. In the latter case, the government was able to continue contact for a further six months before suspicion was evidently aroused and there was a sudden silence. He also stated that there are now no communists in agriculture and industry in Formosa, although there are still a few in colleges, but these are all "tabbed" and watched for contacts. He said the Government realised they had made mistakes on the mainland and were now introducing various reforms, especially for farmers, which they hoped would be a pattern for similar reforms when they returned to the mainland. He said they have no strikes, no unemployment, no beggars and complete internal security. Anyone can go anywhere by day or night without fear of molestation.

Dr. Wang Shih-Chieh. Secretary-General, Office of the President.

He also was very interesting. He appeared to be well-informed on Australian affairs and asked if it were true that the Dr. Burton who had visited the "Peace" Conference in Peking was the same Dr. Burton who had been Secretary of the Department of External Affairs. He also expressed surprise that Dr. Evatt had defended the Communist interests when the Anti-Communist legislation was before the High Court and asked what would the situation be vis-a-vis Communists if Labour were returned to power. I could not enlighten him. I met him again several days later when I called on President Chiang Kai-Shek and he informed me he had heard from the Chinese Ambassador in Canberra that the government decision to refuse passports to Australians wishing to attend the Peace Conference in Peking this month had been supported by the Opposition. He suggested this was possibly because of the trouble the Opposition had got into over Dr. Burton. I mention these facts only to illustrate how closely he appeared to follow current political issues in Australia. He said he believed Australia and the British Commonwealth were showing more concern about Communism now and he hoped there would soon be world-wide opposition.

Governor K.C. Wu.

He was touring the East Coast and I was unable to call on him till Tuesday the 16th. He is a very forthright and able man who discussed Communism at great length and expressed the opinion that a "show-down" between the Communist and Anti-Communist worlds must take place very soon, and he could not forecast which would win.

President Chiang Kai-Shek.

He was on a tour of the South when I arrived, and made arrangements for my wife and myself to be present at the Passing Out ceremony of Naval Cadets. The parade and march past had to be cancelled owing to torrential rains,

but the ceremony took place in a large hall. He did not appear impressive to me but the Naval Officers and men present appeared almost to worship him. We later lunched, one on either side of him, at the Naval Officer's Club.

I expressed a desire to pay my respects when we both had returned to Taipei. We then received an invitation to tea at 4:30 p.m. Tuesday, 16th September. Conversation through an interpreter was a little difficult. The only item of interest was that he said that he hoped, as a result of my visit, relations between our two countries would be closer. He presented us with two packages of tea as a gift from Madam Chiang Kai-Shek, who is at present in the United States. From himself he presented Mrs. Moore and myself with two Chinese chops with our names in Chinese characters.

The American Charge d'Affaires, Mr. Howard Jones, offered to arrange a "Briefing" for me at 10:00 a.m. on Thursday, 11th September. He had with him General Chase, Senior Officer of the American Military Aid and Advisory Group; Dr. Schenck, head of the Mutual Security Agency Mission and one of his assistants and the head of the United States Information Service. The United Kingdom Consul, Colonel E.H. Jacobs-Larkcom, (with 30 years experience of China) was also present at his request. The meeting lasted two and a quarter hours. These gentlemen all gave a fairly detailed account of their missions and answered any questions I put to them. Finally Colonel Jacobs-Larkcom was asked if he would like to comment. He disagreed with their opinions on two matters of minor detail and a few days later when talking to me alone he disagreed on several other points of detail. There had been a visit from several U.S. Congressmen about a week before my arrival and the various U.S. Missions had prepared statements for them and a copy of these reports was given to me.

These reports might be briefly summarised as follows:-

- (a) Armed Forces generally are 95% mainland personnel and combat veterans. There is very little recruiting of Taiwanese. The Americans say a total of 500,000 men are under arms. (National General Sun Li-Jen claims 600,000, of whom 400,000 are in the Army).
- (b) The Air Force is most efficient but lacks planes. There are 1800 pilots (nearly all trained in America) and 250 planes, with more on order.
- (c) The Army is the next best, morale very high. They now get paid, fed and clothed - which of course, was not always the case where the Chinese Nationalist armies were on the mainland. They need more artillery. They have a very odd assortment of rifles. They respond very well to training.
- (d) The Navy is small and the least efficient. They have twelve destroyers, mostly former Japanese. They are not all running, some being repaired at American dockyards in Japan.

- (e) They have twelve L.S.T.'s with a further 18 leased to shipping companies and available at short notice. Counting H.D.M.L.'s, tugs and various small craft they have a total of nearly 200 vessels. They maintain a constant patrol in Formosa Strait.

Colonel Jacobs-Larkeom brought out an interesting point. He calls the Armed Forces a wasting asset. Their average age is approximately 28. There is natural wastage, there is no source of replacement from the mainland, the local people can ill be spared from agriculture and industry, and as the years roll on the armed forces are getting smaller and older.

On the whole the American opinion is that with the aid of the American 7th Fleet Formosa could now be successfully defended against a Communist attack. The Americans stressed the words "with the aid of the U.S. 7th Fleet".

Bearing in mind recent press reports to the effect that the U.S. Military Advisers on Formosa had been urging Washington to accept the long standing offer of the Nationalists to provide troops for the United Nations Command in Korea I was interested in this question. However I got the impression that the U.S. Military advisers were not encouraging this offer. In fact they rather cynically stated that one reason behind the Chinese offer was the desire to have a couple of their divisions well equipped by the United Nations Command.

The Americans consider that there are now no Communists in the armed forces. They are 100% loyal, and should they ever land on the mainland (which the Americans are not encouraging), there would be no massed defections to the Communists because of the hatred they now all feel towards them.

The idea that much greater Communist forces are being "held" on the mainland opposite was generally discounted. Since the United States had guaranteed no invasion either way by the presence of the 7th Fleet it was considered that the Communists had thinned out their numbers and sent them to Korea.

The Americans also consider the Chinese Nationalists are ever optimistic about an underground movement on the mainland. They consider the Communist tactics are so ruthless and the difficulties of supplying them with either money or weapons are so great that certainly no big underground movement could exist. They claim the Nationalists have no evidence of an underground movement, and they base their ideas on wishful thinking only. The Nationalists, of course, have their secret agents going back and forth to the mainland.

Regarding my impression of the regime and of conditions on the island generally I was very much impressed with the keenness, morale, efficiency and discipline of everyone. It is a hive of work. Everyone seems to be busy

and is working hard. There are no beggars. The people appear to be well-fed. Law and order reign, trains start and arrive on time, police are smart and well turned out. The army in its training programme works six days a week from 8:00 till noon and 3:00 p.m. to 7:00 p.m. The Americans stated that in a great many cases people worked even 6½ days a week.

The Cabinet members seem to live a rather spartan existence in contrast to the old days on the mainland. It was stated that Dr. Yeh, as Foreign Minister, gets a house, one servant, a car, fuel and rice and draws the equivalent of only U.S. \$29 a month.

The present government is building the reputation for a "clean" government. A party of American reporters who recently spent some time in Formosa could find no corruption. The M.S.A. people stated that they have introduced the "end use check" system in all matters where American aid is concerned, and that it is now practically impossible for money or materials to be diverted from the purpose for which it is intended. The Armed Forces represent 45% of the annual budget.

The Chinese repeatedly stated to me that they all now realised they had made many mistakes on the mainland and they were intent on profiting by their errors and wanted to build a new system to be the pattern on which to run the country when they return to the mainland. This was repeated to me so often and in such identical terms that I began to wonder whether word had gone forth that this was to be the approach to foreigners. However, the Land Reform Bill appears to be a very definite change of policy. As pointed out to me by the British Consul it was one of Sun Yat Son's suggestions many years ago, but vested interests were so strong on the mainland that steps were never taken to implement it. Now, however, in Taiwan, the situation is different. The rulers stand to lose nothing and so its implementation is easy. But whether that would hold good if they should ever return to the mainland is another question.

There appears to be some friction (though the Chinese deny it) between the 2 million civilian escapees from the mainland and the 6½ million Taiwanese. They were not wanted and the economy of the country cannot yet support them. The Americans estimate that the island will not have a self-supporting economy until 1957. The armed forces are usually considered to blame by the Taiwanese for any misdemeanours. On the whole, however, I would say from my necessarily superficial observations the friction between the Chinese and the Formosa is much less than one would expect.

The health of the island is receiving much attention. There are now 350 Health Stations and W.H.O. has anti-malaria, anti T.B., and anti-trachoma campaigns operating in towns and in the country.

During our visit to the South arrangements were made for us to visit Kao Hsuing Harbour, China Petroleum Corporation Refinery, Taiwan Cement Corporation and the Taiwan Alkali Company and I also visited Keelung Harbour in the North.

One fact which impressed me was that on the whole there were no wide differences between the pictures of the regime painted for me by the Chinese themselves, the Americans or the British Consul. The British Consul, however, did caution me against accepting some of the American conclusions in toto. For instance, he was inclined to discount in some degree the American story of the spartan existence lived by the Cabinet officials but admitted that corruption among government officials in the sense it had existed on the mainland no longer prevailed. However he felt that it would be wrong to conclude from this that they had necessarily reformed voluntarily. A big factor undoubtedly is that the strict American system of "end use check" makes corruption, at least in relation to foreign aid, very difficult. Similarly it was the British Consul who cautioned against necessarily accepting the land reform programme in Formosa as an indication of the policy which the Nationalist would follow if they ever returned to the mainland. However with those reservations my overall impression is that the Nationalist regime as it exists in Formosa to-day is a vastly improved regime from what it was reputed to be when it had control of the mainland.

Manila (M.D. 16)

22nd September, 1952.

4457-A-40
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OTTAWA FILE

No.....

Despatch No... 2901

file on 50056-A-40
RBE

Date..... 1st August, 1952.

SECURITY CLASSIFICATION

R E S T R I C T E D

FROM: THE HIGH COMMISSIONER FOR CANADA, LONDON.

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference.....

Subject: United States Navy exercises off Formosa.

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AUG 7 1952

Copies Referred

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To see

[Handwritten notes: on handover, Mr. [unclear], Mr. [unclear]]

No. of Enclosures

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Refer copy to
USIA
J.J. McCARDLE

Post File Aug 11/52

No.....

c.c.
Tokyo
Washington

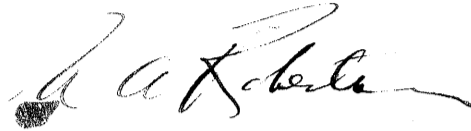
The Bevan group in Parliament have again been arguing that there has been a change of policy concerning military action against the Chinese mainland and complaining of United States unwillingness to consult about policy. Lord Alexander was asked in the House of Lords on July 28 about the public statements made regarding the exercise undertaken by American naval vessels in the Formosan Strait last month. He said that he had no official knowledge of the matter, and that he very much doubted the correctness of the statement because when he had been with the Royal Navy in the Far East he had been shown their plans and orders.

2. On July 31 Mr. Tom Driberg, a Parliamentary supporter of Mr. Bevan with pronounced anti-American sentiments, asked the Prime Minister "if he will make a statement about the recent exercises by a United States Navy task force under United Nations Command in the strait between Formosa and the Chinese mainland; in view of the differing policies towards the Chinese Nationalist regime in Formosa pursued by the United States Government and by Her Majesty's Government, what consultations between the two Governments preceded this demonstration; and if he will give an assurance that no ships or men of the Royal Navy will be used in similar exercises in these waters".

3. Mr. Churchill replied as follows: "The exercises to which the hon. Member refers were undertaken by units of the United States 7th Fleet and were not carried out under the authority of the United Nations. There is no reason why the United States Government should consult Her Majesty's Government. No exercises in the area by units of the Royal Navy are under consideration at the present time".

4. Mr. Driberg suggested that in view of the obvious political implications of this show of force off the mainland of China, there should have been consultation between the American and British Governments, particularly in view of Lord Alexander's statement that he had been shown all the plans of the United States Navy [Lord Alexander had in fact mentioned only the Royal Navy], and that this was far outside what they had intended.

5. Mr. Churchill repeated that there had been no change of policy, and he declined to amplify his answer.

A handwritten signature in cursive script, appearing to read "H. A. Roberts". The signature is written in dark ink and is positioned above the typed name.

High Commissioner.

50056-A 40

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Statement by Mr. Pearson in the House of Commons
on April 1, 1952 on the future of Formosa
(Hansard Pages 1008-1010)

MR. PEARSON: On Formosa. The hon. member for Peel complained that I was trying to lead him into an academic discussion on this matter. There could hardly be anything less academic in the world than the situation in the Far East, particularly in Korea and Formosa. Indeed there is so little of the academic about this subject that when the hon. member for Rosetown-Biggart (Mr. Coldwell) began to talk about Far Eastern matters he admitted it was risky to discuss them; and so it is. It is also delicate, and not easy.

A good many references have been made to Formosa. In that connection I asked--and I did not do so in any provocative sense but in the same way that that information had been asked of me--as to the policy of the opposition parties in respect of Formosa and Far Eastern questions. I said I was not sure in my own mind, for instance, what was the policy of the Progressive Conservative party in respect of that island. They had stated through their spokesmen that they would not permit Formosa to fall into communist hands, and when I heard that statement--which was made more than once--I wondered what was meant by it. Did that mean we should use force to prevent Formosa falling into communist hands? Is it suggested that the United Nations should use force for this purpose, which of course is manifestly impossible? Or is it suggested that Canada and the United States might use force for this purpose? I did not go as far as that. It was suggested that my fault in talking about this matter was that I left the question of Formosa open; and I submit that that is exactly what should be done with it at this time.

At the moment we in the United Nations are pledged at least to try to make peace with communist China over Korea; and negotiations for the first stage of making peace, the armistice stage, are now under way. That is what we are trying to do. Then if we are successful in the first stage we are pledged to discuss other Far Eastern questions. We have taken that pledge in the United Nations. Should we now say that we will never allow Formosa to go back to Peking, if they do not throw out their present government in China? Should we say that, especially when we have subscribed to international agreements recognizing Formosa as part of China, and when we recognize that now sovereignty legally resides in China? I suggest that that would be rigid, dead-end diplomacy, and not very wise diplomacy to follow at this time in this matter. Suppose we had followed the same tactics three or four years ago in respect of Yugoslavia. We would look a little ridiculous now. In discussing this matter the hon. member for Peel (Mr. Graydon) said at page 675 of HANSARD for March 21:

.....as I see it today, neither this nor any other government can do more than simply to formulate its Far Eastern policy with respect to Formosa and to red China, on a day-to-day basis.

Personally I think that may be going a little too far in the pursuit of freedom of action; but if it means anything at all--and I suggest it does mean something--it is certainly not what the hon. member for Vancouver-Quadra (Mr. Green) advocates. It must surely mean that it would be unwise now to say we will not permit Formosa ever to be returned to China if a communist government is in power at Peking.

MR. GRAYDON: It is not what you said, either.

MR. PEARSON: It also means it would be unwise to say now that we will hand it over to such a government in Peking, or that we would force the people of Formosa to join China under that government. No one on this side of the house has ever suggested that, nor can any reasonable inference be drawn from any statement I have made which would indicate that to be the policy of the government. Ultimately, of course, Formosa must be a question of international discussion and decision, preferably through the United Nations as the Secretary of State for the United States has already intimated.

In such a discussion, which I suppose must come ultimately, there are certain factors which should be taken into consideration by those responsible. The first--and possibly the most important factor of all, though it is very often overlooked--in our discussion of this matter is that the views of the Formosan people themselves should be taken into consideration. They are a people who have not known national freedom, who are in many ways quite separate from the Japanese and Chinese who have ruled over them. Second, consideration must be given to international engagements already undertaken including, I may add, the United Nations charter. Third, consideration should be given to the character and policies of the government or governments of China which may be in power at that time. Fourth, of course, we cannot overlook the fact I have just mentioned, that legally Formosa is part of China. Both Chinese governments insist on that. It is about the only matter on which they are united. The dispute is over which government shall control Formosa.

The leader of the opposition (Mr. Drew) seemed even more suspicious than the hon. member for Peel about government policy in regard to Formosa. He got quite rhetorical over the necessity for open diplomacy in this matter. As he said, there must be no secret agreements with regard to Formosa or any other country in the world; there must be no sordid trades dealing with human lives. And he felt that to hand over Formosa to the Peking government of China would be the same brand of appeasement that was represented by what he called the terrible decision at Munich.

Mr. Speaker, in regard to this suggestion I need only say that there is no deal about which we know anything, secret or otherwise, in regard to Formosa; and the bogey of secret diplomacy in this matter is strictly fictitious. The United Nations must decide, and there is not much secret diplomacy these days about the United Nations. Possibly we might make more progress if we had a little more confidential discussion there. Open covenants, yes; but occasionally open covenants confidentially negotiated, after the principles and purposes of the negotiations have been made known to our own people. I am not sure that would not be more effective and far better for peace and good understanding than the headline and housetop diplomacy on which the Russian communists, who are now the staunchest believers in open diplomacy insist.

SECRET

From National Intelligence Estimate,

File in

CHINESE COMMUNIST CAPABILITIES AND INTENTIONS
WITH RESPECT TO TAIWAN THROUGH 1952,

*"Postwar Position
of Formosa"*

NIE-27/1
1 April 1952

R. L. ROGERS

~~APR 27 1952~~
MAY 12 1952

The Problem

To estimate Chinese Communist capabilities and intentions with respect to Taiwan through 1952.

Assumption

The USSR will continue to support Communist operations in the Far East but will not intervene directly and overtly.

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Conclusions

1. Except for a substantial increase in air capabilities, the over-all capabilities of the Chinese Communists to launch either a large-scale invasion or limited surprise attacks against Taiwan remain substantially unchanged since April 1951 when NIE-27 was published. Chinese Nationalist capabilities to defend Taiwan have not improved substantially since that date.
2. Provided that present US policy with respect to Taiwan continues unchanged, and provided that US naval and air forces are available to defend Taiwan, Chinese Communist operations against Taiwan would almost certainly fail.
 - a. We do not believe that, under present circumstances, the Communists could achieve surprise in a large-scale attack. A large-scale Communist invasion attempt would almost certainly fail unless surprise were achieved to assure a fait accompli before US air and naval forces could be brought to bear.
 - b. A Communist attack with a limited number of their best troops probably could achieve surprise, but the Nationalists alone could almost certainly contain such an attack, unless the Communists received timely large-scale reinforcements. US naval and air forces could almost certainly prevent such reinforcements.
3. If US policy with respect to Taiwan should change and the US did not participate in the defense of Taiwan, the Chinese Nationalist forces could not successfully defend Taiwan against a large-scale Communist operation.
4. The Nationalist Government is relatively stable and serious factional strife is improbable so long as President Chiang Kai-shek heads the government. In the event of the overthrow or death of Chiang, factional strife would be intensified and a period of

instability would probably follow before another Nationalist leader could establish his authority.

5. The weight of military, propaganda, and other indications suggests that the Chinese Communists do not plan an early attack against Taiwan.
6. Irrespective of developments in Korea we believe that the Chinese Communists will not make either a limited surprise attack or a large-scale attack against Taiwan during the period of this estimate provided that present US policy with respect to Taiwan continues.
7. During the period of this estimate, the Communists will probably conduct reconnaissance, nuisance, or destruction raids (either by air or sea) against Nationalist-held offshore islands and may assault and capture some of these islands. However, we do not believe such actions will necessarily indicate an imminent invasion of Taiwan.
8. Over the longer term, we believe that the Chinese Communists will attempt to secure control over Taiwan by diplomatic means if possible; otherwise by military action when a favorable opportunity presents itself. So long as the relative military strength of the United States and the Communists in the Far East remains substantially unchanged, and so long as US policy with respect to Taiwan remains unchanged, we believe the Chinese Communists will not hazard a military attack on Taiwan.

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March 28, 1952

MEMORANDUM FOR FILE ON FUTURE OF FORMOSA

Speaking in the debate on external affairs in the House of Commons on March 27, Mr. Stewart (Winnipeg North) said (p. 850, coln. 2):

I am convinced we are not going to achieve any political settlement in Korea until we have a peaceful settlement with China. And when I speak of peace I regard it in the same way as Litvinoff did at the league of nations a number of years ago when he said that peace is indivisible. We cannot be at peace with China in Korea and at war with China in Formosa.

~~Mr. Noma to see~~

file

R. L. ROGERS

MAR 28 1952

This is a very good
argument. LR

Stewart is CFF.

FILE COPY

A&FE/RLRogers/cc

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Ottawa, March 26, 1952.

Sir,

The Minister has asked me to thank you for your letter of March 22 concerning the future of Formosa. I should like to assure you that we have in mind the line of approach you have suggested and that it will be among the alternative solutions considered when the time comes to deal with Formosa.

Yours sincerely,

WILLIAM G. STARK

for the

Under-Secretary of State
for External Affairs.

Mr. Herbert T. Owens,
515 Oak Avenue,
St. Lambert, Que.

Legal/G.B.Summers/gi

SECRET

Jin
R. L. ROGERS

MAR 26 1952

March 25, 1952.

FORMOSA

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The Island of Formosa was ceded to Japan by China in 1895.

2. The Cairo Declaration by the representatives of the United States, the United Kingdom and China in 1943 promised the restoration of Formosa to China. This promise was confirmed in the Potsdam Declaration by the United States, the United Kingdom and China, subsequently adhered to by the Union of Soviet Socialist Republics in 1945. The Japanese instrument of surrender also signed in 1945 was based on the Potsdam Declaration and provided that the terms of the Proclamation should be carried out.

3. On October 24, 1945, as a result of an order issued on the basis of consultation and agreement between the Allied Powers concerned, the Japanese forces in Formosa surrendered to Chiang Kai-Shek. Thereupon with the consent of the Allied Powers administration of Formosa was undertaken by the Government of the Republic of China.

4. De facto administration of Formosa by the Chinese Nationalist Government has been acquiesced in by the Canadian Government through the acceptance of a Note from the Nationalist Government in 1946 stating that Formosa was restored to Chinese sovereignty and that Formosans had regained their Chinese citizenship; through agreement that the commercial modus vivendi with China should cover Formosa; and through various administrative actions.

5. In an Aide Memoire dated April 12, 1951, which was handed to the British Ambassador in Washington by Mr. Dulles, the following is stated:

" As regards Formosa it is noted that the declaration of Cairo provided, not for the cession of Formosa "to China", but that "Manchuria, Formosa, and the Pescadores, shall be restored to the Republic of China". In view of present differences of opinion as to what now constitutes the "Republic of China" and as to the bearing upon the Cairo Declaration of intervening events, it is the view of the Government of the United States that Japan, by the peace treaty, should renounce all rights, titles and claims to Formosa and the Pescadores, but that Japan should not itself be brought into the highly controversial question of what now is or should be the status of Formosa and the Pescadores, nor should the treaty be looked upon as the vehicle for the solution of this question."

On May 11, 1951, in a statement made to the House of Commons with regard to Formosa, Mr. Morrison said:

" The question of Formosa will however come up in the context of the Japanese Peace Treaty. Our aim here is to secure an early peace treaty without allowing the difficult issue of Formosa to delay its negotiation and without attempting in the treaty to find a final solution to an issue which must be given careful consideration later in the general context of the Far Eastern situation."

6. It is in line with these views that the Treaty states that Japan renounces all right, title and claim to Formosa, but is otherwise silent as to its disposition.

7. The following is an extract from a reply which the Foreign Office gave to a request for information as to the interpretation which they would put upon Article 2 of the Japanese Peace Treaty:

"With regard to Formosa, the Pescadores and South Sakhalin.....Japan renounces sovereignty over these territories. But the sovereignty over them is not vested so far as the Treaty is concerned in any other power. However that sovereignty is capable of becoming so vested by some other means than the Treaty. These territories are in fact already effectively controlled by certain other powers, and if this goes on, as is to be expected, they would in any event be able in due course to assert a good title by reason of such occupation. Indeed Japan, having once renounced sovereignty, there would in theory appear to be no reason why these states should not proclaim their own sovereignty over the territories in question by annexation or by virtue of effective occupation. Whether they will do so in express terms or not, hardly seems to be very material".

8. The Treaty therefore settles that Japan is deprived of Formosa. It appears to be also clear that the State of China acquires Formosa. The right of China to Formosa could not be denied by those powers which signed the Potsdam Declaration, whether or not they have signed the Japanese Peace Treaty. In addition a Chinese Government has been in effective occupation of Formosa since 1945.

9. Governments which recognize the Nationalist Government of China could not in the light of the foregoing deny the right of that Government to control Formosa or claim to evict that Government by force. On the other hand, as a rival government of China which is recognized by a number of states is in existence the question as to the final disposition of Formosa cannot be said to be determined.

10 The future of Formosa may perhaps at some stage be considered by the United Nations if the competing claims of the Nationalist Government and the Communist Government were brought before it. A question might also arise if the Russian Government claimed the right to intervene in the disposition of Formosa as a country at war with Japan which has not signed the Peace Treaty.

11. Under Article 107 of the Charter it is provided:

"Nothing in the present charter shall invalidate or preclude action in relation to any state which during the Second World War has been an enemy of any signatory to the present charter taken or authorized as a result of that war by the governments having responsibility for such action".

12. In connection with the consideration of the Korean question by the General Assembly at its Second Session it was argued by the Soviet delegation that consideration was barred by Article 107 which was designed to leave to the victors of the war the determination of the terms of peace and the taking of necessary control measures to implement the peace. The position taken by the General Assembly was that Article 107 was permissive and did not bar General Assembly action.

515 Oak Avenue,
St. Lambert, Que.,
March 22, 1952.

Hon. Lester B. Pearson,
Minister of External Affairs,
House of Commons,
Ottawa, Ont.

Dear Sir:

I wish to make a few comments on the recent debate, in regard to the question of Formosa. Having lived in Korea for about fifteen years, when that country and Formosa were both part of the Japanese Empire, I am somewhat familiar with Pacific affairs, and I may say that I have had dealings with your Department in recent years on various matters and have some acquaintance with a few of your personnel.

The present status of Formosa is that she is to be handed back to China when the time is judged expedient; and the matter of her return was decided at Cairo, as I recall, some years ago during World War II. The reason that Formosa was to revert to China is that the bulk of her population is of Chinese origin, and it was assumed that that was the proper place for her to go.

However, it should be remembered that Formosa became part of the Japanese Empire in 1895, or shortly thereafter, and consequently the present generation of Formosans was brought up under Japanese tutelage, and has had the advantage, such as it was, of living under the conditions of the pax Japonica for nearly half a century.

For the past few years Formosa has been the haven of the Chinese Nationalists, and that may have influenced the people there to become part of the Chinese community holding the Nationalist view of China. I think that it was fortunate that Formosa had not been handed over to China, for she has been a refuge for the Nationalist element, and has been spared the years of turmoil that the Chinese mainland has experienced, and has had the advantage of some United Nations' supervision in the interim.

But the basic thing I have in mind is that there is no provision, when the time comes to dispose of Formosa, for the wishes of the people of Formosa to be ascertained as to whether her future is to be that of a Province of China, or whether Formosa wishes to be an independent republic. Half a century is enough to wean a people to another state of mind -- and Formosa could well decide whether she can go it alone or be part of the turmoil of mainland China.

Having lived in Korea, and knowing that Korea was made part of the Japanese Empire without her consent being asked, I would hate to see Formosa in a similar fix. In fact, it is rather a survival of the old imperialism for the United Nations to hand Formosa over to China, like a roast of meat over the counter, without ascertaining the desires of the people most concerned. I raise this question for your consideration in due course.

Very sincerely,

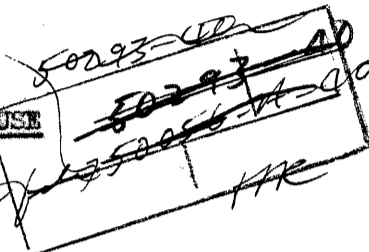
H. Owens HERBERT T. OWENS.

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MINISTER'S STATEMENT ON FORMOSA IN THE HOUSE

ON MARCH 21, 1952.

"It was suggested by the leader of the opposition that in those words I gave the impression that we were now engaged in the defence of Formosa, something which he said he was unaware of. In reply to that, Mr. Speaker, I would only say that the United States government has stated more than once that, arising out of United Nations operations in Korea and for the safety and success of those operations, the United States navy will prevent Chinese communists from attacking Formosa. There is nothing new in our association with that policy, because we have accepted it. I have said previously in the house, and no exception was taken to it, that we should neutralize Formosa while the fighting was going on in Korea.

"The fourth point which is supposed to embody new policy is in the following words:

' . . . we should make it clear, '-

"I said in New York.

'--that we do not intend to use our own forces to restore to China the regime which is now in Formosa after being driven off the mainland.

"According to the leader of the opposition, that means that if aggression should stop in Korea, then this policy of keeping the Chinese communists by force off Formosa would change. In fact, I said exactly the same thing on May 7, 1951, in this house when I made quite a long statement on Formosa, and during which I included these words, as reported at page 2756 of Hansard:

'I believe that this island should be neutralized while fighting is going on in Korea.'

"I then went on to say this:

'It does not follow, however, that if and when the Korean conflict can be ended satisfactorily, we should refuse to discuss the future of Formosa within the context of international agreements that have already been reached concerning it, and indeed

within the context of the United Nations charter.'

"There was therefore certainly nothing new in that part of the statement I made in New York. Indeed, there was nothing new in that statement at all in so far as Canadian foreign policy is concerned.

"We think it to be wiser to hold open the question as to what will be the best solution for Formosa when the aggression ends in Korea. In that respect we subscribe to the principle laid down by the United States Secretary of State before a congressional committee on June 1, 1951, when Mr. Acheson said:

'The president has stated that we are not prejudicing the future of Formosa. That is a matter which should be decided, he said, either in connection with the Japanese peace treaty---'

"Where, incidentally, it was not decided.

'---or by the United Nations, and the view which has been taken more recently is that the United Nations is the appropriate place where it should ultimately be decided.'"

Far Eastern Division/H.H.Carter/M.D.

MINISTER'S STATEMENT ON FORMOSA IN THE HOUSE

ON May 14, 1951.

"The policy of the Government of Canada in regard to these matters has been made clear more than once in this House, outside this House and at the United Nations. . . .I would repeat. . .because I think it describes in a nutshell our policies in regard to these matters - the last paragraph of the statement of principles adopted by fifty-two members of the United Nations, including the United States of America. It deals with the Far East problem in general, Formosa and recognition in particular. We are bound by this paragraph because we accepted this statement of principles. The last paragraph read as follows:

'As soon as agreement has been reached on a cease-fire, the General Assembly -

That is, the General Assembly of the United Nations

---shall set up an appropriate body which shall include representatives of the Governments of the United Kingdom, the United States of America, the Union of Soviet Socialist Republics, and the People's Republic of China, with a view to the achievement of a settlement, in conformity with existing international obligations and the provisions of the United Nations Charter, of Far Eastern problems, including among others those of Formosa (Taiwan) and of representation of China in the United Nations' ".

Far Eastern Division/H.H. Carter/M.D.

MINISTER'S STATEMENT ON FORMOSA IN THE HOUSE

ON May 7, 1951.

"May I now say just a word in conclusion. . . about our views. . . on the situation in Formosa. I believe that this island should be neutralized while fighting is going on in Korea. I have expressed that view previously. Certainly the United States of America cannot be expected to permit the Peking government to take over Formosa while that government is defying, and fighting against, the United Nations. It does not follow, however, that if and when the Korean conflict can be ended satisfactorily, we should refuse to discuss the future of Formosa within the context of international agreements that have already been reached concerning it, and indeed within the context of the United Nations Charter. Any other course would, I think, result in implacable hostility between the United Nations and whatever government was in control of China at the time the war ended.

"Until that war ends, however, and China abandons her attack against the United Nations in Korea, there can be, I think, no question of even discussing whether Formosa should be handed over to the Peking regime; at least that is our view. The same, I think, applies to recognition of that regime in Peking. There can be no question even of considering it while the Chinese defy the United Nations in Korea and fight against our forces there.

"Nor do we think it realistic or right, while communist China is fighting in Korea, to include the Peking government in the current discussions of a Japanese peace treaty. In this regard, as in the case of the disposition of Formosa, the decision as to who shall talk and sign for China might well, I think - and even any discussion of this matter - be postponed until the Korean war is ended".

MINISTER'S STATEMENT ON FORMOSA IN THE HOUSE

ON AUGUST 31, 1950.

"We understand the reasons for the action of the President of the United States - who has acted so boldly and wisely, if I may say so, throughout this Korean crisis - in ordering the United States fleet to prevent any attack on Formosa, and in calling upon the Chinese Nationalist Government in Formosa to cease all air and sea operations against the mainland. This action seemed to us designed simply to prevent the extension of the conflict in Korea. It was a strategic defensive decision and had, as we understood it, no political implications. We have, however, been disturbed, as I have no doubt others have been disturbed, by reports of preventive military measures taken by the Nationalist Government of China against communist concentrations along the mainland coast, as well as by statements reported to have been made by Generalissimo Chiang Kai-shek concerning United States-Chinese 'military co-operation'. We have also been disturbed by statements that seem in our minds to confuse the defence of Korea, which has been assumed by the United Nations, with the defence of Formosa, which has not; statements that have even implied - somewhat mistakenly I think - that those who wish to draw at this time a distinction between the two operations are defeatists and appeasers. So far as this government is concerned, we are concerned solely with carrying out our United Nations obligations in Korea or elsewhere. These obligations do not, as I understand them at the present time, include anything that can be interpreted as the restoration of the Nationalist Chinese Government to the mainland of China; or an intervention in Formosa."

A. J. P. / NAW
March 18, 1952.

Original to the Minutes

50056-A-40	
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The Disposition of Formosa

Mr. Rogers
to see file

When he appeared on June 1, 1951, before a Congressional Committee that investigated the dismissal of General MacArthur, Mr. Dean Acheson outlined the United States policy on Formosa in these words:

"The President has stated that we are not prejudicing the future of Formosa. That is a matter which should be decided, he said, either in connection with the Japanese peace treaty or by the United Nations, and the view which has been taken more recently is that the United Nations is the appropriate place where it should ultimately be decided."

File
ROGERS
MAR 20 1952

Later on, after questioning on the subject of Formosa, he also said:

"There may be a whole lot of situations which nobody has contemplated and will not arise in which you cannot use the expression "the United States will not permit it".

Mr. Pearson
asked that these
facts be extracted
1952

ORIGINAL

MESSAGE FORM

INCOMING

File
R. L. ROGERS
 MAR 18 1952

File No.		
50056-A-40		
27	27	

Security Classification
UNCLASSIFIED

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Mr. Rogers
 MAR 18 1952

FROM: THE CANADIAN AMBASSADOR TO THE UNITED STATES
 TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

System EN CLAIR	No. WA-739	Date: March 18, 1952
Priority IMPORTANT	Reference: Your EX-581 of March 17th.	
Departmental Circulation MINISTER UNDR/SEC D/UNDR/SEC A/UNDR SEC'S.	Subject: Formosa.	
Done _____ Date _____	<p>1. Mr. Acheson's testimony at the MacArthur hearings is the most recent detailed public examination of United States policy with regard to Formosa. According to the China Office of the State Department the latest authoritative public statement on policy towards Formosa appears to be that made by Mr. Dean Rusk, at the time Assistant Secretary of State for Far Eastern Affairs, in the course of his address on "Current Problems of Far Eastern Policy" to the Seattle World Affairs Council on Tuesday, November 6th (see our letter No. 3229 of November 8, 1951).</p> <p>2. Mr. Rusk said "As we turn to Formosa and the problem of China, we observe that there is a wide range of agreement that the Island of Formosa should not be allowed to fall into hostile hands for exploitation against the peace of the Pacific, that we should continue to recognize the National Government of China and support its claim to the Chinese seat in the United Nations, that we should afford military and economic assistance to Formosa to enable it to strengthen its own defenses and to provide a more adequate economic basis for the military and economic requirements of the Island, and that we should encourage measures on the Island which will make our assistance as effective as possible. As a practical result of these policies, the Island has not been attacked, there has been some economic improvement despite the enormous burdens which fall upon the resources of the Island, the National Government continues to be recognized by a great majority of the governments of the world, and, after more than 85 votes taken in more than 45 international organizations, the National Government continues to occupy the Chinese seat in all of them".</p>	
References		
Date _____		

A&FE/RLRogers/cc
50056-A-40

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File
R. L. ROGERS
MAR 20 1952

March 18, 1952.

seen by the minister
the minister

MEMORANDUM TO MR. PISK

United States Position on Formosa

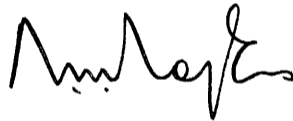
Yesterday you asked for the latest public statement of the United States position on the future of Formosa. We have checked with the Embassy in Washington who have confirmed that Mr. Acheson's testimony at the MacArthur hearings is the most recent detailed public examination of this phase of United States policy. In case you would like to refresh your memory, I enclose a copy of a memorandum of June 25, 1951 which analyses Mr. Acheson's testimony. The portion on Formosa is in paragraphs 6. to 12. on pages 3 to 6. — *I have marked passages on pp. 4, 5, 6*

According to the Chinese office of the State Department, the latest authoritative public statement on policy towards Formosa appears to be that made by Mr. Dean Rusk, at that time Assistant Secretary of State for Far Eastern Affairs, in the course of his address on "Current Problems of Far Eastern Policy" at the Seattle World Affairs Council on November 6, 1951. At that time, Mr. Rusk said:

"As we turn to Formosa and the problem of China, we observe that there is a wide range of agreement that the island of Formosa should not be allowed to fall into hostile hands for exploitation against the peace of the Pacific, that we should continue to recognize the National Government of China and support its claim to the Chinese seat in the United Nations, that we should afford military and economic

This does not help you - on eventual political settlement of the future of Formosa
CSGP

assistance to Formosa to enable it to strengthen its own defenses and to provide a more adequate economic basis for the military and economic requirements of the island, and that we should encourage measures on the island which will make our assistance as effective as possible. As a practical result of these policies, the island has not been attacked, there has been some economic improvement despite the enormous burdens which fall upon the resources of the island, the National Government continues to be recognized by a great majority of the governments of the world, and, after more than 85 votes taken in more than 45 international organizations, the National Government continues to occupy the Chinese seat in all of them."



American and Far Eastern Division.

AN ANALYSIS OF THE EXAMINATION OF
MR. DEAN ACHESON BY THE COMMITTEES ON THE
ARMED SERVICES AND FOREIGN RELATIONS

I. Representation of China in the United Nations

1. On June 1st Mr. Acheson described the action taken by the United States until that time to prevent the seating of representatives of the Central People's Government in organs of the United Nations. He stated:

There are forty-six organizations of the United Nations and its affiliated special agencies to which the Chinese might be admitted if that action was taken by these bodies. The question has come up seventy-seven times in these various forty-six bodies. The vote has been against the admission seventy-six out of seventy-seven.

In the case of the Universal Postal Union in the year 1950, the Chinese Communists, the United States dissenting, were seated for the purpose of that meeting, but that vote was reversed in the meeting in the year 1951.

2. At the same time Mr. Acheson said:

The attitude of the government ... was expressed by General Marshall that we cannot allow governments that want to get into the United Nations to shoot their way in.

Asked how he squared this position with United States support for the fifth principle of January 11, 1951, which said that "as soon as an agreement has been reached on a cease-fire, the General Assembly shall set up an appropriate body ... with a view to the achievement of a settlement ... of Far Eastern problems, including, among others, those of Formosa (Taiwan) and of representation of China in the United Nations", Mr. Acheson said:

We take the position that these questions are not a part of the settlement of the Korean difficulty. We cannot prevent other people from talking about them. If they do, we will state our point of view, which we have stated many times very strongly.

If, as and when the war in Korea is stopped and the defiance of the U.N. is stopped, then these two questions can be discussed in U.N. channels. We will continue to take our point of view and put it forward as persuasively and strongly as we can. Others may take other points of view, but it is a matter which can be discussed. It can't be discussed as long as you fight.

3. The question was raised on June 5, whether it would not be possible to prevent the seating of representatives of the Central People's Government through a legalistic argument based on the language of

the Charter of the United Nations, which says that "the Republic of China" is a permanent member of the United Nations. The argument was that the "Republic of China" is not the same as the "People's Republic of China". Mr. Acheson said that this argument "could be made" but went on to state what might be termed his middle position on Chinese representation in the United Nations. He said:

... There are forty-six organs of the United Nations. The important attitude which can be taken here is one of leadership, and in taking that attitude it is necessary to convince other nations and have other nations feel that they wish to act with the United States in taking the view that the Communists cannot shoot their way into the U.N.

If you can present that great major thought powerfully to your associates in the U.N. then you can get them to vote with you on preventing this thing from happening, and you have to have them feel that way and believe that way to make this whole effort successful on account of the fact that there are forty-five organizations in the U.N., where one power doesn't have the decisive voice.

Therefore, it would accomplish very little if, through lack of persuasive leadership, the Chinese Communists were in forty-five parts of the U.N. and were not in one part.

When it comes to that one part, the same arguments prevail to prevent the action of letting the Chinese Communists in. In other words, they do not get in unless there is a majority of seven out of the eleven that want them in.

The way to prevent that happening is to do what I have suggested and to present the great broad reasons why this should not be done.

That has happened and it has been successful and it will be successful in my judgment. The only time when this question of the significance of our vote - because we shall vote against this in all of these organizations - any time when the significance of our vote in the Security Council would arise would be if we were in the minority of four or less.

We don't expect to be in the minority. We expect to be in the majority, and I think we can stay there as long as we give this good strong leadership to it.

4. Mr. Acheson then went on to explain the effect of a negative vote in the forty-sixth organ, the Security Council, as follows:

If we are in a minority, then the point arises as to what to do about that situation. I should think before that arose, and if one believed that that situation was going to arise, the thing to do would be to ask the World Court to determine what the significance of the vote of a permanent member on this matter is.

If the World Court would decide that that is a veto, then that settles the matter in the Security Council, you have to get some decision of that sort because if you are in a minority of four or less on the main question, you will be in a minority of four or less on the subsidiary question of whether ... an adverse vote is or isn't a veto.

The Senators were much more taken by the possibility of legal action than they were by the possibility of winning their point by influence and they pressed Mr. Acheson to clarify his position with the result that the emphasis has been shifted almost entirely from keeping the Central People's Government out of the United Nations as a whole by influence on to keeping them out of the Security Council by attempting to veto their entry. On June 6th, he was led again to emphasize the point that it might be advisable to ask the opinion of the World Court before the negative vote was cast to see if it would constitute a veto. Two days later, on the 8th, he was asked whether the Soviet Union would respect a decision of the World Court if the decision was that a veto had been cast, and he replied that it would have to, because the other nations in the United Nations would respect the ruling.

5. On the question of Chinese representation in the United Nations it would be fair to say that Mr. Acheson has lost his ability to manoeuvre. He has been required to give a categorical assurance that the United States will vote against the seating of the Central People's Government in any of the agencies of the United Nations, that it will attempt to influence other people also to vote against it and that it will vote against the Central People's Government in the Security Council even if that action constitutes a veto.

II. Disposition of Formosa

6. On the first day of his testimony, Mr. Acheson outlined the four elements which had made up United States policy toward Formosa from October, 1948, to June 25, 1950, as follows:

... First of all ... Formosa had strategic importance so far as the United States was concerned.

The second point was that that strategic importance related to keeping Formosa out of the hands of a power which would be hostile to the United States, and did not concern occupying or using Formosa by the United States.

The third element of the policy ... was that in the existing condition, and strength of the armed forces of the United States, it was not possible to commit or promise to commit any ... armed forces of the United States, to the defense of Formosa.

The next element of the policy was that the State Department should, to the best of its ability, by diplomatic means, try to keep Formosa from falling into hands which would be hostile to us.

Present policy he outlined as:

N.B.

The President has stated that we are not prejudicing the future of Formosa. That is a matter which should be decided, he said, either in connection with the Japanese peace treaty or by the United Nations, and the view which has been taken more recently is that the United Nations is the appropriate place where it should ultimately be decided.

He admitted that this was a departure from the Cairo Declaration when he said:

... The statement which was made at Cairo was that Formosa should be returned to the Republic of China. That now creates some problems, and the President said that the future of the island should be considered in the United Nations.

7. Mr. Acheson at first said that the United States was determined to prevent forcible transfer of Formosa to Communist control and that United States forces would be used to counter any attacks on the island, but he was unwilling to say whether ground forces would be used in addition to the Seventh Fleet:

Q.--You consider it a military question as to how much further we go beyond the use of the Seventh Fleet in connection with preventing Formosa from falling by force into the Chinese Communists' hands?

A.--Yes, sir.

8. Mr. Acheson's emphasis on preventing forceful attempts by the Chinese Communists to seize the island was considered by some members of the Committee to indicate that he would be willing to allow the island to be transferred to Communist control through negotiations. After

extensive questioning, he was led to make the following comprehensive statement of current United States policy:

What we have decided in the Government is made public and is well known, that the armed forces of the United States are standing by to prevent any attack on the island, to prevent the fall of the island so far as these forces can do so.

It has been made clear that we think the island in the hands of a power hostile to the United States is something to be prevented so far as we can prevent that. Force is one way to prevent it if the island is attacked. Diplomatic and other arrangements are ways that you prevent it if force is not used.

There may be a whole lot of situations which nobody has contemplated and will not arise in which you cannot use the expression "the United States will not permit it".

9. As in the case of representation of China in the United Nations, Mr. Acheson was asked how he squared the position he had taken on Formosa with United States support for the fifth principle of January 11, 1951 and he covered it in the same reply (cf. paragraph 2).

10. The following exchange took place between Senator Knowland and Mr. Acheson on June 7 on the question of some sort of United Nations trusteeship for Formosa:

Q.--Would the Government of the United States oppose the setting up of a trusteeship that was proposed over the opposition of the Republic of China on Formosa?

A.--Well, that couldn't be set up. If you have an army on Formosa which is going to oppose the setting up of a trusteeship, then it would not be set up unless somebody goes in there with force to set it up and it would not be our purpose to go in and fight the people of Formosa in order to set up a trusteeship.

11. Mr. Acheson also made plain near the end of the hearing that the United States would insist on the consent of the Nationalist Government being obtained to any disposition of Formosa:

Q.--And is it subject to disposition if the contracting powers saw fit to do so in the Japanese peace treaty?

A.--It would not be subject to disposition without the agreement of the Chinese government which controls it.

12. As in the case of Chinese representation in the United Nations, Mr. Acheson has surrendered most if not all of his freedom to manoeuvre. He has been obliged to give a categorical assurance that the United States

will oppose the transfer of Formosa to Communist hands by force or by negotiation, to oppose trusteeship without the consent of the Nationalist Government and to oppose any disposition of the island "without the agreement of the Chinese government which controls it". Unless this last expression is intended to provide a way out in case the Communists have succeeded in gaining control of the island by force, Mr. Acheson must have intended to give the Nationalist government a veto on any negotiations for the disposal of the island. How this position will be made to agree with the policy of having the future of the island decided by the United Nations (which could reasonably vote either for a trusteeship or for turning the island over to the Central People's Government as part of some general pacification) is not clear.

III. Recognition of the Central People's Government

13. Mr. Acheson stated categorically that the United States government does not favour recognition of the Central People's Government:

... We are not recognizing the Communist authority in China. We are not contemplating doing it. We are opposed to it.

Under questioning, he stated that he did not think negotiations leading to a cease-fire or encompassing a larger settlement would either constitute or lead to recognition of the Central People's Government:

... When you talk about recognizing a government, that means that a government accepts an authority some way in another country as the official government of that country with whom it will conduct diplomatic relations.

When you are talking about dealing with this authority in China for the purpose of bringing the war in Korea to an end, what you are really saying is that we know that those authorities exist and we will deal with them for the purpose of bringing about a conclusion in which we are very much interested. Now those are wholly different things.

Q.--Indeed, but we propose to go further and deal on a basis of future continuing and forcible settlements, and that would require the strength and power of a recognized government entity in my judgment, and ... leaving out the technicalities of recognition, that would in fact be a recognition of the Red Government of China, which would force us into a most difficult position if our policy is to be followed as we understand it to be now.

A.--I don't agree with that, sir.

He reiterated his stand a few minutes later under questioning by Senator Kefauver:

Q.--And it is not contemplated that any cease-fire or any agreement reached would tend to involve the matter of recognition of the Peking regime, is that the way I understand your testimony, Mr. Secretary?

A.--That is correct.

14. This questioning touched upon the problem of how, if the United States did not intend to recognize the Central People's Government it could hope to get along with it, but on the only other occasion when this problem came close to exploration both sides quickly skated away from it again. The following exchange took place between Senator Wiley and Mr. Acheson on June 4th:

Q.--If the present Chinese Communist regime is secure, how does the State Department propose to deal with it?

A.--I am not quite sure that I understand your question. Do you mean do we propose to deal with them or don't we propose?

Q.--You said they are secure, and I presume if they are and there is not much hope at the moment of upsetting them, what is our program so far as they are concerned? How are we going to --

A.--Well, our attitude toward it is that this is an authority on the mainland of China which we did not recognize as the legal government of China.

You asked me whether, from a physical point of view, there is any force there which looks as though it were threatening it.

There is not, as I see it. So far as the Korean situation is concerned, I expressed, on Friday or Saturday, the nature of any dealing which would take place between the United Nations or the United States, or both, and those forces for the purposes of bringing this war in Korea to an end.

Having created this dilemma, the only indication Mr. Acheson gave as to the way in which the United States Government might hope to escape was in the following further exchange with Senator Wiley on June 8:

... I have no information having to do with the growth of Titoism in China. Now, are you asking me about my background knowledge of the Chinese people?

Q.--Any information you have as to whether or not there are possibilities, that Mao might pull something, à la Tito?

A.--I have no information on that subject whatever, sir.

So far as the Chinese people are concerned, I think we know that throughout their history they have been very hostile to foreign domination, and that they are a very nationalistic, and, to a considerable extent, an individualist people.

15. On the question of United States recognition of the Central People's Government, again the State Department has lost its freedom of manoeuvre. The Committee has successfully pinned Mr. Acheson down to a promise not to contemplate recognizing the Central People's Government even though there is no hope that any alternative government may be established on the mainland within the foreseeable future.

IV. United States Aims in Korea

16. Mr. Acheson stated the aims of the United Nations, and by implication of the United States, in Korea as follows:

... The military objectives of the United Nations forces in Korea are to repel the armed attack which took place against the Republic of Korea and to restore peace and security in the area. That is what they are trying to do with military force.

Q.--Could I ask you right there - when you say "the area," that is the trouble. Do you mean the area below the Thirty-eighth Parallel which is the South Korean part of it, or the entire Korean area?

A.--If you are going to restore peace and security, you have got to restore it in the area. You have not restored peace and security if there are people on the other side coming over and fighting you. You have to try and stop that condition of fighting and war that is going on.

Now, the long-term political objective of the United Nations in Korea has been to establish a free, independent, and democratic Korea.

That they have been trying to do since 1948. The United States has been in favour of that result since 1945. The forces were not put into Korea to do that when they went in in June.

17. This led fairly easily into the matter of stopping the war at the Thirty-eighth Parallel:

Q.--Well, does that suggest the possibility of a cease-fire at or near the Thirtieth-eighth Parallel?

A.--If you could have a real settlement, that would accomplish the military purposes in Korea. That is if the aggression would end and you had reliable assurances that it would not be resumed, then you could return to a peacetime status, and we would hope gradually to remove the troops from Korea, both Chinese troops and United Nations troops. It would take some little time to do that because it is a very disturbed condition now, but that would be the objective.

Q.--How would you visualize the prevention of the same thing happening over again that happened when the North Koreans attacked the South Koreans, if we stop somewhere in the neighbourhood of where we are again?

A.--You would have to make the best arrangements that could be made, and I think that if, as a result of this fighting in Korea, it was determined that the Chinese could not succeed in this, then the desire to start this up again probably wouldn't recur.

If it did, of course, the most serious consequences would ensue for everybody including China. Therefore, if you once get the conviction on the part of the Chinese that they cannot, they just haven't got the strength to do what they want from the military point of view, I think that you have a real possibility of working out a stable situation.

18. Mr. Asheson added the following at the end of a definition of United States aims in Korea similar to the foregoing:

Neither ~~the~~ Administration nor its critics will purchase a settlement by allowing the aggressors to profit by their wrong. Neither believes that the destruction or unconditional surrender of the aggressor is necessary to attain the goal.

He also said that he was against enlarging the war:

It is enough to say that it is the judgment of the President's military advisers that the proposed enlargement of our military action would not exercise a prompt and decisive effect in bringing the hostilities to an end. To this judgment there must be added a recognition of the grave risks and other disadvantages of this alternative course.

Against the dubious advantages of spreading the war in an initially

limited manner to the mainland of China, there must be measured the risk of a general war with China, the risk of Soviet intervention, and of World War III, as well as the probable effects upon the solidarity of the free world coalition.

19. After he had defined United States aims in the foregoing terms, Mr. Acheson was challenged on the effects of a stalemate in the neighbourhood of the Thirty-eighth Parallel. He declined to describe the situation he envisaged as a stalemate and went on to say:

... The word "stalemate," I think, is an unpleasant word. What I am talking about I would rather characterize in a different way.

What I am talking about is the defeat of the Chinese effort, and when the Chinese know that they are defeated and have suffered as they have suffered in the last two attacks, then I think their purpose changes and as their purpose changes, you get a possibility of a settlement.

He also thought that the casualties being suffered in Korea would be justified by such a policy:

... If you accomplish what you started out to do, I don't think that is synonymous with saying you stopped where you began.

We started out to do two things. One is repel the armed attack and the other is to restore peace and security in the area.

Now, if we do these two things, we have done what we started out to do, and I should think that is success.

20. Mr. Acheson conceded that a negotiated settlement in Korea would probably require that United Nations troops be left there for some time:

Q.--And isn't it true, too, that if we were to have some kind of peace or some kind of armistice with the Reds in Korea, that it would necessitate, in view of our knowledge of Red tactics and the way they have acted in the past, it would necessitate a large standing force of the United Nations to remain in Southern Korea in order to stabilize it, would it not?

A.--It would require troops there for some time, but if the result of the fighting was really to bring a conviction on the other side that they could not

achieve the purpose of driving the U.N. into the sea, then you might have a really stabilized settlement, so that all foreign troops could be withdrawn after a time.

21. On this topic Mr. Acheson held his ground quite well. He is still free to attempt to achieve a settlement on the basis of the status quo ante bellum; he has established his continued opposition to an extension of the war, and he has dealt with the argument that he is banking on a stalemate.

V. Additional Measures in Korea

22. Mr. Acheson several times indicated that he was not satisfied with the economic measures which have been taken against China so far. Typical of his statements on this subject is the following:

By the resolution of the 18th, the United Nations has established economic controls which do not amount to a complete cessation of all trade. They go a very considerable distance, and we are very glad that they have taken that step. We will continue to extend the area of the restrictions.

23. He made it plain in dealing with suggestions that a naval blockade of China would be appropriate, that economic measures were those on which the United States is at the present time principally relying:

... We have not taken up in the United Nations the imposition of a naval blockade. It has been the view of all elements in our government that the first effort we should make was in connection with the economic blockade. We have made those efforts, and I think have had considerable success.

I think it is clear that we cannot get nations to go further in regard to a naval blockade than they are willing to go on an economic blockade, since it is a more drastic sanction.

We have always felt that if we can get a very effective economic blockade, a naval blockade becomes much less important.

Again the next day Mr. Acheson said:

Therefore, it seems almost self-evident that they would not impose a naval blockade. I think it is the unanimous agreement of the military authorities and ourselves that the wise and most profitable course to pursue is to strengthen the economic restrictions rather than attempt to get something which could not be done.

Mr. Acheson maintained his position on this point again on June 5:

As I said, a naval blockade at this time has not been recommended by the Joint Chiefs of Staff. We are not pushing it in the United Nations because we believe we are much more likely to get our results by increasing the economic restrictions rather than asking nations to go further in a military way than they are prepared to go in the economic way.

24. Mr. Acheson was also obliged to deal with the suggestion of a unilateral naval blockade by the United States and did so as follows in an exchange with Senator Johnson:

Q.--In your opinion, what would be the effect upon our Allies in the United Nations if we should unilaterally conclude to go it alone and put in a naval blockade on the Chinese coast?

A.--I think it would be very bad, sir.

Q.--Would you care to elaborate on that?

A.--Well, what it would amount to, as I think Admiral Sherman pointed out, is that the United States then would be undertaking itself to stop ships of its Allies and of all other people without any agreement at all that this was a wise course, and in fact, with the belief on their part that it was an unwise course. I am afraid that would create very great friction indeed.

25. Mr. Acheson gave his main reasons for opposition to bombing Manchuria as follows:

The reasons that we are opposed to the bombing of Manchuria, in accordance with recommendations which have been made to this Committee by others, is that to do so would, we believe, increase - and materially increase - the risk of general war in the Far East and general war throughout the world.

Now that is the first basic reason. The whole effort of our policy is to prevent war and not have it occur. We think that this risk is not at all balanced by any gain from this operation.

Now, so far as our Allies are concerned, they believe this just as much as we believe it, and their immediate danger is much greater than ours, because if general war broke out, they would be in a most exposed and dangerous position.

Therefore, we believe also that their views, which are our views, and which are strongly held, are most important in this matter.

I think they are quite willing, if war is forced upon all of us, despite the very best efforts of all of us to prevent it, to take all the suffering that that brings on them. But they don't want that terrible catastrophe to fall on them unnecessarily or by reason of some provocation on our part. It is for that reason that we believe this is so unwise.

Questioning by Senator Morse brought out the following additional reason:

Q.--Is it, therefore, fair to say that another reason for our government being opposed to MacArthur's recommendation for the extension of the war on the mainland of China was the great danger that his program would involve bombing of the Manchurian railroad, which would greatly increase the risk of Russia coming into war at that point?

A.--Yes, sir.

26. Mr. Acheson summarised his position again on June 5 in the following terms:

I think I can sum it up by saying that I regret that I cannot agree with you that to undertake air activity against Manchuria would not produce the gravest risk of extension of this war throughout the Far East and very possibly throughout the world. A catastrophe of that sort would be so terrible for our own country and for all those associated with us that we cannot undertake that very grave risk.

27. Further minor problems in connection with additional measures in Korea were also dealt with. Asked why the State Department had supported the decision that Chinese Nationalist troops should not be used in Korea, Mr. Acheson explained his position as follows:

We are committed to see that that island Formosa does not fall into hostile hands and to use military force to bring about that result. We cannot therefore believe that it is wise in any way to weaken or diminish the forces on Formosa. It is not altogether an easy operation to assure that Formosa will not fall merely by the use of the fleet. It is altogether possible that despite the efforts of the fleet landings can be made. Those might have very serious results on Formosa.

To remove troops to fight in Korea would mean removing the best troops and the best-armed troops, otherwise they

would be no good in Korea, and we think it would be a very disadvantageous thing for the United States to do.

The second reason that we objected to it is that it raises very serious complications with other nations who are fighting in Korea and who do not recognize the Nationalist Government and believe that that would increase the opposition to them of the Chinese Communists.

Mr. Acheson also made it plain that the United States government does not intend to use Japanese troops in Korea.

28, Mr. Acheson, in the last half hour of his testimony on June 9th, was questioned as to why the United States had not declared war in Korea. This exchange between Senator Cain and Mr. Acheson brought out the anomaly of not recognizing the Central People's Government:

Q.--Permit me to ask you this, Mr. Secretary. ... If we were fighting the Red Chinese and the North Koreans by ourselves in Korea, is it not logical to assume that America would months ago have declared war against our enemies?

A.--I do not think so. You immediately have a problem that you are in a state of peace with the Government of China. You wouldn't doubt that, would you?

We are in a state of profound peace with the Government of China, and therefore it would be somewhat anomalous to declare war against China.

Q.--You mean we are in a state of peace with the Chinese Nationalist Government?

A.--That is what we recognize as the Government of China.

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A.--We are not going to declare war against China because the Government of China which we recognize is not at war with us and, as you say, is our ally; therefore, this form that you are talking about of declaring war presents far more problems than it would solve.

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Q.--One of your reasons for opposing a declaration of war by the Congress is that we have, interestingly enough, no legal government to declare it against.

A.--No, and you just asked me what possible good can come out of this, and I have said as many times as I possibly can that I can see no good that may come out of it, and a great many complications.

29. On the question of additional measures, Mr. Acheson again held his ground quite well. He stated the United States' principal reliance on economic measures and rejected, for the present at least, a naval blockade of China and bombing of Manchuria. It is true that in rejecting these two measures he tended to rely heavily upon the unwillingness of the allies of the United States but it is only fair to say that in the matter of bombing Manchuria he stated the Administration's agreement with the fears expressed by the other countries with forces in Korea.

VI. Independent Powers of the Unified Command

30. On two points the Senators were anxious to try to establish that the Unified Command (i.e. the United States Government) had the power to act without consulting its allies. They were anxious to establish the ability of the Unified Command to arrange an armistice and to order planes to engage in hot pursuit.

31. Concerning the power of the Unified Command to arrange an armistice, the following exchange took place between Senator Gillette and Mr. Acheson on June 5th:

Q.-- ... Do we have, in your interpretation, the authority to take action to close the Korean war without submitting it to the United Nations?

A.--Well, I do not know what you mean by taking action to close the Korean war.

Q.--An action to arrange an armistice, an action to arrange a peace treaty, negotiation for the cessation of hostilities - any of these actions? Do we have the right to do it without submitting it to the United Nations?

A.--I should think the Unified Command would have the right, if it wishes to, to bring about an armistice. I think it has that right.

I doubt whether the military command would undertake to work out a solution of the political problems of Korea. I don't think that is covered under the heading of command function in the military field.

I think that the United States, as the military command, would consult in the closest possible way with its colleagues in this operation before making proposals about an armistice or before accepting proposals regarding an armistice which have been put forward by the other side.

Q.--I thank you Mr. Secretary. I may say that I deplore your interpretation and repudiate it personally, but I thank you very much.

32. On hot pursuit the following exchange took place between Senator Cain and Mr. Acheson on June 7th:

A.-- ... They [our Allies] think it is beyond the authority we presently have, and if we want to do it, we should go there [to the United Nations]; but they say if you do this, it will extend the war, and therefore they are against it for two reasons.

Q.--In a literal way, Mr. Secretary, you do not agree that the United States would exceed its authority if it, as the unified command of the United Nations, invoked "hot pursuit" against the enemy, do you?

A.--I have taken the view that it was within the authority of the unified command to do that.

33. On these two points in relation to the powers of the Unified Command, Mr. Acheson has retained a full measure of discretion. He has taken the position that the Unified Command is able to initiate both of these actions but he has also taken the view, with respect to an armistice at least, that it should not exercise its authority without consulting its Allies. He is therefore in a position to carry out pro forma consultations with the other countries with forces in Korea and then, if he wishes, to bow to pressure from inside the United States and exercise the authority which he says the Unified Command enjoys.

VII. Negotiations with the Enemy

34. Early in the enquiry the Senators became concerned with the problem with whom the United Nations would negotiate to bring about a cease-fire or a settlement in Korea if an opportunity offered itself. Mr. Acheson delivered himself as follows on June 2nd:

The immediate situation is that the fight is being carried on against the United Nations forces by the Communist Chinese authorities. Therefore, if anybody is going to discuss stopping the fighting, the immediate people concerned are the U.N. forces, either through the Good Offices Committee or through the United States, which is the unified command, or in some other way, and the Chinese.

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Probably the North Koreans would claim to have some voice in the matter.

It might be that the Soviet Government would feel that it should play a part, although, as these things have happened in the past, the general attitude taken by the Soviet Government in regard to its satellites is that they are free and independent nations, and one must discuss questions with them.

35. Again asked the grounds on which he would deal with the Chinese Communist authorities, Mr. Acheson answered a question by Senator Smith as follows on the same day:

Q.--I suppose that there would be a difficult problem where we are recognizing the Nationalists as the government of China. You deal with the Chinese Communists as sort of a rump government that is making all this trouble as distinguished from the Nationalists that we recognize. That is a difficult question. I don't know the answer to it.

A.--Well, you would deal with them as the authority which is fighting your troops, and if they desire to stop fighting your troops, I do not think there is any problem about dealing with them.

36. Senator Hickenlooper returned to the question again on June 6th:

Q.-- ... Now I want to make it clear what I am trying to get at. Will we negotiate with Mao Tse-tung or his field army authorities, as the field army authorities of an unauthorized government, or will we deal with political officials as well as army officials of North China of the so-called People's Republic of China?

A.--Well, I think the only thing that can throw light on that is what has been done in the past, and you know, of course, that the group set up by the United Nations, the Good Offices Committee, have attempted to get negotiations started.

Q.--With the Communist authorities in Peking, that is, the political authorities of the People's Government of China, or whatever the official name is?

A.--That is the governmental authorities. The U.N. has made attempts to get in contact with them. The government of the United States directed General MacArthur in October, I think it was, 1950, to make pronouncements toward the commanding general of the North Korean forces.

There are two instances, where in one case an attempt was made to get a communication to the commanding officer in the field and in the other case an attempt has been made by the U.N. to get in touch with

the governmental authorities in control of the forces.

37. Mr. Acheson successfully defended his freedom to enter into negotiations with both the military and the political authorities of the Central People's Government although an attempt was probably contemplated to restrict him to dealings with the field commanders in order to guard against any possibility that such negotiations might lead toward recognition of the Central People's Government. This attempt, if it was planned, was probably abandoned because of the categorical assurances he gave (which have been discussed earlier in this memorandum) that such negotiations would not constitute, nor lead to, recognition of the Central People's Government.

VIII. United States Assistance in Other Areas

38. On June 8th Senator Long raised the question of what action the United States might take in cases parallel to that in Korea in other parts of the world:

Q.--Do you agree with the MacArthur view that we should attempt to put down aggression wherever it breaks, or resist it wherever it occurs?

A.--We have opposed it, and we do everything we can to assist those who are resisting aggression.

Q.--Of course whether or not we will actually use our armed forces, as we have done in Korea, that is to be determined, based upon the circumstances?

A.--That is correct.

39. As a result of this exchange the State Department is not committed to lend military assistance to other countries in the position of Korea but at the same time those countries have not been discouraged from expecting such assistance if they put up sufficient resistance to deserve it. Similarly, the Central People's Government and the Soviet Union could not feel confident of breaking out in other areas with impunity.

IX. Conclusions

40. On the main issues in China - representation in the United Nations, recognition, the disposal of Formosa - Mr. Acheson has lost almost all his freedom of manoeuvre. He is committed to a policy of hostility and opposition to the Central People's Government without any reasonable hope of seeing an alternative government take the place of the Central People's Government within the foreseeable future.

41. On the conduct of the war in Korea, Mr. Acheson has retained most of his freedom of action: he can make peace at the 38th Parallel, resist or support moves for further sanctions against China, and negotiate with whatever enemy authorities he likes.

42. The difficulty in his position is that his lack of freedom with respect to China in large measure cancels out his freedom with respect to the war in Korea. While he is free to take advantage of an offer such as that made by Mr. Malik on Saturday last, it is difficult to see that any negotiations could lead to an effective détente in the Far East.

43. The United States government in any discussions will be unable to offer any concessions to the Chinese which will appear to them to constitute the elements of a bargain. Though, therefore, the latter, because of internal difficulties or because they may see no hope of fulfilling their announced object of driving the United Nations forces into the sea, may be willing to wind up the venture in Korea, it is improbable that a lasting settlement will be obtainable without concessions which the Administration has pledged itself to Congress not to make.

June 25, 1951.

MESSAGE FORM OUTGOING

FILE REF.	50056-A-40

SECURITY CLASSIFICATION
CONFIDENTIAL

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO: THE CANADIAN AMBASSADOR, Washington - as No.

50056-A-40
27 27

Message To Be Sent	No. <u>EX-581</u>	Date <u>March 17, 1952.</u>	For Communications Office Use Only SENT <u>MAR 17 1952</u>
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EN CLAIR
CODE
CYPHER AUTO

Degree of Priority
Important am

ORIGINATOR
Sig. [Signature]
Typed: RLRogers/cc
Div. A&FE
Local Tel. 7359

APPROVED BY
Sig. [Signature]
Typed: F. H. Norman

Is This Message Likely To Be Published
Yes () No ()

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50-P-427-100M

SUBJECT: The future of Formosa

Following from Under-Secretary, begins:

The Minister would like to be prepared in connection with ^aforthcoming debate on Foreign Affairs in the House to be able to state the latest public position taken by the United States Government on the future of Formosa. The subject was of course discussed at some length in the testimony Mr. Acheson gave on the MacArthur hearings last June.

Would you please tell me if this is the last authoritative statement on the subject. If there is some other later authoritative statement, would you please refer me to it or provide me with a copy of it.

Ends.

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RECEIVED
COMMUNICATIONS
SECTION

28

March 12, 1952.

MEMORANDUM FOR MR. REID50056-A-40
27 | 27The Editorial from "Montreal Gazette"
of March 10 on Mr. Pearson's recent
New York Speech

As a footnote to the longer memorandum which we prepared in this Division on the Far Eastern aspects of Mr. Pearson's speech I thought I might just put down one or two comments on the Gazette editorial.

2. It states at the top of its second column that the population of 6,000,000 Formosans are in many ways a distinctive race. On this point I think the editorial writer is quite in error. There is an aboriginal element in Formosa of head-hunters numbering a few thousand who are related to the Polynesian people. The bulk of the population, of course, are Chinese, both ethnically and linguistically and the majority of them or their forbears come from the seaboard of China, in particular the Province of Fukien. I would say that they are closer in linguistic and ethnic type to continental China than, for example, the people of Corsica are to those of France. The dialect spoken in Formosa is the Fukienese dialect. As for their sentiments towards the mainland, doubtless they are fearful of Communist control and perhaps resigned to their present masters. But there is no doubt that at the end of the Japanese war there was a great deal of general goodwill towards their homeland of continental China -- a goodwill which was recklessly impaired by the cruel events of March 1947.

3. In the following paragraph it is stated that "it can hardly be forgotten that they /Chinese Nationalist Army/ were once our allies". I think this sentiment

... 2

cannot be pushed too far in the present world where there has been a rather rapid change in the status of some former allies and some former enemies.

U. S. A. NOMAD

American and Far Eastern Division

Formosa

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37 | 37

SECRET

SEEN BY
L. B. PEARSON

March 11, 1952.

file
R. L. ROGERS
APR 5 - 1952

MEMORANDUM FOR THE MINISTER

Canadian Policy on the Future of Formosa

The Cairo Declaration subscribed to by the United States, the United Kingdom and China on December 1, 1943, stated, "All territories Japan has stolen from the Chinese, such as Manchuria, Formosa, and the Pescadores, shall be restored to the Republic of China." This promise was confirmed in the Potsdam Proclamation by the same three powers (the Soviet Union subsequently adhering) on July 26, 1945, as follows: "The terms of the Cairo Declaration shall be carried out and Japanese sovereignty shall be limited to the islands of Honshu, Hokkaido, Kyushu and Shikoku and such minor islands as we determine." The Japanese Instrument of Surrender, also signed in 1945, was based on the Potsdam Proclamation and provided that the terms of the Proclamation should be carried out. Canada signed the Instrument of Surrender.

On October 24, 1945, as a result of an order issued on the basis of consultation and agreement among the allied powers concerned, the Japanese forces in Formosa surrendered to the National Government of China. Thereupon, with the consent of the allied powers, administration of Formosa was undertaken by the Government of the Republic of China. The Canadian Government acquiesced in de facto administration of Formosa by China through acceptance of a note from the National Government of China in 1946 stating that Formosa was restored to Chinese sovereignty and that Formosans had regained their Chinese citizenship, through agreement that the commercial modus vivendi with China should cover Formosa, and through various administrative actions. While it is true that

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circumstances have now changed in that China is ruled by a government based on principles which we detest and that such a change was not foreseen when the steps described above were taken, it is open to doubt whether it is wise to repudiate wartime agreements which fulfilled an important and justifiable national aspiration of the Chinese people. Our motivations in the period from 1943 to 1946 were based on considerations of justice to the people of China and not on affection or respect for the government by which the people of China were then ruled.

On February 2, 1951, during the debate on the address in reply to the speech from the throne, you made a speech on foreign policy. While you spoke at some length of relations with China and of the Korean war, you did not refer to the future position of Formosa. On May 7, when the estimates of the Department of External Affairs were presented to the House, you were pressed to make a statement on foreign affairs. During the course of your remarks you said:

"Another way in which the conflict could be extended, in the hope that it would be ended sooner, would be by facilitating and assisting the return to the mainland of China of the forces at present in Formosa under the command of Generalissimo Chiang Kaishek. We should remember, of course, that these forces, or forces under the same command, have been driven from China by their own countrymen. The question to be answered, therefore, is this: Is there any reason to believe that these Chinese nationalist forces now in Formosa would have greater success in China than they had previously, unless they were supported by troops and equipment from other countries which could ill be spared for such a hazardous venture, with all its possible long-drawn-out consequences?

"The desire to localize the conflict and prevent it from spreading remains, then, our policy, though we must recognize that while it takes only one to start a fight, it takes two to limit, as well as two to settle, a fight.

"May I now say just a word in conclusion, Mr. Speaker, about our views--I have been asked about this in previous statements in the house--on the situation in Formosa. I believe that this island should be neutralized while fighting is going on in Korea. I have expressed that view previously. Certainly the United States of America cannot be expected to permit the Peking government to take over Formosa while that government is defying, and fighting against, the United Nations. It does not follow, however, that if and when the Korean conflict can be ended satisfactorily, we should refuse to discuss the future of Formosa within the context of international agreements that have already been reached concerning it, and indeed within the context of the United Nations charter. Any other course would, I think, result in implacable hostility between the United Nations and whatever government was in control of China at the time the war ended.

"Until that war ends, however, and China abandons her attack against the United Nations in Korea, there can be, I think, no question of even discussing whether Formosa should be handed over to the Peking regime; at least that is our view. The same, I think, applies to recognition of that regime in Peking. There can be no question even of considering it while the Chinese defy the United Nations in Korea and fight against our forces there."

It is interesting that in his remarks immediately following your speech, Mr. Graydon did not even refer to Formosa.

In so far as Formosa is concerned, it is apparent that the remarks you made in New York on March 7, 1952, contain nothing new. You reiterated your belief that the question of the future of Formosa should not be settled so long as the war in Korea continues. You did not say anything about your position on the future of Formosa after the war in Korea ends, and this is a perfectly defensible action because it is one of the soundest rules of diplomacy that one should not make an irrevocable commitment in an unpredictable and hypothetical future situation.

Turning now to your statement that we do not intend to overthrow by force the government in Peking or to use our own forces to restore to China the Nationalist regime which is now in Formosa, there is a past precedent in your speech of August 31, 1950, in which you said:

"We have also been disturbed by statements that seem in our minds to confuse the defence of Korea, which has been assumed by the United Nations, with the defence of Formosa, which has not; statements that have even implied--somewhat mistakenly I think--that those who wish to draw at this time a distinction between the two operations are defeatists and appeasers. So far as this government is concerned, we are concerned solely with carrying out our United Nations obligations in Korea, or elsewhere. These obligations do not, as I understand them at the present time, include anything that can be interpreted as the restoration of the nationalist Chinese government to the mainland of China, or an intervention in Formosa."

In view of the experience of the Japanese from 1932 to 1945, I think that it should not be difficult to challenge the wisdom of a policy involving war to the finish with China.



A.D.P.H.

March 11, 1952

MEMORANDUM FOR THE MINISTER

50056-A-40	
27	27

file
R. L. ROGERS
MAR 12 1952

The Future of Formosa

You will have seen the remarks by Mr. Drew in the House of Commons on March 10 and the critical editorials in the Montreal Gazette of March 10 and 11 on that part of your speech to the Canadian Society, New York, concerning China policy. It was contended particularly that you had said something new on Formosa and had left the implication that you would agree to let Formosa be taken over by the Peking regime after the conclusion of hostilities in Korea.

I thought you might like to have available some of your earlier statements on this subject in the House of Commons, from which I think it is clear that, at least on some of the points you made concerning China in New York, you said nothing very new.

Last May 7, in a general statement on external policy in the House of Commons, you spoke as follows:

"Another way in which the conflict could be extended, in the hope that it would be ended sooner, would be by facilitating and assisting the return to the mainland of China of the forces at present in Formosa under the command of Generalissimo Chiang Kai-shek. We should remember, of course, that these forces, or forces under the same command, have been driven from China by their own countrymen. The question to be answered, therefore, is this: Is there any reason to believe that these Chinese nationalist forces now in Formosa would have greater success in China than they had previously, unless they were supported by troops and equipment from other countries which could ill be spared for such a hazardous venture, with all its possible long-drawn-out consequences?"

"The desire to localize the conflict and prevent it from spreading remains, then, our policy, though we must recognize that while it takes only one to start a fight, it takes two to limit, as well as two to settle, a fight.

"May I now say just a word in conclusion...about our views...on the situation in Formosa. I believe that this island should be neutralized while fighting is going on in Korea. I have expressed that view previously. Certainly the United States of America cannot be expected to permit the Peking government to take over Formosa while that government is defying, and fighting against, the United Nations. It does not follow, however, that if and when the Korean conflict can be ended satisfactorily, we should refuse to discuss the future of Formosa within the context of international agreements that have already been reached concerning it, and indeed within the context of the United Nations Charter. Any other course would, I think, result in implacable hostility between the United Nations and whatever government was in control of China at the time the war ended.

"Until that war ends, however, and China abandons her attack against the United Nations in Korea, there can be, I think, no question of even discussing whether Formosa should be handed over to the Peking regime; at least that is our view. The same, I think, applies to recognition of that regime in Peking. There can be no question even of considering it while the Chinese defy the United Nations in Korea and fight against our forces there."

At the conclusion of the debate that followed, you dealt with a number of the points that had been considered and spoke as follows on the question of Formosa and the recognition of Communist China: (May 14)

"The policy of the Government of Canada in regard to these matters has been made clear more than once in this House, outside this House and at the United Nations.I would repeat...because I think it describes in a nutshell our policies in regard to these matters--the last paragraph of the statement of principles adopted by fifty-two members of the

United Nations, including the United States of America. It deals with the Far East problem in general, Formosa and recognition in particular. We are bound by this paragraph because we accepted this statement of principles. The last paragraph reads as follows:

'As soon as agreement has been reached on a cease-fire, the General Assembly--

"That is the General Assembly of the United Nations

'--shall set up an appropriate body which shall include representatives of the Governments of the United Kingdom, the United States of America, the Union of Soviet Socialist Republics, and the People's Republic of China, with a view to the achievement of a settlement, in conformity with existing international obligations and the provisions of the United Nations Charter, of Far Eastern problems, including among others those of Formosa (Taiwan) and of representation of China in the United Nations.' "

Again on June 15, 1951, when speaking on the proposals for a Japanese peace treaty in the House of Commons, you referred to Formosa in the following terms:

"Similarly, with regard to the question of Formosa I think we are all agreed that Japanese sovereignty in Formosa must be brought to an end. I have no doubt that that will be done in the peace treaty. I think it is also pretty clear that the eventual disposition of Formosa cannot be made in any draft treaty at this time. I do not think I can say anything more at this time on this matter."

During the special fall session you do not appear to have repeated these statements on Formosa. You only mentioned Formosa a couple of times, quite incidentally in connection with the San Francisco conference on the Japanese Peace Treaty.

You may also find it useful to have the attached short item on Formosa, which was prepared for inclusion in your handbook for the current session.

A.J. Pick

cc Mr. Reid
American & Far Eastern Division

50056-A/40
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Answer J.F.E. DW
~~SECRET~~
March 11, 1952.

MEMORANDUM FOR THE MINISTER

File
R. L. ROGERS
MAR 22 1952

Mr. Drew's Criticism of your Speech
in New York on March 7

In the House of Commons on March 10, Mr. Drew stated that the following paragraph of your New York speech contained "four positive declarations of policy" which he submitted had not been passed on by the House of Commons.

2. The paragraph of your speech is as follows. I have inserted in the text of the relevant paragraph of your speech numbers in front of each of the four points:

"(1) As for China, we should let the Peking government know that they must expect communist aggression to be met by collective resistance; (2) that no government in Peking committing such aggression can hope to be accepted into the community of nations; (3) that, on the other hand, we ourselves did not intervene in Korea, or, indeed, in Formosa in order to overthrow by force the government in Peking; (4) I think also that we should make it clear that while Formosa cannot be allowed to fall in Chinese communist hands while aggressive war is going on in Korea, we do not intend to use our own forces to restore to China the regime which is now in Formosa after being driven off the mainland."

3. I attach a memorandum of today's date on Canadian policy on the future of Formosa. This memorandum demonstrates that you had already made public the second, third and fourth points.

4. We have not, however, been able to find any previous statement by you on the first point. This would appear to be a new statement of policy and it might be contended it is in conflict with the statement in your speech to the Canadian Bar Association of March 31, 1951,

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when you said: "condemnation of aggression should not mean that in every case economic and military sanctions must follow".



E.R.

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March 11, 1952.

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MEMORANDUM FOR THE UNDER-SECRETARY

File
R. L. ROGERS

MAR 12 1952

Canadian Policy on the Future of Formosa

*Sent
11.3.52*

Attached for your initials, if you concur, is a memorandum for the Minister discussing the background of the statements he made in his speech in New York on March 7 concerning the future of Formosa. I understand that the Minister was particularly interested in knowing whether anything he said on this subject differed from his past public statements.

E.A.N.

American and Far Eastern
Division

11-3-78(jss)

DEPARTMENT OF EXTERNAL AFFAIRS

Subject.....

Can. for Pol. (Far East).

Date..... MAR 10 1952

Publication..... MONTREAL GAZETTE

50056-A-40
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MR. PEARSON SHOULD CLARIFY

The speech delivered in New York by the Canadian Minister for External Affairs, Hon. Lester B. Pearson, called for clarification of the Western attitude towards Communist China. But that speech in itself requires clarification, especially in regard to Mr. Pearson's references to Formosa.

The fate of Formosa is one of the most difficult and important matters in the future of Asia. In his speech Mr. Pearson said that "Formosa cannot be allowed to fall into Chinese Communist hands while aggressive war is going on in Korea." Perhaps these words may be interpreted to mean that if the war in Korea could be satisfactorily ended, the surrender of Formosa to the Chinese Communists might be considered.

Unless Mr. Pearson strongly clarifies his own words to the contrary, this is the interpretation that may be given to them in the United States, in Communist China, in Russia, and around the world. And this interpretation will apparently be confirmed by previous statements made by Mr. Pearson upon this matter.

Last May, for instance, Mr. Pearson was giving testimony before the External Affairs Committee of the House of Commons. He said that the return of Formosa to the Chinese mainland should be left in abeyance for the moment, because of Korea. However, the Canadian Government would not consider that the presence of the present Chinese Government on the mainland would be a reason for never handing Formosa over.

In the course of his New York speech Mr. Pearson was stressing the need to prevent a rift in Western policy regarding China. But whatever rift may exist is not likely to be healed by making public declarations of Canada's differences with the United States upon the fate of a strategic island upon which the United States has placed the utmost importance.

It is one thing to say (as Mr. Pearson also said) that Chiang Kai-shek, at present on Formosa, should not be supported in any attempt to regain control over the mainland of China. But it is quite another thing to go beyond this, and to hint that, in Canada's opinion, the return of Formosa to the Chinese Communist Government is a matter that may be considered, once the Korean War is dependably ended.

The difficulty of the hints and suggestions about Formosa that Mr. Pearson has been making, is that they publicly separate Canada from the policy of the United States, without giving any sufficient explanation of how Canada would overcome the serious hazards which the return of Formosa would involve. It is well to consider what these hazards are.

In the first place, the Formosan people have had no political association with the Chinese mainland since their island was taken over by the Japanese some 60 years ago. These 6,000,000 Formosans are in many ways a distinctive race, tending to regard their island as their homeland. It is an unsupported presumption to suggest that placing them under a Chinese Communist rule would be a desirable fate for them, or one which they would desire. For many Formosans, it would be a question whether they could survive the change.

In the second place, Formosa has become the place of refuge of the Chinese Nationalist Army, numbering about half a million men. It can hardly be forgotten that they were once our allies. And Formosa was the sanctuary of numberless thousands of anti-Communist civilians from the mainland. These civilians include such liberal leaders as K. C. Wu, the former mayor of Shanghai, as well as educators, economists, business executives, doctors, printers, airplane mechanics and a multitude of ordinary citizens who fled the terror.

As The New York Times has said editorially, "The United States is not committed to return to China a countless pile of Formosan corpses."

In the third place, Formosa is an island of strategic importance. It was from Formosa that the Japanese planes left for their attack on Pearl Harbor. Formosa would be the natural starting-point of attacks upon South and South East Asia—the very areas that the Western world is most concerned to withhold from Communist aggression.

In the fourth place, the United States, our chief ally in the Korean War, is convinced of the importance of Formosa for her own security, and therefore for Canada's. This is not merely the opinion of Gen. Douglas A. MacArthur. In the "MacArthur" hearings before the Senate committees last May, Gen. George C. Marshall testified that it was the established policy of the United States to "deny Formosa" to Communist China. "There has been no deviation from that policy whatsoever," he said. "At no time have I entertained the opinion that there should be any deviation."

It may be, of course, that Mr. Pearson no longer holds the views on Formosa that he was holding last May. Perhaps his speech in New York could be easily clarified. But if he still holds the same views, and if he intended to express them in his New York speech, then an answer to the serious objections to the surrender of Formosa would seem desirable.

Surely, the Western world, in dealing with Communism, has already surrendered enough strategic territory, and has been party to the surrender of enough people, into the bloodpaths of Communism.

~~Mr. Pick~~
March 10, 1952

MEMORANDUM TO AMERICAN AND
FAR EASTERN DIVISION:

50056-A-40
27/27

File
R. ROGERS
MAR 10 1952

The Problem of the Recognition of a Government of China

You will no doubt have seen the text of the speech delivered by the Minister on March 7 to the Canadian Society, New York, which deals, among other things, with Far Eastern policy. Reading it after the event I was struck by the language he used in describing the governmental authorities in both Taipeh and Peking. At one point he did mention "a Communist regime in Peking" in a rather abstract sense, but later on he referred to the Peking regime three times as a government and gave anything but a flattering description to the Chiang Kai-shek regime. I do not think there was anything very deliberate in this but it is nevertheless a strange commentary on our policy of continuing to recognize the Chiang Kai-shek regime as the government of the Republic of China. Regardless of our formal position it rather implies at least a psychological de-recognition of Chiang Kai-shek, although falling short of a transfer of recognition from Taipeh to Peking.

Notes: Mr. Pick says he is willing to see if Mr. Pearson raises the matter before we do anything about it.
L.R.

The following is the ^{relevant} relative paragraph from the speech, with, of course, the underlining added by me:

"As for China, we should let the Peking Government know that they must expect communist aggression to be met by collective resistance; that no government in Peking committing such aggression can hope to be accepted into the community of nations; that, on the other hand, we ourselves did not intervene in Korea, or, indeed, in Formosa, in order to overthrow by force the government in Peking. I think also that we should make it clear that while Formosa cannot be allowed to fall into Chinese Communist hands while aggressive war is going on in Korea, we do not intend to use our own forces to restore to China the regime which is now in Formosa after being driven off the mainland."

CC Mr. Reid
Legal Division

10-3-26 (55)

A. G. Pick

AM.AVE/RLRogers/kb

File copy
(For Minister's Handbook-1952)

28

March 4, 1952.

50056-A-40
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FORMOSA

Under Article 2 of the Treaty of Peace with Japan signed at San Francisco on September 8, 1952, by Canada, Japan, and 47 other signatories, Japan renounced "all right, title, and claim" to Formosa; but the Peace Treaty did not specify to whom sovereignty over Formosa was transferred. The difficulty over Formosa arises from the claims of two rival governments of China: the National Government of China, with its capital at Taipei, Formosa, which is recognized by Canada, and the Central People's Government of China, with its capital at Peking, which is not recognized by Canada. Both these governments consider Formosa to be an integral part of China.

2. Canada's attitude is that Formosa should be neutralized while fighting is going on in Korea. It does not follow, however, that if and when the Korean question is settled satisfactorily we could refuse to discuss the future

of Formosa within the context of international agreements that have already been reached concerning it. Any other course would be contrary to our obligation under the Charter of the United Nations to seek a peaceful solution of this kind of international dispute.

3. The question of Formosa's strategic significance has long been a domestic issue in the United States. [Until the Korean crisis, however, the official United States position was one of non-interference, although it was considered preferable, other things being equal, if Formosa were not in the hands of a potentially hostile power.

4. Since the Chinese intervention in Korea, however, the United States has tended to attach increasing importance to the strategic value of Formosa, particularly because of its threat to the line of communications between the Philippines and Okinawa. Domestic factors, especially since the dismissal of General MacArthur, have reinforced this attitude. The Canadian military view of Formosa on the other hand has been that in the event of war with China or with the Soviet Union assisted by China it would be of limited strategic value.

5. In general, we have taken the position that political considerations and the danger of embroiling the United States in a war with China outweighed strategic factors, except perhaps during hostilities in Korea. We have resisted the suggestion that the United Nations might assume any long-run responsibility for the disposition of the island or its denial to the Chinese Communists. In this, we have been influenced by Asian opinion, and by the obvious difficulties involved in finding any rational solution in view of the existence of the Nationalist regime on the island.

TOP SECRET

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MESSAGE FORM
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File No. 500 56-A-40		
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Security Classification		
CONFIDENTIAL		

Original on
500 69-A-40

FROM: THE HIGH COMMISSIONER FOR CANADA, LONDON, ENGLAND
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

System CYPHER - AUTO	No. 571	Date: February 27, 1952.
Priority	<u>Reference:</u> Our telegram No. 322 of January 31st.	
Departmental Circulation	<u>Subject:</u> Far Eastern policy.	
Done	<p>Although Mr. Churchill on January 30th and Mr. Eden on February 5th had stated that no commitments or changes in policy with regard to Korea and China had been made as a result of the Washington talks, the labour opposition pressed its attack on Mr. Churchill on February 26th after the interregnum caused by the demise of the King. The following are the essential points made by Mr. Churchill in reply:-</p> <p>(a) It was absolutely true to say that the government had adhered to the policy of the late government with regard to the Korean conflict and the relations between the United Kingdom and China. He had in no way departed from that position and there was no truth in the suggestion that any secret or private arrangements were made, or any change or policy agreed upon formally or informally, actual or implied, by himself or the Foreign Secretary on these issues during their Washington visit.</p> <p>(b) He had never changed his opinion about the danger of getting involved in China.</p> <p>(c) Mr. Attlee had expressed agreement on February 5th with what he had said to Congress about Formosa. What he had said to Congress was the only thing one could say about Formosa which could be agreed on both sides of the House, on both sides of Congress and indeed on both sides of the Atlantic. The fact that he had selected was by implication adverse to other statements that could be made on the subject of Formosa. Few adventures could be less useful or fruitful than for Chiang Kai-Shek to plunge on to the mainland.</p> <p>2. The debate took a very unfortunate turn when Mr. Churchill referred to discussions in 1951 between the United Kingdom and United States Governments on the military action to be taken in the Korean conflict in certain eventualities. Mr. Churchill's purpose was obviously two-fold:-</p>	
Date	References	
Date		

(a) To demonstrate that the Labour Government had in fact consented to military action beyond the confines of Korea in certain circumstances;

(b) To show that his own government had gone no further than the Labour Government in this regard and moreover that it agreed with the decisions of the Labour Government.

3. This disclosure has obviously made the Labour opposition very angry and even less disposed than hitherto to follow the non-partisan tradition in foreign affairs. The ensuing controversy as to whether Mr. Churchill was referring to Cabinet documents and whether he should table them does not moreover augur well for hopes that Parliament will avoid the congressional species of enquiry into international agreements and the government's conduct of foreign policy.

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C O N F I D E N T I A L

Despatch No. 897

Date. February 26, 1952.

FROM: THE ACTING HIGH COMMISSIONER FOR CANADA, LONDON.

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Y	
1	Reference.....
2	
3	Subject: Formosa.
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Formosa.

The consideration of what might be done to protect merchant shipping in Formosa Strait as a result of the recent piracy of the "Wing Sang" throws an interesting sideline on the attitude of the United Kingdom Government towards naval cooperation with the American Seventh Fleet.

2. As far as the Royal Navy is concerned the Commander-in-Chief, Far East Station, has voiced strong opposition to any attempt to concert American and British naval activities in the area where merchant shipping is concerned as long as the China policies of the two Governments differ. In his view such a step would only end in an incident between the two navies, each trying to carry out the policy of its own Government. The Foreign Office has admitted the force of this argument and also thinks that contacts between the U.S. Seventh Fleet and the naval authorities at Hong Kong might be wrongly taken to imply a change in the policy of the United Kingdom Government with regard to Formosa.

3. The United Kingdom Government has accordingly decided not to pursue the question of naval cooperation.

FEB 29 1952
M. Rogers

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 Washington
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H. R. Horne

Acting High Commissioner

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 Def. L. (1)
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To see: 27

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 Commonwealth Div

of file
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 FEB 29 1952

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EXTERNAL AFFAIRS
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1952 FEB 23 PM 3:54

[Handwritten signature]

TO: DIRECTOR, FBI (100-371000) FROM: SAC, NEW YORK (100-100000) (P)

RE: [Illegible text]

100-371000-1000

BY: [Illegible text]

Administrative routing table with columns for 'SEARCHED', 'SERIALIZED', 'INDEXED', and 'FILED'. The 'SEARCHED' and 'SERIALIZED' boxes contain handwritten initials.

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For file on: 50056-A-40

Copy on 50069-A-40

Ext. 91A

50056-A-40
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OTTAWA FILE
No.....

Letter No. Y-
Date February 12, 1952.

SECURITY CLASSIFICATION
UNCLASSIFIED

FROM: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA
TO: See below. 30

Reference.....
Subject: Statement on a Far Eastern Settlement by General Nam Il

Attached for your information is a copy of a statement on a Far Eastern settlement by General Nam Il which appeared in the New York Times on February 7, 1952.

E. H. Norman

for the Under-Secretary of State for External Affairs.

Sent to: Brussels, Canberra, Capetown, Copenhagen, CPDUN, Karachi, London, New Delhi, Oslo, Paris, Rome, The Hague, Tokyo, Washington, and Wellington.

Copies Referred To.....
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No. of Enclosures
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Post File
No.....

DATE: February 7, 1952

PUBLICATION: N.Y. Times

Statement on a Far Eastern
Settlement by General Nam Il

MUNSAN, Korea, Feb. 6, -- Following is the text of a statement by North Korean Gen. Nam Il at Panmunjom today introducing Communist principles for recommendations to the Governments of countries involved in the Korean war:

During our discussions on the other items of the agenda, both sides have expressed again and again that the armistice in Korea should serve as a bridge toward the peaceful settlement of the Korean question.

Both sides have explicitly agreed that, once an armistice is realized in Korea, a political conference of a higher level should be convened quickly by the Governments of the countries concerned on both sides to commence the work of a peaceful settlement of the Korean question.

For this reason, our side formally proposed that we recommend that within three months after the Korean armistice agreement is signed and becomes effective the opposing sides, the Governments of the Democratic People's Republic of Korea and of the People's Republic of China, on the one hand, and the Governments of the countries concerned of the United Nations on the other, appoint five representatives respectively to hold such a political conference.

Troop Withdrawal Stressed

Since the war in Korea will be stopped, there can be no justification for any further stay in Korea of all the foreign forces which have participated in the war and, on the other hand, in order to lay a foundation for the peaceful settlement of the Korean question, it is absolutely essential for all the foreign forces to be withdrawn from Korea.

During our discussions of the agenda, both sides have already agreed that the question of withdrawal of all foreign forces from Korea be referred to a political conference of a higher level of both sides, to be convened after the armistice, for discussion and settlement. Therefore, our side formally recommends that the above-mentioned political conference should first discuss and decide upon the withdrawal of all foreign forces from Korea.

The withdrawal of all foreign forces from Korea is a decisively important prerequisite for a peaceful settlement of the Korean question. However, the peaceful settlement of the Korean question itself contains a series of important issues which require to be settled.

Therefore, our side formally recommends that the above-mentioned political conference decide, in discussion, the question of withdrawal of all foreign forces from Korea and should also settle through negotiations the fundamental principles and specific recommendations regarding peaceful settlement of the Korean question so that the military armistice in Korea will really become a bridge toward the peaceful settlement of the Korean question.

The Korean question is not an isolated question. The war in Korea has involved many problems beyond Korea. A peaceful settlement of the Korean question will, in fact, pave the way for the solution of those other problems which are related to the

Korean question. Conversely it is only when those other problems related to the Korean question are solved simultaneously that the peace in Korea can be consolidated. All arguments which attempt to isolate the peaceful settlement of the Korean question are untenable as well as invalid.

Truman Stand Challenged

On June 27, 1950, President Truman of the United States of America publicly connected the war in Korea with other questions of the East and used the Korean war as a pretext for a series of warlike measures in the East. The peaceful settlement of the Korean question calls for a simultaneous solution of these other important problems related to the Korean question.

It is only when these problems related to the Korean question are solved simultaneously that peace in Korea can be consolidated; that peace in the East, which has been breached as a result of the war in Korea, can be restored and that the state of extreme tension into which the world has been plunged as the result of the war in Korea can turn for the better. Therefore, our side formally recommends that the above-mentioned political conference shall discuss the other problems related to peace in Korea.

This is the main content of our draft of principles on the fifth item of the agenda. I hope that the plenary conference will seriously consider and adopt this draft principle as the agreed principle of the plenary conference on the fifth item of the agenda.

Copy No. 4 of 4 copies.

Am.&FE/RLRogers/kb

DOWNGRADED TO SECRET
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TOP SECRET

January 15, 1952.

Excerpt from Telegram WA-102 of January 10, 1952,
from The Canadian Ambassador in WASHINGTON.

Subject: Truman-Churchill Talks.

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3. Far East

(a) Formosa. Eden was emphatic that any Japanese public action to establish relations with the Formosa Government must await the ratification of the Peace Treaty. He added that he did not mind an agreement being reached privately beforehand, but the arrangements must be concluded by a free Japan in a way in which neither the United Kingdom nor the United States could be later blamed for the consequences. Any Japanese recognition of Chiang Kai-Shek must also be limited to the territory under his control now.

(b) Korea. Ismay said that there had been little discussion of the deterrent military action to be taken in the event of a renewal of the fighting after an armistice, and that the United Kingdom had made no commitments at all on what should be done, beyond their agreement to participate in the warning declaration. He was much impressed by Bradley's review of the military situation and by his confidence that the United Nations forces could stand fast in approximately their present positions if a major attack was launched by the Communists. On the United States side the contention was renewed that a naval blockade would be of considerable effect in limiting Chinese offensive capacity, but Ismay said the British werestill quite unconvinced of this.

COPY

MESSAGE FORM
INCOMING

File No. 50056-A-40		
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Security Classification		
SECRET		

Original on 50069-A-40

FROM: THE HIGH COMMISSIONER FOR CANADA, LONDON, ENGLAND
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

System CYPHER-AUTO	No. 53	Date: January 9, 1952.
Priority	<u>Reference:</u>	
Departmental Circulation	<u>Subject:</u>	
Done.....	Addressed to External as No. 53, repeated to Paris as No. 7.	
Date.....	Charles Johnson, formerly head of Japan Section to the Far East Department, and now head of China Section, made the following comments regarding Korean developments particularly in the course of a brief discussion yesterday at the Foreign Office.	
References	<u>Declaration</u>	
Done.....	2. Now that the text of the proposed declaration has been agreed on the basis of consultation between a limited number of interested governments, the question of extending the consultations is now being looked at by the Foreign Office and the State Department. Johnson said that the Foreign Office had given a list of additional governments to the United States Embassy here as a basis for extending the consultations to include all governments who had committed forces (including ambulance units) to the United Nations in Korea. In the case of India, and clearly in order to prevent a premature leakage, or to cushion its effect should it occur, it is intended that consultation should not take place until just before the issuance of the declaration.	
Date.....	3. The Foreign Office agrees (see paragraph 5 of your telegram No. 2291 of December) that even if the declaration is made by the supporting governments, it should be brought formally to the attention of the Assembly. Detailed questions of timing and procedure, however, had not yet been considered in consultation with the State Department. Johnson added, however, that the United Kingdom Embassy in Washington had suggested that it might be preferable to dissociate the issuance of the declaration from the signature of the armistice.	
20M-50-P-794		

The United Kingdom Embassy in Washington thinks that a brief period might be allowed for after the conclusion of the armistice to see whether its provisions were actually carried out. The argument runs that to link the declaration firmly to the signature of the armistice might simply provide the Soviet Union with further opportunities for mischief in the propaganda field.

United Nations action in post armistice period

4. In view of the fact that our delegation in Paris is reporting to you fully on Foreign Office views with respect to action in Korea in the post-armistice period, we did not go into this aspect fully. The latest telegram we have seen on this subject was addressed to us by the delegation in Paris as No. 10 of January 5 (addressed to External as No. 304 of the same date). Johnson indicated that while the Foreign Office objective remained a governmental conference (as indicated in paragraph 2 of our delegation's message under reference) it is now considered that as a preliminary step a small negotiating committee of three or four "neutral" members of the United Nations might be set up in the first instance to approach the interested governments with the object of convening a governmental conference to negotiate a Korean settlement. The Foreign Office had in mind States such as Sweden and one of the Soviet European satellites as possible members of such a negotiating group. The Foreign Office was fully aware of the difficulties in the way of securing United States agreement to participate in a conference with Communist China, and Johnson could, of course, not anticipate the outcome of the current high-level discussions in Washington, in which this problem will be discussed.

Vyshinsky proposal for a meeting of the Security Council on Korea.

5. The Foreign Office had been speculating on the possible motives behind Vyshinsky's move. Their current estimate is based upon the assumption that the Soviet Union is genuinely anxious to see an armistice agreement concluded in Korea and the withdrawal of foreign troops. This assumption is based upon the view that Malik's original armistice proposal was genuine, but that the Soviet leaders recognize that the negotiations have been long-drawn-out and that they have lost a good deal of ground since this first initiative. There is a danger from the Soviet point of view of their being squeezed out of Korea, with South Korea in the hands of United Nations forces and not the Chinese Communists. The proposal that the Korean armistice should be discussed by the Security Council may have been put forward in order to ensure active Soviet participation in discussions which would determine for some time to come the shape of the Korean settlement. With this background it is also considered that the Vyshinsky move may have been designed to put pressure on the United Nations negotiating group in Panmunjon in order to extract further concessions. It may also have been intended partly to steal some of the limelight from the present Churchill-Truman discussions. The Foreign Office does not consider, however, that the purpose of the Vyshinsky initiative in proposing Security Council discussions was to prevent the conclusion of an armistice in Korea.

Formosa.

6. Johnson said that the Chinese Nationalists (like a number of other people) had obviously been counting on some radical change in United Kingdom policy following the general

election, and were of course disappointed that no such change had taken place. The question of Formosa would be another of the larger Far Eastern issues to be discussed in the Washington talks. Generally speaking, in an election year it was thought unlikely that there could be much prospect of bridging the gap between United Kingdom and United States policies in the Far East. The outstanding issues between the two governments were quite clear and re-alignments of policy on these fundamental issues would certainly not come easily.

7. In referring to the Formosa question Johnson mentioned specially the recent Dulles visit to Japan, which he thought reflected the Congressional difficulties in the United States. Presumably Dulle's actions in encouraging the Japanese Government to conclude a settlement with the Nationalist Government in Formosa was calculated to smooth the path of the Japanese Peace Treaty when it comes before Congress for ratification. The United Kingdom was opposed to any such action by Japan at this time on the grounds that United States pressure on Japan to move towards the Chinese Nationalists was not calculated to serve Japan's long-term interests in the Pacific, and that it was premature for Japan to conclude a peace settlement with "China" at this uncertain stage.



National Defence College

IN REPLY PLEASE QUOTE No.

SECRET

Fort Frontenac,
Kingston, Ont.,
December 17, 1951

Under Secretary of State for External Affairs,
Department of External Affairs,
East Block,
Ottawa, Ontario.

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Attention: C.S. Ronning, Esq.

Dear Sir,

I am returning herewith the two documents on Formosa, which you forwarded to me with your letter of November 28, 1951.

These documents proved most helpful to the officer on the course preparing a talk on Formosa, and I should therefore like to take this opportunity of thanking you for your assistance in this matter.

Yours sincerely,

G. P. Kidd

Encl.

Y
QR

Mr Rogers

Registry please file enclosure
under proper date

R. L. ROGERS
18 DEC 1951

Ext. 1204

50056-A-40
27 | 27

OTTAWA FILE
No.....

Despatch No. 4915.....

Date... November 29, 1951.....

SECURITY CLASSIFICATION

FROM: ACTING HIGH COMMISSIONER FOR CANADA, LONDON

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference.....

OR Subject: FORMOSA.....

The following written statement of the policy of the United Kingdom Government was made on November 26 by Mr. Nutting, one of the Parliamentary Under-Secretaries for Foreign Affairs:

"It will be remembered that at the Cairo Conference in 1943 the United States, the United Kingdom and China agreed that after the war Formosa should be restored to the Republic of China. The Cairo Declaration also expressed the determination of the three Powers that in due course Korea should become free and independent, and their acceptance of the principles of non-aggression and no territorial ambitions.

"The decisions taken at Cairo were reaffirmed by the Potsdam Declaration of 1945, to which the U.S.S.R. subsequently adhered.

"The Formosan problem has now become an international one, and concerns a number of nations other than those which subscribed to the Cairo and Potsdam Declarations. It is, however, only one of the factors contributing to the present tension in the Far East, and in the view of His Majesty's Government the first and most urgent step towards a lessening of this tension is the achievement of a settlement in Korea. When this has been achieved, it will be possible to proceed with the discussion of other problems, including that of Formosa."

Mr. Rogers
DEC 3 1951

Copies Referred

To.....
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No. of Enclosures

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Post File

No.....

Refer to Washington Done - 6.6. - Dec. 5/51

Mr. Nutting to see

W. R. Hague

r file
R. L. ROGERS
4 DEC 1951

for the ACTING HIGH COMMISSIONER.

1951 DEC 3 3 32

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Ottawa, November 28, 1951.

G. P. Kidd, Esq.,
National Defence College,
Kingston, Ontario.

50056-A-40
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Dear Mr. Kidd,

In accordance with your telephone conversation with Mr. Rogers of the American and Far Eastern Division, I attach two documents which you may show to the Canadian officer who is preparing a paper on Formosa. The first of these is a study of the status of Formosa by the Legal Division of this department. While the officer may use the ideas contained in it, he should not attribute these ideas to the Canadian government.

The second document is despatch No. 787 of September 12 from the Canadian Liaison Mission in Tokyo, together with its enclosure, giving some observations on internal conditions in Formosa. This despatch and its enclosure throw some light on what is going on in the island.

I should be grateful if you would return both documents to me as soon as you can and if you would ensure that no copies are made.

Yours sincerely,

C. A. KONNING

for the
Acting Under-Secretary of State
for External Affairs.



Room 100, Elgin Bldg.,
74 Elgin St., OTTAWA.

GEOGRAPHICAL BRANCH

CANADA
DEPARTMENT
OF
MINES AND TECHNICAL SURVEYS

QUOTE FILE: C.11-5-1-4

7th November, 1951.

A.D.P. Heeney, Esq.,
Under-Secretary of State
for External Affairs,
O T T A W A.

50056-A-40
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Attention: C. A. Romning, Esq.,
American & Far Eastern Division.

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Mr. Heeney
NOV 9 1951

Jules

Dear Mr. Heeney:

The Geographical Branch wishes to express its thanks for your letter of 31st October, 1951, with criticisms and suggestions on our Foreign Geography Information Report No. 5 on Formosa.

Each of the suggestions put forth in your letter will be incorporated in the final draft to be submitted to the Editorial and Information division of this Department prior to publication.

Yours very truly,

George H. Lewis
for J. Wreford Watson,
Director, Geographical Branch.

Y

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file
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Ottawa, October 31, 1951.

The Deputy Minister,
Department of Mines and Technical Surveys,
Ottawa.

Attention J. Wreford Watson,
Director, Geographical Branch.

Thank you for your letter of October 24 under file C.11-5-1-4 transmitting the first draft of a Foreign Geography Information Report on Formosa produced in your Foreign Geography Research division.

I have marked in pencil some points of doubt in the introductory section. It appears to me to be incorrect to say that Taiwan has become a trouble spot for the first time. Of course, this is all a matter of definition. Secondly, I think it is incorrect at the present time to say that the Nationalist Government of China is blockading the Chinese coast from the ports of Taiwan. No doubt the Chinese Nationalist Government would like to do so, but you will recall that the military neutralization of Formosa in June 1950 prohibited attacks out of Formosa as well as into it. On page 5, I doubt the statement that the control of the Ching dynasty over Taiwan was only nominal because of the character of the emigrants to that island. I suspect strongly that the cause was the military weakness of the dynasty.

On page 104, I should like to suggest two changes - in line 2, the words "becomes effective" should be substituted for "signed". I think the third and concluding paragraph under legal status could well be omitted. The less said about it in fact the better and I think paragraph 1 covers the subject sufficiently.

On page 105, I note a reference to the present régime on the continent of China as "the People's Democratic Republic of China". The word "Democratic" does not appear in the official Chinese name. I should suggest the omission of the last sentence on this page. Some countries do consider Taiwan a vital link in the strategic line you have named and others do not. The Canadian government is not on record on this point and we should prefer that you should not take sides in this matter.

C. A. RONNING

for the
Under-Secretary of State
for External Affairs.

SECRET

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File in
"Positive Position of
Toronto" (Para. 516.)
R. L. ROGERS
25 OCT 1951

MEMORANDUM TO THE CABINET

ASIAN QUESTIONS BEFORE THE SIXTH
SESSION OF THE GENERAL ASSEMBLY

Last year the Cabinet approved a statement on Asian questions before the Fifth Session of the General Assembly in order to provide general guidance to the delegation. This year, with the Sixth Session of the Assembly meeting in Paris and with communications consequently more costly, it is again desirable that Cabinet should give general guidance to the delegation for use in dealing with questions on Far Eastern matters which are bound to arise or which may arise.

2. The attached statement on Asian questions is therefore submitted for approval by Cabinet to provide guidance for the Canadian delegation to the Sixth Session of the General Assembly in Paris.

(Sgd.) L.B. Pearson

Secretary of State
for External Affairs.

Department of External Affairs
October 18, 1951.

SECRET

October 18, 1951.

ASIAN QUESTIONS BEFORE THE SIXTH
SESSION OF THE GENERAL ASSEMBLY

During the past year the gap between the North Atlantic Treaty powers and the countries of Asia has widened. China has adopted an attitude of hostility toward the western world which will take many years of patience and goodwill to break down. Its alignment with the Soviet Union is more definite, the identification of their interests is firmer, and the potential differences between them have receded for the time being into the background. Some of the minor countries of Asia have been irritated by the favour shown to Japan in an effort to gain the support of that country for the west. A large and growing area of misunderstanding and distrust has arisen between Asian countries led by India and some members of the United Nations led by the United States, over relations with China and the course to be followed in trying to bring the Korean war to an end.

2. If the differences between the west and the Asian states led by India should become more pronounced, the result could be extremely serious, especially in its effects on Western attempts to restrain the expansionism of the Soviet Union. Canadian effort at the Sixth Session of the General Assembly should therefore be directed toward helping to eliminate misunderstanding and, where possible, to bridge the gaps between the policies of the United States government and those of the Asian governments. This will be no easy task in view of the inflexibility of United States policy as a result of the difficulties created for the Administration by the dismissal of General MacArthur and the Republican attack on the Administration's Far Eastern policies, and as a result of the tendency in the United States to place opposition to Communism above all other considerations.

3. Chinese representation and the position of Formosa are almost certain to come before the Assembly in some form while the situation in Korea and Chinese Nationalist charges of Soviet intervention in Chinese affairs are already on the agenda.

Chinese Representation

4. A change in Chinese representation in the Assembly is most improbable during the Sixth Session. The United States, United Kingdom and Canadian governments are on record as opposing admission of the Central People's Government to the United Nations, the former apparently without limit and the latter two until China shall have ceased to aid aggression in Korea. It is unlikely that any motion for a change in representation would receive substantial support. The Canadian delegation would be consistent if it voted against a change of representation. Any statement against changing Chinese representation should, to be realistic, avoid any suggestion that the change is opposed from any admiration for the Nationalist Government or from any conviction that it represents the Chinese people.

It should be related solely to China's intervention in Korea. An opportunity may arise to defer a decision on Chinese representation on procedural grounds: a proposal in such terms would avoid the substantive question of which government should represent China, and would be preferable from the Canadian point of view. The United Kingdom would support such a procedural resolution, and probably the United States would also. The special committee set up by the Fifth Session to study Chinese representation has proved abortive; it would probably, therefore, be as well to avoid supporting any extension of its life.

Formosa

5. The Cairo Declaration by the representatives of the United States, the United Kingdom and China in 1943 promised the restoration of Formosa to the Chinese state. This promise was confirmed in the Potsdam Proclamation by the United States, the United Kingdom and China, subsequently adhered to by the Union of Soviet Socialist Republics in 1945. The Japanese Instrument of Surrender, also signed in 1945, was based on the Potsdam Proclamation and provided that the terms of the Proclamation should be carried out. Canada signed the Instrument of Surrender. De facto administration of Formosa by the Chinese Nationalist Government has been acquiesced in by the Canadian government through the acceptance of a note from the Nationalist Government in 1946 stating that Formosa was restored to Chinese sovereignty and that Formosans had regained their Chinese citizenship; through agreement that the commercial modus vivendi with China should cover Formosa; and through various administrative actions. While it is true that circumstances have now changed in that China is ruled by a government which we do not like, it is open to doubt whether it is wise to repudiate a wartime agreement.

6. The Canadian delegation should try to prevent the question of the disposition of Formosa from being raised as a substantive question and should endeavour to have the question left open until after a cease-fire has been arranged in Korea. Any debate on the substantive question is bound to widen the rift between the orient and the occident, and to force the United States to take an increasingly firm position from which it will have difficulty in retreating when the time comes.

Korea

7. The situation in Korea is so unpredictable that only general instructions can be given before the Assembly meets. In the absence of an agreed truce, it would be advisable, if possible, to maintain the present machinery of an additional measures committee of the General Assembly, where recommendations can be formulated. This procedure has advantages over consideration of additional measures in the first instance by the Political Committee. Our aim in the Additional Measures Committee might well be to try to avoid the imposition of additional military, diplomatic or economic sanctions until present measures have had better opportunity to demonstrate their worth. In this way it will be possible to avoid an undue risk of driving China more firmly into the arms of the Soviet Union.

8. If an armistice is concluded it is to be expected that the United Nations Commander will submit a report to that effect to the United Nations. If the report is made to the General Assembly, the problem arises who is to be responsible for the next obvious step, political negotiations aimed at a larger settlement. As negotiators for the United Nations, the group of countries which together are supplying the forces in Korea would probably be adequate provided India (which provides an ambulance unit but no fighting troops) is included. Their aim should be to achieve a general settlement in the Far East even though this would be difficult in view of the attitude of the United States towards the seating of Communist China in the United Nations and the disposition of Formosa. It is unlikely that any body set up by the General Assembly at this session would be able to approach the problem of a general settlement in the Far East during the lifetime of the Sixth Session of the Assembly.

Nationalist Chinese Charges Against the Soviet Union

9. It is difficult to deal realistically with the charges laid by the Nationalist government because even the countries which maintain relations with the Nationalists recognize that in fact they are not the effective government of China. The most desirable line to pursue at the Sixth Session of the General Assembly would therefore be one leading to the adoption of a course which would allow the charges to be left in abeyance. One solution would be to support any move which would continue this problem in the Interim Committee rather than in the General Assembly proper, along the lines of the resolution passed on December 1, 1950.

Room 100, Elgin Building,
74 Elgin Street, OTTAWA.

*file
KB.*



GEOGRAPHICAL BRANCH

CANADA
DEPARTMENT
OF

QUOTE FILE: C.11-5-1-4

MINES AND TECHNICAL SURVEYS 24th October, 1951.

A.D.P. Heeney, Esq.,
Under Secretary of State for
External Affairs,
Department of External Affairs,
OTTAWA, Ont.

50056-A-140
27 | 27

Attention: E.H. Norman, Esq., American and Far Eastern Division.

Dear Mr. Heeney,

*Returned
Och. 31/51 →
K. Botly*

Enclosed you will find a copy of our first draft of a Foreign Geography Information Report on Formosa produced in our Foreign Geography Research division.

You will appreciate that in making a study of this nature, it is not possible to disregard completely the political situation in the country studied. It is thought expedient, therefore, as it was with our study on Korea, to have your Department review the draft copy with a view to ensuring that it is entirely in accord with Canada's foreign policy.

Should there be any portion of this report which the officers of your Department feel should be deleted or revised your suggestions in the matter will, indeed, be respected.

Maps to illustrate this report are currently being produced in the Maps and Mapping division of this Branch but do not contain anything of a controversial nature.

Any evaluation you may care to put forth regarding this report as a whole would be reviewed as constructive criticism and assist this Branch in improving subsequent reports of this nature.

Yours very truly,

George H. Lewis
for J. Wreford Watson,
Director, Geographical Branch.

Encl.

50056-A-40
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SECRET

October 19, 1951.

file
R. L. ROGERS
24 OCT 1951

MEMORANDUM FOR THE MINISTER

THE FUTURE OF FORMOSA

The Cairo Declaration by the representatives of the United States, the United Kingdom and China in 1943 promised the restoration of Formosa to the Chinese state. This promise was confirmed in the Potsdam Proclamation by the United States, the United Kingdom and China, subsequently adhered to by the Union of Soviet Socialist Republics in 1945. The Japanese Instrument of Surrender, also signed in 1945, was based on the Potsdam Proclamation and provided that the terms of the Proclamation should be carried out. Canada signed the Instrument of Surrender. De facto administration of Formosa by the Chinese Nationalist Government has been acquiesced in by the Canadian government through the acceptance of a note from the Nationalist Government in 1946 stating that Formosa was restored to Chinese sovereignty and that Formosans had regained their Chinese citizenship; through agreement that the commercial modus vivendi with China should cover Formosa; and through various administrative actions. While it is true that circumstances have now changed in that China is ruled by a government which we do not like, it is open to doubt whether it is wise to repudiate a wartime agreement.

2. You have consistently taken the position that the future of Formosa should be left in abeyance pending some general Far Eastern settlement which could include Formosa. You have not adopted the position that the wartime agreements respecting Formosa should be scrapped. In your statement before the House of Commons on May 7 last you expressed your position in the following

19-10-16(SS)
19.10.9(JS)

..2

words:

I believe that this island should be neutralized while fighting is going on in Korea. I have expressed that view previously. Certainly the United States of America cannot be expected to permit the Peking government to take over Formosa while that government is defying, and fighting against, the United Nations. It does not follow, however, that if and when the Korean conflict can be ended satisfactorily, we should refuse to discuss the future of Formosa within the context of international agreements that have already been reached concerning it, and indeed within the context of the United Nations Charter. Any other course would, I think, result in implacable hostility between the United Nations and whatever government was in control of China at the time the war ended.

Until that war ends, however, and China abandons her attack against the United Nations in Korea, there can be, I think, no question of even discussing whether Formosa should be handed over to the Peking regime.



A.D.P.H.

Mr. Henry
SECRET

~~GD.~~
Copy from sup
Av

October 18, 1951.

hi
R

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MEMORANDUM FOR THE UNDER-SECRETARY

Attached is a memorandum
for the Minister providing material on the
future of Formosa, for your initials if
you concur.

*sent to
minister
19.10.51*

C. L. Rowing
American and Far Eastern Division.

For debate in HqFC, Oct 22.

19.10.9/uss

~~SECRET~~ SECRET

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Legal/JS Nutt/jc/c
File No: 50056-A-40
Aug. 20, 1951

File
R

Downgraded
with the consent
of Mr. Wood.
23 Aug 51. R

MEMORANDUM FOR AMERICAN AND FAR EASTERN -

Re: Formosa

In your memorandum of May 17, you asked me to review my original memorandum on Formosa of February 19, 1951, and the despatches from New York and Washington dated March 30 and May 14 respectively, with a view to producing a final legal opinion on the status of Formosa and the capacity of the U.N. to make recommendation concerning Formosa.

2. This has been done and the final opinion is attached.

H. J. Burlingame
Legal Division

F O R M O S A

1. The Status of Formosa

The Island of Formosa was ceded to Japan by China in 1895.

2. On December 1, 1943 at Cairo the United States, the United Kingdom and China, stated it to be their purpose that

"all territories Japan has stolen from the Chinese, such as Manchuria, Formosa and the Pescadores, shall be restored to the Republic of China".

3. This declaration was incorporated in a proclamation issued by the United States, the United Kingdom and China at Potsdam on July 26, 1945 as follows:-

"The terms of the Cairo Declaration shall be carried out and Japanese sovereignty shall be limited to the islands of Honshu, Hokkaido, Kyushu and Shikoku and such minor islands as we determine".

This declaration was subsequently adhered to by the U.S.S.R.

4. The circumstances whereby China assumed control of Formosa are described in the certificate which was issued by the United Kingdom Foreign Office in connection with the case of Civil Air Transport Inc., versus Chennault and others in the Supreme Court of Hong Kong. The certificate states, "on October 24, 1945 as a result of an order issued on the basis of consultation and agreement between the Allied Powers concerned the Japanese forces in Formosa surrendered to ChiangKai-chek. Thereupon, with the consent of the Allied Powers, administration of Formosa was undertaken by the Government of the Republic of China."

5. In August 1946, the Chinese Government informed the Canadian Government that "after the restoration of Formosa to Chinese sovereignty" Formosans had regained their

Chinese citizenship. This was acknowledged in terms identical to those used in the Chinese note. This acknowledgment is of no particular significance other than that it is ~~some~~ some evidence of the Canadian Government's recognition of the assumption of control of Formosa by China.

6. Undoubtedly it was intended in 1945 that China's assumption of control of Formosa would be followed by a formal session in a peace treaty. To all intents and purposes Formosa was considered part of China.

7. In view of these circumstances it is submitted that, China having assumed actual control of Formosa, all that remains is for Japan to divest itself of this territory. Thus, while for the time being Formosa is still part of the Japanese Empire the proposed treaty of peace with Japan will ~~not~~ alter this. The treaty provides that Japan shall relinquish her right and title to Formosa and it is submitted that when the treaty comes into force so as to divest Japan, China will have a good title to Formosa on the basis of occupation.

8. Assuming that this view is generally accepted, the problem of the disposition of Formosa disappears. It is true, of course, that the competing claims of the Nationalist Government and the Communist Government may be brought to the attention of the United Nations. Such a question would be within the competence of the United Nations under Articles 10 and 14 and if it was considered to be a threat to the peace, under Article 11(2). Presumably any recommendations in this regard would not purport to effect the position of Formosa as part of China. However, it is possible that it might be sought to place the island under trusteeship for a limited period without affecting China's title.

9. Article 77 of the Charter states:

1. The trusteeship system shall apply to such territories in the following categories as may be placed thereunder by means of trusteeship agreements:

- a. territories now held under mandate;
- b. territories which may be detached from enemy states as a result of the Second World War; and
- c. territories voluntarily placed under the system by states responsible for their administration.

2. It will be a matter for a subsequent agreement as to which territories in the foregoing categories will be brought under the trusteeship system and upon what terms.

It is difficult to see how 1(c) would apply to Formosa since the Peking Government would never consent and many members of the United Nations such as the United Kingdom would be unable to recognize the consent of the Nationalist Government should it be forthcoming. Whether Formosa could be said to fall under 1(b) of course raises the fundamental problem whether Formosa has been disposed of as yet. If the view is adopted that disposition is complete with relinquishment of title by Japan it cannot subsequently be argued that Formosa is qualified for trusteeship under 1(b). It is logical to assume that the words "and not otherwise disposed of" are to be implied. Because of the immediately foregoing, it will be evident that there are grave difficulties in the way of placing Formosa under trusteeship.

10. Notwithstanding the above, it may still be contended that a final disposition of Formosa has yet to be effected.

11. Competence of the United Nations with respect to the Disposition of Formosa

Whether the question of the disposition of Formosa could be the subject of United Nations action would undoubtedly give rise to consideration of the application of Article 107 of the Charter. Article 107 reads:-

"Nothing in the present Charter shall invalidate or preclude action, in relation to any state which during the Second World War has been an enemy of any signatory to the present Charter, taken or authorized as a result of that war by the Governments having responsibility for such action."

12. The purpose of this article as stated by Sir Alexander Cadogan was "to leave the hands of the Allied Powers free as regards any action they might think it necessary to take in relation to one of the enemy States, either in the continuance of actual hostilities or as regards post-hostility action, such as the occupation of enemy territory, the enforcement of transfers of territory under a peace treaty, exacting reparations, and so on." This seems to be a reasonable statement of the intent of the article. In other words, the obligations undertaken by the United States, United Kingdom, etc...as signatories of the Charter are not to be an obstacle to the implementation of agreements in respect of Japan, arising out of the war. This being the intent of Article 107, there would seem to be no justification for arguing that the U.N. is not competent to pass upon the question of Formosa. It is noteworthy, however, that during the discussion of the question of the independence of Korea before the U.N., the U.K. representative admitted that Article 107 might prevent the U.N. from disregarding the conclusions of the Moscow Agreement concerning Korea. He did not think, however, that it could prevent the U.N. from making recommendations concerning the independence of Korea. (see U.N. document A/C1/SR 88 p. 256). Applying this to Formosa, it could be argued that the U.N. may not disregard the Potsdam Proclamation but that it may make recommendations to facilitate the handing over of Formosa to China.

13. Because of the purpose of Article 107 as outlined above, I am of the opinion that it does not preclude the U.N. from dealing with the problem of Formosa. The most appropriate article which might be invoked would seem to be article 14. This enables the General Assembly to make recommendations for the peaceful adjustment of a situation regardless of origin, which it deems likely to impair the general welfare or friendly relations. Article 10 could also be invoked and depending

the
upon whether/Formosa question is considered to constitute a threat to international peace and security, Article 11 (2) could also be invoked. No doubt, however, if the U.N. recommendations contemplated a disposition of Formosa at variance with the provisions of the Potsdam Proclamation, the validity of that agreement would be relevant. To make a recommendation concerning the disposition of Formosa contrary to a valid agreement, might well be construed as being contrary to the principles of the United Nations.

14. There would seem to be no doubt that the obligations of Potsdam are internationally binding (Oppenheim- 6th Vol. 1, page 788). Whether the alleged breach of the agreement in respect of Korea by the U.S.S.R. enables the other parties to claim abrogation of the whole agreement depends upon whether that part of the agreement with regard to the disposition of Formosa can be said to be severable from that dealing with Korea. This, in turn, depends upon whether each stipulation forms part of the consideration which induced the other party to enter the agreement. I am of the opinion that this is not the case here, and that therefore, an alleged breach of one clause of the agreement by one party does not enable the other party to declare the whole agreement abrogated. The joint communique of the Cairo Conference which was incorporated by reference into the Potsdam Proclamation expressly states that the Allied Powers "covet no gain for themselves and have no thought of territorial expansion". In other words, the end in view was the disposition of Formosa and Korea, etc..., in accordance with high principles and ~~was~~ not a barter arrangement. This suggests that the Allied Powers did not consider the execution of one part/as being dependent upon the execution of another. Any disposition of Formosa by some of the allied powers at variance with Potsdam would thus seem to involve a breach of the agreement notwithstanding the alleged breach by the U.S.S.R.

of the
agreement

15 14. Canada is concerned in this aspect of the question. Although not a signatory to the Potsdam Proclamation, Canada and others of the Allied powers accepted it in so far as it affects Japan by adherence to the instrument of Japan's surrender which provided for the carrying out of the provisions of the Potsdam arrangement.

16.

Conclusion

- a) At present Formosa is part of the Japanese Empire although administered and occupied by China;
- b) If Japan renounces her title to Formosa, China's title will be complete.
- c) That this event will not preclude the competing claims of the Peking Government and the Nationalist Government being brought before the United Nations but that it will give rise to difficulties if it is sought to place Formosa under trusteeship.
- d) Assuming that (b) has not taken effect and that an attempt is made to bring the question of the disposition of Formosa before the United Nations, Article 107 would not preclude this since all Article 107 does is to free the allied powers from their obligations under the Charter when dealing with enemy states as a result of the war.
- e) That the United Nations would undoubtedly first seek an authoritative opinion on the obligatory nature of Potsdam and the subsequent informal agreement to China's occupation and assumption of the administration of Formosa.
- f) That if it were held that the Potsdam Proclamation imposed no international obligation that it would be legally possible for the United Nations to recommend a disposition of Formosa.
- g) Alternatively, that, if the Potsdam Proclamation, as it relates to Formosa, were held to be valid, the U.N. would be acting contrary to principle if it were to recommend a disposition at variance with that agreed upon.

Legal: K.J. Burbridge:grh
File: 50056-A-40

**TOWNGRADED TO SECRET
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~~SECRET~~ SECRET

August 15, 1951

MEMORANDUM FOR MR. WOOD:

50056-A-40
23 Aug 51

*File
R.
Downgraded with
the consent of Mr.
Wood. R.
23 Aug 51*

Re: The Status of Formosa

2

Mr. Erichsen-Brown handed me the attached files just before his departure on leave. Will you please review this problem, particularly Mr. Nutt's memorandum of July 26 to the American and Far Eastern Division, with a view to having it despatched unless you consider that some revisions should be made.

I notice that Mr. Norman requested our revised opinion back on May 17. I think this should have been attended to before now.

I suggest you might have a word with Mr. R. L. Rogers and possibly Mr. McCardle because I understand from McCardle that the Minister might want to have our position cleared up before his departure to sign the Japanese Peace Treaty.

I have glanced over Mr. Nutt's memorandum hurriedly and I am not too certain of his views that the United Nations is competent to deal with this matter.

KJB

Mr. *Rogers* (Formosa)

File on Formosa file
EXT. 230 R

COPY

MESSAGE FORM
INCOMING

File No.		
50056-A-40		
27	27	
Security Classification		
SECRET		

FROM: THE HIGH COMMISSIONER FOR CANADA, LONDON, ENGLAND
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

System CYPHER - AUTO	No. 1910	Date: July 30, 1951.
Priority IMPORTANT	<p><u>Reference:</u> My telegram No. 1883 of July 26th.</p> <p><u>Subject:</u> Japanese Peace Treaty.</p> <p>With reference to paragraph 3 of my telegram under reference, herewith main body of the letter received from the Foreign Office on this subject, Begins:</p> <p>I am replying to your letter to Beckett of July 18th about Articles 2 and 3 of the draft Japanese Peace Treaty. I agree that, apart from the case of Formosa and the Pescadores and the case of South Sakhalin, the provisions of Article 2 consist of a formalisation of the already existing position, or else a renunciation of rights by Japan in circumstances where no corresponding provision as to the future of the territory is required. There are, for instance, certainly other claims to Spratly Island and the Paracel Islands, but the object of Article 2(f) is not to determine these claims but merely to ensure that there shall be no Japanese claim.</p> <p>With regard to Formosa, the Pescadores and South Sakhalin, the position is, I think, very much that suggested in paragraph 4 of your letter. Japan renounces sovereignty over these territories. But the sovereignty over them is not vested, so far as the treaty is concerned, in any other power. However, that sovereignty is capable of becoming so vested by some other means than the treaty. These territories are in fact already effectively occupied and controlled by certain other powers, and if this goes on, as is to be expected, they would, in any event, be able in due course to assert a good title by reason of such occupation. Indeed, Japan, having once renounced sovereignty, there would, in theory, appear to be no reason why these states should not proclaim their own sovereignty over the territories in question by annexation or by virtue of effective occupation.</p>	
Departmental Circulation		
Done _____ Date _____		
References		
Done _____ Date _____		

Whether they will do so in express terms or not hardly seems to be very material.

This leaves us with Article 3. Here, as you will have noted, there is not even any renunciation of sovereignty by Japan. Japan will, however, concur in any subsequent arrangement placing the territories concerned under United States trusteeship. You will appreciate that it does not necessarily follow that the State exercising trusteeship over territory has formal sovereignty over that territory. It may merely have the right to carry out the actual exercise of that sovereignty during the period of trusteeship. I think the intention of this article has, perhaps deliberately, been to leave the eventual position a little vague. Theoretically the United States could exercise a trusteeship, with Japanese and United Nations consent, over territory which is still technically Japanese, and the inhabitants of which would remain Japanese nationals. This might have certain political and administrative advantages. While this would not be the necessary result of Article 3, it is certainly a possible result of it, and it is perhaps in order to preserve that possibility that it has been drafted in this way.

S E C R E T

Legal/JS Nutt/jc
File No. 50056-A-40
July 26, 1951

MEMORANDUM FOR MR. ERICHSEN-BROWN

RE: Formosa -

50056-A-40
27 27

file
WJZ

American and Far Eastern Division have requested us to review our original memorandum on Formosa. I have finally come to the conclusion that Article 107 does not bar the U.N. from making recommendations concerning the disposition of Formosa. My reason is that the purpose of Article 107 is to prevent obligations assumed under the Charter being obstacles to the implementation of wartime agreements. I do think, however, that the U.N. would be bound in principle to ascertain the validity of the Potsdam Proclamation as it provides for Formosa and would be governed by whatever finding is made in this regard in formulating its recommendation.

2. Concerning the status of Formosa, the view I have expressed in paragraph 7 of the revised opinion has already been communicated to the American and Far Eastern Division in connection with the Japanese Peace Treaty.

3. I should be pleased to discuss this opinion with you at your convenience.

J.S. Nutt

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(R)

May 17, 1951.

50056-A-40
27 | 97

MEMORANDUM FOR LEGAL DIVISION

Legal Status of Formosa

I am attaching volumes 2 and 3 of file 50056-A-40, "Post War Position of Formosa", on the top of volume 3 of which is despatch No. 1638 of May 14 from the Canadian Ambassador in Washington. When you prepared your memorandum of April 21 Mr. Reid suggested that, in view of Mr. Wrong's participation in negotiations on this subject in San Francisco, his opinion should be sought. This was done by despatch No. Y-1713 of April 25 to which the present despatch is a reference.

2. I wonder if you would now consider that it would be profitable to review your original memoranda, despatch No. 274 of March 30 from New York and the present despatch from Washington with a view to producing what might be considered a consolidated final legal opinion on this subject.

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18 MAY 1951

E. H. M.

American and Far Eastern Division.

FROM: THE HIGH COMMISSIONER FOR CANADA, LONDON, ENGLAND
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

CYPHER - AUTO

NO. 1180

RESTRICTED

LONDON, May 15, 1951.

50056-A	40
27	27

*Original on
50069-A-40*

Restricted. My telegram No. 1171 of May 11th.

Korea.

Following is the full text of the statement made by Mr. Morrison in the House of Commons on May 11th with regard to Formosa. Quote. With your permission, Mr. Speaker, and that of the House, I desire to make the following statement.

In the course of the debate in the House on December 14th last the Prime Minister said that the question of Formosa was one of the most difficult in the Far East. That is still the position. At the Cairo conference in 1943 the United States, the United Kingdom and China agreed that Formosa should after the war be returned to the Republic of China. The Cairo Declaration also proclaimed the intention that Korea should in due course become free and independent. It also expressed acceptance of two principles; non-aggression and no territorial ambitions.

My Right Hon. friend the Prime Minister, therefore, went on to remark in the course of the same debate that until China shows by her action that she is not obstructing fulfilment of the Cairo Declaration in respect of Korea and accepts the basic principle of that

declaration, it will be difficult to reach a satisfactory solution of this problem. His Majesty's Government are of the opinion that the objectives of the declaration can be achieved only in the context of a genuine and satisfactory Far Eastern settlement, the first step towards which must be a settlement in Korea.

In fact, the problem of Formosa has now become an international problem in which a number of nations apart from those signatory to the Cairo and Potsdam Declarations are closely concerned. In the view of His Majesty's Government this is a question which could usefully be considered by the United Nations at the appropriate time. It is not however the urgent problem. The most pressing of the problems facing us in the Far East is that of Korea and in our view it would be premature to discuss the future of Formosa so long as the operations continue in Korea.

The question of Formosa will, however, come up in the context of the Japanese Peace Treaty. Our aim here is to secure an early peace treaty without allowing the difficult issue of Formosa to delay its negotiation and without attempting in the treaty to find a final solution to an issue which must be given careful consideration later in the general context of the Far Eastern situation. Unquote.

2. In reply to supplementary questions Mr. Morrison indicated that it was clearly desirable that the wishes of the inhabitants of Formosa should be taken into account. In reply to a further question he stated that he did not think there was need to apprehend acute friction between the United States and United Kingdom Government at this stage. Finally, Mr. Morrison expressed the opinion that his statement made it clear that there is no change in the

policy from the time when the Prime Minister made the earlier statement on Formosa in the House on December 14th last.

HIGH COMMISSIONER

file R.

50056-A-40
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OTTAWA FILE
No.....

Despatch No. 1638

Date. May 14, 1951.

SECURITY CLASSIFICATION
SECRET

FROM: The Canadian Ambassador, Washington, D.C.

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference... Your Despatch X-1713 of April 25, 1951,.....

Subject:.... Legal Status of Formosa.....

In your despatch Y-1713 of April 25 you requested my opinion on the relative merits of the arguments on the powers of the United Nations in the disposition of Formosa, which were referred to in the despatch of the Acting Permanent Delegate to the United Nations, No. 274 of March 30 and in the two memoranda on the question prepared by the Legal Division, dated February 19 and April 21, respectively.

2. From my recollection of the discussion at San Francisco, refreshed from the departmental report on the United Nations Conference, I would agree with the interpretation given to Article 107 by Sir Alexander Cadogan, as quoted in paragraph 5 of Mr. Holmes' despatch No. 274 of March 30. This Article was one of the transitional arrangements written into the Charter at the request of the Big Powers, in order to prevent, if possible, confusion arising between the provisions of the Charter and the longer term arrangements for an international organization which were brought into being at San Francisco. The Canadian Delegation, as will be seen from the report on the San Francisco Conference, drew attention at the time to the fact that the language of Article 107 was so loosely drafted that it might be construed as removing from the competence of the United Nations "for an indefinite period, if not in perpetuity" any action affecting any enemy state large or small, which any Allied government might choose to regard as a result of the war. The objections made by the Canadian and other delegations were referred to the Sponsoring Powers, who proceeded to "consider" them for, if I recall correctly, two or three weeks until it was too late for further discussion in Committee. I remember receiving a handsome apology from Mr. Stassen for this neglect - but in the outcome the obscure language was not clarified. The construction now placed upon the language of Article 107 by the Legal Division confirms these apprehensions expressed by the Canadian Delegation at San Francisco at the time.

3. I would be inclined to agree with Mr. Holmes that the precedent established when the Security Council confirmed its competence to deal with the Berlin Blockade, despite the objections of the Soviet representative based on Article 107, is relevant to the consideration of the competence of the United Nations in the disposition of Formosa. A distinction has to be drawn,

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No. of Enclosures
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MAY 17 1951

as the representatives of the Western powers pointed out in the Security Council during the consideration of the Berlin case, between "action taken or authorized in relation to enemy states" and disputes arising between members of the United Nations out of some aspect of the peace settlement. ?

4. Moreover, Article 103 of the Charter seems to me also relevant to the consideration of this question. This Article says - "In the event of a conflict between the obligations of the Members of the United Nations under the present Charter and the obligations under any other international agreement, their obligations under the present Charter shall prevail". It may be argued that the obligations undertaken by all members of the United Nations under the Charter to seek solutions to international problems by negotiation, and not by force, would, if a dispute arose between them on the question of the disposition of Formosa, have to take precedence over any obligations contracted between certain great powers as a result of a wartime agreement.

5. Another point which seems to me should not be overlooked in the case of Formosa is the change in the political circumstances which have occurred since the agreements were concluded at Cairo and Potsdam. The change in the government controlling the mainland of China and the retention by the Nationalist government of control over Formosa are among the complicating elements of the present problem which have to be considered in deciding the legal status and disposition of Formosa. The problem has now become in essence a dispute of rival regimes, each claiming to be the national government, over a part of the national territory.

6. I should also think that the terms of the Cairo and Potsdam Declarations need a careful examination before it can be determined whether or not the United Nations has the power to invalidate "China's assumption of control of Formosa". In the first place, these two agreements are not international treaties. The Cairo Declaration was, in effect, a public statement of intent released by, or on behalf of, Heads of governments after private meetings. I wonder whether it is correct to regard the political understandings reached between certain Heads of governments at the wartime conferences as obligations in international law?

7. Admittedly, there is a difficulty in principle in repudiating the Cairo Declaration, as it relates to Formosa, in view of the de facto accomplishment of that part of the agreement which was carried out five years ago with the acquiescence of the powers concerned. Even the United States has refrained from repudiating the Cairo Declaration with regard to Formosa. The U.S. attitude so far has been that it has not been possible to implement the Declaration in the present circumstances. However, officials of the United States Government argue that, in such agreements which relate to the settlement of a number of international problems arising out of the war, any obligational feature which may arise should be construed in relation to all their parts and not to any separate part. Thus, for instance, the Cairo Declaration, in addition to referring to Formosa, declared that it was the intention of the participants at the Cairo Conference to establish a unified, independent and democratic Korea. Since the Soviet Union is judged to have committed a breach in its undertaking to unify Korea by establishing in practice an arbitrary partition of that country, and since later the unification of Korea was sought by the authorities of North Korea with the aid of Communist China by force, it may be argued that the declaration as a whole no longer has validity. I think this aspect of the problem also requires examination.

8. For these reasons I should be inclined to agree with Mr. Holmes' statement that "the opinion of the Legal Division may need some modification". I should think that it might well be argued from precedent that, under certain conditions, Article 107 does not prevent the United Nations from considering and making recommendations regarding the status of an ex-enemy territory, even if such recommendations are not in accordance with the terms of the agreements signed by the main allied powers. The proviso would be that it should be established that the question concerned constituted a direct threat to the peace within the meaning of Chapter VII of the Charter.

W. J. Donovan

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27 27

OTTAWA FILE
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SECURITY CLASSIFICATION
TOP SECRET

Despatch No. 2038

Date May 12, 1951

FROM: THE HIGH COMMISSIONER FOR CANADA IN THE UNITED KINGDOM,
LONDON
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference: Our telegram No. 1171 of May 11, 1951

Subject: Government policy on Formosa

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MAY 14 1951

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Post File

No. AR 50/1

In our telegram under reference we mentioned the statement made by the Foreign Secretary on May 11 concerning the United Kingdom Government's policy on Formosa. Attached hereto is the Hansard text of Mr. Morrison's statement.

2. This statement may usefully be read in conjunction with that of General Marshall before the Senate committees on May 7.

3. You will note Mr. Morrison's remark that "in the view of His Majesty's Government this is a question which could usefully be considered by the United Nations at the appropriate time." During the questions which followed his statement, Mr. Morrison agreed that it was "clearly desirable that the wishes of the inhabitants of Formosa should be taken into account."

4. In reply to another question, Mr. Morrison said that his statement made it clear that there was no change in policy from the time when Mr. Attlee made his statement to the House on December 14, 1950. (Our despatch No. 3272 of December 15, 1950, at paragraphs 7 and 8). 50067.A.10

Circulate to:

~~Mr. Norman~~
~~"Kinning"~~
~~"Goulet"~~
~~"P. A. D."~~
✓ file

I. R. Horne
Jnth High Commissioner.

R. L. ROGERS

14 MAY 1951

Y

**FORMOSA (GOVERNMENT
POLICY)**

The Secretary of State for Foreign Affairs (Mr. Herbert Morrison): With your permission, Mr. Speaker, and that of the House, I desire to make the following statement.

In the course of the debate in the House on 14th December last the Prime Minister said that the question of Formosa was one of the most difficult in the Far East. That is still the position. At the Cairo Conference in 1943 the United States, the United Kingdom and China agreed that Formosa should after the war be returned to the Republic of China. The Cairo Declaration also proclaimed the intention that Korea should

in due course become free and independent. It also expressed acceptance of two principles: non-aggression and no territorial ambitions.

My right hon. Friend the Prime Minister, therefore, went on to remark in the course of the same debate that until China shows by her action that she is not obstructing fulfilment of the Cairo Declaration in respect of Korea and accepts the basic principle of that Declaration, it will be difficult to reach a satisfactory solution of this problem. His Majesty's Government are of the opinion that the objectives of the Declaration can be achieved only in the context of a genuine and satisfactory Far Eastern settlement, the first step towards which must be a settlement in Korea.

In fact, the problem of Formosa has now become an international problem in which a number of nations apart from those signatory to the Cairo and Potsdam Declarations are closely concerned. In the view of His Majesty's Government this is a question which could usefully be considered by the United Nations at the appropriate time. It is not however the urgent problem. The most pressing of the problems facing us in the Far East is that of Korea and in our view it would be premature to discuss the future of Formosa so long as the operations continue in Korea.

The question of Formosa will, however, come up in the context of the Japanese Peace Treaty. Our aim here is to secure an early Peace Treaty without allowing the difficult issue of Formosa to delay its negotiation and without attempting in the Treaty to find a final solution to an issue which must be given careful consideration later in the general context of the Far Eastern situation.

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C. Glover/jme
Am. & F. E. Div. Ext. 181B



OTTAWA FILE
No.....

Letter No... Y-.....

Date... May 12, 1951.....

SECURITY CLASSIFICATION
CONFIDENTIAL

FROM: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO:

Reference.....

Subject: Formosa.....

50056-A-40
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I enclose the following document:

Telegram No. 251, dated May 10, 1951, from the
Secretary of State for Commonwealth Relations,
London, England.

A.D.P. HEENEY

Under-Secretary of State
for External Affairs

SENT TO THE FOLLOWING:

TOKYO - Y-936 ✓
NEW DELHI - Y-809 ✓
NEW YORK - Y-865 ✓
WASHINGTON - Y-1932 ✓

Copies Referred

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Post File

No.....

Ottawa, May, 12th, 1951.

To The Hon. L.B. Pearson,

Parliament Bldgs, Ottawa,

50056-A	100
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*no ad seen
at Pearson's
letter*

Dear Mr. Pearson,

I feel that I ought to apologize for writing to you, knowing how many demands there are upon your time, yet your name is more familiar to me than any of the others, and so I take this liberty. If my beef has no appeal to you the waste paper basket is handy, but if otherwise you will know the proper way to pass the thought along.

I am much concerned over the tension that is growing between the United States and Great Britain over several questions, but it is of Formosa that I would speak. Would it not be possible to de-militarize that island and make of it an experimental Farm under the Trusteeship of the United Nations and run scientifically for the benefit of all Asiatics? It could be called The Asiatic Experimental Farm and the experiments carried on would cover all phases of Asiatic life, except the military. Especially would the task be to find scientific means of raising the standard of living of the whole people and of multiplying the quantity of food raised..

I feel that the coming together of the Asiatic people from every country for peaceful purposes would go a long way to dispel the hatred that is so rampant to-day and in its place friendship and understanding might grow.

Yours very truly,

I.M. Milliken.

14-8-11 (55)

COPY NO. 26 OF 26 COPIES

FROM: THE HIGH COMMISSIONER FOR CANADA, LONDON, ENGLAND
TO: THE SECRETARY OF STATE FOR FOREIGN AFFAIRS, OTTAWA

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CYPHER - AUTO

TOP SECRET

NO. 1171

LONDON, May 11, 1951.
(Rec'd: May 12, 1951.)

*Original on
50069-A-40.*

50056-A	40
27	27

Top Secret. At the Far East Department of the Foreign Office today we were shown, on an informal and confidential basis, a copy of Mr. Morrison's reply to Mr. Acheson's earlier personal message of April 30th re-stating the views of the United States Government on the Korean situation, referred to in Washington teletype WA-1884 of May 4th. This reply was sent yesterday through the British Embassy in Washington. You may be receiving a summary based upon the reply through the Commonwealth Relations Office, but since we were able to take notes the main points are summarized below for your own information:

(1) General approach, and (2) ending the war in Korea.

The message starts by referring to the large area of common ground underlying Anglo-American policy in the Pacific, and expresses agreement with Mr. Acheson's statement that short of a change in the aggressive Communist purposes it is difficult to see how hostilities can cease. Communist aggression in Korea must be opposed with United Nations force. It goes on to say, however, that a final political settlement cannot be achieved by military force but only by negotiation.

(3) Air counter-attack

Mr. Morrison's message states that in the event of heavy air attacks he agrees that there would be no alternative but to meet the threat by the most effective

military means at our disposal, i.e., by bombing bases in China from which the original attacks are launched. This involves risks which must be foreseen. The United Kingdom Government have decided that in the event of heavy, repeat heavy, air attacks on United Nations forces from bases in Chinese territory, the United Kingdom Government will associate themselves with the policy of retaliatory action against those bases in order to prevent future attacks and reduce the loss to United Nations forces. The message emphasizes, however, that this was a decision in principle, and that it had to be borne in mind that the consequences were grave and might even involve general war. In view of the gravity of these consequences the decision to authorize such retaliatory air action should be subject to concurrence "by us" at the time. Mr. Morrison points out that it is not really a question of "confidence" but of the responsibility of the United Kingdom Government on policy matters from which they could not divest themselves. The suggestion is put forward that just as on the United Kingdom side a decision of the Prime Minister would be required to confirm the authorization for retaliatory action, it is assumed that on the United States side a presidential decision would also be required.

In recognition of the fact that such a decision might have to take place at short notice, the message requests that full factual information should be made available on the scale and nature of the Communist air attacks on United Nations forces, and suggests that possibly the British Joint Services Mission in Washington might be an appropriate channel for this purpose. Further, the request is made that full details should be made available as to the evidence bearing on such attacks, particularly in view of the fact that United Kingdom estimates of Chinese air strength are generally lower than current United States estimates.

It is also emphasized that other Commonwealth Governments, naming Canada, Australia, New Zealand and South Africa, which are contributing forces in Korea have a definite interest in this problem and that adequate consultation with them on this point would be necessary.

In stating these views, it is emphasized that they pertain to the possibility of air attack from bases in China, and that the foregoing decision did not, repeat not, apply to the case of possible attack originating from Soviet bases, which would have to be separately considered.

(4) Selective economic embargoes.

On this point Mr. Morrison's message begins by stating that the United Kingdom is opposed to political sanctions, that such measures would not influence Chinese behaviour with regard to Korea, and might only operate to give the Russians a propaganda point. So far as economic sanctions are concerned, the message points out that with the exception of rubber no goods of direct military value from British sources had gone to China over a considerable period, and covers ground similar to that covered in two recent statements in the House of Commons by Sir Hartley Shawcross which we are reporting separately. A special point is made of the position of Hong Kong. It is pointed out that Hong Kong in Chinese Communist hands would be a menace to the South Pacific area and that if normal trade in consumer goods were cut off the population of Hong Kong would become a likely target for Communist infiltration. Steps would be taken to ensure that no exports to China which would contribute to the Chinese war effort went from Hong Kong. But to cut off all commercial contacts would make no difference to the fighting in Korea and would mean the ultimate loss of an important centre of free speech and western ideas in the whole area. The phrase is used: "I am sure you would not wish to give Hong Kong to the Chinese".

It is also pointed out that the United Kingdom is opposed to general as distinct from selective economic sanctions against China, and the argument made that such measures would not obtain general support among the Europeans and Asians. While agreeing to the principle of a selective embargo, the Good Offices Committee should be given the opportunity of continuing its efforts to establish contact with Peking. The United Kingdom Government has decided that they would not press for any delay in the presentation of a resolution dealing with a selective economic embargo from the Additional Measures Committee to the Assembly.

(5) Admission of Communist Chinese representatives to the United Nations. On this point the message re-states the United Kingdom position that Communist China is a political fact, which must be "recognized", and states that in the opinion of the United Kingdom Government the legal arguments are conclusive. It adds that the United Kingdom Government could in no way act to imply support for the fiction that Chiang Kai-Shek's representative in the United Nations could speak for China. You will recall that Mr. Acheson had suggested that a "moratorium" should be placed on this question, and in Mr. Morrison's reply he asks for further clarification of what is implied by a "moratorium".

(6) Public declaration.

Here Mr. Morrison agrees that the time is not propitious for the issuance of a public declaration of aims. At the same time he expresses the view that it is important to give a lead to public opinion on the general aims of United Nations policy and expresses the view that if a stalemate should be reached in the fighting such a declaration would have considerable value. He hopes, therefore, that Mr. Acheson would continue to consider this possibility further with Sir Oliver Franks in the hope that a statement could be eventually issued.

2. The foregoing are the principal points in the message. Your attention is also drawn to a statement which Mr. Morrison made in the House this morning (which he had expected to make yesterday) dealing with Formosa. We have not been able to obtain the full text, but its principal points are as follows:

3. The statement begins by referring to the previous statement made in the House by the Prime Minister on December 14th, reiterating the fact that United Kingdom policy with respect to Formosa was based on the Cairo Declaration. As the Prime Minister had indicated earlier steps could not be taken to implement the Cairo Declaration until China showed that she was not obstructing the fulfilment of the declaration. This had not been the case and it had been difficult to reach a solution. In the opinion of the United Kingdom Government the objectives of the declaration can be achieved only in the context of a general Far Eastern settlement, the first step in which must be a settlement in Korea. Formosa was now an international problem in which a number of nations apart from those signatory to the Cairo and Potsdam Declarations are chiefly concerned. Its disposition could only usefully be considered by the United Nations at an appropriate time. It was not, however, an urgent problem. The most pressing of the problems facing us in the Far East is Korea, and it would be premature to discuss Formosa so long as operations in Korea continue.

4. Mr. Morrison added that the question of Formosa would come up in connection with the Japanese Peace Treaty. Here the aim would be to secure an early peace treaty without allowing the question of Formosa to delay its negotiation and without attempting in the treaty to find a final solution to an issue which must be given later consideration in the context of the whole Far Eastern situation.

HIGH COMMISSIONER

(COPY) **DOWNGRADED TO SECRET**
REDUIT A SECRET

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FROM CJS LONDON 141820Z

TO SECRETARY CSC OTTAWA

T O P S E C R E T

SPECTRA.

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TOP SECRET. CJS(L)M 315

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FOR HEENEY FROM FOULKES

Further to my CJS(L)M 311

1. I had a long talk with Admiral Sherman and General Greunther on the question of Formosa. They both explained that the strategical value of Formosa was more negative than real. In other words they would be quite happy with Formosa being neutralized or in the control of anybody except the Communist Chinese. They emphasized that it would in the American Chiefs' view be intolerable to have their air routes between Okinawa and the Philippines interfered with by long-range fighters based on Formosa. I then put the direct question as to whether Formosa was of such strategical value to the U S that it was worth while fighting for. Both Sherman and Greunther came back immediately to say that in their opinion it was not worth risking a war and hastened to reaffirm that that did not mean that the Americans had any intention of relieving the Seventh Fleet from the responsibility of stopping Communist China capturing Formosa. They said there was a great difference between fighting a war over Formosa and attempting to keep it neutralized. I then asked whether the importance of Formosa would lessen should the Americans leave Korea. They both agreed it would and emphasized that they weren't going to leave Korea until a satisfactory solution to the Chinese difficulty was reached. I then asked the question were they intending to build up and fight a major war to re-occupy North Korea. They both shrugged their shoulders and said they didn't think so. Greunther then went to some length to explain that it was very difficult to answer these

military questions without delving into the political business. He reaffirmed that the fighting in Korea was based on political considerations. Admiral Sherman intervened with remarks that there were always great difficulties in fighting these kinds of limited battles in which the Commander was constantly being tied by political considerations. He reaffirmed the view which I had expressed in a recent paper regarding strategical bombing. That it was necessary continually to remind the political authorities that when these political battles developed into a stage where the security of the allied forces was threatened, then it must be understood that the military commander must be allowed to use all the weapons and all the facilities at his disposal whenever and wherever he sees fit for the security of his forces. Sherman said he was very worried over this question of hamstringing the Military. I then asked the question as to where in their opinion our main strategical interest lies. They both agreed it was in Western Europe and they both reluctantly came to the conclusion that there was a grave danger of trying to save face in the Far East and having too little too late in the West. However they continued to argue that to admit defeat in the East would only hasten the day when the Russians would feel strong enough to take us on in the West. Perhaps as you know it is common knowledge that Greunther is to be the Chief of Staff to Eisenhower and therefore I felt it desirable to secure his views on this question as there is no doubt he will be advising Eisenhower over this weekend. Greunther and Sherman left by air last night to brief Acheson and Pace before they come to the meetings in Brussels. Greunther was not sure whether he was coming back to Brussels but I rather suspect he is because Spofford remarked to me last night that he would be very unhappy if he could not get Greunther's advice in Brussels.

From other sources I have gathered that there is genuine concern about Greunther leaving the Pentagon.

2. Dana and I are busy re-writing your paper on re-organization of NATO. I will be quite surprised if you recognize the paper by the time you arrive in Brussels. I am attempting to bring the military paragraphs into line with what we have been discussing here. Then if you and Claxton agree with the paper I suggest that Dana should peddle around the political parts and I should attempt to get the Military people to agree with the military parts. It is my view that we will never get the paper accepted without this kind of preparation. You would be surprised at the alarm and despondency which your paragraph on the military side created in the Military Sections. I am quite sure we must regain the Military confidence which we have had before and as you know the smaller nations still look to Canada to take the lead in the Military Committee in military affairs. Looking forward to seeing you in Brussels. We hope to have the paper ready by then.

RPTNS : '(L)M 315 HAM EISENHOWER ACHESON PACE NOT SPOFFORD NOT
PENTAGON DANA AND I NATO CLAXTON DANA
CCNS NIL

Mr. Henry

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May 11, 1951.

File
(R)

MEMORANDUM FOR THE UNDER-SECRETARY

*Sent to
minister
16.5.51*

Attached for transmission to the Minister if you concur is a letter replying to a letter of May 4, 1951, from Mr. Lloyd B. Graham of Calgary, Alberta.

2. Mr. Graham has produced the novel idea that **FORMOSA** should be returned to Japan rather than to China and is understood to be going to Japan in the near future. I have therefore thought it best to refute his arguments at some length.

E. H. M.

American and Far Eastern Division.

*File
R.*

May 11, 1951.

MEMORANDUM FOR THE MINISTER

Attached for signature, if you concur, is a reply to the letter of May 4 which you received from Mr. Lloyd B. Graham of Calgary, Alberta.



A.D.P.H.

*Letter mailed from
Minister's office
16-5-51*

*16-5-18(55) h
12.5.12(55)*

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May 11, 1961.

Dear Sir,

Thank you for your letter of May 4 in which you give your views as to the proper disposition of the island of Formosa.

There appear to be one or two facts in connection with Formosa which have escaped your attention. The island has had a substantial Chinese population since the year 1644 and was a part of the Chinese Empire from 1661 to 1895. The "legal agreement" to which you refer is no doubt the Treaty of Shimonoseki. This, as you state, was a legal agreement between China and Japan but it cannot have escaped your attention that China accepted the Treaty only because it had been defeated in the Sino-Japanese war. When the Cairo Declaration agreed to "restore" Formosa to China, its language therefore could well be considered correct. Messrs. Churchill, Roosevelt, and Chiang Kai-shek used this language with respect to Formosa for the same reason they used it with respect to Manchuria: Japan had seized the area by force even though in the case of Formosa that seizure was later recognized by a treaty.

It is true that at the present time Formosa is in law part of the Japanese Empire but this is a situation which can be expected

Lloyd B. Graham, Esq.,
"Home Acres", Box 7,
Calgary, Alberta.

..2

to last only until a peace treaty is concluded with Japan. It cannot be said that the Treaty of Shimonoseki will be violated as you suggest and that this will be a bad example to the Japanese when they regain complete control of their own affairs. Since the rise of modern diplomatic practice, it has been recognized that a later treaty can reverse or alter the effect of an earlier treaty without any suggestion of a breach of faith.

I am afraid that I cannot agree with your suggestion that it would increase oriental respect for occidental justice if Formosa were allowed to remain in Japanese hands. That Formosa should be returned to China is one point on which the Far East at least is almost unanimous.

After Formosa became part of the Japanese Empire, the Japanese government made several attempts to encourage emigration to the island but by 1938 the population of the island was 94% Chinese and approximately 6% Japanese, which I think indicates that Japanese attempts to remove surplus population to the island were unsuccessful.

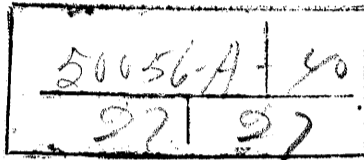
Yours sincerely,

L. B. Pearson.

BRITISH INFORMATION SERVICES

AN AGENCY OF THE BRITISH GOVERNMENT

OFFICIAL TEXT



Ann F E Div
See Review
See Report
T.22
Washington, D. C. + file
May 11th, 1951. FRM

STATEMENT BY MR. MORRISON ON FORMOSA

Following is the text of a statement on Formosa made by the Foreign Secretary, Mr. Herbert Morrison in the House of Commons on May 11th:-

R. L. RO
23 MAY 19

In the course of the Debate in the House of 14th December last the Prime Minister said that the question of Formosa was one of the most difficult in the Far East. That is still the position. At the Cairo Conference in 1943 the United States, the United Kingdom and China agreed that Formosa should after the war be returned to the Republic of China. The Cairo Declaration also proclaimed the intention that Korea should in due course become free and independent. It also expressed acceptance of two principles: non-aggression and no territorial ambitions. My Right Honourable Friend the Prime Minister therefore went on to remark in the course of the same Debate that until China shows by her action that she is not obstructing fulfilment of the Cairo Declaration in respect of Korea and accepts the basic principle of that Declaration, it will be difficult to reach a satisfactory solution of this problem. His Majesty's Government are of the opinion that the objectives of the Declaration can be achieved only in the context of a genuine and satisfactory Far Eastern settlement, the first step towards which must be a settlement in Korea.

In fact the problem of Formosa has now become an international problem in which a number of nations apart from those signatory to the Cairo and Potsdam Declarations are closely concerned. In the view of His Majesty's Government this is a question which could usefully be considered by the United Nations at the appropriate time. It is not however the urgent problem. The most pressing of the problems facing us in the Far East is that of Korea and in our view it would be premature to discuss the future of Formosa so long as the operations continue in Korea.

The question of Formosa will, however, come up in the context of the Japanese Peace Treaty. Our aim here is to secure an early peace treaty without allowing the difficult issue of Formosa to delay its negotiation and without attempting in the treaty to find a final solution to an issue which must be given careful consideration later in the general context of the Far Eastern situation. "

In answer to a supplementary question regarding consultation of the Formosan people, Mr. Morrison said that he thought this point should be borne in mind at the appropriate time and that it was clearly desirable that the wishes of the inhabitants of Formosa should be taken into account.

FROM: THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS
TO: THE HIGH COMMISSIONER FOR THE UNITED KINGDOM IN CANADA

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*Korean had no for Done J.M.E.
miss - [unclear] [unclear]
- [unclear] [unclear]
- [unclear] [unclear] not a force*

Sent 7.20 p.m. 10th May 1951

Recd 5.20 p.m. 10th May 1951.

To Sec. in [unclear]

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Immediate

Publix

Circular 7, No. 251

Confidential

*Copy on 50057-40
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Formosa.

Following is the text of a statement on Formosa which Foreign Secretary proposes to make in House on 11th May. *In answer to a Private Notice Question.* Please do not pass this information to Commonwealth authorities until we telegraph that statement has been made. Begins.

"In course of Debate in House of 14th December, last, Prime Minister said that question of Formosa was one of the most difficult in Far East. That is still position.

At Cairo Conference in 1945, United States, United Kingdom and China agreed that Formosa should, after the war, be returned to Republic of China. Cairo Declaration also proclaimed the intention that Korea should in due course become free and independent. It also expressed acceptance of two principles: non-aggression and no territorial ambitions. My Right Honourable Friend, the Prime Minister, therefore went on to remark in course of same debate that until China shows by her action that she is not obstructing fulfilment of Cairo Declaration in respect of Korea and accepts the basic principle of that Declaration it will be difficult to reach a satisfactory solution of this problem. His Majesty's Government are of opinion that the objectives

- 2 -

of the Declaration can be achieved only in the context of a genuine and satisfactory Far Eastern settlement, first step towards which must be a settlement in Korea.

In fact problem of Formosa has now become an international problem in which a number of nations apart from those signatory to Cairo and Potsdam Declarations are closely concerned. In view of His Majesty's Government this is a question which could usefully be considered by United Nations at appropriate time. It is not however the urgent problem. Most pressing of the problems facing us in Far East is that of Korea and in our view it would be premature to discuss future of Formosa so long as operations continue in Korea.

Question of Formosa will however come up in the context of Japanese Peace Treaty. Our aim here is to secure an early Peace Treaty without allowing the difficult issue of Formosa to delay its negotiation and without attempting in treaty to find a final solution to an issue which must be given careful consideration later in the general context of Far Eastern situation.

It is probable that a question regarding consultation of the Formosan people will be asked. In this case the reply will be that His Majesty's Government consider that this point should be borne in mind at the appropriate time.

10.5.51

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Formosa File

Extract from Mr. Pearson's Statement of May 7, 1951,
on Canadian Policy in the Far East during the
House of Commons Debate on External Affairs
Estimates

Another--and I suppose at the moment the most pressing-- problem we face with the United States, because it is indeed a phase of United States-Canadian relations though it is also of far wider and deeper significance, involving as it does the whole question of global war or global peace, is the policy to be adopted at the present time in Korea. For the time being I think the role of diplomacy in Korea is secondary, because the scene there is now dominated by the heavy fighting which has been going on for the past few weeks. The first wave of the new Chinese attack has been checked and broken by United Nations forces, but the attack is not yet spent--far from it. This is probably just a lull before another storm. So it seems to me that for some time to come, while this heavy fighting is going on, the task of upholding the purpose and will of the United Nations in Korea must rest upon the fighting men who have withstood so courageously the attacks made upon them by much more numerous enemy forces. One Canadian battalion, as we know, has had an important part in the recent fighting. Additional Canadian troops have now arrived in Korea, and before many more days have passed a full Canadian brigade group will be in action. These men, along with those of the other United Nations forces, and particularly the forces of the United States, will have more effect upon the course of events in Korea over the next few weeks than any diplomatic moves; and I know the thoughts of every one of us will be with them, and perhaps especially with those of our own men who are going into action for the first time.

In those circumstances perhaps it would not be appropriate for me to say too much about the actual situation in Korea, but there are a few things I should like to say. The present Chinese attack must be broken before we can again begin to entertain any hope of a peaceful and honourable settlement there. When it has been broken, as we hope it will be, and with heavy losses to the enemy, the Chinese communists may be in a mood to negotiate an honourable settlement--the only kind of settlement we have ever contemplated--or at least to desist from further attacks. While I think it would be quite unrealistic to hold out hope of an early settlement in Korea, or even of an early end to the fighting, nevertheless we should always remember that the United Nations stands ready to negotiate, though not to betray its trust or yield to blackmail. The statement of principles adopted by the general assembly by an overwhelming majority on January 13 last, which would provide for a cease-fire to be followed by a Korean settlement and by the negotiation of a wide range of Far Eastern problems, still represents the considered opinion of the United Nations. If the Chinese government and the North Korean government wish to take advantage of the offer contained in that statement, it is open to them to do so. Of their willingness to do so, however, there is no sign whatever. The approaches made to Peking by the good offices committee established by the United Nations assembly have all been rebuffed. The North Korean government, in a broadcast message as late as April 18, has repeated its determination to drive the United Nations forces from the peninsula. We can only hope that the heavy losses which the aggressors are now suffering and will suffer in Korea may produce a more accommodating frame of mind.

In the meantime, the United Nations forces are heroically and skillfully fulfilling the task which has been given to them, which is the defeat of armed aggression in Korea. This is--and it should not be forgotten--the sole military objective of the forces of the United Nations in Korea, the defeat of aggression so that a free, democratic and united Korea can be established. It is also worthy of note, I believe, that, as Mr. Warren Austin, the United States delegate to the security council, said on May 1--I quote from his statement:

The United Nations has not declared, nor has it ever been asked to declare, that the political objectives--

That is, a democratic, free and unified Korea,

--must be achieved by military means. In fact, the emphasis has been quite the contrary.

Furthermore, Mr. Speaker, I suggest it is not an aim or objective of the United Nations in its Korean policy to interfere in the internal affairs of any Asian country, to replace one regime by another. Its aim, as I said, is to defeat aggression and so prevent other acts of aggression by proving that aggression does not pay. To some that may seem to be too limited an objective. On this point the well known columnist Mr. Walter Lippmann had this to say the other day--and I quote from his article:

Only a limited objective can be obtained by a war which is limited. The question now is whether the country--

He was referring to his own country, the United States.

--will agree with reasonable unity that our military objective in Korea is the limited one of repelling aggression south of the 38th parallel and restoring the South Korean republic. We can, and we should, still hold it as a political and diplomatic objective that Korea should eventually be united by democratic means. But we cannot unify Korea by a war confined to the Korean peninsula, and we shall get nowhere in this controversy until we make the choice of limited objectives out of a limited war or unlimited objectives out of an unlimited war.

It is also sometimes loosely said that the United Nations forces are fighting in Korea to defeat communism. There is perhaps some colour for this mistake, since the aggression perpetrated is by communist states, and has its roots in the totalitarian communist nature of those states. Free men everywhere must be determined to resist communism. But it is a confusion, I think, of categories to think that communism as a doctrine or form of government must be fought by armed forces, or that such is the purpose of the United Nations military action in Korea. When communism, or indeed fascism, results in acts of military aggression, that aggression should be met by any form of collective action, including military collective action, which can be made effective. But the purpose of such action is to defeat aggression. Communism itself, as a reactionary and debasing doctrine, must be fought on other planes and in different ways; by the use of economic, social, political and moral weapons. As Sir Norman Angell put it in a letter to the New York Times the other day:

The vital distinctions in this matter are not difficult or very obscure. We can overcome, and still better, deter, military aggression with military force . . . But if we use military power to dictate or to appear to dictate to other nations, Asiatic or

European, what social or political or economic system they may adopt for themselves, we shall awaken a nationalism which in the end will defeat us.

Since the United Nations objective in Korea, then, is to defeat aggression, it follows, I think, that the methods used should be designed to limit and localize the conflict and not to spread it. As long ago as August 31, 1950, I said in this house that it was not the purpose of this government to support any course of policy which would extend the scope of the present conflict in Korea, a conflict which should be confined and localized if it is in our power to do that; also that United Nations policy should be to avoid giving anyone else an excuse for extending the conflict. Mr. Speaker, that is still our view.

One way by which the conflict could be spread would be by authorizing the United Nations commander in Korea to conduct aerial bombing of China. As I said on April 26 last in the house, it is possible to visualize a situation in which immediate retaliatory action without prior consultation might be unavoidable in pursuing enemy bombers back to, and in attempting to destroy, the Manchurian air bases from which they came. It is our view, however, that the bombing, as well as the blockading, of China should, if at all possible be avoided, since such action would involve grave risk of extending the fighting without, as we see it, any corresponding assurance that such extension would end the war. The history, the position, the social and economic organization, and the political situation in China would not seem to give much hope for any such decisive result from such limited action. Indeed, it may be felt, on the contrary, that this limited action which has been suggested would inevitably develop into unlimited action against China, about the possible result of which the Japanese perhaps are best fitted to give testimony. One result we can, however, expect with some certainty, and that is great satisfaction in Moscow over such a development. It may be that the Chinese communists, by indulging in massive air activity over Korea, will make some kind of retaliation necessary. They have, however, not yet taken such action, and in that sense have not yet conducted an all-out war against the United Nations forces in Korea. As General Bradley put it in an address in Chicago on April 17:

Communist air intervention has not been a factor in the ground action to date. Neither has it been any serious threat to our air force.

If the Chinese communists change that situation, the responsibility for the consequence would rest entirely with them and not with the United Nations forces.

I am, of course, Mr. Speaker, aware that this policy of restraint in which all the governments who have forces in Korea concur to the best of my knowledge, may complicate the problems facing the United Nations commanders in Korea. These problems, however, in the opinion of many, would be immensely more complicated if the fighting were extended to China.

The question, I think, above all other questions at the moment, is, in short, whether aerial bombardment of points in China, together with a naval blockade and the removal of all restrictions from Chinese forces in Formosa, would be sufficient to bring China's participation in the war in Korea to an end, without bringing about intervention by the forces of the Soviet union. It was felt by many last November that if United Nations forces advanced to the very borders of Manchuria and cleared north Korea of the enemy, the war would then end; that there would be

little risk of communist China intervening, or, that, if it did, the intervention could be contained and defeated. As we know, and as I said last February in the house, it did not work out that way, for one reason or another. In the light of that experience, we should, I think, before we take any new decisions which will extend the war, be reasonably sure that this extension will have compensating military and political advantages. Let us not forget we would be playing for the highest stakes in history.

Another way in which the conflict could be extended, in the hope that it would be ended sooner, would be by facilitating and assisting the return to the mainland of China of the forces at present in Formosa under the command of Generalissimo Chiang Kai-shek. We should remember, of course, that these forces, or forces under the same command, have been driven from China by their own countrymen. The question to be answered, therefore, is this: Is there any reason to believe that these Chinese nationalist forces now in Formosa would have greater success in China than they had previously, unless they were supported by troops and equipment from other countries which could ill be spared for such a hazardous venture, with all its possible long-drawn-out consequences?

The desire to localize the conflict and prevent it from spreading remains, then, our policy, though we must recognize that while it takes only one to start a fight, it takes two to limit, as well as two to settle, a fight.

May I now say just a word in conclusion, Mr. Speaker, about our views--I have been asked about this in previous statements in the house--on the situation in Formosa. I believe that this island should be neutralized while fighting is going on in Korea. I have expressed that view previously. Certainly the United States of America cannot be expected to permit the Peking government to take over Formosa while that government is defying, and fighting against, the United Nations. It does not follow, however, that if and when the Korean conflict can be ended satisfactorily, we should refuse to discuss the future of Formosa within the context of international agreements that have already been reached concerning it, and indeed within the context of the United Nations charter. Any other course would, I think, result in implacable hostility between the United Nations and whatever government was in control of China at the time the war ended.

Until that war ends, however, and China abandons her attack against the United Nations in Korea, there can be, I think, no question of even discussing whether Formosa should be handed over to the Peking regime; at least that is our view. The same, I think, applies to recognition of that regime in Peking. There can be no question even of considering it while the Chinese defy the United Nations in Korea and fight against our forces there.

Nor do we think it realistic or right, while communist China is fighting in Korea, to include the Peking government in the current discussions of a Japanese peace treaty. In this regard, as in the case of the disposition of Formosa, the decision as to who shall talk and sign for China might well, I think--and even any discussion of this matter--be postponed until the Korean war is ended.

These are two questions which I know are uppermost in our minds these days. What is going on in the Far East? What is the policy of the alliance which has been built up, and which is getting stronger every day, to meet the dangers ahead, and within

that alliance what is the relationship of a junior partner like Canada to its neighbour and its very senior partner in this association, the United States of America? It is not easy these days to be too optimistic about the course of events; but time is going on, and while time is going on we are getting stronger. In that sense, but only in that sense, time may be said to be on our side if we take advantage of it. If we do take advantage of it, and if we grow stronger militarily, economically and in every other way, then I think, as I have said before, that we have no reason to regard the future with panic or despair. But the remedy, Mr. Speaker, rests with us.

Mr. Lapan

"Home Acres", Box 7,
CALGARY, Alberta,
4 May 1951.

*File
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SEEN

L. B. PEARSON

Rt. Hon. L.B. Pearson, M.A., LL. D.,
Minister of External Affairs,
Department of External Affairs,
OTTAWA, Canada.

Honoured Sir:

The press has carried a report that you have invited the members of Parliament to a meeting of the External Affairs Committee where Canada's views and advocated policies in foreign affairs may be discussed with you and members of your departmental staff. Though I will not be privileged to take part in this discussion, I wish to present my views to you as a Canadian Citizen regarding the just disposal of the island of Formosa.

I hope that you, as Canada's chief spokesman abroad, have not been deceived by Secretary of State Acheson's erroneous statements that Formosa was "stolen" from China by Japan. With your deep knowledge and understanding of History, undoubtedly you realize that these oft-repeated assertions are absurd and historically incorrect. By a legal agreement between China and Japan, Formosa has been a Japanese possession. This agreement has not been abrogated. Legally, Formosa still belongs to Japan. |||

At the Cairo Conference in 1943, Messrs. Churchill and Roosevelt were completely unjustified in agreeing to "restore" Formosa to China. Even now, the Nationalist Government of China is merely occupying the island as a refuge. |

The present British Government's motives for advocating turning Formosa over to the Communist Government in China seem basely opportunistic, and analagous to the actions of the most ubiquitous "fellow-traveller" at the individual level. Much as we may desire Commonwealth solidarity, our national conscience cannot allow us to echo the unjust and appeasing Formosa policy of the British Government.

In my opinion, the best solution would be the return of a thoroughly cleansed and reformed Nationalist Government to the Chinese mainland, with Formosa remaining a Japanese possession to which her exploding population surplus could migrate, and from which Japan could obtain needed raw materials. |

In these days, international agreements are being broken on all sides. We could begin to restore the integrity of such agreements by respecting the treaty by which Formosa was transferred by China to Japan in the early days of this century. We cannot expect a defeated but resurgent Japan to respect future international agreements if we encourage violation of existing agreements. |

Already the Japanese people have been terribly punished

10-5-11 (SS)


Rt. Hon. L.B. Pearson. (Continued) (2)

for their aggression, and it would serve only to make them our enemies if we set the poor example of advocating a rupture of the original Sino-Japanese Treaty re Formosa.

Therefore I suggest that you consider advocating the just return of Formosa to Japan as Canada's policy on this important question. Oriental respect for the Occident is at an all-time low. Canada has the chance to win the respect of 83,000,000 Orientals for Occidental justice and fair-play if you, as our Canadian foreign affairs spokesman, do what is right.

With admiration for your scholarly mind and sincere principles, I remain

Yours sincerely,



Lloyd B. Graham,
Citizen and Elector.

~~Mr. [unclear]~~

~~Mr. [unclear]~~

~~Mr. [unclear]~~

~~[unclear]~~

CONFIDENTIAL

620 Fifth Avenue, Room 504,
New York 20, N.Y.,
April 27, 1951.

Dear George,

One of the more responsible press correspondents here asked me this morning about a report he had which seemed interesting. He said that a senator in Washington had been puzzled by Mr. Acheson's recent statement about United States policy with regard to Formosa, and had asked Mr. Acheson what was the purpose of his declaration to the effect that the United States role there was purely defensive. According to the senator, Mr. Acheson said that his intention had been to cover up Chiang Kai-shek's position; that Chiang did not want to make a landing on the Chinese coast and was worried about the pressure from the followers of MacArthur for such a landing. The difficulty was that if the United States Administration was to succumb to the pressure for arming the Nationalist Chinese for offensive purposes, they would expose the incapacity of the Nationalists for this purpose and also their disinclination for invasion.

This is the sort of story which could be of some importance if it were true. The correspondent seemed to have had this straight from the senator and was very confident in his report to me. On the other hand, it would be very easy for

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George Ignatieff, Esquire,
Canadian Embassy,
1746 Massachusetts Avenue, N.W.,
Washington 6, D.C.

30.4.22/51

2.

the senator by shifting emphasis or making false deductions to have misinterpreted what Mr. Acheson did say. I would not want to report to Ottawa anything as hazy as this, but I wondered if there might by any chance be any other evidence along these lines.

Yours sincerely,

John W. Holmes.

P.S. I am sending a copy of this letter to Escott.

Ex 80 A

*Circular to:
Mr. Acheson
Mr. Brown
Mr. [unclear] CR*

50056-A-140
27 | 27

OTTAWA FILE
No.....

Despatch No. 1398
Date. April 26, 1951.....

SECURITY CLASSIFICATION
RESTRICTED

FROM: The Canadian Ambassador, Washington, D.C.
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference..... WA-1713 of April 25, 1951.....

Subject..... Military Assistance to Formosa.....

Secretary of State Acheson made reference in his press conference yesterday to the establishment of the United States Military Assistance Advisory Group for Formosa.

2. Mr. Acheson told his news conference that the United States still stands on the policy announced by President Truman at the start of the Korean war, i.e. to "neutralize" Formosa with a United States naval patrol to prevent Communist attack on the island and Nationalist attack upon the mainland. The Secretary of State made public an exchange of notes last January and February with the Chinese Government at Taipeh, which set out the terms under which military assistance would be provided to the Chinese Nationalists under the Mutual Defence Act of 1949. The United States note, which was accepted by the Chinese Government, stipulated, amongst other things, that the Chinese Government would use the material to maintain its internal security or its legitimate self defence. Failure by the Chinese Government to live up to the terms of the note would be regarded as contrary to the understanding of the United States Government and might be considered by the United States to be cause for the cessation of further deliveries. I enclose for your information five copies of the Department of State Press Release No. 312, which contains the United States note of January 30 and the Chinese reply of February 9.

3. Press reports have speculated on the possibility of \$250 million being apportioned for military assistance to Formosa for the fiscal year 1952 (commencing July 1, 1951). State Department officials, however, will not confirm this figure and say that an estimate cannot be given until the various foreign assistance programmes have been prepared for presentation to Congress.

4. United States officials have made it clear that there has been no change in the policy of "neutralization" of Formosa. It seems evident, however, that the United States is laying ever greater stress upon the defence of Formosa and the necessity of keeping the island from falling into unfriendly hands at this time.

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APR 30 1951

Copies Referred To.....

No. of Enclosures
..... (5)

Post File

No.....

177 [unclear]

DEPARTMENT OF STATE

FOR THE PRESS

APRIL 25, 1951
NO. 312

TEXT OF EXCHANGE OF NOTES DATED JANUARY 30 AND FEBRUARY 9, 1951, RESPECTIVELY, BETWEEN THE AMERICAN CHARGE D'AFFAIRES, A.I., AND THE MINISTER OF FOREIGN AFFAIRS OF THE REPUBLIC OF CHINA, REGARDING THE EXTENSION OF MILITARY AID TO CHINA BY THE UNITED STATES

"American Embassy,
"Taipei,
"January 30, 1951.

"Excellency:

"Pursuant to instructions from my Government, I have the honor to deliver the following statement:

"The Government of the United States is prepared to make available to the Republic of China under the terms of P. L. 329, 81st Congress, as amended, certain military material for the defense of Taiwan against possible attack.

"This material, and any other furnished under the authority of the law referred to, is transferred on the understanding that it will be used and disposed of pursuant to the following undertakings and that failure to do so by the Chinese Government will be contrary to the understanding of the United States Government, and may be considered by the United States to be cause for the cessation of further deliveries (it being understood that the undertakings contained in the first three paragraphs below apply as well to the material transferred to the Chinese Government under that law since June 27, 1950);

"1. The Chinese Government will use the material to maintain its internal security or its legitimate self-defense.

"2. The Chinese Government will take such security measures as may be agreed in each case between the United States Government and the Chinese Government in order to prevent the disclosure and compromise of classified military articles, services or information furnished by the United States Government.

"3. The Chinese Government agrees to receive personnel of the United States Government who will discharge in the territory under the control of the Chinese Government the responsibilities of the United States Government under this agreement and who will be accorded adequate facilities to observe the progress of the assistance furnished, to confirm that the material furnished is being used for the purposes for which it is provided, and to carry out such other operations or arrangements as shall be mutually agreed pursuant to this agreement. Such personnel, including personnel temporarily assigned, will, in their relations with the Chinese Government, operate as a part of the United States Embassy, under the direction and control of the Chief of the United States Diplomatic Mission. //

"His Excellency

"Dr. George K. C. Yeh,
"Minister of Foreign Affairs,
"Taipei.

"4. The

"4. The Chinese Government will not transfer, sell, otherwise dispose of the material provided pursuant to the above undertakings, or any other equipment susceptible of military use, without regard to its source, or the time or manner of its acquisition, without first obtaining the assurance of the United States Government that such equipment or material is not required by the United States for its own use or required to support programs of military assistance undertaken by the United States.

"The United States Government would appreciate a written assurance from the Chinese Government of its acceptance of the undertakings in this note."

"Accept, Excellency, the assurances of my highest consideration."

"K. L. RANKIN"

"Taipeh, Taiwan
"February 9, 1951

"Monsieur le Charge d'Affaires:

"I have the honor to acknowledge receipt of your note No. 13, dated January 30, 1951, which reads as follows:

"Pursuant to instructions from my Government, I have the honor to deliver the following statement:

"The Government of the United States is prepared to make available to the Republic of China under the terms of P.L. 329, 81st Congress, as amended, certain military material for the defense of Taiwan against possible attack.

"This material, and any other furnished under the authority of the law referred to, is transferred on the understanding that it will be used and disposed of pursuant to the following undertakings and that failure to do so by the Chinese Government will be contrary to the understanding of the United States Government, and may be considered by the United States to be cause for the cessation of further deliveries (it being understood that the undertakings contained in the first three paragraphs below apply as well to the material transferred to the Chinese Government under that law since June 27, 1950);

"1. The Chinese Government will use the material to maintain its internal security or its legitimate self-defense.

"2. The Chinese Government will take such security measures as may be agreed in each case between the United States Government and the Chinese Government in order to prevent the disclosure and compromise of classified military articles, services or information furnished by the United States Government.

"3. The Chinese Government agrees to receive personnel of the United States Government who will discharge in the territory under the control of the Chinese Government the responsibilities of the United States Government under this agreement and who will be accorded adequate facilities to observe the progress of the assistance furnished, to confirm that the

"Mr. Karl L. Rankin,
"Charge d'Affaires,
"American Embassy,
"Taipeh

material

material furnished is being used for the purposes for which it is provided, and to carry out such other operations or arrangements as shall be mutually agreed pursuant to this agreement. Such personnel, including personnel temporarily assigned, will, in their relations with the Chinese Government, operate as a part of the United States Embassy, under the direction and control of the Chief of the United States Diplomatic Mission.

"4. The Chinese Government will not transfer, sell, or otherwise dispose of the material provided pursuant to the above undertakings, or any other equipment susceptible of military use, without regard to its source, or the time or manner of its acquisition, without first obtaining the assurance of the United States Government that such equipment or material is not required by the United States for its own use or required to support programs of military assistance undertaken by the United States.

"The United States Government would appreciate a written assurance from the Chinese Government of its acceptance of the undertakings in this note."

"In reply, I have the honor to signify on behalf of the Chinese Government the acceptance of the undertakings set forth in your note under reference.

"Please accept, Monsieur le Charge d'Affaires, the assurances of my high consideration."

(Seal)

* * *

Paul

OTTAWA FILE
No.....

Letter No. **Y-1772** ✓
Date. **April 26, 1951.**

SECURITY CLASSIFICATION
S E C R E T

FROM: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA
Office of the
TO The/High Commissioner for Canada, London, England.

Reference:.....

Subject: **Formosa**.....

500 56-A | 40
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I enclose, for your information,
the following document:

Despatch No. 1341 of April 21, 1951,
from the Canadian Ambassador, Washington,
D.C.

A:D.P. HEENEY

**Under-Secretary of State
for External Affairs.**

Copies Referred To.....
No. of Enclosures One
Post File No.....

Similar sent to: Tokyo No. **Y-833** ✓
CPDUN, New York No. **Y-772** ✓

ORIGINAL

FROM: THE CANADIAN AMBASSADOR TO THE UNITED STATES
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

EN CLAIR

UNCLASSIFIED

WA-1713

WASHINGTON, April 25, 1951.

MINISTER
UNDR/SEC
D/UNDR/SEC
A/UNDR/SEC'S.

50056-A-40
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Unclassified. Military assistance to Formosa. --
My WA-1553 of April 20th, 1951.

1. Deputy Defence Secretary Robert Lovett told a news conference yesterday that the size of the military aid assistance group to Formosa may be expanded to about 600 officers and men. He revealed that the purpose of the mission is to train Nationalist Forces in Formosa as well as to supervise the Military Assistance Programme.

2. Mr. Lovett said that he knew of no change in the announced policy of the United States Government to "neutralize" Formosa. A State Department spokesman is reported to have explained later that the aim of the arms assistance and the mission is defensive and that President Truman's policy to "neutralize" Formosa has not been changed by recent events. We obtained confirmation of this today from Edmund Clubb, Director of the State Department's China office.

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APR 26 1951

- Refer to
✓ SSEA *Do J B*
✓ USSEA *26/4/51*
✓ Mr. Norman
✓ Defence Liaison (1)
✓ " (2)
✓ J.I.S.
✓ Sec'y COSC (5 copies)

Circulate original to:

- ~~Mr. Maclean~~
" *Stovall*
" *Blackley*

CANADIAN AMBASSADOR

8 files
R. L. ROGERS
26 APR 1951

1951 APR 26 1951
V. C. ROSEB

CLEARED
COMMUNICATIONS
EXTERNAL AFFAIRS

1951 APR 26 AM 9:31

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CONFIDENTIAL

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FILE COPY

OTTAWA FILE
No.....

Despatch No. Y-1713
 Date. April 25, 1951.

SECURITY CLASSIFICATION
SECRET

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA
 TO: The Canadian Ambassador, WASHINGTON, D.C.
 My despatch No. Y.937 of March 1, 1950.
 Reference:
 Subject: Legal Status of Formosa.

50056-A-40
27 27

The Permanent Delegate of Canada in New York, in his despatch No. 274 of March 30 (copy of which is enclosed), raised certain questions with respect to the memorandum on the legal status of Formosa which was forwarded to you with my despatch under reference. These considerations have now been weighed in the department and a further memorandum on the subject prepared in the Legal Division is enclosed for your information. As you were concerned at San Francisco with Article 107, you might like to give an opinion on the relative merits of the arguments in this case.

E. H. Norman

for the
 Secretary of State
 for External Affairs.

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Post File
No.....

File copy

Am. &FE/RLRogers/kb

FILE COPY

OTTAWA FILE
No.....

Y-771

Despatch No.....
 Date.....

April 25, 1951.

SECURITY CLASSIFICATION
SECRET

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA
 TO: The Acting Canadian Permanent Representative to the
 United Nations, New York, U.S.A.
 Reference: Your despatch 274 of March 30, 1951.
 Subject: Legal Status of Formosa.

50056A- 20
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I am enclosing for your information a
 copy of a memorandum prepared in the Legal
 Division of this department concerning the points
 raised in your despatch under reference. From
 this you will see that the position taken by
 the Legal Division in the memorandum enclosed
 with my despatch No. Y-435 of March 1 remains
 unchanged.

E. H. Norman
 for the
 The Secretary of State
 For External Affairs.

Copies Referred To.....
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No. of Enclosures One
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Post File
No.....

ORIGINAL

FROM: THE HIGH COMMISSIONER FOR CANADA, LONDON, ENGLAND

MINISTER TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

UNDR/SEC

D/UNDR/SEC

A/UNDR/SEC'S.

CYPHER - AUTO

SECRET

NO. 991

LONDON, April 23, 1951.

50056-A-	40
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Secret. My telegram No. 511 of 28th February, 1951. Following is United Kingdom situation report from Tamsui, Formosa, for period April 7th to 13th.

Begins:

Press generally agree MacArthur's relief means no change in American Far East policy. Comments restrained. Kung Lun Pao (Independent) condemns appeasement bloc and fears unfavourable effect on future events in Far East.

2. On April 9th government introduced new measures of control of foreign currency, etc. Official buying rate United States dollar raised to NT. dollars 15.90. But selling rate unchanged at NT. dollars 10.50. Official gold price raised from NT. dollars 500 to NT. dollars 667.80 a new tael. Private trading in gold and foreign currency made illegal. Bank of Taiwan establishing foreign exchange certificate market. Heavy penalties for manipulators and various austerity measures promulgated including banning luxury imports.

3. "Lady Wolmer" released from Keelung 9th April after cargo discharged.

4. Admiral Martin with large naval and air escort

visited Taipei 13th April and left same day. He was received by President Chiang.

23 APR 1951

R. L. ROGERS

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APR 23 1951

Refer to:
Consular Div
Legal Div
Reference Liaison (2)
U.S.
Bank of Canada
UN Div

To see:

~~Mr. Horn~~

7 file

5. T.F. Tsiang left 11th April for Lake Success,
Ok Yui, Governor Central Bank, returned 10th April
after one month's visit to United States and Philippines.
Ends.

HIGH COMMISSIONER

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1951 APR 26 PM 4:26

HIGH COMMISSIONER

Page 2

After one month's visit to United States and territories

for the purpose of general work returned to the

2. Mr. [Name] will visit for [purpose]

FILE COPY

OTTAWA FILE

No.....

SECURITY CLASSIFICATION

CONFIDENTIAL

Letter No. **Y 1711** ✓

Date..... **April 23, 1951**

FROM: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO: The Office of the High Commissioner for Canada,
LONDON, England.

Reference.....

Subject: **Military Assistance to Formosa**

50056-A | 40
27 | 27

I enclose the document listed below:

Telegram No. WA-1553 of April 20, 1951 from
the Canadian Ambassador to the United States,
Washington, D.C.

A.D.P. HEENEY

Under-Secretary of State
for External Affairs.

Similar sent to:

Tokyo No. Y **801** ✓

Copies Referred

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No. of Enclosures

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Post File

No.....

DEPARTMENT OF EXTERNAL AFFAIRS

Mr. Hoover
Mr. Rogers
Mr. Blockley
Mr. [unclear]
Mr. [unclear]

Subject.....

Date..... 1951 Publication.....

STRATEGIC IMPORTANCE OF FORMOSA REWEIGHED

Chiang's Island Base and Forces Have Elements of Strength and Weakness

By HANSON W. BALDWIN
Special to THE NEW YORK TIMES.

WASHINGTON, April 21—One place and one man—Formosa and Chiang Kai-shek—were again storm centers of international politics this week.

Aid to Formosa and the island's retention as one of the bastions of our defense line in the Pacific were stressed by General of the Army Douglas MacArthur in his dramatic speech to Congress, and before the week ended plans for sending a 100-man military mission to the Chinese Nationalist stronghold were disclosed here.

But the apparent cause and effect were not necessarily related. The United States commenced sending military aid to Formosa in December after the Chinese Communist intervention in Korea, and ever since plans for sending a United States mission to the island have been under discussion. The mission now being sent, and the aid being dispatched—though a considerable change in our former hands-off policy—is limited; it by no means meets the dimensions of the program urged by the advocates of all-out aid to Generalissimo Chiang.

It will increase materially the island's ability to defend itself, but will not be sufficient, in the opinion of some who know the situation on Formosa, to enable Generalissimo Chiang to undertake any large-scale invasion of the mainland.

Strength and Weakness

Formosa and the Chinese Nationalist military forces based on the island, and Chiang Kai-shek are closely interrelated and any appreciation of the power and weaknesses of one is incomplete without a similar appreciation of the power and weakness of the other.

Generalissimo Chiang as a man and a political and psychological figure has elements of weakness and strength apart from the military power of Formosa. He is such a controversial figure that no unity of purpose centered on his person seems likely among the Allies, or even among the Chinese. He still has some political support on the mainland of China as well as on Formosa, and his name is better known throughout Asia than any other non-Communist Chinese leader. He is disliked by many, hated by some, loved by a few, but to many people his name has become a symbol for corruption, in-

efficiency and defeat. Some say he is the only man who could lead the Nationalists back to the mainland. Others say he is the only man who could not successfully perform this task.

Nevertheless, Formosa is the base for the largest native anti-Communist force in Asia, a force that has considerable potential strength but also presents grave weaknesses.

The strength of the Nationalist forces on Formosa has been put as high as 800,000 men; General MacArthur used the figure 600,000 in his address to Congress. Both figures are somewhat exaggerated. The "paper" strength of Formosa may once have been as great as 800,000; that is perhaps 800,000 men were carried on the rolls, but there was never actually this number of troops.

Payroll Reform

The Chinese Nationalist army pay system, which has been reformed within the past eighteen months, used to be centered around the division commander; the division commander kept the payrolls and paid his men from money given him by the Central Government. The more men he could show on his rolls, the more money he got. His figures, therefore, were often heavily padded; the division commander pocketed the difference.

When the payroll reform system was instituted thousands of "paper" men were sloughed off the rolls. Moreover, Formosans who once were inducted and trained with the Nationalist troops brought over from the mainland have, in the past year, been dismissed and returned to their farms, and the size of the army has been purposely reduced to lessen the drain on the Nationalist economy.

Today, the total size of the Nationalist armed forces—army, navy and air force, including supply troops and headquarters personnel—is probably about 500,000, and of these a considerably smaller figure represents combat ground troops.

Navy Weakest Service

The Nationalist navy, which is probably the weakest of the services from the point of view of combat efficiency, numbers about 43,000 officers and men, including some 11,000 marines who have been practicing amphibious operations in a limited and somewhat

primitive fashion. The navy has a magnificent officers' club and many admirals, but little sea-going tradition and only about seventy major vessels (of LST and destroyer-escort type) plus numerous smaller ones.

The air force is supposed to number eight to ten groups of planes of World War II types—mostly propeller-driven fighters, C-47 transports and a few light and medium bombers—300 to 600 planes in all. But spare parts and gasoline have been so major a bottleneck that less than one-third of this number of planes has been operational and pilots have not been able to get in enough flying hours to maintain proficiency.

The army is by far the largest and the most important of the services. Its combat troops are numbered in a sizable six figures, but these vary in morale, training, equipment and leadership from good to poor. There are perhaps 700 to 1,000 tanks and armored vehicles, but nearly all of them are old or obsolescent; there is little motorized equipment and very little artillery.

Ammunition shortages, which have greatly hampered training and the defense of the island in the past, have been somewhat relieved since United States aid started flowing into the island in December.

Commanders Are Weak

One of the principal weaknesses of the Nationalists is leadership and command. The political commissar system that Generalissimo Chiang took over from the Communists years ago still prevails in his army, and many of his commanders are that in name only.

Even the commander of the ground forces—Lieut. Gen. Sun Li-jen, a Purdue and V. M. I. graduate—is much of a figurehead. He is able to carry out a vigorous training program, but he cannot relieve or appoint even a regimental commander without Generalissimo Chiang's approval, and he cannot shift troops from one part of the island to the other— even in case of invasion—without similar approval. The armored force, including much of the Nationalists' motorized equipment, is under the Generalissimo's son—Maj. Gen. Chiang Wei-kuo—and is not even answerable to General Sun.

Factionalism, the curse of China, and the suspicions of political life plus the uncertain morale of some units, are some of the major weaknesses.

As of today, Formosa is not yet fully secure defensively; that is, the fate of the island, if the Chinese Communists undertook an invasion when the United States Seventh Fleet was occupied elsewhere, would be in doubt. But Formosa is capable immediately—if the instructions to our Seventh Fleet were changed—of some limited offensive operations against the Chinese mainland.

The Nationalist navy could resume—as it was doing prior to last

Allen Formosa
50056-A-180
37/37

June—its limited blockade of part of the China Coast, particularly the port of Shanghai. At one time, only fourteen contact mines closed Shanghai effectively because the Communists' navy had no mine-sweepers.

Blockade's Effect

This enemy deficiency probably has been remedied today, but even so a little will go a long way in the industrially and technically weak Orient, and though a Nationalist navy blockade could not be completely effective, it could probably hamper and reduce the flow of ten to twenty shiploads of strategic materials a week that are now going to Communist Chinese ports.

The air force, despite its weaknesses, could resume its limited raids against the mainland. Aircraft could also be used for psychological warfare purposes and to maintain contact with and to supply the guerrillas on the mainland.

Ground operations at first would be limited to raids. Such raids—though small-scale—have, in fact, continued against coastal islands ever since last June; if the "wraps" were taken off, Formosa has the capability of staging sizeable commando-type raids against the mainland itself.

In sum, Formosa has very considerable potential strength, but it is not yet ready to be used in any massive attacks against the Chinese mainland and will not be ready for major blows for some months. On the other hand, South China, as distinct from North China, and particularly Manchuria—is still but loosely held by the Communists, and a strong Nationalist landing on the mainland some months hence might well accomplish major results.

50056-A-40
27 | 27

OTTAWA FILE
No.....

Despatch No. 1341

Date... April 21, 1951

Refer to: London
Tokyo
CPSUN
LSSEA
USSEA
Mr. Reid
D.L. (1)
D.L. (2)
R.L. ROGERS
26/4/51
25 APR 1951

SECURITY CLASSIFICATION
SECRET

FROM: The Canadian Ambassador, Washington, D.C.

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference... Your Telegram EX-813 of April 16

Subject: Formosa

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The manoeuvres of the Seventh Fleet in the Formosa Straits and the matter of the proposed dummy landing operation on the China coast were discussed with Assistant Secretary of State George Perkins, and with Mr. O.E. Clubb, Director of the China Office at the State Department.

2. The State Department officials knew little about the proposal but they were aware that it had come to Mr. Acheson's attention and that he had discussed it with the Pentagon. It appears that members of General MacArthur's staff frequently prepared plans for projects not authorized by Washington, such as air operations over Manchuria and naval operations such as the one referred to in your telegram and various other projects. United Kingdom representatives in Tokyo sometimes came to know of these plans and reported them to London without making it clear, and perhaps without knowing, that they had not been approved in Washington. Sometimes, apparently, the planning even went beyond the paper stages and resulted in some preparatory movement of forces, presumably in the mistaken expectation that the plans would be approved. Mr. Perkins thought that the dummy landing proposal might fall within this category and he emphasized the point that it would require for its execution specific approval from Washington. There had been no question of approval having been given for such an exercise.

3. Mr. Clubb, who queried the Pentagon about the report of the proposed dummy landing, said that military Headquarters were not aware that an operation of this type was planned. It appears that 14 ships of the Seventh Fleet carried out fairly large-scale manoeuvres in the Formosa Straits recently. The Fleet called at Keelung, Formosa, but did not go through any dummy landing exercises off the coast of mainland China, so far as is known here.

4. Mr. Clubb referred to allegations made by the North China News Agency last week that U.S. planes had indulged in bombing and strafing at Foochow, Amoy and other places in Fukien Province, as well as over Canton. He said that the Far Eastern Naval Command had been questioned as to these reports and had replied that there was no truth whatsoever in the charges. The Naval Command explained that these accusations might have arisen from the necessity to cover the units of the Seventh Fleet manoeuvring in the Formosa Straits with a rather large screen of reconnaissance and fighter planes.

APR 23 1951

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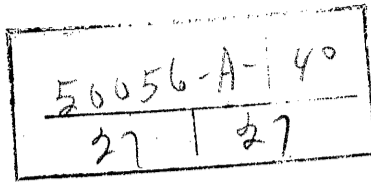
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April 21, 1951

File
L. ROGERS
26 APR 1951

MEMORANDUM FOR AMERICAN AND FAR EASTERN DIVISION

Re: Legal Status of Formosa -

I was interested in the opinion of the Permanent Delegation contained in Despatch No. 274 of March 30, but I am not convinced that the opinion given by this Division concerning the competence of the United Nations with regard to Formosa is inconsistent with the position adopted by Canada when the question of the Berlin Blockade came before the Security Council in October 1948. In my opinion there is a broad distinction between the two cases.

2. The Delegation concludes: "In other words it would seem possible to argue that the decision of the Security Council to place Berlin on its agenda constitutes a precedent to the effect that Article 107 does not prevent the United Nations from considering and making recommendations regarding the status of an ex-enemy territory, even if such recommendations are not in accordance with the terms of the agreement signed by the main allied powers, provided that it can be established that the question concerned constitutes a direct 'threat to the peace' within the meaning of Chapter VII of the Charter. This would seem to be the position taken by Mr. Jessup and Sir Alexander Cadogan - a position which was supported by Canada's vote."

3. I note that the delegation said "it would seem possible to argue". I have no doubt that a legal argument could be formulated to support the contention that the United Nations is competent to deal with the Formosa question, in a broad way when threats to the peace are involved. This was implicit in our memorandum of February 19 in which we suggested that Articles 11(2) or 14 of the Charter might be involved. However, this division was

asked a narrow question concerning sovereignty over the island and our memorandum of February 19 was intended to be a legal opinion rather than argument. //

4. Actually, the "possible" argument suggested by the delegation is hardly justified by the text of the statements of Mr. Jessup, Sir Alexander Cadogan and Mr. Parodi quoted in the despatch. They argued that the Security Council was competent to deal with the Berlin question notwithstanding Article 107 on the ground that there is a marked distinction between action taken ^{in respect of} by an enemy state and action taken in an enemy state by one of the Allied Powers but against the others and having relation to the others rather than to the enemy state. Sir Alexander Cadogan in fact said,

"the sole object of Article 107which was based on a draft originally made at Dumbarton Oaks... was to leave the hands of the Allied Powers free as regards any action that they might think it necessary to take in relation to one of the enemy states, either in the continuance of actual hostilities or as regards post-hostilities action, such as occupation of enemy territory, enforcement of transfers of territory under a peace treaty, exacting reparations, and so on."

5. Although Article 107 occurs in Chapter XVII of the Charter which is entitled "Transitional Security Arrangements", the wording "action" in Article 107 is a general word. The basic consideration was that force might be applied and transfers of territory by peace treaties are sanctioned by force. Moreover, there are rights of allied powers involved, as well as obligations of Japan as a state "which has been an enemy of any signatory to the present charter." The rights of the allied powers to require a transfer of the sovereignty over Formosa appears to be an incident of victory sanctioned by international law. Although Article 107 appears in the Charter as a limitation upon the authority of the United Nations, it appears to be in recognition of this existing right, and therefore should be construed so as not to derogate from that right. //


Legal Division

ORIGINAL

FROM: THE CANADIAN AMBASSADOR TO THE UNITED STATES
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

- Refs to:
- ✓ SSEA
- ✓ USSEA
- ✓ Defence Liaison (1)
- ✓ " " (2) A/UNDR/SEC'S.
- ✓ J.I.S.
- ✓ Chief of Staff (Scopus)
- ✓ Mr. Reid
- ✓ Economic Dir
- London, Tokyo
- ✓ file

MINISTER
UNDR/SEC
D/UNDR/SEC
CYPHER - AUTO
WA-1553

CONFIDENTIAL

WASHINGTON, April 20, 1951.

50056-A-40
27 27

R. L. ROGERS
21 APR 1951

Confidential. Military assistance to Formosa -
re my despatch No. 629 of February 20th.

1. T.L. Perkins, Deputy Director of China Office at the State Department, asked Campbell to call in on him this morning and told him of the appointment of Major-General William Chase to head a Military Assistance Advisory Group in Formosa.

2. Perkins said that an MAAG organization was being set up in Formosa, pursuant to an exchange of notes which had been made with the Chinese Government in early February, in order to facilitate proper distribution and use of military material made available to the Chinese Government in Formosa. Perkins observed that it was customary to set up an MAAG organization in countries to which the United States was giving assistance in the form of military material.

3. Questioned as to whether General Chase would take an active part in the training of Chinese Nationalist troops, Perkins said that there was nothing in the exchange of notes with the Chinese Government to indicate this.

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APR 21 1951

4. General Chase and his group will operate as a special group attached to the United States Embassy in Taipeh. In reply to questions, Perkins estimated that the group might consist of about 100 personnel. (He explained the rather large number as being necessary in order to have observation posts established in various parts of the Island).

5. Perkins said that this information would be made public in the future but that the State Department wished Commonwealth and other friendly Powers with interests in the Pacific to have prior knowledge of the establishment of a Military Assistance Advisory Group in Formosa.

CANADIAN AMBASSADOR

Ext. 30 C

DUPLICATE

OTTAWA FILE

No.

Despatch No. 1322

50056-A-40

37 | 37

SECURITY CLASSIFICATION

Date. April 19, 1951.

SECRET

Original on 50051-40.

FROM: The Canadian Ambassador, Washington, D.C.

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference.. Teletype WA-1179 of March 29.....

Subject:....China and the Japanese Peace Treaty.....

I enclose three copies of an Aide Memoire, dated April 12, 1951, which was handed to Sir Oliver Franks by Mr. Dulles. The State Department communication is in reply to the United Kingdom Aide Memoire of March 30, which gave the view of the United Kingdom Government that the Central People's Government of China should be invited to participate in any negotiations for the conclusion of a peace treaty with Japan. The United Kingdom Aide Memoire had also stated that the United Kingdom Government considered that Japan should be required to renounce sovereignty over Formosa and to cede it to China.

2. You will observe that the tenor of the United States reply is in accord with the remarks made by Mr. Allison to Dr. Norman on this subject on April 12 (see Memorandum of conversation enclosed with Despatch No. 1242 of April 14). We are informed that Mr. Dulles told Sir Oliver Franks that he wished to stress the words "insofar as it (i.e. the United States Government) is concerned", which appear in paragraph 2 of the United States Aide Memoire. Mr. Dulles explained that, if the United Kingdom Government wished themselves to initiate some approach to Peking on the Japanese Peace Treaty, the United States Government would not make any objection but very much hoped that the process would not lead to delays.

3. As to the question of the cession of Formosa to China, the United States Aide Memoire confirmed the observation which Mr. Allison made to Dr. Norman, that the United States did not think that Japan should be involved in the highly controversial question of the status of Formosa and the Pescadores.

H.H. Wrong

Copies Referred To.....
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No. of Enclosures
.....3.....
Post File
No.....

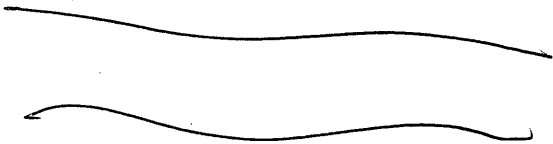
TEXT OF AIDE
MEMOIRE

1. Reference is made to the Aide Memoire of His Majesty's Government in the United Kingdom dated March 30th, 1951.

2. As the Government of the United States does not recognize the Central Peoples' Government of China it would not find it possible to invite that regime to participate in negotiations with it for the conclusion of a Peace Treaty with Japan. The Government of the United States accordingly does not see how, in so far as it is concerned, the views of His Majesty's Government of the United Kingdom could be implemented.

3. As regards Formosa it is noted that the declaration of Cairo provided, not for the cession of Formosa "to China", but that "Manchuria, Formosa, and the Pescadores, shall be restored to the Republic of China". In view of present differences of opinion as to what now constitutes the "Republic of China" and as to the bearing upon the Cairo Declaration of intervening events, it is the view of the Government of the United States that Japan, by the peace treaty, should renounce all rights, titles and claims to Formosa and the Pescadores, but that Japan should not itself be brought into the highly controversial question of what now is or should be the status of Formosa and the Pescadores, nor should the treaty be looked upon as the vehicle for the solution of this question.

Department of State,
Washington,
April 12, 1951.



MESSAGE FORM OUTGOING

FILE REF.		

SECURITY CLASSIFICATION
S E C R E T

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO: THE CANADIAN AMBASSADOR, WASHINGTON, D.C.

50056-A-140
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Message To Be Sent	No. <i>Et-813</i>	Date <i>16</i> April <i>14</i> , 1951.	For Communications Office Use Only SENT APR 16 1951
EN CLAIR			
CODE			
CYPHER <i>Auth</i>	<input checked="" type="checkbox"/>		

Degree of Priority

ORIGINATOR

Sig.

Typed: *RLRogers/kb*

Div. *Am. & F.E.*

Local Tel. *2991*

APPROVED BY

Sig. *[Signature]*

Typed:

Is This Message
Likely To Be Published

Yes () No ()

Internal Distribution:

USSEA

Done *[Signature]*

Date *Apr 16/51*

Copies Referred To:

Following is text of telegram No. 876 of
April 13, 1951, from the High Commissioner for
Canada, London, England. Begins:

(Communications Section, please repeat
text of above telegram)

Ends.

Done

Date

MESSAGE FORM OUTGOING

FILE REF.		

SECURITY CLASSIFICATION
SECRET

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO: THE CANADIAN AMBASSADOR, WASHINGTON, D.C.

50056-A-40
47/27

Message To Be Sent	No. <i>Et-808</i>	Date April 14, 1951	For Communications Office Use Only SENT -- APR 14 1951
EN CLAIR			
CODE			
CYPHER <i>uk</i>			
Degree of Priority			

ORIGINATOR

Sig. *RL Rogers*

Typed: RL Rogers/kb

Div. Am. & FE

Local Tel. 2991

APPROVED BY

Sig. *[Signature]*

Is This Message Likely To Be Published

Yes () No ()

Internal Distribution:

USSEA

Done *IS*

Date *Apr. 16/51*

Copies Referred To:

~~I~~ ^{we} am repeating to you telegram No. 876 of April 13 from London concerning the activities of the United States Seventh Fleet in Formosan waters this week. ~~I~~ ^{we} should be grateful if you would take any opportunity that arises to ascertain what truth there is behind this account and let us know.

Secretary of State
for External Affairs.

14.4-37(us)

File copy

Am.&FE/RLRogers/kb

Ext. 140

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

SECRET

April 14, 1951.

No. **Y-693**

50056-A/40
27/27

Sir,

I enclose the document (s) listed below.

I have the honour to be,

Sir,

Your obedient servant,

The Acting Canadian Permanent
Representative to the United Nations,
New York.

for the **A.D.P. HENNEY**

Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
<p>Secret telegram No. 876 of April 13, 1951, from the High Commissioner for Canada, London.</p>	<p>Formosa.</p>

FROM: THE HIGH COMMISSIONER FOR CANADA, LONDON, ENGLAND
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

S E C R E T

LONDON, April 13, 1951.

IMPORTANT

CYPHER - AUTO

NO. 880

50056-A-40
27 27

Original on 50069-A-40.

Secret. Following for Under-Secretary.

Further to your telegram No. 587 of April 10th on United Kingdom draft declaration on Korea.

The Foreign Office are clearly persuaded that an approach to Peking will be futile if it lacks the support of the United States. It seems to me possibly that a separate declaration by Mr. Truman aimed entirely at United States opinion might however allow the joint declaration to aim more definitely and unequivocally at opinion in Peking. The State Department on April 12th asked for more time to consider the matter in view of the removal of MacArthur.

2. Even if a separate declaration by Mr. Truman should be the outcome of the present discussions, we have still to consider Scott's other argument about the tactics to be followed in negotiations with Peking. If Scott had simply said that any mention of Formosa and Chinese representation in the United Nations had been omitted in order to secure American agreement to the draft joint declaration, we might think the omissions unwise, but the reason would at least be something familiar.

3. To hear the Foreign Office argue at this late date

that a solution in respect of Korea alone should be sought first before these two issues are brought up, took us rather by surprise. I recall that this procedure has been advocated on earlier occasions by the State Department, but never before, to my knowledge, by the Foreign Office. It has been difficult to single out some element in the present situation (apart from United States opinion) that is thought to justify this departure from the general trend of Foreign Office thinking on the scope of negotiations with a view to a general settlement in the far east.

4. Article 4 of the United Kingdom draft of a Japanese peace treaty declares: "Japan hereby cedes to China, in full sovereignty, the island of Formosa and the Pescadores Islands". The aide-memoire presented to the State Department on March 31st stated that in the view of the United Kingdom Government

(a) The Peking Government should be invited to take part in any negotiations for the conclusion of a peace treaty;

(b) Japan should be required to renounce in the treaty its sovereignty over Formosa and to cede Formosa to "China";

It occurred to us that these proposals might have a bearing on the omission of Formosa from the draft declaration, particularly on point (b). The Cabinet has been very firm on point (a), although some officials express doubts privately whether other governments will agree.

5. On the subject of Chinese representation in the United Nations there was even less information to suggest precisely why (apart from United States opinion) the Foreign Office thinks now in terms of a prior settlement on Korea. Scott had been quite emphatic on April 11th in stating that the government still thought that the Peking Government should represent China. The Foreign Secretary, in his parliamentary statement of April 12th (drafted by Scott) gave no hints.

The text of the statement went to you by air bag on April 12th.

6. Horne dined with Scott on April 12th and accordingly sought more information privately on these points. The only other guest was Scott's brother, who works at the Central Office of Information.

7. Scott agreed that there had been a switch in Foreign Office thinking on the scope of the first round of negotiations with Peking. He indicated that there was not any material factor in the present situation which lay behind this switch. He pointed out, however, that this thinking is on the official level (though you will note that it comes out in the draft joint resolution) and that the government continues to stand committed to its declarations on Formosa - that is to say, that the Cairo and Potsdam declarations should be implemented - and on Chinese representation in the United Nations. In other words, Scott, with the concurrence of the Foreign Secretary but not yet of the Cabinet, is conducting these discussions of the draft on the official level.

8. As regards Formosa, Scott repeated his remarks of April 11th about the inadvisability of discussing Formosa and other issues until Korea is settled. He went on to point out that at the Washington talks in December 1950, Mr. Attlee had been willing to make a concession to the United States point of view. The United States had at least gone through the motions of making a concession on Formosa in supporting the five points on January 13th. Scott seemed to suggest that the "including Formosa" phrase in the 5th point was not really inconsistent with Mr. Attlee's offer at Washington.

9. The Formosa clause in the draft Japanese peace treaty is not the cross-current that we had thought it might possibly become. The rider mentioned in our telegram No. 861 of April 11th would be agreed upon outside the Treaty by the signatories less Japan and would allow the transfer of

Formosa to be deferred pending an appropriate settlement with China. There would be a number of points of procedure to be settled in this fashion.

10. The State Department have pointed out to the Foreign Office that the rider as initially proposed took no account of the United Nations interest in Formosa. Scott suggests that the rider should be amended to meet this point in some very general terms.

11. Scott's final point on Formosa was that Formosa would serve as a bargaining counter to induce a settlement in Korea. Some people were arguing that such issues should be resolved to the satisfaction of Peking in order to induce Peking to agree to an acceptable solution in Korea. Scott regards this idea as dangerous for the reasons already given in our last telegram.

12. As to Chinese representation in the United Nations, Scott admitted that the omission from the draft was entirely designed to meet United States opinion. The government he says would agree to the change over tomorrow if others would do likewise.

HIGH COMMISSIONER

ORIGINAL

FROM: THE HIGH COMMISSIONER FOR CANADA, LONDON, ENGLAND
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

MINUTE
UNDR/CE
D/UNDR/CE
A/UNDR/SEC

CYPHER - AUTO

SECRET

NO. 876

LONDON, April 13, 1951.

Repeat to Washington ^{Don't}
Refer to: Tokyo ^{KB}
_{14/4/51}

SSEA
USSEA

Mr. Reid
DL-1)
DL-2)

^{Don't}
KB
_{14/4/51}

Copy on 50067-A-40.

50056-A-40
27 27

Secret. Formosa.

CPDUN New York

R. L. ROGERS

14 APR 1951

In the course of conversation on April 12 about the draft declaration on Korea, R.H. Scott of the Foreign Office related to Horne the story behind the activities of the United States Seventh Fleet in Formosan waters this week.

2. On April 7 the Foreign Office were notified of a proposal of General MacArthur's that the fleet should sail into Formosan waters and move close up to the Chinese mainland. It would then conduct a dummy landing operation by going through the motions of searching out landing places and moving in on beaches but without landing troops. Photographs would also be taken.

3. A minor crisis was caused by MacArthur's proposal to include in this operation a Royal Navy unit borrowed from the naval force operating about Korea. The United Kingdom Government protested against this and MacArthur agreed that his suggestion had been a wrong one.

4. MacArthur also proposed to add to the force an air component borrowed from Korea, and this in spite of all his statements about the enemy build-up. The planes were in the event actually borrowed for the purpose.

5. The United Kingdom Government made a general protest pointing out the grave risk of incidents during the landing operations and declaring that the results

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would be "exclusively" the responsibility of the United States.

6. As you know, the fleet moved into the channel a few days ago. Scott said that the plan had been considerably modified: no landing would be "carried out" and there would be no concentration of ships lying off in mainland territorial waters.

7. Scott suggested that MacArthur's purpose had been to lay plans for a landing by Nationalist forces in due course. He added that the less said about the matter now the better.

HIGH COMMISSIONER

FROM: THE CANADIAN MINISTER, OSLO, NORWAY
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

CONFIDENTIAL

CYPHER - O.T.P.

NO. 23

OSLO, April 13, 1951.

50056-A	40
27	37

Original on 50067-A-80.

Confidential. Oslo press unanimously approved dismissal of MacArthur but public opinion divided. There is fear that resultant political frenzy in the U.S.A. may have adverse effect internationally.

British proposal of handing Formosa to the Communists has surprised the Norwegian public. It is felt that timing has been bad.

CANADIAN MINISTER

FROM: THE HIGH COMMISSIONER FOR CANADA, LONDON, ENGLAND
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

CONFIDENTIAL

CYPHER - AUTO

NO. 815

LONDON, April 6, 1951.
(Rec'd April 7, 1951)

50056-A-40	
27	27

*Original on
6993-C-2-40.*

Confidential. Your telegram No. 488 of March 22nd
re Formosa.

Following reply has now been received from Franklin,
of Far Eastern Department of Foreign Office, Begins:

It is unfortunately the case that attacks by the
Chinese Nationalist Navy on British shipping did not
entirely stop with the "neutralization" of Formosa by
the United States Seventh Fleet. Nationalist gunboats
have frequently stopped British ships in order to
inspect their cargo; the ships have normally been allowed
to proceed although there have been a few cases of attacks
on British ships but except for one case these attacks
have not been of a serious nature; this was the case
of the "Glenearn" which was machine-gunned by Nationalist
aircraft on the High Seas off Formosa on the 14 July, 1950.
It was clear however that the attack was a mistake on
the part of an irresponsible Nationalist commander; the
Governor of Formosa apologised for the incident and
promised full compensation to the owners and to the
one man injured.

In addition to these incidents, two British ships
have been detained and taken to Formosa by the Nationalists.

The "Northern Glow", owned by the Great Northern Company of Hong Kong, was detained on the 19 July, 1950. She was released, minus cargo, on the 30 October after strong representations had been made to the provincial authorities by His Majesty's Consul at Tamsui. Another ship, the "Lady Wolmer" was seized on the 10 March and is still detained. His Majesty's Consul at Tamsui has been instructed to protest. The vessel, which is owned by the Eastern Asia Navigation Company Limited, was under charter to Chinese interests at the time of her detention. On the 19 March the British vessel "Hydralock", under charter to a Chinese firm, was reported as being pursued by a Nationalist gunboat off the Fukien coast, but evaded capture by entering Hamkong.

We can find no record of the Mona Navigation Company owning ships operating in this area. Possibly a reference is intended to Moller and Company of Hong Kong who own a number of small ships, (some of them chartered to increase Communist interests) several of which were detained about a year ago and one of which, the "Elsie Moller" was involved in one or two minor incidents late last year.

There have over and above the cases already listed, been a number of occasions when pirate junks probably owing allegiance to nobody have attacked ships off the China coast.

HIGH COMMISSIONER

MESSAGE FORM OUTGOING

FILE REF.		

SECURITY CLASSIFICATION
CONFIDENTIAL

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO: THE HIGH COMMISSIONER FOR CANADA IN THE UNITED KINGDOM, London.

50056-A-40
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Message To Be Sent

EN CLAIR

CODE

CYPHER *Sub*

Degree of Priority

No. *564*

Date April 6, 1951.

For Communications Office Use Only

SENT -- APR 6 1951

ORIGINATOR

Sig.

Typed *RL Rogers/kb*

Div. *Am. & FE*

Local Tel. *2991*

APPROVED BY

Sig. *E. H. Norman*

Typed:

Is This Message Likely To Be Published

Yes () No ()

Internal Distribution:

USSEA

Done

Date

Copies Referred To:

Done

Date

Neutralization of Formosa.

My telegram 488 of March 22.

I should like to have an answer to this telegram as early as possible in order that consideration may be given to the effectiveness of the neutralization of Formosa.

copy on 6993 C-2-40

Secretary of State
for External Affairs.

Am.&FE/RLRogers/kb

50056-A-40
27 | 27

SECRET

April 2, 1951.

RLR
R. L. ROGERS
26 APR 1951

MEMORANDUM FOR LEGAL DIVISION

LEGAL STATUS OF FORMOSA

I attach file 50056-A-40 which contains on top Despatch No. 274 of March 30 from the Permanent Delegation of Canada to the United Nations, New York. This despatch raises the question of the validity of the argument contained in your memorandum of February 19 on the legal status of Formosa as affected by Article 107 of the Charter of the U.N. It would seem to me that if the Permanent Delegation's argument is accepted in relation to the Security Council it could not very well be denied in relation to the General Assembly which, presumably, would be the body which would be called upon to make a recommendation for the disposal of Formosa at variance with the Cairo Declaration.


American and Far Eastern Division.

Ext. 4

50056A/40
27/27

OTTAWA FILE
No.....

SECURITY CLASSIFICATION
SECRET

Despatch No. 274

Date: March 30, 1951.

*circulate to
Mr. Reid
UN Sec
2/24/51*

FROM: THE PERMANENT DELEGATION OF CANADA TO THE UNITED NATIONS,
NEW YORK.
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference: Your despatch No. Y 435 of 1 March, 1951.

Subject: Legal Status of Formosa.

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APR 2 1951

Copies Referred

To.....
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No. of Enclosures

Three

Post File

No.....

We note from your despatch under reference that the Legal Division has prepared a memorandum on 19 February which gives the opinion that the United Nations cannot, in view of Article 107 of the Charter, invalidate the action of the Chinese Republic in assuming control of Formosa (which was in accordance with the Cairo and Potsdam Declarations).

2. In this connection we wonder whether the opinion expressed by the Legal Division is consistent with the position adopted by Canada when the question of the Berlin blockade came before the Security Council in October, 1948. On 29 September, 1948, the Governments of the United Kingdom, the United States, and France presented identical notes to the Secretary-General of the United Nations, asking that the question of the blockade of Berlin by the Soviet Union be placed on the agenda of the Security Council on the grounds that it constituted a "threat to international peace and security". These identical notes (S/1020 of 29 September, 1948) stated that the action taken by the Soviet Government in imposing the blockade was contrary to Article 2 of the Charter, and constituted a threat to the peace "within the meaning of Chapter VII of the Charter". The notes went on to say that the actions of the Soviet Government had created a situation "in which further recourse to the means of settlement in Article 33 of the Charter of the United Nations is not, in existing circumstances, possible". Accordingly the three Western democracies asked the Security Council to consider the matter.

3. On 4 October and 5 October, 1948, a debate took place in the Security Council regarding the admissibility of this question to the agenda of the Council (see verbatim records for 361st and 362nd meetings of the Council). The Representative of the Soviet Union, Mr. Vyshinsky, vigorously argued that the Security Council could not consider the Berlin question in view of Article 107. Mr. Vyshinsky stated:

"To refer the Berlin question to the Security Council would be a direct violation of Article 107 of the United Nations Charter, which states that:

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'Nothing in the present Charter shall invalidate or preclude action, in relation to any State which during the Second World War has been an enemy of any signatory to the present Charter, taken or authorized as a result of that war by the Governments having responsibility for such action.'

"Thus, according to Article 107 of the United Nations Charter, the Berlin question, forming as it does a part of the question of Germany as a whole, belongs to the competence of those Governments which are responsible for the occupation of Germany, and consequently, it is not a matter which can be considered by the Security Council.

"In fact, as regards Germany in general and in Berlin in particular, there exists a whole series of important international agreements and treaties signed by the four Powers: the Soviet Union, the United States of America, the United Kingdom and France. Of these, the most important are the agreements concluded by the great Powers at the Yalta and Potsdam Conferences, which lay down the political and economic principles governing relations with Germany. These documents deal inter alia with such important questions as the Declaration regarding the defeat of Germany and the quadripartite Statement on the control machinery in Germany. They are international treaties and agreements, signed by the great Powers, which then took over full authority in Germany for the duration of the period of implementation by Germany of the basic requirements of unconditional surrender.

"There are several agreements, signed by the above-mentioned Powers which refer to the zones of occupation in Germany and to the administration of greater Berlin. In this connexion, attention must be drawn to a most important provision of the Berlin Conference of three Powers to which later France and China adhered, namely the provision establishing the Council of Foreign Ministers. That Council was asked, among other things, to prepare a pacific settlement for Germany and it was stipulated that the document thus prepared would be accepted by a democratic German Government as soon as such a government had been established.

"Thus, in view of the special international agreements and treaties signed by the great Powers, the whole problem of Germany, including the Berlin question, is a matter to be settled by the Governments which bear the responsibility for the occupation of Germany; this problem cannot, therefore, be allowed to come up for consideration before any other body than that defined in the international agreements under which are the signature of the great Powers.

"That, in short, is the principle proclaimed in Article 107 of the United Nations Charter, which makes it clear that the responsibility for conditions in the territories of enemy countries controlled by allied Governments devolves on those same Governments. It follows, therefore, that all questions arising in connexion with such control, including the question of the situation in Berlin, have to be decided through direct negotiations between the Governments responsible

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under the above international agreements for the state of things in Germany as a whole and in any of its parts or sectors, and particularly, of course, in Berlin, its capital."

4. Mr. Vyshinsky's arguments were sharply challenged by the Representatives of the United States and United Kingdom, Mr. Jessup and Sir Alexander Cadogan. In arguing that the question of Berlin should be placed on the Council's agenda, Mr. Jessup said:

"... on that jurisdictional question and the objection to the jurisdiction which has been made by the representative of the USSR, I wish to point out that the objection which has been made is in keeping with his Government's continuous and systematic disregard of the Charter. The technical question which he has raised to the consideration of this item by the Security Council is whether, under Article 107 of the Charter, the Security Council is precluded from assuming jurisdiction of this case.

"But the real question is far more fundamental. The real question is whether in the present situation, the seriousness of which I do not attempt to minimize, the only existing general international machinery for the preservation of peace can be used to remove a threat to the peace, or whether the Government of the USSR contends that the world be thrown back upon an unorganized international community with all that that implies.

"... The Government of the United States believes in the purposes set forth in Article 1 of the Charter and in the principles stated in Article 2 of the Charter. It is because we believe in these purposes and principles that we have joined in referring this case to the Security Council. The representative of the USSR made a number of references to the desirability of respecting signatures to international agreements. I would like to point out that the Charter of the United Nations is an international agreement and that it bears the signature of the USSR.

"In accordance with our obligations under Article 33 of that Charter, the Government of the United States, in agreement with the Governments of France and the United Kingdom has made every effort to remove the threat to the peace created by the USSR, through direct discussions with the Government of the Soviet Union. The systematically periodic evasion and repudiation of the promises by that Government has made further recourse to these direct discussions futile. Meanwhile, the USSR continues, in violation of its obligations under the Charter, to apply force or the threat of force against the Governments of the United States, France and the United Kingdom.

"The representative of the Soviet Union has intimated, as his Government has already alleged, that the illegal USSR blockade measures were imposed in retaliation for the lawful steps relating to currency taken by the Western Powers in the western zones but, as I shall explain later to the Security Council when we come to the substance of the question, the USSR measures and the motive behind them were revealed some months before the currency measures of the Western Powers were put into effect.

"Any such argument on the part of the USSR will not succeed in obscuring the actual situation which confronted the Governments of the United States, France and the United Kingdom and to which I have just referred. Faced with that situation, the three Governments were confronted with the following alternatives. One, they could have supinely bowed to the USSR use of force; or two, they could in turn have resorted to force to meet the force of the USSR; or three, they could have recognized the fact stated in Article 24 of the Charter that the Security Council has "primary responsibility for the maintenance of international peace and security."

"... Now I wish merely to deal briefly with the technical argument which has been advanced by the representative of the USSR with reference to Article 107 of the Charter.

"The arguments put forward by the representative of the USSR make it appear that the question brought before the Security Council is the entire problem of Germany. As I have already said, if that is his impression, he has been misinformed. That is not the case. The question before this Council is a different one, namely, the threat to international peace and security caused by the imposition and maintenance of the USSR blockade of Berlin and other measures of duress taken against the three other occupying Powers.

"The representative of the USSR, in the second series of remarks which he has made this afternoon, has said that even if it is a threat to the peace it is still outside the competence of the Security Council. I believe that an examination of the Charter will show the fallacy of that argument.

"Article 107 is one of the two Articles of Chapter XVIII which provides for transitional security arrangements to be in effect until such time as the peace settlements have become effective and international stability restored, and until the United Nations has become fully equipped to deal with any question affecting the maintenance of peace.

"These transitional arrangements were designed to facilitate the making of the peace and other joint action by the victorious allies in the peace until full responsibility could be resumed by an effective United Nations, equipped with all the resources contemplated by the Charter. Article 107 of the Charter was not designed to prevent any disputes among the victorious Powers from coming to the Security Council, but to prevent interference by the former enemy States in any action taken by the victorious Powers within the agreed realm of their responsibility. In other words, Article 107, while precluding appeals to United Nations organs by defeated enemy States concerning action taken against them during the period of military occupation by the responsible allied Powers, does not prevent one of the allied Powers from bringing its differences with other allied Powers to the attention of United Nations organs for consideration according to the provisions of Chapters IV, VI or VII of the Charter; much less would it preclude consideration by the Security Council of action by a Member of the United Nations constituting a threat to the peace.

"These conclusions as to the meaning of Article 107 are inescapable from a study of the language of the Article itself, from its legislative history at San Francisco and from the practical interpretations which have been placed upon it. Article 107 provides, and I shall repeat it:

'Nothing in the present Charter shall invalidate or preclude action, in relation to any State which during the Second World War had been an enemy of any signatory to the present Charter, taken or authorized as a result of that war by the Governments having responsibility for such actions.'

"The language of the Article applies only to action so taken or authorized; it does not exclude from the jurisdiction of the United Nations all matters relating to ex-enemy States regardless of the circumstances of the Powers affected".

5. Supporting this argument, Sir Alexander Cadogan stated:

"The USSR Government maintains - and Mr. Vyshinsky has repeated it with emphasis this afternoon - that there is no blockade of Berlin, that there is no threat to the peace. We disagree with that. Can there be no appeal to the Security Council? Mr. Vyshinsky says 'no', because of Article 107 of the Charter.

"I should, therefore, like to say one or two words about that particular Article both as to its intention, as I understand it, and as to its interpretation. I do not think that I need to quote the text of that Article. It has already been quoted here this afternoon. The representatives have it in mind and perhaps under their eyes at the same time. What I would like to say is this: the sole object of this provision which we find in the Charter, Article 107 which was based on a draft originally made at Dumbarton Oaks while the war was in full swing, was to leave the hands of the Allied Powers free as regards any action they might think it necessary to take in relation to one of the enemy States, either in the continuance of actual hostilities or as regards post-hostility action, such as the occupation of enemy territory, the enforcement of transfers of territory under a peace treaty, exacting reparations, and so on. But for a provision of this kind, much of the action which the Allies might legitimately wish to take and might have to take in relation to the enemy States might have been technically inconsistent with the purposes and principles of the Charter - for instance, the principles of not using force. Further, the hands of the Allies might have been tied completely as regards their post-hostility dealings with the enemy States and as regards the eventual peace treaties or arrangements. So much for the intention of this Article to which I am referring.

"Now let us look at its actual terms. It will be seen that the only case that comes under Article 107 is one of action taken - these are the words - 'in relation to' an enemy State. The USSR action, of which the Western Powers are complaining, has not however been taken in relation to Germany. It is essentially action taken in relation to the Western Powers themselves by cutting off their communications with a part of Germany where they have the right to be and by attempting to deny them access:

to it or to compell their withdrawal. That the locale of this action is Germany and that the population of Berlin is affected by it does not suffice to constitute it as action taken in relation to Germany or to bring it under Article 107. The term used, as I have said is '.... in relation to' - not affecting or concerning - and in the context '.... in relation to' is clearly intended to mean action of which the enemy State is the object and not merely the subject, the occasion or the locale. The object of the USSR action in the case of Berlin is clearly the three Western Powers and their position, and it is inherently in relation to them and not in relation to Germany that it is being taken. It is their status, their rights, not Germany's, that are directly affected or prejudiced by the USSR action.

"For these reasons, it cannot be claimed that the action of the Government of the USSR in Berlin escapes the application of the Charter, or that it is taken out of the Charter by Article 107, since it is not at all the type of action contemplated in that provision. It might be held that there is some ambiguity about this Article and that its scope is not absolutely clear, but the claim that it debar[s] the Security Council from examining or discussing any action taken or authorized by the Governments responsible for such action in relation to an ex-enemy State is inadmissible."

6. The Representative of France, (M. Parodi) spoke in the same sense in the following meeting of the Council on 5 October, 1948:

"The other argument presented, the argument which is actually an argument as to admissibility, is based on Article 107. With regard to this point, I shall be brief, since I could hardly do more than repeat, or express in a slightly different way, the arguments which have already been presented.

"The wording of Article 107 of the Charter seems to be perfectly clear. What it is directed at, what it has removed from the competence of procedure under the Charter, are those actions 'in relation to any State which during the Second World War has been an enemy of any signatory to the present Charter.'

"The complaint which we have brought before the Security Council does not concern an action undertaken with regard to Germany. It bears on a series of measures taken by the Soviet authorities with respect to the other occupying Powers in Germany.

"The work preparatory to the drafting of this Article has already been recalled; it confirms an interpretation other than that offered by Mr. Vyshinsky. It might also be recalled that in all legislation, in all the legal systems of the world, it is the rule that a text which deals with an exception is of limited validity and interpretation.

"Of course, this rule is also applicable to the Charter and I should say that it is applicable a fortiori whenever the question concerns an exception to a rule of competence such as the one which entrusts the Security Council with the task of maintaining peace in the world.

/ 7.

"I do not think it is necessary, however, to resort to the preparatory work on the Charter nor to recall the rule of law to which I have just referred. The very wording of Article 107 states precisely, and to my mind limits quite clearly and without ambiguity, the scope of the exception for which it provides. Once again, it is only to the extent that measures are taken in relation to an ex-enemy State that the competence, or the processes of the Charter, can no longer be utilized".

7. Generally similar arguments were also made by the Representatives of Argentina, Belgium and Syria. On a vote the Security Council decided on 5 October, 1948, to place the question of Berlin on its agenda. The vote was 9 in favour and 2 against (the Soviet Union and the Ukraine). The Canadian Representative, General McNaughton, supported this motion.

8. The long debate referred to above regarding the admissibility of the question of Berlin to the agenda of the Security Council seems to be relevant insofar as the question of Formosa is concerned. In other words it would seem possible to argue that the decision of the Security Council to place Berlin on its agenda constitutes a precedent to the effect that Article 107 does not prevent the United Nations from considering and making recommendations regarding the status of an ex-enemy territory, even if such recommendations are not in accordance with the terms of the agreements signed by the main allied powers, provided that it can be established that the question concerned constitutes a direct "threat to the peace" within the meaning of Chapter VII of the Charter. This would seem to be the position taken by Mr. Jessup and Sir Alexander Cadogan - a position which was supported by Canada's vote. For this reason we think that, although the similarity between the Berlin and Formosa questions should not be exaggerated, the opinion of the Legal Division may need some modification when it states that, in view of Article 107, "China's assumption of control of Formosa with the consent of the remaining allies cannot be invalidated by the United Nations under the Charter".

J. W. Holmes

Acting Permanent Delegate.

FROM: THE CANADIAN AMBASSADOR TO THE UNITED STATES
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

*File copy in
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CYPHER - AUTO

SECRET

WA-1179

WASHINGTON, March 29, 1951.

50056-A-40
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Secret. Addressed External as WA-1179, repeated
New York Permdel No. 162.

Original on 50051-40

Japanese Peace Treaty

1. Following is text of an aide-memoire which
Sir Oliver Franks, under instructions from London,
will present to Mr. Dulles tomorrow March 30th on
subject of Chinese participation in negotiations
for a peace treaty with Japan and the disposition of
Formosa under the proposed treaty:

"It is the view of His Majesty's Government
in the United Kingdom that the Central People's
Government of China should be invited to participate in
any negotiations for the conclusion of a peace treaty
with Japan.

As regards the disposal of Formosa in the treaty of
peace with Japan, His Majesty's Government in the United
Kingdom consider that Japan should be required to renounce
her sovereignty over Formosa and cede it to China".

CANADIAN AMBASSADOR

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA
TO : THE HIGH COMMISSIONER FOR CANADA, LONDON, ENGLAND.

No. 488

March 22, 1951

CONFIDENTIAL

NEUTRALIZATION OF FORMOSA

50056-A	40
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It is our understanding that, when the United States "neutralized" Formosa by using the Seventh United States Fleet, attacks by the Chinese Communists against Formosa were to be resisted and that the Nationalist Chinese would not be allowed to mount operations against the mainland or to interfere with coastal shipping.

A representative of the Ming Sung Company informed us recently that his company was hesitant to move some of its ships up the China coast for fear that they would be seized by Nationalist naval forces. When we pointed out that it was our understanding that the neutralization of Formosa forbade such seizure, he replied that a British vessel, belonging I believe to the Mona Navigation Company, had been seized since the neutralization was effected.

Would you please approach the United Kingdom authorities to ascertain whether there is any substance to this story and whether any British vessels have been attacked by Nationalist Naval forces in Chinese coastal waters since neutralization was proclaimed.

Secretary of State
for External Affairs.

Original on 6993-C-2-40

COPY

Mr. Norman Mr. Carter to see file ^{AM}

This memo was provided by the
Legal Div to clarify Mr. Reid's
point about "adherence" to the
Potsdam Declaration.

14 Mar 51.

Legal/J.S.Nutt/hb
File No. 50056-A-40

S E C R E T

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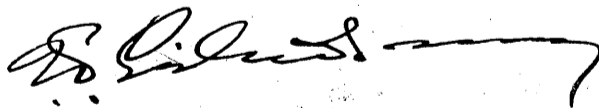
March 13, 1951.

MEMORANDUM FOR AMERICAN AND FAR EASTERN DIVISION

Re: Formosa

I refer to my memorandum of February 19 concerning Formosa, and in particular paragraph 8, in which I stated that in my opinion Canada had accepted the Potsdam Proclamation by signing the Japanese Surrender which provided for carrying out the provisions of Potsdam. By signing the Surrender, however, there was not necessarily any implication of an acceptance of the Potsdam Proclamation except insofar as that Proclamation relates to Japan, and in the interests of precision that should have been stated in paragraph 8.

You will see from the attached copy of the Japanese Surrender that Canada joined with China, and others of the Allies, in accepting the Japanese surrender, whereby Japan accepted the provisions of the Potsdam Proclamation and undertook to carry out its provisions. Thus in effect Canada has said to China, "We agree that Japan should carry out the provisions of the Potsdam Proclamation insofar as they relate to Japan and one of those provisions is that Formosa shall be returned to you".



Legal Division

FROM: THE HIGH COMMISSIONER FOR CANADA, LONDON, ENGLAND
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

File
[Signature]

S E C R E T

CYPHER - AUTO

NO. 562

LONDON, March 6, 1951.

Original on
50051-40

50056-A	40
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Secret. Our telegram No. 555 of March 5th,
Japanese peace treaty.

1. Perhaps we should point out that the aide-memoire which is going to Franks is a document which sets out only the views of the United Kingdom Government. The wording of the document makes this quite clear.

2. We learned this morning, March 6th, that the supplementary memorandum has just been approved. At the time of sending this telegram, therefore, it would seem that Franks has not yet carried out the instruction.

3. Paragraph 6 of the aide-memoire reads as follows:

"6. Disposal of Formosa. His Majesty's Government's views on the wording of a clause on Formosa will be the subject of a subsequent communication at an early date."

4. We understand on the official level that I will shortly receive with a formal communication from the CRO., a copy of the aide-memoire and supplementary memorandum. We have already obtained informally a copy of the aide-memoire by way of advance information. The copy is being sent to you in to-day's air bag. As received it had no security classification but in

- 2 -

view of the circumstances we have marked it "secret".
We expect to receive later to-day in the same way
an advance copy of the supplementary memorandum.

HIGH COMMISSIONER

File copy

Am. & FE/RLRogers/kb

file

SECRET

March 6, 1951.

50056-A-70
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MEMORANDUM FOR MR. NORMAN

Mr. J.M. Goté, the External Affairs member of the Joint Planning Staff, gave me some information which he had received today on Formosa at a briefing in National Defence headquarters.

2. The Intelligence authorities report that their current estimate is that there are 470,000 Nationalist troops on Formosa and that on the mainland in the general area of Formosa there are 70,000 to 80,000 Communist Chinese troops with 120,000 farther south. According to military information, there are no signs that the Chinese Communists have given up their intention sooner or later of invading Formosa. The military estimate is that the Nationalists have a better navy than the Communists and that they are consequently in a better position from that point of view to invade the mainland than the Communists are to invade Formosa. Unfortunately, the military did not appear to have an estimate of the morale of the Chinese Communists.

3. None of this information is very different from any we now have though I had thought the number of Nationalist troops on the island was rather higher. Without an estimate of the will of the Nationalists to fight, of course, these figures are useless.

R.L.Rogers.

OTTAWA FILE
No.....

Despatch No. **783**
Date: **March 5, 1951.**

SECURITY CLASSIFICATION
CONFIDENTIAL

FROM: The Canadian Ambassador, Washington, D.C.
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference: Our Despatch No. 721 of February 28, 1951.
Subject: Assistance to Formosa.

50056-A-40
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I should like to refer to paragraph 2 of my Despatch No. 721 of February 28. It has now been intimated to us by the State Department that present plans for ECA assistance to Formosa for the fiscal year 1952 are on the basis of a programme of approximately \$50 million. This, as you will be aware, represents an amount not very different to that assigned to Formosa for the fiscal year 1951.

W. Swatlow

For the Ambassador

Copies Referred To.....

No. of Enclosures
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Post File No.....

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*Circulate one copy to
Refr to: Mr. Reid
Economic Dir*

*Done
K. B.*
R. L. ROGERS
8 MAR 1951

MAR 8 1951

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FILE COPY

OTTAWA FILE
No.....

50056-A 40
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SECURITY CLASSIFICATION
SECRET

Despatch No. **Y- 970**
 Date **March 1, 1951.**

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA
 THE HIGH COMMISSIONER FOR CANADA, LONDON, England.
 TO:

Reference: **Legal Status of Formosa**
 Subject:

Recently we have had under consideration what courses could be followed in disposing of Formosa. Consequently, the Legal Division was asked to prepare an opinion on the present status of Formosa. As you will see from paragraph 6 of the attached opinion by the Legal Division, it is considered that Formosa is still in law part of the Japanese Empire.

2. The Legal Division was also asked to consider whether it was within the power of the United Nations legally to dispose of Formosa. From the memorandum you will observe that the Legal Division is of the opinion that the United Nations cannot, by virtue of Article 107 of the Charter, presume to invalidate the action of the Chinese Republic in assuming control of Formosa which was consonant with the Cairo and Potsdam Declarations and with the consent of the remaining allies.

E. H. Norman

for the
 Secretary of State
 for External Affairs.

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SECURITY CLASSIFICATION
SECRET

5056-A-40
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Despatch No. **Y-937**
Date **March 1, 1951.**

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA
TO: THE CANADIAN AMBASSADOR, WASHINGTON, D.C.

Reference:
Subject:
Legal Status of Formosa

XXXXXXXXXX Copies Referred
Similar sent to: ... London Tokyo New York
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E. H. Norman
for the Secretary of State
for External Affairs.

FILE COPY

Y-460

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OTTAWA FILE

No.....

Despatch No. March 1, 1951.

Date.....

SECURITY CLASSIFICATION

SECRET

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA
TO: THE HEAD OF THE CANADIAN LIAISON MISSION, TOKYO, Japan.

Reference: Legal Status of Formosa

Subject:

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E. H. Norman
for the Secretary of State
for External Affairs

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OTTAWA FILE
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Y-435

50056-A-40
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Despatch No. March 1, 1951.

Date.....

SECURITY CLASSIFICATION
SECRET

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA
 THE CANADIAN PERMANENT DELEGATE TO THE UNITED NATIONS,
 New York.

TO:

Reference:..... Legal Status of Formosa

Subject:.....

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E. H. Norman

for the
 Secretary of State
 for External Affairs.

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OTTAWA FILE
No.....

721

Despatch No.....

Date. February. 28., 1951.....

SECURITY CLASSIFICATION
CONFIDENTIAL

FROM: The Canadian Ambassador, Washington, D.C.

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference:.... Our Despatch No.. 629 of February 20., 1951.....

Subject:..... Assistance to Formosa.....

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MAR 2 1951

Copies Referred To.....

You will recall that \$40 million of the ECA "General area of China" appropriation was provided for Formosa for the fiscal year 1951 (i.e. until June 1951). We understand from the State Department that a recommendation is going forward that an additional \$20 million be provided for the 1951 Formosa programme. It is explained that this is necessary to maintain the programme because of rising costs, inflation, etc. The intention is either to use \$20 million of ECA funds designated for some other country but not used, or else to ask Congress to appropriate additional money for further assistance to Formosa under the 1951 programme. As you know, the Formosa ECA programme is intended chiefly to finance imports of industrial raw materials and equipment to facilitate industrial rehabilitation and maintenance.

2. It is expected that an ECA Formosa programme for the fiscal year 1952 will be recommended but no figures are available yet.

3. We understand that Mr. K.L. Rankin, United States Minister in Taipeh, has now returned to the United States for consultations with the Government.

No. of Enclosures
None

P. Frelin
For the Ambassador

Circulate original to:
~~Mr. Reid~~
~~Mr. Norman~~
~~Mr. McCordle~~

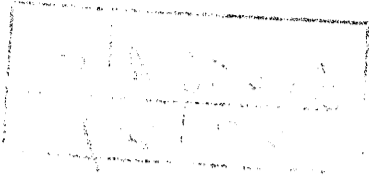
Refer to
Economic Div.

R. L. ROGERS
2 MAR 1951

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OTAWA FILE
No.

SECURITY CLASSIFICATION
CONFIDENTIAL



751

Despatch No.
Date February 28, 1951

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA
FROM: The Canadian Ambassador, Washington, D.C.

Reference: Our Despatch No. 629 of February 20, 1951.
Subject: Assistance to Formosa

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3. We understand that Mr. K.L. Rankin, United States Minister in Taipei, has now returned to the United States for consultations with the Government.

For the Ambassador
[Signature]

Transmit original to:
Mr. Rogers
Mr. [unclear]
Mr. [unclear]

2 MAR 1951
R. L. ROGERS
RECORDS-CLEARED
EXTERNAL AFFAIRS
MAR 2 1951 PM 3:41

<p>MAR 2 1951</p>
<p>Copies Referred</p> <p>To:</p> <p>.....</p> <p>.....</p> <p>.....</p>
<p>No. of Enclosures</p> <p><i>None</i></p>
<p>Post File</p> <p>No.</p>

Legal/J.S.Nutt/eru

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February 27, 1951.

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MEMORANDUM FOR AMERICAN & FAR EASTERN DIVISION

Re: Formosa

1. With regard to paragraph 4 of my memorandum of February 19, the following information which is contained in the certificate which was issued by the Foreign Office in connection with the case of Civil Air Transport, Incorporated v. Chennault and others in the Supreme Court of Hong Kong is a little more definite -

//

"On October 25th, 1945, as a result of an order issued on the basis of consultation and agreement between the Allied Powers concerned, the Japanese forces in Formosa surrendered to Chiang Kai-Shek.

//

Thereupon, with the consent of the Allied Powers, administration of Formosa was undertaken by the Government of the Republic of China."

*added to
these sent out.
K*

2. You might wish to add this to the memorandum of February 19 as an addendum.

K. S. Nutt
Legal Division.

Refer (without enclosures) to *Mr. Rags* *To see*
Ref. to *Mr. Mackay*
Done K.B.
23/2/51

Ext 24

50056-A-40
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OTTAWA FILE
 No.....

Despatch No. **629**
 Date... February 20, 1951.....

SECURITY CLASSIFICATION
 CONFIDENTIAL

FROM: The Canadian Ambassador, Washington, D.C.
 TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference:.....
 Subject: Military Aid to Formosa.....

Y
 OMR

Enclosed is a copy of an Associated Press despatch, which appeared in the New York Herald Tribune on February 16, reporting on a proposed programme of \$50 million for military assistance to the Chinese Nationalists in Formosa.

2. Mr. O.E. Clubb, Director of the Office of Chinese Affairs at the State Department, confirmed yesterday that the State Department and the Pentagon had recommended to the White House the use of approximately \$50 million for military assistance to Formosa. This proposal has not yet been approved by the President but Mr. Clubb expected that approval would be forthcoming.

3. If Presidential approval is given, it is planned that the \$50 million will be taken from the sum of approximately \$300 million made available to the President last Autumn, under the Supplemental Appropriations Act, for use in the general area of the Philippines, Korea and China.

4. Mr. Club said he had no knowledge of plans to establish a military assistance advisory group in Formosa. His own personal opinion was that supervision of the arms aid programme would probably be carried out by the Office of the Military Attache in Taipei. He also had no knowledge of the reported plans of Vice Admiral Struble and Major-General Turner to go to Formosa from Tokyo for discussions with Chiang Kai-shek. He thought it possible, however, that this information had been given to the Press by the military authorities.

RECEIVED BY SW 3:44

[Signature]
 For the Ambassador

FEB 21 1951

Copies Referred To.....

No. of Enclosures (1)

Post File No.....

CANADIAN EMBASSY

WASHINGTON

Subject Military Aid to Formosa

Date February 16, 1951. Publication New York Herald Tribune

\$50,000,000 Formosa Arms Aid Is Under Study at White House

Pentagon and State Dept. Supporting Proposal
Military Advisory Mission Is Planned

By The Associated Press

WASHINGTON, Feb. 15.—A stepped-up program of arms aid to Chinese Nationalists' defense of Formosa was reported today by administration approval. Informed officials said it involved

planned outlay of some \$50,000,000 to strengthen the defense of the island stronghold against the threat of a Communist attack from the mainland. It calls also for sending a military advisory group to assure profitable use of the arms and supplies.

Officials familiar with the proposal said it has been recommended to the White House with Pentagon and State Department approval.

This developed after dispatches from Taipei, Formosa, told of reports that an American military mission was expected soon. Vice-Adm. Arthur D. Struble, commander of the 7th Fleet, and Maj. Gen. Howard Turner, 13th Air Force commander, are due there next week for talks with the Generalissimo Chiang Kai-shek.

What is contemplated, officials said, is a military assistance advisory group like that already in Indo-China. Such groups have been sent to countries sharing in the foreign arms aid program. Their primary role is to inspect, report and advise on the use of munitions. They do not exercise command or command advisory functions. The group for Formosa is expected to be named with the concurrence of General of the Army Douglas MacArthur as Far

was not involved in the fighting. Amounts have not been disclosed, but informants said the \$50,000,000 program represented a several-fold increase in the assistance given over recent months.

Under announced official policy, American aid is intended to strengthen the defense of Formosa and does not compromise a future peaceable settlement of the status of the island through the United Nations or other means.

The administration has turned down an offer by Chiang to supply 33,000 troops for the U. N. contingent in Korea, and has been cold to the idea of using the Na

113

AMERICAN TOW
OFFICE OF THE UNDER-SECRETARY

(Mr. Collins.)

This is a very
useful note -
especially the
conclusion. It
is not being
embodied in the
revision of the
magnum opus,
it should be
sent, so to
London, Washington,
Tokyo, CPD, etc.
+ ~~to~~ a
summary sheet to
the Mr. ...

JD

Feb 24/57

file
Norman
Legal/J.S.Nutt/hb
File No. 50056-A-40

February 19, 1951

SECRET

*Copy referred to USSFA
Mr. Rogers
UN Bureau
JW*

MEMORANDUM FOR AMERICAN AND FAR EASTERN DIVISION

Re: FORMOSA

The Island of Formosa was ceded to Japan by China in 1895.

2. By the terms of the Cairo Declaration, December 1, 1943, the United States, the United Kingdom and China declared it to be their purpose that "all territories Japan has stolen from the Chinese, such as Manchuria, Formosa, and the Pescadores, shall be restored to the Republic of China."

3. This Declaration was incorporated in the Potsdam Proclamation of July 26, 1945, which stipulated "The terms of the Cairo Declaration shall be carried out and Japanese sovereignty shall be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and such minor islands as we determine."

4. Presumably it was in conformity with these agreements that China assumed control of Formosa following the surrender of Japan, and proceeded to administer it as an integral part of the Republic of China. According to a statement made in the United Kingdom House of Commons last year, this was done "with the consent of the remaining Allies." At that time it was no doubt intended that this arrangement would be confirmed in the treaty of peace with Japan. The usual procedure is that partial acquisitions of another State's territory arising out of a war are confirmed by a peace treaty. | |

5. In August 1946 the Chinese Government informed the Canadian Government that "after the restoration of Formosa to Chinese sovereignty" Formosans had regained their Chinese

... 2

citizenship. This was acknowledged in terms identical to those used in the Chinese note. I do not think this acknowledgment to be of any particular significance. At most it is only evidence of the Canadian Government's attitude with regard to Formosa. It could not affect the actual legal status of Formosa.

6. In the circumstances, my conclusion is that, while the Republic of China assumed actual control of Formosa in 1946, Formosa is still, in law, part of the Japanese Empire.

7. On the assumption that this is so, the next question is whether the final disposition of Formosa is within the jurisdiction of the United Nations.

8. There can be no doubt, of course, that primarily the disposition of Formosa is up to the Allied Powers, presumably according to the Cairo Declaration, as incorporated in the Potsdam Proclamation, unless these are to be denounced. Canada and others of the Allied Powers, though not signatories of the Potsdam Proclamation, accepted it by virtue of their signing of the Instrument of Japan's Surrender, which provided for the carrying out of the provisions of the Potsdam Proclamation.

9. Article 107 of the United Nations Charter provides:

"Nothing in the present Charter shall invalidate or preclude action, in relation to any state which during the Second World War has been an enemy of any signatory to the present Charter, taken or authorized as a result of that war by the Governments having responsibility for such action." This would seem to mean that China's assumption of control of Formosa with the consent of the remaining Allies cannot be invalidated by the United Nations under the Charter. Discussion of the disposition of Formosa by the General Assembly under Article 10 is, I think, precluded. Article 11(2) or Article 14 might, however, be invoked.

10. In 1947 at the Second Session of the General Assembly, the Korean question was considered under Article 14. It was said that Article 107 did not preclude the examination of the case by the General Assembly. In that case, however, it was not a question of invalidating an action taken or authorized as a result of the war. At Cairo, Potsdam and Moscow, it was agreed that Korea should be an independent state. There was no question of the General Assembly making recommendations contrary to that decision. In fact, the General Assembly's consideration of the question was intended to facilitate the implementation of this arrangement in view of the inability of the U.S.S.R. and the United States to accomplish the agreed end.

11. It is submitted that, unless all the parties to the Cairo, Potsdam and Moscow agreements had acquiesced, the General Assembly could not, in view of Article 107, have passed a resolution recommending a disposition of Korea at variance with those agreements. Therefore, while it is agreed that the United Nations might invoke Article 11(2) or Article 14 to justify it considering Formosa, it would be barred by Article 107 from making any recommendation which would tend to "invalidate" the assumption of control of Formosa by the Republic of China.

12. My conclusion is, therefore, that even if Formosa is still de jure part of Japan, the United Nations cannot take any action which would presume to invalidate the action of the Chinese Republic in assuming control of Formosa. The onus for such action lies with the Allied Powers; this, of course, would involve denunciation of the Cairo and Potsdam Declarations.


Legal Division

c.c. United Nations Division

50056-A-40
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file
RLR
SECRET

February 15, 1951.

MEMORANDUM TO THE LEGAL DIVISION

The question of the legal status of Formosa will probably be raised in the meetings with Mr. Wrong on Far Eastern policy which begin on Monday.

2. It will be most helpful to know whether Formosa is considered to be legally still under Japanese sovereignty or whether the Cairo Declaration, subsequent act of surrender, and the effective government of the island by the Chinese since that time have together effected a transfer of sovereignty from Japan to China. It has always been assumed that it would be necessary for a Japanese peace treaty to include an article renouncing Japanese sovereignty over the island. However, it may be that the circumstances I have outlined above are considered to have sufficient binding effect in law to make such an article unnecessary.

3. The question also arises, if Formosa is still technically under Japanese sovereignty, can the island be disposed of by some other authority; i.e., could the United Nations agree that Formosa should be under Chinese sovereignty, until Japanese sovereignty had been removed as a result of a Peace Treaty.

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15 FEB 1951

D. S. Collins

American and Far Eastern Division.

FROM: THE CANADIAN PERMANENT DELEGATE TO THE UNITED NATIONS
NEW YORK
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

RESTRICTED

CYPHER - AUTO

NO. 192

NEW YORK, February 9, 1951.

*Original on
50069-A-40*

50056-A-	90
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Restricted. Addressed External Ottawa No. 192
repeated Beaver Washington No. 128.

Reference my teletype No. 172 of 3 February, Soviet
charges against the United States.

After three meetings of the Political Committee on 6
February and 7 February the committee disposed of the two
Soviet items on "United States aggression against China"
and "United States violations of Chinese air space".
These three meetings were marked by a mechanical repetition
by all the members of the Soviet bloc of the charges made
by Vishinsky on 27 November and by Tsarepkin on 2 February.

The latter insisted on tabling an additional resolution
regarding the "violation of Chinese air space" item besides
the resolution submitted by Vishinsky on 27 November concerning
/(A/C.1/637).
"United States aggression against China". The text of this
Soviet resolution is contained in my immediately following
teletype en clair.

2. Apart from Austin's statement on 2 February, the
only non-Communist representative to speak in the debate was
Tsiang of China who contended that a systematic campaign in
China against the United States had been fomented by the
Cominform since June 1949, i.e. a full year before the Korean
crisis.

3. After discussion, the Soviet resolution on "United
States aggression against China" (A/C.1/637) was voted down

with 49 against (including Canada), 5 in favour and 3 abstentions (Burma, Indonesia and Yugoslavia). The Soviet resolution on "United States violation of Chinese air space" was then voted down by 50 against (including Canada), 5 in favour and 2 abstentions (Afghanistan and Yugoslavia). The representatives of Egypt, India and Syria explained that they were voting against the two resolutions because of lack of evidence to back up these Soviet charges. However, all three of these delegations specifically reserved their position regarding the status of Formosa.

4. The committee also agreed to circulate the lengthy statement distributed to the press by Wu, prior to his departure from New York, as a committee document (A/C.1/661), but rejected a Polish motion that Wu's speech should be read by the secretary of the committee. The vote on this latter motion was 6 in favour, 32 against (including Canada) and 16 abstentions.

5. After disposing of these two Soviet items the committee took up the United States agenda item on Formosa. Jebb of the United Kingdom moved that debate on the item be adjourned indefinitely under Rule 115. Austin agreed ~~with~~ with this course stating that, while the United States wished to retain the item on the Assembly's agenda, they did not think any constructive purpose could be served by considering it at present. After discussion, Jebb's motion for indefinite adjournment of debate was adopted by 38 in favour (including Canada), 5 against (the Soviet bloc) and 8 abstentions. Nationalist China abstained on this motion, on the grounds that this item should not be retained on the agenda. The other abstaining states were from Asia and the Middle East. The Soviet bloc voted against the resolution on the grounds that the item should never have been admitted to the agenda of the Assembly in view of the fact that Formosa

came within the domestic jurisdiction of the Peking Government, and that to retain this item on the agenda was accordingly a violation of Article 2, paragraph 7 of the Charter.

6. No date has been fixed for the next meeting of the Political Committee and this will of course depend on the progress made by the Good Offices Committee established by the Assembly's resolution on Korea of 1st February. Apart from the implementation of this resolution of the Assembly, the Political Committee has now completed its agenda.

PERMANENT DELEGATE

To see: ~~Mr. Rogers~~
~~Mr. [unclear]~~

CANADIAN EMBASSY
Washington, D.C.,
February 6, 1951.

No 476

To the Secretary of State for External Affairs,
Ottawa.

I transmit herewith 3 copies of the document (x)
listed below.

50056-A-40
27 27

FOR Campbell
(For the Ambassador)

DOCUMENTS AND DATE	SUBJECT		
<p>S.J. RES. 15 of January 15, 1951.</p> <p><i>There is no estimate as to whether this Resolution will pass. 12.11.51. R.</i></p> <p><i>Enc 3.</i></p>	<p>Joint Resolution to provide for use of the Armed Forces of the U.S. in defense of Formosa.</p> <p><i>Y</i></p> <table border="1"><tr><td>Y</td></tr><tr><td>② DSC</td></tr></table> <p>FEB 9 51</p>	Y	② DSC
Y			
② DSC			

EXTERNAL AFFAIRS
RECORDS OFFICE

1951 FEB 9 PM 4:21

TO: DIRECTOR, EXTERNAL AFFAIRS

FROM: [Illegible]

RE: [Illegible]

[Illegible]

[Illegible]

[Illegible]

82^D CONGRESS
1ST SESSION

S. J. RES. 15

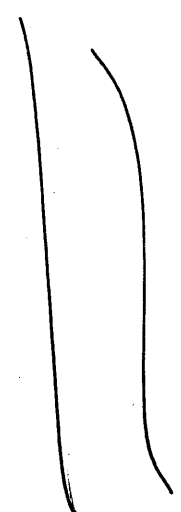
IN THE SENATE OF THE UNITED STATES

JANUARY 15 (legislative day, JANUARY 8), 1951

Mr. EASTLAND introduced the following joint resolution; which was read twice
and ordered to lie on the table

JOINT RESOLUTION

To provide for use of the Armed Forces of the United States in
defense of Formosa.

- 1 *Resolved by the Senate and House of Representatives*
 - 2 *of the United States of America in Congress assembled,*
 - 3 That the Armed Forces of the United States, acting under
 - 4 the direction of the Commander in Chief, shall take such
 - 5 action as may be necessary to defend Formosa against
 - 6 aggression or occupation by any Communist power, state, or
 - 7 force.
- 

82nd CONGRESS
1ST SESSION

S. J. RES. 15

JOINT RESOLUTION

To provide for use of the Armed Forces of the
United States in defense of Formosa.

By Mr. EASTLAND

JANUARY 15 (legislative day, JANUARY 8), 1951
Read twice and ordered to lie on the table

FROM: THE CANADIAN PERMANENT DELEGATE TO THE UNITED NATIONS,
NEW YORK

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

CONFIDENTIAL

CYPHER - AUTO

NEW YORK, February 3, 1951.

NO. 172

50056-A 10
27 87

*Original on
50067-A-10*

Confidential. Addressed External Ottawa No. 172,
repeated Beaver Washington No. 115.

1. At the meeting of the Political Committee at 3.00 p.m. yesterday, Friday, 2nd February, Austin replied in detail to the charges made by Vishinsky on 27th November, concerning "United States aggression against China" and "United States violations of Chinese air space". You will remember that these two charges were placed on the agenda of the Political Committee as separate items but at yesterday's meeting the committee decided to discuss them together.

2. Austin's statement contains some useful factual material and I am sending 2 copies of it to you by bag. The only other speaker was Tsarapkin of the Soviet Union who repeated at length virtually all of Vishinsky's charges of 27th November. Tsarapkin contended, however, that his statement of yesterday dealt only with the first of the two Soviet items - i.e., "United States aggression against China" and that he would have a further statement to make regarding "United States violations of Chinese air space". The Committee adjourned until 3.00 p.m., Tuesday, 6th February, and it is expected that, after listening to Tsarapkin's second statement and probably a statement by the Polish representative, the committee will be able to conclude discussion of these items at that meeting. Except for the

Soviet bloc, and naturally the United States, no other delegations have indicated that they wish to speak on these items.

3. The committee also has on its agenda the item concerning Formosa which was introduced by the United States delegation. We understand, however, that the United States delegation will now propose that consideration of this item be indefinitely deferred. It is not expected that such a procedure will meet with much opposition.

PERMANENT DELEGATE

DEPARTMENT OF STATE

FOR THE PRESS

50056-A-40
27 27
FEBRUARY 1, 1951
NO. 79

TEXT OF LETTER FROM ASSISTANT SECRETARY OF STATE JACK K. MCFALL TO REPRESENTATIVE HORACE SEELY-BROWN, JR., ON JANUARY 16, 1951.

"My dear Mr. Seely-Brown:

Original on 50067-A-40

"Reference is made to your telegram to the President dated January 1, 1951. The White House has referred your question regarding the use of Chinese Nationalist troops in Korea to the Department for reply.

"The question of the participation of Chinese Nationalist forces in the Korean hostilities or in a mainland offensive is both military (involving general strategy) and political (involving importantly the attitude of other members of the UN). In responding to such questions the Department must of course bear in mind the danger of making public information of great potential value to the Communists, regarding steps which will or will not be taken to meet the course of aggression upon which they are embarked. I am sure you will understand, therefore, why it is inadvisable at this stage to publicize the Government's views on these complex subjects. However, there are certain factors which I believe may be interesting and useful to you as background in considering what role the Chinese Nationalist forces might play in the present conflict in the Far East:

First, it should be kept in mind that although training has been proceeding in a creditable manner Chinese Nationalist military capabilities remain necessarily limited, particularly when contrasted with the huge reserve of effective manpower available to the Chinese Communists. It seems safe to estimate that Nationalist ground forces are outnumbered by Chinese Communist troops by at least 8 to 1. Although large Chinese Communist forces have been shifted to Korea for the present campaign of aggression, formidable forces are still ranged along the coast of China and at various interior points with easy access to the coast. These facts are relevant in considering whether a Nationalist landing on the mainland would substantially relieve the pressure on UN forces by diverting Communist troops from Korea.

Second, it may be assumed that any substantial increase in equipment required to prepare Nationalist forces for action in Korea or on the mainland must come from the United States. Our own ability to furnish large quantities of the principal items of military equipment is limited by available supply and by urgent demands from many quarters. For example, if we could equip additional Nationalist divisions at this point, would it not be preferable to use this equipment to arm more Koreans to participate in the fighting for their own homes and country?

Third, the principal mission of the forces on Formosa must be the defense of the Island itself. The importance of this defensive mission will increase in the weeks to come as weather conditions become more favorable for possible Communist amphibious operations in the Formosa Strait. Would it be desirable to weaken the defense of Formosa by drawing upon those Nationalist units which can be considered effective? Units which are not effective would be of little use to the UN in its campaign in Korea or in an invasion of the Communist mainland. It must

also

also be remembered that the supply of Chinese Nationalist forces on Formosa is not freely renewable as is the case on the mainland, and that troops lost in operations elsewhere would tend to diminish the total supply of forces available to the National Government on the Island.

Fourth, we must not lose sight of the fact that operations in Korea are UN operations and that the views of the many other countries participating in the operation are factors to be taken into account.

The Department appreciates your interest in this complex and important problem. I hope the foregoing discussion of certain of its aspects will prove helpful to you.

Sincerely yours,

For the Secretary of State:

Jack K. McFall
Assistant Secretary

The Honorable
Horace Seely-Brown, Jr.,
House of Representatives.

* * *



*Mr. Norman
McDermott
to see
R.E. Collins*

PERSONAL AND CONFIDENTIAL

Washington, January 23, 1951.

50056-A-4
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Dear Ralph:

You will have seen our various telegrams on the recent Gross statement, reporting the State Department's denial that Gross' speech meant anything new with regard to United States' Formosa policy. I understand that, as well as the comments by Rusk and McDermott reported to you in our telegrams, Sir Oliver Franks was told categorically by Rusk yesterday that the United States position with regard to Formosa had not changed.

Despite these official statements, the impression here, as ~~stated~~ in the enclosed admirable editorial written by Herbert Elliston, Editor of the Washington Post, is that Gross' address does reflect a hardening of the Administration's attitude with regard to Formosa.

J. L. Sweeney
Patel

R.E. Collins, Esquire,
American & Far Eastern Division,
Department of External Affairs,
Ottawa, Ontario,
Canada.

CANADIAN EMBASSY WASHINGTON

Subject Formosa

Date January 23, 1951. Publication Washington Post

ambassador Gross was announcing another dazzling turn in our Formosa policy over the weekend in New York may allay the misgivings which the Gross statement created among our allies. The Gross statement is said simply to have been a rehash of existing policy. Actually there was a difference in both tone and wording. Mr. Gross said that our policy provided for the inclusion of the Chiang Kai-shek government in any discussions on the future of the Japanese island, and this has given the impression abroad that we are more firmly wedded than ever to the Chinese Nationalists. First, we announce resumption of official aid in war material to Chiang Kai-shek, and then we seemed to make him a party in interest in the disposition of Formosa. Mr. Gross omitted altogether the reference to the United Nations which was the key to the December 8 communique issued by Messrs. Truman and Attlee.

It is time to point out that the American Alliance as well as the United Nations are being put in jeopardy by the hardening of the American attitude on Formosa. This is a pretty serious. We happen to be the leader of a coalition of nations which can be kept together only by the kind of leadership which is wise and considerate. The wisdom of the present course will be questioned throughout the coalition. Why is Formosa wrapped up in America's "national interests and security," as Mr. Gross says? The island would be vital in this respect only if we got into war with China on the mainland, and this we are always being assured is not even envisaged. How can there be a successful meeting of minds on a peace treaty on Japan if Chiang Kai-shek is to be consulted about Formosa? This would mean a disposition of the island to the Nationalists, and, since most of our friends have withdrawn diplomatic recognition of Chiang Kai-shek, they cannot possibly consider the validity of Chiang's claim as the heir of the Japanese. This is no way to guide and control a coalition. It is not the way that Pitt nursed along the alliance of powers which eventually brought about the downfall of Napoleon; nor is there in it that "splendid moderation" which governed Castlereagh in keeping the coalition together in the transition from war to peace. The Gross statement took no account of consequences - an unfortunate habit of our

verse in Korea is cataclysmic only in our minds, but if we lose faith in ourselves, and go off half-cocked in reacting to it, then we shall imperil our prestige. It is conserved by acknowledging and applying the lessons of experience. Prestige is not sustained by a stubborn clinging to positions which have changed in the opinion of everybody but ourselves. The object of the action in Korea was to establish a free and independent Korea. Chinese intervention has frustrated that design, but the object remains, and it is foolhardy to slam the door against any honorable accommodation which the future might open up. The hope is pretty bleak, though the Indian proposal is a relaxation in the attitude of the Peking regime to the extent of admitting a cease-fire proposal as the first order of business at a Far Eastern conference under U. N. auspices. This may be nothing but a maneuver to sharpen division in this country and between this country and its allies. It is impossible to tell. But this we know, that a condition of the health of our alliance is less rigidity in our Far Eastern diplomacy. In particular, our views on Formosa ought to be kept fluid. At the present pace the island is fast becoming a Chiang-American military base, rather than a diplomatic counter, and the Gross statement appeared to confirm us in a course which would lead straight to war with the

Refer (with enclosure) to
USS/EA
Diplomats 1+2
DNI Done Jan 16/51-PW
To Sec: ~~Jan 16/51-PW~~
~~Jan 16/51-PW~~

DNI
50056-A-90
27 | 27

OTTAWA FILE
No.....

SECURITY CLASSIFICATION
SECRET

Letter No. 177

Date.. January 13, 1951.....

FROM: The Canadian Embassy, Washington, D.C.

TO: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference.....

Subject: Formosa

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MA

JAN 15 1951

I enclose a copy of a United Press article, which appeared in the Washington Post this morning, reporting the massing of small ships by the Chinese Communists off the South China "Formosa invasion coast". The article is based on comments reportedly made at a Pentagon briefing by Rear Admiral Thomas H. Binford, former Commander of the United States Seventh Fleet. Admiral Binford is said to have given it as his opinion that a Communist attack on Formosa could take place at any time, but that the approaching spring, starting with March, is the most likely period for an attempted assault.

2. Information given to Mr. Campbell by Mr. Cyrus Peake, Intelligence Adviser to the Bureau of Far Eastern Affairs of the State Department, gives some credence to the United Press report. Mr. Peake said that intelligence reports received at the State Department indicate that it may be the intention of the Chinese Communists to press an attack against Formosa in the spring, in the face of the U.S. Seventh Fleet's patrols. Mr. Peake also thought next March a likely time for the launching of an assault on Formosa. He gave it as his opinion that, if a major effort were made from the mainland to take Formosa, the Chinese Communists would be able to get a certain number of troops onto the Formosan beaches despite possible active intervention by the Seventh Fleet.

Copies Referred To...
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No. of Enclosures
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Post File
No.....

L. J. ...
The Embassy.

Y

EXTERNAL AFFAIRS
RECORDS CLEARED

1951 JAN 15 11:24 AM

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[Faint, mostly illegible typed text, likely a memorandum or report]

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[Faint typed text, possibly a header or reference line]

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CANADIAN EMBASSY
WASHINGTON

Subject Formosa

Date January 13/51 Publication Washington Post

Chinese Reds Mass Ships Off Formosa

By the United Press

The Chinese Communists have massed scores of small ships off the South China coast opposite the Nationalist-held island of Formosa and could stage an invasion attempt "overnight," a Navy spokesman said yesterday.

The report was given at a Pentagon briefing by Rear Admiral Thomas H. Binford, former commander of United States Seventh Fleet units now patrolling the 90-mile strait between Formosa and the Chinese mainland.

President Truman ordered the naval patrol at the outbreak of the Korean war last June to prevent Formosa and try to prevent the fighting from spreading.

Binford said he personally believes that rough weather and other considerations will dissuade the Communist from trying to attack Formosa until at least next winter. But he added that the situation "is like sitting on a powder-keg."

Something could happen overnight, he said.

Binford expressed the belief that Communist forces would have a "pretty tough" time trying to take Formosa.

Even if an invasion fleet could get through the United States naval patrol, he said, the Formosan Nationalist troops under Generalissimo Chiang Kai-shek would provide heavy opposition on shore.

Senator Robert A. Taft (R-Ohio) demanded Thursday that President Truman "unshackle" Chiang and permit him to continue to fight for the island.

He also called for withdrawal of American troops from Korea, and said events have proved that the United States "cannot win" a ground war on the Asiatic mainland.

Binford said the Communist fleet massed opposite Formosa includes some small steam vessels, some United States built landing craft captured from the Nationalists, and a great number of motor or sail powered boats.

He said the straits are exposed to the weather and the landing power of the Communists is limited.

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FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO: THE CANADIAN PERMANENT DELEGATE TO THE UNITED NATIONS,
NEW YORK

No. 60

January 11, 1951

50056-A-40	
27	27

Following for the Minister, Begins:

1. You may be interested to learn that Brigadier Fleury reported to N.D.H.Q. recently that he has been reliably informed of a trip General MacArthur had made to visit Chiang in Formosa during the last week of the last year. Ends.

Original on 50069A-40

FILE COPY

Am. & F.E. /R.E. Collins/CF

RC

Ext. 140

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

January 10, 1951.

No. *✓* *Y-134*

50056-A-40
27 | 46

Sir,

I enclose the document (s) listed below.

I have the honour to be,

Sir,

Your obedient servant,

The Canadian Ambassador,
Canadian Embassy,
Washington, D.C.,
U.S.A.

A.D.P. HEENEY

for the Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
Despatch No. 21 of January 3, 1951, from the High Commissioner for Canada, London.	United Kingdom representative in Peking.

Repeated to London as No. 87

FROM: THE CANADIAN PERMANENT DELEGATE TO THE UNITED NATIONS,
NEW YORK
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

50056 A 10	
23	27

IMMEDIATE

CYPHER - AUTO

NO. 46

S E C R E T

*Original or
50069-A-10*

NEW YORK, January 9, 1951.

Secret. Addressed Dominion London (Communications Ottawa please pass to London "Immediate") repeated (Immediate) External Ottawa and repeated (Immediate) Beaver Washington.

Following for Prime Minister from Pearson, Begins:

1. In the light of your comments and suggestions, I have revised the proposed statement of principles and have gone over it with Rau, Jebb, and Gross of United States delegation. Text given below incorporates suggestions from all of them. Gross could not, of course, commit his Government to acceptance, but said that he would send it at once to Washington. Rau has not yet had opportunity to comment on text in this exact form, but it does not differ materially from text he saw earlier today.

2. I think that this text will go far towards assuring Peking Government that subjects which concern them will be discussed in favourable circumstances. If United States Government is prepared to acquiesce in revised text with references to Formosa and representation as agenda items, it will be important to know as soon as possible whether Mr. Nehru will, as we very much hope, be prepared to allow Sir Benegal when Political Committee meets on Thursday to be associated in putting forward draft statement as addition to Cease Fire Group's report.

3. Text of revised draft statement of principles is as follows, text begins:

The objective shall be the achievement, by stages, of the programme outlined below for a cease-fire in Korea, for the establishment of a free and united Korea, and for a peaceful settlement of Far Eastern problems.

1. In order to prevent needless destruction of life and property, and while other steps are being taken to restore peace, a cease-fire should be immediately arranged. Such an arrangement should contain adequate safeguards for ensuring that it will not be used as a screen for mounting a new offensive.

2. If and when a cease-fire occurs in Korea, either as a result of a formal arrangement or, indeed, as a result of a lull in hostilities pending some arrangement, advantage should be taken of it to pursue consideration of further steps to be taken for the restoration of peace.

3. To permit the carrying out of the General Assembly resolution that Korea should be a unified, independent, democratic, sovereign State with a constitution and a Government based on free popular elections, all non-Korean armed forces will be withdrawn, by appropriate stages, from Korea, and appropriate arrangements, in accordance with United Nations principles, will be made for the Korean people to express their own free will in respect of their future Government.

4. Pending the completion of the steps referred to in the preceding paragraph, appropriate interim arrangements, in accordance with United Nations principles, will be made for the administration of Korea and the maintenance of peace and security there.

5. As soon as a cease-fire has been arranged, the General Assembly shall set up an appropriate body, which shall include representatives of the Governments of the United Kingdom, the United States of America, the U.S.S.R. and the People's Republic of China, with a view to the achievement of a settlement of Far

Eastern problems, including, among others, those of Formosa and the representation of China in the United Nations. Text ends.

PERMANENT DELEGATE

FROM: THE CANADIAN PERMANENT DELEGATE TO THE UNITED NATIONS,
NEW YORK
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

50056-A/0	
33	27

IMMEDIATE

SECRET

CYPHER - AUTO

NO. 43

NEW YORK, January 9, 1951.

Original on 50069A-40

Secret. Addressed Washington Most Immediate No. 31,
repeated (Immediate) External Ottawa No. 43.

Note: This message is not to be repeated to London at this time.

Following for Mr. Wrong from Riddell, Begins:

1. Mr. Pearson saw Jebb and Rau at lunch today, and went over with them a revision of the draft statement of principles, incorporating certain further revisions which they suggested. This revision is meant to bring the draft statement of principles in line with the views which seem to have emerged from the discussions in London. Rau was not, of course, able to indicate whether, even in their revised form, they will be acceptable to Mr. Nehru.

2. Mr. Pearson is seeing Gross at four o'clock this afternoon to discuss revised principles with him. He realizes that reference to agenda in opening and concluding paragraphs will be difficult for the United States Government, although in substance revised statement does not go much further than has already been agreed to by the United States delegation. The reference in the opening paragraph to the Cairo Declaration is intended to be one which covers both Korea and Formosa.

3. Revised draft statement of principles is as follows:
text begins:

"The objective shall be the achievement, by stages, of the programme outlined below for a cease-fire in Korea and for a peaceful settlement of Far Eastern problems, taking account of the Cairo Declaration, the Charter of the United Nations, and the resolutions of the General Assembly affecting these

problems, including such questions as the independence and unity of Korea, the disposition of Formosa (Taiwan), and the representation of China in the United Nations.

(1) In order to prevent needless destruction of life and property, and while other steps are being taken to restore peace, a cease-fire should be immediately arranged. Such an arrangement should contain adequate safeguards for ensuring that it will not be used as a screen for mounting a new offensive.

(2) If and when a cease-fire occurs in Korea, either as a result of formal arrangement or, indeed, as a result of a lull in hostilities pending some such arrangement, advantage should be taken of it to pursue consideration of further steps to be taken for the restoration of peace.

(3) To permit the carrying out of the General Assembly resolution that Korea should be unified, independent, democratic sovereign State with a constitution and a government based on free popular elections, all non-Korean armed forces will be withdrawn, by appropriate stages, from Korea, and appropriate arrangements will be made for the Korean people to express their own free will in respect of their future Government.

(4) Pending the completion of the steps referred to in the preceding paragraph, appropriate interim arrangements will be made by the United Nations for the administration of Korea and the maintenance of peace and security there.

(5) As soon as a cease-fire has been arranged, the General Assembly shall set up an appropriate body which shall include representatives of the United Kingdom, the United States of America, the U.S.S.R., and the People's Republic of China, with a view to the achievement of a peaceful settlement of Far Eastern problems, including, among others, those of Formosa and the representation of China in the United Nations." Text ends. Ends.

PERMANENT DELEGATE

AIR BAG

Ext. 1

50056-A-40
27/27

OTTAWA FILE
No.

SECURITY CLASSIFICATION

Despatch No. 21.

Date. January 3, 1951.

FROM: THE HIGH COMMISSIONER FOR CANADA, LONDON.

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference: ...Our despatch No. 3337 of December 21, 1950.

Subject: ...United Kingdom representative in Peking.

We reported in paragraphs 6 and 7 of our despatch under reference a statement made by Mr. Lionel Lamb that he might be going to Peking after Christmas for the United Kingdom Government. Mr. Lamb had just returned from Lake Success where he had been sent to help the United Kingdom delegation there during the visit of Mr. Wu and the other delegates from Peking. Our enquiry at the Foreign Office elicited the fact that Mr. Lamb was in fact to be sent to replace Mr. (now Sir) John Hutchison.

2. As announced in the London press on December 30 Mr. Lamb will proceed shortly to Peking and Sir John Hutchison will return and retire from the Service. We are told by the Foreign Office that Mr. Lamb will go early in February.

3. The new envoy has had many years of experience in working with the Chinese. He served in the United Kingdom Consular Service in China from 1922 to 1943. From February 1947 to September 1949 he was Minister at the United Kingdom Embassy in Nanking.

Copies Referred

To.....

No. of Enclosures

None

Post File

No. AR 6/8

Copies to:

Canberra
New Delhi
Karachi
Pretoria
Wellington
Paris, Berne
Stockholm
Moscow
Tokyo

Refer to: USS/EA Done - EF
Councils Div. Jan. 10/51
Washington H. R. Home
To see Mr. Home
Minister for the
High Commissioner.

Y

MR

1321 700 @ BW IS: 11

ALL INFO OBTAINED
EXTERNS AFFAIRS

EXTERNAL AFFAIRS
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1951 JAN 6 PM 12:11

ТОРЛО
КОССОМ
СРОСЯРОЖИ
БОКТЕ' БОЛНО
ДЕТТИ'РОМ
БЛОРО'С
БЛЕРТО
ИЕМ ДЕРИТ
СОНДЕЙЛ
СОВРЕ' РО:

№ 14, 24

КОС РИЕ

№ of ENCLOSURES

№ of COPIES REFERRED

Handwritten notes:
1000 ...
... 19.10.1950
...
... 1951

in working.
1948 he was appointed as the United Kingdom Consul
from 1938 to 1948. From November 1944 to September
in the United Kingdom Consul's Office in China
experience in working with the Chinese. He served
the new Consul was the only Consul of

berkeley.
Foreign Office that Mr. Lamp will be sent to
leave from the Office. He was sent to the
Peking and all other information will be sent and
December 30 Mr. Lamp will proceed directly to
as mentioned in the London Press on

John Hargrave.
Lamp was in fact to be sent to replace Mr. (USA 217)
the Foreign Office effected the fact that Mr.
the other delegates from Peking. On condition of
delegation there during the stay of Mr. M. and
he had been sent to help the United Kingdom
Mr. Lamp had had previous from the process where
other countries for the United Kingdom Government.
Mr. Hargrave Lamp was the matter of being to Peking
and Hargrave under reference to statement was of
he reported in Berkeley's 2 and 3 of

Subject: United Kingdom representatives in Peking

Reference: Our despatch No. 2321 of December 27, 1950

TO THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS CANADA
FROM THE HIGH COMMISSIONER FOR CANADA, LONDON

Date: January 2, 1951
Despatch No. 27

SECURITY CLASSIFICATION

NO
CLASSIFIED

Handwritten marks and stamps:
1951
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VIR 278

copy #1 of 8 copies

EXT. 97.

MESSAGE FORM OUTGOING

FILE REF.	50056-A-40
File No.	50056-A-40
Sub. 5.0 Chron.	SW Filed
SECURITY CLASSIFICATION	
TOP SECRET	

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO: THE HIGH COMMISSIONER FOR CANADA
CANBERRA, AUSTRALIA

DOWNGRADED TO SECRET
REDUIT A SECRET

Message To Be Sent	No. <u>174</u>	Date <u>9</u> December 28, 1950	For Communications Office Use Only SENT -- <u>DEC 28 1950</u>
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EN CLAIR
CODE
CYPHER OTP

Degree of Priority

ORIGINATOR
Sig. R.A. MacKay
Typed: elb
Div. Def. Liaison
Local Tel. 3402

APPROVED BY
Sig. [Signature]
Typed:

Is This Message
Likely To Be Published
Yes () No ()

Internal Distribution:
SSEA #3
only #6
Am FE #6
Comm
Done Pmb.
Date Jan. 2/50

Copies Referred To:
Done
Date
49-P-274-100M

My telegram No. 171 of December 22 repeating message to Riddell.

Please thank ~~Mr.~~ Spender for arranging to forward to me a copy of his admirable paper on the Far Eastern situation. I asked Riddell to tell ~~Mr.~~ Keith Officer that I would forward through your Office an account of some indications we have recently received on U.S. views on the strategic importance of Formosa. Below is a summary of these views as obtained informally on our initiative through a high military level. It should of course not be revealed to any U.S. officials that we have passed on these views. Summary begins:

It appears that the U.S. military authorities regard the neutralization of Formosa, or at least its denial of use by the Chinese Communists, as the main consideration. They feel that it would be intolerable to have their air routes between Okinawa and the Philippines interfered with by long-range fighters based on Formosa. On the other hand, although they have no intention of relieving the 7th Fleet of responsibility of stopping aggression by Communist China against Formosa, they would not consider it worth risking a major war ~~even~~ to maintain the neutralization of Formosa. It is evident that they would consider Formosa of less

- 2 -

importance strategically if U.S. forces were withdrawn from Korea, but there is no indication that any such withdrawal is presently in prospect. Summary ends.

SECRETARY OF STATE FOR EXTERNAL AFFAIRS.

COPY NO. 2 OF 23 COPIES

FROM: THE HIGH COMMISSIONER FOR CANADA, NEW DELHI, INDIA
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

DOWNGRADED TO SECRET
REDUIT A SECRET

TOP SECRET

IMPORTANT

CYPHER - O.T.P.

NEW DELHI, December 27, 1950.

NO. 302

*Original on
50064-A-40*

50056-A-40
27 27

Top Secret. Reference your telegram No.190 of December 26th.

Would suggest that inclusion of Formosa in general Far Eastern discussions need not be appeasement but could be valuable leverage for settlement in Korea. If Chinese can claim Formosa as inheritor of Cairo Conference, they must also accept obligation therein that Korea shall become free and independent.

HIGH COMMISSIONER

DOWNGRADED TO SECRET

REDUIT A SECRET

*File
RAM*

50056-A-10	
27	27

TOP SECRET

December 26, 1950.

MEMORANDUM FOR MR. R. A. MACKAY:

General Gruenther's Views on Formosa

Since you may not yet have seen a message from Mr. Spender to Sir Keith Officer containing Mr. Spender's present views on the situation in the Far East, I am attaching a copy for your information. I also attach a telegram sent by Mr. Pearson to Mr. Riddell expressing Mr. Pearson's general agreement with Mr. Spender's views.

2. You will notice in the last paragraph of Mr. Pearson's telegram that he promises to transmit to Mr. Spender, through our mission in Canberra, the recent indications we have received of the United States views on the strategic importance of Formosa. This is a reference to the telegram sent by General Foulkes to Mr. Heeney reporting on Foulkes' discussion with General Gruenther. The Minister would be grateful if you would prepare a brief message to Canberra summarizing, in a suitably sanitized way, Gruenther's remarks. The message to Canberra should be in such a form that it could be communicated to Mr. Spender.

3. Would you please be good enough to return to me these two attachments when you are finished with them.

*Attachments
returned.*

D.V.L.P.

*Teleg. sent Australia
Dec 29/50
RAM*

D. V. LePan
D. V. LePan

26-12-38(55)

FROM: THE HIGH COMMISSIONER FOR CANADA, NEW DELHI
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

IMMEDIATE

CYPHER

No. 301

50056-A-40	
27	27

SECRET

NEW DELHI, December 25, 1950.

Original on 50069-A-40

Secret. Following for the Minister from Chipman, Begins:

1. I have received today from Bajpai the following message for you from Ronning, which he has conveyed through Panikkar because he has no cypher privileges. Message begins:

I should like to emphasize that situation as it has developed in regard to Korea and generally in the relations of western nations with China though threatening is still capable of peaceful settlement. The main obstacle is United States position in respect of Formosa. Since American action in regard to Formosa taken unilaterally and without sanction of United Nations the position of that body becomes anomalous in negotiating a settlement on Korea and other issues. There would appear to be little chance of China agreeing to any negotiations unless position in Formosa is restored to what it was before American action. As this is primary obstacle to United Nations action in favour of peace, I would suggest that you should strongly press on United States desirability of removing this obstacle in the interest of peace. Message ends.

HIGH COMMISSIONER

W A R N I N G

This message must be paraphrased if to be communicated to persons outside of government service.

FROM: THE CANADIAN AMBASSADOR TO THE UNITED STATES
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

S E C R E T

CYPHER - AUTO

WA-3350

WASHINGTON, December 22, 1950.

Original on 50056-A-40

50056-A-40
27 27

Secret. Addressed External WA-3350, repeated Permdel New York No. 349.

My WA-3346 of December 21st. Discussion on Far Eastern questions.

1. Representation of China in the United Nations. I pointed out to Hickerson that the qualifications in Article 4 of the Charter for admission to membership did not apply to the substitution of the Communist Chinese for the Nationalist Chinese; China was already a member, and the issue was the question of fact of who controlled China. I then put forward as a wholly personal suggestion the idea that the issue of principle involved in the seating of an aggressor Government might be met in part by moving a resolution at the first meeting of the Security Council at which the Chinese Communists were seated invoking Article 5 and recommending the suspension of China from membership. Such a resolution would be vetoed by the Soviet member, but if all or nearly all the other members supported it, it would go some distance towards meeting the moral dilemma. I said that clearly this procedure could not be invoked immediately but an opportunity might present itself before very long.

Hickerson did not think much of this suggestion. He frankly declared that it was impossible for the United States to agree to the admission of the Chinese Communists to the United Nations unless they had taken some steps to expiate their offences in Korea. He was unmoved by the argument that it was better to have the Chinese Communists at the conference table where they could be put on the spot than to deal with them through the various ineffective channels which are all that are now open. He said that he believes that if they came into the United Nations in the near future the United States

would go out. Although the United States is committed to accept a majority vote for their admission, they would work vigorously to prevent a majority being secured. He did not argue that the Nationalists were more representative of the Chinese State than the Communists, but thought it possible that before long neither authority would be accepted as representing China, so that the Chinese seat would become vacant.

2. Continued Recognition of Chiang Kai Shek. I put to him the view that a withdrawal of recognition of Chiang Kai Shek by the United States seemed to me essential before much progress could be made towards a Far Eastern settlement. I am sure that he believes that there is no chance of the regime in Formosa becoming once more the Government of China, nor did he disagree when I argued that the intense interest of the Chinese Communists in Formosa probably sprang far more from their desire to eliminate the Nationalists there than from their wish to obtain control of the island for its own sake. I think that he might support withdrawal of recognition from Chiang Kai Shek before very long.

3. Formosa. As to the future of the island, he argued that the Cairo Declaration was only an assertion of intent by three governments, which in itself violated one of the principles of the Atlantic Charter in that it paid no attention to the wishes of the inhabitants. He had recently consulted independently two Far Eastern experts with long service on the mainland and in Formosa, and asked them which of five possible courses would in their opinion be most acceptable to the Formosans. Both had put independence as their first choice, with some form of trusteeship as their second choice. Both had also put the handing over of the island to the Chinese Communists as their fifth choice. One had placed third and the other fourth an arrangement attaching Formosa to Japan on an autonomous basis with free trade. The other possibility was maintenance of the present situation, and one had put this fourth and the other third.

He said these judgments had been given by the officers concerned with all due reserve, and he continued to favour the proposal that a

competent commission should be sent to the Far East by the United Nations with the task of sampling the wishes of the Formosans. Since Japan has for long been the chief market for Formosan products and the source of supply of manufactured goods, if possible, whatever political status was settled, provision should be made for free trade between the island and Japan.

CANADIAN AMBASSADOR

Ext. 180

AIR BAG

File

50056-A-40
27 | 27

OTTAWA FILE
No.....

SECURITY CLASSIFICATION
CONFIDENTIAL

Despatch No...3337.....

Date...December 21, 1950.....

FROM: THE HIGH COMMISSIONER FOR CANADA, LONDON.

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference:.....Our telegram No. 2292 of November 25, 1950.....

Subject:.....Transit of Peking delegation through London.....

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DEC 27 1950

Copies Referred

To.....
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No. of Enclosures

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Post File

No. AR 50/1.....

Yesterday, December 20, Mr. Wu and his colleagues of the Peking delegation landed at London Airport from New York and left later in the day from Northolt en route for Prague.

2. The delegation were met by United Nations and Foreign Office representatives and by the Soviet, Czech and Polish Ambassadors and the Roumanian Minister. This Soviet group may be contrasted with the Czech Charge d'Affaires who was the only representative of the Soviet bloc who met the delegation on the outward journey to Lake Success. The Foreign Office representatives were Mr. Shattock, Head of the Far Eastern Department, and an administrative officer.

3. The Foreign Office secured the usual diplomatic courtesies for the delegation in customs and immigration matters and, as before, asked if they could be of any assistance. We are told that the delegation declined the offer in a friendly and courteous manner. Mr. Wu was driven to Northolt by the Soviet Ambassador accompanied by the United Nations car.

4. Attached is the text of Mr. Wu's statement to the press as given in The Times this morning. You will note the emphasis on references to the "United States military adventurers" and "United States ruling circles" on whom the statement lays the blame for the present situation in the Far East. This emphasis may be deliberately designed to influence those left wing members of the Labour Party whose anti-American bias and whose tendency to skate over the behaviour of the Peking Government we have reported in recent despatches. The statement concluded with greetings to "the peace-loving people in England".

5. The Communist press gave to this statement the caption "We'll Still Try Peace" and the sub-caption "Promise by China's delegate" and gave prominence in the text to Mr. Wu's declaration that "we shall still do our utmost to find a peaceful solution to the Far Eastern problem". It quoted Mr. Wu as referring in his conclusion to "the peace-loving people of Britain".

V

DEC 27 10 36 AM 1950

NO. OF REPLICATES

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DATE OF REVIEW

TO THE SECRETARY OF STATE FOR EXTENSIVE REFERENCE - COPY

ABOVE

SECRETARY OF STATE

SECRETARY OF STATE

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[Faint, illegible text]

6. The Daily Telegraph carried on its back page this morning an inconspicuous report in which Mr. Lionel Lamb is quoted as having said: "I might go to Peking after Christmas for the British Government." As you know, Mr. Lamb, who was at the United Kingdom Embassy in Nanking from February 1947 to September 1949, travelled to London from Lake Success on the same plane as the Peking delegation.

7. We mentioned informally to the Foreign Office this morning that Mr. Lamb's remark lent itself to more than one interpretation and we asked whether it could be clarified. We were told in strict confidence that Mr. Lamb's remark was a little premature though there is truth in it in so far as the Foreign Office are considering making a change of personnel in Peking. We have been asked to keep this information to ourselves for the present. The Foreign Office may issue a statement on the subject shortly.

H. R. Horne
for the High Commissioner.

GEN. WU'S STATEMENT

General Wu Hsiu-chuan, the leader of the Communist China delegation to the United Nations General Assembly at Lake Success, who arrived at London Airport yesterday on their way home, said that the Chinese were anxious to find a peaceful solution to the Far Eastern problem. The delegation left Northolt later yesterday for Prague on the next stage of their journey to Peking. General Wu said:—

In order to stop aggression by the United States and to restore peace in the Far East, we proposed to the United Nations Security Council, as the basis of a peaceful settlement of the problem of the Far East, that the United States Government withdraw its armed forces from Taiwan (Formosa), cease its intervention in Korea, and withdraw from Korea all the United States and other foreign troops so that the problem of Korea may be solved by the Korean people themselves. This is a proposal to stop the war. But the United Nations Security Council, under the manipulation of the United States ruling circles, rejected our peace proposal without due consideration. The United States military adventurers have supported with ulterior motives the proposal of "cease-fire first" in Korea, in an attempt to deceive the people of the whole world. But as everyone knows, only through efforts for the cessation of war may we have a real cease-fire.

The real purpose of the so-called "cease-fire first" proposal as supported by the United States military adventurers is to tie the hands of the Korean People's Army and the Chinese volunteers so that the United States troops may continue the aggression and extend the war. Such traps were set for the Chinese people many times in China by Chiang Kai-shek with the help of General Marshall. Hence, the Chinese people are not inexperienced in such traps. We should like to unmask such traps to the peace-loving people of the whole world.

U.S. ATTACKED

That the small group of the United States ruling circles should do so is not unexpected. They have persistently refused to recognize the existence of the People's Republic of China, and have denied its rights of expression and representation on all Far Eastern problems concerning China. They have wantonly interfered in China's internal affairs, stubbornly supported the Chiang Kai-shek reactionary clique, and openly committed aggression against China. They are determined to make enemies of the 475,000,000 people of China.

People of the whole world have seen the bankruptcy of this reactionary policy of aggression of the United States. But in order to continue such a bankrupt policy the United States ruling circles are frantically preparing to push the whole world—eastern Asia and western Europe—into the abyss of war. President Truman has openly announced the consideration of the use of the atomic bomb in Asia.

The United States Government has proclaimed a state of national emergency, and has applied coastal blockade and economic sanction against the People's Republic of China. At the same time in Europe the United States Government has restored the Nazi military forces of west Germany. As a result of such aggressive war policy of the United States ruling circles the whole world is faced with a serious threat of war. But people of the whole world are opposed to war. We believe that if the peace-loving people of the whole world unite closely together, distinguish clearly between right and wrong and fight resolutely to uphold the truth, the frantic policy of the United States ruling circles will be defeated.

"LOVE PEACE ARDENTLY"

The Chinese people love peace ardently. They fervently hope that they will be able to construct their own country without being subject to aggression and threats of aggression. The Chinese Government has always advocated that all the present-day important problems of the world be solved by peaceful means, especially the problem of the Far East arising from the aggression against Taiwan and Korea by the United States ruling circles. Although the United Nations Security Council, under the manipulation of the United States ruling circles, rejected this time our basic proposal to solve the Far Eastern problem by peaceful means, we shall still do our utmost to find a peaceful solution to the Far Eastern problem. We are also willing to try to advise the Chinese volunteers to bring to an early conclusion the military operations which they have been forced to undertake together with the Korean People's Army in the resistance against the United States armed aggression.

Finally, we wish to avail ourselves of this opportunity to convey our greetings to the peace-loving people in England.

E.Reid/RH
December 7, 1950.

50056A-40
27 | 27

TOP SECRET

*Mr. Healy
for information*

MEMORANDUM FOR THE DEFENCE LIAISON DIVISION:

The strategic importance of Formosa.
Reference Chiefs of Staff Committee
Paper No. 37(50) dated 29 November 1950

UPGRADED TO SECRET
REDUCED TO SECRET

One of the conclusions of the Chiefs of Staff Committee in Canada is that, from a military point of view, "Formosa, in the event of war with Communist China or the U.S.S.R. assisted by Communist China, is of limited strategic value". At the Attlee-Truman talks on December 5, General Marshall and General Bradley, according to Washington teletype No. 3149 of December 6, paragraph 9, stated that "to have Formosa pass into Communist hands would seriously weaken the United States position in the West Pacific".

2. If General Marshall and General Bradley are reported correctly, their views are very different from those of our own Chiefs of Staff.

3. The issue of Formosa may become one of the chief stumbling blocks in any negotiations that might take place with the Chinese Communists. Canada has been one of the foremost countries in proposing these negotiations and has specifically stated that the negotiations would probably have to include the question of Formosa.

4. Consequently it is of considerable importance that before we base any arguments we advance on the appreciation given us by our own Chiefs of Staff, we should do our best to ensure that the United States Chiefs of Staff have an opportunity to explain to us, if they want to, the reasons why they appear to agree with Mr. Asherson that to have Formosa pass into Communist hands would seriously weaken the United States position in the West Pacific.

5. I would therefore be grateful if you would ask the Chiefs of Staff Committee, as a matter of urgency, to follow this question up both with the United States Chiefs of Staff in Washington and with the United Kingdom Chiefs of Staff in London.



E.R.

Copy to Mr. Henry
Mr. [unclear]

FILE COPY

/E. Wilgress/jme/Am.& F.E. Div

CONFIDENTIAL

ew.

Ext. 140

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

.....December 1,.....19 50..

No. Y-1577.....

Sir,

I enclose the document (s) listed below.

50056-A-40
27 | 18

I have the honour to be,

Sir,

The Canadian Permanent Delegate
to the United Nations.
NEW YORK

Your obedient servant,

A.D.P. HEENEY

for the Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
<p>Telegram No. 2292 dated November 25, 1950, from the High Commissioner for Canada, London, England.</p> <p>Sent to:- WASHINGTON NO. <u>Y-3826</u> ✓</p>	<p>Reception of Peking delegation at London Airport.</p> <p>✓</p>

FILE COPY

OTTAWA FILE
No.

SECURITY CLASSIFICATION
TOP SECRET

Despatch No.

November 30, 1950.

Date.....

Y- 3837

50056-A-40
271-18

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA
The Canadian Ambassador, Washington, D.C.

TO: Our telegram No. 2421 of November 28, 1950.

Reference: The strategic importance of Formosa.

Subject:.....

**DOWNGRADED TO SECRET
REDUIT A SECRET**

Copy No. 56 of the Chiefs of Staff Committee Paper No. 37 (50) entitled "The Strategic Importance of Formosa" is enclosed for your information. A copy of this paper is also being forwarded to our Delegation in New York.

R. E. COLLINS

for Secretary of State
for External Affairs

Copies Referred To.....
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No. of Enclosures
one
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Post File
No.....

FILE COPY

OTTAWA
No.

50056-A-40
27 18

Despatch No. **Y-1583**
November 30, 1950.
 Date.....

SECURITY CLASSIFICATION
TOP SECRET

DOWNGRADED TO SECRET
 REDUIT A SECRET

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA
 The Canadian Permanent Delegate to the United Nations,
 TO: NEW YORK.
 Our telegram No. 350 of November 28, 1950.
 Reference:.....
 Subject: **The Strategic Importance of Formosa.**

Copy No. 55 of the Chiefs of Staff Committee Paper No. 37 (50) entitled "The Strategic Importance of Formosa" is enclosed for your information. A copy of this paper is also being forwarded to Embassy in Washington ~~our Delegation in New York.~~

J.M.

RE COLLINS

for Secretary of State for External Affairs.

Copies Referred To.....
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No. of Enclosures One
.....
Post File
No.

FROM: THE CHAIRMAN, CANADIAN DELEGATION TO THE U.N. GENERAL
ASSEMBLY, NEW YORK

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

CONFIDENTIAL

CYPHER - AUTO
NO. 524

NEW YORK, November 29, 1950.
(Rec'd: November 30, 1950.)

Original on 50069A-40.

50056-A-40
27 27

Confidential. Following from Holmes and Riddell, Begins:
Security Council meeting on Formosa and Korea.

You will no doubt have seen the full text of Austin's
and Wu's statements in Tuesday's Council meetings and in this
telegram will be included only certain impressions of
observers on the spot.

2. The early manoeuvring by Austin to secure first
place on the programme seemed unfortunate as it had no
apparent effect on Wu's statement and enabled Malik to
continue the policy the Soviet representatives have been
pursuing in the First Committee and the UNICEF Board to force
all of the representatives including Yugoslavia into position
of opposing the rights of the Peking representatives to state
their case. Austin's statement was, however, in spite of his
flat charge of Chinese aggression, less provocative than some
members had feared.

3. Wu's statement, although it included a good deal of
conventional Soviet phraseology, was on the whole an effective
outline of the situation as seen through Chinese eyes. It was
delivered, with great emphasis, in Chinese. Wu concentrated
his attention on Formosa and described American intervention
on the island as part of the long-range plan to dominate not
only China but all of Asia. He linked with this intervention
American development of Japan and Korea as bases for attack
on the Chinese People's Republic. His most effective argument
was his emphasis on the fact that the United States forces
had crossed 5,000 miles of ocean for operations off the coast

of China and in Korea which was separated from Chinese soil only by a narrow river. He cited a number of hypothetical situations to illustrate that the Americans themselves would be alarmed if other countries seized territory as close as this to American soil. To prove his point, he adopted the Soviet technique of quoting various spokesmen, but his spokesmen were better chosen. He quoted at length from the New York Times and, of course, made use of MacArthur's description of Formosa as an unsinkable aircraft carrier from which they could control Asian ports from Vladivostok to Singapore. In a brief reference to United States support of the French in Vietnam, he spoke of the encirclement of China and the determination of all Asian peoples to resist American imperialism. He said that the Asian people would yield neither to the enticement nor the threats of American imperialism and warned the United States that, although the Chinese loved peace, they were not afraid of a war of resistance.

4. Wu's references to Korea were less specific. He said that the Chinese could not stand idly by and implied that his Government would not be satisfied unless the Americans withdrew entirely from Korea. The only reference to Chinese intervention in Korea repeated the assertion that only volunteers were engaged, but he said that his Government saw no reason to prevent these volunteers from serving in Korea under the command of the Korean People's Democratic Republic. These comments, along with the emphasis on the threat to China by reason of American activities 5,000 miles from home, would suggest that Peking is not likely to be impressed at this stage by suggestions of a 10 or 50 mile demilitarized zone on the Manchurian frontier. It does not seem likely either that further public assurances of American good intentions would dispel the fears induced by American actions in Formosa, Japan and Korea. Wu emphasized that the

Chinese were impressed by deeds not words. If any negotiation is possible, it would seem from this statement that it would have to be an overall bargain from which Formosa could not be excluded.

5. It is significant that with the exception of a brief reference to the French in Vietnam, the entire attack was on the United States. The British were never mentioned, and Wu unlike the Russians referred always to American imperialism rather than Anglo-American imperialism. The United Kingdom was mentioned once as one of the countries which had recognized Peking. At one point, furthermore, Wu appealed to other countries not to pull American chestnuts out of the fire and warned them, if they did so, they would bear the consequences. He referred several times to the support given his Government in the United Nations by the Soviet Union, but otherwise did not mention that country.

6. As if to prove his orthodoxy, Wu concluded with an attack on Bebler's partisan chairmanship. This apparent afterthought seemed to be the only improvised portion of a statement which had probably been worked out long in advance. Ends.

CHAIRMAN

FILE COPY

A & F E Div./J.J.McCardle/ed

JK

Ext. 140

SECRET

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

November 29, 1950

No.....

Sir,

I enclose the document (s) listed below.

50056.A-40
27 19

I have the honour to be,

Sir,

Your obedient servant,

A.D.P. HEENEY

for the Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
<p>Telegram No. 350 to G.P.D.U.N., repeated to Washington EX-2421, dated Nov. 28, 1950</p> <p>Sent to the Following:</p> <p>LONDON - No. <u>Y-3645</u> ✓</p> <p>TOKYO - No. <u>Y-1080</u> ✓</p> <p>PARIS - No. <u>Y-1496</u> ✓</p> <p>THE HAGUE - No. <u>Y-631</u> ✓</p>	<p><u>Formosa</u></p> <p>CANBERRA - No. <u>Y-521</u> ✓</p> <p>WELLINGTON - No. <u>Y-423</u> ✓</p> <p>NEW DELHI - No. <u>Y-859</u> ✓</p> <p>KARACHI - No. <u>Y-560</u> ✓</p> <p>MOSCOW - No. <u>Y-628</u> ✓</p>

Mr. Healey

OFFICE OF THE UNDER-SECRETARY

Mr. Russell deserves
congratulations on
his performance.
Would it be
possible for you
to show this
to the President?
WV 25/50 JH

Refer - es for # 350 of Nov 25 to N.Y.

P.M. ✓

McClaston ✓

Mr Robertson ✓

Mr ^{AW} Richards Gill (P.M.'s office.) ✓

UN Div. -

Commonwealth Div. ✓

Defense Division ✓

Mr R. L. ... ✓

Mr Reid. ✓

European ✓

Mr Plumptre ✓

Press Office ✓

Int. Div. ✓

Copy sent FBI Div. ✓

~~London ✓~~

~~Amherst ✓~~

~~Moscow (for destruction) ✓~~

~~Tokyo ✓~~

~~Wellington ✓~~

~~Paris ✓~~

~~New Delhi ✓~~

~~The Hague ✓~~

~~Kanashi ✓~~

J.J. McARDLE

+ 5 copies

Done - ED

29/11/50

MESSAGE FORM
OUTGOING

FILE REF.		

50056-A-40
27 | 27

SECURITY CLASSIFICATION
S E C R E T

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO: CHAIRMAN, CANADIAN DELEGATION TO THE UNITED NATIONS ASSEMBLY
NEW YORK. REPEAT TO CANADIAN EMBASSY, WASHINGTON

Message To Be Sent EN CLAIR CODE CYPHER AUTO XX Degree of Priority	No. Date November 28, 1950	For Communications Office Use Only SENT NOV 28 1950
ORIGINATOR E. Reid Sig. L.B. Pearson Typed: L.McI. Div. SSEA Local Tel. 5074	New York No. <u>350</u> Washington No. <u>EX-2421</u>	
APPROVED BY Sig. <i>[Signature]</i> Typed:	Following for Riddell, begins:	
Is This Message Likely To Be Published Yes () No ()	1. Your teletype No. 483 of November 24, repeated to Washington as No. 66. <u>Formosa</u> .	
Internal Distribution:	2. We have asked National Defence as a matter of urgency to give us their appreciation of the strategic importance of denying the use of Formosa to the Chinese Communists. As soon as we receive this appreciation we shall review our policy in the light of the military and political considerations.	
Done Date	3. Meantime, I assume that you are keeping in close touch with the Australian and Indian delegations, who share our views.	
Copies Referred To:	4. There are some preliminary comments of a general nature which I should like to make on the conclusion in sub-paragraph 3b of your teletype that the recent public exhibition in the General Assembly of the disunity of the West on Chinese issues afforded immense comfort to the Communists who would again be the only ones to benefit from further public humiliation of this kind, which we shall have if we are forced to debate publicly Far Eastern policies about which there are divided counsels.	
Done Date	5.	

5. I realize fully how difficult and embarrassing your position was during the debates last week on Chinese issues, and I want to take this opportunity to congratulate you on a fine performance. No one could have done a better job.

6. Any public exhibition of disunity will, of course, benefit the communists. But they would benefit as much, and possibly more, by a public demonstration of Western unity in defence of a bad cause. The gadarene swine made a most impressive public demonstration of unity of purpose and collective action.

7. In democratic countries, but not in Russia, there are every day public manifestations of lack of unity, public debates between advocates of conflicting policies. We pride ourselves on this distinction between our national societies and the Russian monolithic society.

8. I do not think, therefore, that we should be worried too much by occasional public manifestations of differences in the United Nations, though it is always worrying, of course, that the differences do in fact exist. We must always do our utmost to reach agreement in advance of public debate, on a policy which we all honestly believe to be the best in the circumstances. But if we are unable to do this, then there may be occasions when we cannot, or indeed should not, avoid public debate. From the Canadian point of view, such debate will certainly remove the impression that we are satellites of the United States, and that all the United States has to do in the United Nations on an issue which it considers

important

important is to crack its whip and roll up a huge mechanical majority in the General Assembly.

9. This would bring the General Assembly into disrepute. It would lead to the spreading in the United States of the dangerous delusion that the United Nations can always be counted on to underwrite United States policy. Every member of the United Nations, large or small, must realize that it cannot always have its way in the United Nations.

10. I am not, of course, suggesting that we differ from the United States publicly on a matter which they consider of first class importance, merely for the sake of differing. I believe, however, that there may well be occasions in the future, as in the past, when we will have to express our differences with United States policy in the United Nations and elsewhere, though always seeking beforehand a solution which will make unnecessary such expression. It may be that Formosa will provide such an occasion, in spite of our best endeavour to avoid it.

SECRETARY OF STATE FOR EXTERNAL AFFAIRS.

RECEIVED
COMMUNICATIONS
GENERAL AFFAIRS

1950 NOV 28 AM 11:47

SECRETARY OF STATE FOR EXTERNAL AFFAIRS

best endeavor to solve it.
However will provide such an occasion, in spite of our
make unnecessarily such expression. It may be that
proper always seeking beforehand a solution which will
United States policy in the United Nations and elsewhere,
best, when we will have to express our differences with
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for the sake of efficiency. I believe, however, that
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offer from the United States directly on a matter
to. I am not, of course, suggesting that we
always have the way in the United Nations.
Nations, large or small, must realize that it cannot
United States policy. Every member of the United
United Nations can always be counted on to underwrite
United States of the dangerous delusion that the
disruptive. It would lead to the spreading in the
d. This would bring the General Assembly into
mechanical majority in the General Assembly.
important is to crack the whip and roll up a page

MESSAGE FORM OUTGOING

FILE REF.	

SECURITY CLASSIFICATION
SECRET

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO: THE CHAIRMAN, CANADIAN DELEGATION TO UNITED NATIONS GENERAL ASSEMBLY,
NEW YORK

REPEAT TO: CANADIAN AMBASSADOR, WASHINGTON, D.C.

50056-A-40
27 27
SEN NOV 27 1950

Message To Be Sent

EN CLAIR

CODE

CYPHER

Degree of Priority

ORIGINATOR

Sig.

Typed: R.E. Collins/
MCC

Div. Am.&F.E.

Local Tel. 2991

APPROVED BY

Sig. *R.E. Collins*

Typed:

Is This Message
Likely To Be Published

Yes () No ()

Internal Distribution:

Done

ate

Copies Referred To:

No.

Date November ²⁵ 1950

For Communications Office Use Only

Addressed, New York No. 345 ✓

Repeated, Washington No. (by teletype)
Ex - 2410 ✓

Your telegram 483 of November 24. Formosa.

We are undertaking a review of the strategic
significance of Formosa. ^{This} Will will probably not
be ready before Wednesday of next week.

NOV 27 11:20

RECEIVED
NOV 27 1950

File Copy

Am.&FE/JJMcCardle/kb

Ottawa, November 27, 1950.

Heads of Divisions Meeting.

50056-A-170	
27	27

Chinese Communist Delegation to United Nations

The Peking Delegation arrived in the United States on November 24. Its initial statement expressed the hope that its charge of United States' "armed aggression against Taiwan (Formosa)" would receive "just treatment" in the Security Council. The statement went on "a profound friendship has always existed between the Chinese people and the American people. I wish to avail myself of this opportunity to convey my greetings to the peace-loving people in the United States".

2. The Political Committee^{on Nov 25} adopted a Soviet resolution inviting the Peking Government to be represented at the Committee's discussion of the item "complaint by the U.S.S.R. regarding aggression against China by the United States". (Thirty in favour including Canada, eight against, and twenty-two abstentions including the United States.) A further Soviet suggestion that discussion on the item be postponed until today was accepted after a lengthy wrangle. In supporting the Soviet resolution, the Canadian delegation disassociated itself from Mr. Malik's interpretation that the appearance of the Peking representatives implied acceptance of the Soviet thesis on Chinese representation in the United Nations.

3. The Peking Delegation will, therefore, appear today before the Security Council and the Assembly. The item appears on the agenda of both. The original invitation for a Communist Chinese delegation was extended by the Security Council and the resolution noted above brings the Delegation before the Assembly. RESTRICTED.

American and Far Eastern Division.

FILE COPY

Am.&F.E.Div./J.J.McCardle/ed

Handwritten initials

Ext. 140

SECRET

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

November 25, 19 50

No.....

Sir,

I enclose the document (s) listed below.

50056-A/40
27 | 18

I have the honour to be,

Sir,

Your obedient servant,

A.D.P. HEENEY

for the Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT

SUBJECT

No. 485
Telegram from the Chairman, Can.
Delegation to the U.N.Gen. Assembly
dated Nov. 24, 1950

Formosa.

Sent to the following:

- LONDON - No. Y-3576 ✓
- TOKYO - No. Y-1054 ✓
- CANBERRA - No. Y-511 ✓
- NEW DELHI - No. Y-833 ✓

ORIGINAL AND FILE COPY

FROM: THE HIGH COMMISSIONER FOR CANADA, LONDON, ENGLAND
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

MINISTER
UNDR/SEC
D/UNDR/SEC
A/UNDR/SEC'S.

50056-A-40
271.27

CYPHER - AUTO

CONFIDENTIAL

NO. 2292

LONDON, November 25, 1950.
(Rec'd. November 29, 1950.)

Report to

*U.S.S.E.A
Defense Liaison
U.N. Sec.
Chief of Staff etc
C.P.D.U.N.
Sec. to the Cabinet
Washington
Done J.M.
Dec 4/50
E. W. Jones*

Confidential. Reception of Peking delegation at London Airport.

1. Franklin of the Foreign Office Far Eastern Department, who was with R. H. Scott, described the encounter as follows. The plane from Prague landed at 4 p.m. and the delegation were greeted by Smith of the United Nations Office. Smith introduced the Foreign Office representatives and the party moved to an air-shed. Scott offered any assistance that the Foreign Office could give. The delegates replied that the time was too short. They were courteous but formal. This conversation took about five minutes. The plane for New York left at 6.30 p.m.

2. According to one press correspondent, the United Nations and Foreign Office officials also drove from Northolt Airport to London Airport, arriving there at 5.05 p.m. and saying their farewells to the delegation at 6.00 p.m.

HIGH COMMISSIONER

CLEARED
COMMUNICATIONS
EXTERNAL AFFAIRS

1950 NOV 24 AM 11 35

FROM: THE CHAIRMAN, CANADIAN DELEGATION TO THE U.N. GENERAL ASSEMBLY, NEW YORK

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

S E C R E T

IMPORTANT

NEW YORK, November 25, 1950.

CYPHEE - AUTO

NO. 491

50056-A-170
27 27

Original on 50057-40

Secret. Addressed External No. 491, repeated Beaver No. 67.

Your telegram No. 331 of November 22nd. Formosa and Japanese peace treaty.

Holmes and I saw Allison and Raynor of the State Department today and discussed with them a number of matters concerning Far Eastern policy, including the question raised in your telegram under reference.

2. In regard to the question of Japanese Peace Treaty, Allison was quite categorical in stating that it is the intention of the State Department to proceed with these negotiations, and that they expect results. They did not, of course, expect there to be a conference, nor did they now have much hope of securing Soviet co-operation. But they did expect to conclude a treaty or treaties. I mentioned to them Mickerson's twice-made assertion that there wasn't going to be a Japanese peace treaty and the circumstances in which he had made it, to which they replied that Mickerson didn't know what he was talking about, a remark which they subsequently modified to a more polite assumption that there had been a misunderstanding.

3. Allison said that United States memorandum on Japanese peace treaty, copy of which was given to us, had now been shown to the Soviet Government. They had received Malik's reply, which consisted of a series of questions, to which answers in writing were requested. The value of these questions seemed to indicate

that U.S.S.R. had no intention of co-operating in negotiations for peace treaty and intended to use occasion simply for propaganda. This view was confirmed by the fact that text of Soviet reply had now been published in Moscow. Text of Soviet reply appears in New York Times of November 25th and Allison has promised to give us a copy of United States answer to Malik's questions when they had been prepared.

4. In regard to Formosa, Allison said the basis of their present policy lay partly in military strategy, partly in consideration of domestic politics. As far as strategy was concerned, he said that United States military did not expect a war with China, and certainly did not ^{want} one, but they were not positive that they could avoid one. In these circumstances, and with so much of their available military force tied up in Korea, they could not afford to let the island pass into Communist hands. There was moreover, considerable military strength on the island which would be useful in event of trouble. Allison also repeated the information we have received previously from the State Department that Communist control of the mainland was by no means generally established and added that recent troop movements Northward have been followed by anti-Communist disturbances in the South. To the comment that a situation had arisen in which danger of war was increased by denying Formosa to the Communists and, at the same time, the island was denied to the Communists because of increasing danger of war, Allison said that they were fully aware of this dilemma. They were also prepared in due course to try to escape from it by making concessions to the Chinese Communists. They could not, however, do so until they were sufficiently strong in the Far East to prevent there being any danger of their concessions being interpreted as a sign of weakness.

5. The other consideration Allison mentioned in regard to Formosa was domestic. In language that had a very familiar sound to Holmes and myself, he said that policy had to be determined by necessity of maintaining unity of country during period of

emergency. There was no subject which could more easily divide the United States than Far Eastern policy and public opinion at the moment simply would not tolerate loss of Formosa to the Communists.

6. We then asked them whether, assuming they were right in this analysis, they did not have some concern over referring matter to United Nations because of divisions amongst Western Powers that would thereby be revealed and also because of possibility that they would be saddled with some quite unworkable recommendation. Allison said that he personally was convinced that for both these reasons item should be dropped or allowed to stand over until next year. Final decision in this regard had not yet been taken, and there were obviously some difficulties. He himself hoped, however, that United States Government would not press for discussion of item during present session.

CHAIRMAN

ORIGINAL AND FILE COPY

FROM: THE CHAIRMAN, CANADIAN DELEGATION TO THE UNITED NATIONS
GENERAL ASSEMBLY, NEW YORK

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

MINISTER
UNDR/SEC
D/UNDR/SEC
A/UNDR/SEC'S.

IMPORTANT

CYPHER - AUTO

S E C R E T

NEW YORK, November 24, 1950.

NO. 483

50056-A-140
27 | 27

Ref: Minister ✓
Asst. Sec. - London
Am. Aid. - Tokyo
Secy to Ch. - Canberra
New Delhi
Secy C.O.S.
Dis. -
Un. Div. -
Def. Mission Dir. -
Done - E.H.
25/11/50

To see
Carleton
Att.

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3	<i>Gen.</i>
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NOV 24 1950

Secret. Addressed External Ottawa No. 483. Repeated
Beaver Washington No. 66.

Following from Riddell, Begins:
Formosa.

1. Statement regarding Formosa given by Rusk to Mr. Wrong and reported in Washington's telegram No. 57 to New York and WA-3024 to Ottawa of November 22nd is fullest and most coherent account we have yet received of United States policy on this subject. Rusk makes it explicit that strategic importance of denying use of island to Communists outweighs, in United States view, any other consideration. This frank and unequivocal statement is immensely more helpful than Hickerson's unconvincing confidences to the effect that United States was prepared "to take the skeletons out of the cupboard" and state that it now believes that wishes of inhabitants of Formosa must be consulted, and that United States is prepared to concur in anything those inhabitants decided upon, including return to China.

2. Rusk's argument may influence our judgment that it is unwise to proceed in the United Nations with a course of action which will entail a United Nations commitment to defend Formosa. It seems to me, incidentally, that such a commitment will be established whether a Commission is set up or a reference made to the Interim Committee. I wonder, therefore, whether, before we proceed further in discussing

with other delegations our attitude towards United States proposals, or in developing our opposition to them, we should not review our policy in the light of Rusk's argument. If it is correct that security in the far east now makes it essential to deny use of the island to Communist Chinese, then we should possibly alter our position. If, alternatively, we continue to oppose the United States proposals, we should I think be quite sure either that we do not concur in United States estimate of strategic importance of island, or alternatively that we consider United States motives in regard to Formosa to have some other origin, such, perhaps, as unwillingness in the face of domestic criticism, to permit further advances to Communist Chinese.

3. With the possibility of some such review of policy in mind, I should like to make this following comment on Rusk's views as expressed in paragraph 2 of Mr. Wrong's telegram under reference:

(a) We have been assuming, I think, that in the long run accommodation with the new Chinese Government was the most important objective, from both the political and strategic point of view, and that with this end in view, we should, even while accepting a good deal of abuse from Peiping, try to remove or reduce situations which might lead them to believe that they had more to fear from the West than from Moscow. Accommodation with Peiping will never be possible if Formosa is denied to them, or neutralized without their consent. A year ago the defence of Formosa did not seem to figure in United States strategic plans. Are we to assume now that events in Korea and the more menacing aspect of the Chinese Communists make it essential to secure Formosa for strategic reasons, even at the cost of postponing indefinitely any possibility of accommodation with Peiping?

(b) Rusk's statement that they are anxious to prevent the disposition of the island becoming a serious issue between friends seems to me to point, not to Rusk's conclusion that Formosa should be "injected into the United Nations forum", but to exactly the contrary conclusion. The debate on Tsiang's complaint of Soviet aggression which has just concluded is a painful demonstration of the disarray into which the Western Allies fall when they are forced to discuss Chinese policy publicly. It evoked one of the most irritable and indignant speeches I have ever heard from Berendson, who castigated, in the full sense of that term, his fellow Commonwealth delegates for breaking with the United States and choosing strange Communist bedfellows. It enabled Tsiang to observe that Western Europe, in the spirit of appeasement, had sided with Eastern Europe, and that only the United States and Latin America remained faithful to freedom. It gave Dulles the occasion to describe those of us who did not support him as craven and it moved unnumberable Latin Americans to beat their breasts and denounce us for betraying sacred principles which they were prepared to defend to the last United Nations Commissioner. It afforded immense comfort to the Communists, who it seems to me will again be the only ones to benefit from further public humiliation of this kind, which we shall certainly have if we are forced to debate publicly Far Eastern policies about which there are divided counsels.

(c) I am not sure what Rusk means by the statement report in paragraph 2 (c).

4. If it is possible to draw any conclusions from my observations, they seem to be the following:

(a) We should consider whether or not we concur in what appears now to be the United States opinion that it is essential, for strategic reasons, to deny Formosa to the Communists.

(b) If we do concur, we should consider whether the proposed action through United Nations is the least harmful way of achieving that object.

5. I shall await further instructions before proceeding as directed in telegram No. 433 of November 18th. Ends.

CHAIRMAN

CLEARED
COMMUNICATIONS
EXTERNAL AFFAIRS

1950 NOV 15 PM 4:46

File copy

Am.&F.E./R.E.Collins/MCC

WRC

SECRET

Ext. 140

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

November 24, 19 50

No. Y-3574

Sir,

I enclose the document (s) listed below.

50056-A 40
27 | 18

I have the honour to be,

Sir,

Your obedient servant,

The High Commissioner for
Canada,

London, England.

A.D.P. HEENEY

Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
<p>Telegram No. 479 of November 23, 1950 from the Chairman, Canadian Delegation to U.N. General Assembly, New York.</p>	<p>China</p>

File copy

mc

Am.&F.E./R.E.Collins/MCC

SECRET

Ext. 140

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

November 24, 19 50

No. Y-3573-1

Sir,

I enclose the document (s) listed below.

50056.A-40
27 | 18

I have the honour to be,

Sir,

Your obedient servant,

The High Commissioner for Canada,
London, England.

A.D.P. HEENEY

Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
<p>Telegram No. 480 of November 23, 1950 from the Chairman, Canadian Delegation to U.N. General Assembly, New York.</p>	<p>China.</p>

File copy

Am.&F.E./E.Wilgress/MCC

Ext. 140

Eul

SECRET

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

November 24, 19 50

No. Y-3572 ✓

Sir,

I enclose the document (s) listed below.

50056-A/40
27/18

I have the honour to be,

The High Commissioner for Canada,
London, England.

Sir,

Your obedient servant,

A.D.P. HEENEY

for the Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
Telegram No. WA-3024 of November 22, 1950 from the Canadian Ambassador, Washington, D.C.	Formosa
SIMILAR TO:	
New Delhi No. <u>Y-831</u> ✓	
Tokyo No. <u>Y-1052</u> ✓	
Canberra No. <u>Y-510</u> ✓	

~~to Canada~~
Wilson
file

FROM: THE CHAIRMAN, CANADIAN DELEGATION TO THE U.N. GENERAL ASSEMBLY, NEW YORK

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

S E C R E T

IMPORTANT

NEW YORK, November 23, 1950.

CYPHER - AUTO

NO. 480

50056-A-480
27 27

Secret. Addressed External No. 480, addressed Washington No. 65.

Reference my immediately preceding teletype No. 479. Following is text of paragraph referring to Dulles's statement. Begins:

2. The representative of the United States also said this morning that if the Committee opposes the establishment of a Special Commission or alternatively fails to refer the item to the Interim Committee, the man in the street would assume that we did not wish to press charges against a Great Power. I listened this afternoon to the explanation which he gave of this remark. The delegation of the United States has brought to the agenda of this Committee on many occasions items which were bitterly opposed by one of the Great Powers. I am quite sure that the record of this Committee in regard to these and other items is such that ^{no} reasonable man in the street could possibly assume that any significant number of members of this Committee are unwilling to persevere in the discussion of a question merely because a Great Power is involved. Ends.

CHAIRMAN

FROM: THE CHAIRMAN, CANADIAN DELEGATION TO THE UNITED NATIONS GENERAL ASSEMBLY, NEW YORK
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

IMPORTANT
CYPHER -- AUTO
NO. 479

50056-A-140
27 | 27
SECRET

NEW YORK, November 23, 1950.

MINISTER
UNDR/SEC
D/UNDR/SEC
A/UNDR/SEC'S

*Done - mee
Nov 24/50*

*Minister
USSEA
Secy Cabinet
UN Sec
European Dir
Commonwealth Dir
London
Phil*

Secret. Addressed External No. 479, addressed Washington No. 64. Following from Riddell, Begins: Chinese item.

2. Late Tuesday and early Wednesday, in consultation with the United Kingdom, Australian and Indian delegations, we made a canvass of other delegations and found that surprising number were prepared to act together to oppose establishing a Special Commission on the Chinese charges or even referring them to the Interim Committee. Younger and Keith Officer both spoke in this sense early in Wednesday morning's meeting and were supported by several other delegations.

3. In the meantime, however, United States delegation had confirmed its support for Chinese proposal or alternatively for suggestion that question be referred to Interim Committee. Before meeting on Wednesday, Dulles spoke to me and asked that we should refrain from submitting any alternative resolution and that we should not obstruct some action being taken on the Chinese request for further investigation. At the end of the meeting on Wednesday morning he made a brief but strong statement in the course of which he said that those who opposed further investigation were motivated by unwillingness to press charges against a Great Power. He developed this view at some length but his allegation was summarized in the following sentence:

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NOV 24 1950

"The question really is: if we bury it, we will bury it because we are afraid that by looking into this matter we will annoy or aggravate one of the so-called Great Powers."

4. Both Keith Officer and I spoke to Dulles immediately after meeting and said that motives which he had attributed to delegations which did not support his position were discreditable. Officer said that he deeply resented this interpretation of a position which he had taken. I remarked that there were many occasions in United Nations when delegations like ours had supported, voted for and sometimes initiated actions which were disliked by the Soviet Union, and that I did not see how we could leave on the record a suggestion that we were afraid to support his position because we were unwilling to annoy the U.S.S.R. Dulles, who didn't seem to understand what I was talking about subsequently said that he would try to make amends, but a brief statement he made at the opening of the afternoon meeting, was not very helpful. Consequently, after consultation with Mr. Lapointe, I inserted a reference to Mr. Dulles' remarks into a short statement I made in the afternoon. Text of the paragraph referring to Mr. Dulles statement is given in my immediately following teletype. Full text of statement will follow by bag.

5. Incident is of importance only as evidence of sensitivity of United States delegation to any opposition to their Chinese policy, and to constant danger that underlying differences on Chinese policies which divide Western States will find disconcerting public expression. This morning (Thursday) for example, Tsiang, in a speech designed to play upon these differences, has compared Dulles to Stimson and has characterized the United Kingdom and France as

"appeasers". Ends.

CHAIRMAN

CLEARED
COMMUNICATIONS
EXTERNAL AFFAIRS

1950 NOV 24 AM 9:18

WRC

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

SECRET

No. Y-3529 November 23, 1950.

50056-A-40
27 | 27

Sir,

I enclose the document (s) listed below.

I have the honour to be,

Sir,

Your obedient servant,

The High Commissioner for Canada,
Canada House,
London, S.W.1. ✓

A.D.P. HEENEY

for the
Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
<p>Secret telegram No. 450 of November 21, 1950., from the Chairman, Canadian Delegation to the United Nations General Assembly, New York.</p> <p>Similar to: Tokyo No. <u>Y-1046</u> ✓</p>	<p>Formosa.</p>

J. J. McCardle/jme
Am. & F. E. Division

Ext. 140

SECRET

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

.....November 23,..... 19. 50.

No. Y-3528.

Sir,

I enclose the document (s) listed below.

50056A-40
27 | 27

I have the honour to be,

Sir,

✓
The High Commissioner for Canada
LONDON, England.

Your obedient servant,

A.D.P. HEENEY

for the Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
<p>Telegram No. 433 dated November 18, 1950, from the Chairman, Canadian Delegation to the United Nations General Assembly, New York.</p> <p>Tokyo No. <u>Y-1047</u> ✓</p>	<p>Formosa</p>

ORIGINAL & FILE COPY

FROM: THE CANADIAN AMBASSADOR TO THE UNITED STATES
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

MINISTER
UNDR/SEC
D/UNDR/SEC
A/UNDR/SEC'S.

CYPHER - AUTO
WA-3024

S E C R E T

WASHINGTON, November 22, 1950.

50056-4-100	
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4 to sec
~~Mr. Tolson~~

Refer to
✓ U.S. S. E. A
✓ Mr. Reid
✓ Def. Liaison
✓ U. N. Div
✓ Sec. to the Cabinet
✓ Sec. C. O. S.
✓ S. I. S.

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Secret. Addressed Candel No. 57, repeated External as WA-3024.

Your telegram No. 57, Formosa.

1. I have discussed with Dean Rusk today the arguments for postponing the Assembly resolution on Formosa. Rusk said that this matter was being given consideration and he seemed to think that it was quite likely that the United States would agree to postponement until the next session or to reference by the Assembly to the Interim Committee. He asked me to make it clear to you that postponement was not, in his view, any step to the solution of the Formosa problem and also that it would involve the continued use of the Seventh Fleet, to prevent hostilities between Formosa and the Mainland, for an indefinite period.

2. He said that there were three main purposes towards the Formosa issue in the current United States policy:

(a) Formosa should not pass into hostile hands. The United States has the major responsibility for maintaining security in the Far East and in the event of war would have by far the largest military commitment there. The substantial non-Communist resources on the island, both in manpower and in other respects, could not be handed over

NOV 23 1950

✓ London
✓ New Delhi
✓ Tokyo
✓ Canberra
✓ ~~Washington~~
✓ ~~London~~
✓ ~~Paris~~
✓ ~~Brussels~~
✓ ~~Geneva~~
✓ ~~Madrid~~
✓ ~~Rome~~
✓ ~~Bombay~~
✓ ~~Calcutta~~
✓ ~~Colombo~~
✓ ~~Ceylon~~
✓ ~~Delhi~~
✓ ~~Hyderabad~~
✓ ~~Jaipur~~
✓ ~~Kolkata~~
✓ ~~Madras~~
✓ ~~Patna~~
✓ ~~Rangoon~~
✓ ~~Singapore~~
✓ ~~Tripoli~~
✓ ~~Yokohama~~

Done
K.B.
25/11/50

to Peking at a time of great tension.

(b) They were anxious to prevent the disposition of the island becoming a serious issue between friends whose policies were already divergent on Far Eastern questions. Therefore they favoured injecting it into the United Nations Forum, where it might be discussed in the usual manner for perhaps two or three years, after which the situation should be clearer and the policies of the democratic countries less divergent.

(c) No steps should be taken at the present time which would have the effect of injecting Formosa as a possible issue leading to war.

3. In illustrating these points he made a number of comments. He asked me whether the Canadian Government supported the immediate application of the Cairo Declaration. When I said that we believed that the Cairo Declaration should be observed as requiring that Formosa should become part of China rather than an independent or trusteeship territory, he asked whether that meant that we supported immediate recognition of the authority of the Peking Government over Formosa. I said that we were making no such suggestion, but that our present concern was that the United Nations might by implication be saddled with responsibility for enforcing a recommendation on the future of Formosa if the resolution before the Assembly were adopted. He made it clear that the settled policy here is not to accept the Cairo Declaration as a binding obligation in present circumstances.

4. He also said that the movements of Communist forces on the Mainland seemed to indicate that there was no early intention to deliver an attack on Formosa.

CANADIAN AMBASSADOR

OFFICE OF
COMMUNICATIONS
EXTERNAL AFFAIRS

1957 NOV 23 AM 11:17

ORIGINAL AND FILE COPY.

FROM: THE CANADIAN AMBASSADOR, TO THE UNITED STATES
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

UNCLASSIFIED

EN CLAIR

WASHINGTON, November 22, 1950.

WA-3019

50056-A-40
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The Minister
Miss RA
Mr. Pitou
Secy to Cabinet
UN DTRG
UN Div
Dep Liaison
Legal Div
IS
McCord
DeWag

Done - mee 24/50
Unclassified. Addressed External as WA-3019,
repeated Candel as CA-56.

In the issue of Newsweek dated November 23rd there is an article dealing with Far Eastern questions which includes the paragraph quoted below. We learned that the information in this paragraph came from the Washington Bureau of Newsweek. It certainly did not come from this Mission.

Extract begins:

The Canadian Government has urged the United States, in a long memorandum submitted last week, to abandon its officially announced policy of achieving a settlement of the Formosa problem through the United Nations. The Canadians argued that the American proposals served as an irritant to the Chinese and confirmed suspicions of American aggressive intentions. To clinch their argument, the Canadians asked in effect: "Suppose the United Nations ultimately decides to restore Formosa to the Peking regime - what on earth are you going to do with Chiang?"
Ends.

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NO. 22 1950

CANADIAN AMBASSADOR

CLEARED
COMMUNICATIONS
EXTERNAL AFFAIRS

1957 NOV 22 PM 4:01

MESSAGE FORM OUTGOING

FILE REF.	
DUPLICATE	

50056-A-120
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SECURITY CLASSIFICATION
SECRET

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO: THE CHAIRMAN, CANADIAN DELEGATION TO UNITED NATIONS GENERAL ASSEMBLY,
NEW YORK.

REPEAT TO: CANADIAN AMBASSADOR, WASHINGTON.

Original on 50057-40

Message To Be Sent EN CLAIR <input type="checkbox"/> CODE <input type="checkbox"/> CYPHER <input checked="" type="checkbox"/>	No.	Date November 22, 1950	For Communications Office Use Only SENT -- NOV 22 1950
Degree of Priority	Addressed, New York No. 336 SENT -- NOV 22 1950 Repeated, Washington No. ET-2384		
ORIGINATOR Sig. Typed: R.E. Collins/ Div. Am. & F.E. MCC Local Tel. 2991	Following for RIDDELL from HEBNEY, Begins: Japanese Peace Treaty. 1. We were somewhat surprised by Hickerson's remark, as reported in Candel No. 447 of November 21, that we are not going to get the Japanese Peace Treaty. I should be grateful if you would check with Allison of the United States Delegation to find out what, if anything, is behind this statement. Ends.		
APPROVED BY Sig. R.E. COLLINS Typed: Is This Message Likely To Be Published Yes () No ()	Internal Distribution:		
Done	ate		
Copies Referred To:			

FILE R.E. COLLINS/RD A. & F.E.

ML SECRET

Ext. 140

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

..... November 22 19 50

No.

Sir,

I enclose the document (s) listed below.

50056-A-40
27 127

I have the honour to be,

Sir,

Your obedient servant,

A.D.P. HEENEY

for

Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT

SUBJECT

Copy of telegram No. 409 from
New York, November 16.

London No. Y-3508 ✓
Canberra No. Y 505 ✓
New Delhi No. Y 813 ✓
Tokyo No. Y 1040 ✓

Fornosa.

ORIGINAL AND FILE COPY

FROM: THE CHAIRMAN, CANADIAN DELEGATION TO THE UNITED NATIONS
GENERAL ASSEMBLY, NEW YORK
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

IMPORTANT

SECRET

file

CYPHER - AUTO

NO. 450

NEW YORK, November 21, 1950.

MINISTER
UNDR/SEC
D/UNDR/SEC
A/UNDR/SEC'S

*Refer. USSIA ✓
Mr. Reed ✓
Tokyo ✓
BSC ✓
Done KB
23/11/50*

50056-A-140
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*Refer
Secy of Cabinet
UN Dir
Royal Dir
Dep. Liaison
ADHG
JIS
London
McAllister*

*Done KB
23/11/50*

Secret. Addressed External Ottawa No. 450, repeated
reaver Washington No. 61.

Formosa.

1. The United Kingdom delegation reported to us yesterday that there had been no recent developments as far as they were concerned. Their estimate of the position, however, was that if the item was dealt with at all at this session, the United States might demand a substantial stiffening of their resolution (in an anti-Peking direction). There had as yet been no change in their instructions. These instructions would, in their present form, allow the United Kingdom delegation to support the United States resolution, preferably with the omission of the third paragraph. They did not wish to serve on the Commission and saw considerable disadvantage in great Power membership, particularly that of the United States. The United States had hinted, however, that they would wish to be on the Commission, even if the United Kingdom were not. The United Kingdom attached great importance to India being a member, but they feared that this now seems unlikely. The United Kingdom delegation have had no instructions since the First Committee's decision to postpone this item to the end of the session.

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NOV 21 1950

CHAIRMAN

FROM: THE CHAIRMAN, CANADIAN DELEGATION TO THE UNITED
NATIONS GENERAL ASSEMBLY, NEW YORK
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

EXTERNAL AFFAIRS RECORDS

File No. 50056-A-40

IMPORTANT

CYPHER - AUTO

NO. 447

SECRET 7A 7A

NEW YORK, November 21, 1950.

*Original on 5475-DW-4-40
Vfl*

Secret. Addressed External Ottawa No. 447, repeated
Washington No. 59.

Subject: Chinese issues in the United Nations.

Yesterday afternoon, I discussed with Hickerson
several aspects of Chinese questions in the United
Nations.

2. When I referred to the postponement of
appointment of a Sub-Committee to consider Chinese
representation, Hickerson asked me if we were changing
our minds in the direction of accepting representatives
of Peking in the United Nations. I said that I had, at
the beginning of the session, personally thought that we
should accept Peking, but I recognized that recent
developments made this difficult. Hickerson seemed
surprised that acceptance of Peking could even be
contemplated after their intervention in Korea and in
Tibet. I said that I did not think the question of
Tibet was so serious an obstacle, but that the situation
in Korea would have to be cleared up first. If it could
be established that the Chinese objectives in Korea were
limited, then the situation would change again. I
emphasized the importance of establishing contact with
Peking in order to make our objective clear to them.
At the present time, they received their information
through Soviet sources. I did not think that the

delegation which was coming to Lake Success would be adequate for this purpose; they would probably have strict instructions and little freedom for manoeuvre. Hickerson was not so sure that Korean questions could not be discussed with the Peking delegation. On the subject of establishing contact, he pointed out that the Frontier Committee of UNCURK was anxious to establish contact and it was an appropriate body to do so. When I suggested the possibility of Katzin or some other member of Lie's staff going to Peking, Hickerson said that he saw no objection to that.

3. I asked Hickerson if there was any chance of postponing indefinitely the raising of the Formosa question in the Assembly. The First Committee was approaching the end of its agenda and we would not adequately consider so important a question in the last days of the Assembly. Hickerson said that from the American point of view this question could not be postponed. The Assembly was the proper place for discussion of the subject. When I mentioned the possibility of leaving the matter to be considered in the Japanese Peace Treaty, he said emphatically that we were not going to get the Japanese Peace Treaty. He did admit, however, the possibility of discussing the matter in the Assembly and turning it over to the Interim Committee for further consideration. He said that he personally was considering the possibility of the United States making a statement in which they gave a frank and truthful explanation of the problem. They would point out that the people of Formosa must be allowed to express their wishes. They would say that although the return of Formosa to China had been agreed upon, this was a wartime decision and the situation had

altered. The Formosa people should be allowed freely to decide whether they wished to be independent, accept a trusteeship or join Communist China. I said that none of the solutions he had proposed removed our basic objection, which was that so long as the subject of Formosa was under consideration in the United Nations or being considered by a Commission of the United Nations, there was an implied obligation upon the United Nations to preserve the status quo. If there was an attack on Formosa from the mainland during this period, we would be expected to defend it. For our part, we did not want any commitment with regard to Formosa beyond that contained in the President's declaration of neutralization during the period of hostilities in Korea. Hickerson talked about United States blood having been shed during the past war because of the use by an enemy of Formosa as a base and said that they hoped, therefore, that Formosa could be neutralized, either under the United Nations or even under the Communist regime.

CHAIRMAN

MESSAGE FORM OUTGOING

FILE REF.	

SECURITY CLASSIFICATION
SECRET

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO: THE CHAIRMAN, CANADIAN DELEGATION TO UNITED NATIONS GENERAL ASSEMBLY,
NEW YORK.

REPEAT TO: CANADIAN AMBASSADOR, WASHINGTON.

50056-A-40
27/18

Message To Be Sent

EN CLAIR

CODE

CYPHER

No.

Date November 21, 1950

For Communications Office Use Only
SENT -- NOV 21 1950

Degree of Priority

IMMEDIATE *MR.*

Addressed, New York No. 326 SENT -- NOV 21 1950
by telephone to
Repeated, Washington No. EX-2374
without priority

ORIGINATOR

Sig.

Typed. R.E. Collins/
MCC

Div. Am. & F.E.

Local Tel. 2991

Following for RIDDELL from the Under-Secretary,

Begins:

Formosa.

Your telegram No. 433 of November 18.

APPROVED BY

Sig. *MR.*

Typed: *MR.*

Is This Message Likely To Be Published

Yes () No ()

1. Since our chief objection to the proposed draft resolution on Formosa stems from our apprehension lest it saddle the United Nations with an indefinite responsibility for the neutralization of Formosa and possibly for its future disposition under conditions making it difficult if not impossible for the United Nations to implement an Assembly recommendation, our aims would best be served if this item could either be dropped from the agenda or shelved until the next Assembly.

2. In the light of the information contained in paragraph 1 of your 433, it appears unlikely that the United States would be willing to modify the draft resolution to meet our point of view. They might, however, be willing to agree that Formosa should not be discussed at this session, since they are not assured of full support from friendly governments and since there might be an advantage from their standpoint in retaining ~~complete~~ freedom of action with respect to Formosa during the present crisis.

Internal Distribution:

USSEA ✓

Secy to Cabinet ✓

UN Div ✓

Legal Div ✓

Dep. Liaison ✓

MDHQ ✓

Done *J. M. ...*

Date **NOV 23 1950**

Copies Referred To:

London

Tokyo

New Delhi

Karachi

Canberra

Done

Date

MESSAGE FORM OUTGOING

FILE REF.		

SECURITY CLASSIFICATION

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO:

Message To Be Sent	No.	Date	For Communications Office Use Only
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CODE	<input type="checkbox"/>
CYPHER	<input type="checkbox"/>

- 2 -

Degree of Priority

ORIGINATOR

Sig.

Typed:

Div.

Local Tel.

APPROVED BY

Sig.

Typed:

Is This Message Likely To Be Published

Yes () No ()

Internal Distribution:

Done

Date

Copies Referred To:

Done

Date

3. We should therefore encourage postponement in private discussions with the United States delegation, and the cooperation of the Indian and Australian delegations in this respect would strengthen our hand. At the same time, the combined ~~opposition~~ of Canada, Australia and India would help to offset the pressure within the United States delegation (and on the United States Administration) from Republican quarters for a stronger resolution than that now contemplated. In any event, it would appear appropriate to consult with the Indian and Australian delegations throughout on the tactics to be pursued.

4. Another important argument in favour of postponement is the desirability of leaving the way as open as possible for private discussions with the Chinese Communist representatives, when they arrive at Lake Success, on the three subjects which they will undoubtedly consider should be dealt with together, namely Formosa, Korea and Chinese representation in the United Nations.

5. In the event that the United States will not agree to an indefinite postponement of the Formosa issue, we shall have to decide what our public stand should be. This, however, is a bridge which we shall be in a better

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MESSAGE FORM OUTGOING

FILE REF.		

SECURITY CLASSIFICATION

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO:

Message To Be Sent	No.	Date	For Communications Office Use Only
EN CLAIR			
CODE			
CYPHER			

- 3 -

Degree of Priority

ORIGINATOR

Sig.

Typed:

Div.

Local Tel.

APPROVED BY

Sig.

Typed:

Is This Message
Likely To Be Published

Yes () No ()

Internal Distribution:

position to cross when we are closer to it. Meanwhile, consideration is being given to the draft statement contained in your telegram 409 of November 16. It may be that the Minister will wish to ask Cabinet ^{on November 29} to discuss the problem of how far we should go in publicly opposing the United States over Formosa in Assembly debate ~~at the meeting on November 29.~~

6. Since drafting the above, we have received a copy of the Minister's telegram No. 57 of November 20 to Washington, ~~and thoroughly concur in the suggestions which he has made.~~ Ends.

Done

Date

Copies Referred To:

REC'D ST 11:11

ADVISE
BY
13

Done

Date

File copy

Am. & F.E.Div./JJMcCardle/kb

Ext. 140

Handwritten initials

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

~~SECRET~~

November 21, 1950.

19.....

No. Y-3486

Sir,

I enclose the document (s) listed below.

50056-A/40
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I have the honour to be,

Sir,

The High Commissioner for Canada,
Canada House,
London, S.W.1.

Your obedient servant,

A:DP. HEENEY

for the

Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT

SUBJECT

Telegrams Nos. 445 and 446 of November 20, 1950, from the Chairman, Canadian Delegation to the United Nations General Assembly, New York to the Secretary of State for External Affairs, Ottawa.

Formosa.

- Similar sent to: Tokyo No. Y-1034 ✓
- New Delhi No. Y-808 ✓
- Karachi No. Y-537 ✓
- Canberra No. Y-502 ✓

FILE COPY

A&F.E.Div./J.J.McCardle/ed

Ext. 140

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

SECRET

November 20, 1950.

No. Y-3480

Sir,

I enclose the document (s) listed below.

50056-A-40
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I have the honour to be,

Sir,

Your obedient servant,

The High Commissioner
for Canada,
LONDON, England

A.D.P. HEENEY

for the Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
<p>Telegram No. 255 of November 18, 1950, from New Delhi</p> <p>Also sent to the following:</p>	<p>Korea + <u>Formosa</u></p>
	<p>TOKYO - No. <u>Y-1032</u> ✓</p>
	<p>KARACHI - No. <u>Y-536</u> ✓</p>
	<p>CANBERRA - No. <u>Y-501</u> ✓</p>

ORIGINAL AND FILE COPY

FROM: THE CHAIRMAN, CANADIAN DELEGATION TO THE UNITED NATIONS
GENERAL ASSEMBLY, NEW YORK
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

IMPORTANT
EN CLAIR
NO. 446

*USSEA Secy to Lab. New Delhi
Mumbai U.N. Div. Karachi
London Legal Div. Canberra
Tokyo NDHQ
Doneg. K.B.
21/11/50*

UNCLASSIFIED

NEW YORK, November 20, 1950.

50056-A-180
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*To see
H. G. Collins
file.*

J.J. MCCARDLE

Unclassified. Addressed Beaver Washington No. 58, repeated to External Ottawa No. 446.

Reference my immediately preceding teletype. Formosa.

Following is relevant passage referred to; Begins:

The same desire to localize the conflict and prevent it from spreading has dictated the policy which we have followed, and will continue to follow, over Formosa. We appreciated the necessity for action which President Truman took on the 27th of June in ordering the United States Seventh Fleet to defend Formosa, because it seemed to provide a way of neutralizing that island during the course of the fighting in Korea. We also understood the explanatory comment which President Truman gave in his press conference on the 31st of August when he declared: "Of course, it will not be necessary to keep the Seventh Fleet in the Formosan Straits if the Korean thing is settled. That is a flank protection on our part for the United Nations forces". The question of Formosa has now been placed by the United States on the agenda of the General Assembly. We will be prepared to support in the United Nations any appropriate resolution which would authorize the continuance of this neutralization of Formosa so long as the war in Korea makes that necessary. We are in some doubt, however, as to whether any more comprehensive action by the United Nations over Formosa could usefully be taken at this time. Ends.

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NOV 21 1950

CHAIRMAN

ORIGINAL AND FILE COPY

FROM: THE CHAIRMAN, CANADIAN DELEGATION TO THE UNITED NATIONS
GENERAL ASSEMBLY, NEW YORK
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

IMPORTANT

CYPHER - AUTO

NO. 445

*Refer: ASSEA Secy to Cabinet New Delhi
Mr Reid. UN Div. Kanakhi
London Legal Div. Con...
Tokyo ND HQ
J.J. McCANDLISH*

NEW YORK, November 20, 1950.

*To See
An...
file*

*Done
R.B.
2/11/50*

50056-A-40	
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Secret. Addressed Washington No. 57, repeated to
External Ottawa No. 445.

Formosa.

1. You will have seen from telegrams from the delegation during the week-end that there is some likelihood that, when Formosa item is reached on Agenda, United States delegation will press for resolution in even stronger terms than draft recently under consideration. On the other hand, it is clear that there is growing concern, amongst Commonwealth delegations at least, over prospect of extending United Nations commitment in Far East through establishment of Commission on Formosa.

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2. In these circumstances, I think we should take the opportunity given by postponement to review with the State Department the position in regard to Formosa. I hope United States officials realize fully that we are opposed to the acceptance by the United Nations of any commitment in Formosa beyond the limits already accepted by Mr. Truman for the United States, - neutralization for the duration of the fighting in Korea. For this reason, we dislike proposal to appoint a United Nations Commission to consider the future of Formosa because we think that this would imply a commitment by United Nations to defend the island while the Commission was preparing its report, and might lead to a further commitment arising out of the Commission's report.

3. I have been wondering whether, in view of the misgivings of their friends on this subject, and perhaps also because of their own divided counsels, United States Government might not be prepared to permit the Formosa item to lapse during this Assembly. Arguments which Dulles advanced last week for postponing the item until later in this session will, in all probability, be equally applicable two or three weeks hence. United States delegation might, therefore, be prepared to ask for further postponement on these grounds. Any embarrassment they might feel in doing so would certainly be less than difficulties which will arise if, in Political Committee, impressive common purpose which was shown over Korea disappears during discussion of Formosa.

4. I should be grateful if you would discuss Formosa item with State Department along lines indicated in this telegram and let me know results of your conversations.

5. My immediately following teletype contains relevant passage of a public statement which I made at Windsor on November 15th. I presume that full text of this statement will have been sent you from Ottawa.

6. Since this message was written, I have had a long conversation with Hickerson, to whom I have expressed most of the ideas expressed above. A full account of my conversation with Hickerson will follow.

CHAIRMAN

CLEARED
COMMUNICATIONS
EXTERNAL AFFAIRS

1967 NOV 21 AM 9:34

File copy

Am. & F.E.Div./JJMcGardle/kb

Ottawa, November 20, 1950.

50056-A-40
27 27

NOTES FOR HEADS OF DIVISIONS MEETING

FORMOSA

(of meeting No. 40 of October 2 and
Meeting No. 38 of September 18)

There has been continuing private discussion of the Formosa question in the past weeks which has revolved around a draft United Kingdom resolution redrafted by the United States. It would create a United Nations Commission to study the problem and with responsibility to recommend to the General Assembly what the future status of Formosa and the Pescadores should be. In the course of these discussions, our delegation was instructed to indicate our serious doubts on the resolution. The latest developments in the question was a proposal by the United States on November 15 to place the item last on the agenda of the Political Committee. There are two possible reasons for this surprise postponement. There are indications that at the last minute a difference of opinion within the United States delegation emerged with some members insisting that the resolution might be construed as an attempt to appease the Chinese Communists. A less likely possibility is that the United States delegation realized suddenly that support for its resolution was not assured.

2. It is expected that discussions on the question will continue between United States and Commonwealth delegations. It is not as yet clear what the outcome of these discussions will be. SECRET.

as frequently worded

American and Far Eastern Division.

ORIGINAL AND FILE COPY

FROM: THE CHAIRMAN, CANADIAN DELEGATION TO THE UNITED NATIONS
GENERAL ASSEMBLY, NEW YORK
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

IMPORTANT

SECRET

CYPHER - AUTO

NO. 433

Refer to Reid
See 1/2 Cabinet
NDHQ.

NEW YORK, November 18, 1950.

Done - Nov 27/50
J.M.E.
J.S. McARDLE

UN Div.
London
Tokyo

50056-A-180
27 97

To Sec
Archie's
file.

Secret. Addressed External No. 433, repeated Beaver

No. 55. Following for Under-Secretary from Riddell, Begins:

Formosa.

Our telegram No. 409 of November 16th.

1. United Kingdom delegation has now suggested a somewhat different explanation than the one given in telegram under reference for the sudden request of the United States delegation for postponement of the debate on Formosa. According to this explanation, at the last moment a sudden difference of opinion emerged in the United States delegation over the terms of the draft resolution on Formosa. Some members of the delegation, of whom Senator Lodge was the most outspoken, insisted that the draft resolution was not sufficiently explicit in indicating that Formosa should not (repeat not) be restored to China, and that if the United States delegation submitted this resolution, it would be taken that they were trying to appease the Communist Chinese. In view of this difference of opinion, United States delegation decided to ask for postponement.

2. At a meeting of the Commonwealth delegations on Friday morning last, there was a general review of the position in regard to Formosa. Younger and Jebb did not (repeat not) seem to consider that resolution establishing a Commission on Formosa would necessarily involve United Nations in any commitment, either to defend the island or eventually to do anything about the

proposals which the Commission might put forward. If United States eventually submitted resolution along the lines of the draft which had been prepared, they would therefore give it their support. They did not, however, think that any of the great Powers should be represented on the proposed Commission.

3. Berendsen of New Zealand concurred in United Kingdom position and said that he thought the draft resolution was the least that could possibly be done once the subject had been put on the agenda, as was now the case. South African delegation said that it was prepared to support the draft resolution as a first step, but it seriously doubted whether United Nations would have the competence to carry out anything that the proposed Commission might recommend. Pakistani said his Government would support draft resolution. Mr. Pearson on the other hand suggested that effect of draft resolution would be to put the United Nations on the road towards a major commitment in regard to Formosa, and that even though this were only a first step, it would be difficult later to retreat. Indian representative said that this was now generally their position, and stated explicitly that they could neither support the resolution nor serve on the Commission. Keith Officer said that Australian Government would be unable to support the draft resolution because of considerations similar to those suggested by Mr. Pearson.

4. Since there will probably be further discussions on this question amongst Commonwealth delegations and with the United States within the next few days, it would be useful to know whether the Department had any comment on the position as outlined in the draft statement contained in my telegram No. 401 of November 15th. This statement was drafted on the assumption, which may not (repeat not) be correct, that delegation will take some part in opposing United States draft resolution if it is eventually submitted. It may, however, be difficult to

oppose the United States publicly on this subject, specially since the questions raised in the proposed draft statement are somewhat similar to arguments advanced by the Soviet delegation. There might therefore be some advantage in trying to persuade the United States privately either to modify its position before the resolution is put in, or alternatively to have the subject postponed until next year.

5. Full account of the discussion on Formosa in the Commonwealth delegations meeting is contained in minutes which are being forwarded by bag. Ends.

CHAIRMAN

FROM: THE HIGH COMMISSIONER FOR CANADA, NEW DELHI, INDIA
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

IMPORTANT

CYPHER - O.T.P.

S E C R E T

NO. 256

NEW DELHI, November 18, 1950.

*Done - J M E
Nov 18/50
PB see
in brackets*

50056-A-40
27 | 27

Repeat to Candel N.Y.

Copy on 50069-A-40.

Refer to:

Mr Reid

Secy to Cabinet

UN Div.

*London
Tokyo
Karachi
Canton*

Secret. Your telegram No. 150 of November 15th.

1. I showed your telegraphic summary to Bajpai yesterday. While India's earlier objection was to the absence of the time limit for the report, she now, in view of general conditions in Korea, etc, is against any Commission or any General Assembly resolution at this time.

2. Bajpai assumes Formosa must eventually go to China and thinks the problem of Nationalist forces will solve itself as it did on mainland. He suggests that Security Council on forthcoming Chinese hearing may be able to deal with the disposition of Formosa or hold the fort pending peace treaty. Ends.

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NOV 18 1950

HIGH COMMISSIONER

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MESSAGE FORM
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File

FILE REF.	

50056-A-40
27 27

SECURITY CLASSIFICATION
SECRET

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO: The Chairman, Canadian Delegation to the United Nations General Assembly
NEW YORK

Message To Be Sent	No. <u>311</u>	Date	For Communications Office Use Only
EN CLAIR		November 18, 1950.	SENT -- NOV 18 1950
CODE			
CYPHER <u>AUTO X</u>			
Degree of Priority	<i>For mva.</i>		
ORIGINATOR	Following is text of telegram No. 256 dated		
Sig.	November 18, 1950 from the High Commissioner for		
Typed: <u>J.J. McCardle</u>	Canada, New Delhi, India, Begins:		
Div. <u>Am. & F. E.</u>	(Communications Section please repeat text of		
Local Tel. <u>6129</u>	above telegram)		
APPROVED BY	Ends.		
Sig. <u>M. Collins</u>			
Typed:			
Is This Message Likely To Be Published			
Yes () No ()			
Internal Distribution:			
Done			
Date			
Copies Referred To:			
Done			
Date			

1950 NOV 19 10 35:28
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 COMMUNICATIONS SECTION

FORM 100M-10

Date

Done

RECEIVED
COMMUNICATIONS
EXTERNAL AFFAIRS

1950 NOV 18 PM 12:59

Copies Referred To:

Date

Done

Internal Distribution:

Yes () No ()

Likely to be Published
in This Message

Typed:

sig: *W. J. ...*

APPROVED BY

Local Tel. Code

DIA. AM. S. E. R.

Typed: *1.1. MCC...*

sig:

ORIGINATOR

Degree of Priority

CLASSIFICATION **VULG X**

CODE

EN CIVIL

Message to be sent

No. <i>311</i>	Date
----------------	------

SENT NOV 18 1950
For Communications Office Use Only

Ends

(spoke telegram)

(Communications Section please repeat text of
Canada, New Delhi, India, Regina:

November 18, 1950 from the High Commissioner for

Following is text of telegram No. 228 dated

Jan 1950

November 18, 1950

NEW YORK

TO: The Chairman, Canadian Delegation to the United Nations General Assembly

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

11 25

SECRET
SECURITY CLASSIFICATION

OUTGOING
MESSAGE FORM

LIFE BEL

EXT. 21

FILE A.R.MENZIES/RD
A & F.E.

SECRET

Ext. 140

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

November 17 1950

No. Y-1022

50056-A-HP
19/18

Sir,

I enclose the document (s) listed below.

The Acting Head of Mission,
Canadian Liaison Mission,
Tokyo, Japan.

I have the honour to be,

Sir,

Your obedient servant,

A.D.P. HEENEY

for

Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
<p>Copy of telegram No. 229 to New York dated November 6.</p> <p>SIMILAR TO: London No. Y-3459 New Delhi No. Y-797 Washington No. Y-3626 Canberra No. Y-495</p>	<p>Formosa.</p>

ORIGINAL AND FILE COPY

FROM: THE CANADIAN AMBASSADOR TO THE UNITED STATES
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

SECRET

CYPHER - AUTO

WA-2958

WASHINGTON, November 16, 1950.

*To Sec. Mr. Callahan
MK*

*Refer: Mr. Peck.
Secy of Cabinet
Un/Div. Done - MCL
Nov 17/50*

50056.A-140	
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Secret. Addressed External as WA-2958, repeated Permdel
New York as No. 318.

Formosa.

1. A copy of the revised memorandum on Formosa was given to Clubb, Director of the Chinese Office at the State Department, yesterday afternoon. Clubb said that he was very glad to receive this statement of our views but showed no disposition to make any comments. In fact, he merely reiterated what we had been told before that the United States Government believes that it is necessary for some time to come to take precautions against possible attempts to solve the Formosa problem by force because of the psychological effect that Communist armed success would have in Asia at this time.

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CANADIAN AMBASSADOR

NOV 17 1950

FROM: THE CHAIRMAN, CANADIAN DELEGATION TO THE U.N. GENERAL ASSEMBLY, NEW YORK

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

IMPORTANT

S E C R E T

CYPHER - AUTO

NEW YORK, November 16, 1950.

NO. 409

50056A-40
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PTT
4056A
Handwritten notes:
Secretary of State
Minister of External Affairs
Secretary of Defense
Deputy Secretary of Defense
Director of Defense
London
Canada

Secret. Addressed External Ottawa No. 409, repeated to Beaver Washington No. 53.

Formosa.

When Political Committee concluded discussion on Greek item at noon Wednesday, Chairman announced that Committee would re-assemble in afternoon to discuss Formosa. Expectation was that United States delegation would immediately introduce a resolution. Morning press had carried a summary of proposed United States resolution, and during Wednesday morning United States Press Officer confirmed to correspondents report that United States resolution would be tabled.

2. When Committee met, however, Dulles said that, because discussions concerning Formosa would shortly take place in Security Council, and also because of unsettled conditions in the Far East, United States delegation now wished to postpone consideration of Formosa by Political Committee. He therefore proposed that item should be placed last on Committee agenda.

3. Apparently during noon hour Wednesday Americans realized for first time that support for their resolution was not assured. United Kingdom delegation had not yet been given clearance even to vote for it, much less sponsor it. Australian delegation was likewise uncertain of its position, and refused entirely to accept nomination for proposed Commission. United States may also have learned that Indians would not support their resolution or serve on this Commission and they were reminded during the morning of Canadian misgivings. In the light of these circumstances, Dulles apparently first suggested that debate should go forward without any resolution being tabled. He was

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NOV 16 1950

Handwritten notes:
Done Nov. 22/50
CCD

dissuaded from this course of action by Younger and he then decided to suggest postponement.

4. After Dulles had made his proposal for deferment in Committee, he was followed immediately by Tsiang who suggested that his item on Soviet aggression in China be taken next, and that he be granted 24 hour adjournment to give him time for preparation. Malik at once seized the initiative which had been dropped by Dulles to attack United States policy in Formosa. He said that U.S.S.R. considered United States item on future of Formosa inappropriate, since United States had already signed undertaking to restore Formosa to China. As far as he was concerned, discussion on this subject could be postponed indefinitely. He would, however, like to discuss his item on United States aggression against China in Formosa, and he was prepared to do so immediately. A confused discussion on procedure then took place, at the conclusion of which it was decided to take up Tsiang's item next, then U.S.S.R. item on Formosa and finally United States item on Formosa. In the course of this discussion, Malik tried unsuccessfully to persuade the Committee to consider a proposal that the Communist Chinese should be asked to participate in the discussion of his item. Because of intervening plenary session, Committee adjourned until Monday.

5. Dulles, in defending his request for postponement against Malik's derisive criticism, said that when United States had put Formosa on the agenda, Korean war seemed near its conclusion. Now, however, Chinese intervention had prolonged that war, China was also intervening in Tibet and Indo-China, and primary objective now must be to assist Security Council in preventing general war in the Far East. In this part of his statement, which probably sounded more ominous than he realized or intended, he came very close to saying that war with China was so imminent that it would be a waste of time to discuss the future of Formosa.

CLEARED
COMMUNICATIONS
EXTERNAL AFFAIRS

1957 NOV 16 PM 4:45



SECRET AND PERSONAL

Mr McCord

*When you have time,
just for fun, you
might check & see*

*Rter drafted the alternative
resolution originally*

file PSC

Washington, November 16, 1950

Dear Ralph:

Memorandum on Formosa

50056-A-
27

Our teletype No. WA-2958 of November 16 being somewhat cryptic, I thought you might be interested to have a copy of the note which I prepared for the Ambassador after talking to Clubb yesterday about the Formosa Memorandum. The Ambassador thought that a copy should be left with the State Department.

With regard to the possible limited resolution on Formosa referred to in your teletype No. 230 of November 7 to New York, it seems to us that, apart from the probable opposition of the United Kingdom and United States Delegations referred to by Riddell, it would be of doubtful propriety for the General Assembly to call upon the disputing parties to refrain from taking hostile action against each other while the Korean fighting is in progress. The implication is rather strong that the two parties could go to it with no holds barred after the Korean Campaign is concluded. Although this might be the only practical solution, it seems unlikely that the General Assembly could be persuaded to state this.

Yours sincerely,

R.E. Collins, Esquire,
American & Far Eastern Division,
Department of External Affairs,
Ottawa, Ontario,
Canada.

COPY

S E C R E T

November 16, 1950.

The Ambassador

FORMOSA

I saw Clubb, Director of the Chinese Office at the State Department, yesterday at 5 p.m. and handed him a copy of Riddell's Formosa memorandum. I said that our misgivings over the joint U.K.-U.S. resolution on Formosa were really based upon two considerations:

- (1) The United Nations might, in effect, be responsible for the "neutralization" of Formosa beyond the duration of the Korean Campaign.
- (2) The possibility that the Cairo Declaration might now be disregarded and some other disposition of Formosa might be made than the restoration of the island to Chinese sovereignty.

I made some reference to probable Asian opinion on these matters and to the danger of Formosa becoming a continuing military commitment.

2. Clubb, who is a stolid and rather uninspiring "Party-line" man, said that the State Department would be very glad to have our views on this matter but he was very guarded and could not be led into making detailed comment. He asked particularly whether it was the Canadian view that Formosa should be regarded as Chinese. I said that we thought, in principle, that the Cairo Declaration with regard to Formosa should be adhered to. Clubb then wondered whether Canada had an alternative resolution to propose. I referred to the fact that we were no longer members of the Security Council but said that Canada would probably like to see a resolution on Formosa which limited United Nations responsibility so that it would not extend beyond the Korean crisis. (C.F. President Truman's statement of August 31.)

3. Clubb, saying something about the American position, reiterated what he told Collins and me on October 25, namely that the United States felt that it would be necessary for sometime to come to take precautions against possible attempts to solve the Formosa problem by force, because of the psychological effect that Communist armed successes would have in Asia at this time. (It seems clear that the United Nations should confirm the American action in neutralizing Formosa by assuming responsibility for the continuance of the "neutralization".)

4. Clubb said he had heard that there had been a United Kingdom proposal to defer discussion on Formosa until consideration of the Chinese Communist charges of American aggression against Chinese territory (Formosa) or at least until the arrival of the Peking representatives. Clubb said that the United States would probably agree to such a proposal. He stated that there had been no news of the arrival of Peking's representatives in Prague.

5. With regard to Korea, Clubb said that the State Department had received no authentic reports of a large-scale increase of Chinese forces in Korea. The lull in ground operations was continuing. He gave it as his personal opinion that the Chinese objectives in Korea are to expel the United Nations forces from the whole of North Korea, or even from the entire Korean Peninsula. He, therefore, expected the extent of the Chinese intervention to increase considerably and to build up to a large-scale offensive. I must say he did not support this opinion with any convincing arguments.

P.G.R. Campbell.

File copy

Am.&F.E./J.J.McCardle/MCC

OK

Ext. 140

S E C R E T

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

November 16 1950

No. *Y-343*

Sir,

I enclose the document () listed below.

50056-A-1
19 | 18

I have the honour to be,

Sir,

Your obedient servant,

The High Commissioner
for Canada,
London,
England.

A.D.P. HEENEY

for Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
Teletype No. 394, dated November 14, 1950, from the Chairman, Canadian Delegation to the United Nations Assembly.	Formosa.

SECRET

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

November 16 19 50

No. y-1020

Sir,

I enclose the document (3) listed below.

50056-A-1
19 18

I have the honour to be,

Sir,

Your obedient servant,

The Head of the
Canadian Liaison Mission,
TOKYO,
Japan.

A.D.P. HEENEY

for Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
Teletype No. 394, dated November 14, 1950, from the Chairman, Canadian Delegation to the United Nations Assembly.	Formosa.

File copy

Am.&F.E./J.J.McCardle/MCC

Ext. 140

SECRET

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

No. X-795 ✓ November 16 1950

50056-A-1
19 | 18

Sir,

I enclose the document (s) listed below.

I have the honour to be,

Sir,

Your obedient servant,

**The High Commissioner
for Canada,
NEW DELHI,
India.**

A.D.P. HEENEY

for Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
Teletype No. 394, dated November 14, 1950, from the Chairman, Canadian Delegation to the United Nations Assembly.	FORMOSA.

SECRET

ohm

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

November 16 1950

No. Y-531

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19	18	

Sir,

I enclose the document (s) listed below.

I have the honour to be,

Sir,

Your obedient servant,

The High Commissioner
for Canada,
KARACHI,
Wellington.

A.D.P. HEENEY

for Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
Teletype No. 394, dated November 14, 1950, from the Chairman, Canadian Delegation to the United Nations Assembly.	Formosa.

File copy

Am.&F.E./J.J.McCardle/MCC

SECRET *ok*
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Ext. 140

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

No. *y-494*

November 16 19 50

50056-A-1
19 | 18

Sir,

I enclose the document (s) listed below.

I have the honour to be,

Sir,

Your obedient servant,

The High Commissioner
for Canada,
CANBERRA,
Australia.

A.D.P. HEENEY

for Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
Teletype No. 394, dated November 14, 1950, from the Chairman, Canadian Delegation to the United Nations Assembly.	Formosa.

File copy

Am.&F.E./J.J.McCardle/MCC

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Ext. 140

SECRET

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

November 16

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No. Y-402

50056-A-1 P
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Sir,

I enclose the document (~~s~~ listed below.

I have the honour to be,

Sir,

Your obedient servant,

The High Commissioner
for Canada,
WELLINGTON,
New Zealand.

A.D.P. HEENEY

for Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
Teletype No. 394, dated November 14, 1950, from the Chairman, Canadian Delegation to the United Nations Assembly.	Formosa.

File copy

Am.&F.E./J.J.McCardle/MCC

Ext. 140

SECRET

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DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

No. y-167

..... November 16 1950.....

50056-A-18
19 | 18

Sir,

I enclose the document (x) listed below.

I have the honour to be,

Sir,

Your obedient servant,

The Canadian
Consul-General,
MANILA,
Republic of the Philippines.

A.D.P. HENEY

for Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
Teletype No. 394, dated November 14, 1950, from the Chairman, Canadian Delegation to the United Nations Assembly.	Formosa.

FROM: THE CHAIRMAN, CANADIAN DELEGATION TO THE U.N. GENERAL ASSEMBLY, NEW YORK
TO: THE SESECRARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

MOST IMMEDIATE

S E C R E T

CYPHER - AUTO

Ref: USSEA

NEW YORK, November 15, 1950.

NO. 401

M Reid

Secy to Cabinet

UN Div.

return extra copies to ssm.

50056-A-40
27 | 27

*To see Amottins
in the hands*

Secret. Following for Reid from Riddell, Begins:

Formosa.

Referring to my immediately preceding teletype, the following is text of draft preliminary statement, Text begins:

Draft Statement Concerning Formosa

In the letter of September 21st in which it placed the question of Formosa on the agenda of this session of the General Assembly, the United States Government gave a clear indication of its belief that the future of Formosa might be adversely affected if the island became involved in general disturbances in the Far East. The purpose of the United States Government in taking steps to prevent Formosa becoming involved in these disturbances, and in suggesting now that the future of the island be discussed in the United Nations, is understood and appreciated. It is certainly timely that, in view of the commitment which it has undertaken in Korea, the United Nations should consider the implications on that commitment of the situation in Formosa.

Before we proceed with this discussion, however, and certainly before we take any action in regard to Formosa, I think we should be clear in our minds about the general principles on which we should proceed. It seems to us that it would be extremely dangerous for us to initiate a course of action concerning Formosa if we did not have some idea of the direction in which this course of action was likely to lead us. For this reason I think we should determine now whether there is any inclination to consider that Formosa might be detached, either completely or partially, from China. If such a step is contemplated, or indeed if it is even thought that such a

development might take place, we would then be opening for consideration a possibility that is directly contrary to all the assumptions about Formosa that have been made since the end of the war. At all times since the Cairo Declaration of 1943, and by all parties, it has been assumed that in the peace settlement which emerged from the war, Formosa would become part of China. This principle has never seriously been questioned, and it seems to us that it would be a very serious step indeed if we were to question it now, or even to initiate a process by which it might be questioned. I should therefore like to be informed more explicitly by the delegation which has put this resolution on the agenda, and by delegations which are proposing a course of action in the joint resolution which is now before us, as to the course of action or flow of events which they see proceeding from the actions which they are now initiating.

If there is no general disposition to question here the assumption which has prevailed since the war that Formosa is to be reunited with China, then I think a second important question of principle arises concerning the extent to which the United Nations should interpose itself in an issue concerning the control of Formosa which is basically the affair of the Chinese people. We would certainly hope that the Chinese people could settle the question of the Government of Formosa peacefully. There is, however, a very real question in our minds as to whether the United Nations should assume any responsibility for recommending to the Chinese people a method by which they should settle this question, or for enforcing upon them a settlement which has been decided upon by others than the Chinese people themselves. I am not sure even that we should consider it necessary to try to prevent the Chinese people settling the question of Formosa, even by violent means, if the only way in which the United Nations can do so is by itself using force.

In the light of these very general considerations which I have raised, I should like to ask the sponsors of the resolution

which is before us certain specific questions about the proposals which they have made. They are recommending that a Commission should be set up to consider the future of Formosa. They have not indicated any time limit within which this Commission should be expected to report. Are we, therefore, to assume that for the duration of a period which will extend at least until the meeting of the next session of the Assembly, the future of Formosa is to be held in abeyance? Are they willing to assure us even that they expect the Commission to formulate its report about Formosa by the time the Assembly next meets in regular session? I should like to know also what they expect to happen in Formosa during the period in which the Commission is making its study. Presumably this island will remain under the control of its present Government. What assurances can we have that that administration will not in the meantime take steps which seriously prejudice the decisions which, under this resolution, the United Nations will have to make? We should also be informed by the sponsors of the resolution as to the obligation which the United Nations will be assuming to defend the island against attack, and to prevent it also being made a base of attack upon the mainland, during the period when the Commission is meeting. At present, the neutrality of the island is being guaranteed by a United States fleet which, according to statements of the President of the United States, has been commissioned to enforce this neutrality during the duration of the conflict in Korea. Are we to assume that, by the terms of this resolution the responsibilities which are now being undertaken by the United States Seventh Fleet will be taken over by the United Nations as a whole for an indefinite period extending up to the time when the question of Formosa is finally settled?

There are more long range questions which are raised by the resolution to which it is also important to secure answers. Presumably the proposed Commission will, if it is established, in due course make recommendations concerning Formosa. These recommendations can generally be formulated either in terms of the eventual and complete reunion of Formosa with the mainland, or, alternatively, of the temporary or permanent detachment,

either complete or partial, of the island from the mainland. In the case of either kind of recommendation, have the sponsors of the resolution given any consideration to the responsibility which would rest upon the United Nations for enforcing the decision? If it is eventually decided that the island should be reunited with the mainland, are we to assume that the United Nations must effect this reunion? Alternatively, if a decision is taken which denies or restricts the right of the Government of China to control Formosa, will the defence of the island against attacks from the mainland become a permanent responsibility of the United Nations?

It has always been a principle with this delegation that members of the United Nations should not ask this organization to assume responsibilities which, in its present state of development, it is clearly incapable of carrying out. It is with this principle in mind that we are asking these questions. We do not think that decisions should be taken now which will eventually involve the United Nations in responsibilities beyond those which its members are willing to accept, or which it is capable of carrying out. Text ends.

CHAIRMAN

ORIGINAL AND FILE COPY

FROM: THE CHAIRMAN, CANADIAN DELEGATION TO THE UNITED NATIONS
GENERAL ASSEMBLY, NEW YORK

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

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*Done
J.M.B.
Nov 16/50*

MOST IMMEDIATE

CYPHER - AUTO

NO. 400

SECRET

*Reps: USSEA
My Reid.
Send to Cabinet.
UN Div.
J.J. McCARDLE*

NEW YORK, November 15, 1950.

Secret. Following for Reid from Riddell, Begins:

Formosa.

1. My immediately following teletype contains the draft of a preliminary statement concerning Formosa, which I mentioned to you on the telephone this morning. I have dictated this draft hastily and have not had the opportunity to read it since it was typed. I have proceeded on the assumption, which may not be correct, that the Minister is prepared to indicate opposition to the course of action which is being proposed in the draft resolution that has been shown to us.

2. I have not, however, gone further in the draft than to ask a series of questions which are pointed in the direction of opposition to the proposed resolution. Ends.

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NOV 15 1950

CHAIRMAN

MESSAGE FORM
OUTGOING

FILE REF.

SECURITY CLASSIFICATION

SECRET

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO: THE HIGH COMMISSIONER FOR CANADA,
NEW DELHI, INDIA.

For Communications Office Use Only

SENT -- NOV 15 1950

Message To Be Sent

EN CLAIR
CODE
CYPHER

X

Degree of Priority

Important

ORIGINATOR

Sig.

Typed: J.J. McCardle/
MCC
Div. Am. & F.E.

Local Tel. 7359

APPROVED BY

Sig.

Typed:

Is This Message
Likely To Be Published
Yes () No ()

Internal Distribution:

USSEA
Secretary to
Cabinet
U.N. Div.

Done

Date

Copies Referred To:

The Chairman,
Canadian Delegation to U.N.
NEW YORK

Done

Date

49-P-274-100M

No. 50

Date November 15, 1950

S.F. Reference our form despatch Y.654 of October 12.
Formosa.

The following is a summary of a Canadian memorandum on Formosa which has been shown to the United Kingdom, United States, Australian, New Zealand and Indian Delegations in New York. The Indians were informed that the memorandum would be given to their Department in New Delhi. You should therefore arrange to ~~arrange~~ give Bajpai a copy of the summary as soon as possible. We would wish to hear of any comments he has to make on it. For your own information, the term "interested opinion" means Asian opinion. Summary Begins

1. Interested opinion may

- (a) be suspicious of any proposal which would appear to give United Nations approval for maintenance of Formosa as part of United States military defence arc in the Western Pacific;
- (b) regard United Nations concern in future disposition of Formosa as undesirable interference in internal affairs of China;
- (c) consider United Nations action a repudiation of Cairo Declaration.

... 2

MESSAGE FORM
OUTGOING

FILE REF.

SECURITY CLASSIFICATION

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO:

Message To Be Sent	No.	Date	For Communications Office Use Only
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Local Tel.			
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Is This Message Likely To Be Published			
Yes () No ()			
Internal Distribution:			
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Copies Referred To:			
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Date			
49-P-274-100M			

- 2 -

2. China

Both factions are opposed to any proposal questioning their conviction that Formosa is, (and should remain) a part of the Chinese state. Any solution ignoring China's claim to Formosa would never be acceptable to the Chinese people. Formosa could remain the object of irredentist ambitions and a constant source of friction between China and the West.

3. Disposition of Formosa

- (a) Substantial forces would be required to deny Formosa to Chinese Communist control, involving a military commitment, the strategic desirability of which has not been clearly demonstrated.
- (b) Impartial plebiscite in Formosa difficult so long as Nationalist forces remain in control.
- (c) Under any scheme which might unite Formosa with Chinese mainland disposition of Nationalist forces will be an acute problem.

4. Revised United Kingdom Draft Resolution

- (a) No indication in the resolution of when the Commission is to report to the General Assembly. If report is not made until next session,

... 3

MESSAGE FORM
OUTGOING

FILE REF.

SECURITY CLASSIFICATION

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO:

Message To Be Sent	No.	Date	For Communications Office Use Only
EN CLAIR CODE CYPHER			
Degree of Priority			
ORIGINATOR			
Sig.			
Typed:			
Div.			
Local Tel.			
APPROVED BY			
Sig.			
Typed:			
Is This Message Likely To Be Published			
Yes () No ()			
Internal Distribution:			
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Date			
Copies Referred To:			
Done			
Date			

- 3 -

United Nations may be assuming a moral obligation to prevent either side from seeking a solution by force before then.

(b) The solution sets the Formosan problem against background of "the maintenance of international peace and order in the area". This goes beyond "neutralization" undertaken by President Truman and might open way for proposal that Formosa should be detached from China or permanently neutralized. It is by no means clear that political and military commitments which would arise would be offset by corresponding strategic compensations.

Summary ends.

The text of the memorandum is being sent you by bag. A later draft ~~copy~~ of the United Kingdom resolution which is substantially the same as that which you have should reach you early next week under our ^{form} despatch Y.727 of November 6. It contains the words quoted in paragraph 4 (b) of the summary.

1020 NOV 12 1950

SECRET

OK
JDM

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

November 15 1950

No. Y-3416

50056-A-40
27 | 18

Sir,

I enclose the document (2) listed below.

I have the honour to be,

Sir,

Your obedient servant,

**The High Commissioner
for Canada,
LONDON,
England.**

A.D.P. HEENEY

for Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
<p>Teletype No. 380, dated November 13, 1950, from the Chairman, Canadian Delegation to the United Nations General Assembly.</p>	<p>Formosa.</p>

File copy

Am.&F.E./E. Wilgress/MCC

Ext. 140

W. J. M.
SECRET

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

..... November 15 19 50

No. *y-1010*

50056-A-90
27 | 18

Sir,

I enclose the document (x) listed below.

I have the honour to be,

Sir,

Your obedient servant,

The Head of the
Canadian Liaison Mission,
TOKYO,
Japan.

A.D.P. HEENEY

for Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
Teletype No. 380, dated November 13, 1950, from the Chairman, Canadian Delegation to the United Nations General Assembly.	Formosa.

File copy

Am.&F.E./J.J.McCardle/MCC

Ext. 140

OK
SECRET

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

November 15 19 50

No. Y-488

50056-A-40
27 18

Sir,

I enclose the document (s) listed below.

I have the honour to be,

Sir,

Your obedient servant,

A.D.P. HEENEY

The High Commissioner
for Canada,
CANBERRA,
Australia.

for Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
Teletypes Nos. 379 and 380, dated November 13, 1950, from the Chairman, Canadian Delegation to the United Nations General Assembly.	Formosa.

File copy

Am.&F.E./J.J.McCardle/MCC

Ext. 140

Handwritten initials

SECRET

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

..... November 15 19. 50

No. Y-136.....

50056-A-40
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Sir,

I enclose the document (s) listed below.

I have the honour to be,

Sir,

Your obedient servant,

**The Chairman, Canadian Delegation
to United Nations General Assembly,**

NEW YORK.

A.D.P. HEENEY

for the

Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
<p>Telegram No. <u>150</u> of November 15, 1950 to the High Commissioner for Canada, New Delhi, India.</p>	<p>Formosa.</p>

- AAA 1 -

C H I N A

Nov. 15, 1950

See file

50056-A. 10
32 33

CHOU CABLE TO U.N. INDORSED BY PRESS

Peking, NCNA, in English Morse to North America, Nov. 14, 1950, 1736
GMT--R

(Text)

"Shanghai, Nov. 14--Shanghai papers fully support Foreign Minister Chou En-lai's Nov. 11 telegram to Trygve Lie, which says that the Security Council must discuss the American aggression on Taiwan and American armed intervention in Korea at the same time.

"In a commentary the SIN WEN JIH PAO says that MacArthur and Warren Austin are blaming others for their own crimes by slandering against the just action of Chinese volunteers in Korea. It states: 'The ultimatum of our voluntary action in assisting Korea is the peaceful settlement of the Korean question and the safeguarding of the integrity and security of our country.'

"The TA KUNG PAO says that the resolution of the United Nations on Korea of June 26 is illegal because it was adopted without the participation of the Soviet Union and the People's Republic of China. 'Austin is now employing the same trick to make the Security Council dubb the words "intervention" and "aggression" on China.'

"When this is done, states the TA KUNG PAO, the United States will have a pretext to extend the war to China in the name of the United Nations, just as she had done in invading Korea.

"The WEN WEI PAO stresses that American aggression on Taiwan and intervention in Korea must be discussed together. 'If the United States acts arbitrarily, she must be answerable for all unfortunate consequences,' it says."

Northeast, Inner Mongolia

Peking, NCNA, in English Morse to North America, Nov. 14, 1950, 1400
GMT--R

(Text)

"Peking, Nov. 14--Northeast China, bordering on Korea, is solidly in support of Foreign Minister Chou En-lai's Nov. 11 cable to Trygve Lie and the statement of the Foreign Office spokesman of the same day.

Nov. 15, 1950

"People's organizations of Liaotung Province, which has been raided time and again by U.S. planes, published a joint declaration stating: 'We, people of Liaotung Province, have ourselves seen enough to make us realize clearly what lies behind U.S. aggression in Korea. The aim is not only to swallow up Korea, but to extend aggressive war to China.'

"In Heilungkiang Province, the Trade Union Council, New Democratic Youth League, Democratic Women's Federation, Students Union, and other popular organizations in a joint statement said that they could not sit by idly while their close neighbors were being slaughtered by American butchers. 'We will never tolerate the intrusion of American imperialists into our territory, our air and sea, killing of our people, and destruction of our property,' the statement continued. 'The action of infuriated Chinese people in volunteering to help the Koreans in throwing out the American aggressors and defending their homes is completely just and praiseworthy and is a defense against aggression in China.'

"People's organizations in Shansi Province, too, warned the imperialists that they cannot cow the Chinese people. They pledged themselves to defend China by helping the Korean people.

"The Inner Mongolian people, too, living in the area next to Northeast China, are similarly expressing their enthusiastic support for the historic statements issued on Nov. 11. A big representative gathering of delegates from various Inner Mongolian people's organizations unanimously endorsed the statements at a conference on Nov. 13.

"Passionate speeches were made denouncing American imperialists' atrocities in Korea and their attacks on Northeast China, and the conference solemnly pledged that Inner Mongolia would play a full part in resisting the U.S. aggressors, helping the Koreans and safeguarding their Motherland."

UNION SUPPORTS U.S. TELEPHONE STRIKE

Peking, NCNA, in English Morse to North America, Nov. 14, 1950, 1543
GMT--R

(Text)

"Peking, Nov. 14--The following message has been sent to the American telecommunication workers by workers in the same field in China:

"On behalf of all Chinese postal and telecommunication workers, the National Committee of the Chinese Union of Postal and Telegraph Workers wishes to express its sympathy toward the American telecommunication workers who are engaged in a resolute nation-wide strike for the betterment of their living conditions, in spite of the obstruction put up by the head of the union who betrays the workers' interests.

FROM: THE CHAIRMAN, CANADIAN DELEGATION TO THE U.N. GENERAL ASSEMBLY, NEW YORK
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

IMPORTANT

CYPHER - AUTO

NO. 394

SECRET

NEW YORK, November 14, 1950.

To be
Karl...
for the...
7/11/50
WDS
PH

Refer: USSEA
In Recd
Ref: ...
HN Div.
Secy to Cabinet
Secy C.O.S.
D.S.
London
New Delhi
Tokyo
Copenhagen
Kuala Lumpur
Wellington
Manila

50056-A-40
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J.J. McCARDLE

Secret. Addressed External No. 394, repeated Beaver

No. 51. Following from Riddell, Begins:

Formosa.

Revised memorandum on Formosa has now been shown to United Kingdom, Australian, New Zealand and Indian delegations. As you suggested, I informed Indian delegation that copy of memorandum was being given to their Department of External Affairs by our Embassy. Indians inform me that, although they had originally been favourably impressed with the draft resolution, they did not now think they would be able to support it. Berendson, after brief examination of the memorandum, said that he did not see what else we could do except support proposals for a Commission on Formosa and that he would like to know what conclusions we drew as a result of expression of misgivings contained in our memorandum. United Kingdom delegation asked whether we had given a copy of our memorandum to Americans, and said they considered it was our responsibility to express these misgivings to the United States delegation. I said that we had not given United States delegation a copy of the memorandum nor were we at present discussing the question with them. I said, however, that the Minister had given Mr. Acheson personally some idea of our misgivings when he visited Washington recently.

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NOV 15 1950

2. United Kingdom delegation has not yet received firm instructions either to sponsor the draft resolution or to support it. They are not therefore certain whether they will be in a position to put it in when the debate on Formosa opens and neither are they certain whether draft resolution has been finally approved by United States Government, although they are inclined to think

that United States Government approves the resolution in its present form. United States delegation here, at the official level, is considering for membership on the Formosan Commission the following States: United Kingdom, United States, India or Burma, Thailand, Philippines and Australia. In the light of comment made today by Indian delegation, I would not, however, expect India to accept the nomination. Ends.

CHAIRMAN

CLEARED
COMMUNICATIONS
EXTERNAL AFFAIRS

1957 NOV 15 AM 10:47

SECRET *DM*

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

..... November 14 19..... 50

No. *Y-3562*

50056-A-40
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Sir,

I enclose the document (s) listed below.

The Canadian Ambassador,
Washington,
D.C.

*✓ 3562 D.C.
also on
Korea file*

I have the honour to be,

Sir,

Your obedient servant,

A.D.P. HEENEY

for the Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
<p>Copy of telegram No. 273 to The Chairman, Canadian Delegation to the United Nations, New York, dated November 13.</p> <p>Copy of telegram No. 274 to The Chairman, Canadian Delegation to the United Nations, New York, dated November 13.</p>	<p>Formosa.</p> <p>Korea.</p>

Ext. 176

CANADIAN EMBASSY

Washington, D.C.

November 14, 1950.

No. 2911

To the Secretary of State for External Affairs,
Ottawa.

50056-A - 40	
27	27

I transmit herewith 5 copies of the document(s) listed below.

Refer to: Mr. Reid Done-mce
 (Copies of enclosure) U.N. Div. Nov. 22/50
 Dep. Liaison Div. G. H. W. P.

John Campbell
 (For the Ambassador)

DOCUMENTS AND DATE	SUBJECT																						
<p>Department of State Press Release No. 1140, November 9, 1950.</p> <p>Encs 5c</p> <p style="font-size: 2em; margin-left: 200px;">y</p>	<p>Chinese Communist Delegation to Security Council</p> <div style="text-align: center;"> <table border="1" style="margin: 0 auto;"> <tr><td colspan="2" style="text-align: center;">Y</td></tr> <tr><td style="text-align: center;">1</td><td></td></tr> <tr><td style="text-align: center;">2</td><td style="text-align: center;">REC</td></tr> <tr><td style="text-align: center;">3</td><td></td></tr> <tr><td style="text-align: center;">4</td><td></td></tr> <tr><td style="text-align: center;">5</td><td></td></tr> <tr><td style="text-align: center;">6</td><td></td></tr> <tr><td style="text-align: center;">7</td><td></td></tr> <tr><td style="text-align: center;">8</td><td></td></tr> <tr><td style="text-align: center;">9</td><td></td></tr> <tr><td style="text-align: center;">10</td><td></td></tr> </table> </div> <p style="text-align: center;">NOV 18 1950</p>	Y		1		2	REC	3		4		5		6		7		8		9		10	
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DEPARTMENT OF STATE

FOR THE PRESS

NOVEMBER 9, 1950
No. 1140

On September 29, 1950 the Security Council of the United Nations passed a resolution inviting the Chinese Communist regime to be represented during the discussion by the Security Council of that Government's declaration regarding an armed invasion of the Island of Taiwan (Formosa). When the Secretary General of the United Nations was notified by the Communist regime of the appointment of its representative and eight member staff, he requested the Government of the United States to make the necessary arrangements for the entry of these persons to the Headquarters District.

Although the United States does not recognize the Chinese Communist regime and while it voted against the Security Council resolution inviting the Chinese Communists to the Headquarters of the United Nations, it is incumbent on this Government to make it possible for the resolution to take effect. These persons are invitees of the United Nations. The Headquarters Agreement, entered into between this Government and the United Nations when that Organization agreed to locate its headquarters here, specifically provides, in part, that, "The federal, state, or local authorities of the United States shall not impose any impediments to transit to or from the headquarters district of ... persons invited to the headquarters district by the United Nations ..."

Since these persons would otherwise be inadmissible under our immigration laws, they are being granted transit to the Headquarters District under the discretionary authority of the Attorney General of the United States contained in the ninth proviso to Section 3 of the Immigration Act of February 15, 1917, as amended. The Department of State has advised the American Embassy in Prague, Czechoslovakia, to issue appropriate visas upon application by the Chinese Communist representative and his staff.

The names of the Chinese Communists who are coming to Lake Success for discussion of the Formosa question at the invitation of the Security Council, according to information received from the Secretary General, follow below. The American Embassy in Prague has been advised to issue the appropriate visas for their transit to the United Nations for this purpose.

Representative

Wu Hsiu-chuan

Adviser

Chiao Kuan-Jua

Staff Members

Kung Poo-sung
An Tung
Chen Chiao
Pu Shan
Chou Yen
Sun Piap
Wang Nai-ching

* * *

50054-A-40
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file [signature]

U.S. DRAFT FOR RESOLUTION ON THE PROBLEM OF FORMOSA

Noting that the signatories to the Cairo Declaration declared it to be one of their purposes that certain of the territories formerly held by Japan, including Formosa and the Pescadores, should be restored to the Republic of China, and that no formal act restoring sovereignty to China has yet occurred;

Recognizing that two parties at present claim the right to administer Formosa, that there have been threats of an armed attack on Formosa from the Chinese mainland and that Formosa has been used as a base for attacks on the Chinese mainland, that attempts to settle the dispute by force would heighten international tension and be prejudicial to the maintenance of international peace and order in the area as well as prejudicial to the interests of the people of Formosa; and further

Recognizing that the foregoing considerations raise questions as to the obligations and responsibilities of Members under the Charter;

Decides to establish a commission composed of the representatives of the following states (5-7) which, bearing in mind the considerations set forth in the preceding paragraphs should study the problem and submit a report to the General Assembly containing recommendations for the future of Formosa and the Pescadores. The commission should consult all governments, authorities and parties concerned;

Recommends that, pending the study by the commission and adoption by the General Assembly of recommendations concerning this problem there be no attempt to change the status of Formosa by force and that there be neither (a) armed attack on Formosa from the Chinese mainland, or (b) attack on the Chinese mainland from Formosa;

Requests all governments and authorities concerned to act in conformity with the recommendation in the preceding paragraph and render every possible assistance to the commission in the performance of its tasks.

FROM: THE CHAIRMAN, CANADIAN DELEGATION TO THE U.N. GENERAL ASSEMBLY, NEW YORK

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

IMMEDIATE

CYPHER - AUTO

NO. 380

SECRET

NEW YORK, November 13, 1950.

50056-A-140
27 | 27

ASSEA
Marked
Very Cabinet
Tokyo ✓
London ✓
Caracas ✓
Done
Nov 13
BHN
7/13/50
✓ SIS
✓ NHQ
✓ Dept. of State
✓ Reg. Div.
✓

To see
Mr. Coakley
Mr. Williams
Mr. [unclear]

Secret. Addressed External No. 380, repeated Beaver No. 49. My teletype No. 379. Formosa.

Following is text of memorandum concerning proposed draft resolution on Formosa:

Secret

Observations concerning proposed draft resolution on Formosa

Both Chinese factions are firmly opposed to any proposal that will question their unshakable conviction that Formosa is and shall remain a part of the Chinese State. Some Asian opinion, which reacted strongly to President Truman's statement of June 27th "neutralizing" Formosa, may equally be suspicious of any proposal that might appear to them to give United Nations approval for maintaining Formosa as a part of the United States military defence arc in the Western Pacific. It might also be considered by people in Asia that any proposal that the United Nations should assume jurisdiction concerning the future disposition of Formosa as an undesirable interference in the internal affairs of China. Some powers may well be doubtful of the wisdom of the United Nations assuming any responsibility for Formosa extending beyond the duration of President Truman's "neutralization", which he said in a conference on August 31st would be terminated at the end of the Korean campaign. Some might also question what they would consider a repudiation of the Cairo declaration. Any solution which appeared to ignore China's title to Formosa would never be acceptable to the Chinese people and Formosa would remain the object of irredentist ambitions and be a constant source of friction between China and the West. Formosa could only be withheld

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from Chinese Communist control so long as substantial forces were available for its defence. This would mean a heavy military commitment of indefinite duration, the strategic desirability of which has not been clearly demonstrated. An impartial plebiscite in Formosa would be extremely difficult to arrange as long as Chiang Kai-Shek and his forces remain in control there, and it is doubtful if any but the Chinese Communists wish to assume responsibility for removing them or restraining their control in Formosa. If the proposed United Nations Commission recommends that Formosa should be united with the Chinese mainland, even if the transfer is deferred for a period, the problem of disposing of Chiang Kai-Shek and his army would become acute.

2. The revised United Kingdom draft resolution does not indicate when the Commission is to report to the General Assembly. It could hardly report to this session. If the Commission's report is not made until the next session, the United Nations may be assuming a moral obligation to prevent either side from seeking a solution by force before then. This is an obligation that would extend beyond that undertaken by President Truman in June when, according to the report of his press conference on August 31st, he said; "Of course, it will not be necessary to keep the seventh fleet in the Formosa Straits if the Korean thing is settled. That is a flank protection on our part for the United Nations forces."

3. The revised United Kingdom resolution sets the Formosan problem against the background of "the maintenance of international peace and order in the area", going beyond the implication of President Truman's statements of June 27th and July 19th that the "neutralizing" of Formosa was related to the Korean operations. This leaves the way open for proposals that Formosa should be detached from China or permanently neutralized, and the attitude adopted by some delegations, particularly Latin American delegations during the discussions on China in 1949, suggest that some such radical proposal might well be put forward.

It is by no means clear that the political complications and the heavy military commitment that would arise immediately an effort were made to restrict Chinese control over Formosa ✓ or remove the Island from effective Chinese authority would be offset by corresponding strategic compensations.

CHAIRMAN

Original and File Copy.

FROM: THE CHAIRMAN, CANADIAN DELEGATION TO THE U.N. GENERAL ASSEMBLY, NEW YORK
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

IMMEDIATE
CYPHER - AUTO
NO. 379

SECRET
NEW YORK, November 13, 1950.
50056-A-10
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Refer:
USSEA
Am Recd.
Secy to Cabinet
WIS
✓ 11/14/50
LH:iv
Kambama Nov 15/50
MDS
J. W. McCAFFEE

To be Am Recd.
Am Recd.
M. W. H. H. H.
Am Recd.

Secret. Addressed External No. 379, repeated Beaver No. 48. Following from Riddell, Begins: Formosa.

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NOV 14 1950

On Saturday I mentioned our tentative views on Formosa to Coulson of United Kingdom delegation and Shann of Australian delegation. I did not, however, give them proposed memorandum which was then being revised. I have since completed revision of memorandum, text of which as revised is given in my immediately following teletype, and have handed copies to Shann and Coulson. I also spoke to Lacoste of the French delegation but since I am not sure that United Kingdom have shown their draft resolution to the French, I have not given Lacoste a copy of the memorandum.

2. Australians telegraphed their Government on Saturday reporting our views and they have this morning received instructions suspending their previous instructions on Formosa pending a review of the circumstances by the Prime Minister. Ends.

CHAIRMAN

ORIGINAL AND FILE COPY

FROM: THE CHAIRMAN, CANADIAN DELEGATION TO THE UNITED NATIONS
GENERAL ASSEMBLY, NEW YORK
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

IMPORTANT

SECRET

CYPHER - AUTO

NO. 374

NEW YORK, November 13, 1950.

*McCollum
file*

50056-A	40
27	27

Secret. Addressed External Ottawa No. 374, repeated Beaver Washington No. 46.

Formosa

The United Kingdom delegation have informed us that the draft resolution as contained in our telegram No. 300 of November 3rd has now been approved on next to the very highest level in Washington with the following minor changes:

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NOV 13 1950

Paragraph 1: "should be restored to the Republic of China"
now reads: "should be restored to Chinese sovereignty over that territory".

Paragraph 2: "peace and order" now reads "peace and security".

Paragraph 5(b): "attack" now reads "armed attack"

This information was given to us in enigmatic terms over the telephone without the text at hand. There may be some errors in our interpretation of the revised version of paragraph one, which looks most peculiar.

CHAIRMAN

For P.M.'s use London-1950

SECRET

52056A-10	
33	33

November 13, 1950.

MEMORANDUM

Canadian Observations Concerning Proposed Draft Resolution
On Formosa

Both Chinese factions are firmly opposed to any proposal that will question their unshakable conviction that Formosa is and shall remain a part of the Chinese State. Some Asian opinion, which reacted strongly to President Truman's statement of June 27th "neutralizing" Formosa, may equally be suspicious of any proposal that might appear to them to give United Nations approval for maintaining Formosa as a part of the United States military defence area in the Western Pacific. It might also be considered by people in Asia that any proposal that the United Nations should assume jurisdiction concerning the future disposition of Formosa as an undesirable interference in the internal affairs of China. Some powers may well be doubtful of the wisdom of the United Nations assuming any responsibility for Formosa extending beyond the duration of President Truman's "neutralization", which he said in a conference on August 31st would be terminated at the end of the Korean campaign. Some might also question what they would consider a repudiation of the Cairo declaration. Any solution which appeared to ignore China's title to Formosa would never be acceptable to the Chinese people and Formosa would remain the object of irredentist ambitions and be a constant source of friction between China and the West. Formosa could only be withheld from Chinese Communist control so long as substantial forces were available for its defence. This would mean a heavy military commitment of indefinite duration, the strategic desirability of which has not been clearly demonstrated. An impartial plebiscite in Formosa would be extremely

difficult to arrange as long as Chiang Kai-Shek and his forces remain in control there, and it is doubtful if any but the Chinese Communists wish to assume responsibility for removing them or restraining their control in Formosa. If the proposed United Nations Commission recommends that Formosa should be united with the Chinese mainland, even if the transfer is deferred for a period, the problem of disposing of Chiang Kai-Shek and his army would become acute.

2. The revised United Kingdom draft resolution does not indicate when the Commission is to report to the General Assembly. It could hardly report to this session. If the Commission's report is not made until the next session, the United Nations may be assuming a moral obligation to prevent either side from seeking a solution by force before then. This is an obligation that would extend beyond that undertaken by President Truman in June when, according to the report of his press conference on August 31st, he said; "Of course, it will not be necessary to keep the seventh fleet in the Formosa Straits if the Korean thing is settled. That is a flank protection on our part for the United Nations forces."

3. The revised United Kingdom resolution sets the Formosan problem against the background of "the maintenance of international peace and order in the area", going beyond the implication of President Truman's statements of June 27th and July 19th that the "neutralizing" of Formosa was related to the Korean operations. This leaves the way open for proposals that Formosa should be detached from China or permanently neutralized, and the attitude adopted by some delegations, particularly Latin American delegations during the discussions on China in 1949, suggest that some such radical proposal might well be put forward. It is by no means clear that the political complications and the heavy

military commitment that would arise immediately an effort were made to restrict Chinese control over Formosa or remove the Island from effective Chinese authority would be offset by corresponding strategic compensations.

CHAIRMAN

Note: This memorandum was shown to United Kingdom, Australian, New Zealand, and Indian Delegations in New York, and to State Department in Washington (November 13, 14, 1950).

ORIGINAL AND FILE COPY

FROM: THE CHAIRMAN, CANADIAN DELEGATION TO THE UNITED NATIONS
GENERAL ASSEMBLY, NEW YORK
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

50056-A-10
SECRET

IMMEDIATE

CYPHER - AUTO

NO. 361

NEW YORK, November 10, 1950.

*Refer to U.S. I.E.A. Nov 10/50
Don AMCC
R.C. Collins*

Secret. Addressed External Ottawa No. 361, repeated Beaver Washington No. 45. Following for Reid from Holmes, Begins:

Your teletype No. 251 of November 9th, Formosa. Following is the text of my memorandum requested in paragraph 4 of your telegram. I am sending this text to Washington and I presume that you will repeat to them your telegram No. 251 and convey the necessary instructions, text begins:

Observations concerning proposed draft resolution on Formosa

Both Chinese factions are dead set against any proposal that will question their unshakable determination that Formosa is and shall remain a part of the Chinese State. Asian opinion which reacted strongly to President Truman's statement of June 27th "neutralizing" Formosa will be suspicious of any proposal that would appear to give United Nations approval for maintaining Formosa as a part of the United States military defence arc in the Western Pacific. It would also consider any proposal that the United Nations should assume jurisdiction concerning the future disposition of Formosa as an undesirable interference in the internal affairs of China. Other Powers will be doubtful of the wisdom of the United Nations assuming any responsibility regarding Formosa extending beyond the duration of President Truman's "neutralization" which he said in a conference on August 31st would be terminated at the end of the Korean campaign. Many would question the principle of repudiating the Cairo declaration. Any solution which appeared to ignore China's title to Formosa would never be acceptable to the Chinese people and Formosa would remain the object of

irredentist ambitions and be a constant source of friction between China and the West. Formosa could only be withheld from Chinese Communist control so long as substantial forces were available for its defence. This would mean a heavy commitment of indefinite duration and of questionable strategic desirability. An impartial plebiscite in Formosa would be impossible as long as Chiang Kai-Shek and his forces remain in control there, and it is doubtful if any but the Chinese Communists wish to assume responsibility for removing them from control in Formosa. If the United Nations should decide to award Formosa to the Chinese Communists but defer the hand-over for a period, they would again be faced with the problem of taking care of Chiang Kai-Shek and his army.

2. The revised United Kingdom draft resolution does not say how soon the Commission is to report to the General Assembly. It could hardly report to this session. If the Commission's report is not made until the next session, the United Nations may be assuming a moral obligation to prevent either side from seeking a solution by force before then. This is an obligation that would extend beyond that which President Truman took on unilaterally in June as he is quoted in his press conference on August 31st as saying: "of course, it will not be necessary to keep the Seventh Fleet in the Formosa straits if the Korean thing is settled. That is a flank protection on our part for the United Nations forces."

3. The United Kingdom draft resolution does not indicate what the Assembly will do to implement the recommendation of the Commission. If it tries to enforce a solution unwanted by the Nationalists or the Communists it may be assuming a very onerous task.

4. The revised United Kingdom resolution sets the Formosan problem against a broader new backdrop of "the maintenance of international peace and order in the area" going beyond the implication of President Truman's statements of June 27th and

July 19th that the "neutralizing" of Formosa was related to the Korean operations. This leaves the way open to the permanent neutralization of Formosa which is probably desired by the United States military strategists and would add to our general security in the Western Pacific but which would definitely not seem to us to be worth the political complications and military underwriting implied. Text ends.
Ends.

CHAIRMAN

MESSAGE FORM
OUTGOING

50056A-40
27 | 27

FILE REF.

SECURITY CLASSIFICATION
SECRET

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO: THE CHAIRMAN, CANADIAN DELEGATION TO THE UNITED NATIONS GENERAL ASSEMBLY, NEW YORK

SENT -- NOV 10 1950

Repeat to Wash. EX-2286

Message To Be Sent	No.	Date	For Communications Office Use Only
EN CLAIR		November 10, 1950	SENT -- NOV 10 1950
CODE			
CYPHER <i>Auto</i> <input checked="" type="checkbox"/>			
Degree of Priority			
IMPORTANT			
ORIGINATOR			
Sig.			
Typed: /MG			
Div. U.S.S.E.A.			
Local Tel.			
APPROVED BY			
Sig.			
Typed:			
Is This Message Likely To Be Published			
Yes () No ()			
Internal Distribution:			
Done			
Date			
Copies Referred To:			
Done			
Date			

Following from Reid, Begins:-

Your teletype No. 361, Repeated to Washington No. 45. Formosa.

If the memorandum is to be presented to other Delegations in New York, it should be considerably toned down. The following suggestions have occurred to me and no doubt other suggestions ~~will~~ ^{will} occur to you.

Para. 1, Second Sentence. - Change the words after "suspicious of any proposal" ^{to} ~~(2)~~ "that might appear to them to give".

Para. 2, Fourth Sentence - Change the words after "extend beyond" ^{to} ~~(2)~~ "that undertaken by President Truman in June".

Para. 4, Second Sentence - Change the words after "permanent neutralization of Formosa" ^{to} ~~(2)~~ "which might have military value but which would definitely not seem to us".

1820 MON 19 50 e:57
SECRETARY OF STATE FOR EXTERNAL AFFAIRS

RECEIVED
COMMUNICATIONS
DIVISION

File copy

Am.&F.E./A.R.Menzies/MCC

Ext. 140

SECRET

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA

November 10, 1950

No. Y.977 ✓

50056-A 40	
33	18

Sir,

I enclose the document (s) listed below.

I have the honour to be,

Sir,

Your obedient servant,

The Acting Head of Canadian
Liaison Mission,

Tokyo, Japan. ✓

*OK
AM.*

A.D.P. HEENEY

for the Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT

SUBJECT

Telegram No. 344 of November 8, 1950
from the Chairman, Canadian Delegation
to U.N. General Assembly, New York.

Formosa

SIMILAR TO:

London No. Y3333 ✓

Washington No. Y3505 ✓

New Delhi No. Y263 ✓

Canberra No. Y427 ✓

MESSAGE FORM
OUTGOING

FILE REF.	

SECURITY CLASSIFICATION
S E C R E T

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO: CHAIRMAN, CANADIAN DELEGATION TO THE UNITED NATIONS
GENERAL ASSEMBLY, NEW YORK

50056-A-40
27 27

file

Message To Be Sent	No. <u>251</u>	Date	November 9, 1950	For Communications Office Use Only
EN CLAIR				SENT -- NOV -- 9 1950
CODE				
CYPHER				

Degree of Priority
IMMEDIATE

ORIGINATOR
Sig. _____
Typed: E.Reid/jh
Div. USSEA
Local Tel. 4803

APPROVED BY
Sig. [Signature]
Typed: _____

Is This Message Likely To Be Published
Yes () No ()

Internal Distribution:
American Division ✓
U.N. Division ✓
Mr Heany

Done [Signature]
Date **NOV 9 1950**

Copies Referred To: _____
Done _____
Date _____

Following from Riddell from Reid; Begins
Your teleye No. 344 of November 8, Formosa.

- I discussed with the Minister late yesterday afternoon the question whether you should show our alternative draft resolution to the United States, the United Kingdom and the Indian delegations. The Minister's decision is that you should show these delegations the memorandum which you have prepared but that you should not, for the present at least, show them the draft resolution.
- One of the reasons for his decision is that if we were to show our draft resolution now we would immediately be subjected to pressure from the United States and the United Kingdom to amend it. ^{He} ~~is~~, therefore, think^s that the resolution should be kept in reserve for possible introduction in the Committee after the debate has started.
- So far as the United Kingdom-United States draft resolution is concerned, the Minister says that we certainly cannot sponsor it and that we might have to vote against it in Committee.

... 2

9.11.7(05)

MESSAGE FORM OUTGOING

FILE REF.		

SECURITY CLASSIFICATION

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO:

Message To Be Sent EN CLAIR CODE CYPHER	No.	Date	For Communications Office Use Only SENT -- NOV - 9 1950
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Degree of Priority

- 2 -

ORIGINATOR

Sig.

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Local Tel.

4. I think it would be useful if you were to send to Washington and to us the text of your memorandum and if Washington were to take it up on a pretty high level in the State Department. We will consider here whether we should send it to London so that Canada House can discuss it with the Foreign Office.

APPROVED BY

Sig.

Typed:

Is This Message Likely To Be Published

Yes () No ()

Internal Distribution:

Done

Date

Copies Referred To:

Done

Date

SECRETARY OF STATE
FOR EXTERNAL AFFAIRS

NOV 10 10:51

EX-100
COMMUNICATIONS
SECRETARY

File copy

Am.&F.E./A.R.Menzies/MCC

Ext. 140

SECRET

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

..... November 9, 1950

No. *X-3330*

50056-A-79
331 / 8

Sir,

I enclose the document (s) listed below.

I have the honour to be,

Sir,

Your obedient servant,

The High Commissioner for
Canada,

London, England.

OK/AM

A.D.P. HEENEY

for the Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
<p>Telegram No. 205 of October 20, 1950 from the Chairman, Canadian Delegation to the U.N. General Assembly, New York.</p> <p>SIMILAR TO:</p> <p>Tokyo No. <i>Y 974</i> ✓</p> <p>New Delhi No. <i>Y-762</i> ✓</p>	<p>Formosa.</p>

FROM: THE CHAIRMAN, CANADIAN DELEGATION TO THE UNITED NATIONS
GENERAL ASSEMBLY, NEW YORK
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

seen by Minister

IMMEDIATE

SECRET

CYFFER - AUTO

NO. 344

NEW YORK, November 8, 1950.

Refer to
✓ USSEA
✓ UN Div
✓ Sec to Cabinet
✓ J. J. S.
✓ Nat. defence
✓ Defence Affairs Div
✓ Legal Div
✓ Tokyo
✓ London
✓ Wash, ton

Done - mee
Nov. 10/50

N. Riddell
50056-A-40
27 | 27

Secret. Following for Reid from Riddell, Begins:

Your teletypes No. 229 of November 6th and No. 230 of November 7th -- Formosa.

1. Text of alternative draft resolution contained in your teletype No. 230 of November 7th did not reach this office in time for the Minister to examine it before he left for Ottawa. It seems to me that your alternative draft resolution, by limiting Assembly's recommendation to duration of Korean war and doing no more in regard to long term problem than enjoining peaceful procedures upon Chinese Communists and Nationalists, is an ingenious way of reducing to a minimum the United Nations commitment on Formosa. It seems to me, however, that object of United States policy is to commit United Nations as fully as possible to defence of Formosa, and they would dislike intensely the alternative resolution you have proposed. If, therefore, we canvass other delegations on the possibility of putting in a resolution along the lines suggested, we shall immediately encounter the hostility of both United States and United Kingdom delegations. I think for this reason that before we consider further the possibility of alternative draft resolution along the lines suggested in your teletype No. 230 of November 7th, we should have a clear instruction in this regard.

2. The Minister did, however, see your telegram No. 229 of November 6th, and he agreed that I should prepare a memorandum on the basis of this telegram and show it to the United Kingdom

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NOV 8 1950

delegation, and possibly to the United States delegation, as an indication of our misgivings. This memorandum is now in the course of preparation. I shall not, however, show draft resolution in your teletype No. 230 of November 7th to other delegations pending further instructions from you.

3. I have repeated your two teletypes under reference to Mr. Wrong in Washington. Ends.

CHAIRMAN

MESSAGE FORM
OUTGOING

FILE REF.

100 Cont. Release No 9/50 G.R.

SECURITY CLASSIFICATION

SECRET

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO: THE CANADIAN DELEGATION TO THE UNITED NATIONS GENERAL ASSEMBLY,
NEW YORK.

50056A-40

Message To Be Sent	No.	Date November 8, 1950	For Communications Office Use Only
EN CLAIR			
CODE			
CYPHER			

CYPHER

Degree of Priority

ORIGINATOR

Sig.

Typed: A.R. Menzies/
MCC

Div. Am. & F. E.

Local Tel. 2991

APPROVED BY

Sig.

Typed:

Is This Message Likely To Be Published
Yes () No ()

Internal Distribution:

Done

Date

Copies Referred To:

Done

Date

Following for RIDDELL from PEARSON, Begins:

Your telegram No. 344 of November 8. Formosa.

I think it desirable that we should make another attempt to oppose assumption by the United Nations of this more extensive responsibility for the neutralization of Formosa for another year and the implementation of any future General Assembly decision concerning the disposition of Formosa. I should be grateful, therefore, if you would be good enough to give the United States, the United Kingdom and Indian Delegations confidentially copies of the memorandum which I understand you have prepared on the basis of the Department's teletype No. 229 of November 6 and the draft resolution on Formosa contained in the Department's teletype No. 230 of November 7. Ends.

MESSAGE FORM
OUTGOING

FILE REF.		

50056-A | 40
27 | 27

SECURITY CLASSIFICATION
CONFIDENTIAL

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO: The Chairman, Canadian Delegation to the United Nations
Assembly,
NEW YORK.

Message To Be Sent	No. 230	Date November 6, 1950	For Communications Office Use Only SENT -- NOV - 7 1950
EN CLAIR			
CODE			
CYPHER AUTO	X		

Degree of Priority

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Sig.

Typed: A.R. Menzies /
MCC

Div. Am. & F. E.

Local Tel. 2991

APPROVED BY

Sig.

Typed:

Is This Message
Likely To Be Published

Yes () No ()

Internal Distribution:

Done

Date

Copies Referred To:

Done

Date

Formosa.

Following is the text of a possible limited resolution on Formosa, Begins:

The General Assembly of the United Nations. HAVING in mind that United Nations armed forces are at present operating in Korea in accordance with the recommendations of the Security Council of 27 June, 1950, subsequent to its resolution of 25 June, 1950, that members of the United Nations furnish such assistance to the Republic of Korea as may be necessary to repel the armed attack and to restore international peace and security in the area;

RECALLING its resolution of 7 October 1950 establishing a United Nations Commission for the Unification and Rehabilitation of Korea to represent the United Nations in bringing about the establishment of a unified, independent and democratic government of all Korea;

NOTING that there have been threats of an armed attack on Formosa from the Chinese mainland and that Formosa has been used as a base for attacks on the Chinese mainland;

CONSIDERING that an armed attack on Formosa from the Chinese mainland or an armed attack on the Chinese

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MESSAGE FORM OUTGOING

FILE REF.

SECURITY CLASSIFICATION

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO:

Message To Be Sent EN CLAIR CODE CYPHER	No.	Date	For Communications Office Use Only
Degree of Priority	- 2 -		
ORIGINATOR Sig. Typed: Div. Local Tel.	mainland from Formosa might directly or indirectly interfere with the efforts of the United Nations armed forces to restore international peace and security in the Korea area;		
APPROVED BY Sig. Typed:	<p style="text-align: center;">the</p> <p style="text-align: center;"><u>CALLS UPON</u> the parties to/dispute over Formosa to refrain from taking hostile action against each other while the United Nations armed forces are engaged in restoring international peace and security in the Korea area;</p>		
Is This Message Likely To Be Published Yes () No ()	<p style="text-align: center;"><u>URGES</u> the parties to endeavour to settle their differences by peaceful means and to this end offers its good offices to the parties;</p>		
Internal Distribution: Done Date	<p style="text-align: center;"><u>REQUESTS</u> the Secretary General to consult the parties with a view to establishing a mutually agreeable procedure for the appointment of a mediator who, on behalf of the United Nations would endeavour to assist the parties to settle their differences by peaceful means. Ends.</p>		
Copies Referred To: Done Date	<p style="text-align: center;">49-P-274-100M</p>		

MESSAGE FORM OUTGOING

FILE REF.	

SECURITY CLASSIFICATION
S E C R E T

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO: The Chairman, Canadian Delegation to the United Nations
NEW YORK.

50056-A-40 Assembly,
27 | 27

Message To Be Sent	No. 229	Date NOV 26, 1950	For Communications Office Use Only
EN CLAIR			SENT -- NOV - 6 1950
CODE			
CYPHER AUTO X			

Degree of Priority
Important

ORIGINATOR

Sig.

Typed: A.R. Menzies / MCC

Div. Am. & F.E.

Local Tel. 2991

APPROVED BY

Sig. *[Signature]*

Typed: *[Signature]*

Is This Message Likely To Be Published

Yes () No ()

Internal Distribution:

Sec'y to Cabinet

J.I.S.

Def. Liaison Div.

Legal Div.

U.N. Div.

Done R. Dwyer

Date Nov. 17/50

Copies Referred To:

[Signature]

Nat'l Defence

Tokyo

London

New Delhi

Washington

Canberra

Done R. Dwyer

Date Nov. 17/50

Following from Radio.

Your telegram No. 330 of November 3. Formosa.

1. Debate on the Formosan question could develop into one of the most explosive and divisive disputes of this session of the General Assembly. This item bristles with difficulties. Both Chinese factions are dead set against any proposal that will question their unshakable determination that Formosa is and shall remain a part of the Chinese state. Asian opinion which reacted strongly to President Truman's statement of June 27 "neutralizing" Formosa, will be suspicious of any proposal that would appear to give United Nations approval for maintaining Formosa as a part of the United States military defence arc in the Western Pacific. It would also consider any proposal that the United Nations should assume jurisdiction concerning the future disposition of Formosa as an undesirable interference in the internal affairs of China. Other powers will be doubtful of the wisdom of the United Nations assuming any responsibility regarding Formosa extending beyond the duration of President Truman's "neutralization" which he ~~said~~ ^{in a conference on August 31} would be terminated at the end of the Korean campaign. Many would question the principle of repudiating the Cairo Declaration. Any solution which appeared to ignore China's title to

MESSAGE FORM OUTGOING

FILE REF.	

SECURITY CLASSIFICATION

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO:

Message To Be Sent	No.	Date	For Communications Office Use Only
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Degree of Priority			
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Local Tel.			
APPROVED BY			
Sig.			
Typed:			
Is This Message Likely To Be Published			
Yes () No ()			
Internal Distribution:			
Done			
Date			
Copies Referred To:			
Done			
Date			

- 2 -

Formosa would never be acceptable ~~by~~^{to} the Chinese people and Formosa would remain the object of irredentist ambitions and be a constant source of friction between China and the West. Formosa could only be withheld from Chinese Communist control so long as substantial forces were available for its defence. This would mean a heavy commitment of indefinite duration and of questionable strategic desirability. ~~XX~~
 An impartial plebiscite in Formosa would be impossible ~~XXXXXXXXXXXXXXXXXXXX~~ as long as Chiang Kai-shek and his forces remain in control there and it is doubtful if any but the Chinese Communists wish to assume responsibility for removing them from control in Formosa. If the United Nations should decide to award Formosa to the Chinese Communists but defer the hand-over for a period they would again be faced with the problem of taking care of Chiang Kai-shek and his army.

2. For the reasons mentioned in the previous paragraph, we believe that the Formosan question should be approached very cautiously. We think that care should be taken to ascertain the views of the Asian members at as early a stage as possible in determining the best way of dealing with this question on the agenda. We

MESSAGE FORM OUTGOING

FILE REF.	

SECURITY CLASSIFICATION

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO:

Message To Be Sent	No.	Date	For Communications Office Use Only
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EN CLAIR
CODE
CYPHER

Degree of Priority

- 3 -

ORIGINATOR

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Local Tel.

APPROVED BY

Sig.
Typed:

Is This Message
Likely To Be Published
Yes () No ()

Internal Distribution:

Done

Date

Copies Referred To: 3

Done

Date

think that any draft resolution should be examined carefully to see the extent of responsibility which the United Nations might be expected to assume.

3. The revised United Kingdom draft resolution contained in your telegram No. 300 of November 3 does not say how soon the Commission is to report to the General Assembly. It could hardly report to this session. If the Commission's report is not made until the next session, the United Nations may be assuming a moral obligation to prevent either side from seeking a solution by force before then. This is an obligation that would extend beyond that which President Truman took on unilaterally in June as he is quoted in his press conference on August 31 as saying: "Of course, it will not be necessary to keep the Seventh Fleet in the Formosa Straits if the Korean thing is settled. That is a flank protection on your part for the United Nations forces".

4. The United Kingdom draft resolution does not indicate what the Assembly will do to implement the recommendation of the Commission. If it tries to enforce a solution unwanted by the Nationalists or the Communists it may be assuming a very onerous task.

... 4

MESSAGE FORM
OUTGOING

FILE REF.	

SECURITY CLASSIFICATION

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO:

Message To Be Sent	No.	Date	For Communications Office Use Only
EN CLAIR CODE CYPHER			
Degree of Priority	- 4 -		
ORIGINATOR	5. The revised United Kingdom resolution sets the Formosan problem against a broader new backdrop of "the maintenance of international peace and order in the area" going beyond the implication of President Truman's statements of June 27 and July 19 that the "neutralizing" of Formosa was related to the Korean operations. This leaves the way open to the permanent neutralization of Formosa which is probably desired by United States military strategists and would add to our general security in the Western Pacific but may not ^{which would definitely not} be worth the political complications and military underwriting implied. <i>Seem to go to</i>		
Sig.	6. It seems to us that some effort should be made at this stage to get a number of the more important delegations to understand where each thinks they are going in supporting the current United Kingdom resolution. The United States apparently wants the United Nations to assume responsibility for Formosa as it did for Korea and it undoubtedly hopes for the permanent neutralization of Formosa. The Indians, according to your telegram No. 205 of October 20 seem to think that the United Kingdom draft resolutions are nothing but a convenient way of joining Formosa to the mainland without fighting. How Chiang Kai-shek and his army are to be ousted is left		
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Is This Message Likely To Be Published			
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Copies Referred To:			
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MESSAGE FORM OUTGOING

FILE REF.		

SECURITY CLASSIFICATION

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO:

Message To Be Sent	No.	Date	For Communications Office Use Only
EN CLAIR CODE CYPHER			
Degree of Priority			
ORIGINATOR			
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Div.			
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Is This Message Likely To Be Published Yes () No ()			
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Date			
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Date			

- 5 -

unanswered. The United Kingdom seems to be trying to find middle ground, but ~~is going very far~~ ^{appears to us to be going too} far to meet the United States position.

7. If it is desired to have a milder resolution which would not saddle the United Nations with responsibilities it might find difficult or inadvisable to carry out, my immediately following telegram contains a draft which might be used for discussion with other delegations.

RECEIVED
1950

File copy

Am.&F.E./R.E.Collins/MCC

Ext. 140

R.E. Collins

SECRET

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

..... November 6, 1950 19.....

No. *y-946*

Sir,

I enclose the document (s) listed below.

50056A/40
27 | 27

I have the honour to be,

The Acting Head of the Canadian
Liaison Mission,
Tokyo, Japan.

Sir,
Your obedient servant,

A.D.P. HEENEY
for the Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
<p>Telegram No. 300 of November 3, 1950 from the Chairman, Canadian Delegation to the U.N. General Assembly, New York.</p> <p>SIMILAR TO:</p> <p>London No. <i>y 3237 ✓</i></p> <p>New Delhi No. <i>y 727 ✓</i></p> <p>Canberra No. <i>y 464 ✓</i></p>	<p>Formosa</p>

FROM: THE CHAIRMAN, CANADIAN DELEGATION TO THE U.N. GENERAL ASSEMBLY, NEW YORK

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

Tosca
Mr. McLaughlin
Mr. Wilgus

IMPORTANT

SECRET

CYPHER - AUTO

NEW YORK, November 3, 1950.

NO. 300

50056A/40
27 | 27

Refer
USSEA
Mr. Reid
Mr. Duffin
Mr. Palmer
113
Mr. P. Def.
Ref. Liaison Div.
Mr. G. D. D.
Mr. G. D. D.
London
Mr. D. D. D.
Cambridge
11/10/50

Done mee
Nov 6/50

Secret. Addressed External Ottawa No. 300, repeated Beaver Washington No. 31.

At Commonwealth meeting yesterday morning the three following topics were discussed which are covered in my three immediately following teletypes.

Formosa

The United Kingdom representative (Younger) referred to previous United States redraft of United Kingdom draft resolution on Formosa (which was sent to you under cover of my despatch No. 79 of October 20th) which contained a number of points which the United Kingdom Government had not approved. As a result of further conversations with United States officials, State Department had produced a further redraft but this had not yet been finally approved by the United States Government.

Following is text of this latest United States redraft of United Kingdom resolution, Begins:

"Noting that the signatories to the Cairo Declaration declared it to be one of their purposes that certain of the territories formerly held by Japan, including Formosa and the Pescadores, should be restored to the Republic of China, and that no formal act restoring sovereignty to China has yet occurred;

Recognizing that two parties at present claim the right to administer Formosa, that there have been threats of an armed attack on Formosa from the Chinese Mainland and that

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Formosa has been used as a base for attacks on the Chinese Mainland, that attempts to settle the dispute by force would heighten international tension and be prejudicial to the maintenance of international peace and order in the area as well as prejudicial to the interests of the people of Formosa; and further

Recognizing that the foregoing considerations raise questions as to the obligations and responsibilities of members under the Charter;

Decides to establish a Commission composed of the representatives of the following States (5-7) which, bearing in mind the considerations set forth in the preceding paragraphs should study the problem and submit a report to the General Assembly containing recommendations for the future of Formosa and the Pescadores. The Commission should consult all Governments, authorities and parties concerned;

Recommends that, pending the study by the Commission and adoption by the General Assembly of recommendations concerning this problem there be no attempt to change the status of Formosa by force and that there be neither (a) armed attack on Formosa from the Chinese Mainland, or (b) attack on the Chinese Mainland from Formosa;

Requests all Governments and authorities concerned to act in conformity with the recommendation in the preceding paragraph and render every possible assistance to the Commission in the performance of its tasks." Ends.

2. It was generally felt by the meeting that this would be a great improvement over the earlier United States redraft. As you will notice, it omits reference to "taking into account the interests of the people of Formosa and giving consideration to the maintenance of peace in the Pacific" as also to the provision that the Commission should consult all "Government authorities and parties concerned including both Chinese claimants" which

appeared in the earlier United States draft. The United Kingdom delegation expressed the view that as it had been decided to include Formosa on the agenda of the Assembly, they thought that the approach outlined in this draft was about the best that could be hoped for. They had not yet referred it to the United Kingdom Government, but it was apparent that they would probably be able to sponsor it. The Australians also stated that they would be willing to sponsor such a resolution. Younger explained that the United States were anxious to get a large number of sponsors for the resolution. He added that sponsorship would not imply an obligation to service on the Commission of 5-7 members referred to in the body of the resolution. I said that our general position was that we did not wish to see the United Nations given the same sort of responsibility for Formosa that they had for Korea. We should have preferred not to have Formosa on the agenda of the General Assembly at all - as it had been included - we now favoured an approach which should saddle the General Assembly with the minimum responsibilities for the future of Formosa. In this connection I pointed out that the present wording of paragraph 3 of the resolution - "recognizing that the foregoing considerations raise questions as to the obligations and responsibilities of members under the Charter" - might cause complications. For example, I pointed out that one of the "foregoing considerations" was the fact that Formosa had been used as a base for attacks on the Chinese Mainland. Was it therefore suggested that members of the United Nations had obligations and responsibilities in connection with such an attack?

3. Other delegations, including the South Africans and Indians, agree that the wording of this paragraph was too wide, and in general showed a reserve similar to our own about the United Nations' assumption of responsibility for Formosa. In conclusion I indicated that it was unlikely that Canada would sponsor the resolution on Formosa. There was little general

discussion at the meeting. The United Kingdom delegation said that they saw little prospect of getting the Americans to modify the draft further. Personally I am inclined to think that we shall be lucky if the United States' Government approve the draft put forward by the State Department officials, which seems to be about the best we can hope for in the circumstances.

CHAIRMAN

24:00 AM 4 NOV 1961

EXTERMINAL SERVICES
COMMON POLICIES
CIVILIAN

TELETYPE

From THE CANADIAN AMBASSADOR TO THE UNITED STATES

To THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

CYPHER - AUTO

WA-2673

SECRET

WASHINGTON, October 25, 1950.

*New Delhi
Karachi
Canton
Wellington
Manila
Tokyo*

*Refer to
A/SSEA
USSEA
National Defence
J.I.S.
Defence Liaison Div
US Div
London*

26/10/50
50056-A-40
27 | 27

Secret. Addressed External WA-2673, repeated Permdel, New York, No. 291, from Beaver.

Part I. Formosa.

1. Collins and Campbell called upon officers of the Bureau of Far Eastern Affairs of the State Department on October 23rd. Conversation with O.E. Clubb, Director of the China Affairs Office, was concerned mainly with Formosa. Questioned about the possibility of withdrawal of seventh fleet from protective disposition about the island, Clubb thought that this could be done when the Korea emergency was over, in accordance with President Truman's statement of August 31st. He went on to say it would still be necessary for some time to come to take precautions against possible attempts to solve the Formosa problem by force and he thought this would have to be done in some way by the United Nations (e.g. by the United Kingdom draft resolution on Formosa as amended by the United States).

2. Clubb perfunctorily agreed that saddling the General Assembly with the responsibility for Formosa might cause an undesirable division amongst the democratic Powers and, even if pushed through, might embarrass the United Nations, since it is not a matter upon which the issues are clear cut and unquestionable. Nevertheless, it was apparent that he thought other members of the United Nations should take over from the United States responsibility for keeping Formosa.

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OCT 26 1950

File AM

TELETYPE

From THE CANADIAN AMBASSADOR TO THE UNITED STATES

To THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

- 2 -

WASHINGTON.

neutralized for the time being and should be prepared, if necessary, to take action to enforce the neutralization.

3. On the question of the ultimate disposition of Formosa, Collins and Campbell observed that the crux of the situation seemed to be whether Formosa was to be regarded basically as part of China or not, i.e. whether in reality it was to be disposed of. Clubb admitted the difficulties in the way of considering the island anything but Chinese. He dwelt at some length however, upon the possibility of Formosa eventually acquiring an autonomous status under nominal Chinese suzerainty somewhat after the fashion of Tibet. He thought it possible that Peking might be willing to accept such an arrangement in order to gain other ends, such as entry into the United Nations, while not losing face altogether over Formosa.

4. Since Clubb had a good deal to say about the practicality of United States policy in the East as compared with Indian "theorizing", Collins and Campbell did not go so far, in commenting on the autonomy idea, as to mention that Peking was apparently objecting to this type of relationship even for Tibet, where it at least had the sanction of time. They did, however, express doubts that the idea would be acceptable to the Chinese Communists and they wondered what would become of Chiang Kai-Shek and his forces, even if it were acceptable to Peking. Clubb observed that it would be very difficult for Chiang to maintain himself in Formosa for long without support.

EX-111
COMMUNICATIONS SECTION
CANADIAN AMBASSADOR



*file
A.R. Menzies*

PERSONAL

WASHINGTON, D.C.,
October 25, 1950.

50056-A	40
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Dear Arthur,

The enclosed clipping from the Washington Post will show that Harry Hussey was wrong either about Drew Pearson or about Truman's views on China. If Pearson has the inside knowledge attributed to him by Hussey then the writer's description of Truman's attitude towards China is much more encouraging than that given by Hussey.

I was sorry to have missed you both times when I came to say good-by to you in Ottawa but on each occasion you were apparently closeted in a heavy and important conference. However, I want to wish you the best of luck in your new, and what should be intriguing adventure.

you. files →

Hussey tried to tell us that Truman felt even more strongly about holdg Formosa than did Mac Arthur.

A.R. Menzies, Esq.,
Department of External Affairs,
American and Far Eastern Division,
OTTAWA, Canada.

CANADIAN EMBASSY WASHINGTON

Subject MEETING OF TRUMAN AND MACARTHUR

Date October 23/50 Publication The Washington Post

Wake Meeting Was Harmonious

By Drew Pearson

SAN FRANCISCO.—It's now possible to piece together a fairly accurate picture of what went on at the mysterious Wake Island conference — except for one part. I have not been able to ascertain what took place during the solid hour when President Truman and General MacArthur were alone together.



Gen. MacArthur Another part of the picture puzzle is also missing—namely, why did MacArthur decline President Truman's invitation to lunch and rush off to Tokyo without breaking bread with his Commander in Chief? It was because MacArthur requested that he be excused from lunching that the visit broke up earlier than expected.

Aside from these missing points, however, here is pretty much the story of what happened:

The President and his party had expected a tough argument with MacArthur over Formosa and the general policy agreed upon by both the Joint Chiefs of Staff and the State Department—that we cannot afford to risk war with China over Formosa. Expectation of such a blow-up may have been the reason for the President's solemn silence while en route to Wake. He had indicated to his staff that he was prepared to stay all night and longer on Wake, if necessary, in order to bring MacArthur around to his point of view.

First signs were slightly ominous. MacArthur did not go down to meet Gen. Omar Bradley when he arrived half an hour ahead of the Independence, though Bradley, as chairman of the Joint Chiefs of Staff, is MacArthur's superior.

Kept Truman Waiting

When the President arrived in the Independence, MacArthur rode down the air strip in a jeep, and, walking to the plane with Averell Harriman, stopped on the way to pose for the photographers with the result that the President had to stand for a few minutes inside the plane, by the door, waiting for MacArthur to greet him.

The two were guardedly cordial. In contrast, MacArthur remarked to United States Ambassador to

Arthur is not known. What is known is that the President felt strongly that the United States could not afford to risk thousands of expensively trained American soldiers in a war with millions of orientals over Formosa; also, that we must avoid border incidents along the Manchurian and Siberian frontiers at any cost; and finally, that our main hope in China was to make a Tito out of Mao Tse-Tung.

At times the President has been known to get so wound up and engrossed in his subject that he doesn't let the other person put in a word edgewise. He has also been known to get so steamed up that what he says amounts to a bawling-out. Whatever tactics he used with MacArthur, however, the general later gave every appearance of agreement. And afterward the President personally appeared highly pleased.

Talks on Staff Level

After the hour's personal talk, staff discussions followed—in two groups: one the military, the other diplomatic. Ambassador Muccio conferred with the State Department officials who accompanied Truman, while Bradley conferred with MacArthur.

The President at this point indicated that he would let the staffs work out further details and went for a trip around the island.

During the staff talk, MacArthur reported that he expected to clean up the bulk of the Korean fighting by around November 1. He said that he had quit worrying about the Chinese and Russians intervening in Korea, and he was convinced now that they realized it would be foolish to do so.

MacArthur also agreed to the idea of pulling American troops out of Korea as soon as possible, probably after elections in North Korea. He paid tribute to the South Korean army, said they were now rehabilitated, reequipped and competent to defend South Korea.

It was also decided that MacArthur would make an economic survey of Korea, using Army and ECA personnel, in order to report on rebuilding Korea. The report is to be turned in within 30 days and will be sent to the United

French, not any new commitments.

At one point, when President Truman had returned to the staff conference, an important difference of opinion arose regarding Korean President Syngman Rhee. Truman had some rather harsh things to say about Rhee, felt he

the President wanted to hold elections in both North and South Korea as suggested by the United Nations, MacArthur held out for holding elections only in North Korea. Thus Syngman Rhee would remain in power in South Korea until 1952.

It was finally decided that the United States would maintain this

DEPARTMENT OF EXTERNAL AFFAIRS File copy
OTTAWA

~~SECRET~~
October 26, 1950.

No.

Sir,

I enclose the document (s) listed below.

50056.A-40
27 27

I have the honour to be,

Sir,

Your obedient servant,

A.D.P. HEENEY

For the Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
Cypher 44-2673 Secret Teletype of October 26, 1950, from Washington.	China Affairs - Formosa.
LONDON NO. Y-3096 ✓ NEW DELHI NO. Y-689 ✓ KARACHI NO. Y-472 ✓ CANBERRA NO. Y-444 ✓ WELLINGTON NO. Y-369 ✓ MANILA NO. Y-158 ✓ TOKYO NO. Y-896 ✓	

FROM: THE OFFICER IN CHARGE, CANADIAN EMBASSY, NANKING, CHINA
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

S E C R E T

CYPHER - O.T.P.

No. 74

NANKING, October 24, 1950.
(Rec'd: October 26, 1950)

*Original on
50067A-40*

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Secret. As military action in Korea draws to close, opinion in circles of Chinese local officials here is that possibility of China becoming involved has not, repeat not, passed. They point out that:

(a) Great numbers of troops are concentrated in Manchuria within striking distance of Korean border, and

(b) Foreign Minister has said China will not, repeat not, "tolerate seeing its neighbour being invaded by imperialists".

2. There is no doubt but that China has genuine fear of United States due to,

(a) Support of Nationalists in civil war,

(b) Talk of encouraging third group to overthrow present regime, and

(c) Direct interference in Formosa with McArthur - Chiang plans for restoration of Nationalists.

3. There is a growing sense of frustration due to,

(a) Loss of face in being forced to give up plans to "liberate" Formosa this year, and

(b) Refusal by UNO under American leadership to admit People's Government. Coupled with inferiority complex developed in century of relations under (group corrupt) with foreign powers, this frustration could give rise to precipitate and unwise action.

4. While a sour grapes attitude is developing with respect to failure to be admitted to UNO, the one action which could be taken now that would be more effective than any other in preventing an eleventh hour spread of Korean conflict would be immediate

promise of admission of People's Government to UNO and paving way for diplomatic relations with Western powers.

Unclassified Bags 47 and 48 received.

OFFICER IN CHARGE

FROM: THE CHAIRMAN, CANADIAN DELEGATION TO THE UNITED NATIONS
GENERAL ASSEMBLY, NEW YORK
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

IMPORTANT

CYPHER - AUTO

NO. 205

SECRET

NEW YORK, October 20, 1950.

*Refer to
London
Tokyo
New Delhi
Done-mee
Nov. 9/50
File
Admiral*

Copy on 5475-EJ-40

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Secret. Addressed External Ottawa No. 205, repeated Beaver
Washington No. 24.

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Riddell and Collins had lunch today with Menon of the Indian delegation to discuss the proposed United Kingdom resolution on Formosa. As you will recall, we reported in our teletype No. 17 of September 22nd that Dening had sounded out the Indians on the original United Kingdom draft, and said that they were not opposed. The situation does not appear to have changed, and Menon indicated that New Delhi is prepared to support the present draft. He had no suggestions to make regarding possible improvements, but mentioned the fact that they had not wanted too much emphasis placed on consultation with the Formosans. (A reference of this sort in the original United Kingdom draft was deleted at Rau's request.)

2. The Indian position is evidently based on the following assumptions regarding the probable sequence of events:

(a) A Commission will be appointed which will report to the next Assembly in about a year's time;

(b) The question of Chinese representation will be settled during the interval in favour of the Peiping regime; and

(c) The Commission's report will recommend the turning over of Formosa to China. Meanwhile, the Chinese Communists will withhold their fire, in anticipation of a favourable result.

3. Menon said they had hoped that action could be taken on the resolution and a report made in time to achieve results during the present session, but that this was now out of the question, and they

were reconciled to the necessary delay. It was clear from what he said that he had not thought of the draft resolution as involving anything more than a convenient means of joining Formosa eventually with the mainland, and had not considered what the responsibility of the Assembly might be if the timing did not work out as anticipated, or a different kind of report were submitted by the Commission. When these possibilities were mentioned, Menon simply said that if the issue of Chinese representation were not settled in the relatively near future the whole situation in the United Nations would be impossible anyway. It may be, of course, that the Indians are perfectly well aware of the dangers inherent in any such resolution, but consider that they could avoid involvement and responsibility for maintaining the status quo in Formosa in case anything should go wrong.

4. Incidentally, Menon said that they, like ourselves, have endorsed the Cairo decisions and are strongly in favour of a reference to them in the resolution. This is the one point on which we know of any definite divergence of opinion so far, since the Australians have said privately at least that they do not consider themselves bound by Cairo and would like to have this reference deleted.

5. We have received a copy of a tentative United States re-draft of the United Kingdom proposal, copies of which together with a covering memorandum are going forward by bag under form despatch No. 79.

CHAIRMAN

REC'D DOI 17 10: 53

EXTRINSIC RELATIONS
COMMUNICATIONS
OFFICE

*file
Admiral*

EXT. 140

CANADIAN DELEGATION TO THE FIFTH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY

NEW YORK

50056-A-140
27 | 27

October 20, 1950.

No. 79

I enclose the document(s) listed below.

I have the honour to be,

Sir,

Your obedient servant,

The Acting Secretary of State
for External Affairs,
Department of External Affairs,
O t t a w a, Ontario.

*J. B. Pollack
per L.F.*

for Chairman, Canadian Delegation

Description of Document

Subject

2 copies of a memorandum for Mr. Pearson.
2 copies of a modified text of British draft with U.S. additions and changes

Formosa

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OCT 23 1950

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EXTERNAL AFFAIRS
RECEIVED-CLEARED

1950 OCT 23 AM 10:32

TO: DIRECTOR, FBI
FROM: SAC, [illegible]

[illegible]

RE: [illegible]

10/23/50

[illegible]

R. Collins/HMcC

October 19, 1950.

SECRET

MEMORANDUM FOR MR. PEARSON

FORMOSA

Attached is a copy of a "modified text" of the United Kingdom draft resolution on Formosa, with changes and additions suggested by the United States. This was given to me informally this afternoon by Allison, who had not yet had an opportunity to give it to the British - and who asked me to keep it for a day or so before sending it on to Ottawa. As a compromise I sent a copy to Menzies, by bag, under a personal note, explaining the circumstances.

2. The additions to the original text in paragraphs 1 and 4 have been underlined. Paragraph 7, referring to the Security Council, is entirely new. Paragraph 5 (first recommendation) has been reworded to make it clear that its restrictive force bears equally on the Chinese Communists and Nationalists, and to tighten the original by referring to the "adoption by the Assembly of recommendations concerning the problem." For comparison, following is the United Kingdom text:

RECOMMENDS (a) that, pending consideration of the Commission's report by the General Assembly, there should be no attempt to seek a solution of the issue by force,

(b) that Formosa should not be used as a base for attacks on the Chinese mainland.

3. The purpose behind the changes is explained by the United States at the end of the attached text. As Allison pointed out, the United States do not assume that Formosa must inevitably go to the Chinese Communists (at

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least for some time) and wish to stress two considerations in addition to the conflicting Chinese claims: the interests of the Formosans and the maintenance of peace in the Pacific. The implication is that it might be contrary to both considerations to hand Formosa to the Communists in the near future. In support of this Allison maintained that it is by no means clear that the Communists are going to be able to maintain complete control of the mainland; that China may be in for a continuation of the internal disturbances and divisions which have been characteristic of her modern history; and that, in the circumstances, it would not necessarily be wise to transfer Formosa from a moribund claimant to one whose authority is still dubious. (If this represents more than pre-election rationalizing, it makes the solution of both the Formosa problem and of Chinese representation on the United Nations more difficult than ever).

4. The United Kingdom draft had been intended to provide a means of putting the question on ice for the time being, with as limited a commitment as possible on the part of the General Assembly and with the implication that the task in hand is to find a suitable formula which would permit the Chinese Communists to gain control without resort to force. (The United Kingdom officials concerned say privately that force is the only eventual solution and a resolution can only hope to delay this). The United States have now carried the United Kingdom draft to its logical conclusion and amended it to make it quite clear that responsibility for Formosa should be vested in the United Nations. If the Communists do not wait for an Assembly recommendation, the issue would immediately be referred to the Security Council, presumably as a breach of the peace, and then to the Assembly again under the "United Action" resolution. If the United States draft were adopted, it would be difficult for the other members of the United Nations to refuse to accept the responsibility for neutralizing Formosa that is now held by the United States through the Seventh Fleet.

5. As an indication of United States thinking, Allison said that this resolution would not put the General Assembly in the impossible position of trying to handle something beyond its powers. It would be a genuine deterrent, since Peking would hesitate to take action, as in Korea, unless the Chinese Communists and the Russians are ready to start the major war. In other words, the United States would like to equate Formosa with South Korea.

R. Collins

Following is modified text of British draft with our additions and changes:

"Noting (A) that the signatories to the Cairo declaration declared it to be one of their purposes that all the territories that Japan had stolen from the Chinese, including Formosa and the Pescadores should be restored to the Republic of China;

"(B) that no formal act restoring sovereignty to China has yet occurred, although at the end of hostilities with Japan the Chinese Nationalist Government was permitted to assume the administration of the island;

"Recognizing that two parties, both Chinese, at present claim the right to administer Formosa, that there have been threats of an armed attack on Formosa from the Chinese mainland and that Formosa has been used as a base for attacks on the Chinese mainland, and that an attempt to settle the dispute by force or the continuance of attacks on the Chinese mainland from Formosa would heighten international tension at a time when the situation in the Pacific area is already tense as a result of events in Korea, and would be prejudicial to the interests of the people of Formosa;

"Decides to establish a Commission composed of the representatives of (specified states) which, bearing in mind China's claims, taking into account the interests of the people of Formosa, and giving consideration to the maintenance of peace in the Pacific, should study the problem and submit a report to the GA containing recommendations for the future of Formosa and the Pescadores. The Commission should consult all government authorities and parties concerned, including both Chinese claimants;

"Recommends that, pending the study by the Commission and adoption by the GA of recommendations concerning this problem (A) there be no attempt to seek a solution of the status of Formosa by force, (B) Formosa not to be used as a base for attacks on the Chinese mainland;

"Requests both Chinese parties to act in conformity with the recommendations in the preceding para;

"Recommends to the SC that it consider immediately any action in contravention of (A) or (B) of above recommendation with a view to adopting appropriate measures for the maintenance of international peace and security;

"Requests all parties to render every possible assistance to the Commission in the performance of its tasks."

In the first operative paragraph beginning with "decides" insertion

of phrase "taking into account the interests of the people of Formosa" is predicated upon our belief that interests of Formosan people should be mentioned on equal level with China's claim. In addition to China's claim and wishes of Formosans' broad interests of UN in peace of Pacific area also a factor to be taken into account.

Rephrasing of first recommendation is drafting change designed primarily to define more clearly the period during which that recommendation applies.

Department believes desirable that first recommendation of British draft be further strengthened. With this in mind Department has added recommendation referring to SC action as warning to those who might violate recommendation to refrain from use of force.

R. Collins/HMcC

October 19, 1950.

SECRET

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3. The purpose behind the changes is explained by the United States at the end of the attached text. As Allison pointed out, the United States do not assume that Formosa must inevitably go to the Chinese Communists (at

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least for some time) and wish to stress two considerations in addition to the conflicting Chinese claims: the interests of the Formosans and the maintenance of peace in the Pacific. The implication is that it might be contrary to both considerations to hand Formosa to the Communists in the near future. In support of this Allison maintained that it is by no means clear that the Communists are going to be able to maintain complete control of the mainland; that China may be in for a continuation of the internal disturbances and divisions which have been characteristic of her modern history; and that, in the circumstances, it would not necessarily be wise to transfer Formosa from a moribund claimant to one whose authority is still dubious. (If this represents more than pre-election rationalizing, it makes the solution of both the Formosa problem and of Chinese representation on the United Nations more difficult than ever).

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E. Collins

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"(B) that no formal act restoring sovereignty to China has yet occurred, although at the end of hostilities with Japan the Chinese Nationalist Government was permitted to assume the administration of the island;

"Recognizing that two parties, both Chinese, at present claim the right to administer Formosa, that there have been threats of an armed attack on Formosa from the Chinese mainland and that Formosa has been used as a base for attacks on the Chinese mainland, and that an attempt to settle the dispute by force or the continuance of attacks on the Chinese mainland from Formosa would heighten international tension at a time when the situation in the Pacific area is already tense as a result of events in Korea, and would be prejudicial to the interests of the people of Formosa;

"Decides to establish a Commission composed of the representatives of (specified states) which, bearing in mind China's claims, taking into account the interests of the people of Formosa, and giving consideration to the maintenance of peace in the Pacific, should study the problem and submit a report to the GA containing recommendations for the future of Formosa and the Pescadores. The Commission should consult all government authorities and parties concerned, including both Chinese claimants;

"Recommends that, pending the study by the Commission and adoption by the GA of recommendations concerning this problem (A) there be no attempt to seek a solution of the status of Formosa by force, (B) Formosa not to be used as a base for attacks on the Chinese mainland;

"Requests both Chinese parties to act in conformity with the recommendations in the preceding para;

"Recommends to the SC that it consider immediately any action in contravention of (A) or (B) of above recommendation with a view to adopting appropriate measures for the maintenance of international peace and security;

"Requests all parties to render every possible assistance to the Commission in the performance of its tasks."

In the first operative paragraph beginning with "decides" insertion

of phrase "taking into account the interests of the people of Formosa" is predicated upon our belief that interests of Formosan people should be mentioned on equal level with China's claim. In addition to China's claim and wishes of Formosans' broad interests of UN in peace of Pacific area also a factor to be taken into account.

Rephrasing of first recommendation is drafting change designed primarily to define more clearly the period during which that recommendation applies.

Department believes desirable that first recommendation of British draft be further strengthened. With this in mind Department has added recommendation referring to SC action as warning to those who might violate recommendation to refrain from use of force.

CANADIAN DELEGATION



file
Appreciated Important
DELEGATION DU CANADA

SECRET

Thursday, Oct 19, '50

50056 A 10

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Dear Arthur,

This is slightly unusual, but I am enclosing a copy of the U.S. redraft of the U.K. resolution (draft) on Formosa for the General Assembly. The U.K. delegation haven't seen it yet, and I don't want to put it on the teletype officially since Allison asked me to hold it for a day or so until he had an opportunity of giving it to them. I'll send it under a despatch tomorrow.

Also - The bag is closing and I haven't enough stenographic assistance to do more than copy the redraft* (sorry - only the altered or new paragraphs)

The main change is in the reference to the Security Council (new paragraph), and the provision for no action until the Commission's report had been considered "and adopted" by the G.A. You can see the drift of the amendments by comparing the texts.

Must close to make the bag,
Yours sincerely,
Ralph

SECRET

Following is modified text of British draft with our additions and changes:

"Noting (A) that the signatories to the Cairo declaration declared it to be one of their purposes that all the territories that Japan had stolen from the Chinese, including Formosa and the Pescadores should be restored to the Republic of China:

.....

"Decides to establish a Commission composed of the representatives of (specified states) which, bearing in mind China's claims, taking into account the interests of the people of Formosa, and giving consideration to the maintenance of peace in the Pacific, should study the problem and submit a report to the GA containing recommendations for the future of Formosa and the Pescadores. The Commission should consult all government authorities and parties concerned, including both Chinese claimants;

"Recommends that, pending the study by the Commission and adoption by the GA of recommendations concerning this problem (A) there be no attempt to seek a solution of the status of Formosa by force, (B) Formosa not be used as a base for attacks on the Chinese mainland;

"Requests both Chinese parties to act in conformity with the recommendations in the preceding para;

(new) "Recommends to the SC that it consider immediately any action in contravention of (A) or (B) of above recommendation with a view to adopting appropriate measures for the maintenance of international peace and security;

....."

410

FROM: THE CHAIRMAN, CANADIAN DELEGATION TO THE UNITED NATIONS
GENERAL ASSEMBLY, NEW YORK
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

CYPHER - AUTO
NO. 126

SECRET

NEW YORK, October 12, 1950.

*Mr. Murphy Done Oct. 12/50
Mr. [unclear]
Mr. [unclear]
NA [unclear]
Sec. Chief [unclear]
S.S.
Leg. [unclear]
T. [unclear]
London
New Delhi
Cairo*

*To see: [unclear]
McLain
W. [unclear]
file
[unclear]*

50056-A/40
27 | 27

Secret. Addressed External Ottawa No. 126, repeated Beaver Washington No. 16, from Candel.

My telegram No. 17 of September 22nd, Formosa.

1. Following is text of the latest draft of the proposed United Kingdom resolution, Begins:

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NOTING (a) that the signatories to the Cairo Declaration declared it to be one of their purposes that all the territories that Japan had stolen from the Chinese, including Formosa, should be restored to the Republic of China;

(b) that no legal change in the status of Formosa as Japanese territory has yet been effected, although at the end of hostilities with Japan China was permitted to assume the administration of the island,

RECOGNIZING that two parties, both Chinese, at present claim the right to administer Formosa, that there have been threats of an armed attack on Formosa from the Chinese mainland and that Formosa has been used as a base for attacks on the Chinese mainland, and that an attempt to settle the dispute by force or the continuance of attacks on the Chinese mainland from Formosa would heighten international tension at a time when the situation in the Pacific area is already tense as a result of events in Korea, and would be prejudicial to the interests of the people of Formosa,

DECIDES to establish a commission which, bearing in mind China's claims, should study the problem and submit a report to the General Assembly containing recommendations for the

OCT 12 1950

|||

future of Formosa. The Commission should consult with all Governments, authorities and parties concerned,

RECOMMENDS (a) that, pending consideration of the Commission's report by the General Assembly, there should be no attempt to seek a solution of the issue by force,

(b) that Formosa should not be used as a base for attacks on the Chinese mainland;

REQUESTS all parties (a) to act in conformity with (a) and (b) above;

(b) to render every possible assistance to the Commission in the performance of its task.

Text of resolution ends.

2. You will note that the part (a) of the first paragraph of the former resolution, referring to the historical connection between Formosa and China, has been dropped, and that a new part has been added referring to the present legal status of the island. The final request to all parties has also been expanded slightly, asking them to act in conformity with the recommendations.) bD

3. We have noted the doubts which you raised in your telegram No. 544 of September 27th regarding the wisdom of saddling the General Assembly with the task of dealing with the disposition of territories such as Formosa, in which a powerful state has a direct interest, and would appreciate your comments and suggestions on the United Kingdom proposal.

CHAIRMAN

NOV 28 1948

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COMM. 1112
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FILE

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P.G.R. CAMPBELL/RD
Am. & F.E. Div.

SECRET

Ext. 140

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

October 12 19 50

No. Y-829

Sir,

I enclose the document (s) listed below.

50056-A-40	
27	27

The Head of Mission,
Canadian Liaison Mission,
Tokyo, Japan. ✓

I have the honour to be,

Sir,

Your obedient servant,

A.D.P. HEENEY

for the Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT

SUBJECT

Telegram No. 126 of October
12 from New York.

~~Fuzhosa.~~

SIMILAR TO:

London No. Y-2940 ✓

New Delhi No. Y-654 ✓

Canberra No. Y-423 ✓

FILE

P.G.R. CAMPBELL/RD
Am. & F.E. Div.

Ext. 140

760

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

October 10 19 50

No. Y-46

SECRET

Sir,

I enclose the document (s) listed below.

50056-A-40	
27	27

I have the honour to be,

Sir,

The Chairman,
The Permanent Delegation of
Canada to the United Nations,
New York, N.Y.

Your obedient servant,

General Assembly
A.D.P. HEENEY

for the Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
<p>Copy of telegram No. 1927 from London, England, dated October 9, 1950.</p> <p>P.G.R. Campbell/RD Am. & F.E. Div.</p> <p><u>SIMILAR TO</u> Canadian Permanent Delegate to the U.N. No. <u>Y-1322</u> Canadian Ambassador, Washington No. <u>Y-3041</u></p>	<p>Formosa.</p>

Extract from THE NEW YORK TIMES,
Thursday, October 5, 1950.

file
Formosa
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2670

ACHESON DISCUSSES U.N. FORMOSA VISIT

Says a Commission to Study Problem Should Be
Able to Consult Peiping

By Walter Sullivan

LAKE SUCCESS, Oct. 4. - Secretary of State Dean Acheson today proposed that a United Nations commission be established to study the Formosan problem and that it be empowered to visit both that Island and Peiping and consult with whom-ever it deems necessary to arrive at its decision.

The commission should not be a static group in a chamber at Lake Success, listening to witnesses, Mr. Acheson said. It should be able, if it wishes, to consult both Nationalist and Communist leaders, if it so desires, as well as the native Formosans, he declared.

Such a study would require time, he added, and it probably would not be possible for the proposed commission to report its findings until next year's session of the General Assembly.

The Secretary of State spoke briefly on the Formosan problem at a press conference for correspondents covering the General Assembly here. Afterward he elaborated somewhat on his remarks.

The proposal that a United Nations commission be established to study the Formosan problem has not yet been placed before the General Assembly. However, the United States has proposed that the question of the future of Formosa be put on the Assembly agenda.

The Assembly's General Committee is due to meet tomorrow with this United States proposal as its chief order of business.

Mr. Acheson told the press hopefully that there was reason to believe Communist China would not send troops into North Korea. He declined to make a flat prediction, but said that any country seeking acceptance among the nations of the world would not attack United Nations forces.

Comments on U.S. Formosa Step

Mr. Acheson was asked if the U.S. commitment to prevent an invasion of Formosa would end when fighting stopped in Korea. He replied that the original decision to enter the Formosan scene had been out of military necessity and had nothing to do with the future status of that territory.

FILE COPY

A.&F

~~SECRET~~

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

October 4 19 50

No. Y-2940

Sir,

I enclose the document (s) listed below.

50056-A-40
27 | 27

I have the honour to be,

Sir,

Your obedient servant,

The Canadian Ambassador,
WASHINGTON, D.C.

A.D.P. HEENEY

for the Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
Despatch No.298 of September 7, 1950 from Karachi.	Formosa.

FILE COPY

A.&F.E./P.G.R.Campbell/el

1510

SECRET

Ext. 140

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

October 4 19 50.

No. Y-2917

Sir,

I enclose the document (s) listed below.

50056-A-40
27/27

I have the honour to be,

Sir,

Your obedient servant,

The Canadian Ambassador,
WASHINGTON, D.C.

A.D.P. HEENEY,

for the Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT	SUBJECT
Telegram No.1884 of October 2, 1950 from London.	Formosa.

File EXT. 97.

MESSAGE FORM OUTGOING

FILE REF.	

SECURITY CLASSIFICATION
SECRET

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO: THE HIGH COMMISSIONER FOR CANADA,
NEW DELHI, INDIA.

50056-A-40
27 | 27

Message To Be Sent EN CLAIR <input type="checkbox"/> CODE <input type="checkbox"/> CYPHER <i>OTL</i> <input checked="" type="checkbox"/>	No. <i>134</i>	Date October 3, 1950	For Communications Office Use Only SENT -- OCT 03 1950
	Degree of Priority		
ORIGINATOR			
Sig. _____			
Typed: A.R. Menzies / MCC			
Div. Am. & F. E. _____			
Local Tel. 2991			
APPROVED BY			
Sig. <i>A.R. Menzies</i>			
Typed: _____			
Is This Message Likely To Be Published Yes () No ()			
Internal Distribution:			
Done _____			
Date _____			
Copies Referred To:			
Done _____			
Date _____			

Formosa...

Your telegram No. 211 of September 25.

The Minister would have no objection to your showing Bajpai and Nehru a copy of his letter to Acheson. You should point out, however, that this is a personal letter and the Minister would not like it to find its way into the files of the government of India.

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OTTAWA FILE
No.....
SECURITY CLASSIFICATION
SECRET

Letter N~~X~~ 614.....
Date.... October 3, 1950.....

FROM: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA
TO: The Office of the High Commissioner for Canada, NEW DELHI.
Reference: Your despatch No. 394 of September 13, 1950.....
Subject: Sir Girja Bajpai's Views on United States-Chinese Relations..

I have had a copy of your despatch No. 394 of September 13 sent down to the Minister, who is now in New York as Chairman of the Canadian Delegation to the United Nations. Mr. Pearson's attention has been drawn to the fact that Sir Girja Bajpai particularly asked you to report his views to the Minister.

I am sure that Mr. Pearson will be interested to read your despatch because, as you know, he is most anxious that everything be done to prevent deep differences from arising with Asian countries over the China question.

A. R. MENZIES

for the Under-Secretary of State
for External Affairs.

Copies Referred To.....
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Post File
No.....

FILE COPY

Am.&F.E.Div./A.R.Menzies/MCC

October 3, 1950

NOTE FOR HEADS OF DIVISIONS MEETING

50056-A-40
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Formosa

Mr. Menzies said that the United Kingdom Delegation to the General Assembly had circulated a draft resolution on Formosa which, after reciting the assignment of Formosa to China in the Cairo Declaration, proposed the establishment of a Commission to study the problem of Formosa and submit a report to the Assembly containing recommendations for the future. In the meantime, all parties were requested to refrain from seeking a solution of the issue by force. (SECRET)

A.R.Menzies

C O P Y

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EXTRACT FROM PRESS RELEASE GA/668

FIFTH GENERAL ASSEMBLY - GENERAL COMMITTEE - SECOND MEETING
GENERAL COMMITTEE VOTES TO RECOMMEND INCLUSION OF ADDITIONAL
USSR ITEM ON "AGGRESSION AGAINST CHINA" IN ASSEMBLY AGENDA -
APPROVES SETTING UP AD HOC POLITICAL COMMITTEE AND ALLOCATES
AGENDA ITEMS

AT ITS SECOND MEETING, THE GENERAL COMMITTEE THIS MORNING
TOOK THE FOLLOWING DECISIONS:

(1) TO POSTPONE A DECISION ON THE INCLUSION OF THE
ADDITIONAL ITEM PROPOSED BY THE UNITED STATES -- "THE QUESTION
OF FORMOSA" FOR TWO TO THREE DAYS.

THE POSTPONEMENT WAS REQUESTED BY DR. T.F. TSIANG OF CHINA,
WHO HAD ALSO YESTERDAY MADE THE SAME REQUEST. DR. TSIANG SAID
THAT HE HAD NOT AS YET RECEIVED INSTRUCTIONS FROM HIS GOVERNMENT.
HE DID NOT THINK THAT AN IMMEDIATE DECISION ON THE INCLUSION
OF THIS ITEM WAS OF ANY SIGNIFICANCE OR THAT A DELAY OF TWO
TO THREE DAYS WOULD HAMPER THE WORK OF THE GENERAL ASSEMBLY.

THE VOTE ON THE MOTION FOR POSTPONEMENT WAS FIVE IN FAVOR
(CHINA, COLOMBIA, INDIA, THE NETHERLANDS, THAILAND), ONE AGAINST
(AUSTRALIA), AND EIGHT ABSTENTIONS.

(2) TO RECOMMEND THE INCLUSION ON THE ASSEMBLY AGENDA OF
THE ADDITIONAL ITEM PROPOSED BY THE USSR -- "COMPLAINT BY USSR
OF AMERICAN AGGRESSION AGAINST CHINA."

WARREN R. AUSTIN OF THE UNITED STATES SAID THAT IN
ACCORDANCE WITH ITS CUSTOMARY ATTITUDE THE UNITED STATES
DELEGATION WOULD VOTE FOR THE INCLUSION OF THIS ITEM. THE
UNITED STATES, MR. AUSTIN OBSERVED, BELIEVED THAT "IN FAIRNESS,"
EVERY COMPLAINT SHOULD HAVE ITS HEARING.

DR. TSIANG OPPOSED THE INCLUSION, AND DECLARED THAT THERE
WAS "NOT EVEN THE FLIMSIEST PRIMA FACIE CASE" FOR THIS ITEM.

THE VOTE WAS 11 IN FAVOR OF INCLUSION, ONE AGAINST (CHINA),
AND TWO ABSTENTIONS (NETHERLANDS, THAILAND).

C O P Y

EXTRACT FROM PRESS RELEASE GA/665 *m* *File*
Formosa *JBRP*

FIFTH GENERAL ASSEMBLY - GENERAL COMMITTEE - FIRST MEETING
GENERAL COMMITTEE DECIDES TO RECOMMEND INCLUSION OF 69 ITEMS
IN ASSEMBLY AGENDA -- DEFERS ACTION ON TWO OTHERS

(5) TO POSTPONE A DECISION ON THE INCLUSION OF THE SECOND ADDITIONAL ITEM PROPOSED BY THE US -- "THE QUESTION OF FORMOSA" UNTIL AN EXPLANATORY MEMORANDUM HAD BEEN RECEIVED FROM THE US DELEGATION. THIS WAS REQUESTED BY DR. T.F. TSIANG OF CHINA, AND WARREN R. AUSTIN OF THE UNITED STATES AGREED TO THIS PROCEDURE. IN THE DISCUSSION, YAKOV A. MALIK OF THE USSR ASKED MR. AUSTIN TO EXPLAIN WHAT WAS MEANT BY THIS ITEM. IF THE UNITED STATES INTENDED TO ASK THE ASSEMBLY TO DISCUSS THE STATUS OF FORMOSA, THEN, SAID MR. MALIK, THIS ITEM WAS "NOT RECEIVABLE", AND BESIDES, ITS INCLUSION WOULD BE CONTRARY TO ARTICLE 107 OF THE CHARTER. MR. AUSTIN REPLIED BY QUOTING SECRETARY ACHESONS STATEMENT IN THE ASSEMBLY YESTERDAY THAT THE US BELIEVED THAT THE QUESTION OF FORMOSA SHOULD NOT BE SETTLED BY FORCE OR UNILATERAL ACTION, BUT BY THE INTERNATIONAL COMMUNITY, AND AFTER CAREFUL CONSIDERATION BY ALL INTERESTED PARTIES.

MR. AUSTIN ADDED THAT HE WOULD ASK FOR A REFERRAL OF THIS ITEM TO THE POLITICAL AND SECURITY COMMITTEE;

(6) TO POSTPONE DECISION ON THE SECOND ADDITIONAL ITEM PROPOSED BY THE USSR -- "COMPLAINT BY USSR OF AMERICAN AGGRESSION AGAINST CHINA" (DOC. A/1375), UNTIL AN EXPLANATORY MEMORANDUM HAD BEEN RECEIVED FROM THE SOVIET DELEGATION. THE POSTPONEMENT, MOVED BY SIR GLADWYN JEBB OF THE UNITED KINGDOM, WAS VOTED BY 11 IN FAVOR, 2 AGAINST (CZECHOSLOVAKIA, USSR); AND ONE ABSTENTION (IRAN). THE NEW WORDING OF THE ITEM WAS PROPOSED BY THE JAM SAHEB OF NAWANAGAR (INDIA), AND AGREED TO BY MR. MALIK:

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美 國 紐 約 中 華 公 府

CHINESE CONSOLIDATED BENEVOLENT ASSOCIATION

16 MOTT STREET NEW YORK 13, N. Y.

TELEPHONES: WORTH 2-6683-6984

WOODROW CHAN
PRESIDENT

EDWARD Y. T. LIN
EXEC. SECRETARY

lee
Kyu

October 2, 1950

50056-A-1
27 27

Mr. Trygve Lie
Secretary General, United Nations
Lake Success, New York

In re: The future status of Formosa.

Sir:

In behalf of the Chinese-American people in the Eastern United States, we, the undersigned, as leading officers of the several civic and community organizations with headquarters in New York City, wish to take this opportunity to voice our sincere opinions on the issue of Formosa now pending before the United Nations.

We wish to state also that the views and popular sentiments which we present herewith were incorporated in resolutions unanimously adopted at a mass meeting held here in Chinatown, New York City, on August 20, 1950.

With full respect for the moral spirit and guiding principles of the United Nations Charter, we beg to call your fair-minded attention to the following:

We maintain that Formosa should be considered as an integral part of Chinese Territory. Our purpose is to substantiate this most clearly by setting forth the factual and historical evidence (in points 1-2-3) as well as to outline our arguments in terms of recent international agreements and world public opinion.

1. Historically, the island of Formosa was settled by Chinese emigrants from the provinces of Fukien and Kwantung beginning in the year 607 A.D., when the legend has it that Fukien fishermen, who wandered far offshore, discovered mountain ranges towering above the clouds on the Eastern Sea. Since the early part of the 15th century or the early Ming Dynasty, Chinese historical records invariably reported the island of Taiwan (as the Chinese call it) as a Chinese possession or territory, with the exception of the years 1895-1945, when it was wrested from China by Japanese aggressors. This was the reason why the arbitrary annexation of Formosa by Japan in 1895 was hated and challenged relentlessly by the Chinese people until its liberation and return in 1945.

1-12-32(85)

2. It is a well known fact that ethnologically speaking, well over 95% of the population in Formosa are people of Chinese descent who have emigrated to the island since the beginning of the 7th century, or the Sui dynasty in Chinese history. Their language, culture, and customs have always been inseparable from those of their kinsmen on the mainland. The incessant efforts of Japan to colonize and assimilate the Formosan people failed to bring about any appreciable changes in their thoughts and traditions; but on the contrary, these have remained essentially Chinese through the fifty year period of attempted subjugation by the Japanese imperialists.

3. Since the early 15th century Taiwan (meaning "the fort on the sea curve"), i.e. Formosa, and the Pascadores have been recorded steadily as Chinese possessions or tributary countries. The geographical proximity, coupled with their racial and cultural ties with the Chinese mainland, placed these islands in a mutually interdependent position with respect to China. Thus, in practically every Chinese geography book published during the past five centuries, Formosa was treated invariably as a Chinese dependency or territory. In 1782 the Emperor Chien Lung formally incorporated the island into the province of Fukien on the mainland to be administered by a district governor, or a tao-tai.

Now, the restoration of Formosa to China not only has been the object of undivided demand by the Chinese people, but also has been favored by public opinion in all the civilized world. The now famous Cairo declaration in December 1943, later reaffirmed by the Potsdam Conference, that "Manchuria, Formosa and the Pascadores shall be restored to the Republic of China", has been universally approved by both Chinese and world opinion.

In truth, ever since the Sino-Japanese conflict of 1895, the loss of Formosa to Japan has been the foremost object of popular indignation in the minds of the Chinese people. Up till the Japanese invasion of Manchuria and Shanghai in 1931, Chinese patriots all over the world regarded the restoration of Formosa as the key issue in China's troubled relations with her aggressive neighbor. To rob China of her chief prize of victory or revenge over Japan, after she has fought so valiantly and determinedly for a period of fifteen years (1931-1945) and at enormous costs in lives and property destroyed by the Japanese invaders, is surely to sow the seeds of international dissension and animosity that might erupt into another world conflict.

Furthermore, the general feeling among the Chinese people is that the current suggestion that the future status of Formosa be made a subject for investigation and consideration by the United Nations is both legally untenable and practically unsound. For if that were to be the case with Formosa, why not also bring up to question the future status of Southern Sakhalin and the Kuriel Islands, which were occupied by Russia, and the numerous Pacific Islands such as Saipan, Marshall and Caroline groups, which were occupied by the U.S., after the surrender of Japan?

Mr. Trygve Lie

-3-

In conclusion, on the basis of the foregoing statement of facts and reasonings, we feel conscience-bound to submit our honest belief and true feeling on the status of Formosa, i.e. Historically and juridically the island should be considered as an integral part of China, and that any proposal to separate or detach it from the Chinese nation under any form or pretext, is bound to be regarded by the Chinese people as an unjust act, in violation of their nation's vital rights and interests. We, therefore, wish to state for your kind attention and consideration that each one of the suggested plans, such as, to place Formosa under a United Nations Mandate or trusteeship, to set it free and independent, or to give it back to Japan, should be dismissed as basically misguided and unwarranted plots that are fraught with dangers of future troubles and destined to be refuted by world-wide public opinion.

Respectfully yours,

THE CHINESE CONSOLIDATED BENEVOLENT ASSOCIATION, INC.

By W. H. H. Lee 李中河
President

The Chinese Chamber of Commerce
154 Canal St., NYC By Young Nai Lee
President

The Lin Sing Association Inc.
47 Mott St., N.Y.C. By Paul D. Lim 練天然
Chairman

The Ming Yong Association Inc.
9 East Broadway
NYC By K. G. Lee
Chairman

The On Leong Merchants Association
41 Mott St., NYC By Chan Jork
Chairman

The Hip Sing Association Inc.
16 Pell St., NYC By Dick Wong
Chairman

The Kuo Ming Tang
167 Canal St., NYC By Y. S. Wong
Chairman

Ming Chi Tang
22 Mott St., NYC By Y. K. Moy
Chairman

CHINESE SEAMEN'S UNION
#2 Soberys Street, NYC

By Henry T. Chan

CHINESE COMMUNITY CLUB

By Arthur Lee, MD

TSUNG TSIN ASSOCIATION
20 E. B'way, NYC

BY Chun Saon Yin

TAI FUN BENEVOLENT ASS'N
47 Bayard St., NYC

BY Woodward Lee

KANG JAI ASSOCIATION
86 Schermerhorn St.
Brooklyn, N.Y.

BY Chan A. Kim

AMERICAN LEGION, Kim Lau Post
196 Canal St., NYC

BY Mon Jank Lee

CHINESE AMERICAN RESTAURANTS ASS'N
173 Canal St., NYC

BY Chung Sa Ping

CHINESE WOMEN'S ASSOCIATION
64 Mott St., NYC

BY Mrs. S. F. Lee - S. Y. Yeung
李揚素景

FUKIEN BENEVOLENT ASSOCIATION
175 Canal Street, NYC

BY Chao-Ming Chen Pres.
Lou S. T. Lin Exec. Vice-Pres

HOP SAM ASSOCIATION
42 Mott Street, NYC

BY Samuel Chay

SAM KIANG ASSOCIATION
22 E. Broadway, NYC

BY Peter Shen

CHINESE HAND LAUNDRY ASS'N
196 Canal St. NYC

BY G. Ping He

CHINESE FIRST PRESBYT. CHURCH
225 E. 31st St., NYC

BY K. C. Yung (Rev.) 楊可

TUNG ON SOCIAL CLUB
1) 10 Chatham Sq. NYC

BY Mon Shew Shee

CHINESE MUSICAL & THEATRICAL
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LUN YEE ASSOCIATION
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BY Harish Gindge

CHUNG SHAN ASS'N
12 Bowery

BY Edward Chin

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15 Bowery, NYC

BY Kuan Dick Eng

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(89 E. B'way, NYC

BY George Wang

YEE SHAN CLUB
182 Park Row, NYC

BY Yeung Fook Yip

KING LUN ASSOCIATION
~~15 Bowery, NYC~~
12 Mott St

BY Edward Chin

NUM SHUN ASSOCIATION
100 Bowery, NYC

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195 Canal St., NYC

BY Chan Jock

CHOW LUN LIN YEE ASS'N
173 CANAL St.

Lee Chin

YAN PING GUNG ~~Ass~~
87 Broadway, N.Y.C.

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L. Ho Long

LEE'S FAMILY ASS'N
L 18 Mott St., NYC

BY William Lee

SOO YUEN TONG
68 Mott St.

BY Fong Wick

GEE HOW OAK TIN ASS'N
62 Bayard St.

Chai Sney King

Mr. Trygve Lie-United Nations

P. 6

CHOW LUN LIN YEE ASS'N
173 Canal St., NYC

BY Wai Tai Lam

Chinese Dramatic & Benevolent Assn
169 Canal Street, City

BY Frank H. G. Joy

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BY J. G. Howe

Seeto Family Association

BY Sing Yee Seto

譚錫金

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Date 10/6/90

affairs

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R. R. R. R. R.
M. A. S. S. S.

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TREASURER DR. B. A. GARSIDE • SECRETARY MR. MARVIN LIEBMAN

THE COMMITTEE OF ONE MILLION
Against the Admission of Communist China to the United Nations

SUITE 909 • 79 MADISON AVENUE, NEW YORK 16, NEW YORK • MURRAY HILL 5-0190

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*For Eastern
for info.*

JL 50056-A-40

May 11, 1962

Dear Friend:

This letter is to ask you to join in lending your financial support to the work of our Committee Of One Million. The coming months will be crucial to our efforts to maintain continued American opposition to the admission of Communist China to the U.N. or any other steps which might build the power and prestige of the Peiping regime.

We earnestly believe that our Committee's work during the past years has played a large part in mobilizing and maintaining the American people's steadfast resolve to protect and strengthen a critical area of our national security which is threatened by the aggressive rulers of Communist China. We enclose a brief report of our work last year. Of particular interest was the successful national circulation of a Petition which was signed by more than 1,250,000 Americans and was endorsed by 351 Members of Congress; 55 Senators and 296 Representatives; 171 Democrats and 180 Republicans.

Since the beginning of this year, our Committee has published and reprinted pertinent material which is being widely distributed throughout the country. This distribution helps to keep the American people informed on the great issue at stake. It serves to arm citizens with the facts to counter the continuing campaign of a small group of American individuals, organizations and publications which would have the United States offer substantial concessions to Communist China in terms of admission to the U.N., diplomatic recognition, trade or other relations. Thanks to the generosity of our friends throughout the country, we have lowered our financial deficit substantially and are now prepared to go ahead with a vigorous national program.

This year is a national election year. The fifty states will elect Representatives and Senators. Those who are elected will be entrusted with maintaining our present policy toward Communist China which, we believe, reflects the sentiments of the overwhelming majority of the American people. In order to keep the electorate informed, we wish to give each individual running for federal office the opportunity to declare publicly his views on Communist China. We plan to do this by circulating a statement (which served as the text of our Petition, and is printed on the reverse side of our letterhead) to all candidates for federal office with a request that they join in giving it their endorsement. This will be one phase of our work during the coming months.

Our Committee must depend on the financial support of public-spirited Americans such as yourself to carry on our work. We can hold the line if funds are available. If not, then our work must be seriously curtailed or even discontinued. We hope that you will take this opportunity to send us your contribution

Sincerely yours,

Warren R. Austin

Warren R. Austin

Charles Edison

Charles Edison

Joseph C. Grew

Joseph C. Grew

H. Alexander Smith

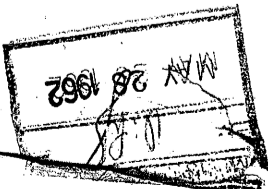
H. Alexander Smith

*Statement submitted by the Committee Of One Million to the Congress of the United States
and signed by 1,250,000 Americans.*

We continue to oppose the seating of Communist China in the United Nations, thus upholding international morality and keeping faith with the thousands of American youths who gave their lives fighting Communist aggression in Korea. To seat a Communist China which defies, by word and deed, the principles of the U.N. Charter would be to betray the letter, violate the spirit and subvert the purposes of that Charter. We further continue to oppose United States diplomatic recognition or any other steps which would build the power and prestige of the Chinese Communist regime to the detriment of our friends and allies in Asia and of our national security. Any such action would break faith with our dead and the unfortunate Americans still wrongfully imprisoned by Communist China and would dishearten our friends and allies in Asia whose continued will to resist Communist China's pressures and blandishments is so vital to our own security interests in that part of the world.

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THE COMMITTEE OF ONE MILLION
Against the Admission of Communist China to the United Nations

SUITE 909 • 79 MADISON AVENUE, NEW YORK 16, NEW YORK • MURRAY HILL 5-0190

MEMORANDUM

January, 1962

TO: Steering Committee

FROM: Marvin Liebman, Secretary

RE: Report on Activities and Progress during 1961.

We begin this report with a conclusion - a conclusion which we are happy to announce. On December 15, 1961, the General Assembly of the United Nations rejected a Soviet Resolution to seat Communist China. Forty-seven nations joined with the United States in voting against the admission of Red China; 37 voted for admission; 19 abstained. This was a clear-cut victory!

A large factor in achieving these gratifying results was the constant enunciation of American public opinion in opposition to the admission of Red China to the U.N. The sentiments of the American people were brought to the attention of the United Nations time and again through the efforts of the Committee of One Million. Of particular importance was the tremendous Congressional support received by our Committee. All of us associated in this endeavor have reason to be proud of our work during the past year and to feel satisfied with the results of our efforts.

Of added interest - and of equal importance to the vote against seating Red China - was another action taken by the General Assembly which stated that the matter of Chinese representation is an "important" question, and therefore any action must receive the affirmative votes of two-thirds of the General Assembly. This Resolution gives us another weapon in our continuing efforts to keep Red China out of the U.N.

Although we have achieved a substantial victory, the fight is far from over. Those individuals and groups which advocate the admission of Communist China to the U.N. - both overseas and in the United States - have suffered what they consider only a temporary setback. They have not given up! They will continue to exert every effort to achieve international recognition of the Peiping regime through advocacy of various preliminary steps to achieve their ultimate end. Among the ideas which will be promulgated over the next months will be: increased pressure for a "two-China" policy, i.e., recognition of both the Peiping regime and Free China as two separate entities; advocacy

of increased Free World trade with Red China; a campaign to establish trade and cultural relations between the United States and Red China; continuing efforts at fostering United States diplomatic recognition of the Peiping regime; continued promotion of the concept of a "split" between Communist China and Soviet Russia; etc.

An example of this new drive was the lead editorial which appeared in THE NEW YORK TIMES of Friday, December 29th, 1961 entitled "A Policy For China." In its editorial, THE TIMES came out flatly for United States diplomatic recognition of Red China and concluded by saying "...we shall at least have adapted our diplomacy to the reality of the existence of two Chinas." THE NEW YORK TIMES editorial is a harbinger of more to come.

As Americans who are dedicated to preserving the security of our nation against the massive threat posed by Communist China, we must keep alert to such moves and counter them in every way possible during the months ahead. The work of the Committee Of One Million is far from over. Indeed, our work will become even more difficult during the months ahead. We still require the support and cooperation of all Americans who believe with us that Communist China is our enemy and, as a matter of self-preservation, we must do everything possible to keep its power from growing.

What follows is a brief report of our activities during 1961:

CONGRESSIONAL SUPPORT

Recognizing the importance of public support of our Committee by the Congress of the United States, we exerted every effort to enlist such Congressional participation. Our Committee was uniquely successful. In January, 1961, the following Statement was submitted to all Members of Congress by the Committee with a request that they lend their endorsement:

WE CONTINUE TO OPPOSE THE SEATING OF COMMUNIST CHINA IN THE UNITED NATIONS, THUS UPHOLDING INTERNATIONAL MORALITY AND KEEPING FAITH WITH THE THOUSANDS OF AMERICAN YOUTHS WHO GAVE THEIR LIVES FIGHTING COMMUNIST AGGRESSION IN KOREA. TO SEAT A COMMUNIST CHINA WHICH DEFIES, BY WORD AND DEED, THE PRINCIPLES OF THE U.N. CHARTER WOULD BE TO BETRAY THE LETTER, VIOLATE THE SPIRIT AND SUBVERT THE PURPOSES OF THAT CHARTER. WE FURTHER CONTINUE TO OPPOSE UNITED STATES DIPLOMATIC RECOGNITION OR ANY OTHER STEPS WHICH WOULD BUILD THE POWER AND PRESTIGE OF THE CHINESE COMMUNIST REGIME TO THE DETRIMENT OF OUR FRIENDS AND ALLIES IN ASIA AND OF OUR NATIONAL SECURITY. ANY SUCH ACTION WOULD BREAK FAITH WITH OUR DEAD AND THE UNFORTUNATE AMERICANS STILL WRONGFULLY IMPRISONED BY COMMUNIST CHINA AND WOULD DISHEARTEN OUR FRIENDS AND ALLIES IN ASIA WHOSE CONTINUED WILL TO RESIST COMMUNIST CHINA'S PRESSURES AND BLANDISHMENTS IS SO VITAL TO OUR OWN SECURITY INTERESTS IN THAT PART OF THE WORLD.

Some 351 Members of Congress endorsed the Statement: 55 Senators and 296 Representatives; 171 Democrats and 180 Republicans. A full page advertisement was taken in the WASHINGTON POST in February, 1961 which quoted our Committee's Statement and the names of its Congressional endorsers. Publication of the advertisement had considerable impact - particularly in U.N. circles and in the new Administration. As a direct result of our campaign, a unanimous and Concurrent Resolution was passed by both the House and Senate in the summer of 1961 opposing the admission of Communist China to the U.N. Thus, our private citizens' endeavor became an official action of the United States.

PETITION CAMPAIGN

In April, 1961, in order to give individual Americans the opportunity to take public action on the question of the admission of Communist China to the U.N. - or recognition of the Peiping regime by the United States - our Committee began the nationwide circulation of a Petition directed to President Kennedy. The response to our Petition campaign surpassed our most optimistic expectations. By December 10, 1961, the signatures of over 1,250,000 Americans had been gathered and transmitted to the appropriate authorities. While Congress was still in session, our office transmitted the signatures to the Senators of the fifty states and, in turn, they were sent to the White House. After Congress adjourned, signatures were sent directly to President Kennedy through the offices of the U.S. Delegation to the U.N. There is no doubt that this Petition campaign exerted a great influence in stiffening the United States stand against the admission of Red China to the U.N.

"RED CHINA - OUTLAW!"

On August 17th the Committee Of One Million released a 30 minute, 16 mm black and white sound documentary film entitled "Red China-Outlaw!" The film was narrated by Lowell Thomas. Appearing in the film were Senators Thomas J. Dodd and Paul H. Douglas; Congressman Walter H. Judd and U.S. Narcotic Commissioner Harry J. Anslinger. This film helped further to mobilize American public opinion and action on the issue of our concern. Some 270 prints of the film were circulated throughout the country and shown before local organizations. We estimate that over two million Americans have already had the opportunity to view the film.

CARNEGIE HALL RALLY

On September 21, 1961, the Committee of One Million held a mass public rally in Carnegie Hall, New York City, against the admission of Communist China to the United Nations. The Rally was addressed by Senator Thomas J. Dodd; Representatives Walter H. Judd and Francis E. Walter; William F. Buckley, Jr.; Dr. Daniel A. Poling; Bishop John W. Comber, M.M. Messages were received from hundreds of distinguished American leaders including former Presidents Herbert Hoover and Dwight D. Eisenhower; Senator Barry Goldwater; Richard M. Nixon; and Admiral Arthur W. Radford.

Madame Chiang Kai-shek made a special tape recording which was played at the Rally. Representatives of various U.N. delegations were present. This most successful public meeting was influential in showing U.N. delegations at first hand the deep sentiments of the American people on this issue.

PUBLICATIONS

During 1961, the Committee Of One Million published various original pamphlets and reprints which were distributed by the hundreds of thousands throughout the United States. This literature was effectively used as ammunition on the local level by Americans who wished to take public action.

Among these publications were: "The United States and China" (a reprint of a 1951 address by Dean Rusk); "A History of the Committee Of One Million" (from its inception in 1953); reprints of a special interview granted the Committee Of One Million by President Chiang Kai-shek; "Should the Chinese Communists be Admitted into the United Nations", an examination by Geraldine Fitch; "Admit Red China At Your Peril!" by Adm. Arthur W. Radford (a reprint from the Reader's Digest). Further, in cooperation with the American Asian Educational Exchange, the Committee distributed some 50,000 copies of "China and United States China Policy" by Dr. Stanley K. Hornbeck; and "What China Policy" by Professor Vladimir Petrov of Yale.

OTHER ACTIVITIES

The above are some of the main points of our work during 1961. In addition, our Committee issued press releases; carried out correspondence throughout the country and the world to mobilize action against Red China being admitted to the U.N.; provided material and information to groups from the 50 states to help them mobilize local action, etc. The Committee Of One Million undertook the responsibility of mobilizing and articulating American public opinion against seating Red China in the U.N. and did everything within its power to carry out these responsibilities successfully.

FINANCES

During 1961, The Committee Of One Million received \$79,076.74 in contributions. We expended this amount and also incurred a deficit of \$23,108.98, which we must meet if we are to continue operating in 1962. One of our major problems has been the lack of adequate and, in particular, prior financing. What with our new responsibilities, it would be of the greatest possible value if we could have maximum funds in hand in advance so that we might properly plan our program and expenditures.

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[SDP 10/1/1]

CIRCULAR No. V 2

PASSPORT CONTROL DEPARTMENT,
Foreign Office,
January 24, 1962.

**Applications for Visas to visit the United Kingdom or Colonies
by Chinese in possession of Nationalist Travel Documents**

Circular No. V 182 of December 23, 1960, refers.

Although Her Majesty's Government do not recognise the Chinese Nationalist authorities in Formosa, it has been the practice in suitable cases to grant visas on affidavits to allow holders of Nationalist travel documents to visit the United Kingdom or Colonies. In order to make clear the United Kingdom policy in this respect, set out below are some of the considerations involved when the Foreign Office decide whether or not to recommend to the Home Office that visas should be authorised.

2. *Private persons:* Assuming that they are personally acceptable, visas are normally granted to private individuals (businessmen, tourists, students, &c.) if they can produce satisfactory evidence of the purpose of their visit to support their applications, have reasonable financial means, and adequate "returnability".

3. *Groups:* In the case of groups of Chinese holding Nationalist travel documents, visas are normally granted on the conditions mentioned in paragraph 2 above, unless the group is known to be an official mission or is openly sponsored by the Nationalist authorities. The Home Office are normally asked to consider the

To Her Majesty's Consular Officers
authorised to grant visas, and
Visa Officers.

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refusal of visas in the case of groups whose movements have been publicised (in Formosa, Hong Kong or elsewhere) as being "Government-sponsored".

4. *Nationalist officials*: Are normally granted visas for private visits to the United Kingdom on the same conditions as private individuals, provided that the Foreign Office are satisfied that the visit concerned is genuinely unofficial. Applications by politicians and senior Nationalist officials to make private visits will be judged in the light of the circumstances prevailing at the time, bearing in mind the importance of not giving grounds for a suspicion, however ill-founded, that such visits have any political significance.

5. Since the Nationalist authorities are at present seated as the representatives of China at the United Nations, Nationalist officials who wish to come to the United Kingdom on United Nations business are normally granted visas. In these cases, as in other cases of Nationalist officials, visas when authorised may be issued *gratis* on courtesy grounds as appropriate, but no diplomatic visas will be granted. (All visas for holders of Nationalist passports must be issued on affidavits). Visa applications by members of the Chinese (Nationalist) Mission at the United Nations who wish to visit this country for reasons not connected with the United Nations are considered as in paragraph 4 above.

6. "*Third Country Trainee Scheme Students*": Under this scheme American funds are provided for trainee students in a country other than the United States of America. In practice most students from Formosa are Government officials staying in the United Kingdom for two or three weeks. The Foreign Office normally recommend that they be granted visas provided that their stay is a brief one, but the British Council have been asked to refer to the Foreign Office for applications from such students for periods of about one month or longer.

7. *Nationalist visitors to Colonies*: As the Nationalist authorities are at present particularly anxious to make contact with the Governments of Colonial territories emerging to independence, and on occasion seek to do this through ostensibly non-official individuals and groups, particular care has to be taken over visa applications by holders of Nationalist passports who wish to visit such territories. It is important that any grounds for believing that an individual or group may have a function other than the one declared, or that the person or persons concerned is or are "Government-sponsored", should be reported when the visa application is forwarded to the Government concerned.

J. G. NICHOLSON.

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DEPARTMENT OF EXTERNAL AFFAIRS

File 5005
7

Subject

Date

Publication

Text of Kennedy-Chen Communique

WASHINGTON, Aug. 20.—The text of a communique issued today by President Kennedy and Chen Cheng, Vice President and Premier of the Republic of China.

President Kennedy and Vice President Chen have concluded a series of cordial and constructive talks on a broad range of international problems and matters of common interest to the Governments and peoples of the United States and the Republic of China.

Foreign Minister Chen (Chang-kung), Secretary of State Dean Rusk, Ambassador to the Government of the Republic of China (George K. C. Tang), Ambassador (Edward P.) Drumright, and other Chinese and United States officials participated in the conversations, which were characterized by a spirit of understanding and mutual interest consonant with the deep and lasting friendship between the two peoples.

The President, who at his personal initiative had invited the Vice President to the United States for these discussions, welcomed this opportunity to reaffirm the close ties between the Governments and peoples of the United States and the Republic of China.

In their review of the world situation, the President and the Vice President agreed that while Berlin is the current focus of world attention, this problem can be evaluated only against the background of the world-wide Communist challenge.

They agreed that although the free world has made serious efforts to relax world tensions, the belligerency of the Communist bloc has thus far rendered these efforts fruitless. They further agreed that free-world interests require the continued presence of free-world forces in West Berlin and the maintenance of the security and the vitality of West Berlin.

The President and the Vice President discussed at length the present situation in

and expressed their concern over the future of Laos.

The President stated that while he is hopeful that the Geneva conference on Laos will result in the emergence of a truly neutral and independent Laos, the United States will not support any arrangement which would result in Communist domination of that country.

The President stated that the United States is determined that the Republic of Vietnam shall not be lost to the Communists for lack of any support which the United States Government can render.

The President and the Vice President welcomed the announced policies of the new Korean Government to continue its partnership with the free world, to oppose communism, and to attack the economic problems that face the Korean people.

In their discussion of Chinese representation in the United Nations there was a candid and comprehensive exchange of views on all relevant issues, including the pending application for United Nations membership of Outer Mongolia and Mauritania.

U. S. Backs Taiwan

The President reiterated firm United States support for continued representation of the Republic of China in the United Nations, of which she is a founding member. He also reaffirmed the United States determination to continue to oppose admission of the Chinese Communist regime to the United Nations.

The President and the Vice President expressed their intention to support the admission to the United Nations of the nations emerging into independence which meet the qualifications set forth in the Charter.

In this connection they noted with concern the Soviet veto which has frustrated the admission of Mauritania. The Vice President declared that the Republic of China has consistently supported admission of the newly independent states and that it will continue to support the

Opposed admission of Mauritania

The President and the Vice President reviewed conditions in the Chinese mainland. In the economic field they noted that Communist mismanagement, unworkable agricultural policies, and the commune system have brought serious food shortages and grave hardships to the Chinese people.

They noted that reports from refugees and visitors indicate the magnitude of the apathy, discontent, and disillusionment on the mainland of China. They agreed that these developments provide vivid proof that the Communist regime cannot meet the genuine needs and desires of the Chinese people for economic and social progress.

U. S. Aid Decreased

The President and the Vice President discussed United States assistance for the continued economic growth of Free China. The President noted the remarkable achievements of the past ten years in Taiwan, which have brought unprecedented improvements in the standard of living in public health and education, and in industrial and agricultural output.

He noted that, in contrast with the disregard for human rights manifested by the Chinese Communist regime, this record was accomplished without violence to the great traditions and human values which have been cherished throughout history by the Chinese people.

The President confirmed the intention of the United States Government to continue its military aid program in the Republic of China and to provide substantial assistance to the Republic of China in support of its economic development program designed to achieve accelerated social and economic progress for the welfare of the people of Free China.

In conclusion, the President and the Vice President recognized the importance of further strengthening the close cooperation and coordination of both countries in matters affecting their common security interests.

*Mr. Hilborn to see
J.H.W.*

*Please see p 3
lee
20/5*

CONFIDENTIAL

May 19, 1961.

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MEMORANDUM TO THE MINISTER

Status of Formosa

 In the attached letter to you of April 29, Dr. K.H.W. Hilborn of Mount Allison University, Sackville, New Brunswick, expresses the hope that Canada will continue "to oppose the expulsion of Nationalist China in favour of a Communist delegation" at the United Nations, for he feels that to recognize the Communist Government as the legitimate representative of China at the United Nations would mean acknowledging that the Communist Government is the legitimate government of Formosa. Dr. Hilborn cites statements made in the House of Commons in 1952 by Mr. Pearson to the effect that Formosa is legally part of China.

2. As you know, the present legal status of Formosa is unclear and has been the subject of considerable discussion. The Cairo Declaration of December 1943 asserted that "all the territories Japan has stolen from the Chinese, such as Manchuria, Formosa and the Pescadores, shall be restored to the Republic of China", but this was a declaration of intent rather than a conveyance. By the Treaty of Peace with Japan, Japan renounced any right to Formosa and the Pescadores, but they were not conferred upon anyone else by the Treaty and the present legal status of Formosa remains debatable.

3. However, it does not appear necessary to take a position on the legal status of Formosa in order to deal with the matter of primary concern to Dr. Hilborn, which is to the yielding of control over the people of Formosa to the Communist Government. This question has been dealt with directly in a statement which you made in the House of Commons on April 26 of this year in .*

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--- which you voiced your concern for the people of Formosa in the
China - Formosa dispute. I attach for your signature, if you
agree, a reply to Dr. Hilborn based upon this statement. As
the Formosa - China problem in all its aspects is of considerable
importance at the present time and is receiving careful study,
it does not appear desirable in replying to Dr. Hilborn to go
beyond the public statements which have already been made on
this subject.

Spent
by SSEA
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sent 23/5
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N.A.R.

J. W. ...

Ottawa, May 19, 1961.

Dear Dr. Milburn,

Thank you for your interesting letter of April 29 on the question of Chinese representation at the United Nations and its possible bearing on the liberty of the inhabitants of Formosa. I am sorry that my absence from Ottawa at the NATO Foreign Ministers Meeting and the Geneva Conference on Laos has prevented me from replying before now.

The problem of the representation of China at the United Nations is, as you know, an exceedingly complicated one and one which is occupying the minds of a great many people at the present time. While the solution to this question has not yet been found, I can assure you that I share your concern over the effect which the ultimate decision may have upon the millions of inhabitants of the Island of Formosa. I had occasion as recently as April 26 of this year to discuss this very problem in the House of Commons, at which time I made the following remarks:

"Changes keep occurring everywhere, and certainly the question of Red China is one of the most interesting and important questions now under consideration by the External Affairs Department. Everyone knows the policy we have adopted, and if and when there is a change in that policy it will be announced in the ordinary manner. One fact Canadians should remember is that there are a great many people living on Formosa who are native Formosans. No one is anxious to have

April 26/1961

E. H. W. Milburn, M.A., D.Phil.,
Department of History,
Mount Allison University,
Sackville, New Brunswick.

W. J. ...

lb.
MAY 24 1961

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them turned over to Red China. I think this would be a disastrous move to make, yet Red China is not interested in recognition or entry into the United Nations unless her right to take over Formosa is accepted. This, of course, has been one of the very big obstacles in the way of taking steps to change the present situation. Eventually, the wishes of the people of Formosa will have to be an important factor. In considering this whole question, I suggest that it would be wise for Canadians not to forget the important factor of Formosa in the whole picture."

I hope that what I said then will serve to reassure you as to my own views on the question.

Yours sincerely,

HOWARD GREEN

Department of History *Far Eastern*
MOUNT ALLISON UNIVERSITY
SACKVILLE, NEW BRUNSWICK

SEEN BY THE MINISTER

for copy
April 29, 1961. *1/5*

Hon. Howard Green, M.P.,
Secretary of State for External Affairs,
Department of External Affairs,
Ottawa, Ontario.

SEEN BY THE MINISTER

Dear Mr. Green:

I am writing to express my hope that on the issue of Chinese representation in the United Nations, Canada will continue in 1961 to oppose the expulsion of Nationalist China in favour of a Communist delegation. It seems to me, indeed, that Canada should not merely use her own vote to resist expulsion of the Nationalists, but should exercise all the influence at her disposal in friendly capitals - for example in London - to create a majority in the General Assembly against the admission of the Communists to the Nationalists' seat.

You may recall that in the House of Commons on April 1, 1952, Mr. Lester Pearson - speaking for the Canadian Government - made the following assertions: "we have subscribed to international agreements recognizing Formosa as part of China . . . we recognize that now sovereignty legally resides in China . . . legally Formosa is part of China." (See the Canadian House of Commons Debates, Session of 1952, Vol. I, p. 1009.)

Now if Formosa is really "part of China" as Mr. Pearson said, and if the Communists are granted the Chinese seat in the United Nations as the one legitimate Government of China, then it follows that the United Nations must be recognizing the Communists as the legitimate Government of Formosa.

Such an outcome would obviously be intolerable. As a very minimum, in my opinion, Canada should make it clear to the world that any admission of the Mao Tse-tung dictatorship to the United Nations would have to be conditional on a Communist renunciation of claims to Formosa. If the Red dictatorship is admitted without such a condition being imposed, the United Nations will be strengthening Mao's hand in the Formosa question; and there would be little point in a free nation such as ours continuing to support an organization which deliberately attacked and jeopardized the liberties of 10,000,000 people.

Yours faithfully,

K.H.W. Hilborn

K.H.W. Hilborn, M.A., D.Phil.

MINISTERS OFFICE
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FOREIGN TRADE SERVICE

Letter No. 44
FILE.....

P.O. Box 126,
Hong Kong.

August 11, 1959.

Under-Secretary of State for External Affairs,
Ottawa, Ontario,
Canada.

Mr. Collins
Mr. Pope Dear Sir:

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File

VISIT TO TAIWAN OF ERIK DURSCHMIED

J.R. Sharpe
/dl

Mr. Erik Durschmied, a Canadian freelance T.V. producer who concentrates on programmes for the C.B.C. Wednesday evening show, "Close-up", stopped over here for a day and a half on his way back to Canada from a brief visit to Taiwan. While there, he recorded a number of interviews, the most interesting of which were with Chiang Kai-shek and Admiral Smoot. He expects his half hour programme to be on "Close-up" towards the end of August or early in September and I believe it might be worth while watching, not so much for the views presented as for the forcefulness with which they were advanced. Briefly the following are the more interesting points brought out in the interviews with Chiang and Smoot.

2. The Chiang interview lasted exactly 17 minutes and took the form of questions and answers, the questions having been submitted in advance. When asked if the Nationalists would return to China, Chiang naturally replied in the affirmative and argued that this would be possible as a result of internal collapse and revolution in China. When asked if the Communists would attack the offshore islands again, Chiang again replied in the affirmative and confidently stated that the Nationalists would repel these attacks without any difficulty. In answer to a further question on this subject he asserted that no global war would result from such military action. Mr. Durschmied pointed out that a recent public opinion poll in Canada had showed that 43% of the Canadian population opposed recognition of the Communist government of China and 32% favoured it and asked for Chiang Kai-shek's comments. Chiang expressed the view that Canadians would continue to be sensible in this matter with the majority continuing to oppose recognition of the Communists. He also pointed out that only a minority of governments throughout the world had recognized them and stated that this would continue to be the case.

3. The major point of interest brought out by Admiral Smoot was that the United States had demonstrated clearly to the Chinese Communists last August that they would support the Nationalists in the offshore islands and, according to Durschmied, he was absolutely unequivocal and extremely emphatic in stating that the United States would not permit the Communists to take the offshore islands should they attempt to do so. He also said that in last year's demonstration of American power to the Communists it had been obvious that the United States could deploy tremendous power speedily anywhere in the Pacific and for this reason he argued that the Communists would not again seriously attack the offshore islands.

4. Durschmied visited Quemoy and recorded interviews there with one or two local inhabitants and a Catholic priest. He was greatly impressed by the evident state of preparedness of the defending forces on the island. His request to interview Madam Chiang Kai-shek was refused.

5. He came to Hong Kong primarily to try to record an interview with one or more Chinese Communists in order to counter-balance the picture obtained in Taiwan. He got in touch with the local Communists who initially showed some interest and promised to consider his request. However, the contact man said he would have to discuss the matter with his colleagues and when Durschmied checked back later his request was turned down. A second attempt to record an interview with Mr. Percy Chen, a local lawyer who follows the party line, followed the same pattern, with initial interest and, following a time interval, ultimate refusal. This is not in the least surprising as the Communist representatives in Hong Kong seldom, if ever, act on their own initiative, regardless of the question involved.

Yours very truly,



(C.J. Small)

Canadian Government Trade Commissioner.

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- DDD 2 -

NONCOMMUNIST CHINA
May 11, 1959

COMMUNIST ARTILLERY SHELLS QUEMOY

Taipei, CENTRAL NEWS, in English Morse to Agency Offices, May 9, 1959,
0938 GMT--W

(Text) Taipei, May 9--The Chinese communists fired 255 rounds of high explosives at Quemoy Island on Thursday, killing three civilians and wounding two others, the Defense Ministry announced today. The ministry also reported that more than 8,000 persons were building communist military works along the Amoy coast opposite Quemoy. The laborers are said to include more than 3,000 communist soldiers and 5,000 civilians. The ministry said it was the first time civilians had been seen working in large numbers.

Meanwhile, communist guns erupted again this morning and sporadic shelling was reported continuing this afternoon.

October 28, 1957

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(See this from the file for note on "Formosa & K. Coast" etc.)

Canadian Relations with Nationalist China

Canada recognizes the Government of the Republic of China which now controls the island of Formosa (Taiwan), the Pescadoreas Islands and several small islands contiguous to the mainland, the largest of which are Quemoy and Matsu. The Nationalist Chinese have continued to maintain an Embassy in Ottawa and the present Ambassador is Dr. Liu Chieh. There is no Canadian representative in Formosa, and none has taken up residence there since the Nationalist Government departed from the Chinese mainland in 1949. However, Formosa is included in the territory of the Canadian Government Trade Commissioner in Hong Kong and he has visited the island from time to time in the course of his trade promotional duties.

Canadian exports to Formosa in the first six months of 1957 were valued at \$770,000, nearly double the 1956 figure for the corresponding period (\$388,000). The major export commodities were wood pulp, oats, pharmaceuticals and metal products. Imports from the island totalled \$55,000 in value in the first half of 1957 compared with \$63,000 in the same period last year. These comprised chiefly small amounts of food and agricultural products such as tea and canned pineapples.

In the United Nations we have continued to support Nationalist China through voting in favour of procedural

motions to postpone consideration of a change in Chinese representation for a fixed period. In subsidiary United Nations bodies we have supported motions of non-competence to deal with the question, or have opposed motions designed to alter the existing representation of China in such bodies.

There are several problems outstanding in Canadian relations with the Republic of China. Two of these - the Ming Sung loan and the \$60 million loan - will be dealt with separately. A third is the question of trade-marks and patents.

The Republic of China does not grant to Canadian citizens and corporations protection of their trade-marks and patents when they have made application for such purpose. Several Canadian companies have sought such protection. On the other hand, Canada, under the Trade Marks Act of May 14, 1953, grants to citizens of the Republic of China among others the full right to apply for the registration of trade-marks and patents in Canada on the same terms and conditions as are applicable to Canadians. The Republic of China, however, will not grant the same privileges until and unless there is an exchange of notes between the Government of the Republic of China and the Government of Canada, providing for the reciprocal protection of trade-mark and patent rights of the nationals of each country by the other country. There are at present no treaty

(... 3)

obligations in respect of the protection of trade-marks and patents under which the Republic of China is bound to us.

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Should Canada enter into an exchange of notes concerning trade-marks and patents, it would constitute the first bilateral agreement between Canada and the National Government since the latter fled to Formosa in 1949. The National Government might attempt to exploit such an agreement for propaganda purposes by attributing to it political implications extending beyond the terms of the exchange; it might be presented as evidence of greater Canadian support for the Nationalists by the new Canadian Government.

In an interview with the Chinese Ambassador, Mr. Diefenbaker (in his capacity as Acting Secretary of State for External Affairs) asked whether it would be possible to reach a more informal understanding on this matter. The official reply from Formosa was a suggestion that Canada might wish to consider an exchange of notes - rather than a formal inter-governmental agreement - which was done in the case of Australia. This is where the matter rests.

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LATEST WHEN CHIANG KAI-SHEK DIES IF NOT BEFORE. MCCLINTOCK'S PAPER APPARENTLY ADVOCATES TRYING TO NEGOTIATE, WITH THE CHINESE COMMUNISTS, A SETTLEMENT INVOLVING:

- (1) RECOGNITION OF CHINA,
- (2) A NEUTRALIZED KOREA, WITH A WITHDRAWAL OF CHINESE AND USA TROOPS AND UNIFICATION OF THE TWO ZONES,
- (3) A NEUTRALIZED FORMOSA,
- (4) SOME SORT OF SETTLEMENT IN INDO-CHINA.

APPARENTLY VARIOUS ALTERNATIVES WERE SUGGESTED ON THIS LAST POINT. ONE WAS AN ATTEMPT TO GET A NEUTRALIZED AND UNITED VIETNAM, BUT MCCLINTOCK WAS NOT TOO HOPEFUL OF THE POSSIBILITY OF THIS. APPARENTLY ANOTHER POSSIBILITY WAS A NEUTRALIZED SOUTH VIETNAM.

4. ON LAOS, MCCLINTOCK SAID THAT THE STATE DEPT HAS BEEN CONSIDERING ALLOWING THE COUNTRY TO DISINTEGRATE. SOME OFFICIALS IN THE STATE DEPT AT LEAST DOUBT THE VALUE OF CONTINUING INDEFINITELY WITH THE RELATIVELY HIGH SUBSIDY (THE HIGHEST PER CAPITA USA AID OF ANY COUNTRY IN THE WORLD). BUT WITHOUT THIS SUBSIDY THE RLG WOULD PROBABLY CEASE TO EXIST. MCCLINTOCK SUGGESTED, THEREFORE, THAT CONCEIVABLY ONE SOLUTION MIGHT BE TO NEGOTIATE A PARTITION, WHEREBY PARTS OF LAOS, INCLUDING VIENTIANE, WOULD GO TO THAILAND, AND PART TO NORTH VIETNAM OR CHINA, WITH A LITTLE BIT TO CAMBODIA AND SOUTH VIETNAM AND A SLICE FOR BURMA. NEEDLESS TO SAY THESE RATHER STARTLING IDEAS SHOULD NOT BE TAKEN TOO SERIOUSLY AS INDICATIVE OF USA THINKING, THOUGH IT IS INTERESTING THAT THEY ARE AT LEAST BEING CONSIDERED BY INDIVIDUALS IN THE POLICY PLANNING GROUP.

5. ON THE GENERAL QUESTION OF EVENTUALLY REACHING SOME SORT OF SETTLEMENT ABOUT CHINA, MCCLINTOCK ATTACHED WEIGHT TO THE FACT THAT PRESENT USA POLICY INEVITABLY TENDS TO ALIENATE INDIA, A COUNTRY TO WHICH HE ATTACHES VERY GREAT IMPORTANCE.

6. MCCLINTOCK WAS OBVIOUSLY TALKING PRETTY FREELY ABOUT A PAPER WHICH HE ADMITTED WAS NOT AT ALL IN LINE WITH PRESENT STATE DEPT POLICY, AND ON WHICH THERE IS STILL PRETTY STRONG EMOTIONALISM IN WASHDC. IT IS, THEREFORE, DESIRABLE TO RESPECT HIS CONFIDENCE.

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COMMUNIST CHINA

YESTERDAY WE ASKED XORLAND, ASSISTANT UNDER-SECRETARY SUPERVISING FAR EASTERN AFFAIRS AT THE FOREIGN OFFICE, WHETHER HE HAD SEEN THE USA PAPER ON CHINA. HE HAD NOT, BUT HE CALLED IN DALTON, THE HEAD OF THE FAR EASTERN DEPT, WHO HAD DONE SO. DALTON SAID THAT THE USA EMBASSY HERE HAD GIVEN IT TO THEM IN AUG. HE THOUGHT IT A VERY INTERESTING PAPER WHICH AVOIDED WHAT HE CALLED THE EMOTIONALISM OF WALTER ROBERTSON AND BASED ITSELF ON HARD-HEADED INTELLIGENCE ASSESSMENTS OF THE POSITION IN SOUTH EAST ASIA. HE SAID THAT AS HE RECALLED, HOWEVER, THE USA PAPER DID NOT SUGGEST THAT RECOGNITION WOULD BE APPROPRIATE WHEN CHINA'S NEIGHBOURS ARE STRONG ENOUGH TO WITHSTAND THE EFFECTS OF SUCH ACTS, BUT RATHER THAT RECOGNITION WOULD BE INAPPROPRIATE UNTIL SUCH A TIME. DALTON OFFERED TO SHOW US THE PAPER, BUT SEEMED RATHER HESITANT, AND SO WE LEFT THIS OFFER PENDING.

2. TO-DAY AT LUNCH WE MENTIONED TO BREWSTER MORRIS, OF THE USA EMBASSY, THAT WE HAD HEARD THERE WAS A VERY INTERESTING PAPER ON THIS SUBJECT. MORRIS OFFERED TO LET US READ IT IF WE DROPPED ROUND TOMORROW OR THE NEXT DAY, AND WE WILL DO SO. HOWEVER, SINCE OUR EMBASSY IN WASHDC HAVE AN OPPORTUNITY OF COPYING THE MEMO, WE SUGGEST THAT THEY DO SO AND WE WILL NOT ATTEMPT TO SUMMARIZE IT FROM HERE.

3. INCIDENTALLY, ROB MCCLINTOCK, FORMER USA AMBASSADOR IN CAMBODIA NOW A MEMBER OF THE STATE DEPT POLICY PLANNING STAFF, ALSO LUNCHEDED WITH US. (HE IS ON HIS WAY BACK FROM DELHI, WHERE HE LED THE USA GOVT DELEGATION AT THE RED CROSS CONFERENCE. HE WAS VERY CRITICAL OF THE RIGID INSTRUCTIONS WHICH HE HAD TO CARRY OUT THERE REGARDING THE CHINESE QUESTION.) MCCLINTOCK MENTIONED TO US THAT HE HAD PREPARED A PAPER FOR THE STATE DEPT ON THE WHOLE QUESTION OF A FAR EASTERN SETTLEMENT. HE SAID THAT SO FAR HE WAS NOT GETTING VERY FAR WITH IT IN THE STATE DEPT. NEVERTHELESS, IT IS PROBABLY INTERESTING ENOUGH TO BE WORTH SUMMARIZING. WE UNDERSTAND THAT THE PAPER MAKES THE POINT THAT PRESENT USA POLICY WILL INEVITABLY COME UNSTUCK, AT THE

"TWO-CHINA" SCHEMES SINISTER, IMMORAL
EXPEDIENCY OF HELP TO REDS ONLY: TONG

Dr. Hollington K. Tong, Chinese Ambassador to Washington, called the "two Chinas" theory as advanced by certain writers and others "frankly a resort to expediency" and "not a proposal grounded upon any code of moral principle."

Addressing the Rotary Club in Buffalo, New York, on Oct. 24, the Ambassador explained that by this two-China formula the American people were told to admit bloody-handed Mao Tse-tung to the family of nations, to reward him while he was still technically at war with the United Nations, and to help his brutal regime build up a modern productive system by opening the doors of unlimited trade between Red China and the free nations. "All this is justified upon the dubious ground that by doing evil we can accomplish good in world affairs, or that by clasping an aggressor to our breast, such as Red China, we will produce lasting world peace," Tong asserted. "It is a pragmatist's way to solve a difficult problem."

Ambassador Tong declared that carried out to its logical conclusion, the Two-China plan would certainly lead to international chaos. "For if we are going to avoid honest solutions of our major conflicts by resorting to the 'two-China' compromise plan, the possibilities of its extension are almost endless," he pointed out. "Already we have two Germanys, two Koreas and two Viet Nams. But if the free world is going to continue to concede autonomous territory to the Communists every time they infiltrate or gain strength in a non-Communist country, this divisional process will become global."

Those who advocated the two-China plan had forgotten that the United Nations had named Red China an aggressor in Korea, that the United States forces had suffered 157,730 casualties including 50,000 killed in the Korean war, that tens of thousands of Chinese Communists were still in North Korea, and that Communist China was in the midst of a vast process of infiltration, sabotage, propaganda, trade expansion and even armed aggression through the whole region of Southeast Asia, Tong said. These advocates stressed that the Communists ruled over a vast area and a huge population and wanted stability, but they forgot that "there are no peace-loving Communists." Tong added that "when a Communist talks peace and goodwill, he is most deadly--he is preparing to catch you off balance and disarm you for the next aggressive thrust."

Tong declared that "it is the moral leadership of the United States which the appeasement advocates, wittingly or unwittingly, are throwing into the discard, and the only party to benefit from such moral abdication is Red China or Soviet Russia."

What had been overlooked by advocates of the two-China theory was that "Red China is an insecure, fear-haunted, people-hated regime which could collapse almost overnight if the West had the self-confidence to call its bluff," Tong continued. "We don't need to appease Red China. Communist China needs the outside world much more than the outside world needs it. A rigid continuance of the embargo, with the full-hearted support of all the Allies, would bring Mao Tse-tung and his colleagues whimpering to their knees in a relatively few years."

Dr. Tong was certain that "the cause of the free world will eventually prevail in the Far East, notwithstanding the present setbacks." He declared: "The Chinese people will again be free."

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Asia 2 No. 767

Enclosures

June 5, 1957

From Minister of External Affairs

To Ambassador to Canada.

Re: Riot in Taipeh

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[Signature]

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On March 20 Liu Tzu Jan, an official of the Nationalist Government was shot to death by one Reynolds, a sergeant major of the U.S. Military Advisory Group. The case was tried in the U.S. military court and on May 23 Reynolds was judged to be not guilty on the ground of self-defence. The widow of Liu protested against the verdict with a placard in front of the U.S. Embassy. This demonstration touched off a riot in Taipeh on the 24th. I am forwarding you for your reference enclosures A and B which explain the circumstances surrounding the affair and "An Observation on the Riot in Taipeh".

Concerning the article, "An Observation on the Riot in Taipeh", it is difficult as yet to judge the background of the riot or its effects in the future on account of scarcity of information. The article is a hasty attempt on the part of those concerned on the basis of reports and information which they have been able to secure thus far. It is necessary to review the whole affair critically in the light of later more detailed information.

Enclosure A.

Re: Riot in Taipei

1. On the night of March 20 Liu Tzu Jan, an official of the Nationalist Government, (Liu comes from Wu Hsi in Chiang Su Province) was shot to death by Sergeant Major Reynolds of the U.S. Military Advisory Mission on the ground that he peeped into Reynolds' bathroom. However, there was a rumour current that the reason for the shooting was trouble between Liu and Reynolds concerning black-market dealings.
2. On May 23 the U.S. military court found him innocent on the ground of self-defence. An official agreement of January 30 between the U.S. and the Nationalist Government makes the personnel of the Military Advisory Mission a part of the U.S. Embassy in its relation to the Nationalist Government. Thus, there has never been any dispute concerning the jurisdiction of the case.)
3. There have been several developments concerning the above judgment. Request for re-trial was discussed in the Legislative Yuan. It has been reported that Foreign Affairs Minister Yeh, on the morning of the 24th, summoned Counsellor Pilcher to express feelings of dissatisfaction of both the government and the people and to request a re-trial. Thus, criticism against the manner in which the trial was carried by the U.S. has been mounting.
4. In the meantime, during the morning of the 24th, the widow of Liu appeared in front of the U.S. Embassy with a placard. A crowd gathered gradually and a riot resulted shortly after mid-day. The U.S. Embassy and the office of the USIS were attacked by a mob of approximately 10,000. They tore down the U.S. flag, overturned automobiles, set fires, destroyed window glasses and furniture; further, they broke into the telegraph room of the Embassy, scattered telegraph code and other highly secret documents, raised a Chinese flag, and shouted for joy. The Gendarmes and the Police of the Nationalist Government took no

Positive action to put down the disturbance for several hours. After five o'clock in the afternoon troops (reported to be approximately 3 divisions) were called out for patrol duties; at seven p.m. the city was placed under martial law and order was generally restored by mid-night. Since the 25th the city has been under strict guard and is calm. In the U.S. Embassy several people, including Counsellor Meyer, were injured. Several of the mob were also injured. (One report mentions one death). The Reynolds family was transferred at 2 p.m. on the 24th in an army plane to the Philippines and then to the U.S. mainland.

5. Ambassador Rankin was in Hong Kong at the time. He returned to Formosa at five p.m. on the 24th and made an inspection with Foreign Affairs Minister Yeh. However, the party was stoned by the mob and forced to return and continue with the inspection tour early in the morning of the 25th. Further, the Ambassador, early in the morning of the 25th, registered a protest with the Nationalist Government. The President of the Executive Yuan, Yui, on the night of the 24th, expressed regrets and stated that subversive activities by a few dissatisfied elements were harmful to the national interest and U.S. China relations.

Generalissimo Chiang was in Jih Yueh T'an. However, he returned in the afternoon of the same day, met Ambassador Rankin and expressed his regrets. In the meantime, the Ambassador to the U.S., Tong, visited the U.S. State Department at noon of the 24th (Washington time) and expressed regrets to Assistant Deputy Robertson.

Further on the 28th, we invited Minister Yang Yueh Chu, of the Chinese Embassy in Tokyo and asked for detailed information. He stated that the riot was due to the scheming of a few hoodlums and gave an explanation of the affair similar to the above account. There was no new point brought out by him.

The immediate U.S. governmental reaction to the present affair was the announcement that Ambassador Rankin had registered a protest and that Ambassador Tong expressed regrets. On the 29th Secretary of State, Dulles, in his press conference stated that the U.S. had no intention of fundamentally changing her foreign policy towards Nationalist China. However, he expressed his belief that the problem of U.S. forces abroad would be reviewed. Judging by opinions expressed by representatives, it is clear that the incident in Formosa, where they felt that they were safe, was a strong shock. A few opinions reflected on the conduct of the U.S. forces abroad. However, the majority holds strongly to the view to pursue the responsibility of the Nationalist Government who failed to exercise control over the present affairs.

Communist China immediately took up the question. According to a Peking broadcast, newspapers of the 25th in Peking reported in detail the present affair, expressed their sympathies towards the people of Formosa, and held that they should endeavor to free Formosa. Since then, peoples' parties and various organizations have been drumming enthusiasm in support of the people of Formosa.

Moscow broadcast holds that the real reason for the present incident to be the burst of resentment of the residents against the occupation system which was imposed on the people by the U.S.A. with the aid of Chiang Kai-shek and his group.

Enclosure B.

An observation on the Riot in Taipei

1. The present incident cannot be interpreted simply as an alignment of people in sympathy with the protest by the widow of Liu Tzu Jan against Sergeant Major Reynolds' acquittal.

It is also hard to believe that the reason for the shooting was the fact that Liu had looked into Reynolds' bathroom. Liu Tzu Jan was a major in charge of the Special Service Section of the Kuomintang and an instructor in the Revolutionary Practice Academy.

It is reported that the mob invaded the telegraph room of the Embassy, that, on failing to break through the iron door at the entrance, they broke in by boring a hole through the wall with tools, and that important documents were scattered and lost. These indicate that the incident was not a simple demonstration by the people.

2. With reference to the reports of the present incident, one immediately thinks of the following facts:

(1) In August 1955, General Sun Li Jen of the Pro-U.S. faction in the Nationalist Government was relieved of his post being held responsible for the alleged espionage by his subordinate, Lieutenant-General Kuo Yen Liang, on behalf of Communist China. It is said that the truth is that General Sun's faction tried to establish in Formosa a regime friendly to the U.S. and that the racial faction (led by Chiang Ching-kuo) staged a counter coup d'etat branding it as a group of spies.

(2) It is said that pressure is being applied by the Kuomintang to the pro-U.S. "Free China" group of Hu Shih and Lei Chen since November last and that there is a considerable amount of friction between Mayling Soong's pro U.S. group and Chiang Ching-kuo. This spring, at the time of the communal election, the Kuomintang interfered extensively. The chasm between members of the Kuomintang and the Formosan people is deepening further.

Thus in Formosa at present within the Kuomintang there is factional strife, resentment against the U.S., and the feeling of impatience concerning the future. On the other hand, there is

deep feeling of antagonism between 2,000,000 Chinese and Formesans.

3. Since this Spring, Communist China intensified its propaganda of "the Unity between Communist and Nationalist China", and the U.S. IS NOT CERTAIN OF THE CONDUCT OF THE NATIONALIST GOVERNMENT. The posting of the matador at the beginning of May is regarded as an indication of her determination to hold Formosa regardless of the conduct of the Nationalist Government. It appears as though U.S. preparation for a semi-permanent occupation of Formosa is gradually nearing completion.

4. The Nationalist Government entertains certain misgivings regarding the U.S. These are: possibility of direct trade between the U.S. and Communist China as the result of the Geneva Conference (although the U.S. attitude has recently become cool towards the conference), reorganization of the armed forces by the U.S. employing Formosan youths leaving aging and obsolescent Nationalist forces, advocacy for the construction of Formosan economy, and the suspicion that the U.S. is putting into effect the policy of retiring old Nationalist soldiers to farms and the policy of independence for Formosa.

It appears as though the distrust of the Nationalist forces on the part of the U.S. forces is also deepening. It is reported that, with respect to the Formosa independence movement, at least among those connected with the military and the intelligence there is a considerable degree of understanding concerning the movement of Liao Wen Yi's faction and other similar movements.

It can be anticipated that the Nationalist Government will look upon such an attitude on the part of the U.S. with deep misgiving.

5. The problem was brought to the fore touched off by the present incident. It is difficult to believe that in Formosa which is under a strict totalitarian regime, an organized disturbance was carried out by the National Salvation Youth Organization (led by Chiang Ching kuo) and that no one in the Nationalist Government had any concern in the affair. This is further strengthened by the fact that no measure was taken for several hours.

Note: One Formosan, resident in Tokyo, made the following observation. Liu Tzu Jan, was in possession of some information concerning "Formosan Independence Manoeuvres" (composed mainly of Formosans but not necessarily excluding the present leaders by the U.S. military authorities in Formosa).

This caused trouble between Reynolds and Liu and Liu was shot. Thus, during the disturbance, search was made of secret documents concerning these "Independence Manoeuvres".

Whatever the case may be, one wonders if the leaders of the riot were motivated by the feeling of despair concerning counterattack on the mainland, and the feeling of uneasiness concerning the gradually declining position on the part of the right wing elements in the Kuomintang, and thus intended to check the U.S. move by exploding the dissatisfaction and suspicion on the U.S. Formosa policy and at the same time to attain the leadership within the Nationalist Government.

(Even though there were Formosans who took part in the disturbance blindly, this should be regarded as due to instinctive realization on their part that it was advantageous to themselves since any trouble between the U.S.A. and Chiang, if it should become an international problem and attract attention, will result in re-discovery of Formosa.)

6. As the result of the present affair, Commander of Taipei Garrison (Lt. Gen) Huang Chen-wu, Commander of Military Police, (Lt. Gen.) Liu, and the Commissioner of the Police Administration of Taiwan Provincial Government, Lo Kan, have already been dismissed, and there would undoubtedly be further disposition of allegedly responsible parties on the pretext that the affair was engineered by the Communist Party. Should the U.S. interference or a slight hint on the part of the U.S.A. for a policy of "Formosan Independence" after re-examination of policy towards Nationalist China will hasten to drive the Kuomintang to unite with Communist China.

Thorough investigations of responsible parties by leaders of the Nationalist Government will intensify the factional strife and hasten self-destruction.

Communist China postponed to the 20th the Peoples' Representatives Assembly which had been scheduled for June 3. This move probably was made to see the attitude of the U.S.A. and Nationalist China. In any case, on account of this affair Communist China came to recognize the possibility of a riot in Formosa and no doubt will attempt, through underground activities, to stir up anti-U.S. feeling among Formosans, and to place Chiang Kai-shek in a difficult position by propaganda intended to drive a wedge between Chiang and the U.S.A. and by attacking Chiang for blindly following U.S.A. (However, should such a movement become a genuine movement for independence by the people of Formosa, it will be opposed by Communist China.)

The U.S.A. will now be forced to choose one of two alternate courses: either she launches a program of independence for democratic Formosa with a nucleus of people of Formosa regardless of the danger that Nationalist China may take refuge in the continent or may unite with Communist China, or by making a slight concession, she appeases the Nationalist Government, although maintaining a firm stand with respect to the settlement of the present affair, and makes somewhat negative efforts to maintain the best possible relation with the unstable Nationalist regime. (if she chooses the latter course, it will be impossible to prevent Communist China from ultimately liberating Formosa).

45 45 45 45

(Urgent message Top Secret No. 45)

Received May 31, 1957.

Formosa 642 May 28, 1957

To: Temporary Acting Foreign Minister Ishii

From: Horiuchi, Ambassador to Nationalist China

Re: ATTACK ON THE U.S. EMBASSY

1.1.1.1.
DOWNGRADED TO SECRET
EXEMPT FROM AUTOMATIC
DECLASSIFICATION

Further to several correspondence concerning the present affair, we would make the following report based on information which the members of this Embassy have been able to gather on the cause of the riot, its background, measures taken by the Nationalist Government, and Chinese and U.S. reaction from such sources as the Legislative Yuan, the Government, armed forces, cultural groups, and information services. We would ask you to handle this correspondence with special caution.

1. Causes of Riot

(1) In the Reynolds' court martial, which became the direct cause of the riot, it was made public that Reynolds shot Liu Tzu Jan because the latter peeked in the window into the bathroom while Reynolds' wife was bathing. However, there are many persons who deny that this is the truth and hold that Reynolds and Liu had prior association. Reynolds was in charge of chemicals in MAAG and had been diverting war supplies into the black market. It is rumored that Liu, who was on special duty in connection with the Revolutionary Practice Academy, had dealings with Reynolds in the black market, that Reynolds was to be transferred elsewhere, that there was a dispute between the two concerning unpaid credit sales which developed into the shooting. Possibly because the vulnerable position of the two, the above relation was brought out neither in court nor in formal statements. Since the above relationship was known widely here, it is our belief that such knowledge helped to intensify the feeling of the Chinese who held that the verdict of not guilty to Reynolds was unfair.

(2) The factors which were responsible for inflaming such a feeling still further were reports and comments of newspapers here. Every paper gave considerable coverage starting at about the start of the trial. Their tone became sharp immediately after the verdict. They went so far as to collect donations for Liu's widow. Such a campaign by the press in this country, where the expression of opinion is strictly controlled, was conspicuous. It is our belief that this was made possible because the government and the Kuomintang overlooked it.

2. Background Relations

(1) There is no definite proof that the disturbance was systematically planned from the beginning. However, there is some evidence to indicate that there were several persons involved in the initial protest demonstration against the U.S. Embassy, i.e., the sit-down tactics of the widow of Liu with placards in both Chinese and English seem to suggest that 2 or 3 newspaper men instigated the move and aided her.

(2) A broadcasting station recorded the conversation with Mrs. Liu in front of the U.S. Embassy and broadcast it at once. It is reported that the broadcast increased the crowd and the station did not repeat the broadcast. This seems to have taken place, however, before the riot.

(3) It is not known how many persons threw stones at the Embassy initially. However, the number increased greatly, and finally some dozen persons, who appear to be students around twenty years of age, jumped over the wall, and broke into the building. The number gradually increased to several scores of men. However, it is not believed that the leaders were captured. It is impossible to ascertain their identities. It is believed that they belong to the Anti-Communist National Salvation Association which has many students in its membership.

(4) The fact that the mob attacked the office of the USIS after breaking into the Embassy and attempted to attack the headquarters of the MAAG (did not take place), seems to suggest that the riot was directed by someone. However, there is no evidence yet that Communists have taken any part.

(5) Since Liu was a special agent, there are some who believe that the riot was incited by Chiang Ching-kuo's faction. However, the observation of the course of the riot does not indicate any detailed planning. It appears that such a view is a little too far fetched judging objectively the situation as at present in this country.

3. Measures taken by Nationalist China.

It is a fact that the measures taken by Nationalist China against the riot were slow and half-hearted. It is believed that the reasons for this were as follows:

(1) According to the members of the staff of the U.S. Embassy, the Embassy, through its diplomatic section, requested throughout the morning for police action, and the police Department sent "special constables" to take Mrs. Liu away. However, they withdrew at the threat of newspaper reporters and because of this the crowd increased.

(2) It is true that a large scale anti-air raid drill happened to be held that day and police were scattered throughout the city, and that this made it impossible to gather and despatch them quickly. However, it is also true that gendarmes and police at the scene were aware of the mood of the crowd and did not check them strictly. U.S. Embassy staff were indignant at this.

(3) The number of rioters arrested were 79 of whom several were released. The commander of the garrison, the chief of the gendarmes, and the chief of the police were dismissed. It is said that, when the above officers accompanied by the deputy commander of the Peace Preservation Headquarters made a report of the incident on the morning of May 26th to Generalissimo Chiang, the Generalissimo reprimanded them severely for their negligence.

4. Conjecture on U.S. attitude.

(1) The U.S. will demand considerable reparation. It is generally believed that this will not matter too much since this country pays out the money which in the last analysis has been given by the U.S.A.

(2) The incident had a disadvantageous effect on the U.S.A. in South East Asia. Although the general public in the U.S. has been aroused at present, they will cool off. The present atmosphere in the Congress seems to be a reflection on the U.S. aid formula or the U.S. garrison abroad rather than anger. It is impossible to contemplate that there will be a drastic change in the U.S. policy in U.S. aid.

5. Reaction here.

(1) The leaders of the riot were all Chinese from the mainland. Native Formosans, although they recognized the unfairness of the judgment, showed no inclination towards direct action.

(2) After the riot all newspapers here deplored the incident and wished for re-examination of U.S.-China relationship. However, the general public, as well as the members of the armed forces, have been dissatisfied with the arrogance shown in the attitude of the U.S. officers and men of the MAAG and the privileges enjoyed even by men and non-commissioned officers. Hence, although they recognize that the present riot has gone too far, many of them hold that it gave the U.S.A. a chance for reflection.

(Urgent Message Top Secret 44)

(Received May 31, 1957)

Formosa No. 634 May 27, 1957.

To Temporary Acting Foreign Minister Ishii

From Horiuchi, Ambassador to Nationalist China.

Re: Attack on the U.S. Embassy in Taipei

The following is the account of a conversation between Counsellor Yagi and the Mayor of the city of Taipei, Kao Yu-shu. (Note: A Formosan. Defeated in the last closely contested mayoral election against a Kuomintang candidate. To vacate office on June 2) In consideration of his position, we would specially ask that the source of this report be kept an extreme secret.

1. The mayor is "skipped" concerning the details of the affair and an accurate explanation is impossible. However, there seems to be a complicated background to the "Reynolds Affair" which directly led the riot. Liu Tzu Jan came from the mainland, had a good knowledge of the English language, has acted as an interpreter in the past for the U.S. forces, and has been dealing with Reynolds in black market dealing for some time. Thus, they have been "chums" of long standing, and it is impossible for Liu to be mistaken for a thief and shot in the dark. Recently on account of Reynolds' transfer a dispute arose concerning a payment of their dealings. Liu accused him of bad faith and threatened Reynolds with exposure and Reynolds shot him. What I termed a complicated background was the fact that Liu's wife (Note: understands English a little. Her demonstration in front of the U.S. Embassy with placards both in English and Chinese led to the riot) was in court as a witness and had many opportunities to give testimony concerning the relationship between Reynolds and her husband, but for some reasons did not touch on that point. (Kao evaded a direct reply to Yagi's question as to his opinion regarding the reason).

2. Yagi tried to draw some information concerning the part played by Kuomintang by asking whether, in view of the violent nature of the riot, the leadership was provided by the party and especially in view of the rumour that Liu was related to the Direct Action Study Group () of the Kuomintang.

UPGRADED TO SECRET
 REVERT A SECRET

.Note: This is an organization which gives widely selected candidates thorough training in the principle of Sin-Min Chu-I (); the graduates form the elite of the party). The mayor replied that he had heard nothing concerning that point, but that the mob taking part were members of the National Salvation Youth Organization, and that the members were fanatics, more so than HitlerJugend or the Black Shirts of the Fascists who obey orders blindly. He further deplored the fact that almost all the students in higher schools in Formosa at present were members of this organization.

3. A group of men after breaking and entering into the Embassy held the building. They were arrested and detained in the City Police Station. A mob stormed the station to recapture them. The police fired warning shots and injured several persons among whom there were several formosans. The mayor was asked if the presence of Formosans contradicted the opinion which held that the rioters consisted only of Chinese from the mainland. He replied that those Formosans, who had been injured, were members of the afore-mentioned National Salvation Youth Organization, and that the masses, who took part in the riot, consisted solely of mainland Chinese.

4. As the fundamental cause of the Affair, the Mayor mentioned first of all the misconception on the part of the U.S. forces, i.e. in Japan there were many U.S.-Japanese frictions and the U.S. forces had sufficient experience to handle the Japanese, while in Formosa, there had hardly been any problem that they took the attitude that the Chinese public was easy to deal with and were contemptuous of the Chinese people. Hence, in the court martial, they worked hard to cover the guilt of the assailant, and never attempted to save the face of the Chinese people - a gesture traditional to them. This, the mayor felt was the most important factor which aroused the anger of the public. He felt that there would have been no problem if there had been corporal punishment even a suspended sentence, merely for black market dealings.

The second cause is the Hsiang Ma Yuan affair. Newspapers daily advocate changes in the agreement concerning troops similar to that which is in effect in Japan. One should not neglect the influence of this affair on the present riot by the public.

5. He was asked about his opinion regarding the outcome of the present affair. He replied that he was deeply concerned about the attitude of the U.S. He felt that there would be a considerable reprisal but stated that he had no definite ideas.

He was then asked about the rumour that the affair had been planned since the afternoon of the 23rd, day of the court martial. He replied that he knew nothing about it.

Further on the same day Counsellor Yagi called on Counsellor Meyer (Note: has forty years' service experience in China). With a forced smile he said that the affair was the biggest experience since the riot of 1928. He further stated that on the day of the riot, although the Embassy requested several times to the Diplomatic Section for extra details of police because the situation seemed serious, the police were not augmented; that Counsellor Pilcher personally visited and stayed in the Diplomatic Section from 2 to 6 p.m. to press the request without any success, and that he felt a deep sense of anger against the organs of the Nationalist government which brought about such a situation. It is said that the vault which was used to keep secret documents was not destroyed.

File no 50056-A-40

January 16, 1957

Mr. Sarfar Balwant Singh Puri
Secretary-General
Indian Red Cross Society
1, Red Cross Road, New Delhi 2
India

Dear Sir:

This acknowledges receipt of your circular dated 21 December 1956 informing us of the postponement of the XIXth International Red Cross Conference which was scheduled to take place in New Delhi this month.

A similar circular from your Society, addressed to the "Government of Formosa", was finally channelled to the Ministry of Foreign Affairs of the Republic of China. It must be pointed out that there is no "Government of Formosa". Formosa is a geographical term (better known to occidentals) for the island of Taiwan which is one of the provinces of the Republic of China.

I wish also to take this opportunity to invite your attention to the Official Report of the XVIIIth International Red Cross Conference, Toronto, 1952, in which it included a List of Delegates Representing Governments and National Red Cross Societies. It will be noted that the Government of the Republic of China as well as its National Red Cross Society was represented by me as Head of Delegation, and that the term "Government of Formosa" did not appear anywhere in the document. It is therefore expected that in your future communications with our Government, the proper term Republic of China (whose Central Government is now located at Taipei, Taiwan, China) will be used.))

Cordially yours,

J. Heng Liu, M. D.
President
The National Red Cross Society
Republic of China

JHL : 1

cc: Ministry of Foreign Affairs
of the Republic of China

January 17, 1957

Mr. Andre Francois-Poncet
Chairman
Commission Permanente
Croix-Rouge Internationale
7, Avenue de la Paix
Geneva, Switzerland

Dear Sir:

This acknowledges receipt of your circular dated 22 December 1956 and of an earlier cable announcing the decision by the Standing Commission to postpone the International Conference at New Delhi. The circular to our Red Cross Society was addressed to: The President, Red Cross Society of Formosa.

I wish to call your attention to the fact that the official name of our Society is: The National Red Cross Society of the Republic of China, also known as the Red Cross Society of China for convenience. (There is no "Red Cross Society of Formosa", although at the provincial level there is the Taiwan Chapter of the National Red Cross Society of the Republic of China.) I shall appreciate it if you will use the proper name of our Society in your future communications.

A similar circular from your Commission was addressed to "Government of Formosa". This is also a misnomer. Formosa is a geographical term (better known to occidentals) for the island of Taiwan which is one of the provinces of the Republic of China. It is therefore expected that in your future communications with our Government, the proper term Republic of China (whose Central Government is now located at Taipei, Taiwan, China) will be used instead of "Government of Formosa".

I wish also to take this opportunity to call your attention to the Official Report of the XVIIIth International Red Cross Conference, Toronto, 1952, in which it included a List of Delegates Representing Governments and National Red Cross Societies. It will be noted that the Government of the Republic of China as well as its National Red Cross Society was represented by me as Head of Delegation, and that neither "Government of Formosa" nor "Red Cross Society of Formosa" appears anywhere in the document.

Cordially yours,

J. Heng Liu, M.D.
President
The National Red Cross Society
Republic of China

JHL:1

cc: Ministry of Foreign Affairs
of the Republic of China

INDIAN RED CROSS SOCIETY
(Constituted under Act XV of 1920)

President	...	The President of India.
Chairman, Managing Body	...	Rajkumari Amrit Kaur.
Honorary-Treasurer	...	Shri P. C. Padhi.
Secretary-General	...	Sardar Balwant Singh Puri.

Telegrams: INDCROSS

Headquarters:
1, Red Cross Road.
NEW DELHI 2.

No. 20/IC.

Air Mail.

the 8th March 1957.

The President,
Red Cross Society, Taiwan,
Taipei (Formosa).

Dear Sir,

In reply to your letter dated the 16th January 1957, I am desired to say that in accordance with the decision of the Standing Commission of the International Red Cross, which by virtue of the Statutes is responsible for convening and organising the International Conference in cooperation with the Red Cross Society acting as host to the Conference, your Government was to be invited solely on account of its authority in Formosa and addressed as the Government of Formosa. In the circumstances we regret we cannot adopt a different form of address.

Yours faithfully,

(signed)

Secretary-General.

T.

April 8, 1957.

Mr. Sardar Balwant Singh Puri
Secretary-General
Indian Red Cross Society
1, Red Cross Road, New Delhi 2
India

Dear Sir:

This acknowledges receipt of your official communication dated 8 March 1957. We wish to say that we are not satisfied with the explanation given in the communication and wish to repeat our protest for the following obvious reasons:

- (1) It is evident from the records that the International Red Cross, in its previous invitations to our Government to send delegates to participate in its numerous conferences, as well as in other relevant official documents, the proper term "Government of the Republic of China" has been used consistently. It follows therefore that the Government of the Republic of China has been recognized by the International Red Cross and that the Red Cross Society of any country serving as host to its conference does not have the prerogative to alter the rightful terminology on the basis of its own interpretations.

/(2) Both

(2) Both the Republic of China and India are member nations of the United Nations. The proper name "Republic of China" is clearly recorded in the U.N. Charter. It is unfortunate that the Indian Red Cross Society should take the liberty to alter at its own will the proper name of our country, because any such alteration not only fails to comply with the rulings of the International Red Cross and of the U.N. Charter, but also violates all recognized international practices.

It is hoped that your Society will see the necessity of a proper understanding in this matter and that only the proper term "Republic of China" will be used in your future communications.

Sincerely yours,

J. Heng Liu, M.D.
President
The Red Cross Society of China

cc: Mr. Andre Francois-Poncet

The Secretary-General,
Indian Red Cross Society,
1 Red Cross Road,
New Delhi, India.

October 5, 1957.

Sir,

Further to my letter No. T7/46/828 dated May 14, 1957, I am instructed to inform you that the Government of the Republic of China takes strong exception to your addressing to it as "Government of Formosa". I wish to call your attention to the fact that the name "Republic of China" is expressly inscribed in the United Nations Charter and appears in the documents of all international organizations, including the International Red Cross. Anybody with some geographical knowledge should know that "Formosa" or "Taiwan" is merely a province of the Republic of China. Such wilful and discriminatory action on your part in insisting on calling my Government and the Red Cross Society of China in the improper manner is unwarranted and offensive, and is in contravention to the obligations of a host country under the generally recognized international practice. It is to be deplored that despite the repeated protests made by the Red Cross Society of China, your Society still cannot see to it to change your unreasonable attitude. Under such circumstances, my Government and the Red Cross Society of China have no choice but to reject your invitation.

I wish, however, to state that notwithstanding our refusal to participate in the XIXth International Red Cross Conference, we reserve our full rights as a member of the International Red Cross. My Government and the Red Cross Society of China maintain the position, as they did in the last session of the Conference, that the Peiping puppet regime and its red cross organization, by their very nature and origin, have no right whatsoever to represent China. Their illegal participation in the Conference does in no way affect the rights of the Republic of China in the International Red Cross. I request that the contents of this letter be circulated to all the members of the International Red Cross.

Wang Chih-chen
Director
Treaty Department
Ministry of Foreign Affairs
Republic of China

c.c. M. Andre Francois-Poncet, Chairman,
Standing Commission of the International Red Cross

A Circular to The National Red Cross Societies
And to The
XIXth International Red Cross Conference

The Red Cross Society of the Republic of China, on the memorable occasion of the 19th International Red Cross Conference to be held at New Delhi from 24 October to 7 November 1957, wishes to congratulate member societies for this opportunity of meeting each other to discuss problems related to the high ideals of the Red Cross; but it regrets to be unable to attend the Conference for reasons set forth below. By this letter, we wish to place our case before you and to invite your impartial judgement.

The Indian Red Cross, acting as host country to the Conference, has repeatedly addressed our Government -- the Government of the Republic of China -- as the "Government of Formosa" and ignored our protestations against the use of improper terminology. One of its circulars dated 21 December 1956, addressed to the "Government of Formosa", finally found its way to our Government. On 16 January 1957 we sent a protest to the Indian Red Cross which again persisted in its stand and replied that "... in accordance with the decision of the Standing Commission of the International Red Cross, which by virtue of the Statutes is responsible for convening and organizing the International Conference in cooperation with the Red Cross Society acting as host to the Conference, your Government was to be invited solely on account of its authority in Formosa and addressed as the Government of Formosa. In the circumstances we regret we cannot adopt a different form of address." In reply to the above, we lodged our second protest on 8 April 1957 with the Indian Red Cross and sent a copy of which to the Chairman of the Standing Commission of the International Red Cross, but they were of no avail. It is under the circumstances that our Government and the Society decided not to attend the forthcoming conference. The reasons are:

- 1) Formosa is a geographical term for the island of Taiwan which is one of the provinces now under the jurisdiction of the Republic of China.

The International Red Cross, in its previous invitations to our Government as well as in other relevant official documents (see report of the 18th International Red Cross Conference, Toronto, 1952.), the proper term of "Republic of China" has been used consistently. It follows, therefore, that the Government of the Republic of China has been recognized by the International Red Cross and that the Red Cross Society of any country serving as host to its conference does not have the prerogative to alter the rightful terminology of our country on the basis of its own whimsical interpretations.

3) Both the Republic of China and India are member states of the United Nations. The proper name of Republic of China is clearly inscribed in the U.N. Charter. It is unfortunate that the Indian Red Cross Society should take the liberty to alter at its own will the proper name of our country. Any such act of taking liberty with the name of our country is not only contrary to the practice of the International Red Cross and the U.N. Charter, but is also in contravention to the obligation of a host country under the generally recognized international practice.

4) The National Red Cross Society of the Republic of China is the only legally constituted Red Cross organization for China. As a signatory to the Red Cross Convention, we are entitled to all the privileges and prerogatives, including the right to vote. No other organization should be allowed to represent China at the forthcoming Conference in New Delhi.

In rejecting the invitation of the Indian Red Cross Society, I wish to declare, in the name of the Red Cross Society of the Republic of China, that notwithstanding our absence in the 19th International Red Cross Conference, we reserve our legal rights as a member of the International Red Cross and all the privileges and prerogatives thereof. The Red Cross Society of the Republic of China does not recognize the legitimacy of the Peiping red cross organization as well as its right to represent China.

October 7, 1957

file on: 50056-A-40

original: 50055-B-40

C O P Y

CONFIDENTIAL

EXTERNAL CANBERRA
18 July 1956(2100-2200 JD)

SAVINGRAM 242
London Savingram 131
Geneva Misc. Sav. 135
Ottawa. " " 136

CONFIDENTIAL Following from McConaughy (Director China Office) (17 July).

50056-A-40	
8	8

1. Geneva talks.

There has been no progress on ~~either renunciation of force or prisoner issues~~. At last meeting Wang indicated that Chinese would wish to pass shortly to discussion of trade. Johnson has replied that US does not wish to do so until agreement is reached on two outstanding issues.

2. Wang continues to insist that there must be early meeting of Foreign Ministers, apparently indicating that as quid pro quo Chinese may move towards accepting wording desired by US in declaration of renunciation of force.

3. Wang has indicated to UN Secretariat Geneva that he expects conference room will be required throughout the summer. This seems to indicate that Chinese are prepared to continue talks indefinitely. US of course is equally prepared to continue.

4. Cambodia - Relations with Communist Chinese representatives.

State Department has now instructed US Embassy Phnom Penh on the same lines as instructions already given to our Legation (your memo No. 145). US Embassy has been instructed to avoid all contacts or dealings with Communist Chinese. They are to indicate to Cambodians that they would be happy either to continue to discuss aid problems with Cambodia bilaterally or to serve on Committee with other "free" countries providing bona fide aid but that in their view this does not include Communist Chinese.

5. Congress.

On 29 June Senator Eastland read into Congressional Record a letter addressed to the Secretary of State (text by airmail) gist of which is that leaks from minor government officials have been appearing in press suggesting that although Administration would officially deny it, it had been decided that US would not use veto to prevent entrance of Communist China into United Nations. Particular reference was made to item in July 2nd "Newsweek". McConaughy said that reply to Eastland's letter which has now been approved by Dulles, strongly denied allegations, and defends State Department personnel. McConaughy said that strict investigation had been carried out in State Department and no evidence of any leakage of the kind suggested had been found.

6. We are commenting separately on writing in by Congress of passages opposing entry of Communist China into UN into both Public Law 603 (State Department Appropriations Bill) and Foreign Aid Bill. McConaughy remarked that similar provision had been written into Foreign Aid Bill last year but that it had not previously been included in State Department Appropriations Act. Inclusion in latter (which had been made by unanimous vote in Congress at suggestion of Foreign Affairs Committee) was clear evidence of persistent strength of Congressional feeling about Communist China

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AIRMAIL

and served notice to State Department that failure to ensure continued exclusion of Communist China from United Nations would result in its appropriations being cut.

7. Nixon's visit to Taipei.

McConaughy said that Nixon's visit had been useful in giving Nationalists a "shot in the arm". Eisenhower's letter to Chiang (our memo 921), includes statement "let there be no misapprehension about our own steadfastness in continuing to support the Republic of China". In reply to our question whether there had been any evidence of such misapprehension, McConaughy referred to Nationalist distrust of US-Chinese talks in Geneva and fears that they cover some clandestine negotiations for an accommodation (our Savingsgram 228 para 7).

8. Prime Minister's Conference.

We told McConaughy in general terms of attitude adopted by Prime Minister in London, for which he expressed appreciation.

P. C.

DUPLICATE

Original
50055-B-4

OTTAWA FILE
~~50055-A-40~~
N 50056-A-40

Despatch No. 353
Date June 12, 1956

SECURITY CLASSIFICATION
CONFIDENTIAL

FROM: CANADIAN AMBASSADOR, THE HAGUE, THE NETHERLANDS
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA
Reference: Your letter Y-224 of May 7, 1956
Subject: Recognition of China and the Status of Formosa

Immediately on receipt of your letter under reference, we took down an Aide-Mémoire to the Foreign Ministry concerning the four points raised by you. We have now received a reply from the Foreign Ministry which states as follows:

(a) The Netherlands Government recognized the Government of the People's Republic of China on May 27, 1950.

(b) This recognition was "de jure".

(c) This recognition did not include any indication of the territory over which the Netherlands Government considered that the People's Government exercised or had the right to exercise authority.

(d) In Article 2 of the Treaty of Peace of San Francisco with Japan, to which neither the Chinese National Government nor the Chinese People's Government were signatories, Japan renounced every right, title or claim to Formosa, thus leaving the question of the sovereignty over the territory of Formosa unsolved. The Netherlands Government is of the opinion that this question has not yet been settled internationally.

2. As you will see, this reply is quite specific on three of the four points raised by you, but is not informative regarding the Netherlands attitude on the disposition of Formosa. On the other hand, it is quite evident that the Dutch do not at present wish to go beyond this guarded language in referring to this enormously complicated subject.

THOMAS A. STONE

Copies Referred To.....
No. of Enclosures
Post File 5/CHINA
No.....

DESPATCH

TO: THE SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: The Chargé d'Affaires, a.i.,
Helsinki.

Reference: Your letter Y-74 of May 7, 1956.

Subject: Recognition of China and Status
of Formosa.

*Original on
50055-B-16*

Security: **CONFIDENTIAL**

No: 121

Date: June 5, 1956

Enclosures:

Air or Surface Mail: **Courier**

Post File No: 9.28

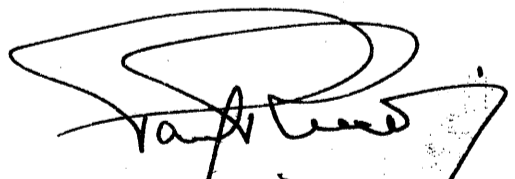
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References

I discussed your enquiry today with Enckell, the head of the Political Division of the Foreign Office, explaining the circumstances and making it clear that our present interest in Finland's position does not imply any probable change of Canadian policy.

2. Finland extended de jure recognition to the Communist Government at Peking by a telegram dated January 13, 1950 from the Finnish Foreign Minister to Chou-En-lai informing him that Finland was extending recognition forthwith "to the People's Republic of China". No reference to the territorial jurisdiction of the Peking Government was made at the time and Enckell gave me to understand that the point has never subsequently been raised. His own impression is that the circumstances of Formosa's recession by Japan carried no inference one way or the other for Finland and that the Finnish Government is completely uncommitted with regard to the Formosan question.

3. As regards Finland's attitude concerning the ultimate disposition of Formosa I received an answer that promises to become one of the stereotypes of Finnish policy within the United Nations. Finland has not defined her attitude on this question and does not wish to become involved unless that is unavoidable. It is a part of her basic policy in the United Nations not to associate herself with questions of conflict between the other powers unless Finland herself is directly concerned.


Chargé d'Affaires, a.i.

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Stockholm
Oslo
Copenhagen
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NUMBERED LETTER

CONFIDENTIAL

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: The Canadian Embassy,
BELGRADE, Yugoslavia.

Reference: Your letter Y-181 of May 7, 1956.

Subject: Recognition of China and Status
of Formosa

Security:.....

No:..... 310

Date:..... May 30, 1956.

Enclosures:.....

Air or Surface Mail:.....

Post File No:..... POL-11-1

Ottawa File No. 50055-B-40 50056-A-40

Original - 50055-B-40

References

Your enquiries on the above-noted subject were put to the China desk officer, Mr. Dragan Ristic, at the Secretariat of State for Foreign Affairs and the information set out below was obtained in response.

2. The Yugoslav Government accorded recognition de jure to the Central People's Government on October 9, 1949. There was no exchange of diplomatic missions at the time because the Cominform rupture also influenced Communist China's attitude to Yugoslavia and prevented at the time the development of cordial relations. Accordingly when normalization became the order of the day between the Soviet Union and Yugoslavia, there followed a corresponding change in the Communist Chinese attitude. On January 10, 1955, the two countries reached an agreement on the exchange of diplomatic missions. The Yugoslav mission in Peking was opened in May of last year and the Yugoslav Ambassador, M. Vladimir Popovic, arrived at the beginning of the following month. The Communist Chinese mission was opened in Belgrade in April of last year and the Ambassador, M. Wu Hsiu-Chuan, arrived in Belgrade in May.

Internal Circulation

3. At the time Yugoslavia accorded recognition of the Central People's Government, no indication was then included in this act of the territory over which the Government of Yugoslavia considered that the Central People's Government exercised authority. It has, however, always been the Yugoslav position that Formosa is legally a part of Communist China. In the Belgrade Declaration which was published at the conclusion of the Bulganin-Khrushchev visit to Yugoslavia in May of last year, the Soviet and Yugoslav leaders expressed the hope that "an atmosphere would be created which would at the same time make possible a solution by peaceful means, of such urgent problems of the first importance...the satisfaction of the legitimate rights of the People's Republic of China with regard to Taiwan." The Yugoslav Government takes a pragmatic view as to the peaceful means which might be employed to reach the desired solution. It has welcomed the negotiations now going on in Geneva between the representatives of Peking and Washington and, although the further course of these talks appears uncertain at the moment, it is hoped that

Distribution to Posts

...2

they will lead to the gradual improvement of the atmosphere. Ideally, of course, the Yugoslav Government would regard the United Nations as the best forum for settling the future of Formosa but the Communist Chinese absence from the organization rules out this possibility for the present time. It remains apparently the official Yugoslav view, however sincerely it may be held, that the Korean War would not have occurred and the Formosan problem would have been solved long ago if Communist China from the start had been admitted to the United Nations.

4. The Canadian position on these matters was briefly reviewed and we mentioned to Ristic that the Canadian Government did not consider that it could be a party to any action which handed over the people or the Government on Formosa against their will to any mainland Government. The Yugoslavs are keen advocates of the principle of self-determination and Ristic was quick to respond to this point with the comment that when the legal position had been settled, provision could then be made for ascertaining the desires of the Formosan people. He did not think there was anything unusual about such an order of events. Although the example was hardly analogous, the Cyprus situation, he thought, offered some similarity. Cyprus was legally a dependency of the United Kingdom but this did not exclude the implementation of some process whereby the population of Cyprus could achieve its right to self-determination.

5. Following the comments mentioned above, Ristic offered a few generalities on the present course of Yugoslav relations with Communist China. These relations were, he said, developing quite satisfactorily and the latest instance was the conclusion of a commercial agreement on which we reported recently. At the Bandung Conference last year, the Communist Chinese had adopted a very positive position. They were showing themselves increasingly flexible in their dealings with other peoples and, in this respect, the Yugoslav mission in Peking was meeting with ready co-operation from the local authorities in the performance of its work. In the Yugoslav view, the Communist Chinese Government, in its conduct of foreign policy, was showing less dependence on Moscow. These trends, like the present ones in the Soviet Union, were praiseworthy developments and should receive every encouragement from the West. In conclusion, Ristic said in response to a question, that he did not know of any plans on the part of the Communist Chinese leaders to visit Yugoslavia, or for President Tito to visit China.

J. S. MACDONALD

The Embassy

DEPARTMENT OF EXTERNAL AFFAIRS

SUMMARY

OF: Despatch No. 236 of May 30, 1956
from Indonesia

Insert particulars of document or file being summarized.

50056-A-6
CANADIAN EYES ONLY

SECURITY GRADING

SECRET

DATE 30 May 1956

~~17 June~~ 1956

INITIALS OF AUTHOR

RLR/ab

CIRCULATION

COLOMBO
HELSINKI
NEW DELHI
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LEGAL DIV.
U.N. DIV.
MR. HOLMES
MR. MENZIES
MR. McKINNEY
MR. ROGERS

The attached despatch no. 236 from Djakarta arose from an enquiry we made to a number of posts concerning the date and the nature of the recognition which the governments to which they were accredited had granted to the Central People's Government of the People's Republic of China. The despatch, besides answering the technical questions, goes on to cover a number of subjects which will be of interest to those who have been required to consider the subject of recognition of the Central People's Government or who have contemplated dealings with that government. It describes the early treatment the Indonesians received in Peking during the period 1951 to 1954. It also contains an exposition of arguments in favour of recognition as seen by an official of the Indonesian Ministry of Foreign Affairs who has served in Peking. For the most part these arguments are ones very commonly used. One interesting one in support of the legal qualifications of the Central People's Government bears on the stability of the régime. Instead of regarding the execution of large numbers of Chinese as a sign of unfitness for recognition, the Indonesian official points out that by executing a number of the probable resistance leaders the Central People's Government has increased the prospect of its stability and thereby reinforced one of its legal qualifications for recognition. It is interesting that the Indonesian official made no mention of Chinese minorities in other countries of Asia as a factor affecting the political desirability of recognition.

DESPATCH

FOR CANADIAN EYES ONLY

SECRET

TO: THE SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: THE CANADIAN AMBASSADOR,
DJAKARTA, INDONESIA.

Reference: Your Letter No. Y-148 of May 7, 1956.

Subject: Recognition of China and Status
of Formosa.

Security:.....

No:..... 236

May 30, 1956.

Date:.....

Enclosures:.....

COURIER

Air or Surface Mail:.....

153.8 and 165.

Post File No:.....

Ottawa File No.

50056-A-46

19

Original 50055-B-46

References

In accordance with the instructions contained in your letter under reference, a call was made on Mr. Marjonani, who occupies the "China desk" in the Indonesian Ministry of Foreign Affairs, to ascertain the official Indonesian position regarding diplomatic recognition of the People's Republic of China and the ultimate disposition of Formosa. As the information was not readily available, the questions were left with Mr. Marjonani. A few days later, after considerable research in the archives, the Indonesian Foreign Ministry was able to come up with the following verbal replies in response to our queries:

1. Q. On what date did the Republic of Indonesia extend diplomatic recognition to the Central People's Government of the People's Republic of China?

A. A cable extending recognition was sent by the Indonesian Government to the Chinese Government on June 9, 1950.

2. Q. Was that recognition de facto or de jure?

A. De jure.

3. Q. Did the act of diplomatic recognition contain or infer any indication of the territory over which the Indonesian Government considered that the Central People's Government exercised authority?

A. The People's Government was recognized in the usual international sense. No territorial limitation was stated or inferred. No such factors were even considered as Formosa was not the international problem in 1950 which it is now.

4. Q. If, as your answer implies, Formosa was not specifically exempted from the area recognized as being under the jurisdiction of the Peking Government, has the Indonesian Government taken any position on the ultimate disposition of Formosa?

Internal
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to Posts
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Oslo

A. On April 28th, 1955, upon the conclusion of the Bandung Conference, Prime Ministers Ali Sastreamidjojo and Chou En-lai issued a joint communique which inter alia included the following statement: "They express deep sympathy and support to the efforts of either of the two countries in safeguarding its own sovereignty and territorial integrity". The Indonesian Foreign Ministry declines to make any interpretation of that statement.

We trust that the above series of answers will be useful to the Department in compiling the information promised by the Minister at the April 24th meeting of the External Affairs Committee of the House of Commons.

2. In order to supplement the information obtained, on an official basis, from the Ministry of Foreign Affairs, a call was made by Mr. Edmonds of this Embassy upon Mr. Isaak Mahdi, the Deputy Head of the United Nations Division in the Foreign Ministry, who was Indonesian Charge d'Affaires in Peking for three years. As Mr. Isaak is a close personal friend of Mr. Edmonds, he imparted some confidential information which he only wished conveyed to "your Embassy and your Foreign Office".

3. As mentioned above, Indonesia recognized the People's Republic of China in June, 1950. Mr. Isaak Mahdi, who was Indonesia's representative in Bangkok during the revolutionary period, was chosen as Indonesia's first Charge d'Affaires to People's China. He arrived in Tientsin on January 8, 1951, and presented his credentials as Charge d'Affaires to Prime Minister Chou En-lai on January 22, 1951. The two weeks' delay in the presentation of credentials was not caused by any reluctance on the part of the Chinese Communist officials to accept the new Indonesian Charge but because Mr. Isaak was stranded for funds as, effective January 1, 1951, all mainland Chinese accounts in the United States were frozen and Mr. Isaak could not cash his American Express travellers' cheques. In order to have any money upon which to live, he was forced to get an overdraft from a Chinese bank. Although the Peking Government was quite willing to "recognize" Indonesia's recognition, Mr. Isaak, as a very junior Charge, wished to present his credentials to Chinese Premier Chou En-lai himself since his Letter of Credence, as Charge d'Affaires en pied, was signed by the Indonesian Prime Minister. Moreover, he also wanted to establish an entree so that, despite his youth, he would be able to approach the appropriate Chinese officials in his capacity as Charge d'Affaires. The Indian and Burmese diplomats tried to dissuade Mr. Isaak from being so protocolaire and suggested that he present his credentials to Protocol Division instead. He refused to do so, however, and, after a delay of four days, threatened to return to Djakarta. The very next day Chou En-lai let it be known that he was willing to receive him.

4. Even with other Asian diplomats, the Chinese were at first very formal and reserved. The Indonesian Charge was considered to be the representative not only of a decadent bourgeois state but also one which, by abstaining, had given its tacit support to the United Nations' resolution which called for an embargo upon the shipment of all strategic materials to Communist China. At a formal Ministry of Foreign Affairs "social" function early in Mr. Isaak's stay in Peking, conversation was very sticky indeed. Although one of the top Foreign Ministry officials present was a graduate of the London School of Economics and was fluent in English, the whole repartee had to be translated from Chinese to English and vice versa. The English-speaking Chinese even refrained from laughing at jokes until they had been

translated. When the conversation on such innocuous topics as the weather bogged down, everyone turned in desperation to a discussion of the merits of the occupants of the gold fish bowl in the centre of the room. When that subject in turn had been exhausted, the Indian Second Secretary spoke to the official of similar rank in the Protocol Division and suggested that, when he was through his tour of duty in Protocol, he might like to be posted to India. The Chinese present fell into embarrassed silence at this sally since India was another bourgeois republic of which China did not approve. In desperation, the Protocol officer finally replied, "Well, perhaps they have gold fish in India too".

5. By the time Isaak Mahdi left Peking in January, 1954, the atmosphere had improved considerably. The Asian Heads of Mission in Peking held a weekly meeting with Ch'eng Chia-k'ang, the Head of the Asian Directorate of the Ministry of Foreign Affairs. Owing to the centralized nature of a Communist state, the number of officials competent to take decisions in the Chinese Government was rather limited. As the Asian Division Head belonged to this select group, the weekly meeting was of immense value in conveying and receiving the view of the two Governments on various issues. Towards the end of his tour in Peking, Mr. Isaak was able to ring the Foreign Office and ask to speak to Chou En-lai on the telephone. Moreover, the Chinese officials were quite willing to conduct both official and unofficial business in English and they expressed their apologies for the stiff-necked and truculent attitude they had adopted earlier towards their diplomatic guests. A member of the Chinese Delegation at the Asian-African Conference in Bandung approached Mr. Isaak and said, "If only we had been more sensible during your early years in Peking and welcomed diplomatic recognition more wholeheartedly we (the Chinese) would have a position in world affairs today comparable to that of the British". Isaak said that he could well understand the arrogant attitude of the Chinese officials in the early days of the Chinese Communist revolution as it was similar to that of the Indonesians during their revolutionary period. Having successfully achieved their independence, many Indonesians were headstrong, chauvinistic and impatient of outside advice.

6. The "thawing-out" of the diplomatic freeze prevalent in Peking in 1950-51 was, however, a very gradual process. As far as the Indonesians were concerned, it was partly achieved by insisting on all occasions on their rights and by refusing to grant any privileges to the Chinese in Djakarta until they were accorded the Indonesians in Peking. As the Chinese Embassy in Indonesia was established several months before the comparable Indonesian one in Peking, this was a cause of some annoyance to the Chinese. The Indonesians in Peking were subjected at first to travel and other restrictions. However, by such tactics as refusing to accept 16 Chinese Secretaries appointed to the Embassy in Djakarta, the Indonesians in Peking were able to secure a better treatment. Indonesia was the first Embassy permitted to send a diplomatic courier by train from Peking to Canton. Although members of the Embassy had to apply to the Government for permission to travel outside of Peking, this, in practice, was never refused. Actually, it would have been impossible to leave Peking without Government authorization since all hotels are now Government-operated and all room reservations are controlled by the Government. Therefore, one could not just "take off" from Peking to Shanghai on an hour's notice because, without Government priority, there would be no place to stay upon arrival.

7. The Chinese were represented in Djakarta by an Ambassador from the start. Mr. Isaak was supposed to go to Peking, as Charge d'Affaires, to open up the Mission in advance of the arrival of an Ambassador. However, owing to the fluctuating political situation in Indonesia, only one Indonesian Ambassador has ever been appointed to Peking. Mr. Arnold Monomutu, a Christian but a Nationalist Party member, was designated Ambassador by the first Ali Sastroamidjojo Government in December, 1953. He returned from Peking, at his own request, during the tenure of office of Masjumi Premier Burhanuddin Harahap, late in 1955. He has not been replaced.

8. Mr. Isaak considers that there were three main reasons why it was important that non-Communist countries, particularly the smaller powers, such as Indonesia and Canada, should have recognized the People's Government of China, shortly after its establishment in Peking on October 1, 1949. The same political, economic and diplomatic arguments still apply today, although the political and economic ones do not have the same force now as they did earlier.

9. From the political viewpoint, the former Indonesian Charge maintains that the Peking Government is basically Chinese - even though it is also Communist. Historically, the Chinese have suffered a series of invasions by barbarians from the north and all - apart from the Mongols, who soon lost power - were absorbed into the Chinese civilization and cultural pattern, despite any governmental changes they may have introduced or imposed. In other words, the Peking Government was a peculiarly Chinese version of the standard Communist model. The Chinese were quite conscious of the mistakes that had been made by their Russian mentors and were anxious to avoid them. Traditionally, "China", in the Chinese language, has always been termed the "middle country" - the country of enlightenment surrounded by barbarians who paid tribute to the Chinese emperor and aped the Chinese way of life. Now, however, with the advent of the Korean War and the division of the world into Communist and non-Communist blocs, a new interpretation of the "middle country" concept has been made, viz., China is a country surrounded by hostile enemies. This need for protection from its acknowledged or potential enemies has thrown China into the waiting arms of the Soviet Union. This close alliance is not the position in the international world desired by China. When asked whether there was any chance of "Titoism" developing in Communist China, Isaak replied that, although Chinese Communism had a Chinese flavour, China, in 1956, is not in the bargaining position that Tito was, in 1949, to make a break from Moscow. After all, Yugoslavia was a relatively developed country which was geographically accessible to the Western powers. When the Soviet Union ordered Yugoslavia to import 30% of its outside requirements from the Soviet Union, Yugoslavia could afford to thumb its nose at the Soviet Union as it was well aware of the fact that both the United States and Great Britain were able and willing to be alternate sources of supply.

10. The political argument is, of course, closely allied with the economic argument. In 1949, after the long period of the Sino-Japanese War and the hostilities between the Nationalist and Communist armies, China was a physically exhausted and depleted country. China was and is anxious for a period of peace in order to reconstruct its economy and accelerate the process of industrialization. China, in common with Indonesia and other under-developed countries, has always regarded industrialization as the key to the solution of economic problems in the twentieth century. Everything in China in 1949 was in short supply and the Peking Government wanted help of all kinds and hoped that the

sources of supply would be as diverse as possible, in order to lessen China's dependence on any one country. In fact, right through 1952, it would have been possible (except for the limitations implicit in the United Nations' embargo regulations) for any country to ship large amounts of equipment to China. After that date, however, under the terms of the Sino-Soviet agreement, China was obliged, to obtain at least 70% of its imports from the Soviet bloc. The Chinese are duly grateful for the fact that, while other countries refused to help China in its hour of need, the Soviet Union, despite considerable economic strain at home, gave large scale economic and capital aid to China - the much-publicized 141 industrial projects, for example. Although a few Western countries have recently indicated their eagerness to export to China, it is now somewhat late since, with the aid of the Soviet Union, China has made rapid economic strides. China now has a huge industrial complex of its own in operation in Manchuria, which reduces China's need for large-scale capital assistance from abroad.

11. When Mr. Isaak was asked about the Chinese reluctance to accept the early recognition extended the Peking regime by the United Kingdom, the Indonesian diplomat replied that the Communists had made an extensive review of the international treaties and agreements subscribed to by the Chiang K'ai-shek Government and announced that it would not honour any treaties which implied an unequal relationship between the contracting parties. The Chinese were therefore reluctant to grant full negotiatory powers to the British diplomatic mission in Peking because that action might be construed as being tacit permission for the imperialistic British firms, who first went to China under semi-colonial conditions, to continue in full operation. Mr. Isaak clearly implied that the Chinese were originally most reluctant to channel Sino-British trade through the "Old China Hand" firms. Now, however, even though the Chinese were most anxious to discuss trade on almost any basis, the market is not as open as it once was because, in the intervening period, the Russians have effectively cornered the "China Trade".

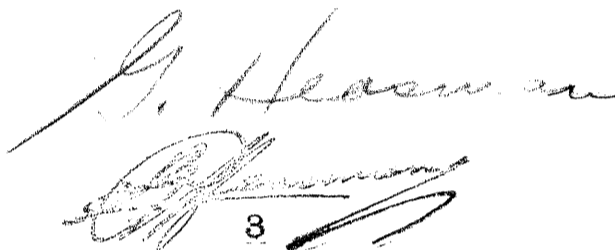
12. The Indonesian Foreign Ministry considers it important for the smaller powers to have diplomatic representatives in Peking. The Indonesians make no attempt to conceal their irritation at the spectacle of a Western Big Power forcing its smaller allies to abstain from negotiating with the Chinese Communists. The realities of the current international situation demand that the strong position of Communist China be considered in any important negotiations concerning the Far East. Indeed, in recognition of this truism, all the Western Big Powers have dealt, to a greater or lesser extent, with the Chinese Communists. The United Kingdom has, of course, recognized Communist China and has conducted many confidential negotiations with Chinese officials in Peking. The French, through the Sainteny mission in Hanoi, have maintained relations with the Viet Minh and the French are believed to be interested in establishing a commercial office in Peking. (Incidentally, here in Djakarta, there are always a minimum of two Chinese diplomats at most of the larger cocktail parties given by the French.) For some months, too, the United States and China have been conducting talks at the ambassadorial level in Geneva. Other smaller powers, however, are forbidden from making such contacts in order to solve problems of interest to them.

13. After Mr. Isaak had conveyed these three non-legal arguments in favour of extending diplomatic recognition to Communist China, a short discussion took place on the qualifications, under international law, which a government must meet before it is eligible for diplomatic recognition by other states. Mention was made of such general criteria as effective control and administration over the generally recognized borders of the national

territory, willingness to honour its international obligations and the obedience of the people to the edicts of the Government concerned. The latter point provoked a discussion concerning the amount of support which the Peking regime has among the people. Before reporting to the Indonesian Foreign Ministry on the extent of the purges in China, the Indonesian Embassy in Peking asked some pointed questions of the Chinese regarding the number of people killed since the revolution. The Chinese Nationalists claim that 37 million people have been exterminated by the Communists; the British in Peking estimated 17 million. Chinese Communist officials themselves admitted to Mr. Isaak that at least two million people had been systematically liquidated. Even if this figure was accepted at face value, the ruthless "judicial" execution of two million selected people would indicate that most of the potential "resistance" leaders had been exposed and eliminated. By way of analogy, Mr. Isaak mentioned that the Japanese had a plan to murder three thousand intellectuals and semi-intellectuals in Indonesia (of which Mr. Isaak was one) but the plan was never put into effect owing to the rapid end of the Japanese War. Assuming that China's population is seven times greater than that of Indonesia, the slaughter of 21,000 intellectuals would effectively dampen any little fires that might be smouldering. By this systematic massacre, Mr. Isaak said, the Chinese have succeeded in doing something which the Dutch in Indonesia and the French in Indochina had planned but had not been able to put into operation. In this connection, he mentioned that Captain "Turko" Westerling, in killing 40,000 Indonesians in Celebes was not engaged in indiscriminate butchery. All the intellectuals and potential village leaders in southern Celebes were systematically sought out. (Mr. Isaak's brother - a physician - just managed to escape.) Fortunately for the Indonesians, Westerling's activities in this connection were confined to Celebes. The French had a similar plan in Indochina but they were not able to implement it. (Mr. Isaak mentioned, however, that while passing through Paris last year, he had heard from a Madagascar expatriate that the French had succeeded in exterminating 10,000 intellectuals and semi-intellectuals in that island colony which had very effectively squelched the nationalist movement there. Although Mr. Isaak had not seen any confirmation of this report elsewhere, he had no reason to doubt the word of this Madagascar native.)

14. Although no territorial limitation had been placed on Indonesia's recognition of the People's Government of China, Indonesia is aware that Formosa does constitute an international problem. However, Formosa is one of those "cold war" disputes in which Indonesia, because of its policy of non-alignment, does not wish to become involved. In fact, Indonesia is not at all convinced that it is, technically, an international dispute since the civil war between the Chinese Nationalists and Communists has never really stopped. It can therefore be claimed that the dispute is a domestic issue between the Chinese Nationalists and the Chinese Communists. The question of whether or not Formosa is an integral part of China has been a matter of dispute within Indonesian Government circles from time to time. The correct "line" on this issue has varied in accordance with the particular political orientation of the Government of the moment. (Mr. Isaak was somewhat evasive about Formosa - not, as he said, because he wanted to conceal anything but because he was not sure what the current Ali Government thinks about the issue.) Generally speaking, Indonesia prefers to offer its impartial good offices in disputes of this nature rather than try to adjudicate the substantive issues involved.

15. Indonesia's "active and independent" foreign policy, in Mr. Isaak's words, involves acting as a mediator rather than as a whistle-blowing referee. (It will be recalled, in this connection, that Dr. Ali Sastroamidjojo, when he was last Prime Minister, offered his mediatory services in the Formosan dispute to both the United States and Communist China, following the Bandung Conference last year.) Indonesia rather fancies its self-enunciated role of international peacemaker. For example, during the Korean War, Mr. Isaak himself was able to play a not inconsiderable role (in his own modest opinion) in the Korean prisoners-of-war dispute. He advised the Chinese Government that the United Nations' principle of voluntary repatriation was a fair one and was the minimum which American public opinion was prepared to accept. The Chinese were very reluctant to accept this proposal because they believed that their prisoners had been tortured and thoroughly "brainwashed". It was thus inevitable that China would suffer some "loss of face" on the issue. Every success which Indonesia scores in negotiations of this nature inevitably serves to reconfirm Indonesia's belief in the virtues of its "active and independent" foreign policy.



A handwritten signature in cursive script, appearing to read "G. Heasman". Below the signature is a small, stylized flourish or mark.

THE AMBASSADOR

Confidential

Received OCT 21 1955
From CRO

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CHI 29/1955

May 31/55

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THE STATUS OF (i) FORMOSA AND THE
PESCADORES, (ii) THE ISLANDS FRINGING
THE CHINESE MAINLAND COAST

Formosa's status as a part of the Chinese Empire was first made definite in 1684 when the Imperial Chinese Government made the island a prefecture subordinate to the province of Fukien on the opposite mainland. Troops were stationed on Formosa and the Pescadores.

2. The island had been occupied by the Dutch from 1624 to 1661 and earlier by the Portuguese, but in 1661 the Dutch were expelled by Koxinga, the Chinese pirate and adventurer who fought against the Imperial Chinese Government, allying himself with the lost cause of the previous dynasty of the Mings. Then followed twenty years' of rule by Koxinga and his successors. This brief independence is nowadays recalled with affection by those Formosans who claim independent status for the island, but they are mostly outside Formosa and not numerous.

3. Koxinga's grandson submitted to Peking in 1682. The Imperial Chinese Government's effective control was at first limited to the Western coastal areas but by the 18th century it extended to the greater part of the island. Until the Japanese arrived on the scene in the last quarter of the 19th century there was no-one to question Chinese sovereignty; it was for example recognised by implication in the Sino-British Treaty of Tientsin (1858) under which the Chinese Government opened Formosa to British subjects for trade. By this time the population was predominantly Chinese, as a result of the steady flow of Chinese immigrants from the opposite parts of the mainland which had begun more than two centuries before. In 1895, out of a population estimated at rather less than 3 million, about 94% were Chinese, being descendants of immigrants from Fukien and Kwangtung provinces, and only about 6% were aborigines.

4. Those Formosans who today claim independence are inclined to assert that the Formosans are not of Chinese race, on the ground that they are descended from Koxinga and his followers whose blood was thoroughly intermingled with the aborigines, Spaniards, Portuguese, Dutch and Japanese. It is true that Koxinga had a Fukienese father and a Japanese mother and that the Chinese immigrants have mixed sufficiently with some of the aborigines in the plains to assimilate a part of them. Fifty years of Japanese rule and the long separation of the Formosans from their homeland have also partially changed their outlook. But the Formosans cling tenaciously to the customs and dialects which their ancestors brought with them, perhaps generations ago, from the mainland, so much so that those from Fukien (over 75%) are still distinct in customs and dialect from those who came from Kwangtung.

5. With the decline of the Manchu government in the latter half of the 19th century its control over Formosa weakened. In 1871 there was a Sino-Japanese dispute over the island which deemed likely to result in its seizure by the Japanese. Some natives of the Liuchiu Islands, which the Japanese claimed, had been murdered at the hands of Formosan aborigines after being shipwrecked, and the Japanese took the view that if the Chinese could not maintain order others should do so. The

matter

NB

The matter was settled by Chinese payment of an indemnity. During the Sino-French war of 1884 certain of the Formosa ports as well as the Pescadores were occupied by the French, but they withdrew after the peace. The Chinese then decided to strengthen the position and one result of this was that in 1885 Formosa was made a province directly under the Imperial government at Peking. But the Chinese were unequal to the Japanese attack when it came less than ten years later.

JAPANESE ANNEXATION, 1895

6. After China's defeat at Japanese hands in the war of 1894-95, the Chinese were compelled to cede Formosa and the Pescadores to Japan as part of the peace terms. The treaty of Shimonoseki, signed on April 17, 1895, stated in part:-

Article II

"China cedes to Japan in perpetuity and full sovereignty the following territory, together with all fortifications arsenals and public property thereon:-

(b) The island of Formosa, together with all islands appertaining or belonging to the said Island of Formosa.

(c) The Pescadores Group, that is to say, all islands lying between the 119th and 120th degrees of longitude east of Greenwich, and the 23rd and 24th degrees of north latitude".

Article V.

"The inhabitants of the territories ceded to Japan who wish to take up their residence outside the ceded districts shall be at liberty to sell their real property and retire. For this purpose a period of two years from the date of the exchange of the ratifications of the present Act shall be granted. At the expiration of that period those of the inhabitants who shall not have left such territories shall, at the option of Japan, be deemed to be Japanese subjects".

7. When these terms became known in Formosa the local people exhibited great dissatisfaction and the garrison offered resistance to the Japanese expedition which came to annex the island, but the Japanese soon gained control though it was some years before the island was pacified as a whole. Morse, the historian of China who was at that time Commissioner of Customs on the island, records the curious fact that a deputation of local gentry offered a protectorate of the island to England on the basis that China should retain the sovereignty; the offer was declined. The Formosans also made a feeble attempt to establish a Republic and this is sometimes now adduced as evidence of a persistent desire for independence.

8. The next half-century of Japanese rule brought stable political conditions to the island in sharp contrast to the political disorder on the Chinese mainland. Integration with the Japanese Empire gave Formosa a high level of material prosperity compared with other Asian countries. The number of Japanese immigrants was relatively small, and they were more administrators and technicians than settlers on the land. By 1935 the population had risen to 5.2 million, composed as follows:

Chinese

Chinese from Fukien:	3.9 million;
Chinese from Kwangtung:	700 thousand;
Japanese:	270 thousand;
Aborigines:	200 thousand.

Despite Japanese attempts to spread the use of the Japanese language and Japanese institutions the population continued overwhelmingly Chinese in culture and language. The population virtually doubled in the 35 years up to 1940, and this growth was almost wholly due to the natural increase of the Chinese.

CAIRO DECLARATION

9. Japan's war of aggression launched at Pearl Harbour in 1941 determined the Allies to deprive her of her Empire. At the same time the United States acknowledged China as a Great Power. A combination of these two factors, to which was perhaps added the desire to encourage China to continue the struggle which for her had started as far back as 1937, led to the Cairo Declaration issued by the President of the United States, the Prime Minister of Great Britain and Generalissimo Chiang Kai-shek, on December 1, 1943. The relevant portion reads as follows:-

"The Three Great Allies are fighting this war to restrain and punish aggression of Japan. They covet no gain for themselves and have no thought of territorial expansion. It is their purpose that Japan shall be stripped of all the islands in the Pacific which she has seized or occupied since the beginning of the first World War in 1914 and that all the territories Japan has stolen from the Chinese, such as Manchuria, Formosa, and the Pescadores, shall be restored to the Republic of China".

This was a statement of intention only and it could not of itself transfer sovereignty over Formosa from Japan to China.

POTSDAM DECLARATION

10. This declaration was issued on July 26, 1945, in the names of the President of the United States, the Prime Minister of Great Britain and Chiang Kai-shek, and was subsequently adhered to by the Soviet Union. It laid down conditions for the Japanese surrender and the relevant part states:-

"The terms of the Cairo Declaration shall be carried out and Japanese sovereignty shall be limited to the Islands of Honshu, Hokkaido, Kyushu, Shikoku and such minor islands as we determine".

JAPANESE SURRENDER

11. The Japanese Emperor accepted the Potsdam terms and the Japanese surrender was received on September 25, 1945, by General MacArthur "for the United States, the Republic of China, the United Kingdom and the U.S.S.R. and in the interests of the United Nations at war with Japan". The Japanese forces in Formosa were then instructed to surrender to Generalissimo Chiang Kai-shek which they did on October 25, 1945. Japanese

acceptance

acceptance of the Potsdam declaration did not effect a change regarding the sovereignty over Formosa and the Pescadores, but merely constituted an advance recognition and acceptance of such steps as the Allies might eventually take for the purpose. Therefore in law Formosa's special status was that of enemy territory under military occupation. Chiang Kai-shek assumed the administration of Formosa responsible to the whole body of the Allies pending the conclusion of a Peace Treaty, or if the status of Formosa was not finally settled by that treaty (which it was not), pending an eventual settlement.

12. The Republic of China proceeded to take unilateral action, however, as if the sovereignty over Formosa and the Pescadores had passed to it as from October 25, 1945. The National government announced (on January 12, 1946) that the inhabitants of Formosa had regained Chinese nationality as from October 25, 1945. The Administrative Office for the Province of Formosa which had immediately been set up made arrangements for an oath of loyalty to the National Government to be taken by each citizen, and claimed that 2,409,560 persons (91.8% of the population over 20 years of age) had taken the oath when registration ended on February 15, 1946.

13. H.M. Government's view of the legal position was made clear to the Chinese Government when the question arose of passport facilities for Formosans. H.M. Government declined to regard them as Chinese nationals, and compromised by treating them as "friendly aliens". In strict law they still remained Japanese nationals. It cannot be said however that there was a general tendency on the part of other governments to question the unilateral action which the Republic of China took about Formosa, and in the circumstances it was reasonable to assume that it was only a matter of time before a formal treaty of peace would regularise the legal position. Afterwards in January 1951, Mr. Acheson (then United States Secretary of State) expressed his view in the following words:

"The Chinese have administered Formosa for 4 years. Neither the United States nor any other ally ever questioned that authority and that occupation. When Formosa was made a province of China nobody raised any lawyers' doubts about that. That was regarded as in accordance with the commitments".

14. The Chinese administration of Formosa in the first post-war period left much to be desired and on February 28, 1947, the Formosans broke out in a serious revolt against their rulers from the mainland. In the process of settling this trouble, the island was given a full provincial form of government and a provincial governor replaced the former administrative commissioner who was recalled. An aftermath of the 1947 revolt has been the agitation for independence which a small number of Formosans have continued to carry on from outside the island; within the island such agitation is not tolerated.

15. In 1949 the communists gained the upper hand in the civil war on the mainland against the Nationalists, and established at Peking the Central People's Government of the Chinese People's Republic. The National Government of the Republic of China withdrew from the mainland to Formosa. Thenceforth there have been two governments claiming to represent China and their

competing

competing claims to Formosa are the root of the present trouble. The Republic of China continues to be recognised as the de jure government of China by a large group of countries including the United States of America and, on the other hand, the Government of the People's Republic of China is recognised as the de jure government of China by another group of countries, including the United Kingdom. Whilst recognizing the People's Republic of China (on January 6, 1950) H.M. Government retained their consul in Formosa (at Tamsui) on the basis that he was in relations with the de facto local authorities, and not with the Nationalist Government itself.

16. Upon the withdrawal of the Nationalists to Formosa the United States Government made no commitment to defend the island against the communists, although it continued to give the Nationalists economic aid. President Truman stated on January 5, 1950, that the U.S. Government would not pursue a course which would lead to involvement in the civil conflict in China. But as a direct result of the outbreak of the Korean War in June, 1950, the United States immediately undertook to defend Formosa from any mainland attack and for that purpose disposed naval units in the Formosa Strait; the United States also called on the Nationalists to cease all air and sea operations against the mainland. It was explained that this action was without prejudice to the long-term political status of Formosa.

JAPANESE PEACE TREATY

17. Most of the states which had been at war with Japan signed a Peace Treaty with her at San Francisco on September 8, 1951, but in the absence of agreement as to which of the two governments claiming to represent China should participate, China was excluded from this Treaty, and the U.S.S.R. refused to participate. Article 2 stated: "Japan renounces all right, title and claim to Formosa and the Pescadores," but the Treaty did not assign them to any other state. Formosa and the Pescadores ceased from that date to be Japanese territory, but remained of undetermined or uncertain status in law. They were in the occupation of an entity which in the view of H.M. Government did not represent the Chinese state and could not therefore acquire rights of sovereignty. On the other hand the entity which in our view did represent the Chinese state was not in occupation of Formosa and could not derive any rights from occupation of that territory.

PEACE TREATY BETWEEN JAPAN AND THE "REPUBLIC OF CHINA"

18. On April 28, 1952, Japan concluded a bilateral Peace Treaty with "the Republic of China" at Taipei, but this instrument cannot be accepted as valid by those governments (including that of the United Kingdom) which had earlier withdrawn recognition from the Nationalists. Article 1 terminated the state of war between the "Republic of China" and Japan; Article 2 recognised that under the San Francisco Treaty Japan had renounced all right, title and claim to Formosa and the Pescadores; Article 10 stated that "for the purposes of the present Treaty" nationals of the "Republic of China" shall be deemed to include all the inhabitants and former inhabitants of Formosa and the Pescadores and their descendants who are of the Chinese nationality in accordance with the laws and regulations which have been or may hereafter be enforced by the "Republic of China" in Formosa and the Pescadores.

19. From the point of view of those countries including the United Kingdom who do not recognise the "Republic of
China"

China", this "Treaty" did nothing to clear up the uncertain status of Formosa in law as described in paragraph 17 above. The United States government share this view. Mr. Dulles said at a press conference on December 1, 1954: ".....technical sovereignty over Formosa and the Pescadores has never been settled. That is because the Japanese Peace Treaty merely involves a renunciation by Japan of its right and title to these islands. But the future title is not determined by the Japanese Peace Treaty, nor is it determined by the Peace Treaty which was concluded between the Republic of China and Japan..."

20. On February 2, 1953, President Eisenhower stated that the United States fleet in the Formosa Strait would no longer be used to "shield Communist China" though it was retained there to protect Formosa from invasion. In the summer of 1954 the Chinese communists renewed agitation for the "liberation" of Formosa and Chou En-lai stated that Formosa was "sacred" and inalienable Chinese territory, that its "liberation" was an internal matter of Chinese sovereignty and that interference by other countries would not be permitted. The United States Government then made clear that it was prepared to use its armed forces to protect Formosa and the Nationalists by concluding with the Nationalists the Mutual Security Treaty of December 1954. But by an exchange of notes attached to the Treaty both parties agreed that neither would take action except in self-defence, which in effect meant that the United States Government could prevent the Nationalists from attacking the mainland. The United States commitment was further underlined when on January 29, 1955, the United States Congress authorised the President to use American armed forces for the specific purpose of securing and protecting Formosa and the Pescadores against armed attack. The Congressional resolution stated that Formosa was part of the "Western Pacific Island Chain" whose secure possession by friendly governments was vital to the interests of the United States and all friendly nations in or bordering upon the Pacific Ocean.

21. Neither of the contestants for sovereignty shows willingness to withdraw. The Nationalist Government's claim to be the lawful government of China would be seriously impaired in the eyes of its supporters if it recognised that Formosa was not Chinese, and the Chinese as a nation would condemn such a step. The Communists agree with the Nationalists in holding that sovereignty passed to the National Government on October 25, 1945, but maintain that by virtue of the Government of the People's Republic of China having since succeeded to de jure sovereignty over China, the title to Formosa has passed to it. In a matter which in their view concerns territorial sovereignty and integrity it is hardly likely that the Communists will compromise and it is impossible to be sure that they will not recklessly translate their bold words into deeds, at the cost of war. Although hostilities have so far been limited to the islands which fringe the mainland coast (the Communists captured Yi Chiang Shan island on January 18, 1955, and have been making military preparations on the mainland opposite Quemoy and Matsu), numerous Peking spokesmen have repeatedly declared that their government "will not rest" until Formosa itself has been "liberated".

22. In order to reduce tension efforts have been made to bring the conflicting parties to a conference table in the hope of inducing them to agree to a cease-fire. On January 31, 1955, the United Nations Security Council invited the Peking Government to send a representative to participate in the Council's

discussions

Discussions of the "question of the hostilities in the area of certain islands off the Chinese mainland". Peking declined on the ground that the "liberation" of Formosa and the coastal islands was an exercise of Chinese sovereignty and that the tension had been caused by United States "aggression" against Formosa and interference in internal Chinese affairs. The U.S.S.R. proposed on February 4, 1955, a ten-power conference to discuss the "dangerous situation in the area of Formosa and other Chinese coastal islands", but since their conference would have included Peking but not the Nationalists it offered no hope of progress and Her Majesty's Government informed the Soviet Government that their proposal was not acceptable in its present form. On April 23 Chou En-lai issued a statement at Bandung expressing willingness to negotiate with the United States Government about a relaxation of tension in the Formosa area, while reserving the sovereign right to China to "liberate" the island. On April 26, Mr. Dulles announced that the United States Government would not rule out bilateral talks about a cease-fire provided Nationalist interests were not involved.

23. It is impossible to see how these deeply conflicting interests can be reconciled, but various suggestions as to the lines of a long-term settlement have appeared in the press:-

(a) International Trusteeship for Formosa and the Pescadores. This would presumably be exercised under the United Nations. Since the mere idea is bitterly opposed by both Chinese parties the prospects are extremely poor. Moreover it seems unlikely that any nation would be willing to undertake the task of acting as trustee.

(b) Consultation of the wishes of the Formosans with a view to possible independence. There can be no doubt that the mass of native-born Formosans would be glad to be saved from involvement in an internal Chinese struggle in which they have no part. But this course would not be acceptable to Peking or, at any rate for the time being, to the Nationalists. The practical problems of establishing an independent government would be very great. There is moreover no strong independence movement to start with since the handful of Formosans who agitate for it from outside appear to have no appreciable following either within the island or outside it. In support of the independence proposal it is sometimes stated that the Formosans are of a different race from the Chinese, but this is a misconception. The composition of the total population estimated at about 10 million in 1955 is roughly as follows:- Aborigines: under 200,000; Native-born Formosans: approximately 8 million; Mainland Chinese: approximately 2 million. The native-born Formosans are descended from Chinese immigrants from the mainland provinces of Fukien and Kwangtung; they still cling to the customs and dialects of the districts on the mainland whence their ancestors came; Nationalists and Communists alike regard them as Han Chinese, i.e. of Chinese race and not as a minority. The mainland Chinese fall into roughly three categories: first, those who moved in to the island after it came under Chinese administration in 1945, as officials, merchants and others; next,

those .

those civilians who fled there in much larger numbers as a refuge from Communism in 1949 and after; and lastly the military establishment (about 600,000 strong) which was withdrawn from the mainland. All these categories of mainland Chinese are distinct from the native-born Formosans not only by their different attitude in general but also by their inability to speak the southern dialects; they have brought with them the standardised form of Northern Chinese dialect based on Mandarin. But written Chinese is universal to all Chinese, and this fact and their common culture bind all Chinese together and there is no reason to suppose that Formosa is an exception.

24. With the passage of time a separate independent Formosa might become logical and practicable. At present the Government of the Chinese People's Republic would resist it to the utmost. It is to be hoped that a cease-fire, if only tacitly accepted, may come about and that the elements of a more lasting settlement might then gradually appear.

THE ISLANDS FRINGING THE CHINESE MAINLAND COAST

25. In May 1955, the Nationalists still hold the following islands off the coast of Fukien province: Quemoy, Little Quemoy, Ta Tan, Matsu, Okseu, Pai Ch'uan (White Dog), and some smaller ones of little significance. Quemoy and Matsu lie across the approaches to the two mainland ports of Amoy and Foochow and are garrisoned by about 50,000 and 10,000 Nationalist regulars respectively. The communists attempted to seize Quemoy in October, 1949, but were repulsed. Quemoy and Little Quemoy are within artillery range of the mainland and the communists have shelled them on various occasions in the past 5 years, and in September 1954, their fire was intensified for a short period, causing the Nationalists to retaliate by bombing positions on the mainland.

26. The Nationalists have lost all the islands which they held off the coast of Chekiang province. The Communists captured Yi Chiang Shan on January 18, 1955 and by the end of February the Nationalists had successively evacuated the Tachen, Pishan and Nanchishan groups of islands, which were of little use to them.

27. The legal position as to the costal islands is relatively simple. From first to last they have been undoubtedly Chinese territory and therefore in our view part of the territory over which the People's Republic of China is entitled to exercise authority. In the view of H.M. Government, however, any attempt by the Government of the People's Republic of China to assert its authority over the islands by force would endanger the peace; and H.M. Government hope that the matter will be settled by negotiation. Sir Anthony Eden expressed the view in the House on March 8, 1955, that the Nationalists should withdraw from the islands as one of the elements in progress towards a peaceful solution.

28. Instead of welcoming this suggestion the Peking news commentators affected to be suspicious of it as an attempt to bargain away the coastal islands in order to keep Formosa. They have repeatedly stated that Peking will not bargain about Chinese territory.

29. On January 29, 1955 the Congress of the United States authorized the President to "employ the armed forces of the United States as he deems necessary for the specific purpose of securing and protecting Formosa and the Pescadores against armed attack, this authority to include the securing and protection of such related positions and territories of that area now in friendly hands and the taking of such other measures as he judges to be required or appropriate in assuring the defence of Formosa and the Pescadores". This leaves to the President the decision as to whether the United States should take military action to defend Quemoy and Matsu.

May 31, 1955.

Research Department,
Foreign Office.

NUMBERED LETTER

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: The Canadian Embassy,
Tel Aviv, Israel

Reference: Your letter No. Y-132 of May 7, 1956

Subject: Recognition of China and Status of
Formosa.

Security:.....CONFIDENTIAL.....

No:.....188.....

Date:.....May 29, 1956.....

Enclosures:.....---.....

Air or Surface Mail: By Bag

Post File No:.....12-1-14.....

Ottawa File No.

50056-A-4.

19

References

In response to my enquiry, the Foreign Ministry has advised me that Israel recognized the Central People's Government of the People's Republic of China on January 9, 1950. The recognition which was made in the form of a telegram from Mr. Moshe Sharett to Mr. Chou En Lai stated that, "the Government of Israel has decided to recognize your government as the de jure government of China". No indication of the territory over which the Government of Israel considered that the Chinese Government exercised authority was included in this act of recognition.

2. With regard to the settlement of the Formosan question, the Foreign Ministry at the official level has considerable doubts as to the justification for the island's existence as an independent state. However, no policy has as yet been formulated here concerning the legal status of Formosa, and in general Israel would favour a settlement of this issue under United Nations auspices. Until some international decision has been reached on this question, Israel has no present intention of recognizing Formosa as part of Communist China.

3. For the reasons you suggested and since we would be making public information supplied by another government, I considered it wise to explain the origin of our enquiry. Accordingly in providing the above information my Foreign Ministry informant indicated that there would be no objection to the factual details of the act of recognition being made available to the External Affairs Committee of the House of Commons, but that the views expressed on Formosa were for the information of the Department of External Affairs alone.

4. In a separate despatch dealing with Israeli policy in Asia, which is in course of preparation, we will discuss Israel's relations with Communist China at greater length.

GEORGE P. KIDD

Chargé d'Affaires a.i.

Internal
Circulation

Distribution
to Posts

133

FM EMBASSY CAIRO MAY 26/56 UNCLAS

TO: EXTERNAL 43

REF YOUR TEL MAY 23

RECOGNITION OF CHINA STATUS OF FORMOSA (UNDERLINE) DEJURE (END

UNDERLINE) RECOGNITION MAY 16

TERRITORIAL JURISDICTION NOT STIPULATED

KIRKWOOD

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Original 50055-B-46

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OTTAWA FILE No. <u>50056-A-40</u>

19

SECURITY CLASSIFICATION <u>CONFIDENTIAL</u>
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Letter No. 170
Date May 25, 1956

FROM: The Canadian Embassy, Oslo, Norway
TO: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA
Reference: Your Letter No. Y-149 of May 7
Subject: Recognition of China and Status of Formosa

As requested, we had a talk with Ansteensen of the Foreign Ministry on the above-mentioned subject along the lines suggested in your letter under reference.

2. Norway extended de jure recognition to the Central People's Government of the People's Republic of China on January 6, 1950. Cabled instructions to the Consul General of Norway in Shanghai to this effect referred to Chou En-lai's statement of October 1st, 1949 on the establishment of diplomatic relations with all countries and stated that Norway would be prepared to exchange Chargé d'Affaires at the earliest opportunity. Ansteensen told us that the approach had incidentally been made through the Consul General because of the absence from China of their diplomatic representative who, apart from being accredited to the Nationalist authorities, was also Norwegian Minister in Bangkok and the Philippines. The Norwegian Minister was in fact visiting Manilla at the time.

3. There then followed an exchange of telegrams between Oslo and Shanghai which, even at this late stage, sheds an interesting light on the attitude of the Communist Chinese authorities. We have, incidentally, been promised copies of these telegrams which we propose to pass on to you in due course. We might possibly add for the time being that the Norwegian Consul General's reply to the Foreign Minister's instructions of January 6, 1950, conveyed the information that the Central People's Government of the People's Republic of China were prepared to establish diplomatic relations with Norway "after the latter's severance of the ties with the Kuomintang reactionaries". The Foreign Ministry's reply was to the effect that Norway had formally severed relations with the Government of Chiang Kai-Shek on January 6, 1950.

4. The question of the exchange of

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diplomatic representatives between the Central People's Government and Norway then followed by now familiar lines. Shortly after the Norwegian Vice-Consul in Shanghai had arrived in Peking to commence negotiations with a view to the establishment of regular relations between Norway and Communist China, however, Peking on January 24th chose to link the exchange of diplomatic representatives with the question of Chinese representation then being considered in the United Nations. In retaliation against Norway's vote in the Security Council, the Norwegian Vice-Consul who was merely empowered to conduct negotiations, was left to cool his heels in semi-diplomatic status in Peking for the next four years. As with the British, it was only after the Geneva Conference on Indochina that the situation was finally clarified and that the exchange of diplomatic representatives between Oslo and Peking took place.

5. Ansteensen also told us that Norway's recognition of the Central People's Government of the People's Republic of China was made without reservation, i.e., no indications were at any time given as to the territory over which Norway considered that the Central People's Government exercised authority.

6. To our question as to the attitude which the Government of Norway took concerning the disposition of Formosa, Ansteensen replied that this was a matter which had yet to be considered. There had been, of course, the case of a Norwegian merchant ship which had been attacked by Nationalist planes off the coast of Formosa a few years ago with attendant loss of lives. The matter had been disposed of, however, through the good offices of the United States Government who had been approached to this effect by the Norwegian Ambassador in Washington.

C. A. RONNING

The Embassy

This copy

50086-A 40
RSL. ROGERS

EXTRACT FROM "MINUTES OF PROCEEDINGS AND EVIDENCE
No. 3
STANDING COMMITTEE ON EXTERNAL AFFAIRS

MAY 23 1956
FAR EASTERN DIV.

HON. VESTER B. PEARSON (Secretary of State):

Mr. Chairman, certain questions were put to me at the previous meeting concerning the Far East and the Middle East and I can deal with them now.

One question which was asked while we were discussing the situation in Formosa was whether of the Formosans who serve in the Chinese Nationalist forces on that island were conscripted, and the answer confirms what I then said, tentatively, that Formosans are liable to military service in the forces maintained by the National Government of China. I was also asked the distance of the offshore islands from the mainland and from Formosa--the islands of Quemoy and Matsu--and I gave tentative figures which were not entirely accurate, though they were reasonably close to the truth.

Quemoy is five miles from the mainland--I think I said four miles. There is, however, one small island of the group which is closer somewhat to the mainland. The islands are roughly 100 miles from Formosa.

I was also asked whether we had any reliable information about the numbers of communist Chinese who have escaped from Formosa. That, as I indicated the other day, is a very difficult question to answer. It has been estimated that since 1952 about 26,000 Chinese have moved from the mainland to Formosa, for the most part through Hong Kong. It is, of course, impossible to say categorically if any of those could be described as communist Chinese but I suspect all of them were Chinese who were dissatisfied with the form of government now in China, and anxious to escape from it.

The estimate of the movement of Chinese to Formosa from the time the Chiang Kai Shek government was driven off the mainland and an estimate which we believe to be reliable--is as follows: there were approximately two million troops and dependants in the original withdrawal. That would be about 1950. Subsequent arrivals included troops and dependants from Indo-China--27,000 in 1953 or thereabouts, troops and dependants from Burma, 7,000 prisoners captured in Korea who preferred to go to Formosa rather than return to communist China, 14,000.

Mr. Fleming: A moment ago the minister gave us a figure and said "t

"troops and dependants". Is the figure given the figure for the troops only, or is it an inclusive figure?

Hon. Mr. Pearson: The figures cover troops and dependants. The dependants are included in the total figures.

To continue the list, the total includes civilians evacuated from Tachen island, 17,000 in 1955; overseas Chinese students who chose to go to Formosa rather than to the Chinese mainland, 15,000; refugees sponsored by the Council for the Protection of Intellectuals, about 15,000 and other refugees from Hong Kong, about 17,000, totalling in all about 2,092,000.

I was also asked the other day how many Canadian Nationals were still in China. According to the records of our department there are 46 Canadian Nationals in mainland China at the present time. Five of these are Canadian missionaries---two protestant women missionaries and three catholic nuns. The remaining 41 Canadian Nationals are Chinese Canadians---Canadians of Chinese race--and of that number of 41, ten have proceeded to China within the last two years.

I was also asked about the status of Canadian property in China--I had made some reference to our government property there. In so far as unofficial property is concerned it is very hard, of course to get accurate information. We understand that a large portion of the Canadian missionary property once held in China was progressively turned over to Chinese congregations and adherents during the years preceding and following the Japanese war. We have received only one claim for compensation in respect of confiscation of property by the government of China. No, I am wrong about that, Mr. Chairman. We received one claim in 1954, and since then we have received one additional enquiry relating to alleged misappropriation of Canadian-owned property. That enquiry has not, however, been followed up yet by a claim for compensation.

Those, I think, were the only questions that arose with regard to the Far East with which I did not deal.

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DS30/124

FM EXTERNAL OTTAWA MAY 22/56 CONFD

TO EMBASSY CAIRO YY13

INFO EMBASSY WASHINGTON

HIGH COMMISSIONER LONDON

EMBASSY PARIS

PERMANENT MISSION NEWYORK

BEIRUT LEBANON BAG

RECOGNITION OF CHINA AND STATUS OF FORMOSA

PLEASE REPORT BY TELEGRAM DATE OF RECOGNITION OF CENTRAL PEOPLE'S
GOVERNMENT BY EGYPTIAN GOVERNMENT AND WHETHER RECOGNITION DE FACTO
OR DE JURE. ^{DID} ~~PLEASE ALSO ATTEMPT TO LEARN WHETHER~~ ACT OF RECOGNITION
INCLUDE# ANY INDICATION OF ~~THE~~ TERRITORY OVER WHICH EGYPTIAN
GOVERNMENT CONSIDERS THAT ~~THE~~ CENTRAL PEOPLE'S GOVERNMENT EXERCISES
AUTHORITY? WE ARE SPECIFICALLY INTERESTED TO KNOW WHETHER FORMOSA
IS CONSIDERED TO BE PART OF TERRITORY OF ~~THE~~ PEOPLE'S REPUBLIC OF
CHINA.

This Tel went to Info addressees without change but to Cairo
as an unclassified message with changes indicated.

Signed: R. L. Rogers
May 23, 1956
Far Eastern Div

50056-A-40

8/9
Robert

File LH

R. L. ROGERS

MAY 22 1956

FAR EASTERN DIV.

EVIDENCE

Tuesday, May 22, 1956,
11.00 a.m.

External Estimates

THE CHAIRMAN: Well gentlemen we are very lucky to have a quorum this morning. We will start with the minister and he will answer one question which was put last week by Mr. MacKenzie.

HON. ~~MR.~~ LESTER B. PEARSON (Secretary of State for ~~the~~ ~~Department of~~ External Affairs): Yes, Mr. Chairman I think that at the meeting before last both Mr. MacKenzie and Mr. Fleming asked some questions ~~regarding~~ regarding the recognition of Red China -- the number of governments which have recognized communist China, and so on, and I have answers to ~~this~~ this. The first question I was asked -- I think it was by Mr. Fleming -- was which of these countries distinguish between qualified and unqualified recognition of China, that is to say, some governments include Formosa and some exclude Formosa.

The governments which have recognized the Peking regime

have done so by correspondence between themselves and that regime and that correspondence, with one exception, has not ~~of~~ unnaturally not been disclosed to the Canadian government. Even if it were disclosed the interpretation of the correspondence and the question of determining whether the countries granting recognition were including or excluding Formosa would be a matter with regard to which only the governments concerned would be competent; that is, unless the matter was dealt with explicitly the interpretation ~~of the~~ would depend entirely upon the intent of the government granting the recognition and that interpretation could only be given by the government itself.

The one exception, ^{whose declaration} ~~whose declaration~~ which we have seen, makes no specific mention of the status of Formosa.

There is another question which is related to the one I have just tried to answer and that was asked by Mr. Knowles. He asked: which countries recognize communist China but claim that the status of Formosa remains to be determined. The United Kingdom government has publicly stated that it considers that the status of Formosa remains to be determined. The treaty of ~~of~~ peace with Japan which came into force in

A - 3

April of 1952 removed Japanese sovereignty ^{from} ~~of~~ Formosa,
as members of the committee know, but it did not ~~do~~
transfer that sovereignty to any other country. Therefore
the 50 states which are parties to that treaty may well
share the United Kingdom view that the status of Formosa
remains to be determined but, there again, that is a
matter for each government to decide for itself and
in the absence of some public statements such as was
made by the United Kingdom foreign minister a little over
a year ago in which he ~~he~~ defined the United Kingdom's
position there is no way in which this information is
available to us.

THE CHAIRMAN: Are there any further questions?

MR. KNOWLES: Mr. Chairman, may I ask Mr. Pearson
this question -- I am picking my words carefully because I do

not want it to appear to be a leading question; if I want to ask a leading question I will make it plain that it is ~~only~~ one. I take it that any consideration which the Canadian government might be giving to the recognition of China on any basis whatsoever would be similar to that accorded by the United Kingdom in that it would separate Formosa from the mainland of China on the basis that the status of Formosa is something yet to be settled, say, in the United Nations?

HON. MR. PEARSON: Mr. Chairman, I think the government has made it quite clear that in its view the status of Formosa remains to be determined and that any recognition which might conceivably be given to the government of Peking at some time in the future -- and I am choosing my words very carefully -- would not necessarily extend to Formosa. We have gone a little further than that and we have said on more than one occasion that we would certainly not be a party to any action which would ^{hand over} ~~hand over~~ the people of Formosa against their will ^{to} ~~with~~ a communist regime centred in Peking; in other words in the determination of the status of Formosa in the future the will of the people

of Formosa should be a governing consideration.

MR. KNOWLES: You will agree that that would also apply with respect to the regime that now claims control of Formosa? Eventually the people of Formosa would have "the say"?

HON. MR. PEARSON: I think ^{this} ~~that~~ consideration would apply to the relationship of Formosa to any Chinese regime.

MR. MacKENZIE: I take it you mean by that, the so-called free vote?

AN HON. MEMBER: Why ^a free vote?

MR. MacKENZIE: Because some of these countries donot have a free vote.

HON. MR. PEARSON: I think the people there should be given the opportunity to determine their future in some appropriate way when the time ~~comes~~ comes for such determination to be made. At the present time about the only thing on which the two regimes agree is that Formosa is a part of China; the nationalist government of Formosa is as emphatic on that subject as the communist

government in Peking.

MR. KNOWLES: Just for the record, and since the minister has referred to the fact that some 50 countries were signatory to the peace treaty with Japan which removed Japanese ~~the~~ control over Formosa, but without handing it back to the Peking regime, which are the most important countries not signatory to that treaty?

HON. MR. PEARSON: The most important of them was the Soviet Union; I cannot remember, offhand, the other countries which did not sign the treaty. ~~the~~ India did not sign at that time but I think she has acceded to it since. But I would like to check that.

MR. KNOWLES: Canada was of course a signatory?

HON. MR. PEARSON: Canada was a signatory.

MR. FLEMING: If we have finished with that subject -- a subject ^{through} which Mr. Pearson has had to ^{tread} ~~walk over~~ as carefully as if he were stepping over broken glass --

PEARSON:
HON. MR. ~~PEARSON~~: In my bare feet, too.

NUMBERED LETTER

CONFIDENTIAL

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.
HIGH COMMISSIONER FOR CANADA IN CEYLON,
FROM:
COLOMBO
Your Letter Y-240 of 4 May 1956
Reference:
RECOGNITION OF CHINA
Subject:

Security:.....
No:..... *640*
15 May 1956
Date:..... *1*
Enclosures:..... *Air*
Air or Surface Mail:.....
Post File No:.....

Ottawa File No.	
50056-A-4	
19	-

Original 50055-13-4

References

I found your letter a decided stimulant since it raised questions about which I was none too certain myself and presented me with a good opportunity to discuss these questions with the Prime Minister and Ceylon External Affairs. I am at present prepared to answer only part of your letter, but I thought it best to deal with this portion now for this week's bag and continue with the remaining questions after I have seen and discussed the matter with the Prime Minister.

2. I met this morning with Gunasena de Soyza, the Permanent Secretary of External Affairs, for about an hour, and for a short period with his Assistant Secretary, Neville Jansz of the same Ministry. The questions you raise in paragraph one of your letter are simply answered by a copy (which I enclose) of Ceylon's External Affairs telegram to the Secretary of State for Commonwealth Relations in London, under date of 5 January 1950. Gunasena de Soyza was good enough to give me a copy of this telegram despite the fact that a copy was addressed to you under the same date.

3. In effect, the answers to your questions in paragraph one only are as follows:

(a) Ceylon did establish full recognition (de jure) to the Central People's Government of the People's Republic of China. I stress the fact that this was de jure recognition and not de facto.

(b) The date of this recognition which you mention in your letter is substantially correct; the telegram from Ceylon was sent on 5 January asking that GRO convey it to the Government of China about the same time as the UK's recognition was to be extended. So while Ceylon considers the date to be 5 January in all probability the telegram from GRO was sent at a later date.

(c) At the same time as this recognition was extended to the People's Government of China relations with the Chinese Nationalist Government in Formosa were terminated. You will note the inclusion of this decision and the notification of such termination to the Consul, at that time

...../2

Internal
Circulation

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to Posts

2.

representing the Chinese Nationalist Government in Ceylon, of this action.

4. I explained fully the reasons which you gave me for the questions asked and they were readily accepted and understood by Mr. de Soysa.

5. Now for the questions raised in paragraph 2 of your letter which I shall be able to answer at a later date: Mr. de Soysa is arranging for an early opportunity for me to discuss these matters with the Prime Minister, Mr. Bandaranaike, and, in fact, welcomes the occasion since the members of the Ministry are none too sure themselves of the stand which this Government, and particularly Mr. Bandaranaike, will take on these questions. So, in discussing these matters with the Prime Minister I shall in effect be killing two birds with the same collection of stones.

6. I am only able to answer one of the questions in paragraph 2: that being that there was no mention of any "territorial definition" in the telegram sent conveying recognition.

7. I shall report further as soon as I have seen Mr. Bandaranaike. I ask your permission to raise with him the question of the establishment in Canada of a Ceylon Mission which I discussed with Sir John last year and which was the subject of my letter 676 of 3 June 1955. Doubtless the announced intention of Mr. Bandaranaike to establish Missions in Soviet Russia and China, and to accept reciprocal action by these countries will have an effect on this matter. In any case, unless I hear from you to the contrary, I shall presume that you approve; it may well be that my conversation with Mr. Bandaranaike will take place before you receive this letter.

Original Signed By
J. J. HURLEY

HIGH COMMISSIONER

TOP SECRET

Copies to S/D & E.A. f.i.
S/G.G f.i.

From: Secretary to the Ministry of External Affairs, Ceylon

To: Secretary of State for Commonwealth Relations, London

Date: 5 January 1950

MOST IMMEDIATE

TOP SECRET. Addressed Crosse, London No. 2 repeated to External Ottawa No. 5, External Canberra No. 1, External Wellington No. 6, Foreign New Delhi No. 1, Foreign Karachi No. 1, Primus Pretoria No. 7, Ceyloncom London No. 6 (Crosse please pass) Ceyloncom New Delhi No. 2 (Foreign New Delhi please pass) Ceyloncom Canberra No. 3 (External Canberra please pass) Ceylonmomb Washington No. 4, Ceylonmin Rangoon No. 2.

Your telegram No. 268. Recognition of Chinese Communist Government. Ceylon Government desires accord recognition at about same time as United Kingdom Government propose to do so. Grateful, therefore, if you will arrange for following message to be conveyed to Chinese Government on behalf of Ceylon Government, soon after United Kingdom message of recognition has been delivered.

Message begins. The Ceylon Government, noting that the Central Peoples' Government in the Peoples' Republic of China is willing to establish diplomatic relations with Foreign Governments on the basis of the principles of equality, mutual benefit, and mutual respect for territorial and sovereign rights, desires to establish relations with the new Government of China. The Ceylon Government accordingly accords recognition to the Central Peoples' Government in China, and is simultaneously notifying the Consul of the Chinese Nationalist Government in Ceylon that the relations which have hitherto existed between the Ceylon Government and the Chinese Nationalist Government are terminated. Ends.

Ministry of External Affairs,
Colombo, 5th January, 1950.

ACCESS SECTION / SECTION DE L'ACCES

DOCUMENT REMOVED FROM FILE / DOCUMENT RETIRE DU DOSSIER

RG 25 Volume 90-91/008 File/ 50056-A-40-pt4
Box 173 Dossier

Nature of document/ PEA NUMBERED LETTER TO CANADIAN
Description du document
EMBASSY (JAPAN) - # Y288

No. of Pages/ 1 Date May 8, 1956
Nbre de pages

Exempt/Exception, 19(1) - 15(1)
Access To Information Act/
Reason for Removal/ Loi sur l'accès à l'information
Retrait en vertu de

Review Officer/ R.M. Fell
Agent(e) d'examen

ACCESS SECTION / SECTION DE L'ACCES

DOCUMENT REMOVED FROM FILE / DOCUMENT RETIRE DU DOSSIER

RG 25 Volume 99-91/008 File/ 50056-A-40 pt 4.
Box 173 Dossier

Nature of document/ DEPT. of SEC. of STATE TELEGRAM # 29760
Description du document

No. of Pages/ 3
Nbre de pages

Date May 1, 1956

Exempt/Exception, 19(1) - 15(1)
Access To Information Act/
Reason for Removal/ Loi sur l'accès à l'information
Retrait en vertu de

Review Officer/ R M Fall
Agent(e) d'examen

Far Eastern/R. L. Rogers/1h
 DEPARTMENT OF EXTERNAL AFFAIRS, CANADA. (FILE COPY)
 NUMBERED LETTER

TO:.....THE CANADIAN EMBASSY,.....
THE HAGUE.....
 FROM: THE UNDER-SECRETARY OF STATE FOR
 EXTERNAL AFFAIRS, OTTAWA, CANADA.
 Reference:.....
 Subject:.....RECOGNITION OF CHINA AND STATUS...
OF FORMOSA.....

Security:.....CONFIDENTIAL.....
 No:.....Y-224.....
 Date:.....MAY 7, 1956.....
 Enclosures:.....
 Air or Surface Mail:.....AIR.....
 Post File No:.....

Ottawa File No.	
50055-B-40	
→ 50056-A-40	
8	8

References

At a meeting of the External Affairs Committee of the House of Commons on April 24, 1956, the Minister was asked to provide a list of the countries which have extended recognition to the Central People's Government of the People's Republic of China, together with the date on which each extended recognition and a statement whether the recognition was de facto or de jure. According to our records the Government of the Netherlands extended recognition about March 27, 1950, but we are not absolutely certain. I should be grateful if you could find out from the Ministry of Foreign Affairs the date on which recognition was extended and whether the recognition was de facto or de jure. You might consider it wise to indicate the origin of this question in order to avoid any suggestion that the policy of the Canadian Government differs or is at the present time expected to differ from that stated by the Minister in the House of Commons on January 31, 1956.

Internal Circulation

2. At the same time the Minister was asked to include in his information "a list of the countries which, though they may recognize the Peking regime as the de facto Government of China contend at the same time that the question of Formosa should be settled separately - the number of governments who contend that the question of Formosa should be settled by the United Nations, or in some way by the people of Formosa themselves whatever stand they may have taken on the question of recognition". I should be grateful if, when you are making the enquiry mentioned in the preceding paragraph, you would at the same time enquire whether the act by which the Government of the Netherlands extended recognition to the Central People's Government included any indication of the territory over which the Government of the Netherlands considered that the Central People's Government exercised authority. If, as seems likely, the act of recognition contained no territorial definition, I should be grateful if you would enquire what attitude the Government of the Netherlands takes concerning the disposition of Formosa.

Distribution to Posts

R. L. Rogers

for Under-Secretary of State
for External Affairs.

NUMBERED LETTER

TO: THE CANADIAN EMBASSY,
BEIGRADE, YUGOSLAVIA.

FROM: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

Reference:
Subject: RECOGNITION OF CHINA AND STATUS
OF FORMOSA.

CONFIDENTIAL

Security:

No: Y-181

MAY 7, 1956.

Date:

Enclosures:

Air or Surface Mail:

Post File No:

Ottawa File No. 50055-B-40 → 50056-A-40	
4	19

References

At a meeting of the External Affairs Committee of the House of Commons on April 24, 1956, the Minister was asked to provide a list of the countries which have extended recognition to the Central People's Government of the People's Republic of China, together with the date on which each extended recognition and a statement whether the recognition was de facto or de jure. According to our records the Government of Yugoslavia extended recognition probably in October, 1949, but we are not absolutely certain. I should be grateful if you could find out from the Ministry of Foreign Affairs the date on which recognition was extended and whether the recognition was de facto or de jure. You might consider it wise to indicate the origin of this question in order to avoid any suggestion that the policy of the Canadian Government differs or is at the present time expected to differ from that stated by the Minister in the House of Commons on January 31, 1956.

Internal Circulation

2. At the same time the Minister was asked to include in his information "a list of the countries which, though they may recognize the Peking regime as the de facto Government of China contend at the same time that the question of Formosa should be settled separately - the number of governments who contend that the question of Formosa should be settled by the United Nations, or in some way by the people of Formosa themselves whatever stand they may have taken on the question of recognition". I should be grateful if, when you are making the enquiry mentioned in the preceding paragraph, you would at the same time enquire whether the act by which the Government of Yugoslavia extended recognition to the Central People's Government included any indication of the territory over which the Government of Yugoslavia considered that the Central People's Government exercised authority. If, as seems likely, the act of recognition contained no territorial definition, I should be grateful if you would enquire what attitude the Government of Yugoslavia takes concerning the disposition of Formosa.

Distribution to Posts

A. H. MENZIES

for Under-Secretary of State
for External Affairs.

NUMBERED LETTER

TO: THE CANADIAN EMBASSY,
OSLO, NORWAY.
FROM: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.
Reference:
Subject: RECOGNITION OF CHINA AND STATUS
OF FORMOSA.

Security: CONFIDENTIAL
No: 7-149
Date: MAY 7, 1956.
Enclosures:
Air or Surface Mail: AIR
Post File No:

Ottawa File No.
50055-B-40
→ 50056-A-40
8 8

References

At a meeting of the External Affairs Committee of the House of Commons on April 24, 1956, the Minister was asked to provide a list of the countries which have extended recognition to the Central People's Government of the People's Republic of China, together with the date on which each extended recognition and a statement whether the recognition was de facto or de jure. According to our records the Government of Norway extended recognition before April 20, 1950, but we are not absolutely certain. I should be grateful if you could find out from the Ministry of Foreign Affairs the date on which recognition was extended and whether the recognition was de facto or de jure. You might consider it wise to indicate the origin of this question in order to avoid any suggestion that the policy of the Canadian Government differs or is at the present time expected to differ from that stated by the Minister in the House of Commons on January 31, 1956.

Internal Circulation

2. At the same time the Minister was asked to include in his information " a list of the countries which, though they may recognize the Peking regime as the de facto Government of China contend at the same time that the question of Formosa should be settled separately - the number of governments who contend that the question of Formosa should be settled by the United Nations, or in some way by the people of Formosa themselves whatever stand they may have taken on the question of recognition". I should be grateful if, when you are making the enquiry mentioned in the preceding paragraph, you would at the same time enquire whether the act by which the Government of Norway extended recognition to the Central People's Government included any indication of the territory over which the Government of Norway considered that the Central People's Government exercised authority. If, as seems likely, the act of recognition contained no territorial definition, I should be grateful if you would enquire what attitude the Government of Norway takes concerning the disposition of Formosa.

Distribution to Posts

R. L. Rogers

for Under-Secretary of State
for External Affairs.

NUMBERED LETTER

TO: THE CANADIAN EMBASSY;

 DJAKARTA, INDONESIA.

FROM: THE UNDER-SECRETARY OF STATE FOR
 EXTERNAL AFFAIRS, OTTAWA, CANADA.

Reference:.....

Subject: RECOGNITION OF CHINA AND STATUS OF

 FORMOSA.

Security: CONFIDENTIAL

No: *7-148*

Date: MAY 7, 1956

Enclosures:.....

Air or Surface Mail: AIF

Post File No:.....

Ottawa File No.	
50055-B-40	
→ 50056-A-40	
<i>8</i>	<i>8</i>

References

At a meeting of the External Affairs Committee of the House of Commons on April 24, 1956, the Minister was asked to provide a list of the countries which have extended recognition to the Central People's Government of the People's Republic of China, together with the date on which each extended recognition and a statement whether the recognition was de facto or de jure. According to our records the Government of Indonesia extended recognition in March or April, 1950, but we are not absolutely certain. I should be grateful if you could find out from the Ministry of Foreign Affairs the date on which recognition was extended and whether the recognition was de facto or de jure. You might consider it wise to indicate the origin of this question in order to avoid any suggestion that the policy of the Canadian Government differs or is at the present time expected to differ from that stated by the Minister in the House of Commons on January 31, 1956.

Internal Circulation

2. At the same time the Minister was asked to include in his information "a list of the countries which, though they may recognize the Peking regime as the de facto Government of China contend at the same time that the question of Formosa should be settled separately - the number of governments who contend that the question of Formosa should be settled by the United Nations, or in some way by the people of Formosa themselves whatever stand they may have taken on the question of recognition". I should be grateful if, when you are making the enquiry mentioned in the preceding paragraph, you would at the same time enquire whether the act by which the Government of Indonesia extended recognition to the Central People's Government included any indication of the territory over which the Government of Indonesia considered that the Central People's Government exercised authority. If, as seems likely, the act of recognition contained no territorial definition, I should be grateful if you would enquire what attitude the Government of Indonesia takes concerning the disposition of Formosa.

Distribution to Posts

R. L. Rogers
 for Under-Secretary of State
 for External Affairs.

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

(FILE COPY)

NUMBERED LETTER

TO: THE CANADIAN EMBASSY,
TEL AVIV, ISRAEL.

FROM: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

Reference:

Subject: RECOGNITION OF CHINA AND STATUS
OF FORMOSA.

CONFIDENTIAL

Security:

No: 4-132

Date: MAY 7, 1956.

Enclosures:

AIR
Air or Surface Mail:

Post File No:

Ottawa File No.	
50055-B-40	
50056-A-40	
8	8

References

At a meeting of the External Affairs Committee of the House of Commons on April 24, 1956, the Minister was asked to provide a list of the countries which have extended recognition to the Central People's Government of the People's Republic of China, together with the date on which each extended recognition and a statement whether the recognition was de facto or de jure. According to our records the Government of Israel extended recognition before March 9, 1950, but we are not absolutely certain. I should be grateful if you could find out from the Ministry of Foreign Affairs the date on which recognition was extended and whether the recognition was de facto or de jure. You might consider it wise to indicate the origin of this question in order to avoid any suggestion that the policy of the Canadian Government differs or is at the present time expected to differ from that stated by the Minister in the House of Commons on January 31, 1956.

Internal Circulation

2. At the same time the Minister was asked to include in his information "a list of the countries which, though they may recognize the Peking regime as the de facto Government of China contend at the same time that the question of Formosa should be settled separately - the number of governments who contend that the question of Formosa should be settled by the United Nations, or in some way by the people of Formosa themselves whatever stand they may have taken on the question of recognition". I should be grateful if, when you are making the enquiry mentioned in the preceding paragraph, you would at the same time enquire whether the act by which the Government of Israel extended recognition to the Central People's Government included any indication of the territory over which the Government of Israel considered that the Central People's Government exercised authority. If, as seems likely, the act of recognition contained no territorial definition, I should be grateful if you would enquire what attitude the Government of Israel takes concerning the disposition of Formosa.

Distribution to Posts

R. L. Rogers

for Under-Secretary of State
for External Affairs.

NUMBERED LETTER

TO: THE CANADIAN LEGATION,
 HELSINKI, FINLAND.

FROM: THE UNDER-SECRETARY OF STATE FOR
 EXTERNAL AFFAIRS, OTTAWA, CANADA.

Reference:

Subject: RECOGNITION OF CHINA AND STATUS OF
 FORMOSA.

Security: CONFIDENTIAL

No: V-74

Date: MAY 7, 1956.

Enclosures:

Air or Surface Mail: AIR

Post File No:

Ottawa File No.	
50055-B-40	
→ 50056-A-40	
/	/

References

At a meeting of the External Affairs Committee of the House of Commons on April 24, 1956, the Minister was asked to provide a list of the countries which have extended recognition to the Central People's Government of the People's Republic of China, together with the date on which each extended recognition and a statement whether the recognition was de facto or de jure. According to our records the Government of Finland extended recognition before April 20, 1950, but we are not absolutely certain. I should be grateful if you could find out from the Foreign Ministry the date on which recognition was extended and whether the recognition was de facto or de jure. You might consider it wise to indicate the origin of this question in order to avoid any suggestion that the policy of the Canadian Government differs or is at the present time expected to differ from that stated by the Minister in the House of Commons on January 31, 1956.

Internal Circulation

2. At the same time the Minister was asked to include in his information "a list of the countries which, though they may recognize the Peking regime as the de facto Government of China contend at the same time that the question of Formosa should be settled separately - the number of governments who contend that the question of Formosa should be settled by the United Nations, or in some way by the people of Formosa themselves whatever stand they may have taken on the question of recognition". I should be grateful if, when you are making the enquiry mentioned in the preceding paragraph, you would at the same time enquire whether the act by which the Government of Finland extended recognition to the Central People's Government included any indication of the territory over which the Government of Finland considered that the Central People's Government exercised authority. If, as seems likely, the act of recognition contained no territorial definition, I should be grateful if you would enquire what attitude the Government of Finland takes concerning the disposition of Formosa.

Distribution to Posts

R.L. Rogers

for Under-Secretary of State
 for External Affairs.

NUMBERED LETTER

TO: THE OFFICE OF THE HIGH COMMISSIONER FOR CANADA, COLOMBO, CEYLON.

FROM: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA, CANADA.

Reference: RECOGNITION OF CHINA AND STATUS OF FORMOSA.

Security: CONFIDENTIAL

No: V-240 Date: MAY 4, 1956.

Enclosures: AIR Air or Surface Mail:

Post File No. Ottawa File No. 50056-A-40 8 8

Copy 50055-B-40

References

At a meeting of the External Affairs Committee of the House of Commons on April 24, 1956, the Minister was asked to provide a list of the countries which have extended recognition to the Central People's Government of the People's Republic of China, together with the date on which each extended recognition and a statement whether the recognition was de facto or de jure. According to our records the Government of Ceylon extended recognition about January 6, 1950, but we are not absolutely certain. I should be grateful if you could find out from the Department of External Affairs the date on which recognition was extended and whether the recognition was de facto or de jure. You might consider it wise to indicate the origin of this question in order to avoid any suggestion that the policy of the Canadian Government differs or is at the present time expected to differ from that stated by the Minister in the House of Commons on January 31, 1956.

Internal Circulation

2. At the same time the Minister was asked to include in his information "a list of the countries which, though they may recognize the Peking regime as the de facto Government of China contend at the same time that the question of Formosa should be settled separately - the number of governments who contend that the question of Formosa should be settled by the United Nations, or in some way by the people of Formosa themselves whatever stand they may have taken on the question of recognition". I should be grateful if, when you are making the enquiry mentioned in the preceding paragraph, you would at the same time enquire whether the act by which the Government of Ceylon extended recognition to the Central People's Government included any indication of the territory over which the Government of Ceylon considered that the Central People's Government exercised authority. If, as seems likely, the act of recognition contained no territorial definition, I should be grateful if you would enquire what attitude the Government of Ceylon takes concerning the disposition of Formosa.

Distribution to Posts

A. R. MENZIES

for Under-Secretary of State for External Affairs.

50056-A-40
8 8

MR. MENZIES

April 30, 1956

Secret

FAR EASTERN DIV./R.L.Rogers/lr

Original → 50055-B-40
This copy → 50056-A-40

Projection of the Minister's Policy on Recognition: China

In an effort to pursue the logic of the Canadian Government's policy on the recognition of Chinese governments, as stated in the House of Commons on January 31, I have prepared the attached draft of a paper on the attitude which the Canadian Government might adopt if the National Government of the Republic of China should seek to replace its present ambassador by another ambassador.

2. I am submitting it for preliminary consideration now. If you agree that the idea has merit, I should like to see it pursued in due course up to the Minister. I feel that there is some virtue in working out possible practical courses of action in the light of our China policy from time to time. It might, for example, be advisable at some future date to work up another paper on the effect of recognition of the Central People's Government on the Chinese community in Canada, depending upon what comes out of tomorrow's meeting with the R.C.M.P.

3. The attached draft is of the nature of a cockshy.

R. L. ROGERS

R.L. Rogers

SECRET

D R A F T

April 20, 1956

ATTITUDE TOWARDS THE APPOINTMENT
OF A NEW NATIONALIST CHINESE AMBASSADOR

During the last twelve months the National Government of the Republic of China has made fifteen changes among its heads of posts. The most recent and the most noteworthy change has been in the position of Chinese Ambassador in Washington: Dr. Wellington Koo is shortly to be replaced by Dr. Hollington Tong, at present Chinese Ambassador to Japan. These developments suggest that there is a possibility that before long the National Government may wish to change its Ambassador to Canada. Mr. Liu Chieh, who is now the Dean of the Diplomatic Corps in Ottawa, presented his Letter of Credence on July 7, 1947.

2. It might be wise to consider in advance the implications of a change in Chinese representation in Ottawa. It is possible that the National Government, in the light of the known opinions of the Canadian Government on the fitness of the National Government to represent all of China, might consider it wise to leave the present situation undisturbed in order to avoid the possibility that the Canadian Government would refuse to accept a new Ambassador. If a change did become necessary, however, it is always possible that the Mission would be left under a Charge d'Affaires. This course would have the advantage of avoiding difficulties both for the National Government and for the Canadian Government. If, however, the present Ambassador were withdrawn and agreement were sought for the appointment of a new Ambassador, the Canadian Government would be forced to decide whether it would wish to accept a new Ambassador from the National Government.

3. The problem of recognition of Chinese Governments is such a difficult one that it is unwise to try to anticipate more than one or two steps in the development of the situation. The policy of the Government of Canada as announced in the House of Commons on January 31, 1956, by the Secretary of State for External Affairs may be summarized as follows:

- (a) "Rejecting on the one hand immediate diplomatic recognition" of the Central People's Government of the People's Republic of China; but
- (b) "Rejecting on the other hand the view that a Communist regime in Peking can never be recognized as the Government of China"; and
- (c) "It should not, however, be assumed that Canadian recognition of the Peking Government - even if it were to be granted at some time in the future - would extend to the Island of Formosa. As we see it, the legal status of Formosa is still undecided and no step taken vis-a-vis the Communist regime should prejudice that issue. In particular, we would not be a party to any action which handed over the people or the government of Formosa, against their will, to any mainland government, let alone to a Communist Chinese Government".

It would seem that the logical projection of this statement does not militate against the acceptance of a new Ambassador from the National Government provided his Letter of Credence is suitably worded. The statement in the House of Commons leaves open the possibility of recognizing two governments made up of Chinese-speaking people. If one of these governments chooses to call itself "The National Government of the Republic of China" and the other chooses to call itself "The Central People's Government of the People's Republic of China", these choices are presumably of no concern to Canada provided that it is always understood that when these two governments use these resounding titles they are, as far as we are concerned, merely the governments of the territories over which they have administrative control. That is to say, there is no reason why we should insist that the government headed by Chiang Kai Shek should change its title and call itself something like "The Government of Formosa". The continued use by that government of the title of "The National Government of the Republic of China" need not make any practical difference to us, provided we know that the Republic of China is for practical purposes the Island of Formosa.

4. The main objection to the acceptance of a new Ambassador appointed by the National Government is that such acceptance might tend to give offence to the Central People's Government. It is difficult to see so far into the future but it would seem probable that the Central People's Government would be unlikely to consent to enter into direct diplomatic relations with a government which accepts a representative from the National Government even if there is a tacit, or even an explicit, statement that the Canadian Government considers that the National Government is the government of the territory which it administers and not of all the territory over which it purports to have authority, i.e., the mainland. If the prospect of recognizing the Central People's Government as either the de facto or the de jure government of the mainland of China were closer, this objection might carry considerable weight. On the other hand, we might find it to our advantage to be in a position where we have stated the common-sense case for recognizing the two governments as the governments of the areas which they really govern and to have the Central People's Government bear the responsibility for not entering into direct diplomatic relations because they refuse to accept this common-sense approach. This is a possibility because the presence of a Communist Chinese mission in Canada opens up a very real problem in the form of pressure on Canadians of Chinese descent and on Chinese immigrants who have not yet become Canadian citizens.

5. However, until the prospect of recognizing the Central People's Government becomes more immediate, and until we have decided, consequent upon that recognition, that it is in the Canadian interest to enter into direct diplomatic relations, it is suggested that the prospective dislike of the Central People's Government for our acceptance of a new Ambassador from the National Government should not debar us from accepting him.

6. The official translation of the Letter of Credence by which Chiang Kai Shek accredited Liu Chieh as Ambassador of China in 1947 (the translation was provided by the Chinese Foreign Ministry) would require only one or two changes in order to make

Acceptable as a Letter of Credence for an Ambassador appointed by the National Government of the Republic of China, it being understood that "The Republic of China" does not extend to the mainland. Attached is a copy of the Letter of Credence of 1947 showing both the original language and the changes which would be required.

7. These changes are small but they would certainly indicate a determination on Canada's part to imply a limitation on the area over which the National Government purports to exercise authority. It is always possible therefore that the changes would be unacceptable to the National Government and that either no fresh appointment would be made or that the National Government's embassy might be withdrawn entirely. This development would be unfortunate in the sense that it would mean that the National Government intended to resist the Two-Chinas solution. Sooner or later that solution must be put to the test, however, and as the contacts of the present Chinese Embassy in Ottawa with the Canadian Government are almost nil there would be little practical loss in its withdrawal. If the whole affair were done quietly or even if our intentions were made known, the loss would probably be counter-balanced by the removal of one problem in relation to the Central People's Government which might then find it easier, after recognition and if direct diplomatic relations are agreed upon, to send a mission to Ottawa.

8. This problem, at the moment, is hypothetical. It is, however, a problem which might have to be considered on fairly short notice and on which preliminary thinking should be done, subject to review at frequent intervals. It is, therefore, recommended that if Mr. Liu Chieh is withdrawn and if agreement is sought for a successor, agreement will be given only "in the quality of Ambassador Extraordinary and Plenipotentiary of the Republic of China". It is understood, of course, that the present memorandum would not be the basis for action. If a request for agreement for a successor for Mr. Liu Chieh were sought, the request would be submitted to the S.S.E.A. for his instructions, but the recommendation would be along the lines of this memorandum unless some new circumstance should arise.

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REDRAFT

(Proposed deletions indicated by scoring; additions by underlining)

CHIANG KAI SHEK
PRESIDENT OF THE NATIONAL GOVERNMENT
OF THE REPUBLIC OF CHINA

TO

HIS MAJESTY GEORGE THE SIXTH,
BY THE GRACE OF GOD, OF GREAT BRITAIN, IRELAND
AND THE BRITISH DOMINIONS BEYOND THE SEAS
KING, DEFENDER OF THE FAITH, EMPEROR OF INDIA,
&C., &C., &C.

Great and Good Friend,

Being desirous of Maintaining the long existing friendly relations and good understanding between Canada and the Republic of China, I have made choice of Mr. Liu Chieh to reside near the Government of Canada in the quality of Ambassador Extraordinary and Plenipotentiary of the Republic of China.

Having already had ample experience of Mr. Liu's eminent qualities, I am convinced that he will fulfill the important duties of his mission in such a manner as to merit Your Majesty's approbation and esteem and to prove himself worthy of this fresh mark of my confidence. I therefore request Your Majesty to receive him favourably and to give full credence to all that he shall communicate to You wither in my name or in the name of the National Government of the Republic of China.

I avail myself of this opportunity to wish Your Majesty good health and prosperity to the Canadian Nation.

Given at Nanking the twenty-ninth day of the fifth month of the thirty-sixth year of the Republic of China (May 29, 1947).

Signed : CHIANG KAI SHEK
Countersigned: WANG SHIH CHIEH

FILE: 50056-A-40

CONFIDENTIAL

File. L.R.
R. L. ROGERS

April 26, 1956.

~~MAY 15~~ 1956

MEMORANDUM FOR THE MINISTER FAR EASTERN DIV.

Questions on China Asked in
The External Affairs Committee

50056-A-40

4 4

The following are proposed answers to questions which were asked of you in the Committee on External Affairs of the House of Commons:

Question 1: Do governments distinguish between qualified and unqualified recognition of Communist China, e.g. some including Formosa and some excluding Formosa?

Answer: The governments which have recognized the Peking regime have done so by correspondence between themselves and that regime. This correspondence, with one exception, has not been disclosed to the Canadian Government. Even if it were disclosed, the interpretation of that correspondence to determine whether the countries granting recognition were including or excluding Formosa would be a matter on which only the governments concerned were competent. Unless the matter were dealt with explicitly, interpretation would depend entirely upon the intent of the government granting recognition and this is something that only the governments concerned could interpret authoritatively. The one exchange of correspondence which we have seen makes no specific mention of the status of Formosa.

Question 2: What were the dates of recognition of the Peking regime de jure and de facto by all countries which have granted recognition?

Answer: Recognition has been granted by the following members of the United Nations:

Afghanistan	Before April 20, 1950
Albania	Probably October, 1949
Bulgaria	Probably October, 1949
Burma	About December 17, 1949
Byelorussian S.S.R.	Probably October, 1949
Ceylon	About January 6, 1950
Czechoslovakia	Probably October, 1949
Denmark	January 9, 1950
Finland	Before April 20, 1950
Hungary	Probably October, 1949
India	December 30, 1949
Indonesia	March or April, 1950
Israel	Before March 9, 1950
Netherlands	About March 27, 1950
Norway	Before April 20, 1950
Pakistan	January 5, 1950
Poland	Probably October, 1949
Roumania	Probably October, 1949
Sweden	January 14, 1950
Ukrainian S.S.R.	Probably October, 1949
United Kingdom	January 6, 1950
U.S.S.R.	October, 1949
Yugoslavia	Probably October, 1949

The following have in addition granted recognition:

Switzerland	January 17, 1950
North Korea	Probably 1949
Outer Mongolia	Probably 1949
East Germany	Probably 1949
North Vietnam	January 15, 1950

It is known that the recognition granted by Denmark, India, Pakistan, Sweden, Switzerland and the United Kingdom was de jure recognition. There is no specific information available to confirm that the recognition granted by the other states was de jure but it is almost certain that it was. exchange of diplomatic notes

A question concerning de facto recognition is much more difficult to answer. De facto recognition is a matter of deliberate statement, not of implication or inference. Some of the governments which participated in the Geneva Conferences

of 1954 on Korea and Indochina specifically stated that their presence there in company with representatives of the Peking regime did not constitute recognition of that regime in any form. Similarly I believe that the U.S. Government, before allowing its Ambassador to Czechoslovakia to enter into negotiations with the Chinese Ambassador to Poland in Geneva in 1955, was careful to state that this action did not constitute recognition. Nevertheless the fact, that other governments which do not formally recognize the Peking regime have held discussions with it, suggests that they have taken cognizance of the existence of the Peking regime as a government administering a territory and carrying weight in international affairs. Moreover, in 1950 a representative of the Peking regime appeared in New York with the concurrence of some states members of the United Nations which did not recognize the Peking regime in order to state the case of that regime, in a matter which closely concerned it, before the Security Council. Here again those states, and the United Nations itself, were taking cognizance of the existence of the Peking regime as an entity to be reckoned with. So was the United Nations when it sent its Secretary-General to Peking to negotiate for the release of prisoners of war in 1955. Some states which do not extend recognition to the Peking regime have sent trade and other non-diplomatic missions to Peking which have, by their very presence, implied the recognition of the existence in fact of a government in Peking. If the foregoing situations do not constitute de facto recognition in a legal sense, they are certainly very close to it in a practical sense.

(Explanation of dates of recognition: While it has been necessary from time to time to take note of the countries which have accorded recognition to the Peking regime, there has been no need to keep track of the exact date on which recognition was granted. The information available is, therefore, incomplete.)

Question 3: How many members of the United Nations recognize Communist China?

Answer: Twenty-three.

Question 4: Which countries recognize Communist China but claim that the status of Formosa remains to be determined?

Answer: The United Kingdom Government has publicly stated that it considers that the status of Formosa remains to be determined. The Treaty of Peace with Japan which came into force on April 28, 1952, removed Japanese sovereignty from Formosa but did not transfer that sovereignty to any other country. The fifty states which are parties to that treaty, therefore, may well share the United Kingdom view that the status of Formosa remains to be determined. This, however, is a matter which each government must decide for itself and in the absence of some public statement such as that made by the British Foreign Secretary a little more than a year ago, in which he defined the United Kingdom's position, there is no way in which this information would become available.

(In case the text of Sir Anthony Eden's statement of February 4, 1955, is required, a copy of it is attached.)

(SGD) R. M. MACDONNELL

J.L.

TEXT OF SIR ANTHONY EKEN'S STATEMENT OF FEBRUARY 4, 1955.

Formosa and the Pescadores were ceded to Japan by China in the Shimonoseki Treaty of 1895. In the Cairo Declaration of November, 1943, the Allies stated that it was their purpose "that all the territories which Japan has stolen from the Chinese such as . . . Formosa and the Pescadores, shall be restored to the Republic of China . . ." This declaration was a statement of intention that Formosa should be retroceded to China after the war. This retrocession has, in fact, never taken place, because of the difficulties arising from the existence of two entities claiming to represent China, and the differences amongst the Powers as to the status of these entities.

The Potsdam Declaration of July, 1945, laid down as one of the conditions for the Japanese Peace that the terms of the Cairo Declaration should be carried out. In September, 1945, the administration of Formosa was taken over from the Japanese by Chinese forces at the direction of the Supreme Commander of the Allied Powers; but this was not a cession, nor did it in itself involve any change of sovereignty. The arrangements made with Chiang Kai-shek put him there on a basis of military occupation pending further arrangements, and did not of themselves constitute the territory Chinese.

Under the Peace Treaty of April, 1952, Japan formally renounced all right, title and claim to Formosa and the Pescadores; but again this did not operate as a transfer to Chinese sovereignty, whether to the People's Republic of China or to the Chinese Nationalist authorities. Formosa and the Pescadores are therefore, in the view of Her Majesty's Government, territory the de jure sovereignty over which is uncertain or undetermined.

The Nationalist-held islands in close proximity to the coast of China are in a different category from Formosa and the Pescadores since they undoubtedly form part of the territory of the People's Republic of China. Any attempt by the Government of the People's Republic of China, however, to assert its authority over these islands by force would, in the circumstances at present peculiar to the case, give rise to a situation endangering peace and security, which is properly a matter of international concern.

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for file 50056-A-40.
R. L. ROGERS
MAY 1956

TRANSCRIPT OF EVIDENCE AT A MEETING
OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS,
TUESDAY, APRIL 24th, 1956

RE: RECOGNITION OF COMMUNIST CHINA

MR. DIEFENBAKER: I would like to ask the minister some further questions regarding this matter of the recognition of China. Last August the minister made a speech in Vancouver, as I recall it, in which he held out an olive branch, as it were, with regard to this question of recognition. A step with which many of us were in disagreement. Then subsequently in the house -- I think it was in February -- the minister reviewed the situation and said, in effect, that having regard to events which had occurred in the last year or so no case had been made out for any recognition or for the admission of "Red" China into the United Nations.

Then there was the meeting in Washington between the Prime Minister, the President of Mexico and the President of the United States. At that time there were reports in the press which have never been clearly dealt with, as I see it, by the minister, but there was some strong disagreement offered by the United States authorities regarding the situation taken up by the government of Canada in this regard, and I would like to ask the minister whether he can give us an assurance that there is no immediate prospect or intention of recognizing communist China or of anything being done to admit communist China to the U.N.

HON. MR. PEARSON: Mr. Chairman, I have already said something about the White Sulphur Springs conversations. That was, I think, at the first meeting of the committee but I am quite willing to repeat what I said then about that aspect of the question. On the general question I have already made a statement in the House of Commons to which I have nothing to add. I think, however, that in view of what Mr. Diefenbaker has said I should add briefly to the background of that statement especially to the suggestion that in Vancouver -- I think it was last August -- I offered what Mr. Diefenbaker has called an olive branch, which I interpret as a suggestion that I indicated that the Canadian government at that time was about to recognize the communist government of China.

I have not a copy of my speech here, but there is a text of it in existence and I hope that any member of the committee who is interested might have a look at it and find out what I actually said. I wish I had it here because I would like to read the paragraph in question. But, paraphrasing what I said, I suggested that we should have another look at the question of the recognition of the Chinese communist regime. I do not think I went further than that -- an intimation that in my view another look was desirable because

of what had happened in the months previous to the speech. Members of the committee will recall that we had the Geneva Conference which dealt with the war in Indo-China, and that at that Conference the communist representatives from China were present, and that there was also present a representative of the United States. This, of course, was a change because the United States representative and the representative of the communist government of China were sitting around a table in discussions and that, in itself, constituted if not diplomatic recognition, recognition of the fact that in certain circumstances the United States would talk with the representatives of communist China. Indeed, they have continued to talk with the communist representatives in Geneva since that time. That is one change in the situation.

Another change in the situation was that there had been an improvement of the military position in the Formosa Straits in the sense that things had quietened down there, and the communist government in Peking had also given the impression of being somewhat more peaceful in its sentiments -- at least in words -- than it had been previously. Therefore, in the light of these circumstances I thought it would be a good idea to have another look at this question of recognition. That look has been taken, and the result has been made public in my statement in the House of Commons.

That does not mean that any final policy has been decided because I think it is wise -- and I have said this before -- not to take any irrevocable stand in respect to the recognition or non-recognition of any particular government. Conditions change. I understand, from what Mr. Diefenbaker said on one occasion, that this would seem to be his view, and I hope I am not misquoting him when he put it this way: "Recognition if necessary, but not necessarily recognition."

MR. DIEFENBAKER: I was para-phrasing someone else in another connection.

HON. MR. PEARSON: This matter of the recognition of a particular government which is in control of a particular part of the world is a question which any government should keep continually under review, and we are doing that.

The other aspect of this question is the situation in which we find ourselves at the United Nations, especially, when a representative of the nationalist government of China is accepted as the spokesman for all of China. That, as I have said at White Sulphur Springs, is causing increasing embarrassment because more and more governments are recognizing the Peking regime as the government of China and to any government which does not recognize the communist regime as being the government of China -- and that does not include the Canadian government -- the necessity for accepting the spokesman of another regime produces embarrassment.

MR. DIEFENBAKER: How are these embarrassments resolved? What is the arrangement used to get around the difficulties to which the minister has referred?

HON. MR. PEARSON: At the beginning of each session of the United Nations there is always a debate as to who should fill the Chinese seat and the delegations have to take a stand either for or against the nationalist representative. When that issue has arisen we have always voted either to postpone the question or in favour of the existing nationalist regime as providing the spokesman for China because that is the regime which, at the present time, we recognize as the government of China. There was one occasion last autumn which indicated that, in certain circumstances, the fact that China is represented by the national government which has no practical jurisdiction over continental China can cause some difficulty. The occasion was the discussion of a proposal for the admittance of additional members and that particular Chinese representative was able to veto the proposal in the security council because he spoke for China. That particular proposal was accepted by some 50 or 60 other members; I cannot recall the exact number.

MR. KNOWLES: Was that not a source of embarrassment, particularly to the Canadian delegation?

HON. MR. PEARSON: It called attention to the fact that a Chinese veto could be exercised by the representative of a government which has no authority in continental China. I would not like to say we were embarrassed by that, as were those governments which recognize the Peking regime.

MR. KNOWLES: Does this government recognize the Chiang Kai Shek regime as having jurisdiction over Formosa only or do they recognize that regime as in control of the whole of China?

HON. MR. PEARSON: We recognize that regime as the government of China.

MR. KNOWLES: Would you define what you mean by this?

HON. MR. PEARSON: The government of the geographical area of China, including continental China.

MR. KNOWLES: Are you not in a somewhat ridiculous position?

HON. MR. PEARSON: We have been in that position before -- I hasten to add that I do not use the word "ridiculous" in connection with it but we have had on more than one occasion to recognize governments as being the de jure government of countries in which they have no de facto control. During the war this was quite common.

At White Sulphur Springs there was no disagreement or difference of views expressed by any United States spokesman -- the President, or the Secretary of State, or anybody else -- with regard

to Canadian policy. I have said this before, and I am glad to state it once again. Canadian policy, as I have said, was not even mentioned. There was a very forthright and frank expression of United States views on this matter by the President and by the Secretary of State along lines which had previously become familiar. We knew what their attitude was, and at the end of the statement of their views it was stated by me that while we could appreciate their position the situation was in my view becoming increasingly embarrassing at the United Nations for many members; and I did not include Canada because we recognize Chiang Kai Shek. But for many members the recognition as spokesman of China of a representative of a government which they do not recognize as being in control of China is an embarrassment, and the United States representatives agreed that it was an embarrassment and an obvious embarrassment. But there was no difference of opinion over the Canadian position which was not, in fact, stated at that time. This position is well known to the United States because we have made it clear to them what our views are with regard to recognition and with regard to the off-shore islands which were mentioned also at White Sulphur Springs.

MR. DIEFENBAKER: I think possibly there was disagreement on interpretation in connection with the A.P. dispatch issued immediately afterwards which purported to be quoting the minister's words and which was capable of misconstruction. I think this particular dispatch has been drawn to his attention; all of us have received letters from various groups regarding the alleged statement and that is the reason I brought this matter up today.

HON. MR. PEARSON: I received a great many letters myself and some of the difficulty may have occurred because of the fact there was a difference of opinion expressed, but that again was not in regard to recognition.

MR. FLEMING: The minister has referred to the increasing number of countries which are recognizing the so-called Peoples Government at Peking. Have any of these governments distinguished between recognition of that government as the government of mainland China and the question of the recognition of a government exercising control over Formosa and the neighbouring islands?

HON. MR. PEARSON: I do not think so, Mr. Chairman, but I would have to check on that. It is my impression that recognition of the communist government in Peking as the government of China has not been qualified by the kind of reservation you have mentioned. But, as I say, I would like to look into that. It is also interesting to note that certain governments which have not in any way recognized the communist government in Peking either diplomatically or de jure have sent official trade missions to Peking. I think there has been one from Italy and one from France.

MR. FLEMING: Obviously not for the purpose of doing business in Formosa. I wonder whether the minister could bring to us, as a matter of record, the dates of recognition of the Peking government by the various countries who have recognized it in the course of examining this question, and whether that extends to a recognition of control over Formosa as well?

HON. MR. PEARSON: I would be glad to get that information for you.

MR. FLEMING: Could the minister distinguish, in that respect, between types of recognition -- whether there has been recognition of the de facto existence of the government or whether it is de jure recognition?

HON. MR. PEARSON: I would be glad to do that, but it might not be quite so easy, because, for instance, attending a conference with the Peking government is a form of de facto recognition in the sense that it is an acknowledgment that a representative of a particular government can discuss with them certain diplomatic matters. I am thinking of Indo-China and also of the sending of an official trade delegation to Peking which is, in a sense, de facto recognition because you are dealing with that government in trade matters. There is a good deal of confusion caused by differing views as to what we mean by de jure and de facto recognition. You can certainly make a clear differentiation between diplomatic recognition and other forms of recognition.

MR. DIEFENBAKER: Is there any international concept at all of recognition de facto and de jure?

HON. MR. PEARSON: There is such a differentiation but at times it becomes a little shadowy. We shall try to see what information we can get on it.

MR. FLEMING: I can see that diplomatic recognition is easy to define because it involves an outward act -- the exchange of representatives. I can well understand the difficulties the minister has mentioned in speaking about other types of recognition. However, I do not think he would include the visit of a Canadian minister not going into China on any official basis as included within the general sphere of de facto recognition in any measure?

HON. MR. PEARSON: No, Mr. Chairman. Mr. Sinclair's visit to China did not in any way shape or form constitute de facto recognition because he was only in transit through China as the most convenient way of getting home.

MR. FLEMING: It was quite unofficial.

HON. MR. PEARSON: Quite unofficial.

MR. DIEFENBAKER: He was shanghaied in Peking.

MR. CANNON: The minister has told us his views about the recognition of communist China, so I do

not propose to elaborate but I do think that when, as he said, he takes a good look at the question whether or not we should recognize the communist government of China that he will look particularly at the way religion has been persecuted there and the way in which the intelligentsia and anybody who might have been in a position to resist the communist regime have been murdered wholesale. I hope, Mr. Chairman, that any such look will only fortify him in the position he seems to have taken, at least for the time being, not to recognize that government.

I was very interested in what the minister was saying with regard to the difficulty which arises through the existence of the two governments of China -- the government of the mainland and the government in Formosa -- and I was wondering whether he would like to give the committee his views on the suggestion which has been made that China should be replaced on the security council by some other great Asiatic country such as India, and whether that would not have the result of solving this problem.

HON. MR. PEARSON: I do not know, Mr. Chairman, whether I can usefully give my views on whether or not that should be done but it does not seem to me to be a practical proposition in any event because the replacement of China on the security council as a permanent member of the council would require an amendment to the Charter of the United Nations and the Charter of the United Nations could not be amended without the approval of the five permanent members of the security council, one of which is China. That constitutes quite an obstacle.

MR. CANNON: From a practical point of view, then, it could never be done?

HON. MR. PEARSON: I never like to use the word "never". Certainly it would be very difficult to do.

MR. STICK: You have made Canada's position clear with regard to this question of the recognition of China. It seems to me, however, that the recognition of China is a question which is really up to the United Nations, where China is asking for a seat. I think both these matters go together, and if China becomes a member of the United Nations I think Canada and other countries will have to take another look at the matter. I think the whole question is up to the United Nations.

HON. MR. PEARSON: I agree with that, Mr. Chairman.

MR. STICK: This subject of the recognition of China is a "live" subject in Canada. Is it necessary for the government to get the consent of parliament before recognition takes place or would a statement be made, first, in the House of Commons to that effect?

HON. MR. PEARSON: I cannot conceive of any government taking a position of this kind -- one which would certainly have important political consequences -- without parliament being consulted if that were physically possible, but I can conceive of this

matter coming to a head, in the way you have suggested -- not through any action on the part of an individual government but through action on the part of the United Nations assembly at the beginning of some session. It might be that on the report of the credentials committee Mr. "A" would be chosen to represent China and not Mr. "B". And there you are. You would still have China represented at the United Nations, but the representative would be a person appointed by a communist government in Peking whose credentials are accepted by a majority of the United Nations assembly -- a person who would thereafter sit as the delegate of China.

MR. KNOWLES: You would certainly take a new look at it then, would you not?

MR. DIEFENBAKER: Without regard to the government which he represents, he is just the representative of China.

MR. MACKENZIE: Among the members of the United Nations what percentage recognize "Red" China as such and what percentage do not?

HON. MR. PEARSON: I have not got the exact figures with me; I think it is between 25 and 30 per cent but I would like to check that. What I am suggesting is that if the time comes when a majority of the members -- that majority may not include Canada -- decides that the credentials of the representative from Peking should be accepted, then those governments which continue to recognize the nationalist government of Formosa as the government of China would be in exactly the same position as those governments are now who have recognized the Chinese government in Peking as the government of China.

MR. CRESTOHL: Would you care to comment on the anomaly which apparently exists in the United Nations when some countries do not recognize other countries, both being members of the United Nations, but sit with each other in consultation, voting on various problems?

HON. MR. PEARSON: It is an anomalous position but it does not prevent the functioning of the United Nations. Not all the governments go as far as the communist representatives go; they always make a statement that they do not recognize as valid anything which is said or done by the representative of China. Most of the representatives at the United Nations who have recognized the Peking regime accept the verdict of the majority and do not allow the presence of a Chinese representative appointed by a government which they do not recognize to interfere with the functioning of the United Nations. They will, nevertheless, vote on issues raised by this gentleman whom they do not recognize.

MR. KNOWLES: It is just like parliament.

HON. MR. PEARSON: Yes, they will vote on issues if a resolution is proposed by the representative of a China which they do not recognize, but they usually vote against it.

MR. STICK: A question which has been before us for some time is the position of Great Britain. As I understand it, Great Britain has recognized communist China. What is their position with regard to Chiang Kai Shek? Do they recognize him in any way at all?

HON. MR. PEARSON: I think they do. They recognize him as in de facto control of the island of Formosa and that is shown by the fact that there is a British consul on Formosa and I think he has been accepted by the national government of Formosa.

MR. STICK: So they recognize both -- one directly and the other indirectly.

MR. KNOWLES: I wonder whether when you are getting the information Mr. Fleming asked for you would include in it a list of the countries which, though they may recognize the Peking government as the de facto government of China contend at the same time that the question of Formosa should be settled separately -- the number of governments who contend that the question of Formosa should be settled by the United Nations, or in some way by the people of Formosa themselves whatever stand they may have taken on the question of recognition.

HON. MR. PEARSON: Yes, Mr. Chairman, we shall try to get that information. I may say that it is our view that the status of Formosa has not yet been determined. We do not accept Formosa as a de jure part of the continent of China. In other words, there would be governments which would disagree on the question of who should be recognized as the government of the mainland of China but which would agree that Formosa is an issue by itself.

MR. KNOWLES: Yes.

April 17, 1956.

EXTRACT FROM MINUTES OF PROCEEDINGS AND EVIDENCE NO.2, STANDING
COMMITTEE ON EXTERNAL AFFAIRS.

For files: 50055-B-40 (Recognition of Communist China) 50056-A-40
50056-A-40 (Policy of the Western Powers towards the
Status of Formosa)
50056-B-40 (Formosa and the Coastal Islands)

Mr. COLDWELL: This brings up the question I asked also with regard to the information on China and Asia, that was discussed at this conference, as I understand from the press.

Hon. Mr. PEARSON: Yes, it came up. Mr. Dulles spoke of it at our morning meeting, when the three groups were there. These meetings were very informal. We did not even sit around a table: we were in a room sitting informally in chairs. The morning meeting was devoted largely to a report of Mr. Dulles on his recent visit to Asia, where, as you know, he touched at a good many countries. He spoke for about 45 minutes or an hour and we interrupted, asking questions. In that report he mentioned his visit to Formosa and at that time he was asked some questions about their attitude towards Formosa and Peking.

That initiated an exchange of views on that subject. As has been stated already, there was no dispute---that was suggested in one newspaper report in the United States---or anything approaching ill feeling between the Canadian and United States representatives when we discussed this matter. Not at all. There was a very friendly exchange of views in which there was no reference to any change of Canadian policy. The United States, through the President and the Secretary of State, made its position quite clear. We have heard it before, but it was reaffirmed. We have heard their attitude towards recognition of Peking and toward the off-shore islands. There was a reference on our side to the growing embarrassment---this is quite true and has been accurately mentioned in the press---to a growing difficulty, as we saw it, at the United Nations. We were not talking about the recognition of Peking, so much as the growing embarrassment at the United Nations of a good many countries which had recognized Peking, at the continued representation of China there by the representative of Chiang Kai-shek. The events of last autumn showed that this difficulty was increasing. That was said and that was all.

Mr. COLDWELL: Did the Canadian delegation share the embarrassment?

Hon. Mr. PEARSON: We have not recognized the communist government of Peking. We recognize the Chiang Kai-shek representative as the representative of China at the United Nations. You had better ask Mr. Martin if he felt embarrassed.

Mr. KNOWLES: You were glad to be away at the time.

Mr. COLDWELL: I asked a question last week about the situation in and around Formosa.

Hon. Mr. PEARSON: You did. I have a few notes on that. I hope I have dealt sufficiently with the question of "down-grading".

Mr. KNOWLES: I do not wish to interrupt your continuance on Formosa. I wish to know at some time you might give a more complete report on what went on at White Sulphur Springs. I suggest that you proceed with the statement on Formosa.

Hon. Mr. PEARSON: During the past year there seems to

be little outward change at least in the situation on Formosa and the islands of Quemoy and Matsu. The nationalist government continues to hold these islands with large forces. I am talking now about Formosa and the off-shore islands. Most of the men are still drawn from those who evacuated to the mainland (sic) in 1949 but some have been recruited from the mainland in recent years and there is an increasing proportion of Formosans in Chiang Kai-shek's forces.

Mr. COLDWELL: Are the Formosans conscripted?

Hon. Mr. PEARSON: I think they are but we will find that out. The United States is, under its Mutual Defence Treaty with the nationalist government, helping to train and supply those forces and provide sea and air protection for Formosa, in accordance with United States policy which has already been declared. Quite a high proportion of the forces of the nationalist government---I do not mean a majority of the forces but a substantial proportion---are stationed on the off-shore islands---to defend those islands, I take it, against attack from the mainland. It seems to me that the principal change which has taken place in this area during the last 12 months has been the growth of the hope that the Chinese communists have realized now that there would be serious dangers involved in an attack on Quemoy and Matsu. There is still irregular firing from the mainland at the islands and vice versa but in some quarters the hope has grown that the communists will not attack those islands, with all the risk of conflict which is involved.

Mr. COLDWELL: How far are they from the mainland and how far from Formosa?

Hon. Mr. PEARSON: The nearest off-shore island is, I think, about four miles from the mainland. I hope I will be permitted to correct that figure if it is wrong. I think it is about 80 or 90 miles from Formosa. The United States of course is committed to the defence of Formosa against attack by the Chinese communists and the fact that no attack has materialized during the last year may suggest that the Chinese communists realize the probable effect of such an attack. There has been some encouragement, as I have said, drawn from the fact that no attack has taken place.

The United States position in regard to Formosa is quite clear; the United States position in regard to Quemoy and Matsu is less clearly defined. United States policy is based on the assumption of responsibility to make secure and protect the position of territories which, in the judgment of the President of the United States, are necessary or related to the defence of Formosa. As Mr. Dulles himself has said, that is not in itself a commitment to defend the coastal islands as such. Those words "as such" may turn out one day to be pretty important. The Chinese communists may have decided---I hope they have---that an attack on Quemoy and Matsu or an attack on Formosa would be too dangerous, but it certainly would be premature to come to any categorical conclusion on that matter. While therefore the potential for a Chinese communist attack on Quemoy and Matsu remains, there is reason to hope that the Peking authorities have decided that any advantage which they might gain from such an attack would not justify the risk involved. That is the present position. It is quiescent. There is no evidence that we have been able to secure from any quarter which would indicate that an attack on these islands, let alone an attack on Formosa, a full-scale attack, is imminent; but the possibility of such an attack remains.

Mr. COLDWELL: These islands are adjacent to important Chinese mainland ports---Amoy, for example.

Hon. Mr. PEARSON: Yes, they are not far from Amoy. The position which the Canadian government has taken is that an attack on Formosa would be one thing, while an attack on Quemoy and Matsu would be something else. An attack on Formosa might conceivably be aggression, if it were so determined by the United Nations, as the position of Formosa has not been decided finally in international law. We do not necessarily accept the Chinese communist position, or indeed the Chinese Nationalist position that Formosa is part of China. That is something to be decided and in that decision, as has been said we think that the wishes of the Formosans should be considered. Anyway, it is indeterminate at present. An attack on Formosa might therefore be considered by the United Nations and if so, we as members of the United Nations would be under obligation to take an appropriate part in any action the United Nations might decide.

Mr. COLDWELL: It would be very difficult, with the veto in the Security Council.

Hon. Mr. PEARSON: There is always the "Uniting for Peace" resolution. So far as Quemoy or Matsu are concerned, we consider this as part of continental China and that the struggle between the two Chinese armies for these islands is incidental to the Chinese civil war, and therefore we have no obligation to intervene in any way, shape or form. Our policy has been pretty clearly laid down. It is understood, and it has not changed.

Mr. COLDWELL: It is the same thing with the recognition of the Peking government?

Hon. Mr. PEARSON: I do not think I will go beyond the very clear statement I made on this matter a few weeks ago in the House of Commons.

Mr. STEWART (Charlotte): You mentioned there were some citizens of communist China who went down to Formosa. Have you any idea of the numbers involved?

Hon. Mr. PEARSON: I can get some reports. I have no idea how accurate they are. I will see if I can get some information in regard to those who may have trickled in through Hong Kong.

Mr. STEWART (Charlotte): There was some discussion on that but we were not given the figures involved. It would be interesting to know the numbers dissatisfied with the way of life in communist China and who are making that move.

Hon. Mr. PEARSON: It is hard to find out, because a good many have come to Hong Kong, because they are dissatisfied with the communist regime. They have stayed there, and the population has grown. Some have gone on through Hong Kong.

Mr. STUART (sic) (Charlotte): The same thing is referred to in that article in regard to Hong Kong.

Mr. COLDWELL: What about Canadian nationals and property in China?

Hon. Mr. PEARSON: There are very few left. We will get figures. Our Canadian embassy property in Nanking is still intact. We get reports about it occasionally and it is still looked after by our custodian, a Chinese employee who has been there for years. As far as we know, the property is intact.

Mr. COLDWELL: Has the Minister anything to say about the Pescadores?

Hon. Mr. PEARSON: Anything I have said regarding Formosa includes the Pescadores which is not part of the continent of China.

~~1-14-1956~~
~~Mr. Johnson~~

Chine Formose

LA PRESSE

APR 12 1956

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L'invasion de Formose improbable

Mais les rouges chinois continuent de vastes préparatifs, dit M. W. Robertson.

(De notre édition finale d'hier)
Washington, 11. (AFP) — Les communistes chinois se mettent en mesure de constituer "une menace formidable" contre Formose, a déclaré M. Walter Robertson, secrétaire d'Etat adjoint, à la Commission des affaires étrangères de la Chambre.

Toutefois, M. Robertson, qui est le grand spécialiste du secrétariat d'Etat des questions d'Extrême-Orient, a ajouté qu'à son avis les communistes chinois ne tenteront pas d'invasion à travers le détroit de Formose dans un avenir immédiat.

Le secrétaire d'Etat adjoint, qui est venu devant la commission pour soutenir la demande formulée par le président Eisenhower d'environ \$5,000,000,000 de nouveaux crédits pour l'aide à l'étranger, a prédit que l'Union soviétique ferait des offres commerciales attrayantes aux pays d'Asie durant les prochains mois.

Près de la moitié des \$5,000,000,000 demandés par le président est destinée à l'Asie pour l'année fiscale commençant le 1er juillet prochain, dont quelque \$1,200,000,000 pour la seule aide économique.

Longs entretiens de Genève

Le secrétaire d'Etat adjoint a ensuite rappelé que les longs entretiens de Genève de M. U. Alexis Johnson, représentant des Etats-Unis avec M. Wang Pin-Han, représentant de la Chine communiste, visaient à la libération de 13 prisonniers américains détenus par le gouvernement de Pékin en dépit de la promesse faite en septembre dernier de les relâcher rapidement.

M. Robertson a ajouté que l'ambassadeur Johnson tentait également d'obtenir une déclaration écrite du gouvernement communiste chinois aux termes de laquelle il renoncerait à l'emploi de la force contre Formose.

Un membre de la Commission lui demandant quelle pourrait être l'attitude du gouvernement communiste chinois au cas où la situation au Moyen-Orient entraînerait une intervention des troupes américaines, M. Robertson a déclaré qu'il exprimerait son avis sur ce sujet au cours de la session à huis clos de la commission demain.

file
APM

S E C R E T

OUTWARD TELEGRAM FROM COMMONWEALTH RELATIONS OFFICE

TO: U.K. HIGH COMMISSIONER IN CANADA
U.K. HIGH COMMISSIONER IN AUSTRALIA
U.K. HIGH COMMISSIONER IN NEW ZEALAND
U.K. HIGH COMMISSIONER IN SOUTH AFRICA
U.K. HIGH COMMISSIONER IN INDIA
U.K. HIGH COMMISSIONER IN PAKISTAN
U.K. HIGH COMMISSIONER IN CEYLON

RPTD: MOSCOW)
WASHINGTON) (SAVING) (VIA FOREIGN OFFICE)
PEKING)
NEW YORK)

(Dated 28th March, 1955)

Y. No. 78 SAVING SECRET

Repeated Saving to Moscow, Washington, Peking and New York.

My telegrams Y. No. 124, Y. No. 122 paragraph 2 and
Y. No. 55 Saving.

FORMOSA STRAITS - PROPOSALS FOR
POSSIBLE CONFERENCE

Attached memoranda give substance of reports from
U.K. Ambassador at Moscow on his further interview with Molotov
on March 9th (Memorandum) and report of Indian Ambassador's
interview with Molotov on 25th March (Memorandum No. 2).

(Ottawa, Canberra, Wellington, Cape Town)

2. Please pass copy of Memoranda Nos. 1 and 2 to Commonwealth
authorities. Copies have been given to High Commissioners in
London.

(Delhi, Karachi, Colombo)

3. Please pass copy of Memorandum No. 1 only repeat only to
Commonwealth Authorities. Copy of Memorandum No. 1 has been
given to High Commissioners in London for India, Pakistan and
Ceylon.

SECRET

REPORT FROM U.K. AMBASSADOR AT MOSCOW OF HIS
INTERVIEW WITH MOLOTOV ON 9TH MARCH ABOUT
SOVIET PROPOSALS FOR CONFERENCE ON
SITUATION IN FORMOSA STRAITS

Molotov had no comment on your message to Chou En-lai except to say that he had seen Chou's answer.

2. Molotov said so far as he knew both sides were already engaged in studying ways of making progress. I said I hoped they would be successful and that he would let us know if he arrived at any conclusions. He said he thought that negotiations were making some progress, if rather slowly, and that he expected positive results. One point he hoped had been sufficiently clarified by our last meeting was that of Chiang Kai-Shek's participation in the conference; he hoped that this could now be considered settled in a negative manner. The Government of the Chinese People's Republic regarded this as an internal question and were unable to accept Chiang Kai-shek as a partner in international negotiations.

3. I said I had had nothing more from you on this specific point, but that I knew you continued to think it necessary that both sides should be fully represented. Moreover, your speech in the House of Commons on 8th March showed that you considered that the Chinese Nationalist authorities still had an important part to play.

4. Molotov asked if you had any new proposals to make about Formosa as a result of your discussions with various countries at the Bangkok conference, including a representative of the United States. I said that I understood that Formosa had not been discussed at the conference but that you had had conversations outside the conference with Mr. Dulles. Your speech in the House of Commons on 8th March (Commonwealth Relations Office telegram Y. No. 124) showed your present view on the Formosa question.

5. Copies of this Memorandum have been communicated to the Governments of Canada, Australia, New Zealand, South Africa, India, Pakistan and Ceylon.

Commonwealth Relations Office Memorandum (No. 1)
dated 28th March, 1955.

SECRET

REPORT FROM U.K. AMBASSADOR AT MOSCOW OF INDIAN
AMBASSADOR'S INTERVIEW WITH MOLOTOV ON 25TH MARCH
ABOUT SOVIET PROPOSALS FOR CONFERENCE ON SITUATION
IN FORMOSA STRAITS

Indian Ambassador was sent for by Molotov yesterday.

2. Molotov gave him a reply to a recent Indian Note about Formosa. This reply noted that the Indian Government did not insist on Nationalist participation in a conference about Formosa, on a basis of equality. It added that an Indian suggestion of possible Nationalist participation on a basis less than full equality would not be acceptable to the Chinese Government, and that the Soviet Government shared this view.
3. The Note also rejected an Indian proposal that the Security Council should be associated with the proposed conference, on the grounds that recent experience had shown that the Council was incapable of dealing with the Formosa question either effectively or impartially.
4. Although the Note was thus very negative in substance, it was friendly and even effusive in tone, and expressed the desire of the Soviet Government to continue to collaborate with the United Kingdom and Indian Governments in the search for a peaceful solution of the Formosa question.
5. Indian Ambassador told Molotov that his Government's preoccupation with the question of membership of the conference was inspired, not by any love of Chiang Kai-shek, but by the desire to escape from the impasse that one party would certainly not agree to a conference without Chiang, while another would not attend if he came. In these circumstances, the Ambassador could not see how the conference could meet, and he wondered how Molotov would solve this problem. Molotov evaded this question, saying he hoped that the three Governments would continue their search for a solution.
6. Copies of this Mémorandum have been communicated to the Governments of Canada, Australia, New Zealand and South Africa.

Commonwealth Relations Office Memorandum (No. 2)
dated 28th March, 1955.

Mr. [unclear] [unclear]
File [unclear]
AGM

CONFIDENTIAL

February 2, 1956.

MEMORANDUM FOR MR. CROSS
Prime Minister's Office.

50056-A-40
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I attach the original copy of a petition addressed to the Prime Minister by the President of the Provisional Government of the Republic of Formosa, together with a copy of a covering letter from our Ambassador in Tokyo.

2. This so-called "Provisional Government" has Headquarters in Tokyo, and claims to represent the aspirations of the Formosan people for independence. It was established on November 27, 1955, by a predecessor body known as the Formosan Democratic Independence Party. This latter group addressed a similar petition to the Prime Minister just before the Geneva conference in 1954; this petition was not acknowledged.

3. We understand that the so-called "Provisional Government" has no substantial support outside the group of expatriate Formosans and Chinese in Tokyo who make it up. The United States Embassy in Tokyo, in particular, keeps it at arms length. In the circumstances, we would recommend against acknowledging the attached petition.

*Thank you. No acknowledgment
will be made.
J.S.C.*

Arthur Muzic
Far Eastern Division,
External Affairs.

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

(DUPLICATE)

DESPATCH

CONFIDENTIAL

TO: THE SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: The Canadian Ambassador to Japan
Tokyo

Reference: My Despatch No. 45 of January 13, 1956

Subject: Letter to the Prime Minister of Canada
from Officials of the Provisional Govern-
ment of the Republic of Formosa.

Security: 70
No: [Handwritten mark]
Date: January 14, 1956
Enclosures:
Air or Surface Mail:
Post File No:

Ottawa File No. 50056-A-40-

References

Attached is the original and envelope of the letter of January 5, 1956, received today, addressed to the Prime Minister of Canada in care of this Embassy, from Thomas W. I. Liao and Chin-lam Go, designated as the President and vice-president respectively of the Provisional Government of the Republic of Formosa. The letter contains a diatribe against Chiang Kai-shek, impugns the motives of Mao Tse-tung in relation to Formosa and appeals to the Prime Minister of Canada for sympathy and support. You will note also that it indicates the Provisional Government of the Republic of Formosa, which was the subject of my despatch under reference, has already been organized.

2. I have not acknowledged receipt of the letter. I should be grateful if you would inform me whether any action should be taken by this Embassy in respect of this letter. A copy has been made and retained on file here.

(Sgd.) T.C. DAVIS
Ambassador.

Internal Circulation

Distribution to Posts

The Prime Minister of Canada

Dear Sir:

We, the eight million Formosan natives, all admire your courage and effort in establishing the world peace, and Your Excellency as the champion of democracy and racial self-determination. A small nation though we are, we never forget to share the same responsibility.

It seems that this year, the year of 1956, the destiny of the unfortunate people of Formosa, the original inhabitants of the island, will be decided. However, we believe it will be decided according to the principle of democracy and racial self-determination. The people of Formosa had been miserable in the past, being a colonial subject of Manchu Dynasty and Japan, and so is at present under Chiang Kai-shek group.

Chiang Kai-shek is not only a war-lord but also a war-monger. In order to realize his personal ambition of regaining his lost "throne" in Nanking, he is driving our native people to be killed by the Communists and dragging the whole world into a most treacherous A- and H-bombs world-war. His eldest son, Chiang Chin-kou, with his Moscow-trained brain, commanding his thousand of secret police, is enslaving our people in the big concentration-camp of Formosa. His Prime Minister, O.K. Yu, the henchman of the dictatorial regime is exploiting our people. Yen Chia-ken, the Governor of Formosa, acting as his mouth-organ, is telling a lie to the world that the Formosans are contented and well-satisfied under his "democratic rule." In fact, today inside Formosa everyone is so closely watched and guarded that a word of truth from his heart means death to him. The Chinese Nationalists' half a million armed forces might not be able to rule the Chinese continent with iron and blood efficiently, but in Formosa at present these forces plus hundred thousand secret police is easy to enforce slave-life to the eight million native Formosans and control the island vacuum-tight.

Taking advantage of the above facts inside Formosa, the Chinese Communist Regime, with their peace offensive as a front of its world policy, is trying to let the Formosans have an impression that Mao Tse-tung is a hero fighting for liberty and emancipation of the Formosans from the tyrannous dictator of Chiang Kai-shek. This is a sorry sight. In fact the Formosans are looking for the neutral nations in the United Nations to take away the iron-chain put on us by Chiang Kai-shek. We, on behalf of our people, want to appeal to you to help the native Formosans immediately.

To help the Formosans to regain their twice-lost independence is not only heroic in assisting a small nation to stand up, but also a long-range Formosan policy. We would like to reiterate that the Formosans are neither Chinese nor Japanese but Formosans as a race with its own identity, traditions, and culture.

Confronting with the fact that the legal status of Formosa is not decided, and there is no free election in Formosa as present, the Provisional National Congress of Formosa had, on November 27th, 1955 adopted a resolution of rules to establish the Provisional Government of the Republic of Formosa, and elected Dr. Thomas W. I. Liao its President and Dr. Chin-lam Go Vice-President on December 18th, 1955, in Tokyo, Japan.

After ten years' struggle with tears and blood the Formosans have determined to stand up and declare Independence of Formosa in accordance with the principle of racial self-determination, and appeal for Your Excellency and your country sympathy and support. We, at the same time, believe that God helps those who help themselves.

Most respectfully yours,

Thomas W. I. Liao

Thomas W. I. Liao
The President of the Provisional
Government of the Republic of Formosa

Chin-lam Go

Chin-lam Go
The Vice-President of the Provisional
Government of the Republic of Formosa

January 5th, 1956

608, YMCA Bldg., 7, Mitoshiro-cho
Kanda, Tokyo, Japan

file
J.R. McKinney
CONFIDENTIAL

January 30, 1956

Memorandum to the Minister.

50056-19-40
65 ✓

Subject: The Effect of Recognition on the Status of Formosa.

We have suggested that in your statement in the House you might make it clear that, in the Canadian view, the legal status of Formosa is still undecided and that by recognizing the Peking regime, we would not prejudge the issue of Formosa's future. The following notes amplify our position on this matter.

Historical Factors

2. The present uncertainty regarding Formosa's legal status begins with the Cairo and Potsdam Declarations. At Cairo the United Kingdom, the United States and China stated their joint intention that Formosa was to be stripped from Japan and restored to the Republic of China and this was re-affirmed in the Potsdam Declaration. In accordance with this general statement of intentions, Chiang Kai-shek accepted the surrender of the Japanese forces on Formosa on October 25, 1945. In the British view Formosa then became an enemy territory under military occupation. The Nationalist Government, however, proceeded to take unilateral action as if the sovereignty over Formosa had actually passed to it from that date. This action was never questioned by any of the powers directly interested, although the United Kingdom Government did protect its legal position by declining to regard Formosans as Chinese nationals for passport purposes, and compromised by treating them as "friendly aliens". A consensus of the Western allies taken in, say, 1947 would, however, undoubtedly have been that the Chinese Nationalists were properly installed on Formosa in accordance with the Cairo and Potsdam statements of intentions, which it was reasonable to expect would be

regularized in due course by a treaty of peace with Japan. In the event, because of a disagreement as to which of the two Governments claiming to represent China should participate, China was excluded from the San Francisco Peace Treaty of September 8, 1951. Under this Treaty Japan formally renounced her rights to Formosa but the Treaty did not assign them to any other state. Nor did the subsequent bilateral Peace Treaty between Nationalist China and Japan do anything to clear up the uncertainty.

3. The Canadian view of the present legal position is that Formosa's de jure status is uncertain and undetermined. Our right to take this view would seem to be justified by the fact that we signed the San Francisco Peace Treaty, and it may be that for the same reason we are under an obligation to state it. We consider that the Nationalist Government is in de facto control of Formosa and that it is properly installed on the basis of a military occupation which has not been legally terminated. This is also roughly the position of the United States and United Kingdom Governments.

Previous Statements

4. While you have never given a detailed enunciation of this doctrine to the House, you have stated it generally on several occasions. For example on January 25, 1955 you said:

"In this area of tension and danger a distinction can validly be made between the position of Formosa and the islands off the China coast now in Nationalist hands. The latter are indisputably part of the territory of China; the former, Formosa and the Pescadores, which were Japanese colonies for fifty years prior to 1945 and had a checkered history before that, are not".

5. Inclosing the External Affairs debate at the last session of the House, you said on April 21, that:

"So far as Canadian responsibility is

concerned over Formosa - I think this had better be repeated, and I will try to make it clear - we have no other commitment in regard to Formosa than that which arises from our membership in the United Nations. That was the position a year ago and that is the position today. We feel that the status of Formosa has not yet been finally determined, but we also feel that the Communist Government in Peking should not use force to bring about that determination."

6. On the specific issue of the effect of possible Canadian recognition on the future of Formosa, the following paragraph from your statement to the "People's School" of St. Francis Xavier University on November 7, 1954 is relevant:

"I would also stress that any recognition of the Peking Government does not have to include a commitment to support the handing over of Formosa to the control of that government."

7. Speaking in the House last April 21 you also said:

"We do not in this Government have to subscribe to the policies of Chiang Kai-shek - we also have a fairly open mind about the future of Formosa and indeed we have been criticized because we have not been more specific in our policy in this regard. But I certainly do not subscribe to any policy which would ask us to share in the ejection of Chiang Kai-shek and half a million Chinese Nationalist soldiers from Formosa."

JULES LÉGER

J.L.

NUMBERED LETTER

TO: ~~XXXX~~ THE CANADIAN EMBASSY, TOKYO, JAPAN.....

Security: **Confidential**.....

No: **X- 50**.....

FROM: ~~XXXXXX~~ THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA, CANADA.

Date: **January 26, 1956**.....

Reference: **Your Despatches No. 45 of January 13 and 70 of January 19.**

Enclosures:.....

Subject: **Formosan Democratic Independence**.....

Air or Surface Mail:.....

Party.....

Post File No:.....

Ottawa File No. 50056-A-40	
65	65

References

We would judge from your Despatch No. 45 and from Washington's letter No. 69 of January 16, a copy of which has been referred to you, that the Formosan Democratic Independence Party has no influential outside support. We are inclined to hope that it will not gain any; the Formosan question is difficult enough as it is and surely the last thing we need is another political organization claiming to represent the hopes and aspirations of the Formosan people. The Party nevertheless appears to have a certain skill in getting publicity for its aims and objectives, and for that reason alone bears watching, albeit from a distance. We should therefore be grateful if you would continue to report from time to time on its activities. You should not, however, acknowledge Dr. Liao's letter to the Prime Minister.

T. R. MENZIES

for the
 Under-Secretary of State
 for External Affairs.

Internal Circulation

Distribution to Posts

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

DESPATCH

TO: THE SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: The Canadian Ambassador to Japan
Tokyo

Reference: My Despatch No. 45 of January 13, 1956

Subject: Letter to the Prime Minister of Canada
from Officials of the Provisional Govern-
ment of the Republic of Formosa

Security: CONFIDENTIAL

No: 70

Date: January 19, 1956

Enclosures: 2 [Signature]

Air or Surface Mail: Air

Post File No: 210-3-1

Ottawa File No.	
500 5'6 A - 40	
19	✓

References

Refer
(with enclosure)

PM's Office

SSEA

WSEA

Washington

New Delhi

D.H. (2) Div

JIS (Thru D.H. 2)

Mr. Manning
to see [Signature]

[Handwritten signature]

Attached is the original and envelope of a letter of January 5, 1956, received today, addressed to the Prime Minister of Canada in care of this Embassy, from Thomas W. I. Liao and Chin-lam Go, designated as the president and vice-president respectively of the Provisional Government of the Republic of Formosa. The letter contains a diatribe against Chiang Kai-shek, impugns the motives of Mao Tse-tung in relation to Formosa and appeals to the Prime Minister of Canada for sympathy and support. You will note also that it indicates the Provisional Government of the Republic of Formosa, which was the subject of my despatch under reference, has already been organized.

2. I have not acknowledged receipt of the letter. I should be grateful if you would inform me whether any action should be taken by this Embassy in respect of this letter. A copy has been made and retained on file here.

[Handwritten signature]

Ambassadorsy

Internal Circulation

Mark on reference slip to the PM and within the Dept: The letter to the Prime Minister will not be acknowledged.

J. R. MANNING
Done
31/1/56.

Distribution to Posts

✓

The Prime Minister of Canada

Dear Sir:

We, the eight million Formosan natives, all admire your courage and effort in establishing the world peace, and Your Excellency as the champion of democracy and racial self-determination. A small nation though we are, we never forget to share the same responsibility.

It seems that this year, the year of 1956, the destiny of the unfortunate people of Formosa, the original inhabitants of the island, will be decided. However, we believe it will be decided according to the principle of democracy and racial self-determination. The people of Formosa had been miserable in the past, being a colonial subject of Manchu Dynasty and Japan, and so is at present under Chiang Kai-shek group.

Chiang-Kai-shek is not only a war-lord but also a war-monger. In order to realize his personal ambition of regaining his lost "throne" in Nanking, he is driving our native people to be killed by the Communists and dragging the whole world into a most treacherous A- and H-bombs world-war. His eldest son, Chiang Chin-kou, with his Moscow-trained brain, commanding his thousand of secret police, is enslaving our people in the big concentration-camp of Formosa. His Prime Minister, O.K. Yu, the henchman of the dictatorial regime is exploiting our people. Yen Chia-ken, the Governor of Formosa, acting as his mouth-organ, is telling a lie to the world that the Formosans are contented and well-satisfied under his "democratic rule." In fact, today inside Formosa everyone is so closely watched and guarded that a word of truth from his heart means death to him. The Chinese Nationalists' half a million armed forces might not be able to rule the Chinese continent with iron and blood efficiently, but in Formosa at present these forces plus hundred thousand secret police is easy to enforce slave-life to the eight million native Formosans and control the island vacuum-tight.

Taking advantage of the above facts inside Formosa, the Chinese Communist Regime, with their peace offensive as a front of its world policy, is trying to let the Formosans have an impression that Mao Tse-tung is a hero fighting for liberty and emancipation of the Formosans from the tyrannous dictator of Chiang Kai-shek. This is a sorry sight. In fact the Formosans are looking for the neutral nations in the United Nations to take away the iron-chain put on us by Chiang Kai-shek. We, on behalf of our people, want to appeal to you to help the native Formosans immediately.

To help the Formosans to regain their twice-lost independence is not only heroic in assisting a small nation to stand up, but also a long-range Formosan policy. We would like to reiterate that the Formosans are neither Chinese nor Japanese but Formosans as a race with its own identity, traditions and culture.

Confronting with the fact that the legal status of Formosa is not decided, and there is no free election in Formosa at present, the Provisional National Congress of Formosa had, on November 27th, 1955 adopted a resolution of rules to establish the Provisional Government of the Republic of Formosa, and elected Dr. Thomas W. I. Liao its President and Dr. Chin-lam Go Vice-President on December 18th, 1955, in Tokyo, Japan.

After ten years' struggle with tears and blood the Formosans have determined to stand up and declare Independence of Formosa in accordance with the principle of racial self-determination, and appeal for Your Excellency and your country sympathy and support. We, at the same time, believe that God helps those who help themselves.

Most Respectfully yours,

(Sgd.) Thomas W. I. Liao
The President of the Provisional
Government of the Republic
of Formosa

(Sgd.) Chin-lam Go
The Vice-President of the
Provisional
Government of the Republic
of Formosa

January 5th, 1956
608, YMCA Bldg., 7 Mitoshiro-cho
Kanda, Tokyo, Japan

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

NUMBERED LETTER

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: THE CANADIAN EMBASSY, WASHINGTON, D.C.

Reference: Your Letter Y-1309 of Sept. 13, 1955.

Subject: Activities of the Formosan Democratic
Independence Party.

JAP

Security: CONFIDENTIAL

No: 69

Date: January 16, 1956

Enclosures: ✓

Air or Surface Mail:

Post File No:

Ottawa File No.	
50056-A-40	
19	19

References

Refer

Tokyo ✓
New Delhi ✓
D.L. (2) Div ✓
JIS (thru D.L.) ✓
Mr Holmes ✓
Mr Spangier ✓
J. R. McAWNEY ✓
Done ✓
24 Jan 56 ✓
[Signature]

We raised with the State Department the matter of Dr. Liao and his Formosan Democratic Independence Party shortly after we received your letter under reference. However, as a result of changes of staff in the relevant section of the State Department and our failure to follow up the matter, there has been a long delay between question and answer.

2. We raised the matter again recently with Clough, the Assistant Director of the State Department's Office of Chinese Affairs. He told us that the State Department does not regard either Dr. Liao or his organization very seriously. What Clough gave us by way of background information on Dr. Liao you already know from Tokyo's letters (e.g., Tokyo's letter No. 967 of Sept. 2). The State Department has no evidence to suggest that the Formosan Democratic Independence Party has deep roots in Formosa. Certainly, the State Department does not believe that the party has "the full support of eight million Formosans". Clough admitted that State Department intelligence on the extent of Formosan opinion in favour of independence is weak. There have been so many other Formosan problems on which information has been necessary that this particular area has been somewhat neglected. From our conversation with Clough we would be virtually certain that United States agencies have had nothing to do with the Formosan Democratic Independence Party (Tokyo's letter No. 967 of Sept. 2). We did not, of course, discuss this suggestion directly with Clough.

3. Our conversation led naturally to the other aspect of internal Formosan politics, which is always a matter of interest to the State Department, i.e., the question of what comes next when the Generalissimo leaves the scene. You may have noticed from press reports that the London Daily Mail carried a story early in January to the effect that secret peace talks "supported by the Generalissimo's son, Chiang Ching-kuo, and influential people in the Nationalist Party and the Nationalist armed forces" were going on. A spokesman for the Nationalist government immediately denied the report as "the product of lurid imaginations" and as a report which was deliberately spread to create misunderstanding. Clough said that to the best of the State Department's knowledge there was no truth in the London news report. There had been disaffections from the Nationalist cause in the last year, but some of these were to be expected. The State Department, however, knew of no

CONFIDENTIAL

...2

Internal Circulation

Distribution to Posts

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recent developments which would suggest mass disaffection or disaffection of really prominent Nationalist Chinese leaders. The State Department's estimate of Chiang Ching-kuo's position remained that which was given us earlier in the year and reported in our letter No. 468 of March 17, 1955. The State Department believed that powerful though Chiang Ching-kuo was, there would be so many shifting alliances formed with the passing of the Generalissimo that Chiang Ching-kuo could not take over.

A handwritten signature in cursive script, likely belonging to an official at the Embassy.

The Embassy

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

DESPATCH

TO: THE SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: The Canadian Ambassador to Japan
Tokyo

Reference: My Despatch No. 1007 of September 15, 1955

Subject: Establishment of the "Provisional
Government of the Republic of Formosa"

Security: CONFIDENTIAL

No: 45

Date: January 13, 1956

Enclosures: 2

Air or Surface Mail: Air

Post File No: 210-3-1

Ottawa File No.	
50056-A-40	
19	19

Handwritten: ~~Mr. King~~ 5-25

References

Refer (without enclosure)
Washington
New Delhi
J.S. (from Dh r)

Arend etc
copy with encl.
to
Mr. Holmes
D.L. (2) Division

Mr. Georges
to see file 105

Attached is a story from this morning's The Mainichi by a staff writer, stating that Dr. Thomas Liao's Formosan Democratic Independence Party will organize a "provisional government" on February 28, 1956. This will be followed by a "Declaration of Formosa's Independence". It appears that the decision to create such a government was contained in a resolution of December 18, 1955 of the Provisional National Congress of Formosa, which was described in my despatch under reference. The new government will apparently be called a "Political Executive Commission" and will be organized as a cabinet, with portfolios for foreign affairs, interior, finance, overseas residents, and cultural affairs and information. The headquarters will be in Tokyo.

2. You will note that the Japanese Government is said to be abstaining from interference, that the Chinese Nationalists are said to be attempting to interfere and that Dr. Liao asserts that the United States would "fully support his movement in the event of Formosa's neutralization". It is difficult, of course, to comment on how much truth there is in these statements, but one of my officers learned not long ago from an officer of the U.S. Embassy in Tokyo that there is probably some truth in the statements about the Japanese Government and the Chinese Nationalists. The U.S. Embassy officer stated that while he was not directly concerned in affairs relating to Formosa, he was aware that Dr. Liao's movement was anxious to gather as much encouragement from the U.S. as possible. He said that representatives of the Formosan Democratic Independence Party attempted to contact the U.S. Embassy frequently and regularly but that the Embassy, for obvious reasons, maintained only formal and distant relations. He said that he had been told by the responsible officer in the Japanese Ministry of Foreign Affairs that on the occasion of the establishment of the Provisional National Congress on September 13, 1955, the Chinese Nationalist Ambassador, Mr. Hollington K. Tong, had made a personal request to the Ministry for the suppression of the inaugural meeting and that the Ministry's reply had been that nothing could be done because the Formosans' political activities could not be considered illegal under Japanese law.

3. The U.S. Embassy officer added that he believed the Chinese Nationalists were considerably exercised about Liao's activities. He explained that one of the reasons for this was that while the party appeared to have only about 2000 active members in Japan, the Formosan population of Japan constituted the greater part of what is generally regarded as the Chinese resident population.

Internal Circulation

Done
8/2/56

Handwritten initials: MW

Distribution to Posts

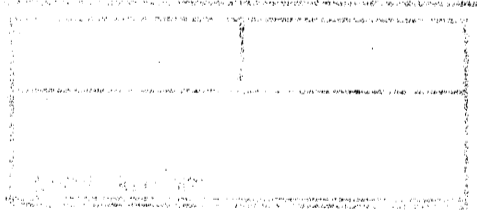
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If one accepted the Chinese population as being somewhere between 40,000 and 44,000, which is the common estimate, then about 28,000 of them were in fact Formosans. A good many of these could be assumed to be passive sympathizers with the Formosan Independence movement of Dr. Liao. The officer pointed out that the U.S. Embassy had had reports of two other groups of independence-seeking Formosans, but that the pattern established by their reported existence looked a little too natural to be convincing. One group was said to have the covert support of the Nationalist Chinese, the other that of the Communists. The Embassy was by no means convinced that either or both existed in any effective form.

A handwritten signature in black ink, appearing to be 'H. J. ...', written in a cursive style.

Ambassador

CANADIAN EMBASSY

TOKYO

Subject.....

Date..... JAN 13 1956

Publication..... THE MAINICHI

For Independence Of Formosa

'Provisional Government' To Be Inaugurated Here

By Rene Georges Trucchi, Staff Writer

A Provisional Government of an independent Republic of Formosa, organized by exiled Formosa Nationalists, is to be formally installed in Tokyo on February 28, the 50th anniversary of the abolition of 1947 anti-Chinese provisions in the Japanese Constitution.

The transitional government is to be followed by a Declaration of Independence and the formation of a Provisional National Congress.

Establishment of this Provisional Government will signify the first step in the independence movement of the Republic of Formosa. It is expected that 10,000 members of the Provisional Government will be organized in Formosa, Taiwan, and other islands in the Pacific Ocean.

This Provisional Government National Congress, formed a resolution on December 10 to organize an exile government and elected Dr. Chiang Kai-shek to be President and Dr. Guo Chin-wei as Vice President.

As yet, it is not known whether the Provisional Government will be able to take over the administration of Formosa. The Provisional Government is expected to be able to take over the administration of Formosa.

The Provisional Government is expected to be able to take over the administration of Formosa. The Provisional Government is expected to be able to take over the administration of Formosa.

Dr. Kuo also hopes that his independence movement is widely supported within Formosa, and hopes that the movement's success will come when the UN agrees to complete the withdrawal of the Japanese from Formosa.

He says he would be glad to see the Provisional Government under a UN

trusteeship. The leader of the exile government stresses that he felt much confident that his diplomatic work that the U.S. would fully support his movement in the event of Formosa's independence.

This exile Cabinet is to be called a Political Executive Commission, and will have eight members besides the President and the Vice President. They will be the Secretaries of the Departments of Foreign Affairs, Interior, Education, Economic Relations, Cultural Affairs and Information, and the Secretary General and the Deputy Secretary General.

The headquarters of the exile Provisional Government will be located in the Hansa Building No. 17, Ginza, Shinjuku-ku, Chiyoda-ku, Tokyo.

The Japanese Government is reported to have agreed to provide the Provisional Government with a building.

Problematists, however, are generally opposing the development in order to prevent clashes among various Chinese and Japanese factions.

Dr. Kuo's move to establish his Provisional Government in Tokyo is expected to be a move with a little touch of mystery and allegorically Chinese Nationalist propaganda.

He was called by SCAP for seven months upon arriving in Formosa in 1945. He is the former of the Nationalist Chinese delegate on the Allied Council.

Dr. Kuo says that Generalissimo Chiang Kai-shek's son, Gen. Chiang Chiao-kuo, tried to buy his cooperation as a working manager in the lobby of the Imperial Hotel two weeks ago.

~~For Eastern~~

STEIN
L. B. PEARSON

SECRET

file
143
Nov

50056-A-40	December 23, 1955.
143	✓

MEMORANDUM FOR THE MINISTER:

For Eastern

Consultations with the State Department on China Policy.

You will have seen Mr. Heeney's telegram of December 21 (copy attached) reporting that Mr. Dulles has shown some personal interest in the proposed consultations on China policy. In view of this, you may agree that it would now be appropriate to indicate to Mr. Heeney that we agree in principle to Canadian participation in these consultations, subject to a final decision when we have worked up an all-embracing paper on our policy and points of differences with the United States position.

2. One of the pitfalls will be the difficulty of conducting really useful consultations if someone holding the entrenched views of Walter Robertson speaks for the United States side. We are not likely to impress someone like Robertson with the Canadian point of view, and might only leave ourselves open to criticism of particular aspects of Canadian policy with which the Americans do not agree. On the other hand, if Mr. Dulles maintains a personal interest in the consultations, perhaps this would be reflected by his advisers taking a less rigid position than we have encountered during such discussions in the past.

3. A telegram making this point and asking for Mr. Heeney's views is attached for your signature if you approve of it.

h.l.

*Tel sent from
Min Office
23-12-55*

*23-12-27 (SSM)
23-12-35 (OS)*

COPY

FM EMBASSY WASHINGTON DEC 21/55
TO EXTERNAL OTTAWA 2069

SECRET ONE OF TWO

REF YOUR TELEGRAM Y2112 OF DECEMBER 20/55.
SUB CHINA POLICY.

WHEN, IN MY CONVERSATION WITH THE SECRETARY OF STATE THIS MORNING, WE HAD DISPOSED OF THE U.N. NEW MEMBERS (MY TELEGRAM 2068), WE WENT ON TO DISCUSS IN MORE GENERAL TERMS THE PROBLEM OF CONSULTATION BETWEEN OUR TWO GOVERNMENTS. MR. DULLES, ONCE MORE, EMPHASIZED THE IMPORTANCE WHICH HE AND THE STATE DEPARTMENT ATTACHED TO THE CLOSEST POSSIBLE CONTACT WITH US, PARTICULARLY RESPECTING SUBJECTS UPON WHICH OUR ATTITUDES MIGHT DIVERGE.

2. GIVEN THIS OPPORTUNITY, AND BECAUSE I HAD RAISED PREVIOUSLY WITH MERCHANT IN A PURELY PERSONAL WAY THE SUGGESTION PUT FORWARD IN OUR TELEGRAM NO. 2051 OF DECEMBER 16, I THEN PUT TO MR. DULLES, VERY TENTATIVELY AND ON MY OWN RESPONSIBILITY, THE OUTLINE OF OUR PROPOSAL. I SAID THAT AT THE MOMENT YOU WERE CONSIDERING WHETHER OR NOT TO SUGGEST THAT WE SIT DOWN AND EXAMINE TOGETHER THE PROCESSES BY WHICH OUR RESPECTIVE ATTITUDES ON CHINA HAD BEEN REACHED AND THE ELEMENTS OF WHICH OUR RESPECTIVE POLICIES WERE COMPOSED. I WENT ON TO SAY THAT IT OCCURRED TO US IN THE EMBASSY HERE THAT SUCH A DELIBERATE AND INFORMAL EXERCISE MIGHT BE OF VALUE ON BOTH SIDES.

3. MR. DULLES REACTED VERY FAVOURABLY AND WITHOUT HESITATION. HE SAID THAT IT WAS OF GREAT IMPORTANCE THAT WE SHOULD DISCUSS AND EXAMINE OUR DIFFERENCES (AND HE REFERRED PARTICULARLY TO THE FAR EAST)

COPY

PAGE TWO NO. 2069.

WITH A VIEW TO SEEING WHETHER THEY COULD NOT BE COMPOSED. FREQUENTLY THERE WERE DIFFERING APPRECIATIONS OF FACT WHICH LED TO CONFLICTING CONCLUSIONS. YEARS AGO, WHEN HE WAS ADVISING THE STATE DEPARTMENT IN CONNECTION WITH JAPANESE TREATY, HE HAD BEEN "BRASH" ENOUGH TO SUGGEST IN A MEETING THAT A SIMILAR EFFORT BE MADE TO PREVENT U.K. AND U.S. POLICIES COMING INTO CONFLICT IN THE FAR EAST. THIS WOULD HAVE BEEN A USEFUL EXERCISE BECAUSE U.K.-U.S. DIFFERENCES HAD OPERATED TO FRUSTRATE THE OBJECTIVES OF BOTH GOVERNMENTS. BUT IT HAD NOT BEEN UNDERTAKEN.

4. CANADA AND THE UNITED STATES, MR. DULLES WENT ON, SHOULD PROFIT BY EXPERIENCE. HE WOULD BE GLAD TO HAVE A JOINT STUDY, SUCH AS I HAD SUGGESTED, UNDERTAKEN. IT WOULD HAVE TO BE MORE THAN A "ONE SHOT" EXERCISE - RATHER A CONTINUING PROCESS (AFTER THE FIRST THOROUGH-GOING JOINT EXAMINATION HAD BEEN MADE).

5. I SAID THAT, WHEN I HAD HEARD FROM YOU ON THE SUBJECT, I WOULD BE IN TOUCH WITH THE STATE DEPARTMENT AND, IF YOU HAD GIVEN YOUR APPROVAL, WOULD THEN CONSULT HIS ADVISERS ON THE NEXT PROCEDURE TO ADOPT. BOTH OVER AND MERCHANT WERE PRESENT DURING THIS CONVERSATION AND I TOLD THEM THAT THEY WOULD BE HEARING FROM US BEFORE VERY LONG.

6. IN VIEW OF THE SECRETARY'S FAVOURABLE REACTION I AM SATISFIED THAT WE SHOULD PUSH ON AND SEE WHAT CAN BE ACCOMPLISHED. AT THE WORST, AS I SAID TO MERCHANT AFTERWARDS, WE WILL HAVE A BETTER UNDERSTANDING OF THE REASONS WHICH HAVE LED US TO DIFFERENT CONCLUSIONS. HEENEY.

SECRET

December 13, 1955

MEMORANDUM FOR THE MINISTER

United States Policy on China

file
50056-A-40

As you know, I was a little disturbed by the rigid attitude of the Americans - especially Walter Robertson and Admiral Radford - when we were discussing China at the recent Meeting of Consultation in Washington. It would appear that opinion in the State Department has not altered very much in the direction of what we would consider to be a more realistic China policy. The following points emerged:

- (a) The Nationalists have been increasing their strength on Quemoy and Matsu: about one-third of Chiang's army is now committed on them;
- (b) The Americans do not think the Nationalists are willing to withdraw from the offshore islands, and they are not pressing them to do so;
- (c) The State Department does not agree with us that the Chinese have become less threatening during the last six or eight months or so; they say the build-up opposite Formosa is obviously warlike in intent, and that it has, moreover, progressed to the point where both American and Nationalist air power over the Formosa Straits will soon be seriously challenged; and
- (d) The gap between the Canadian and United States points of view on recognition of Peking is widening.

. . . 2

14-12-23(55)
13.12.8(U.S.)

2. On the other hand, it may be significant that the day after Robertson, Hoover and Radford were vigorously pointing out to me the aggressive build-up of Communist striking potential opposite Formosa Mr. Dulles seemed to play down this threat at a press conference. Perhaps this is another indication that he is not quite as inflexible as his State Department advisers. I do not know whether you will wish or, indeed, have an opportunity to discuss China with Mr. Dulles in Paris, but if you do, the following points may be helpful:

3. The point of view of Robertson et al has to be seen against the background of the Sino-American talks at Geneva, which are stalled, and a few recent public demands from the Communist side that Formosa be "liberated". On the other hand, we have received a reliable informal tip that a search is going on in Washington for a formula which the Chinese Communists could be reasonably expected to accept in conceding that Formosa lay outside their control for ten or fifteen years.

4. Regardless of any long-range policy making which may be under way, it would be my guess that the State Department has nothing more at the moment than a "sit tight and hope for the best" policy, and that they may intend to rely on it throughout the presidential election year. This certainly involves a risk that the Chinese Communists will take advantage of the election campaign to damage the China policy of the Administration; one way to do this would simply be to stir up trouble over the offshore islands while the campaign is going on. Against this risk the Americans probably hope that the firmness which paid off for them during the Formosa crisis of last spring will see them through another one - if it comes to that - next spring. Otherwise, it is difficult to understand why they have permitted Chiang to commit himself so heavily on the offshore islands.

5. For us this means that we will be unable to recognize Peking before 1957 without serious detriment to our relations with Washington.

6. If you should be speaking to Mr. Dulles it might be worthwhile saying something along the following lines:

- (a) If it is true that Communist Chinese air power opposite Formosa is rapidly getting strong enough to drive the Nationalists from the air and challenge United States air power in the area, then it is very probable that tension there will increase during the coming months.
- (b) If there is another Formosa crisis, we foresee the same or even more serious divisions among the Western allies as last time; for one thing, the behaviour of the Nationalist Chinese during the current Assembly has lost them a good deal of sympathy.
- (c) We do not like to seem to be forever opposing the Americans on their China policy, but in the absence of any knowledge of their long-term objectives, we have no alternative except to feel uneasy about it.
- (d) We still think that the withdrawal of Nationalist forces from the offshore islands and progress in the discussions at Geneva on some issue other than American prisoners in China would do a great deal to remove some of the uncertainties which would precipitate another Formosa crisis.

J.H.L.

DEPARTMENT OF EXTERNAL AFFAIRS

Subject

China - Formosa, etc.

50056-A-1-6
4 8

DEC 13 1955

Date

Publication

N. Y. TIMES

U. S. CURB ANNOYS QUEMOY COMMAND

Restrictions on Artillery Fire Permit Reds to Fortify Forward Positions

By HENRY B. LIEBERMAN
Special to The New York Times.

QUEMOY, China, Dec. 11—The Chinese Nationalist commander here declared today United States policy was keeping him from harassing construction work designed to increase the Communist artillery potential against this island.

Gen. Liu Yu-chang, chief of the Quemoy defense command, said the United States "renunciation of force" approach had put him in a position of being able to shoot at the Communists building a three-mile causeway to an island four miles from Quemoy.

"If our artillery was not restricted they would not be building the causeway," the 53-year-old general said.

The causeway, on which work is believed to have been started about two months ago, is being built from a point southeast of Hengtso on the China mainland to Tienchien on Communist-held Tateng Island.

General Liu told two visiting United States correspondents the Communists were building this causeway to make it easier to supply short-range artillery on Tateng. He said the Communists, who are credited here with long-range 152-mm. howitzers and 122-mm. guns of a Soviet type, could reach Quemoy from Tateng "even with 75-mm. pack howitzers."

Second Causeway Ready

According to General Liu, the Communists have completed another supply causeway linking the mainland with Amoy Island west of Quemoy. He said this causeway, which runs from Chimei to Kaochi on the northwest tip of Amoy Island, was finished in September after eighteen months of construction work.

Although the general said he had to pull his punches on obstructing the building of the Hengtso-Tienchien causeway, his hands are apparently not tied completely. Nationalist officers here said retaliatory fire was being directed against this project no matter where the Communists shot from first.

Daytime work on the Communist project is reported to have been temporarily disrupted by Nationalist harassing fire on Dec. 4. This counter-fire, the Nationalists say, followed a Communist barrage of 681 shells on Nov. 28 that drew a 240-round response against Tateng from Quemoy.

The situation here is said to have been pretty quiet during the last week. On this warm and sunny Sunday, with a number of islanders urging their two-saddled donkeys down the road past mounds of scarp, black rock and camouflaged shelters,

seemed like a good place to relax.

But at the hostel of the United States Military Advisory Group detachment here, sporadic explosions punctuated a lunch of meatloaf, macaroni salad, doughnuts and coffee. Someone explained that the Nationalists were blasting rock for more shelters.

General Liu said there were no signs at present of any substantial Communist troop build-up opposite Quemoy. He added in reply to a question that there had been only one Communist reconnaissance plane over Quemoy—in September.

Asked about the possibility of a Communist invasion attempt soon, he replied:

"We have not found any indications that the Communists are planning to attack us in the near future. But you can not tell for sure because they may want to surprise us. We are ready, even if they attack us tomorrow."

While there are no signs of Communist troop expansion, General Liu and members of his staff pointed to a continuing Communist build-up along other lines. The Communists, they noted, are developing their air, artillery and supply capacities in the coastal area facing Quemoy and Nationalist-held Matsu Island, 150 miles up the Fukien Coast.

There is now an improved field at Foochow, 120 miles northeast of Quemoy and forty miles southwest of Matsu.

Jet Airfields Listed

In addition, according to qualified military sources, the Communists have been developing six new jet fields within a 125-mile radius of Quemoy: Lungtien, 100 miles northeast; Hweian, forty-two miles northeast; Sha Ti, twenty-five miles northeast; Lungki, forty miles west; Chenghai, 115 miles southwest; and Liencheng, 125 miles northwest.

Various military men regard the southward extension of the Communist airfield chain as the inevitable result of a steady coastal defense development. They recognize that the fields can be used for offensive as well as defensive purposes.

Thus far, with the exception of Canton, the southernmost coastal point for the permanent stationing of Communist aircraft is believed to be Liuchiao. Liuchiao lies on the Chekiang coast about 340 miles northeast of here.

According to the Nationalist command in Quemoy, the Communists have built up a considerable artillery potential in this area. A briefing officer here said the Communists had rimmed this island with almost 700 artillery emplacements and about 300 artillery pieces in addition to anti-aircraft guns.

"They can cover two-thirds of this island with their artillery now," General Liu said. He added that the anticipated establishment of long-range guns at the emplacements on the Weitow peninsula to the northeast would eventually bring the uncovered part, including the Quemoy airstrip, within artillery range.

Reds Building New Railroad

Meanwhile, the Communists are further developing their military supply capacity through construction of the Yingtan-Amoy railway. This will bring

Fukien's first railway to the front facing Quemoy.

Eight divisions of railway construction troops of 12,000 men each and tens of thousands of civilian laborers are now working on the line. Work on this railway, which begins at Yingtan about seventy-five miles east of Nanchang on the existing Hangchow-Nanchang line, began in the fall of 1954.

Once the railway is pushed through the Fukien Mountains to Amoy, the Communists will have an easier time supplying their troops and airfields in this area. The Nationalists expect the line to be completed by early 1957 and possibly before the end of 1956.

It is estimated here the Communists still have about 125,000 troops opposite Quemoy along a 100-mile axis from Hweian southwest to Changpu. Nationalist strength in this sector is unofficially reckoned at about 70,000 men.

The indications are the Communists would have a rough time in trying to take this island as matters now stand. But they have more troops to spare besides those now facing Quemoy.

Furthermore, the Communists are steadily closing in with artillery and airfields that raise the possibility of steady poundings. Some of the new coastal airfields are already closer to Quemoy than the Nationalist fields that lie across the Formosa Strait, 140 miles or more from this outpost island.

PRESS CLIPPING SERVICE *OK*

DEPARTMENT OF EXTERNAL AFFAIRS

OK for file

S E C R E T

October 28, 1955.

file no
50056-A-40SECOND DRAFTFORMOSA

Canada's main concern with the Formosa problem has, in the past, been to prevent the outbreak of further conflict, leading to general war, between the Chinese Communist Government and the National Government on Formosa, backed by the United States. Broadly speaking, Canada has avoided taking any initiative towards a long-range settlement of Formosa's status. Our legal position, namely that the island's juridical status is indeterminate, has been publically stated by Mr. Pearson, and the Canadian Government was, of course, a party to the Japanese Peace Treaty which removed Formosa from Japanese sovereignty. Moreover, we continue to recognize the Nationalist Government on Formosa as the Government of China. Apart from these rather tenuous connections, Canadian policy has reflected not only our geographical remoteness from Formosa but also our belief that ^{in so far as Western influence extends into} the area is primarily an American ^{concern} as opposed to an international sphere of influence. Canada has no obligations respecting Formosa other than those which arise from our membership in the United Nations.

2. Although a thaw has set in during recent months in relations between the United States and Communist China, the problem of the future status of Formosa seemingly remains as far from a solution as ever. Eventually, however, Canada will have to participate in the ultimate settlement so perhaps there are important reasons why a survey of the question should now be attempted, with the development of an identifiable Canadian policy on Formosa as the end in view. In the first place, eventual Canadian recognition of the Chinese Communist regime may require us to state our attitude on Formosa and our position vis-a-vis the Nationalist Government. Secondly, it might possibly be

useful if Canada were soon to suggest to its closest allies, particularly the United States, that the time has come to establish a common Western perspective of the problem. United States policy on the long-term status of Formosa appears deliberately ill-defined and vague, possibly for good reasons. Whenever it has been interpreted as unwarranted support for a corrupt regime (i.e. the Nationalists) there has been a tendency for a break to be opened between the United States and its Western allies or, possibly more important, between the United States and the uncommitted states of Asia. On the other hand, it may not be sufficiently appreciated by the Western allies that United States efforts, and theirs alone, have prevented Formosa's fall to the Communists, with all that that might mean to morale and stability elsewhere in Asia, particularly Southeast Asia.

3. What seems to be required is an agreed Western (and uncommitted Asian) view of what Formosa's ultimate status is to be. If there were such a view, it would mean that one more potential source of conflict within the non-Communist world would have been removed. It may be that Canada could play an active role in establishing the common perspective.

Historical Notes

4. ^{including} The first occupiers of the island of Formosa, ^{with} were the Dutch and the Portuguese, but from 1684 until 1895, when the territory was ceded to Japan, Chinese sovereignty over it was complete and unquestioned. By 1895, 95 per cent of the population was Chinese by origin, and there was no extensive colonization by the Japanese during their 50 years' rule. Thus it was still predominantly Chinese in language and culture in 1945. Moreover, the spectacular growth in the island's population, which virtually doubled in the 35 years up to 1940, was almost

entirely due to the natural increase of the Chinese. At the present time there are about 10 million people on Formosa, composed roughly as follows:

Aberigines	under 200,000
Native-born Formosans	approx. 8 million
Mainland Chinese	approx. 2 million

This very brief discussion of the ethnic history of Formosa suggests one inescapable conclusion: No matter what the pretensions of the competing Chinese factions to govern the island, the bulk of its inhabitants are linguistically, culturally and ethnically part of the Chinese race and that proposals for Formosa's independence cannot be based on ethnic principles. The fact that Formosa is part of China is about the only thing on which the Communist Government and the Nationalist Government agree.

Legal The present uncertainty regarding Formosa's ~~jurisdictional~~ status begins with the Cairo and Potsdam Declarations. At Cairo the United Kingdom, the United States and China stated their joint intention that Formosa was to be stripped from Japan and restored to the Republic of China and this was re-affirmed in the Potsdam Declaration. In accordance with this general statement of intentions, Chiang Kai-shek accepted the surrender of the Japanese forces on Formosa on October 25, 1945. In the British view, Formosa then became an enemy territory under military occupation. The Nationalist Government, however, proceeded to take unilateral action as if the sovereignty over Formosa had actually passed to it from that date. This action was never questioned by any of the powers directly interested, although the United Kingdom Government did protect its legal position by declining to regard Formosans as Chinese nationals for passport purposes, and compromised by treating them as "friendly aliens". A consensus of the Western allies taken in, say, 1947 would, however, undoubtedly

have been that the Chinese Nationalists were properly installed on Formosa in accordance with the Cairo and Potsdam statements of intentions, which it was reasonable to expect would be regularized in due course by a treaty of peace with Japan. In the event, because of a disagreement as to which of the two Governments claiming to represent China should participate, China was excluded from the San Francisco Peace Treaty of September 8, 1951. Under this Treaty Japan formally renounced her rights to Formosa but the Treaty did not assign them to any other state. Nor did the subsequent bilateral Peace Treaty between Nationalist China and Japan do anything to clear up the uncertainty.

~~6~~ The Canadian view of the present legal position is that Formosa's de jure status is uncertain and undetermined. Our right to take this view would seem to be justified by the fact that we signed the San Francisco Peace Treaty, and it may be that for the same reason we are under an obligation to state it. We consider that the Nationalist Government is in de facto control of Formosa and that it is properly installed on the basis of a military occupation which has not been legally terminated. This is also roughly the position of the United States and United Kingdom Governments.

Practical Objectives

7. It is probably idle to dwell at great length on the legal aspects of the Formosa question. It is sufficient to note that there are good legal arguments to support the U.K., U.S. and Canadian view that the de jure status of Formosa is indeterminate at the present time. Possibly an equally good legal case could be made out by the Nationalist Government to prove that they are in sovereign control of the island as part of the Republic of China, and by the Communist Government to show that its claims to Formosa are a mere extension of the civil war. Against

all three of these positions, it could be argued that the practical realities of the problem being what they are, the world community of States can alone determine the future of Formosa; and this would naturally suggest a collective agreement reached through the United Nations and one in which the wishes of the inhabitants would be taken into account.

8. A pragmatic and practical approach has much to recommend it. In the first place, it is doubtful that the various legal arguments bearing on the case can ever be made effective. Secondly, it follows that if Canada and its Western allies need a goal towards which they can work in harmony, they will not find it by rigidly adhering to previously stated positions, however well they may be defended on purely legal grounds. It is one thing to say that Formosa's status is now indeterminate, but quite another to be prepared to accept the status quo for an indefinite future period, particularly when to do so would mean the prolongation of international tension in the Formosa area.

A Western Solution

9. For obvious reasons, the "liberation" of the mainland from Formosa or the "liberation" of Formosa from the mainland are not solutions which Canada would wish to advocate. In the first place a successful attack on the mainland by Nationalist Forces is judged impossible on purely military grounds, and an invasion of Formosa, if attempted by the Communists in the face of United States resistance, would raise a grave risk of general war. It is true that there is already a risk that the Chinese Communists will succeed in breaking Nationalist morale on Formosa, in which case the island might be peacefully integrated with the mainland, and a recent remark by Chou En-lai to the British Charge d'Affaires in Peking would indicate that the Com-

munists have high hopes for just such a solution. For reasons which are manifest, however, it would be wrong and unwise for Canada to adopt this as its "solution" or to do anything which would make it easier for the Communists to undermine the morale of the Nationalists. On the contrary, our aim should be to protect those elements on Formosa who have taken refuge from Communist oppression and, if we can, to perpetuate the spirit of "free China" on Formosa. Whether we regard the Nationalist regime as fit to assume the mantle of Chinese freedom is a question which has little or no bearing: there are enough humanitarian and strategic considerations involved in Formosa's status to support a policy based on the hope, if not the determination, that Formosa shall not come under Communist domination.

10. Assuming, then, a presumption in favour of a non-Communist Formosa, what ultimate solution should Canada advocate and what steps might be taken now? There is little left to suggest but that we should work towards a Formosan state juridically divorced from mainland China. Whether such a state came into existence as a creature of the United Nations, as a state created by a re-convened conference of the parties to the San Francisco Peace Treaty, or simply evolved from the present stalemate, would be immaterial: the end achieved would be roughly the same in each case. Its government would, of course, have to disclaim any rights on the mainland. It is altogether certain that the Chinese Communist Government could not swallow the creation of such an entity right now, but it might do so after a suitable cooling-off period and especially if it were made known in advance that Formosa would not constitute a threat to its security. This latter provision would preclude foreign (i.e. United States) bases on Formosa, whose national military establishment would be limited to a size considered sufficient for the defence of the territory. The history of the United States strategic interest in

Formosa would suggest that this concept might eventually be acceptable even to the Pentagon. It will be recalled that until the outbreak of the war in Korea, and the nature of the threat from Communist China became plainly apparent, Formosa was not considered a part of the United States defensive system in the Western Pacific. Both the State Department and the Defence Department were, in fact, resigned to its fall to the Communists. The fact that the United States, Australian and New Zealand Governments now pitch their estimate of Formosa's strategic importance much higher may be only a reflection of heightened tensions in the area during the past five years: it may not be too extreme to forecast that at the end of another five or ten years, given continued detente and moderation on both sides, they would be willing to give up their strong military position on Formosa in exchange for a Communist undertaking not to attack it. They could not, of course, be expected to do so in the face of the present pressure, and it is abundantly clear that they will not. This proposal for an independent Formosa is, therefore, a long-range projection and it would depend for its success on a considerable improvement in Sino-American relations.

Does it the strategic importance of Formosa to-day derive to a large extent from the racial aspects - how? it would be considered an American defeat, whether the strategic reality.
 J. W. B.

11. Nevertheless it may not be too early to make a start. The status quo is a dilemma for all concerned with the problem, and one of the most dangerous threats to peace at the present time.

12. A discomfiting, not to say incongruous, aspect of the status quo is the continuing pretensions of the Nationalists to liberate the mainland, which were re-stated in strong terms by Chiang Kai-shek on October 10. After emphasizing that U.S. aid to Formosa had reached a higher level than ever, he went on to say that an eventual counter-attack on the mainland was certain, and that it would be carried off without direct United States assistance.

"Everything we have done and everything we are doing is for no other purpose than that of increasing production and preparing for our counter-attack against the enemy". This raises a question as to what the United States is encouraging the Nationalists to think about their own future.

13. That the Nationalist Army can be restrained from attacking the mainland is clear from ^{Mutual} National Defence Treaty between the Republic of China and the United States, and the ancillary understandings reached at the same time. We may be confident that the United States will see that they are enforced. On the other hand, little has apparently been done to induce Chiang Kai-shek to play down his propaganda. Undoubtedly this propaganda must be used (in the absence of anything else to propagandize for) to keep up the morale of the Nationalist Army, but from the wider viewpoint this advantage must be set off against its effects on the mainland, where it encourages intransigence and counter-threats on the part of the Peking regime. The Robertson-Radford mission to Formosa in the spring of 1955 provided evidence that the Nationalist leaders are themselves ready to admit that they have no future except on Formosa, but nothing seems to have been done to bring this home to Formosans generally. The suggestion here is that the United States should soon begin to prepare them for their ultimate fate by making it generally clear that the most they can hope for is an independent, non-Communist state.

14. A campaign to disabuse the Nationalists of their pretensions to regaining control of the mainland need not be inconsistent with maintaining the morale of Chiang's armed forces. The defence of an independent Formosa, while admittedly a less swashbuckling objective than the invasion of the mainland, is an infinitely more practical one, and in the long run would be a more certain motivation. So

well-qualified an observer as Sir Robert Scott (formerly Minister at the British Embassy in Washington and now U.K. Commissioner-General in Southeast Asia) has given it as his opinion that the United States must eventually disengage itself and its prestige from the Formosa Straits, and that in an age of highly mobile strategy, there will indeed be a tendency to withdraw from areas of marginal strategic significance. Sir Robert also thinks that Nationalist morale will indeed collapse unless Chiang Kai-shek's forces get an attainable objective for which to fight, and the only practical objective now left to them is an independent Formosa. It would be hard to dispute this view.

1st then some validity in the U.S. argument about the effect of withdrawal from Formosa on morale in Saigon, Hanoi, Bangkok and Seoul? L.W.H.

Conclusions

15. Unless the Chinese Communists succeed in their avowed aim of bringing down the Nationalist regime on Formosa by undermining its morale, the status quo, or something akin to it, will probably continue on Formosa for several years. Canadian policy during this period should be based on the assumption that the extension of Communism from the mainland to Formosa would be inimical to our interests and that to aid or acquiesce in that objective would be morally indefensible. We ought, therefore, to support the basic determination of the United States to defend Formosa and the Pescadores, while remaining free to exercise whatever influence we can on U.S. policy to achieve limited objectives, such as a withdrawal from Quemoy and Matsu. As we see an independent Formosa juridically separated from mainland China as the only practical and possible ultimate solution, we might make this view known to our Western allies. Specifically, Canada might urge the United States gradually to do what is necessary to convince the Nationalists to give up their pretensions to the mainland in

My statement
favour of a guaranteed status on Formosa. In doing so we should emphasize the desirability of the United States taking the lead in formulating a common Western perspective of the problem which would have the desirable effect of removing an ever-present source of conflict between the nations of the free World.

16. If, during the cooling-off period, i.e. before the juridical status of Formosa is finally established, we recognize Communist China, we are bound to say that in Canada's view the status of Formosa is undetermined in law but that we are searching for a practical solution in the light of our own interests and the interests of peace.

My own inclination would be to remain pretty non-committal about the defence of Formosa. So long as we do not know more about the cost of defending it, I think we should keep men and matter about the necessity of peaceful solution. This does not mean that we should verbally hand it over or that we should deny the right of self-determination to the Formosans.

Could we use this very good analysis as the basis of a study which would lead to the ~~assessing~~ of proposals as to what we should do in certain foreseeable situations? Perhaps we might have a meeting to argue about this as a state.

D.W.

DEPARTMENT OF EXTERNAL AFFAIRS

Subject China

Date OCT 4 - 1955 Publication

TORONTO STAR

'SHOOT TO KILL' ORDER GIVEN BRITISH NAVY MADDENED BY CHIANG

By WILLIAM STEVENSON
Star Staff Correspondent

Hong Kong, Oct. 4.—British warships are under secret "shoot to kill" orders which give ships' commanders wide powers of discretion at the scene of any attack against merchant vessels in the Formosa straits, it was reliably reported here today. While the silent service refused to unbutton its mouth, other authoritative sources said the navy was prepared to shell or shoot down any Nationalist plane or warship that ignored orders to break off action against any British merchantman.

May Soon Change

During the past two years when 54 British ships have been attacked off the China coast by guns and bombs, identified as Nationalist Chinese, there has been no case of conflict between British and Nationalist forces. This may be merely a tribute to the patience of British commanders whose job is "to protect commerce on the high seas."

The feeling grows, though, that all this may soon change unless Chiang Kai-shek stops playing at war by sending his Formosan forces against unarmed ships.

Right now, relations between the British and U.S. navies could hardly be better and most senior officers in the Nationalist Chinese navy were trained in those cradles for British mariners at Greenwich and Dartmouth. But the clamor for positive action is rising here among British traders. Although local naval commanders are not infatuated with their countrymen ashore whose consciences can be so accommodating to the Communists, they may find it necessary to administer a reproof to Nationalist raiders in the shape of a well-placed shell or two.

Divided Loyalties

This is certainly the hope of Communist officials on mainland China, who feel prospects have never been brighter for a lifting of the embargo against strategic goods from the West. An open clash between British forces, no matter how small, and the Nationalist Chinese would have tremendous repercussions on world opinion. Since all of Formosa's defence equipment comes from the U.S., every Nationalist attack on British and other Western shipping is another propaganda victory for the Communists. They would score even more heavily among 12,000,000 overseas Chinese if gunfire were exchanged between the Nationalists and the British, since this would dramatize the extent to which Chiang Kai-shek has become an outcast.

These overseas Chinese have divided loyalties but their presence in unstable countries of Southeast Asia is of vital importance and their aid is of great value to the United States.

Nationalist attack further effect of fo... tion on Formosa... against Communist... China coast. So... China is badly ser... rate roads and ra... ports opposite Formosa which re... main vital sources of supply. Chiang Kai-shek is defeating his own purpose by hitting defenceless ships running into these ports when his powerful forces could be employed against legitimate targets. Unfortunately his fleet is ill-equipped and limited by the U.S. Government to no more than 10,000 tons. The United States Government is doing all it can to help Chiang Kai-shek and his forces.

50056-A-40
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*An...
file on 50056-A-40
my*

*This is interesting and
I have asked J.I.B. to
check its veracity.
my*

PRESS CLIPPING SERVICE *OR*
DEPARTMENT OF EXTERNAL AFFAIRS

OK for file

File
TLC

July 15, 1955.

50056-A-40
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MEMORANDUM FOR MR. POPE AND FILE

Subject: Status of Formosa - File 50056-A

The question of the status of Formosa has arisen a number of times in the last few months and it has, of course, some bearing upon the various attempts that have been made to reach some modus vivendi in the Formosa Straits.

Canadian Attitude

2. The attitude of the Government has been set out in Mr. Pearson's statements in Parliament of January 28, March 24 and April 21, and more recently in an answer to a question submitted by Mrs. Tabouis by Mr. Pearson on May 13. In this reply to Mrs. Tabouis, Mr. Pearson said "The position of the Canadian Government is that Formosa's status is still indeterminate de jure, although it is now admittedly occupied de facto as the result of an international decision, by the Chinese Nationalist Government." The Legal Division has done memoranda of February 10, March 21 and April 26 on this subject which developed the legal basis for the attitude the Minister has taken.

United Kingdom Attitude

Parliamentary 3. ~~Parliamentary~~ The United Kingdom attitude is set out in a preliminary answer by Sir Anthony Eden of February 4 and in a note contained in telegram No. 110 of January 28 from Canada House. I believe that there is a further explanation of the United Kingdom attitude in one of the preparatory papers for the Commonwealth Prime Ministers' Conference at the beginning of February. This may be on file. The United Kingdom attitude is similar to our own, and indeed our legal views are based on the legal views of the Foreign Office.

United States Attitude

4. Although there may be an exposition of the United States attitude on file, in winding up work in the Division I have not had enough time to search the file to look for it. In an article by Thomas Hamilton in the New York Times of

April 17 there is an indication that the State Department might be willing to accept the British Foreign Office position. However, the governing factor in the United States attitude is the Mutual Defence Treaty with the Republic of China, and this treaty certainly makes more difficult the ultimate acceptance by the United States of the theory that Formosa is separable from China. This subject is developed in a memorandum by Benjamin C. Cohen which was distributed by the Democratic National Committee early in 1955 and was reproduced in the Congressional record of the Senate and the text of the memorandum is on file 50056-A.

French Position

5. Letter 622 of April 4 from Paris sets out the French view on the status of Formosa, which differs from the British view. The French legal experts feel that the British view cannot be sustained without some modifications. It should be mentioned also that such Asian countries as India have accepted the view of both Chinese factions that Formosa is part of China. Accordingly, in the United Nations General Assembly it is quite doubtful if there would be a general acceptance of the British legal view on the status of Formosa.

Position in UN
6. This leads on to the question of the likely developments in the United Nations in the event of an attack by the Communists on Formosa. This subject was canvassed by the United Kingdom authorities in C.R.O. telegrams Nos. 412 and 467-470 in April, 1955. These telegrams are on File 50056-B. The subject was examined because the United States was at that time pressing the British for an indication of what they would be prepared to do about Formosa. The British, therefore, developed the line that in the event that the Nationalists withdrew from the coastal islands and that thereafter an attack took place on Formosa this matter would, of course, be raised in the United Nations. The British were confident that the General Assembly would find the attack to be a "breach of the peace" (Chapter VII of the Charter), and that a majority could be found for rallying the United Nations in support of resisting the attack (I do not have telegrams 412 and 467-470 before me, and this wording may not be quite exact).

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(i.e. after a Nationalist withdrawal from the islands).

7. It is quite likely that the subject of possible United Nations action in the event of an attack on Formosa may be revived should the Nationalists withdraw from the coastal islands. After such a withdrawal, consultations between the principal Western powers to consider possible United Nations action in the event of an attack on Formosa would be very likely. Our own attitude in this case would doubtless be that the Security Council or the General Assembly should pass a resolution calling on all parties to seek the resolution of their differences in the Formosa area by peaceful means. The purpose of such a resolution would be an attempt to gain the support of India and other Asian countries for the principle of peaceful solution, and thus to add to the deterrent to direct action by the Chinese Communists. However, the question of United Nations action in the event of an attack on Formosa might well arise again. In this case, it would be well to raise with the British authorities the question of the legal basis for any United Nations action. There are two possible legal bases. The first is that the Nationalist Government represents China in the United Nations, and hence an attack upon its territory brings into operation the Charter articles on an attack on a territory of United Nations members. The second argument is that the status of Formosa is, to use the expression of the British preliminary answer of February 55, "uncertain or undetermined". It is obviously in the interests of the international community that the determination of the status of Formosa should be effected by peaceful means, rather than by military ones. In other words, the Chinese Communists should seek to establish their title to this territory by negotiation, legal argument, etc., rather than by seizing it by force. As can be seen, these two arguments are to some extent incompatible; in other words, if Formosa is Chinese territory, then the second argument does not apply. If Formosa is not Chinese territory, but territory the status of which is uncertain and undetermined as we and the British argue, then an attack upon Formosa is not an attack on Chinese territory, but upon territory occupied by the Nationalist Government, and the issue might not be quite as clear in the United Nations as it would otherwise be. If the question of possible United Nations action in the event of an attack on Formosa arises, therefore, these legal aspects should be thoroughly gone into. It should be borne in mind particularly that a large number of United Nations members regard Formosa as Chinese territory and would regard an attack upon Formosa

Parliamentary

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4.

by the Communists as a re-activation of the Chinese Civil War, and for these reasons might well be disposed to vote against any United Nations action. Unless, therefore, the legal aspect is thoroughly examined in advance, it may well be that the Foreign Office is quite optimistic in anticipating that the United Nations would find an attack upon Formosa to be a breach of the peace under Chapter VII of the Charter.

8. The purpose of these rather rambling comments is to set down a few impressions on this legal aspect which should help the officer concerned in case the question became active again. As one can see by the file, these questions were very active up until the latter part of April, when the statement by Chou En-lai at Bandung set in train new developments in the Formosa issue. Since then there have been no consultations or interchanges on the foregoing aspects of the Formosa issue.

A handwritten signature in black ink, consisting of a stylized, cursive script that appears to be the initials 'RC' followed by a long, sweeping horizontal stroke.

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

NUMBERED LETTER

Handwritten signatures and initials

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: The Canadian Embassy, Tokyo, Japan

Reference: Our Letter No. 448 of April 30, 1954.

Subject: Activities of the Formosan Democratic
Independence Party

Security: UNCLASSIFIED

No: 770

Date: June 29, 1955

Enclosures: One (in duplicate)

Air or Surface Mail: AIR

Post File No: 210-3-1

Ottawa File No.	
50056-A-46	
91	91

Mr. Carter

References

Mr. Neuzies -
London -
Wash -
CPDUN -
Tokyo
Rainis -
New Delhi -
Oslo -
Wellington -
Canberra
Done July 13/55/ST

The Formosan Democratic Independence Party seems to be continuing its activities. Attached is a clipping from yesterday's The Mainichi containing a letter to the editor from the President, Thomas W. I. Liao, explaining the errors in both the Nationalist and the Communist Chinese view of Formosa. While the letter does not give the writer's address, we assume that it would still be the YMCA in Tokyo as in the case of the Party's petition forwarded with our letter under reference.

Handwritten signature

The Embassy.

Internal Circulation

Distribution to Posts

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CANADIAN EMBASSY

TOKYO

Subject.....

Date.....

June 28, 1955

Publication.....

The Mainichi

READERS' FORUM

Formosans' Demand For Independence

To the Editor:

Sir:—Though the legal status of Formosa remains undecided, even at the conclusion of the Peace-treaty with Japan and its eventual separation from China, the Chinese have claimed the Island to be China's recovered territory and denied the native Formosans their right to self-determination and independence. To the Chiang Kai-shek regime, the country is too rich to be lost; to the Mao Tze-tung regime, it is a place where Moscow wants to spread the red curtains over the Western Pacific with Formosa as the first outpost. Bitter enemies as they are, they have advanced such implausible arguments against Formosan independence on the bases of racial affinity and historical contiguity, geographical proximity and economic interdependence.

RACIALLY, they maintain that because the native Formosans are Chinese in blood Formosa is inseparable from China. As a matter of fact, non-Chinese aborigines including the assimilated ones number almost one-tenth of the total population. As to the rest, though Chinese blood dominates, constant absorption of Dutch, Spanish, and Manchu elements in the remote past and of Japanese immigrants in the recent time through inter-marriage is indisputable. Thus, in both race-psychology and physical appearance the native Formosans have become as different from the Chinese as—if not more than—the Americans are from the English and the Brazilians from the Portuguese.

Even the same race can segregate into different nations just as several races often combine into one nation. To uphold any lofty idealism the Chinese might as well advocate the establishment of a world-federation since all nations and all peoples are traceable to the same ancestry. In view of common sense realism, they must discard their inverted form of aggressive expansionism and never revive any dream of colonial reconquest by denying the Formosans the right to self-determination. Nearly eight-million (minus the refugees) in population and next only to Japan throughout Asia in industrial development, Formosa houses a people of over 90 per cent literacy, well-regimented and law-abiding. Therefore, if the Formosans, possessed of all essential requirements for forming an independent nation, want complete independence, they have the right to struggle for it.

HISTORICALLY, Formosa was part of China in the past and must, therefore, become part of China at present and in the future, both Mao Tze-tung and Chiang Kai-shek argue. As a matter of truth, prior to the Dutch occupation of Formosa in 1624 the Chinese had neither claimed any suzerainty nor exercised any sovereignty over the country. Fol-

lowing the mass-influx of Ming patriots into the Island under the leadership of Koxinga and his successors, Formosa became a sovereign Kingdom from 1661 to 1683 when China formed the bulk of the new Manchu Empire.

Between China and Formosa there was constant feud war, and bloodshed. From 1683 to 1895 Formosa fell under Manchu conquest and from 1895 to 1945 under Japanese rule, during which period of history there occurred "one rebellion every five years and one disturbance every three years" in the continuous struggle for liberty and prosperity. In 1895 the Formosans even declared independence to defy the Manchu betrayal and resist the Japanese invasion. Thus, Formosa has never been a part of the Republic of China. If she is under no obligation to become part of China now, but, instead, wants complete independence, she has the right to such self-determination.

GEOGRAPHICALLY, they argue, Formosa being a small island lying close to the continental mainland of China, should not be separated from China but become part of it by force of nature. To be sure, from 80 to 200 miles in width ranges the Formosa Strait, which thus makes a natural national boundary comparable to the Pyrenees and the Rhine not to mention the Chinese Great Wall. Besides, it was not any Chinese expeditionary forces that crossed the Strait by themselves, effected a successful landing on the Formosan coast, and brought the Japanese garrisons to their knees, and thus recovered the lost territory across the border by military conquest; but U.S. men-of-war and planes that brought the first groups of Chinese take-over officials and occupation forces into the Island by diplomatic favor...

ECONOMICALLY, the Chinese assert not only the interdependence of China and Formosa but even the dependence of Formosa on China. On this ground, also, they deny the Formosan right to independence. In fact, the rehabilitation of Formosan industries and the reconstruction of the Formosan economic system is much too great a task for the Chinese to accomplish.

First of all, China is too poor to revive her own industries, not to mention Formosan industries. Formosa has more industrial plants than China minus Manchuria; the total length of modern highways in Formosa exceeds that in China.

Secondly, China has insufficient personnel for the task of reviving Formosan industries the more so because the take-over officials, corrupt and incompetent, jealous and arrogant, have failed to make use of native talent, while ignoring the fact that Formosa has as many doctors and engineers as the whole China has.

Thirdly, the agricultural products and industrial raw

materials, with rare exceptions, of China and Formosa fail to supplement each other but, instead, compete always and everywhere.

Finally, the economic and industrial systems of Formosa as regimented by the Japanese were so tightly tied with the Japanese systems that the efficient transfer of the linkage from Tokyo to Peking lies far beyond the technical and financial ability of the present-day Chinese administrators...

The Formosans now want to govern themselves and direct their own destiny. With their group-consciousness growing into Formosan Nationalism, neither Chinese-made nor Japanese-imported, the Formosan patriots now want complete independence through a plebiscite under neutral supervision in accordance with the principle and practice of self-determination and democracy, failing which recourse of military force will be the only alternative.

THOMAS W. I. LIAO,
President, Formosan
Democratic
Independence Party

Referred to: Washington ✓
London ✓
New-Delhi ✓
Tokyo ✓
Moscow ✓
Oslo ✓
CPDUN ✓
Mr. Carter ✓

Far Eastern Division/A.R.Menzies/MB

CONFIDENTIAL

May 27, 1955

file
AM

Handwritten:
D-10
May 31/55
JWB

50056-A-40
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MEMORANDUM FOR THE MINISTER

Rumour regarding Chinese Communist Formula for Future Status of Formosa.

Harry Hussey, retired Canadian with independent means who has been closely associated with the Chinese Nationalist cause for a good many years, has brought back a rumour from Hong Kong about an alleged Chinese Communist formula for the future status of Formosa. This rumour, which he got in Hong Kong about a month ago, alleges that the Chinese Communists might put forward a proposal for the establishment of a Chinese Union patterned to some extent after the Soviet Union. They would hope to be able to re-incorporate Outer Mongolia (Mongolian People's Republic) by this device. And they would give a measure of nominal autonomy to Outer Mongolia, Tibet and Formosa. They would suggest that for a transitional period Formosa might be given practical independence provided it was legally recognized as part of the Chinese Union. The Chinese Communists would expect to get the Chinese seat in the United Nations and, in addition, would, in view of their total population of some 600,000,000 suggest that separate seats should be given to Outer Mongolia, Tibet and Formosa in the same way that separate seats have been given to the Ukraine and Byelo-Russia. It is alleged that the Chinese Communists might even be prepared to accept the continuation for a while of a certain amount of non-Communist political activity in Formosa and have this reflected in statements in the U. N. provided that the major powers accepted the general legal formula of the Chinese Union.

2. Mr. Hussey said that a proposal of this kind would, of course, be quite unacceptable to Chiang Kai-shek and some of his supporters. However, it was possible that other Chinese in Formosa might be prepared to make a face-saving agreement along these lines behind the Generalissimo's back. He suggested that this formula combined the advantages of a two Chinas approach while, at the same time, recognizing the unity of China.

He observed that the fortunes of the Nationalists were bound to continue to ebb in the coming years and that many Chinese in Formosa who were by nature a practical and compromising lot, would be disposed to accept some face-saving formula. He was inclined to think that such a formula might be worked out between the Chinese Communists and Nationalists regardless of outside views in the matter.

3. This formula is a rather ingenious one and we may hear more of it when Krishna Menon gives his report as it is along the lines of his thinking. At the same time, it should be added that a proposal of this type would be quite unacceptable to Chiang Kai-shek and the United States Government at this time.

JULES LÉGER

J. L.

May 13, 1955 50056-A-40
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QUESTIONS SUBMITTED TO MR. PEARSON BY MRS. GENEVIEVE TABOUIS
OF L'INFORMATION

1. How do you relate the problem of Formosa to the United Nations Charter? Does Canada think that the problem of Formosa can be solved within the framework of the United Nations,

Unless the view is held that Formosa is legally and constitutionally already part of China, its final status could appropriately be worked out through the United Nations. Until this status is finally determined, an attack on that island could be an aggression within the meaning of the United Nations Charter, which would call for consideration by the United Nations. The difficulty, of course, is that there is a deep and decided division of opinion over these premises. Both Chinese Governments agree on one thing, if on nothing else, namely that the status of Formosa has already been determined and that the Island is a part of China. If that view is accepted (and it is certainly not universally accepted) then an attack on Formosa by the Chinese Communist Government is merely an incident in a Chinese civil war, and in that case it would be more difficult to bring the United Nations Charter into the problem as it would be argued that it was a matter of domestic jurisdiction.

The position of the Canadian Government is that

31.5.22 (os)

Formosa's status is still indeterminate de jure, though it is now admittedly occupied de facto, as a result of an international decision, by the Chinese Nationalist Government. We have also stated that the only obligation Canada has in respect of Formosa is that which would arise from our commitments under the United Nations Charter.

2. What is, in your view, the best way of approaching the German problem at the Four Power Conference in order to reach a long term solution?

It would be presumptuous for me to offer advice as to the best way of approaching the German problem at a conference which includes the four powers which are, apart from Germany itself, the most concerned with this problem. I do not see, however, how any long-term solution can be reached except on the basis of the unification of Germany with boundaries accepted by a government of a united Germany, and agreed to internationally. I also do not see how any such unification can be brought about until all parties concerned accept, without qualification, and as a matter of first priority, the necessity for free elections throughout East and West Germany so that a government for a united Germany can be democratically established. Only when this condition is agreed to by the four powers,

and I have no illusions about the difficulty in reaching such an agreement, could consideration be given to other conditions which might be acceptable to Germany and which might be put forward by one or other of the four powers as a requirement before a united Germany comes into being.

Far Eastern/T. Lem. Carter/wp

May 10, 1955

MEMORANDUM FOR FILE:

Status of Formosa

50056-A-40
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In a speech in the Indian Parliament on February 25, Nehru gave the following Indian views on the status of Formosa. He said: "It is patent that we cannot recognize two Chinas. We have deliberately recognized one China because that was the real China. Obviously Formosa is not China. For hundreds of years Formosa has been a part of the Chinese State, except for a little less than half a century when the Japanese occupied it. China has always looked upon it as its own and claimed it."

"In Cairo and in Potsdam it was clearly stated that Formosa should go to China. Subsequently, it was also stated under the Japanese surrender terms. And - I speak from memory - in the San Francisco Treaty also some kind of reference was made to it. At no time has there been any doubt cast on the fact that Formosa is a part of the Chinese State. What has happened in the last year or two, or if you like three years, to change that position? I am not aware of anything, unless one says that one does not like the present Chinese State. Therefore, it follows logically for a country which recognises the present Government of China, that Formosa is a part of that State. At the present moment it is in possession of Marshal Chiang Kai-shek, supported by a great power. That is the fact as it exists today. What is to be done about it? Whatever is done, one should try to negotiate a settlement peacefully."

Far Eastern Division.

DEPARTMENT OF EXTERNAL AFFAIRS

Subject *China - Formosa, etc*

N. Y. HERALD TRIBUNE

Date MAY 5 1955

Publication

Trusteeship Arguments For Formosa Are Refuted

TO the N. Y. Herald Tribune: There is talk about putting Formosa under some sort of a trusteeship, as though the title to Formosa, the Pescadores and some small adjacent islands once held by Japan were a matter of doubt and were somewhere in dispute. It seems to be wholly forgotten that Secretary of State Dean Acheson forcefully and impatiently disposed of this question, when there was some mumbling about it more than five years ago.

Formosa and the Pescadores are the Chinese Province of Taiwan, an integral part of China, and the sovereignty over that province is vested in the de jure government of the Republic of China. So far as this country and a good many others are concerned, that is the government headed by President Chiang Kai-shek in Taipei. Let's look at the record.

On the morning of Jan. 5, 1950, President Harry Truman tore loose with a statement on China, saying that this country would do nothing whatever to support the government on Formosa. And, later that same day, Secretary Acheson called a press conference at which he denounced quibblers about China's sovereignty over Formosa. What he said applied to any recognized China; and since President Chiang's regime was then recognized as the legal government of all China, and still is, his remarks then served to declare American recognition of that government's sovereignty over Formosa.

The following are passages from his remarks at that press conference:

"In the midst of the war the President of the United States, the Prime Minister of Great Britain and the President of China agreed at Cairo that among the areas stolen from China by Japan was Formosa, and that Formosa should go back to China. . . . That statement was incorporated in the declaration at Potsdam, and that declaration at Potsdam was conveyed to the Japanese as one of the terms of their surrender and was accepted by them, and the surrender was made on that basis.

Shortly after that the island of Formosa was turned over to the Chinese in accordance with the declarations made and with the conditions of the surrender. The Chinese have administered Formosa for four years. Neither the United States nor any other authority ever questioned that authority or that occupation. When Formosa was made a province of China nobody raised any doubts about it. It was regarded as an integral

part of China, and in accordance with the commitments "Now, in the opinion of some, the situation is changed. They want to say: 'Well, we have to wait for a treaty. We did not wait for a treaty on Korea. We did not wait for a treaty on the Kuriles. We did not wait for a treaty on the is-

lands over which we have trusteeship.

"Whatever may be the legal situation, the United States of America, as Mr. Truman said this morning, is not going to quibble on any lawyer's words about the integrity of our position. This is where we stand."

It will be noted that in the passages quoted above, Secretary Acheson, thinking of the gentry who had been quibbling about Formosa's status because it had not then been defined in a treaty (as the Soviet Union's title to southern Sakhalin and the Kurile Islands has not been confirmed to this day), used the phrase "whatever may be the legal situation." He wouldn't have to qualify his contemptuous comment on the quibblers in that way today.

In our peace treaty with Japan the return of Formosa to China was not mentioned because China was not a party to that treaty and because the orderly surrender of Formosa by the Japanese governor of Taiwan to the appointed Chinese governor was a long accomplished fact and was no longer any of this country's or any other country's business. But then the governments of Japan and China, both recognized as sovereign powers by the United States, negotiated their own peace treaty, signed on April 28, 1952, and ratified in Taipei, on Formosa, after its approval by both houses of the Japanese Diet in July, on Aug. 5, 1952.

The instruments of ratification exchanged on that occasion did not describe Dr. George K. C. Yeh as the agent of a fly-by-night outfit that happened to be roosting on Taiwan island, but as Minister of Foreign Affairs of the Republic of China, and when Mr. Yoshizawa, shortly thereafter arrived in Taipei as the first post-war Ambassador, his credentials were to the government of the Republic of China, as they are at this writing.

Now, in view of all the foregoing, one may ask how talkative quibblers in this country think that the United Nations, or the Colombo group, or any one else can be given authority to step between Japan and China and say: "Look here, we don't agree that you two had any right to make a deal trans-

File 5005A B
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60056-A 40

PRESS CLIPPING SERVICE
DEPARTMENT OF EXTERNAL AFFAIRS
O.L.

this is a good pt.

- not decisive - treaty see Cheng's govt as de jure govt of China not necessarily of Formosa

from one to the other. You've got to denounce that transfer so that we can revise the status of this island." It would make just as much sense if the Dalai Lama were, at Mao Tse-tung's instigation, to step forward and say that he wasn't at all happy about the deals with Czarist Russia, Spain and Denmark through which the United States had acquired Alaska, Puerto Rico and the Virgin Islands, and that he'd like to see a commission appointed at Bandung to assume a trusteeship over these properties.

HEP:LSA
New York, May 3, 1955

File 50056A

FAR EASTERN DIVISION

SECRET

April 26, 1955

LEGAL DIVISION

Your memorandum of April 25, 1955

50056-A-40
65 ✓

Formosa and the Coastal Islands

The following are our views on the questions raised in your memorandum.

Possible attack by the Chinese Communists on the coastal islands

2. We agree with the United Kingdom that the coastal islands form part of the territory of the Chinese State. Because the Nationalists are in control of these islands and because of the differences in our recognition policies, an attack on these islands by the Communists must necessarily be regarded from different points of view although amounting in either case to civil war.
3. However, there seems to be no reason why we could not support the action proposed by the U.K. in such an eventuality (e.g. U.K. draft resolution in Telegram 468). For the United Kingdom the Communists are lawfully entitled, as the de jure government of China, to assert authority over the coastal islands; they are not, however, justified in resorting to force to establish their claims. For Canada, the Communists have no lawful claim, under existing circumstances, to assert authority over the coastal islands since we do not recognize them as the de jure government of China, and they are not, in any event, entitled to use force to assert their claim.
4. Consequently, we could support the United Kingdom in any move designed to bring such hostilities to an end and prevent any recurrence. It seems to us that the substance of any

resolution on this particular aspect would be unobjectionable from both the U.K. and Canadian viewpoints provided it is confined to seeking an end to hostilities and resort to peaceful methods in order to prevent a recurrence of such hostilities. Action on these lines avoids any direct reference to the legal right of either the Communists or the Nationalists to exercise authority over the coastal islands - it is on this point, in present circumstances, that we differ with the United Kingdom because of our recognition policies.

5. It should be appreciated that while there is no legal objection to our supporting a United Kingdom proposal on these lines we could, if necessary, go further than it is possible for the United Kingdom to go. Since the U.K. does not deny the legal claim of the Communists to these islands, it could not support action under Chapter VII of the Charter. The furthest the U.K. can go is to support action under Chapter VI of the Charter which is apparently what their draft resolution in Telegram 468 proposes. This resolution is framed so as to take advantage of Article 36 of the Charter which provides, in effect, that the Security Council may, at any stage of a "situation" the continuance of which is likely to endanger the maintenance of international peace and security, recommend appropriate procedures or methods of adjustment. This deliberately avoids terming the hostilities a "dispute". For Canada, these limitations are not present. Since we recognize the Nationalists as the de jure government of China and, like the U.K., consider the islands Chinese territory, an attack by the Communists would be similar to the attack on South Korea (the recognized authority) by forces from North Korea (an unrecognized authority). It would therefore be legally possible for us to support stronger action under the Charter than is possible for the United Kingdom. There is, however, no legal objection to our supporting the proposed United Kingdom action which is simply designed to bring hostilities to an end and prevent their recurrence.

Possible attack by the Chinese Communists
on Formosa and the Pescadores

6. In the case of a Communist attack on Formosa and the Pescadores this would also be civil war. The significant difference for the United Kingdom in this situation is that whereas the

United Kingdom cannot deny the legal claim of the Chinese Communists to assert authority over the coastal islands, it does not recognize that the Communists have a valid claim to Formosa and the Pescadores, the status of these territories being uncertain or undetermined at the present time, and under the control of the Nationalists as the de facto administering authority. Consequently the United Kingdom could, if necessary, support action under Chapter VII of the Charter in this eventuality. This might result in a determination that a breach or threat of international peace had occurred and a decision as to measures to be taken to restore peace. Such action could also be supported by Canada. For us such an attack would represent hostilities by an unrecognized authority against an authority which we recognize as the lawful government of China and as the authority which we acknowledge to be in de facto control of Formosa and the Pescadores. The Communists have, at the present time, no legal claim to assert authority over these territories in our view.

Conclusions

7. You will note that in both situations the hostilities, in our opinion, would be civil war, from both the Canadian and United Kingdom viewpoints. It seems to us that this must be so as long as the single State, China, continues to exist judicially. So far as the Charter is concerned this appears to be no limitation on action under Chapter VII for although Kelsen maintains that in the case of civil war it is only appropriate for the Security Council to determine a threat to international peace (a "breach of the peace" in his view can be committed only by a State in relation to another State), the fact is that in the case of Korea the Security Council did determine that the attack constituted a breach of the peace (Resolution of June 25, 1950). This indicates that whether hostilities in the Formosan straits are regarded as civil war or not, the Security Council has a precedent for declaring that they amount to a "breach" of the peace (see Telegram 412). In any event, there is nothing to prevent the Council from finding that a "threat" to the peace exists, and Kelsen agrees that "Article 39 authorizes the Council to interfere by enforcement measures in a civil war", or take other appropriate measures (not necessarily enforcement measures).
8. We agree with your view that in the case of an attack on Formosa and the Pescadores the essential consideration for the United Kingdom is that these territories have an undetermined

legal status - consequently the Communists have no legal claim to assert authority over them and no right to determine their status by force. These basic considerations also apply for us. In the case of an attack on the coastal islands we agree with the U.K. that the islands are Chinese territory. The U.K. cannot deny the legal right of the Communists to assert authority over these islands but is fully entitled to oppose any attempt to take the islands by force. We can support the U.K. in any move opposing the use of hostilities by the Communists to take over these islands and, if need be, we could support stronger action because we do not recognize that the Communists have any legal claim to exercise authority over the islands.

9. For the above reasons it would appear open to us to accept the distinction made by the United Kingdom authorities between an attack on the coastal islands and an attack on Formosa and the Pescadores. A possible difficulty for us would occur in the event of a move to declare that an attack on the coastal islands constitutes a breach or threat of the peace calling for enforcement measures under Chapter VII. We might find it embarrassing not to support such action whereas, in the case of the U.K. any such move could be opposed by reason of their different attitude on recognition.

Legal Division.

Far Eastern/T. Le M. Carter/wp
DEPARTMENT OF EXTERNAL AFFAIRS
MEMORANDUM

7/50056A

TO:LEGAL DIVISION.....
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FROM:FAR EASTERN DIVISION.....
REFERENCE:
.....
SUBJECT: ..FORMOSA AND THE COASTAL ISLANDS.....

Security~~SECRET~~.....
Date ...April 25, 1955.....

File No.		
50056 - A - 40		

I attach copies of C.R.O. telegrams 467 to 470 and a copy of the proposed Security Council Resolution on the New Zealand item on Formosa, the terms of which have been agreed upon between the United Kingdom, the United States and New Zealand, but which has not been tabled in the Security Council. We sent you over several days ago a previous C.R.O. telegram No. 412, together with a draft memorandum on the United Kingdom proposals.

2. Two legal questions arise from the United Kingdom proposals. They concern possible United Nations action arising out of (1) an attack on the coastal islands by the Chinese Communists, and (2) an attack on Formosa or the Pescadores by the Chinese Communists. In each case such an attack would constitute a renewal of the civil war and thus it can be argued that the ensuing fighting is a matter of domestic Chinese concern and not appropriate for action by the United Nations. The issue is complicated for the United Kingdom by their view of the present status of Formosa and the Pescadores. They maintain the legal sovereignty over Formosa and the Pescadores is uncertain or undetermined as Japan has renounced the title to these territories but the title has not been transferred to China. They further maintain that the Chinese Nationalist authorities are the de facto administering authorities. Despite our differences with the United Kingdom on the point of recognition, according to your memorandum of February 10 we concur in the United Kingdom view on the status of Formosa.

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3. In the United Kingdom view, accordingly an attack by the Chinese Communists upon the coastal islands constitutes a renewal of the civil war on territory that is undoubtedly Chinese. The United Kingdom, recognizing the Chinese Communist Government, would accordingly tend to maintain that the Nationalists have no right to occupy Chinese territory like the coastal islands, and that the United Kingdom could not, therefore, support a finding in the United Nations that attack by the Chinese Communists upon the coastal islands constituted aggression. Our attitude upon this point is slightly different. We would agree that the coastal islands are Chinese territory and that an attack upon them by the Chinese Communists constitutes renewal of the civil war, but as we recognize the Nationalists, we cannot have quite the same view as the United Kingdom as to the right of the Nationalist forces to retain the coastal islands. Nevertheless, we might well agree with the United Kingdom that we would be unlikely to support a contention that an attack by the Chinese Communists upon the islands constitutes aggression under the United Nations Charter.

4. The second hypothetical case is that of a possible attack on Formosa and the Pescadores by the Chinese Communists. This could also be construed as a renewal of the civil war, but this time on territory the status of which is uncertain or undetermined, but upon which the Nationalists are established as the de facto administering authority. It appears to be the United Kingdom view (from telegram No. 412) that owing to the peculiar status of the territory of Formosa and the Pescadores and the legitimate position of the Nationalists as administering authority, an attack upon Formosa or the Pescadores by the Chinese Communists would be legally different from an attack on the coastal islands and might be construed as aggression under the United Nations Charter. In other words, it appears to be the United Kingdom view that such an attack would be like an attack on the territory of an ordinary sovereign state. I should be obliged for your opinion as to whether, despite our differences on recognition, we might accept this apparent United Kingdom view.

5. As I have indicated, the United Kingdom authorities maintain that there is an important difference between the renewal of the civil war on the islands and the renewal of the civil war on Formosa, in that they cannot say that the former

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would constitute aggression, whereas the latter might do so. In the Canadian view, the Nationalist forces have, of course, just as much, if not more, right to be on the coastal islands (as we recognize the Nationalists as the government of China) as to occupy Formosa. However, there may be a distinction between re-opening the civil war on Chinese territory and re-opening the civil war on territory with an uncertain or undetermined status.

6. Accordingly, I should be glad to know if in your view we could accept the distinction made by the United Kingdom authorities between Chinese Communist attack on the coastal islands and Chinese Communist attack on Formosa and the Pescadores, despite our differing view on recognition.

Far Eastern Division.

cc-United Nations Division.

DESPATCH

UNCLASSIFIED

TO: THE SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

Security:.....
335

THE CHARGE D'AFFAIRES A.I:

No:.....
April 22, 1955

FROM:
MOSCOW

Date:.....

My Despatch No. 285 of April 7

Enclosures:.....

Reference:.....

Air or Surface Mail:.....

Canada in the Soviet Press

Subject:.....

Post File No:.....

Ottawa File No.

50056-A-40 Y

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"S"*

References

Mr. Attlee's comments on Far Eastern matters to a press conference in Winnipeg were reported in Pravda as follows:

"STATEMENT BY ATTLEE AT WINNIPEG PRESS CONFERENCE"

"According to a Reuters Agency report, Attlee, leader of the British Labour Party, speaking at a press conference in Winnipeg (Canada), criticized the policy of the USA with regard to the Chinese People's Republic. Concerning reports to the effect that Britain would allegedly participate in the "defence" of Taiwan (i.e. the occupation of Taiwan by American troops. - Ed.), Attlee stated that this "was not our undertaking, nor that even of the United Nations. This was purely a dangerous American undertaking".

"At the same time Attlee declared that it was possible to hold a "plebiscite" on Taiwan and that it was desirable "to neutralize" this territory, though it is well known that Taiwan is an inseparable part of the Chinese People's Republic and no one has the right to interfere in the internal affairs of the CPR."

Internal Circulation

J. M. CÔTE

Chargé d'Affaires a.i.

Distribution to Posts

Subject China - Formosa, etc

N. Y. TIMES

Date APR 17 1955

Publication

File 67A44
500467A44
6

U.N. RELUCTANT TO TRY AGAIN IN FORMOSA CASE

Peiping's Refusal to Take a Part In Negotiations Has Killed Hope Of Reaching Agreement There

DEBATE MIGHT BE HARMFUL

By THOMAS J. HAMILTON

Despite Adlai E. Stevenson's call for action, the United Nations is clearly in no mood to take on the Formosa problem again. More than two months have elapsed since the Security Council broke off its discussions to permit "traditional diplomacy" to have a try; although this method has been equally devoid of result, neither the Security Council nor the General Assembly has shown any signs of wanting to assume responsibility for an issue which, if not settled, might precipitate a third world war.

The basic reason is, of course, that the Chinese Communists rejected the Security Council's invitation to take part in the discussion. Obviously, the Chinese Communists would reject an invitation by the General Assembly. Yet it would clearly be unrealistic to expect a settlement in the United Nations or anywhere else, unless the Peiping Government took part.

Lester B. Pearson, the Canadian Minister of External Affairs, who is a stalwart champion of the United Nations, emphasized this point in his lecture at Princeton on Wednesday. Mr. Pearson noted that Communist China's participation had been found necessary to obtain settlement for Korea and Indochina; and he declared that if the United Nations was to deal with Formosa, "either the Communist Chinese must come to the United Nations, or the United Nations must go to them."

Varied Difficulties

Mr. Pearson's meaning was obvious, for the United Nations, as represented by its Secretary General, Dag Hammarskjold, has already gone to Peiping. Since Mr. Hammarskjold's mission last January has not yet resulted in the release of the American airmen and other defenders of South Korea who are held in violation of the armistice, there is certainly no occasion for him to repeat his visit.

Apart from the unwillingness of the Communists to come to the United Nations, there are other difficulties. The Security Council can be counted out, except as a preliminary to presenting the question to the General Assembly, since the Soviet Union would veto in the Council any and all resolutions acceptable to the West.

There is no veto to stop action in the General Assembly, but Western delegates are an

prehensive about the results of an Assembly debate. With a few exceptions, notably among the Latin American delegates, the prevailing belief is that Quemoy and Matsu are simply part of China, and that the United Nations ought not to intervene in the matter of those unquenched sparks of the civil war.

Other difficulties would arise over the legal status of Formosa. Although the State Department seems ready to accept the British Foreign Office argument that the island of Formosa is not part of China, and that the United Nations, therefore, has jurisdiction, the one thing on which both the Nationalists and Communists of China agree is that Formosa does belong to China.

However, a General Assembly debate would not only bring demands from Asian and Arab spokesmen for evacuation of Quemoy and Matsu by the Nationalists, but would enable the Soviet bloc to accuse the United States and Britain of bad faith in failing to carry out their promise at Cairo that Formosa would be restored to China.

Tangled Precedent

And if the Western powers were able to make a convincing case with the argument that Formosa is simply unclaimed territory, which the United Nations has the duty to defend against an attempt to take it over by force, this would expose Generalissimo Chiang Kai-shek to an attack from another direction. For if Formosa is not Chinese territory, then the Nationalists are simply a government-in-exile and they no longer have the right to represent China in the United Nations.

It could be argued, of course, that the London Governments of Norway, the Netherlands and other countries invaded by the Nazis were likewise Governments-in-Exile and continued to be recognized by the Free World.

Nevertheless, the prestige of Peiping has greatly increased as a result of the Communist victory in Indochina. There would be a strong current in the General Assembly, in other words, against action on Formosa unless the United States were ready to agree to an arrangement under which, as a minimum, elections were held to determine whether or not Generalissimo Chiang should continue to govern the island.

United States influence in the Assembly is so strong, to be sure, that a resolution such as Mr. Stevenson suggested, which would oppose any attempt to change the status of Formosa by force, probably would get a majority. Abstentions by Asian and Arab and some Western European delegates, however, would reduce its effectiveness. It is hardly surprising that Secretary of State Dulles, once it became evident that Peiping would give no commitment not to attack Formosa, has addressed himself instead to obtaining a guarantee of Formosa outside the United Nations.

Dulles Program

Mr. Dulles remarked the other day that he would like to substitute a general Pacific defense agreement for the present series of defense agreements radiating from Washington, and it may be assumed that this time he hopes to have Formosa included. The recent United States-Nationalist treaty guaranteed Formosa and the Pescadores. However, this area was not specifically included in the Anzus treaty with Australia and New Zealand, or the separate treaties with the Philippines and Japan; and it was deliberately excluded from the Southeast Asia Collective Defense Treaty.

Mr. Dulles is running into the same difficulties with these negotiations that he would meet in the general Assembly: Britain and other prospective guarantors are insisting not only on a prior Nationalist commitment for the abandonment of Quemoy and Matsu, but on some change in the status of Formosa.

The Quemoy-Matsu issue is really one of timing, for Mr. Dulles and Mr. Stevenson apparently would agree on the abandonment of the islands after arrangements were made for the defense of Formosa.

These negotiations take time, and it may be assumed that, since United States negotiators have not been able to say that the Nationalists would give up Quemoy and Matsu, such a commitment has been refused by Generalissimo Chiang. Mr. Dulles is said on good authority to be confident that the Nation-

DEPARTMENT OF EXTERNAL AFFAIRS
PRESS CLIPPING SERVICE

o.f.

6

DEPARTMENT OF EXTERNAL AFFAIRS

Subject.....

Date..... APR 17 1955

Publication.....

N. Y. TIMES

alists will agree to give them up
in three or four months; but the
Asian-African conference gets
under way at Bandung tomor-
row, and nobody can predict
what the Communists will do
after that.

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

NUMBERED LETTER

File
File 622

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: THE CANADIAN EMBASSY,
Paris, France.

Reference:

Subject: French view on the sovereignty
of Formosa.

Security: CONFIDENTIAL

No: 622

Date: 4th April 1955

Enclosures:

Air or Surface Mail:

Post File No:

Ottawa File No.	
50056-A-40	
91	91

APR 13 1955

M. Carter

References

- Mr Holmes*
- Mr. [unclear]*
- Legal Div*
- London*
- Washington*
- UN Del*
- Tokyo*
- New Delhi*
- Cambodia*
- Oslo*

23

The question of who has the right of sovereignty over Formosa comes up from time to time in our conversations at the Quai d'Orsay. Recently the Officer on the Formosa desk referred to this subject by saying that it appeared to him that the only real point of divergence between French and Canadian views on Formosa was that the Canadians subscribed to the English thesis that sovereignty was in suspense pending the conclusion of the Peace Treaty with Japan, whereas the French did not believe in this argument.

On that occasion there was not an opportunity to investigate the French view thoroughly or to discuss its consequences. As presented to us the French seemed to be saying that, because of the Cairo declaration and the subsequent de facto delivery of Formosa into Nationalist Chinese hands, it was no longer possible for the Western allies to contend that Formosa was not Chinese territory. It would naturally follow from such an argument that, once the Communist regime is recognized as the Government of China, they would become entitled to claim the sovereignty of Formosa. The French have never suggested this as the termination of the Formosa problem, so we took an opportunity to raise the question with de MARGERIE. He carried the French view further. While stating at once that it was certainly not the French intention to call the United Kingdom argument into question publicly, he agreed entirely with the French legal experts that, in the face of recent events, the legal argument was not a good enough foundation for the case. He repeated that it was ridiculous for the allies to expect others to believe that they had not made up their minds to attach Formosa to Continental China at the time when Chiang Kai Shek was allowed to take over the administration of the island under conditions of violence which de Margerie described as "horrible". It was the French view, therefore, that it did not strengthen the allied position to rely on the legalistic argument that the sovereignty of Formosa was yet to be decided upon by the Peace Treaty with Japan.

3. On the other hand he did not think it necessary to accept, as a consequence of setting aside

Internal Circulation

Distribution to Posts

London
Washington

this argument, that sovereignty over Formosa would fall inevitably to the recognized Government of continental China, the Communist regime. He contended that the Communists, by their intervention in Korea and in Indo-China, had altered the situation in the East, and called for a re-examination of the question of the sovereignty of Formosa.

4. No doubt this line of argument is not new to you and it would seem to offer several advantages. It relates directly to the practical steps which have been taken in the area and thereby seems to gain strength. On the other hand, of course, the French line is inherently dangerous in that it admits that the allies were at one point decided that the sovereignty of Formosa should go to continental China. This would leave it open to the Chinese to argue that, once the Korean and Indo-Chinese situations have been settled, their record would be clear and Formosa should fall to them, and to argue otherwise would be to treat Formosa as a penalty for Chinese intervention in Korea and Indo-China.

5. As we interpret the French line, they are thinking that while the legal argument does seem to have some technical validity, allied action has made it clear that at one point Formosa was thought of as being linked to Continental China although this decision was never formalized in any treaty or agreement. The illegal action of Communist China in intervening in the war in Korea and in Indo-China has now given cause to re-open the question of the sovereignty of Formosa, on which the final seal had not been set.

6. We realize that the difference between the French and the United Kingdom cases is largely a matter of presentation because it remains clear that the French are not arguing that the sovereignty of Formosa should be transferred to the Communist Chinese in the present situation. Nevertheless their views might influence their attitude in an allied discussion of this subject, so we thought it might be worthwhile to report them to you. We are enclosing an additional copy of this despatch in the event that you should wish to send one to the Delegation in New York.

Henry D. Davis
Chargé d'Affaires a.i.

File 50056-42
DEPARTMENT OF EXTERNAL AFFAIRS
MEMORANDUM
also memo Feb 10

TO: FAR EASTERN DIVISION

Security S E C R E T

Date March 21, 1955

FROM: LEGAL DIVISION

File No.		
50056-A-40		
65		✓

REFERENCE: Your memorandum of March 9, 1955...
(received March 17)

SUBJECT: Sovereignty over Formosa

We are grateful for an opportunity to comment on Letter No. 287 of March 3 from Tokyo. Our observations follow the order of events discussed by Mr. Davis.

- (a) The Cairo Declaration, irrespective of whether it contained binding legal obligations or a statement of intentions, did not bind Canada after its conclusion. In the House of Commons on March 13, 1944 Prime Minister Mackenzie King said that Canada was not bound by the Cairo decisions, adding "but obviously any conclusions relating to the conduct of the war reached by the representatives and heads of governments participating in these conferences (Cairo and Teheran) will carry very great authority with all members of the United Nations". The present view of the U.K. Government is that the Cairo Declaration "contained merely a statement of common purpose. Since it was made a lot of things have happened" (P.M. Churchill in the U.K. House of Commons on February 1, 1955.)
- (b) The Potsdam Declaration of July 26, 1945, as noted by Mr. Davis, specified that the terms of the Cairo Declaration should be carried out. This again appears to be a statement of policy since it is a document of a similar nature to the Cairo Declaration.

(c) The Japanese Instrument of Surrender provided for the acceptance of the provisions of the Potsdam Declaration by Japan. Canada was a signatory. The question is whether by signing the Instrument we accepted the Potsdam and Cairo Declarations so far as they relate to Japan. A copy of a 1951 opinion given by Legal Division on this question is attached.

One might start with the assumption that if it had been possible to arrange a peace treaty at the time providing for the implementation of the Cairo and Potsdam Declarations in full, so far as they concerned Japan, we would have considered ourselves as precluded from raising any objection by virtue of our signature of the Surrender Instrument. Was this a legal obligation or a policy commitment?

In deciding whether Canada had thereby incurred any legal obligation, it is useful to refer to the interpretation of the United States which was, unlike Canada, a party to both the Cairo and Potsdam Declarations. Four days after the signing of the Surrender Instrument a carefully prepared message was sent to General MacArthur. It was drafted jointly by the State, War and Navy Departments and had been approved by the President. It read:

- " 1. The authority of the Emperor and the Japanese Government to rule the State is subordinate to you as Supreme Commander for the Allied powers. You will exercise your authority as you deem proper to carry out your mission. Our relations with Japan do not rest on a contractual basis, but on an unconditional surrender. Since your authority is supreme, you will not entertain any question on the part of the Japanese as to its scope.
2. Control of Japan shall be exercised through the Japanese Government to the extent that such an arrangement produces satisfactory results. You may enforce the orders issued by you by the employment of such measures as you deem necessary, including the use of force.

3. The statement of intentions contained in the Potsdam Declaration will be given full effect. It will not be given effect, however, because we consider ourselves bound in a contractual relationship with Japan as a result of that document. It will be respected and given effect because the Potsdam Declaration forms a part of our policy stated in good faith with relation to Japan and with relation to peace and security in the Far East. "

This indicates that at the time of the Surrender Instrument the United States regarded the Potsdam Declaration as a statement of intentions. It also implies that the United States did not consider itself as having become bound contractually with Japan to carry out the Potsdam terms as a result of the Surrender Instrument plus the Potsdam Declaration. On this latter point the United States interpretation would seem to be justified. The Instrument is a unilateral act by Japan - a surrender on certain terms, and not an instrument creating reciprocal rights and obligations.

If the United States, which was a party to Cairo and Potsdam, did not regard itself, after the Surrender, as under any legal obligation to carry out the Potsdam provisions there is far less justification for concluding that Canada assumed any legal obligations thereby. The question then is, did we, by signing the Surrender, make the Potsdam Declaration part of our policy, to be carried out in good faith, not as a matter of legal relationships? The only reasonable conclusion is that the carrying out of the Potsdam provisions by Japan was accepted Canadian policy at the time, as indicated in our signature of the Surrender Instrument. It was not, however, equivalent to the assumption of legal obligations.

(d) Mr. Eden's statement in the U.K. House of Commons on February 4, 1955 indicates that the administration of Formosa was taken over from the Japanese by Chinese forces in September 1945, at the

direction of the Supreme Commander of the Allied Powers and was ~~in the nature of a military occupation~~ pending further arrangements which did not, of itself, constitute the territory Chinese. It is clear that there was no actual vesting of sovereignty at the time; the *de jure* sovereignty remained vested in Japan until she renounced it in the San Francisco Peace Treaty of 1952.

(e) Since *de jure* sovereignty remained with Japan until it was renounced in 1952, it is very doubtful if the Canadian Government could have taken any action in the years from 1945 to 1952 which would, in law, have amounted to *de jure* recognition. Any such action, it should be appreciated, would have been quite inconsistent with our participation in the Japanese Peace Treaty, which implied that Japan was, until the moment when the Treaty came into force, the legal sovereign.

It was, however, open to Canada during these years to recognize that the Republic of China was in *de facto* control of Formosa and the Pescadores and this is what appears to have happened.

In 1946 and again in 1947 financial agreements were entered into between the Minister of Finance, on behalf of the Canadian Government, and the Government of China. These agreements made no reference to the status of Formosa. In 1946 an Exchange of Notes was arranged to constitute a Commercial Modus Vivendi between Canada and China. Again there was no reference to Formosa. However in 1948 another Exchange of Notes took place extending the 1946 arrangements to Formosa. This followed a complaint from the Chinese Embassy that the Department of National Revenue of Canada was refusing to subject exports from Formosa to the 1946 Modus Vivendi provisions. The Legal Adviser concluded that China had *de facto* control over Formosa, but not *de jure* jurisdiction (see memo of February 23, 1948 on File 9030-A-40c). Order in Council P.C. 1400 of April 6, 1948, adopted following the Chinese representations,

provided that articles of Formosa origin should be considered, for the purposes of the 1946 *modus vivendi*, as articles grown, produced or manufactured in China. The Submission to Council, on which this Order in Council was based, specifically stated that "Canada recognises de facto that the administration of Formosa is a part of Chinese administration and that the jurisdiction of China, in passport matters, covers Formosa". The Exchange of ~~Notes of April 30 and May 25, 1948 confirmed these arrangements.~~ The Canadian Note did not make the intention of the Canadian Government clear viz. to recognize that Formosa was de facto, but not de jure, a part of China. However, there is no doubt concerning the intentions of the Canadian Government and this would be sufficient to rebut any implication that *de jure* recognition might have been intended. // // //

The correspondence in 1948 on this matter appears to be the clearest indication of our intentions regarding Chinese administration of Formosa. We have not been able to locate the Note referred to in para (e) of Mr. Davis' letter and would be grateful for your assistance in locating it. Standing alone, we do not believe that acceptance of this Note could be construed as *de jure* recognition, in the absence of any intention on the part of Canada to extend such recognition.

Allen Smith

Legal Division.

(C O P Y)

Legal/J.S.Nutt/hb
File No. 50056-A-40

S E C R E T

March 13, 1951.

MEMORANDUM FOR AMERICAN AND FAR EASTERN DIVISION

Re: Formosa

I refer to my memorandum of February 19 concerning Formosa, and in particular paragraph 8, in which I stated that in my opinion Canada had accepted the Potsdam Proclamation by signing the Japanese Surrender which provided for carrying out the provisions of Potsdam. By signing the Surrender, however, there was not necessarily any implication of an acceptance of the Potsdam Proclamation except insofar as that Proclamation relates to Japan, and in the interests of precision that should have been stated in paragraph 8.

--- You will see from the attached copy of the Japanese Surrender that Canada joined with China, and others of the Allies, in accepting the Japanese surrender, whereby Japan accepted the provisions of the Potsdam Proclamation and undertook to carry out its provisions. Thus in effect Canada has said to China, "We agree that Japan should carry out the provisions of the Potsdam Proclamation insofar as they relate to Japan and one of those provisions is that Formosa shall be returned to you".

"J. P. Erichsen-Brown"

Legal Division

RESTRICTED

File No.:

50056-A/6
9/1/55

MATERIAL RELATING TO MR. DULLES' VISIT TO OTTAWA, MARCH, 1955
FROM MR. DULLES PRESS CONFERENCE, MARCH 18, 1955

Q. Mr. Dulles, I wanted to revert to the Formosa question. According to the account of your last press conference in Washington, you said that if the Chinese Nationalists and the Chinese communists agree not to use force this would not necessarily mean they would have to abandon their sovereignty claim. I wonder if you could just express this better and if it represents a new statement?

A. I figure it represents the same point of view which we have held and which has been generally accepted in relation to the other countries which are divided. Korea is divided, and there are some on both sides who want to use force to determine the outcome. The United States has worked very hard to bring about an armistice and use its influence in favor of a renouncement of force as a means of settling that matter. However, we do not ever dispute the contention of the Government of the Republic of Korea, which the United Nations found to be the only lawful government in Korea, to claim the right to govern all of Korea.

In the case of Germany, the Federal Republic claim the right to unite the Germans and to be the only lawful government qualified to speak for Germans in general. However, Chancellor Adenauer has said that they will not use force to bring about that unification, but that he believes it can be brought about -- I believe it can be brought about by peaceful processes of negotiation once the strength of the West is made clear.

In the case of Vietnam, it is divided. It is agreed force should not be used to bring about unification to settle what might otherwise be regarded as a civil war. ~~There has been no announcement of the Government of Vietnam or any Government of the Viet Minh up North to renounce their claims to have a united country which they will govern.~~

Q. I ~~am interested in the right~~ of the Chinese communists to maintain their claim on ~~Formosa.~~

A. Yes

CONFIDENTIAL

File No.:

50056 A 1/6

MATERIAL RELATING TO MR. DULLES' VISIT TO OTTAWA, MARCH, 1955

FROM THE SUMMARY OF THE ~~CLOSED MEETING~~ FOR MEMBERS OF
PARLIAMENT UNDER THE AUSPICES OF THE STANDING COMMITTEE
ON EXTERNAL AFFAIRS IN HONOUR OF MR. DULLES, MARCH 17, 1955.

Question: Will the defense of the off-shore islands be possible without attacking the Chinese mainland?

Answer: The Secretary replied that a defense of the off-shore islands probably would require knocking out the batteries on the mainland which were in a position to pour direct fire on the islands.

Question: Did not the Cairo conference decide that Formosa go to China?

Answer: The Secretary replied that the Cairo conference, at which the Soviet Union was not represented as stated by the questioner, had agreed that Formosa should go to Chiang Kai-shek's China. He added that ~~in principle this agreement had never been implemented and that the legal status of Formosa had not been determined. The Secretary referred to the contributions of the United States to victory in the Pacific war to turn Formosa into a permanent neutral zone.~~

QUESTIONS AND ANSWERS

Question: The Secretary was asked to comment on the fact that many Canadians although sympathetic to the defense of Formosa were not sympathetic to the defense of the coastal islands.

Answer: The Secretary referred to his previous remarks, expanded on them and said that depending on circumstances the defense of the coastal islands might be essential to the defense of Formosa with which the questioner was in sympathy.

Far Eastern/T. LeM. Carter/wp

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

(DUPLICATE)

NUMBERED LETTER

TO: The Canadian Embassy, Japan

FROM: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA, CANADA.

Reference: Your letter No. 287, March 3

Subject: ~~Sovereignty over Formosa and the Pescadores~~

J. L. ...
CONFIDENTIAL
50056-A
Date: ~~March, 1955~~

Security:

No:

Date:

Enclosures:

Air or Surface Mail: **AIR**

Post File No:

Ottawa File No.	
50056-A-40	
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References

I should like to thank you for the views on the ~~status of Formosa~~ which are set out in your letter number 287. We are taking up this question again with the Legal Division and will send you later a considered reply to your comments.

A. R. Menzies

for the Under-Secretary of State for External Affairs.

Internal Circulation

Distribution to Posts

50056-A-40
65

February 28, 1955.

ANSWER BY THE HONOURABLE L.B. PEARSON IN REPLY TO A QUESTION
BY MR. ALISTAIR STEWART, M.P., HOUSE OF COMMONS

file
SP

The answer to this question is complicated and made more difficult by differences over the ~~present legal status~~ of ~~Formosa~~. Both the Chinese Nationalist Government and the Chinese Communist Government agree - it is about the only thing on which they do agree - that ~~Formosa is legally part of China~~. Therefore, both Governments could argue that a conflict between them over its possession is a domestic rather than an international dispute. Other Governments feel, however, that the ~~status of Formosa, has not yet been finally and legally determined,~~ and that the ~~Chinese Nationalist Government is,~~ at the present time, ~~merely occupying and administering the island by a mandate~~ given to it by the victorious allies after the war with Japan.

Until this question of status is cleared up, it would not be easy to agree that an aggression, within the meaning of the United Nations Charter, had been committed ...

~~against Formosa by an attack by Chinese forces from the mainland.~~

It should not be forgotten, however, that the United Nations has also authority to consider the existence of any threat to the peace or breach of the peace, and to make recommendations under Chapter VII of the Charter or under the "Uniting for Peace" resolution of the General Assembly.

The Canadian Government has a commitment when such threat to the peace or breach of the peace has been submitted to it at the United Nations to join in considering what recommendations, if any, should be made. We have also a commitment to give serious consideration as to how recommendations which have been approved under Chapter VII of the Charter can be implemented.

Legal Division

SECRET

23 February, 1955.

Far Eastern Division

50056-A-60

Formosa

I should like to thank you very much for your memorandum of February 10th about the status of ~~Formosa~~. I think that this is a very good summary of the position. I should, however, like to make several comments and you might want to prepare a second edition of your memorandum, bearing these in mind.

2. The Minister referred to the ~~status of Formosa~~ in the House of Commons on April 1st, 1952. He said, "Of course we cannot overlook the fact I have just mentioned that ~~legally Formosa is part of China~~. Both Chinese Governments insist on that." On June 20th, 1952, he made a slightly different statement in the House as follows: "If I remember correctly, I said we ~~recognized Formosa as being under the jurisdiction of Chiang Kai-shek and, as such, part of China~~. It is ~~de facto~~ part of China." I think these statements might be included in the memorandum.

3. There is a moral aspect, if one might call it so, of the question which you do not touch upon. Perhaps it is outside the ~~purview of a legal memorandum~~. The point is that ~~the Chinese do think of Formosa as part of China~~ and that the ~~Formosans~~ are themselves Chinese people, speaking Chinese. If an attempt is made to create a ~~separate state~~, many Chinese might feel that legal deviations were being used to separate the territory from China.

4. In a former legal memorandum, written I believe in 1950 by ~~M. N. W.~~, it was maintained that Canada's signature on the peace treaty was in some sense an acceptance of the Potsdam Declaration. You might care to consider this point.

5. I think with respect to the final point you make concerning the ~~competent authority~~ ~~of sovereignty~~ over Formosa, it can be argued that Article 23 of the ~~peace treaty with Japan supports the claim of the~~ ~~Allied Powers~~ ~~competent authority~~. I would question, moreover, whether it would be reasonable to consider the United Nations as the proper representative of the international community in this question, in view of the fact that Communist China is not represented there.

Far Eastern Division.

TRANSMITTAL SLIP

~~Legal 7/5 (February)~~
JOP
Date: February 16, 1955

TO: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA.
FROM: THE OFFICE OF THE HIGH COMMISSIONER FOR CANADA, LONDON.

Security... UNCLASSIFIED
Date... February 16, 1955
Air or Surface... Air
No. of enclosures... 1

The documents described below are for your information.

Despatching Authority... B.M. MEAGHER/BP 20

50056-1-15
9/1/97

Copies	Description	Also referred to:
1	Correspondence in <u>The Times</u> of February 9 on the legal status of Formosa. 7	Mlata file 65 JOP

INSTRUCTIONS

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2. This form should *NOT* be used to cover documents requiring action.
3. The name of the person responsible for authorizing the despatch of the material should be shown opposite the words "Despatching Authority". This may be done by signature, name stamp or by any other suitable means.
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5. The column for "Copies" should indicate the number of copies of each document transmitted. The space for "No. of Enclosures" should show the total number of copies of all documents covered by the transmittal slip. This will facilitate checking on despatch and receipt of mail.

1955 FEB 21 PM 2:32

THE TIMES,
February 9, 1955.

THE CHINESE ON FORMOSA

ORIGINS OF NEW STATES

TO THE EDITOR OF THE TIMES

Sir.—Cynics have said that respectable authority can be cited for almost any proposition in international law, and I have no intention of rushing into the controversy which has been raging in your columns on the status of Formosa.

It might, however, be helpful to those unfamiliar with the dialectics of this subject to point out that there is nothing at all revolutionary or even unorthodox in Mr. [redacted]'s conception of two separate States created by the political dismemberment of a single international person. That is, in fact, generally accepted by jurists as an essential basis for the succession to international obligations, as explained clearly by Sir Thomas Holland in one of his famous lectures, given at Oxford between 1875 and 1910 and published in 1933. "Derivative commencement of a State," he says, "may take place . . . (b) by the separation into several of a State previously single," and he goes on to give as examples the Declaration of Independence, the secession of the South American colonies from Spain, and the recognition of Texas as a new State (p. 91, &c.).

All these were of course cases where only the standing of the new or seceding State was in question, and no one could doubt the survival of the original or parent State. In the present case, however, it seems to be assumed by some people, for reasons I have never been able to gather, that the Chiang

It is therefore interesting to see how this aspect of the matter is treated by Holland. He points out that mere disappearance of a State does not mean the disappearance of a State, the question being whether a sufficient part of the territory, with the capital and government, remains. . . . Judging by this test, with some seven millions of people supporting the régime in a clearly defined geographical area, it is quite impossible to accept its disappearance as a legal *fait accompli*, and the irresponsibility of the talk about "liquidating Chiang" becomes apparent.

One more quotation from Holland seems in point, when he says in this same connexion: "Diplomacy must accept the facts of history" (p. 93). It is surely not much good arguing about the legal effect of what was said or thought in 1945, when [redacted] have so completely altered the position. The existence of two distinct entities of Government, each claiming with apparent justification to represent China, can certainly not have been in the contemplation of the parties to any agreement at that time.

The very fact that world opinion now appears to recognize, even in Russia, that a hot war over Formosa is something which can and must be prevented suggests that we are at least approaching the time when it is a question no longer of civil war but of a dispute between two rival States—whether spelt with capital letters or not—who must somehow be persuaded to "agree to differ," just as in the case of any other two whose differences may endanger world peace.

Yours faithfully,

House of Commons

Sir.—Dr. Schwarzenberger, in his interesting letter in your issue of February 2, omits one vital but all-important fact, a fact which attacks and destroys the foundation of his argument, *i.e.* that China had ceded Formosa to Japan by the Treaty of Shimonoseki. On December 8, 1941, China formally proclaimed itself in a state of war with Japan. At the same time it solemnly declared the abrogation of all treaties, including the Treaty of Shimonoseki, between China and Japan. . . .

The Cairo Declaration was a recognition of this, for otherwise it would be difficult to find a legal—as apart from a moral—justification of the term "stolen territories." The Republic of China, after the occupation of Formosa on October 25, 1945, completed this process of reversion to the sovereignty of the Chinese Government, of China over what had been until ceded to Japan, a Chinese prefecture since 1684, and a province of China since the nineteenth century. . . .

Yours faithfully,

Paris, Shanghai, . . .

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FE.26/93/1
CONFIDENTIAL

25 FEB 1955
COMMONWEALTH RELATIONS OFFICE,
DOWNING STREET.

15th February, 1955.

Dear Stan,

You will perhaps have seen the statement by the Foreign Secretary in the House of Commons on 4th February on the ~~_____~~ situation (Cols. 159 - 160 of Hansard).

You may now like to have the enclosed copy of a slightly expanded version of that statement entitled "~~_____~~ aspects of the Formosa situation" dated 7th February. Copies of the note are enclosed for transmission, at your discretion, to Commonwealth authorities.

I am sending copies of the note, also for transmission at their discretion to Commonwealth authorities, to Reddaway, MacLehose, Mills, Whitwell, Bruce and Adair.

Yours sincerely,
21 7:51

(G.D. Anderson)

S.J.G. FINGLAND, ESQ.,
CANBERRA.

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(CONFIDENTIAL)

1955 FEB 24 PM 4:27

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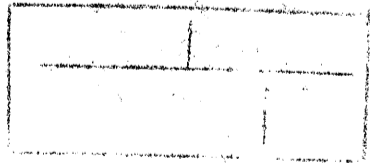
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JURIDICAL ASPECTS OF THE FORMOSA SITUATION

Formosa and the Pescadores

1. Formosa and the Pescadores were ceded to Japan by China in the Peace Treaty of Shimonoseki of 1895. The validity of this cession can hardly be contested. The Cairo Declaration of December, 1943, with its reference to Formosa as one of the territories which Japan had "stolen from the Chinese" was a retrospective moral condemnation of an international transaction which, at the time and long afterwards, was never questioned as being in any way contrary to international law.

2. In the Cairo Declaration, the Allies stated that it was their purpose "that all the territories which Japan has stolen from China, such as Formosa and the Pescadores shall be restored to the Republic of China". This declaration was simply a statement of intention that Formosa should be retroceded to China after the war. ~~It was never retroceded~~ because of the difficulties arising from the existence of two entities claiming to represent China and the differences among the Powers as to the status of these two entities. The Potsdam Declaration of July, 1945, laid down as one of the conditions for the Japanese Peace Treaty that the terms of the Cairo Declaration should be carried out. In September, 1945, the administration of Formosa was taken over from the Japanese by Chinese forces pursuant to the Japanese Instrument of Surrender and General Order No. 1 issued by the Japanese Government at the direction of the Supreme Commander for the Allied Powers, dated September 2, 1945. ~~This was not a change of sovereignty~~. The ~~arrangements made with China~~ put ~~the territory under~~ military occupancy, responsible to the whole body of the Allies, pending a peace treaty with Japan or, if the status of Formosa was not finally settled by that treaty (which it was not), the pending an eventual settlement about Formosa which has not yet taken place. The arrangements did not of themselves constitute the territory Chinese. In the Japanese Peace Treaty of April, 1952, Japan formally renounced all right, title and claim to Formosa and the Pescadores, but again this did not operate as a transfer to Chinese sovereignty, whether to the Chinese People's Republic or to the Chinese Nationalist authorities. ~~The Japanese Peace Treaty~~ meant that ~~the terms of the Cairo Declaration~~ were carried out. This seems doubtful. The Peace Treaty merely removed Japan's title without making any alterations in the existing arrangements for its administration.

3. Formosa and the Pescadores are, therefore, in the view of the United Kingdom Government, territory the de jure sovereignty over which is uncertain or undetermined. In the meantime the United Kingdom Government do in practice recognise the Chinese Nationalists as the ~~de facto government of Formosa~~; but they do not regard Formosa, whether as part of China or on any other basis, since they do not regard Formosa, as such, as constituting a separate State.

4. The logical corollary of our view as to the basis on which the Chinese Nationalists occupy Formosa is that although they are entitled to be in Formosa, they exercise a ~~limited authority~~ there. As we do not recognise the Nationalists as the Government of China, they are ~~not~~, in our view, ~~entitled to use Formosa for~~

/trying

trying to get back into the mainland of China. The ~~implications~~
in respect of Formosa are, or should be, strictly confined to
administering Formosa ~~islands~~ and not using it as a base for
outside activities.

5. On the future of Formosa, Mr. Morrison when Foreign Secretary
in the late Labour Government, took the line in the House of
Commons on May 11, 1951, that it had now become "an international
problem in which a number of nations apart from those signatory
to the Cairo and Potsdam Declarations are closely concerned" and
which could usefully be considered by the United Nations at the
appropriate time. The Prime Minister said in the House of
Commons on February 1 of this year that "the ~~problem of Formosa~~
/had/ become an international problem in which a number of other
nations are closely concerned".

The Coastal Islands

6. The Nationalist-held islands in close proximity to the
China coast are in a different category from Formosa and the
Pescadores, since ~~they are undoubtedly Chinese territory~~ and
therefore, in our view, part of the territory over which the
People's Republic of China is entitled to exercise authority.
Any attempt by the Government of the People's Republic of China,
however, actually to assert its authority over these islands by
force would, in the circumstances peculiar to the case, give
rise to a situation endangering peace and security, which is
properly a matter of international concern.

7th February, 1955.

DEPARTMENT OF EXTERNAL AFFAIRS
MEMORANDUM

file 144

TO: FAR EASTERN DIVISION

Security **S E C R E T**

FROM: LEGAL DIVISION

Date **February 10, 1955**

REFERENCE: Your Memorandum of February 4, 1955

File No.		
50056-A-40		
131	-	7

SUBJECT: Status of Formosa and the Pescadores

--- As requested, I am attaching a memorandum giving our views on the status of Formosa and the Pescadores.

Statements that Formosa is part of China

J. O. Parry
Legal Division.

*Moral aspect
Former paper 1950
Carr-Saunders of peace
Treaty constitutes legal
acceptance of Potsdam*

~~Article 23 could be used to argue that Allied has a superior claim to title~~

c.c. Mr. Wershof
Mr. Holmes

STATUS OF FORMOSA AND THE PESCADORES

(a) China ceded Formosa and the Pescadores to Japan in the Shimonoseki Treaty of 1895 following a war between these two states (1). This appears to have been a valid cession, vesting sovereignty over these territories in Japan. In reference to the validity of this treaty, Professor Schwarzenberger comments, in a letter printed in The Times, February 2, 1955: "The joint communique which was issued at the Cairo Conference (December 1, 1943) and referred to Formosa as one of the territories which Japan had 'stolen from the Chinese' and which were to be restored to China was a retrospective moral condemnation of an international transaction which, at the time and long afterwards, was never questioned as being in any way contrary to international law."

(b) The Cairo Declaration of December 1, 1943, subscribed to by President Roosevelt, Generalissimo Chiang Kai-shek and Prime Minister Churchill, states the purpose of "the three great Allies" that "Japan shall be stripped of all the islands in the Pacific which she has seized or occupied since the beginning of the First World War since 1914, and that all the territories Japan has stolen from the Chinese, such as Manchuria, Formosa and the Pescadores, shall be restored to the Republic of China".

In form this Declaration, which was issued as a joint communique, is a statement of common aims and intentions. In the U.K. House of Commons on February 1, 1955, Prime Minister Churchill, in an oral answer to a question as to what extent the declaration remained the policy of the U.K. Government, explained: "It contained merely a statement of common purpose. Since it was made a lot of things have happened." Three days later a written reply by the Foreign Secretary, in response to a further question, stated: "This declaration was a statement of intention that Formosa should be retroceded to China after the war. ~~This retrocession has in fact never taken place,~~ because of the difficulties arising from the existence of two entities claiming to represent China, and the differences among the

Powers as to the status of these entities". On the basis of these explanations one may conclude that the Cairo Declaration was in the nature of a statement of policy rather than an instrument intended to lay down legal rights and obligations. It did not create binding legal obligations comparable to a treaty relationship. Further, the commitments could only have effect as among the three Powers concerned.

(c) The Potsdam Declaration of July 26, 1945, laid down as one of the conditions of peace with Japan that the terms of the Cairo Declaration should be carried out. This Declaration, concluded between the same three parties, i.e. China, the United States and the United Kingdom, stated in part: "The terms of the Cairo Declaration shall be carried out and Japanese sovereignty shall be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku, and such minor islands as we determine." On entering the war against Japan, the Soviet Union associated itself with this declaration. In relation to Japan this inter-allied understanding became binding by Japanese acceptance of the Potsdam proclamation in the Unconditional Surrender of September 1, 1945 (2). ~~The Potsdam Declaration, like the Cairo Declaration, would appear to be a statement of policy, not a binding legal agreement.~~

(d) On October 25, 1945, as a result of an order issued on the basis of consultation and agreement between the allied powers concerned, ~~the Japanese forces in Formosa surrendered to General Chiang Kai-shek and, with the consent of the Supreme Allied Commander in the Far East, the administration of Formosa was undertaken by the government of the Republic of China.~~ Until the Treaty of Peace with Japan, nothing further appears to have occurred that could affect the legal position of Formosa and the Pescadores. The situation after Potsdam was that China, the United States, the United Kingdom and the U.S.S.R. had undertaken commitments and Japan was under an obligation to recognize whatever steps might be taken pursuant to the Declaration. However, nothing had been done to formally divest Japan of sovereignty and the ~~U.S. Foreign Office could therefore state, in reply to a question published by the Times on August 10, 1950, that Formosa was not a part of Japan (3).~~

On the other hand, Mr. Acheson expressed the view that "the island of Formosa should be regarded as part of the territory of China. It was not necessary to wait for a peace treaty before handing Formosa to China . . . Whatever sort of China was recognized Formosa should be regarded as part of it" (4).

The present United Kingdom interpretation of the position prior to the Japanese Peace Treaty is as follows:

"The Potsdam Declaration of July, 1945 laid down as one of the conditions for the Japanese peace that the terms of the Cairo Declaration should be carried out. In September, 1945, the administration of Formosa was taken over from the Japanese by Chinese forces at the direction of the Supreme Commander of the Allied Powers, but this was not a cession, nor did it in itself involve any change of sovereignty. The arrangements made with Chiang Kai-shek put him there on a basis of military occupation pending further arrangements, and did not of themselves constitute the territory Chinese" (5).

(e) By Article 2 (b) of the Treaty of Peace signed at San Francisco on September 8, 1951, Japan renounced "all right, title and claim to Formosa and the Pescadores". Nothing could be more explicit; Japanese sovereignty was completely divested. There was, however, no intention in the Peace Treaty to make a final settlement of the Formosan problem (6). As Mr. K. C. Younger, Delegate of the United Kingdom, explained to the San Francisco Conference:

"The treaty also provides for Japan to renounce its sovereignty over Formosa and the Pescadores Islands. ~~The treaty itself does not determine the future of these islands.~~ The future of Formosa was referred to in the Cairo Declaration but that Declaration also contained provisions in respect to Korea, together with the basic principles of non-aggression and no territorial ambitions. Until China shows by her action that she accepts those provisions and principles, it will be difficult to reach a final settlement of the problem of Formosa. In due course a solution must be found, in accordance with the

purposes and principles of the Charter of the United Nations. In the meantime, however, it would be wrong to postpone making peace with Japan. We therefore came to the conclusion that the proper treatment of Formosa in the context of the Japanese peace treaty was for the treaty to provide only for renunciation of Japanese sovereignty." (7)

Mr. Dulles expressed similar views at San Francisco (8).

CONCLUSIONS:

Status:

At the present time, ~~de jure sovereignty over~~ Formosa and the Pescadores has not vested in any state. Japan, which was the sovereign until the San Francisco Peace Treaty came into force, has renounced all right and title to these territories but this renunciation was not in favour of any state. Consequently Mr. Eden's statement, that Formosa and the Pescadores are "territory the de jure sovereignty over which is uncertain and undetermined" appears to be the only correct view. We do not think these territories are res nullius because ~~there is a governmental authority in control.~~ The Foreign Office brief for the Prime Ministers' meeting appears to confirm this point. ~~What is the status of Chiang Kai-shek's occupation? He is there on a basis of military occupation.~~ The United Kingdom Government (who recognize the Central People's Government as the de jure and de facto government of the Republic of China) acknowledge the Nationalists to be "the administering authority on a de facto basis". This is consistent with the conclusion that ~~de jure sovereignty over these territories was never vested in the state, China, and is in~~ ~~interim~~ ~~status~~. Moreover, the strictly limited recognition of the Nationalists as the administering authority cannot prejudice the final disposition of these territories ~~because the Nationalist Government acting alone and unilaterally has no right to determine their status unfavorably.~~

Where does Canada stand? We recognize the Nationalists as the de jure government of the Republic of China. This does not mean that we acknowledge that Government to be the de jure sovereign of Formosa and the Pescadores. If the above analysis is correct, ~~and the "China" has a valid claim~~ to these territories because nothing was done to ~~vest~~ the title renounced by Japan. Consequently, the position would seem to be that while we still recognize the Nationalist Government as the de jure government of the Republic of China, we do not concede them to be anything more than the de facto authority in control, so far as Formosa and the Pescadores are concerned. In view of our participation in the Japanese Peace Treaty we can hardly take any other position, because that treaty clearly did not determine the future of these islands. Since no agreement has been concluded between the Nationalist Government of China and ourselves which could be construed as recognition of their de jure claim to Formosa and the Pescadores, our position is not prejudiced in this respect, it seems to us. The dangers of any such formal recognition of these islands as "territories of the Republic of China" are indicated by Mr. B. V. Cohen's memorandum on the proposed Mutual Defense Treaty between the United States and Nationalist China.

Disposition:

Perhaps the most difficult question to answer is: ~~who is competent to dispose of sovereignty over Formosa and the Pescadores?~~

In the opinion of Professor Schwarzenberger the States who were parties to the Peace Treaty, other than Japan, are at present exercising in law a condominium over Formosa and "are free agents worldwide collectively on the future of this territory outside the United Nations or, with the consent of the latter, to transfer their condominium to the United Nations" (letter in The Times, February 24, 1955). In his view, Chiang Kai-shek is exercising a ~~de facto authority~~ in Formosa on behalf of those parties to the Peace Treaty who recognize his Government either as that of China or at least in relation to Formosa. These

conclusions have been challenged by [redacted] who contends that there is nothing in the Peace Treaty to support these conclusions and adds, "even if there were, I do not see how it could be binding either on the Soviet Union or upon any Chinese authority, since China was not invited to San Francisco at all and the Soviet Union did not sign the treaty". He concludes:

"It is, therefore, incorrect to suggest that the States who signed the San Francisco Treaty are legally free agents to decide collectively on the future of this territory', though as a matter of military power they may be able to do this, just as the Russians may be able to decide on the future of the Kurile Islands." (letter in The Times, February 4, 1955)

In our opinion, Mr. Younger is probably correct. In the Peace Treaty there is ~~no express renunciation~~ by Japan in favour of the other parties; there is simply ~~renunciation of sovereignty~~. None of the recent U.K. Government statements lends support to the view that there was a ~~vesting in favour of the States which participated in the treaty with Japan.~~

?
No one else
benefit by treaty.

If the intentions of the Potsdam and Cairo Declarations are to be carried out, Formosa and the Pescadores should be restored to the "Republic of China". At the present time it is very doubtful if these instruments can be regarded as anything more than statements of policy, whose present validity is questionable because of changed circumstances.

If the power to dispose of Formosa and the Pescadores cannot be clearly shown to rest with the States who were co-parties with Japan in the San Francisco Peace Treaty, it is doubtful whether it would rest any more logically with the allied nations who jointly waged the war against Japan. On the whole it would seem preferable to argue that the world community of States can alone determine the future of these territories -- this would naturally suggest a collective agreement reached through the United Nations and one in which the ~~views of the inhabitants should be taken into account.~~

? of Com. China
not being a member.

One other possibility should be noted -- if the Nationalist Government should continue to occupy Formosa and the Pescadores and maintain control over many years, it is likely that in time a conviction would arise that this state of things was in accordance with international order and therefore lawful. This process of legitimation could only become effective after a long period of undisturbed control.



REFERENCES:

- (1) "China cedes to Japan in perpetuity and full sovereignty the following territories - - -
 - (b) The Island of Formosa, together with all islands appertaining or belonging to the said Island of Formosa.
 - (c) The Pescadores Group, that is to say, all islands lying between the 119th and 120th degrees of longitude east of Greenwich and the 23rd and 24th degrees of north latitude."

Treaty of Peace between China and Japan signed at Shimonoseki, April 17, 1895; British State Papers, Vol 87, p.799

- (2) "We, acting by command of and in behalf of the Emperor of Japan, the Japanese Government, and the Japanese Imperial General Headquarters, hereby accept the provisions in the declaration issued by the heads of the Governments of the United States, China and Great Britain on July 26, 1945, at Potsdam, and subsequently adhered to by the Union of Soviet Socialist Republics".

- (3) ~~Civil Air Transport Inc. v. Chennault (1950)~~

The question put by Chief Justice Gibson was, "What is the status of Formosa? Is Formosa part of China or is it foreign territory vis-a-vis China?"

The Foreign Office replied on February 15, 1950:

"In 1943 Formosa was a part of the territories of Japanese Empire and H.M. Government consider ~~Formosa as still de jure part of that territory.~~ On December 1, 1943, at Cairo, President Roosevelt, Generalissimo Chiang Kai-Shek and Prime

Minister Churchill declared all territories that Japan had stolen from China including Formosa should be restored to Republic of China. On July 26, 1945, at Potsdam, the heads of the Government of United States of America, the United Kingdom and Republic of China reaffirmed 'The terms of Cairo Declaration shall be carried out'. On ~~October 25, 1945, as a result of an order issued on the basis of consultation and agreement between Allied Powers concerned, Japanese forces in Formosa surrendered to Chiang Kai Shek. Thereupon with the consent of the Allied Power Administration, Formosa was undertaken by the Government of Republic of China.~~ At present, actual administration of the island is by Wu Kuo Cheng, who has not, so far as H.M. Government are aware, repudiated superior authority of Nationalist Government."

- (4) The Times, January 6, 1950. This statement was made at a Press Conference held just before the United Kingdom recognized the Central People's Government as the de facto and de jure Government of the Republic of China.
- (5) Taken from Sir Anthony Eden's written reply to Mr. Shinwell in the U.K. House of Commons, February 4, 1955. Full text of reply attached.
- (6) Prior to the signing of the Peace Treaty, Mr. Herbert Morrison had explained that no attempt would be made in the Treaty "to find a final solution to an issue (Formosa) which must be given careful consideration later in the general context of the Far Eastern situation". (Parl. Debates, H. of C. (1950-51) p.2302; May 11, 1951)
- (7) Record of Proceedings of the San Francisco Conference, p.93; Verbatim Minutes for September 5, 1951.

- (8) "Some Allied Powers suggested that article 2 should not merely delimit Japanese sovereignty according to Potsdam, but specify precisely the ~~ultimate disposition~~ of each of the ex-Japanese territories. This, admittedly, would have been neater. But it would have raised questions as to which there are now no agreed answers. We had either to give Japan peace on the Potsdam Surrender Terms or deny peace to Japan while the Allies quarrel about what shall be done with what Japan is prepared, and required, to give up. Clearly, the wise course was to proceed now, so far as Japan is concerned, ~~leaving the future to resolve doubts by invoking international solvents other than this treaty.~~"

Record of Proceedings, p.78.

Text of statement made in the United Kingdom House of Commons by Sir Anthony Eden on Friday, February 4, 1955.

" The Foreign Secretary, in a written reply to ~~Mr. Shinwell, on the present legal status of Formosa,~~ said:-

Formosa and the Pescadores were ceded to Japan by China in the Shiminoseki Treaty of 1895. In the Cairo Declaration of November, 1943, the allies stated that it was their purpose "that all the territories which Japan has stolen from the Chinese such as Formosa and the Pescadores, shall be restored to the Republic of China " This declaration was a statement of intention that Formosa should be retroceded to China after the war. ~~This retrocession has in fact never taken place, because of the difficulties arising from the existence of two entities claiming to represent China and the differences among the Powers as to the status of these entities.~~

The Potsdam Declaration of July, 1945, laid down as one of the conditions for the Japanese peace that the terms of the Cairo Declaration should be carried out. ~~In September, 1945, the administration of Formosa was taken over from the Japanese by Chinese forces at the direction of the Supreme Commander of the Allied Powers, but this was not a cession, nor did it in itself involve any change of sovereignty. The arrangements made with Chiang Kai-shek put him there on a basis of military occupation pending further arrangements, and did not of themselves constitute the territory Chinese.~~

~~Under the peace treaty of April, 1952, Japan formally renounced all right, title, and claim to Formosa and the Pescadores; but again this did not operate as a transfer to Chinese sovereignty, whether to the People's Republic of China or to the Chinese Nationalist authorities. Formosa and the Pescadores are therefore, in the view of her Majesty's Government, territory the de jure sovereignty over which is uncertain or undetermined.~~

The Nationalist-held islands in close proximity to the coast of China are in a different category from Formosa and the Pescadores, since they undoubtedly form part of the territory of the People's Republic of China. Any attempt by the Government of the People's Republic of China, however, to assert its authority over these islands by force would, in the circumstances at present peculiar to the case, give rise to a situation endangering peace and security, which is properly a matter of international concern.

(The Times, February 5, 1955)

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

NUMBERED LETTER

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: THE OFFICE OF THE HIGH COMMISSIONER
FOR CANADA, LONDON.

Reference: Our telegram No. 110 of January 28.

Subject: ~~Legal status of Formosa~~

Security: ~~TOP SECRET~~ *TOP*

No: *250*

Date: February 8, 1955

Enclosures: *4*

Air or Surface Mail: Air

Post File No: AR.204/1

Ottawa File No.

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M. Carter

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On February 2, ~~The Times~~ carried an interesting letter by ~~Georg Schwarzenberger~~ Reader in International Law in the University of London, on the legal status of Formosa. Schwarzenberger's opinions brought forth comments, also in ~~The Times~~ correspondence section, from ~~Kenneth Younger~~ and ~~H.W. Wickenden~~. On February 4, the Foreign Secretary gave a Written Answer in the House to a Question concerning the legal position of Formosa and this gave rise to some correspondence. I am enclosing, as of possible interest to the Legal Division, the relevant clippings from The Times and the text of Sir Anthony Eden's Written Answer in the House.

Circulate in legal + file TOP.

B. Margaret Meagher
CANADA HOUSE

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THE FOLLOWING IS A SUMMARY OF THE INFORMATION RECEIVED FROM THE
SOURCE ON FEBRUARY 11, 1955. THE SOURCE IS A MEMBER OF THE
COMMUNIST PARTY, USA, AND HAS BEEN ACTIVE IN THE ORGANIZATION
SINCE 1945. THE SOURCE HAS BEEN IN CONTACT WITH THE
SUBJECT SINCE 1954. THE SOURCE HAS BEEN ADVISED THAT THE
SUBJECT IS CURRENTLY IN THE UNITED STATES AND IS BEING
MAINTAINED IN CONTACT WITH THE COMMUNIST PARTY, USA.
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FEB 11 1955

COMMUNIST PARTY, USA
MEMBER OF THE COMMUNIST PARTY, USA

FORMOSA AND CHINA

THE TIMES,
February 2, 1955.

EXAMINATION OF LEGAL STATUS

TO THE EDITOR OF THE TIMES

Sir.—At the present stage of the discussion on Formosa it may be advisable to pay closer attention to the status of Formosa in international law.

(1) China had ceded Formosa to Japan by the peace treaty of Shimonoseki of April 16, 1895. In order to judge the validity of this cession subsequent developments in international law which may, or may not, have affected the validity of cessions achieved as the result of aggressive war must be disregarded. Thus, the validity of this cession can hardly be contested. The joint *communiqué* which was issued at the Cairo conference (December 1, 1943) and referred to Formosa as one of the territories which Japan had "stolen from the Chinese" and which were to be restored to China was a retrospective moral condemnation of an international transaction which, at the time and long afterwards, was never questioned as being in any way contrary to international law.

(2) The understandings reached at the Cairo conference of 1943 were at the most legal commitments entered between the three parties to the statement—i.e. China, the United States, and the United Kingdom—regarding their intention to restore, *inter alia*, Formosa to China. The three Powers reaffirmed this intention in the Potsdam Declaration of July 26, 1945, and, on entering the war against Japan, the Soviet Union associated herself with this declaration.

In relation to Japan, these inter-allied understandings became binding by the Japanese acceptance of the Potsdam Proclamation (August 14, 1945). Thus whatever final arrangements would be made by the other parties to this instrument of unconditional surrender were to be carried out by Japan. These Powers were China, the Soviet Union, the United States, and the United Kingdom. On October 25, 1945, as a result of an agreement between the United Powers concerned, the Japanese forces in Formosa surrendered to General Chiang Kai-shek, and with the consent of the Supreme Allied Commander in the Far East, the administration of Formosa was undertaken by the Government of the Republic of China.

(3) Until the treaty of peace with Japan of San Francisco (September 5, 1951) nothing further appears to have happened that in any way affected the legal position of Formosa. Some of the States until then still legally at war with Japan had undertaken commitments *inter se* on the future of Formosa, and Japan was under an obligation to recognize whatever steps might be taken by the other parties to the instrument of unconditional surrender. It was, therefore, completely in accordance with the legal position as it then existed for the Foreign Office of the United Kingdom to state in reply to a questionnaire submitted to it by the Chinese Government that Formosa was under the administration of the Government of the Republic of China (Civil Affairs Department, *China*, and *Other*, 1950). On the other hand, Mr. Acheson expressed the view that Formosa had become Chinese territory (*The Times*, January 6, 1950).

Article 2 of the Treaty of Peace with Japan of San Francisco of 1951 Japan renounced "all right, title and claim to Formosa." This meant that Japan renounced all her rights in Formosa, and the other parties to the treaty were bound to accept this position.

(4) The position as it has existed since is similar to that after the renunciation by Germany of her claims to the Danzig Corridor and Alsace-Lorraine or of all her claims and titles over her European possessions under the peace treaty of Versailles or that of Turkey since the peace treaty of Lausanne in relation to those parts of the Ottoman Empire which had been detached from it. Until the Powers other than Japan who are parties to the peace treaty of San Francisco decide otherwise, it is in those of them who entered commitments at Cairo and Potsdam regarding Formosa with China intend to honour them, and in relation to which of the two Chinas is perhaps a complicated but in any case a separate issue.

It is to be noted that the Government of the Republic of China exercises jurisdiction on those parts of the peace treaty of San Francisco which recognize the Government of the Republic of China as the Government of Formosa. It is to be noted that the Government of the Republic of China has decided to exercise jurisdiction over the island of Formosa and the surrounding waters on the side of the Republic of China, and the Government of the Republic of China has decided to exercise jurisdiction over the island of Formosa and the surrounding waters on the side of the Republic of China.

THE FORMOSA CRISIS

VIEWS ON LEGAL POSITION

TO THE EDITOR OF THE TIMES

Sir,—I am mystified by the final paragraph of Dr. Schwarzenberger's useful analysis, in his letter to-day, of the legal position of Formosa.

I do not understand how it can be said that Generalissimo Chiang Kai-shek is exercising his right of self-defence "on behalf of those parties to the peace treaty of San Francisco who recognize his Government." There is not a word in the peace treaty to support this and even if there were, I do not see how it could be binding either on the Soviet Union or upon any Chinese authority, since China was not invited to San Francisco at all and the Soviet Union did not sign the treaty.

It was the purpose of the Japanese peace treaty to give legal form to the Japanese renunciation of all claims to certain territories and I believe that the treaty effectively did this so far as the parties to the treaty were concerned. The Japanese never did not affect any claim to any territory other than the Japanese home islands and the Pescadore (or indeed, to the Kurile Islands and South Sakhalin, which are occupied by the Russians). Presumably, the Generalissimo's Government will not be able to claim any territory under the terms of the San Francisco Treaty, but in any case, it has no authority to make any claim to territory which is being administered pending a peace treaty.

The other arguable thesis is that, as the Government of China, he was simply re-taking possession of Chinese territory, and this is what was commonly believed at the time. It is, therefore, incorrect to suggest that the States who signed the San Francisco Treaty are legally free agents to decide collectively on the future of this territory. Though as a matter of military power they may be able to do this, just as the Russians may be able to decide on the future of the Kurile Islands.

I believe it is most important not to make ill-founded legal claims in this matter now, lest they should some time in the future form the basis of proposals for action through the United Nations or otherwise.

Yours, &c., KENNETH CLAYTON BONDEN,
House of Commons, 11th Feb.

Sir,—In the two currently held legal views of Formosa, that the island is under a condominium of the parties signatory with Japan to the San Francisco Treaty and that its defence is inter-territorial civil war—there seems to be some confusion and oversight. Dr. Schwarzenberger states, in his letter to-day, that the treaty of Shimonoseki handing over Formosa to Japan "was never questioned as being in any way contrary to international law." At the same time, the people of Formosa themselves declared through their representatives that they were a free people and that they wished to recognize their independence through Taiwanese resistance collapsed in 1945. The most virtue of the mountain tribes, the tribal, fought the Japanese, and the Japanese.

This, however, should not be taken as a sign of solidarity with the mainland regime, nor as a contradiction of Dr. Schwarzenberger's main thesis. The Japanese were most concerned at the time of the San Francisco Treaty, 1953, in the same way as many mainlanders fled more recently at the overthrow of the Kuomintang. Mainland regimes have rarely exercised more than superficial *de facto* rule in the island, certainly never over more than about a third of Formosa at any time. The major part of the island east of the coastal strip was, until Japanese rule, the preserve of the seven distinct mountain tribes who still live there and who did most to resist the Japanese. Thus, Formosa has always been largely independent from the mainland and was first ruled as an entity not by China, but by Japan.

Secondly, some confusion appears to have arisen, particularly in the mind of Mr. Attlee, in that all the islands are on the same island.

As the Generalissimo, he obviously heads an administration at odds with the present mainland regime. This, surely, is the only precise support for contending that protection of Formosa is intervention in purely Chinese affairs. Previous to this role of the Chinese Government, the islands were administered by military forces, including China and Russia, who were not bound by the San Francisco Treaty. Finally, he is the only member of the 45 States which accepted the San Francisco Treaty over Formosa and other islands.

It is this confusion and changing legal position rather than the simple historical and legal position of Formosa, which is properly the root of current issues, and it is to be hoped that this will be clarified in the future. Because of long Japanese rule they are comparatively politically backward but they should be respected by all who value a tradition of independence from tyranny.

Yours faithfully, KENNETH CLAYTON BONDEN,
46, Cranley, 11th Feb.

Friday, 4th February, 1955

FAR EAST

**Formosa and the Pescadores
(Treaties)**

Mr. Shinwell asked the Secretary of State for Foreign Affairs whether he will include in the OFFICIAL REPORT a factual statement on the legalistic and military aspects of the situation on the South-East China coast.

Sir Anthony Eden: Formosa and the Pescadores were ceded to Japan by China in the Shiminoseki Treaty of 1895. In the Cairo Declaration of November, 1943, the Allies stated that it was their purpose "that all the territories which Japan has stolen from the Chinese such as . . . Formosa and the Pescadores, shall be restored to the Republic of China. . . ." This Declaration was a statement of intention that Formosa should be retroceded to China after the war. This retrocession has, in fact, never taken place, because of the difficulties arising from the existence of two entities claiming to represent China, and the differences amongst the Powers as to the status of these entities.

The Potsdam Declaration of July, 1945, laid down as one of the conditions for the Japanese Peace that the terms of the Cairo Declaration should be carried out. In September, 1945, the administration of Formosa was taken over from the Japanese by Chinese forces in the direction of the Supreme Commander of the Allied Powers, but this was not a cession, nor did it in itself involve any change of sovereignty. The arrangements made with Chiang Kai-shek put him in the basis of military occupation pending further arrangements, and did not constitute the territory Chinese.

Under the Peace Treaty of April, 1952, Japan formally renounced all right, title and claim to Formosa and the Pescadores; but again this did not operate as a transfer to Chinese sovereignty, whether to the People's Republic of China or to the Chinese Nationalist authorities. Formosa and the Pescadores are therefore, in the view of Her Majesty's Government, territory the ~~sovereignty over~~ which is uncertain or undetermined.

The Nationalist-held islands in close proximity to the coast of China are in a

different category from Formosa and the Pescadores since they undoubtedly form part of the territory of the People's Republic of China. Any attempt by the Government of the People's Republic of China, however, to assert its authority over these islands by force would, in the circumstances at present peculiar to the case, give rise to a situation endangering peace and security, which is properly a matter of international concern.

**American Warships
(Hong Kong Repairs)**

Mr. Collins asked the Secretary of State for Foreign Affairs whether, to avoid involving this country in incidents arising from the presence of a United States fleet in Chinese waters, he will give instructions that United States war vessels shall not be repaired or refuelled in Hong Kong.

Mr. Turton: No.

OWNERSHIP OF FORMOSA

THE TIMES,
February 7, 1955.

WHICH CHINA?

TO THE EDITOR OF THE TIMES

Sir,—The written answer given by Sir Anthony Eden to-day in the House of Commons setting out the legal position of Formosa as now accepted by the Foreign Office must cause considerable concern both here and in the United States.

It would appear that the Foreign Office is proposing to depart from the hitherto accepted principle of international law that declarations signed by heads of States or Governments and embodying agreements reached are binding in international law on those who have signed them. Instead the Foreign Office suggests that they should only be regarded as "statements of intention."

If this view is accepted it destroys the whole legal basis of the United States position in regard to Formosa, which depends upon that island being under international law a part of the Republic of China. The Foreign Office view is also almost exactly contrary to that taken by Professor Lauterpacht in his eighth edition of Volume 1 of *Oppenheim's International Law*. He writes (page 788):

"Official statements in the form of reports of conferences signed by the heads of States or Governments and embodying agreements reached therein may, in proportion as these agreements incorporate definite rules of conduct, be regarded as legally binding on the States in question. The reports of the conferences of the heads of Governments of Great Britain, the United States, and Russia at Crimea in February, 1945, and at Potsdam in August of that year may be mentioned as examples."

The intention to return Formosa to China was set out in the Cairo Declaration to which Great Britain, the United States, and China were parties. It was reaffirmed in the Potsdam Declaration to which the U.S.S.R. was also a party. In the House of Commons on December 14, 1943, in a debate on the Cairo Declaration Sir Anthony Eden (Hansard, col. 1,427), after referring to a statement of the Prime Minister's prior to Pearl Harbour in regard to the Japanese possible entry into the war, said: "From that moment (the Japanese entry into the war) we have been committed to the objectives which are set out now, for the first time, internationally in the Cairo Agreement."

The same view was taken by Mr. Acheson when Secretary of State of the United States. His views are reported by *The Times* (January 6, 1950) thus: "Mr. Acheson made it clear that whatever sort of China was recognized Formosa should be regarded as part of it, and that the United States was not going to alter its opinion on this subject merely because those in control in China were not friendly to the United States."

This view has been maintained consistently by the United States Government and their recent mutual defence treaty with the Nationalists on Formosa is based upon an interpretation of it. This treaty, made between the United States of America and the Republic of China in December, 1954, provides in Article 2 for mutual aid to resist armed attack against "the territorial integrity" of either Power. Article 6 limits the territory to which the treaty shall apply "in respect of the Republic of China" to "Taiwan and the Pescadores" and "in respect of the United States of America" to "the island territories of the West Pacific under its jurisdiction."

If the Foreign Office interpretation of the position of Formosa in international law is correct then the United States treaty, which is based upon Formosa being part of the territory of China, is invalid. Can this be what the Foreign Office really means? Surely both in international law and in common sense the position is as put by Mr. Acheson? Formosa, as a result of the binding effect of the Cairo Declaration, must be acknowledged in international law to belong to whatever Government is recognized by the Power concerned as the Government of China. I am, Sir, &c.,

GEOFFREY BING.

House of Commons, Feb. 4.

Sir,—Prior to the surrender of Japan Formosa was undoubtedly Japanese territory. Mr. Aneurin Bevan may protest at an international law that recognizes the fruits of aggression, but the rest of us are where we are by reason of historical aggression.

The Cairo declarations represented an agreement between the Powers then at war with Japan as to the disposal of expected territorial booty. American moral objections to annexation resulted in annexation being described by other words, but did not alter the substance of the agreement. Still less did these other words alter the legal fact that Formosa was then Japanese territory and so continued until the Japanese surrender.

Upon the surrender of the Japanese Empire, the Japanese Empire including Formosa became the joint property of her conquerors. The question is what did they choose? It is here that I part company with Dr. Schwartzberger. They could have retained their condominium and administered it as they did. They did not. They chose to hand over Formosa to China to own and recognize Formosa as part of China. They may have been historically and juridically wrong in stating that Formosa had always been an integral part of China, but in recognizing Formosa as a part of China after the surrender they were doing that which they had both the right and power to do.

In 1945 Formosa became Chinese territory and Mr. Attlee was clearly right in so stating. But for the civil war the fact would never have been questioned. When in Article 2 of the San Francisco Treaty Japan renounced all right, title, and claim to Formosa she was merely renouncing any revisionist claim to territory which had ceased to be hers both in fact and in law some seven years before. The San Francisco Treaty did not have and was never intended to have, any effect upon the status of Formosa. Dr. Schwartzberger's convenient theory that General Chiang Kai-shek only exercises authority delegated by the parties to the San Francisco Treaty (who incidentally are not the same parties as those to whom Japan surrendered her territories) simply will not do.

Formosa since 1945 has been Chinese, but this leaves the real question: which China? I believe that the answer in international law is as follows. The Chinese civil war has resulted in the creation of a new State, Communist China, and has left in being an old State, Nationalist China. Both these States are firmly in control of different parts of pre-civil war China and both give the appearance of permanent establishment with their defined areas save only for the coastal islands, which, their future being still unsettled, should not in law be recognized as the territory of either.

Both Communist and Nationalist China are in my view entitled to international recognition and the sooner both are brought to the United Nations the better. The title to the disputed coastal islands can then be settled. I am, &c.,

House of Commons. R. T. PAGET.

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File status

WRITTEN ANSWERS TO QUESTIONS

Friday, 4th February, 1955

of the month

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FAR EAST

Formosa and the Pescadores (Treaties)

Mr. Shinwell asked the Secretary of State for Foreign Affairs whether he will include in the OFFICIAL REPORT a factual statement on the legalistic and treaty aspects of the situation on the South-East China coast.

Sir Anthony Eden: Formosa and the Pescadores were ceded to Japan by China in the Shiminoseki Treaty of 1895. In the Cairo Declaration of November, 1943, the Allies stated that it was their purpose "that all the territories which Japan has stolen from the Chinese such as . . . Formosa and the Pescadores, shall be restored to the Republic of China. . . ." This Declaration was a statement of intention that Formosa should be retroceded to China after the war. This retrocession has, in fact, never taken place, because of the difficulties arising from the existence of two entities claiming to represent China, and the differences amongst the Powers as to the status of these entities.

The Potsdam Declaration of July, 1945, laid down as one of the conditions for the Japanese Peace that the terms of the Cairo Declaration should be carried out. In September, 1945, the administration of Formosa was taken over from the Japanese by Chinese forces at the direction of the Supreme Commander of the Allied Powers; but this was not a cession, nor did it in itself involve any change of sovereignty. The arrangements made with Chiang Kai-shek put him there on a basis of military occupation pending further arrangements, and did not of themselves constitute the territory Chinese.

Under the Peace Treaty of April, 1952, Japan formally renounced all right, title and claim to Formosa and the Pescadores; but again this did not operate as a transfer to Chinese sovereignty, whether to the People's Republic of China or to the Chinese Nationalist authorities. Formosa and the Pescadores are therefore, in the view of Her Majesty's Government, territory the *de jure* sovereignty over which is uncertain or undetermined.

The Nationalist-held islands in close proximity to the coast of China are in a

different category from Formosa and the Pescadores since they undoubtedly form part of the territory of the People's Republic of China. Any attempt by the Government of the People's Republic of China, however, to assert its authority over these islands by force would, in the circumstances at present peculiar to the case, give rise to a situation endangering peace and security, which is properly a matter of international concern.

American Warships (Hong Kong Repairs)

Mr. Collins asked the Secretary of State for Foreign Affairs whether, to avoid involving this country in incidents arising from the presence of a United States fleet in Chinese waters, he will give instructions that United States war vessels shall not be repaired or refuelled in Hong Kong.

Mr. Turton: No.

SOUTH GOODWIN LIGHTSHIP (LOSS)

Mr. Deer asked the Minister of Transport and Civil Aviation whether he will institute an inquiry into the loss of the South Goodwin lightship.

Mr. Boyd-Carpenter: I have seen the Report of the Inquiry carried out by the Corporation of Trinity House and I do not think that an investigation under the Merchant Shipping Acts would add to our knowledge as to the cause of this tragic occurrence. In their Report the Elder Brethren find that the cause of the disaster on 26th November, 1954, was the parting of the lightship's cable about midnight. The parting may have been due to one or more of three causes, exceptionally bad weather, a fault in the cable or the fouling of the cable by wreckage or other obstruction. They find also that the lightship was in proper and sound condition before the accident and that her equipment and moorings had been properly maintained and all instructions and regulations for the safety of the ship complied with. The Report makes a number of recommendations designed to reinforce the measures already current for the safety of lightships and their crews. I am placing a copy in the Library.

DEPARTMENT OF EXTERNAL AFFAIRS

SUMMARY

OF: Letter No. 57 of February 3, 1955 from Norway.

Subject: Norwegian opinion on Formosa

Insert particulars of document or file being summarized.

J. Pope - HGT
UNCLASSIFIED

SECURITY GRADING

DATE 24 February/55

INITIALS OF AUTHOR

T. Pope/HGT

CIRCULATION

Mr. Ronning reports on press comments in Norwegian newspapers on the Formosa question.

2. The Norwegian point of view seems to be fairly close to that of the British Labour Party, as expressed by Clement Attlee. The principal Norwegian Labour Party newspaper is of the opinion that the coastal islands should not be allowed to bring about a threat of war. The Chinese attitude, in this newspaper's opinion, is no excuse for the United States to behave in the same manner. An independent newspaper has reported a comment by Foreign Minister Lange that he regarded Formosa to be, without a doubt, part of China.

Ext. 105
(Rev. 2/53)

WHEN THIS FORM IS USED TO SUMMARIZE A DOCUMENT IT MUST BE STAPLED TO, AND FILED BY DATE OF THAT DOCUMENT.

Ext. 182A

Copy file - 56.5-6

OTTAWA FILE
No. 50056-A-10

SECURITY CLASSIFICATION
Unclassified.

Letter No. 27

18

Date February 3, 1955.

FEB 8 1955

FROM: The Canadian Legation, Oslo, Norway.

M. Carter

TO: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference.....

Subject: Norwegian Opinion on Formosa.

Mr. Holman
Mr. [unclear]

Copies Referred To
[Handwritten names]

No. of Enclosures
[Handwritten numbers]

Post File No. 320 Nov

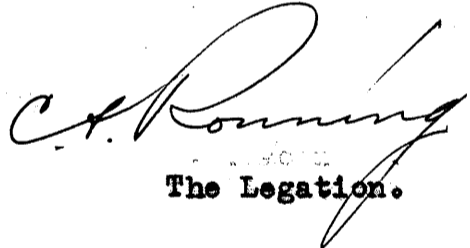
1955 FEB 8 11:50 AM

Considerable concern has been expressed in many quarters in Norway about the renewed intensification of hostilities between the Chinese Communists and Nationalists in the Nationalist held islands off the coast of China and the recent pronouncement by President Eisenhower on Formosa. The official Norwegian point of view would seem to be fairly close to that of the British Labour Party as expressed by Clement Attlee.

2. Under the heading "Frisivolous Play at War and Peace in the Formosa Straits" the principal Labour Party newspaper, Arbeiderbladet, which usually expresses the Norwegian Government's point of view, wrote on January 31st that strong national and ideological feelings and considerations of prestige had brought about a very serious situation in the Formosa Straits. Commonsense and moderation were being thrown overboard and emotions were getting the upper hand. The paper found it completely senseless that a number of small islands without any military or other importance should be allowed to bring about a threat of war. The crisis was due to the fact that Chiang Kai-shek was occupying a number of small islands close to the Chinese mainland so that the parties got into too close contact with each other. There was in actual fact general consent that these islands should be transferred to Chinese jurisdiction as indicated in Eisenhower's recent declaration. Unfortunately Eisenhower had not pointed out the logical conclusions of his viewpoint which would have been to advocate an immediate evacuation. It might, of course, be tempting to "solve" the whole difficulty by saying that not only the small islands but also Formosa really belonged to China. No doubt this would be the best solution if only it were possible. China would never allow Formosa to remain in foreign hands and it was utterly shortsighted and unwise to allow such a serious conflict to mature until the time when China became a really modern great military power. The American proposal that evacuation should take place in connection with an armistice seemed fair enough but China was unlikely to agree to an armistice not giving Formosa back to China. China's hard and irreconcilable attitude provided no excuse for the United States to behave in the same manner.

If China refused an armistice, the United States should start an evacuation on its own initiative. It would be a senseless frivolity to risk a war over Quemoy and Matsu.

3. On its front page of January 31st the independent Oslo newspaper Verdens Gang carried a two column headline stating "Norway is of the Opinion that Formosa Belongs to Peking China". The article called attention to the difference of opinion between Mr. Eden and Mr. Attlee and pointed out that whereas Attlee held that Formosa belonged to the Chinese People's Republic, Eden held the opposite view which was shared by the American Government. The article concluded: "However, the Norwegian Government holds a view which corresponds with that of the British Labour Party leader. At any rate the Government held that view a few months ago. Before Foreign Minister Lange left Norway for the last General Assembly of the United Nations Verdens Gang asked what he meant about the ~~formal status of Formosa~~. He then declared that he regarded the island as part of China. He had not the slightest doubt about that."


The Legation.

INCOMING MESSAGE

ORIGINAL *File*

FROM: THE OFFICE OF THE HIGH COMMISSIONER FOR CANADA, LONDON. 17
 TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA
copy in 50085-D-40

Security Classification
SECRET
File No.
50056-A-40
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JAN 28 1955

M. Carter

Priority IMPORTANT	System CYPHER-AUTO	No. 110	Date January 28, 1955.
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Departmental Circulation
 MINISTER UNDER/SEC
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 A/UNDER/SEC'S
Mr. Manning
Jan. 28 1955
WCB

DONE - COMM'S SECTION
 Done
 Date JAN 28 '55

Reference: Your telegram No. 92 of January 18th.
 Subject: Formosa.

The following note on the legal status of Formosa has been drafted by the Foreign Office as part of a brief prepared for the Prime Ministers' meeting.

"Formosa and the Pescadores were ceded to Japan by China in 1895. In the Cairo Declaration of November 1943 the allies stated that it was their purpose 'that all the territories which Japan has stolen from the Chinese such as Formosa and the Pescadores, shall be restored to the Republic of China....'. The Potsdam Declaration of July 1945 laid down as terms for the Japanese that the terms of the Cairo Declaration should be carried out. In September 1945 the administration of Formosa was taken over from the Japanese by Chinese forces at the direction of the Supreme Commander of the allied powers, but this was not a cession, nor did it in itself involve any change of sovereignty. Under the peace treaty of April 1952 Japan formally renounced all right, title and claim to Formosa and the Pescadores; but again this did not operate as a transfer to Chinese sovereignty.

It is quite incorrect therefore to suggest that the United Kingdom has recognized Formosa as Chinese territory. The Cairo Declaration was merely a declaration of intention that Formosa should be retroceded to China after the war. This retrocession has in fact never taken place, and the situation in the Far East is very different from that envisaged by the allies in 1943. The arrangements made with Chiang Kai-Shek in September 1945, when he was invested with the administration of Formosa, were made on the basis of military occupation pending further arrangements and did not of themselves constitute the territory Chinese. The Japanese peace treaty brought about a formal renunciation of Japanese sovereignty without any transfer to China. Formosa and the Pescadores are therefore in our view - if not exactly res nullius - territory, the de jure sovereignty over which is undetermined. In the meantime we do in practice recognize the Nationalists as the administering authority on a de facto basis.

References
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New Delhi
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FROM Austamba, Washington
TO Australian High Commission, Ottawa
DATE 26th January, 1955
NO. 12

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Miscellaneous 12. Following from Canberra begins:

SECRET.

Austamba Washington 46 (please pass to Austunst New York 13 and Ottawa 12) repeat London 164 and Wellington 13.

Formosa.

We are attracted by Hammarskjold's suggestion that Security Council operation might be taken in two stages - first to be a request to Secretary-General to explore with both Communist and Nationalist Chinese possibilities of successful United Nations action to bring about a cease-fire.

2. Such a move would be less likely to be vetoed than a straight out resolution for a cease-fire. While we do not hold out much hope that it would be successful it would at least delay rest of operation which is full of risks. It may put off need to face sort of questions put in para 2 of our 44. Furthermore, we must not forget that Hammarskjold has his foot in door in Peking and might be listened to if he counsels caution.

3. Please make these views known to Americans, United Kingdom and New Zealand.

Ends.

FROM AUSTENBA, WASHINGTON
TO AUSTRALIAN HIGH COMMAND, OTTAWA
DATE 26th January, 1955.
NO. Misc. 12.

SX

Decyphered by: MG.

Miscellaneous 12. Following from Canberra begins:

Addressed Washington 44 Crotonat London 155,
Karachi 37 (for Tange). SECRET.

President Eisenhower's message to Congress is better than at one stage appeared likely but message and draft resolution of Congress could cover any action United States administration decided on. As such it can be regarded as an internal United States measure to give president powers to act which he might not necessarily use. We for our part now have to watch how Americans intend use these powers. We must continue to press importance of not getting involved in large scale hostilities over off shore islands. While we can accept United States action to assist in withdrawing Nationalists from Tachen we hope this will not lead to United States commitment defined or undefined to defend others of these islands. We have hitherto been able to view proposed action in United Nations Security Council as part of a process of disengaging United States and other countries from any obligations to support Nationalists anywhere except in Formosa and Pescadores. Yet Americans now seem to be drifting towards widening obligations for example towards defence of Quemoy. As I said in telegram 34 I do not think these islands are worth risk of war and I notice Eden in message to United Kingdom Ambassador, Washington has said United Kingdom wants to see Nationalists abandon all these islands.

2. On proposed resolution in United Nations Security Council we continue to have doubts. Resolution will call upon both Communist and Nationalist Chinese to terminate hostilities. If communists do not do so will an attempt be made by nationalists or Americans to call for United Nations action to meet this situation. Might United States claim to have secured more moral backing - at least from sponsors of resolution - for enforcement action even if United Nations resolution is vetoed by Russians. These points will need watching.

3. Wireless today reports State Department spokesman giving as an example of action that might be taken the bombing of troop concentrations on mainland if these were thought by United States to be preparat to attack on Formosa. I assume nothing of

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this sort is under contemplation in operation to evacuate Taohan.

Pages 455 & 456

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CEASE-FIRE PROPOSAL IN THE FORMOSAN STRAITS

Mr. LEHMAN. Mr. President, I was very much interested in the statement by President Eisenhower on Wednesday night indicating his support for a cease-fire move in the Formosan Straits by the United Nations. It is interesting to note that the American Association for the United Nations made this same proposal in a statement presented to the United States delegation to the General Assembly as far back as September 19, 1954. It is also noteworthy that the Honorable Benjamin V. Cohen, former counselor of the State Department, advanced this same idea in a speech delivered before the Washington Ethical Society on October 24, 1954.

Mr. President, I ask unanimous consent that pertinent excerpts from these two documents be printed in the body of the RECORD. I also ask, Mr. President, that a very cogent and absorbing memorandum on this whole subject prepared by Mr. Cohen, who is one of the most noted experts on international affairs and our country, be printed in the body of the RECORD at this point in my remarks.

There being no objection, the excerpts and memorandum were ordered to be printed in the RECORD, as follows:

EXCERPT FROM U. N. DAY SPEECH BY HON. BENJAMIN V. COHEN, PRESIDENT, WASHINGTON ETHICAL SOCIETY, OCTOBER 24, 1954

There has been fighting in the straits of Formosa. That fighting threatens our peace and the peace of the world. That fighting which in fact threatens a major international war cannot be passed by as a matter of essentially domestic concern. It is a matter of vital concern to the peace of the world and to the United Nations. But we cannot expect the United Nations to act if we ourselves bypass the United Nations and discourage its use. No nation which is unwilling to use the processes of the United Nations has a right to attribute its own failure to use those processes to any alleged ineffectiveness or alleged impotence of the United Nations.

Possibly the Security Council may be unable to act because of the lack of unanimity among its permanent members. But there is no veto in the General Assembly. If we have the courage to put to the test our faith in the United Nations, we should ask the United Nations to demand a cease-fire in the Straits of Formosa. We should be prepared to join in sponsoring a proposal that the United Nations, without regard to the question of recognition, as to which its members are divided, should at once call upon the authorities now in control of the government on the mainland of China and the authorities now in control of the government of Formosa to cease the use of armed force against each other in this area in the interest of world peace.

Then it would become the responsibility of the United Nations to recommend a peaceful settlement of the Formosa question in accordance with the principle of the charter, that is the principles of world peace and security, justice, and the responsibility of Formosa is today in fact independent of the mainland of China and its future status should be determined by the United Nations having regard to the wishes and interests of the people of Formosa in a manner which will advance and not endanger world peace and security.

There can be no peace in the Straits of Formosa as long as Mao Tse-tung asserts the right to use force to unite Formosa with the mainland or Chiang Kai-shek asserts the right to use Formosa as a base for armed operations against the mainland. The use of force in either case is contrary to the spirit if not the letter of the charter. The only hope for and the only way to peace in the Far East is through the United Nations which alone has the authority and standing to call

for a cease-fire. If we continue to bypass the United Nations, we incur the risks of war with grave and unforeseeable consequences and under circumstances which will deprive us of the aid of our best friends and allies in the free world. Formosa is the test not only of our faith in the United Nations but our faith in the ideals which have made us a leader of the free world. President Eisenhower would have us have a good partner in the concert of free nations.

We are living through one of the most critical periods in all history. The fission and fusion of the atom gives warning that civilization must rise above war or it will be overwhelmed and destroyed by war. Civilization's hope for survival depends upon the United Nations. With God's help let us reverently and earnestly support our faith in the United Nations and determine, before it is too late, to justify our faith by our works.

EXCERPT FROM STATEMENT PRESENTED TO THE UNITED STATES DELEGATION TO THE UNITED NATIONS BY THE AMERICAN ASSOCIATION FOR THE UNITED NATIONS, SEPTEMBER 19, 1954

IX. FIGHTING IN THE STRAITS OF FORMOSA

There is fighting in the Straits of Formosa. World peace and security are thereby threatened and endangered. It is unquestionably the function of the United Nations to deal with such threats to the peace. It is imperative that this situation be brought at once to the attention of the United Nations. If there is delay as in the case of Indochina, it may be too late for the United Nations to avert conflict and catastrophe.

The Security Council should be asked to act to restore peace and security in this area, and if the Council cannot act, the matter should be brought promptly before the General Assembly. The United States should join in sponsoring or supporting a proposal that the United Nations, without regard to the question of recognition, as to which its members are presently divided, should at once call upon both the authorities now in control of the government on the mainland of China to cease the use of armed force against each other in this area in the interest of world peace, and further, to accept the proposition that Formosa and the mainland of China shall not be united by force, nor without the free consent of the people of Formosa and under conditions approved by the United Nations as consistent with world peace, security, and justice.

MEMORANDUM ON THE PROPOSED MUTUAL DEFENSE TREATY WITH THE REPUBLIC OF CHINA

(Prepared by Benjamin V. Cohen)

1. This memorandum raises some questions concerning the desirability of the ratification of the recently negotiated mutual defense treaty with the Republic of China.

It should be stated at the outset that this memorandum does not question (1) the vital importance to the United States of having Formosa and the Pescadores remain in friendly hands, or (2) the policy of defending these islands from unprovoked armed attack. The purpose of the memorandum is to consider whether the proposed mutual defense treaty on balance will aid or embarrass the United States in protecting its vital interests in Formosa and the Pescadores, in deterring any armed attack on these islands, and in opposing such attack if it occurs.

2. The proposed mutual defense treaty, if ratified, would for the first time constitute a formal recognition of Formosa and the Pescadores as territories of the Republic of China. Heretofore, the United States has been careful to avoid any formal recognition of the transfer of these islands to China and to reserve a high degree of freedom in regard to its position on the future status of these

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islands. Under the Japanese Peace Treaty Japan gave up all claim to these islands but no attempt was made to define their present or future status.

It is true that the Cairo declaration, which was reaffirmed in the Potsdam proclamation, asserted the purpose of the representatives of the United States, the United Kingdom, and Nationalist China to restore Formosa and the Pescadores to the Republic of China. But such purpose has not yet been carried out by any duly ratified peace treaty, and much has happened in the meanwhile. The situation has been so altered on the mainland of China as to raise grave doubt whether that purpose can now be carried out, as it was assumed it could be, with due regard to the principles of the Atlantic Charter and the Charter of the United Nations. The mainland of China has become involved in civil war and revolution, and the involvement of Formosa and the Pescadores in that civil war and revolution was neither foreseen nor contemplated at the time of the Cairo declaration. Such a situation would not be in the wishes and interests of the people of the islands.

3. The formal recognition of Formosa and the Pescadores as territories of the Republic of China would give substance to the claim of the Chinese Communists that an armed attack on these islands is not international aggression on their part but civil war in which the right and purpose of other nations forcibly to intervene would be open to serious doubt and question. Formosa and the Pescadores are geographically separated from the mainland of China. It would seem to be very definitely not only in the interest of the United States but in the interest of peace to keep them separate and independent and not to enmesh them inextricably with the rights and claims of the mainland of China. It has been stated in the press that Chiang Kai-shek has given assurances that he would not engage in provocative attacks on the mainland, but such assurances are not found in the text of the treaty. Indeed it would be very awkward by treaty to impose restraints on the exercise of sovereign rights in China proper by any government claiming to be the lawful government of all China. Assurances outside the text of the treaty will be subject to debate, shifting executive interpretations and waivers. A China whose rights to Formosa and the Pescadores are recognized, cannot be expected to forswear its rights to the mainland of China. But what is more important, a China, which controls the mainland will most assuredly assert its rights to Formosa and the Pescadores if those islands are formally recognized as territories of China. What we recognize as territories of Chiang's China, other countries including our allies which recognize Mao's China, may feel compelled to recognize as territories of Mao's China.

The formal recognition of Formosa and the Pescadores as territories of the Republic of China would preclude effective control and jurisdiction by the United States and by the United Nations over these islands. The United States and the United Nations would seem very unwise for the mainland of China under Communist control to tie

up the islands to the mainland of China. Since Communist control of the mainland of China is not likely to be broken for some time, it would seem to be in the interest of the United States to favor and work for the separation of the islands from the mainland, at least for the time being.

Any treaty which inseparably ties these islands to the mainland would seem to be detrimental to the interests of the United States in this area.

5. Most of our friends and allies want to have peace not war in the straits of Formosa. It would probably be possible to evoke wide support in the United Nations and throughout the free world for the calling of a cease-fire by the United Nations in the straits of Formosa. Many nations, including nations which have recognized Red China, probably could be induced to support a cease fire which would preclude the uniting of Formosa and the Pescadores with the mainland by force. It would therefore seem to be in the interest of the United States to separate Formosa and the Pescadores from the power struggle for control of the mainland of China and to base our position on the United Nations Charter which forbids the use of force in international relations and calls for peaceful settlement of international disputes and the right of self-determination of peoples. This would seem to be the best if not the only way of harmonizing our positions and that of our friends and allies and of avoiding grave risks of becoming involved in war without their support and assistance. This would not involve the withdrawal of the United States from Formosa and the Pescadores. It would have a better chance of retaining the favor of the United Nations if he did not involve them in war with the mainland.

6. In his statements in support of the proposed mutual-defense treaty with the Republic of China (Department of State press release No. 686, December 1, 1953), Mr. Dulles contends that this treaty is similar to the defense treaties made with the Republic of Korea, Japan, the Philippines, Australia, and New Zealand, and he particularly stresses the similarity between the Korean Treaty and the proposed treaty. But there are vital differences in the situations with which the two treaties deal.

Our recognition of the Republic of Korea on January 1, 1949, was based on the United Nations General Assembly resolution of December 12, 1948, which declared "that there has been established a lawful government (the government of the Republic of Korea) having effective control and jurisdiction over that part of Korea where the temporary Commission was able to observe and consult and in which great majority of the people of all Korea reside; that this government is based on elections which were a valid expression of the free will of the electorate of that part of Korea and which was observed by the temporary Commission; and that this is the only such government in Korea."

Mr. Dulles does not mention the practical limitations which we have placed on our recognition of the Republic of Korea when he states that "we recognize the Republic of China as the only lawful government of China, just as we recognize, and the United Nations recognizes, the government of the Republic of Korea as the only lawful government in Korea." We and the United Nations have never recognized the right of the Republic of Korea to extend its effective control and jurisdiction by force to other parts of Korea, and it is clear therefore that any attempt on the part of the Republic of Korea to do so by force would be contrary to article 1 of the mutual defense treaty which forbids the use of force in any manner inconsistent with the purposes of the United Nations.

It is not at all clear that any attempt by the Republic of China to extend its effective control and jurisdiction from Formosa to the mainland of China would be contrary to article 1 of the mutual defense treaty with the Republic of China.

Asked whether the United States would support our recognition of the Republic of China to sovereignty over the mainland, Mr.

Dulles replied that "it does not deal specifically with that matter one way or another." Asked whether there is any understanding in connection with this treaty that the Chinese nationalists before attacking the mainland must consult with us and act only by agreement with us, Mr. Dulles replied that "we expect that there will be worked out practical arrangements so that neither will take action in this area which would jeopardize the other and that we would generally act in an agreed pattern of conduct. Having undertaken to defend the islands, we would not expect, nor would the Chinese Nationalists expect to act rashly in a way to jeopardize the islands. We anticipate that under the operation clause of the treaty there will be a good deal of consultation and agreement as to just how the situation is to be handled."

Mr. Dulles' remarks in no way suggest that an attack on the mainland by the Chinese Nationalists from Formosa would be contrary to article I of the treaty. Mr. Dulles' remarks in no way suggest that the policy announced in the state of the Union message of 1953 regarding noninterference by the Seventh Fleet with attacks on the mainland by the Chinese Nationalists from Formosa has in principle been abandoned.

To make the proposed treaty at all comparable with the Korean treaty it would have to be amended, or subjected to reservations, to make clear that the Republic of China in Formosa and the Pescadores would not attempt to extend its effective control and jurisdiction by the use of force from areas now thereunder to areas not now thereunder, and that any such attempt would be regarded as contrary to article I of the treaty.

7. While there may be countervailing arguments, the above considerations would seem to suggest that the proposed mutual defense treaty with the Republic of China, in its present form, would on balance embarrass rather than aid the United States in protecting its vital interests in Formosa and the Pescadores and in avoiding war in that area. It would seem that the treaty as presented would be more of an obstacle than a help in working for a peaceful settlement in the Formosan Straits in the interests of the United States, the United Nations, the inhabitants of the islands, and world peace. It would seem highly desirable before attempting to agree on any mutual defense treaty for this disturbed area to seek through the United Nations to obtain a cessation of armed hostilities in the waters between the mainland of China and Formosa and the Pescadores so that it will be clear that we are seeking peace and not trying to shield Formosa and the Pescadores while attacks on the mainland are in course of preparation there.

**MESSAGE FORM
OUTGOING**

File No. 50056-A-40	
65	65

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA
TO: THE HIGH COMMISSIONER FOR CANADA IN THE UNITED KINGDOM,
LONDON

Message To Be Sent AIR CYPHER EN CLAIR CODE CYPHER <i>cut</i>	No. 92	Date 18 January, 1955.	For Communications Section Only SENT - JAN 18 1955
Priority	REFERENCE: Your telegram No. 1597 of Dec. 31st		
ORIGINATOR (Signature) T. LeM. Carter/HGT (Name Typed) Div. Far Eastern Local Tel. 7359	SUBJECT: Formosa We should be glad to have a more detailed legal opinion from the Foreign Office setting out their view as to the status of Formosa which is dealt with in paragraph three of your telegram.		
APPROVED BY (Signature) A.R. Menzies (Name Typed)			
Internal Distribution: S.S.E.A. - U.S.S.E.A.			
Done..... Date... <i>Jan 19/55</i>			
Copies Referred To:			
Done..... Date.....			

1822 JAN 18 1955 3:12

RECEIVED
COMMUNICATIONS
SECTION

EX-103 (Rev. 12-5)

Date:

Time:

RECEIVED
COMMUNICATIONS
FEDERAL AFFAIRS

1955 JAN 18 PM 3:45

Copies Referred To:

Date: *Jan 14/55*

Time: *10:00*

SECRET - UNCLASSIFIED
Foreign Distribution:

(Name Label)

A.B. Menzies

(Signature)

APPROVED BY

Local Tel: 2322

Dist: For Esafeln

(Name Label)

I. G.M. Carter/HCL

(Signature)

ORIGINATOR

dealt with in paragraph three of your telegram.
Their view as to the status of Formosa which is
legal opinion from the Foreign Office setting out
we should be glad to have a more detailed

SUBJECT: FORMOSA

REFERENCE: your telegram no. 1222 of Dec. 31st

Priority

CLASSIFICATION: *SECRET* XX
CODE
ED CIVIL
VIA CABLE

Message To Be Sent

No. <i>1222</i>	Date 18 JANUARY 1955	SECRET - UNCLASSIFIED For Communications Section only
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TO: LONDON
THE HIGH COMMISSIONER FOR CANADA IN THE UNITED KINGDOM

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

OUTGOING
MESSAGE FORM

File No.	<i>2022-4</i>

SECURITY CONFIDENTIAL

file - Ref

Security RESTRICTED

MESSAGE FORM
OUTGOING

File No. 50056-A-40	
65	65

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO: THE CANADIAN AMBASSADOR, CANADIAN EMBASSY, WASHINGTON

Message To Be Sent	No. <i>R X</i> <i>8/7</i>	Date 18 January/55	For Communications Section Only SENT - JAN 18 1955
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AIR CYPHER	
EN CLAIR	
CODE	
CYPHER	<i>cecto</i>

REFERENCE:

SUBJECT: Status of Formosa

Priority **XX**

ORIGINATOR

(Signature)

T. LeM. Carter/HGT
(Name Typed)

Div. Far Eastern

Local Tel. 7359

We are interested in the story in the New York Times of January 12th entitled, "Democrats wary of China Treaty" by James Reston. We found particularly interesting the argument allegedly included in the memorandum of the Democratic National Committee that it was inadvisable to recognize formally Formosa as part of China now because in a few years it might be desirable to consider a separate status for Formosa. This attitude is in line with the position of the United Kingdom Government. In answer to a question in the House of Commons on December 20th, the United Kingdom Government spokesman said that Japan had renounced sovereignty over Formosa but that this sovereignty had not been granted to China. In other words, the Government felt that the commitment of the Cairo Declaration no longer holds.

APPROVED BY

A.R. Menzies
(Signature)

A.R. Menzies
(Name Typed)

Internal Distribution:
S.S.E.A. - U.S.S.E.A.

Done *P.R.*

Date *Jan 19/55*

Copies Referred To:

- We are also struck by the emphasis in the Democratic memorandum on a policy which would be acceptable to the allies of the United States.
- I should be obliged if you could confirm the existence of this memorandum and naturally we would like to have a copy. We would also be interested in your comments, particularly some indication as to who had a hand in its preparation.

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

NUMBERED LETTER

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: THE CANADIAN EMBASSY, WASHINGTON, D.C.

Reference:.....

Subject:..... United States-Republic of China
..... Mutual Defence Treaty.....

Security: *RESTRICTED*.....

No:..... *48*.....

Date:..... January 10, 1955.....

Enclosures:..... *5*.....

Air or Surface Mail:.....

Post File No:.....

Ottawa File No.	
50056-A40	
111	111

copy - 50056-40

References

cross ref on 11578-D-40. ~~Mr. Carter~~

President Eisenhower on January 6 submitted to the Senate the Mutual Defence Treaty between the United States and Nationalist China with a view to receiving the advice and consent of the Senate to its ratification. We attach for your information copies of a Senate publication containing the text of the treaty together with the texts of a number of relevant documents exchanged between the United States Secretary of State and the Foreign Minister of Nationalist China. The enclosure also contains the Secretary of State's report to the President on the Defence Treaty. This report and the texts of the Notes exchanged on December 10, 1954, between the United States Secretary of State and the Nationalist Chinese Foreign Minister had not been made public prior to submission of the treaty to the Senate.

2. Mr. Dulles' report to the President on the treaty makes the following general points with respect to the treaty:

- (a) The treaty is entirely defensive in character and intent;
- (b) The treaty represents another link in the chain of collective defence arrangements in the West Pacific binding the nations of the free world in a common determination to resist further communist expansion;
- (c) The treaty, even though bilateral and limited in scope to one area of the world, reaffirms the intention of the signatories to work towards the fulfilment of the principles and purposes of the United Nations;
- (d) The treaty is based upon the understanding of the parties that the use of force from the territories of Nationalist China will be a matter of joint agreement subject to action of an emergency character in the exercise of the right of self-defence;
- (e) The treaty is designed to prevent hostile miscalculations on the part of potential aggressors and thus contribute to the peace and security of the area.

Internal Circulation

Distribution to Posts

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security of the area.
Sovereignty and other considerations to the peace and

(a) The treaty is intended to prevent hostile

exercise of the right of self-defense;
action of an armed force in the
re a matter of force exercised subject to
the territories of international law
of the parties and the use of force from

(b) The treaty is based upon the understanding

principles of the United Nations:
concerns the fulfillment of the principles and
the intention of the authorities to work
in accordance with the aims of the United Nations
The treaty is intended to prevent

(c) The treaty is intended to prevent

hostile further communist expansion:
The treaty is a common declaration to
the great powers and the nations of the
system of collective defense arrangements in
the treaty represents another link in the

(d) The treaty is intended to prevent

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United States Republic of China

... 10, 1955

RESERVED

3. The Notes exchanged on December 10 between Mr. Dulles and the Foreign Minister of Nationalist China are important in that they seem to limit the freedom of the Nationalist Government of China to take offensive action against the mainland of China. While they recognize the right of the Nationalist Government of China to defend "all territory now and hereafter under its control", they specify that the use of force from Nationalist Chinese and United States territories covered by the treaty "will be a matter of joint agreement". An escape clause does exist for action of an emergency character but the Notes seem clearly designed to ensure that offensive action by the forces of Nationalist China cannot be taken without United States consent. It can be expected that, in the course of Senate consideration of the treaty, the pros and cons of this point will be thoroughly examined.

(Signature)
The Embassy

MUTUAL DEFENSE TREATY WITH THE
REPUBLIC OF CHINA

M E S S A G E

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A MUTUAL DEFENSE TREATY BETWEEN THE UNITED STATES OF
AMERICA AND THE REPUBLIC OF CHINA, SIGNED AT WASHINGTON
ON DECEMBER 2, 1954

JANUARY 6, 1955.—The treaty was read the first time and the injunction of
secrecy was removed therefrom, and together with all accompanying papers
was referred to the Committee on Foreign Relations and ordered to be printed
for the use of the Senate

THE WHITE HOUSE, *January 6, 1955.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to
ratification, I transmit herewith the Mutual Defense Treaty between
the United States of America and the Republic of China, signed at
Washington on December 2, 1954.

I transmit also for the information of the Senate a document con-
taining statements made by the Secretary of State and the Chinese
Minister for Foreign Affairs on the occasion of the initialing of the
treaty on December 2, 1954, together with a joint statement regarding
conclusion of negotiations for the treaty issued simultaneously in
Washington and Taipei on December 1, 1954.

There is further transmitted for the information of the Senate the
report made to me by the Secretary of State regarding the treaty.

Finally, there are transmitted for the information of the Senate
texts of notes exchanged by the Secretary of State and the Minister
for Foreign Affairs of the Republic of China on December 10, 1954,
which, while not a part of the treaty, express agreed understandings
as to certain phases of its implementation.

The Mutual Defense Treaty between the United States of America
and the Republic of China is defensive and mutual in character, de-
signed to deter any attempt by the Chinese Communist regime to bring
its aggressive military ambitions to bear against the treaty area.

2 MUTUAL DEFENSE TREATY WITH THE REPUBLIC OF CHINA

This Mutual Defense Treaty, taken in conjunction with similar treaties already concluded with Japan, Korea, the Philippines, and Australia and New Zealand, reinforces the system of collective security in the Pacific area. It is also complementary to the action taken in the signing of the Southeast Asia Collective Defense Treaty at Manila on September 8, 1954.

I recommend that the Senate give early and favorable consideration to the treaty submitted herewith, and advise and consent to its ratification.

DWIGHT D. EISENHOWER.

(Enclosures: (1) Report of the Secretary of State, (2) Mutual Defense Treaty with the Republic of China, (3) joint statement regarding conclusion of negotiations for the Mutual Defense Treaty, (4) statements by the Secretary of State and the Chinese Foreign Minister on the occasion of the signing of the treaty, (5) texts of notes exchanged on December 10, 1954.)

DEPARTMENT OF STATE,
Washington, December 22, 1954.

The PRESIDENT,
The White House:

I have the honor to submit to you, with a view to the transmission thereof to the Senate for its advice and consent to ratification, the Mutual Defense Treaty between the United States of America and the Republic of China, signed at Washington on December 2, 1954.

The history of the negotiation of this treaty extends over the past year. Preliminary consideration of such a treaty was given following a proposal first made by the Republic of China in December 1953. Following the signature of the Manila Pact on September 8, 1954, it seemed more than ever appropriate that this treaty should be made. I, therefore, visited Taipei on September 9, 1954, and discussed the scope and nature of the projected treaty with President Chiang Kai-shek. Following my return to the United States, it was decided in principle to proceed actively to conclude the treaty, and to this end the Assistant Secretary of State for Far Eastern Affairs, Mr. Robertson, went to Formosa (Taiwan) in October 1954. Subsequent negotiations were conducted at Washington. The principal negotiator for the Republic of China was His Excellency Yeh Kung-ch'ao, Minister for Foreign Affairs, who was available in Washington concurrently with his work as head of the Chinese delegation to the United Nations.

This treaty represents another link in the chain of collective defense arrangements in the West Pacific which bind the nations of the free world together in their common determination to resist further encroachments by the forces of communism. The treaty is entirely defensive in character and intent. It is based on a mutuality of interest and responsibility. Even though bilateral and limited in scope to but one area of the world, the treaty reaffirms, in the first paragraph of the preamble and repeated elsewhere through the text of the treaty, the signatories' faith in, and deep sense of responsibility in working toward fulfillment of, the principles and purposes of the United Nations.

The treaty consists of a preamble and 10 substantive articles. The preamble reaffirms the adherence of both Governments to the aims of the United Nations and their peaceful intentions, ~~recalls their relationship during World War II,~~ declares their sense of unity and determination to defend themselves against external armed attack "so that no potential aggressor could be under the illusion that either of them stands alone," and contemplates further development of a more comprehensive system of regional security in the West Pacific area.

Article I contains provisions similar to those in comparable articles of other security treaties. By its terms the parties reaffirm their solemn obligations under the Charter of the United Nations to settle by peaceful means any international disputes in which they may be involved, and to refrain in their international relations from the threat or use of force inconsistent with the purposes of the United Nations.

Article II incorporates in the treaty the principle of the Vandenberg resolution (S. Res. 239, 80th Cong.), which advises that regional and collective security arrangements joined in by the United States be based on continuous self-help and mutual aid. The parties pledge themselves by such means to maintain and develop their individual and collective capacity to resist armed attack and Communist subversive activities directed from without against their territorial integrity and political stability.

Article III confirms the agreement of the two parties to strengthen the base of freedom and to cooperate in economic and social advances which are so closely connected both with a successful resistance to communism and also with the greater welfare of the people.

Consultation regarding implementation of the treaty, as the need arises, is provided for under article IV.

By article V, each party recognizes that an armed attack in the West Pacific area directed against the territories of either party would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes. Here again the treaty makes it clear that there is to be no conflict with the United Nations, for measures taken to deal with an external armed attack are to be reported immediately to the Security Council of the United Nations and such measures as are taken will be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

The territories to which articles II and V apply are specified in article VI to be—

in respect of the Republic of China, Taiwan, and the Pescadores; and in respect of the United States of America, the island territories in the West Pacific under its jurisdiction.

It is also provided that articles II and V will be applicable to such other territories as may be determined by mutual agreement.

Article VII grants to the United States the right to dispose such land, air, and sea forces in and about Taiwan and the Pescadores as may be required for their defense, as determined by mutual agreement. It does not make such disposition automatic or mandatory.

Article VIII makes clear that the obligations of the parties under the treaty do not affect in any way their obligations under the United

4 MUTUAL DEFENSE TREATY WITH THE REPUBLIC OF CHINA

Nations Charter. It recognizes the primary responsibility of the United Nations in maintaining international peace and security.

Articles IX and X specify that the treaty is to come into force with the exchange of ratifications at Taipei and that the treaty has indefinite duration, with provision for termination on 1 year's notice.

There are also enclosed, with a view to their transmittal for the information of the Senate, the texts of notes exchanged between the Secretary of State and the Chinese Foreign Minister, dated December 10, 1954. These notes express the understanding of the signatories with respect to some phases of the implementation and operation of the treaty. They make clear the recognition by the parties of the inherent right of the Republic of China to the self-defense of all territory now or hereafter under its control. They confirm the understanding of the parties that the use of force from such territories will be a matter of joint agreement, subject to action of an emergency character in the exercise of the right of self-defense. They recognize the mutual interests of the parties by providing that military elements which are a product of joint effort and contribution will not be removed from the treaty area to such an extent as substantially to affect its defensibility without mutual agreement.

I believe that the treaty will serve as an important deterrent to possible Communist efforts to seize positions in the West Pacific area, which seizure, if attempted, would, in fact, provoke a reaction on the part of the United States. By making clear that we recognize that an armed attack on the treaty area would be regarded by us as dangerous to our own peace and safety and that we would act to meet the danger, we give the world notice which, we are entitled to hope, will prevent hostile miscalculations and thus contribute to the peace and security of the area. Therefore, I hope that this treaty will be given early and favorable consideration by the Senate.

Respectfully submitted.

JOHN FOSTER DULLES,
Secretary of State.

(Enclosures: (1) Mutual Defense Treaty with the Republic of China, (2) texts of notes exchanged on December 10, 1954.)

MUTUAL DEFENSE TREATY BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF CHINA

The Parties to this Treaty,

Reaffirming their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all Governments, and desiring to strengthen the fabric of peace in the West Pacific Area,

Recalling with mutual pride the relationship which brought their two peoples together in a common bond of sympathy and mutual ideals to fight side by side against imperialist aggression during the last war,

Desiring to declare publicly and formally their sense of unity and their common determination to defend themselves against external armed attack, so that no potential aggressor could be under the illusion that either of them stands alone in the West Pacific Area, and

Desiring further to strengthen their present efforts for collective defense for the preservation of peace and security pending the development of a more comprehensive system of regional security in the West Pacific Area,
Have agreed as follows:

ARTICLE I

The Parties undertake, as set forth in the Charter of the United Nations, to settle any international dispute in which they may be involved by peaceful means in such a manner that international peace, security and justice are not endangered and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

ARTICLE II

In order more effectively to achieve the objective of this Treaty, the Parties separately and jointly by self-help and mutual aid will maintain and develop their individual and collective capacity to resist armed attack and communist subversive activities directed from without against their territorial integrity and political stability.

ARTICLE III

The Parties undertake to strengthen their free institutions and to cooperate with each other in the development of economic progress and social well-being and to further their individual and collective efforts toward these ends.

ARTICLE IV

The Parties, through their Foreign Ministers or their deputies, will consult together from time to time regarding the implementation of this Treaty.

ARTICLE V

Each Party recognizes that an armed attack in the West Pacific Area directed against the territories of either of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes.

Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

ARTICLE VI

For the purposes of Articles II and V, the terms "territorial" and "territories" shall mean in respect of the Republic of China, Taiwan and the Pescadores; and in respect of the United States of America, the island territories in the West Pacific under its jurisdiction. The provisions of Articles II and V will be applicable to such other territories as may be determined by mutual agreement.

ARTICLE VII

The Government of the Republic of China grants, and the Government of the United States of America accepts, the right to dispose such

6 MUTUAL DEFENSE TREATY WITH THE REPUBLIC OF CHINA

United States land, air and sea forces in and about Taiwan and the Pescadores as may be required for their defense, as determined by mutual agreement.

ARTICLE VIII

This Treaty does not affect and shall not be interpreted as affecting in any way the rights and obligations of the Parties under the Charter of the United Nations or the responsibility of the United Nations for the maintenance of international peace and security.

ARTICLE IX

This Treaty shall be ratified by the United States of America and the Republic of China in accordance with their respective constitutional processes and will come into force when instruments of ratification thereof have been exchanged by them at Taipei.

ARTICLE X

This Treaty shall remain in force indefinitely. Either Party may terminate it one year after notice has been given to the other Party.

IN WITNESS WHEREOF the undersigned Plenipotentiaries have signed this Treaty.

DONE in duplicate, in the English and Chinese languages, at Washington on this second day of December of the Year One Thousand Nine Hundred and Fifty-four, corresponding to the second day of the twelfth month of the Forty-third year of the Republic of China.

For the United States of America:

JOHN FOSTER DULLES

For the Republic of China:

GEORGE K. C. YEH

JOINT STATEMENT REGARDING THE CONCLUSION OF NEGOTIATIONS FOR MUTUAL SECURITY PACT BETWEEN THE UNITED STATES AND THE REPUBLIC OF CHINA

Secretary of State John Foster Dulles, at his news conference today, made the following announcement:

The United States of America and the Republic of China have concluded negotiations for a mutual security pact. The treaty will follow the general pattern of other security pacts which the United States of America has concluded in the Western Pacific.

The treaty will recognize the common interest of the parties in the security of Taiwan and the Pescadores and of the Western Pacific islands under the jurisdiction of the United States. It will provide for inclusion by agreement of other territories under the jurisdiction of the parties. It is directed against threats to the security of the treaty area from armed attack and provides for continuing consultation regarding any such threat or attack.

This treaty will forge another link in the system of collective security established by the various collective defense treaties already concluded between the United States and other countries in the Pacific area. Together, these arrangements provide the

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essential framework for the defense by the free peoples of the Western Pacific against Communist aggression.
Like the other treaties, this treaty between the United States and the Republic of China will be defensive in character. It will reaffirm the dedication of the parties to the purposes and principles of the Charter of the United Nations.

The above joint United States-Chinese statement is being released simultaneously at Taipei.

DECEMBER 1, 1954.

STATEMENTS BY SECRETARY OF STATE JOHN FOSTER DULLES AND FOREIGN MINISTER GEORGE K. C. YEH UPON THE OCCASION OF THE SIGNING OF THE MUTUAL DEFENSE TREATY BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF CHINA AT WASHINGTON, DECEMBER 2, 1954

Secretary Dulles:

It is a great pleasure to welcome Foreign Minister Yeh, Ambassador Koo, and the members of his staff here this afternoon for the signing of this Mutual Defense Treaty between the United States and the Republic of China. I wholly concur in what President Chiang Kai-shek said in his message to me yesterday, that "a necessary link in the chain of Far Eastern defense has now been forged." It is my hope that the signing of this Defense Treaty will put to rest once and for all rumors and reports that the United States will in any manner agree to the abandonment of Formosa and the Pescadores to Communist control. The signing of this treaty is not only an expression of the good will and friendship existing between the Governments of the United States and of Free China, but also of the abiding friendship of the people of the United States for the Chinese people.

Foreign Minister Yeh:

It has been my privilege and honor to be associated with Mr. Dulles in the making and signing of this Treaty of Mutual Defense between my country and the United States of America. I am happy to recall that throughout the negotiations for this treaty, conducted at Taipei and Washington, we have been guided by the principle of mutuality and the spirit of friendly cooperation.

It is the hope of my Government that this treaty will serve to promote the common cause of freedom, particularly at this juncture of the world situation.

DEPARTMENT OF STATE,
Washington, December 10, 1954.

His Excellency GEORGE K. C. YEH,
Minister of Foreign Affairs of the Republic of China.

EXCELLENCY: I have the honor to refer to recent conversations between representatives of our two Governments and to confirm the understandings reached as a result of those conversations, as follows:

8 MUTUAL DEFENSE TREATY WITH THE REPUBLIC OF CHINA

The Republic of China effectively controls both the territories described in Article VI of the Treaty of Mutual Defense between the Republic of China and the United States of America signed on December 2, 1954, at Washington and other territory. It possesses with respect to all territory now and hereafter under its control the inherent right of self-defense. In view of the obligations of the two Parties under the said Treaty, and of the fact that the use of force from either of these areas by either of the Parties affects the other, it is agreed that such use of force will be a matter of joint agreement, subject to action of an emergency character which is clearly an exercise of the inherent right of self-defense. Military elements which are a product of joint effort and contribution by the two Parties will not be removed from the territories described in Article VI to a degree which would substantially diminish the defensibility of such territories without mutual agreement.

Accept, Excellency, the assurances of my highest consideration.

/s/ JOHN FOSTER DULLES,
Secretary of State of the United States of America.

DECEMBER 10, 1954.

His Excellency JOHN FOSTER DULLES,
Secretary of State of the United States of America.

EXCELLENCY: I have the honor to acknowledge the receipt of Your Excellency's Note of today's date, which reads as follows:

"I have the honor to refer to recent conversations between representatives of our two Governments and to confirm the understandings reached as a result of those conversations, as follows:

"The Republic of China effectively controls both the territory described in Article VI of the Treaty of Mutual Defense between the Republic of China and the United States of America signed on December 2, 1954, at Washington and other territory. It possesses with respect to all territory now and hereafter under its control the inherent right of self-defense. In view of the obligations of the two Parties under the said Treaty and of the fact that the use of force from either of these areas by either of the Parties affects the other, it is agreed that such use of force will be a matter of joint agreement, subject to action of an emergency character which is clearly an exercise of the inherent right of self-defense. Military elements which are a product of joint effort and contribution by the two Parties will not be removed from the territories described in Article VI to a degree which would substantially diminish the defensibility of such territories without mutual agreement."

I have the honor to confirm, on behalf of my Government, the understanding set forth in Your Excellency's Note under reply.

I avail myself of this opportunity to convey to Your Excellency the assurances of my highest consideration.

GEORGE K. C. YEH,
Minister for Foreign Affairs of the Republic of China.

Far Eastern/T. Lon. Carter/HGT

DEPARTMENT OF EXTERNAL AFFAIRS
MEMORANDUM

*file
FM*

TO: **Mr. J.W. Holmes**

Security ... **Confidential**

FROM: **Far Eastern Division**

Date ... **2nd December, 1954**

REFERENCE:

File No.		
50056-A-90		
11		✓

SUBJECT: **Security Treaty between the United States and Nationalist China.**

I attach for your signature, a memorandum to the Press Office expressing some views on the new United States-Nationalist China Security Treaty.

A. R. Menzies

Far Eastern Division

Far Eastern/T. Lam. Carter/HGT

DEPARTMENT OF EXTERNAL AFFAIRS
MEMORANDUM

file

TO: **The Press Office**

Security **CONFIDENTIAL** ..

Date ... **2 December, 1954** ..

FROM: **J.W. Holmes**

File No.		

REFERENCE:

SUBJECT: **Security Treaty between the United States and Nationalist China**

If you are asked for the views of the Department on this treaty, which was announced in Washington yesterday, you might answer along the following lines:

2. As the Minister is not in Ottawa, the Department is unable to give any official views. However, unofficially, and not for attribution, you could point out that Mr. Dulles' announcement refers specifically to Formosa and the Pescadores islands as being the area to which the United States guarantee applies. The coastal islands, where the fighting is taking place, are therefore outside the scope of the treaty although Mr. Dulles did say that other areas might be included by agreement between the two parties. Nevertheless, the fact that Formosa and the Pescadores islands are specifically included and the coastal islands excluded is evidence of the defensive character of the treaty. Whereas the coastal islands are useful in the defence of Formosa, they are, of course, particularly useful for raids against the mainland.

If you are asked whether we were consulted, you might say we were informed before the announcement was made.
J. W. HOLMES

C.C.: Pol. Coord.

J.W. Holmes

file 71578-40 0

INWARD TELEGRAM TO THE HIGH COMMISSIONER FOR THE UNITED KINGDOM OTTAWA
FROM THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS LONDON

SECRET

File

SENT: 5.15 p.m. 29th October, 1954

RECD: 1.25 p.m. 29th October, 1954

PRIORITY 6083-40
5410-40
CYPHER-SIMPLEX 11578-A-40
Circular Y. 472 SECRET

50056-A 40
111

Air mail Pretoria, Karachi, Colombo, repeated Delhi
air mail.

Indian Prime Minister's Visit to China

Joint statement issued by Nehru and Ho Chi Minh after their meeting in Hanoi on 17th October said that both were interested in full implementation of Geneva agreements. Ho would give full cooperation to International Supervisory Commissions in Indo China. He wanted to solve all remaining problems peacefully so that countries of Indo China could live independently and prosper without external interference. Ho believed in "five principles" recently agreed between India and China, and wished to apply them between Vietnam, Laos, Cambodia and other countries. Nehru agreed that would be advantageous, and shared the view that India's relations with Indo Chinese peoples should be strengthened.

2. At Peking, Nehru was received with highest honours, and had discussions with top Chinese leaders on political and general administrative matters. In speech at meeting convened by Mayor of Peking, his theme was necessity for prevention of war, and settlement of disputes by peaceful negotiations in atomic age.

3. Before Nehru left Peking, Sir Raghavan Pillai who had accompanied Nehru throughout his visit, told United Kingdom Charge d'Affaires in Peking that

(a) Nehru's political talks had been very promising. There had been no proposal from either side for a multilateral Asian non aggression pact. There was to be no joint declaration. Impression was that Chou En Lai was to some extent flexible, but that other Chinese leaders were far more rigid and doctrinaire, with little knowledge of non Communist world. Mao Tse-Tung delivered long theoretical lectures upon advantages of Communism over Western socialism.

(b) As ~~regards Formosa, Pillai~~ thought Chinese had worked out definite plan of action with Russians, but gave no inkling of the plan to Indians. Pillai thought Chinese might try to recover coastal islands by force, but that they would not risk provoking a conflict. Nehru continued to urge that peaceful settlement must be found and repeated this at press conference. Chinese seemed anxious to get early conference on Korea with participation of Indians, but Nehru urged them to be patient, and not to make premature move.

(c) Chinese insisted they did not want to interfere in internal affairs of any country, particularly mentioning Burma. They wanted normal diplomatic relations with Siam and Philippines, but had apparently had no response to feelers they had put out. Chinese had no intention of supporting either of the Burmese Communist parties.

(d) Chinese (as well as Ho Chi Minh) had insisted they would carry out implicitly terms of Geneva settlement.

(e) Chinese said that all that they had done for Dr. Singh, the Nepalese rebel, was to give him political asylum.

(f) Chou En Lai repeated outline of his new policy on overseas Chinese. He was anxious that his proposal to dispossess of Chinese nationality those taking nationality of their country of residence, should not be openly declared

before conclusion of negotiations with Indonesia, for fear of Formosan propaganda among overseas Chinese.

(g) on colonialism, Nehru's line was that it was "on its way out" anyway, and therefore need not be treated as a major problem.

(h) Chinese diplomatic relations with United Kingdom were not discussed.

(i) Pillai thought Chinese were still moderately friendly to United Kingdom, though slightly less so than before Manila Treaty and recent vote on Chinese representation in United Nations. Nehru had been at endless pains to support United Kingdom Government against Chinese criticisms.

(j) On America, Chinese line was that they would be glad to have friendly relations if only Americans would be friendly towards them.

(k) Indians were impressed by closeness of Sino Soviet connection

(l) Pillai was convinced present Chinese regime would stay, that they were going to concentrate on industrialisation, and would go ahead fast with massive Russian aid. He was much struck after his visit to Mukden, Anshan and Dairen by effect of Russian help.

4. United Kingdom Charge d'Affaires in Peking has commented that Nehru's visit may have been useful in showing Chinese leaders that Nehru has an essentially different outlook from theirs, and is much more responsive to world opinion, and that his counsels of patience should have some effect.

5. Ottawa, Canberra, Wellington, Pretoria. Please inform Commonwealth authorities. Four High Commissioners in London informed.

6. Karachi, Colombo.

Above is for your own information only.

JAM.29.10.54

DEPARTMENT OF STATE
FOR THE PRESS

OCTOBER 11, 1954

NO. 569

files 5756-A-40
Roberts (F.R.)

Assistant Secretary of State for Far Eastern Affairs
Walter S. Robertson left for ~~Taipei, Formosa~~ on the evening
of October 9, where he will confer with Chinese Government
officials on current and prospective United States aid
programs.

Mr. Robertson was accompanied by Mr. Walter P.
McConaughy, Director of the Office of Chinese Affairs,
Department of State, and by Mr. Frank L. Turner, who is in
charge of Chinese aid programs for the Foreign Operations
Administration.

* * *

State--FD, Wash., D.C.

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52056-A/40
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NUMBERED LETTER

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

CONFIDENTIAL

No. 685

October 1, 1954

Enclosures 6

AIR

OTTAWA FILE NO:
99999-40

*file on 56056-A-40
PB diamonds (F.F.)*

FROM: THE HIGH COMMISSIONER FOR CANADA
IN CEYLON, COLOMBO

SUBJECT: FIRST LORD OF THE ADMIRALTY VISITS
CEYLON.

Mr. J.P.L. Thomas, First Lord of the Admiralty, arrived in Ceylon from Singapore on Tuesday, 28 September. His visit here "makes history", as it is the first time a holder of this position has done so, while in office. He will remain in Ceylon until Monday, 4 October, when he leaves "at the crack of dawn" for the United Kingdom.

2. The First Lord is an old friend of the High Commissioner for the United Kingdom, Sir Cecil Syers, both, having been Private Secretaries at the same time, and closely associated. Sir Cecil housed Mr. Thomas and two of his entourage in the persons of Sir John Lang, Permanent Secretary of the Admiralty, and Captain Luce, R.N., his naval secretary, in the new "WESTMINSTER HOUSE", the Residence.

3. On Wednesday, 29 September, Sir Cecil entertained for Mr. Thomas in a rather unique way for this area, by organizing a "Stag Dinner" for about sixteen. It was a most enjoyable affair from every angle, and gave each of us an opportunity for a brief chat with each of the three guests mentioned above. I sat next to the First Lord at dinner and enjoyed a rather longer conversation with him.

4. *Memory* I asked him no embarrassing questions, of course, but during our talk, Formosa and Quemoy, as well as Amoy, were mentioned, and he confesses himself as confused as to the meaning of the activities as I am and as worried about the possible result. He said he had "scotched" a report that elements of the Royal Navy were associated with the United States 7th Fleet. In other directions, the talks were general.

5. S.W.R.D. Bandaranaike, the Leader of the Opposition, was present and turned out to be an old Oxford acquaintance of Mr. Thomas. Reminiscences were exchanged, filtered through the comments of Sir Alan Rose, the Chief Justice, and an Oxford man, as is his host, Sir Cecil.

6. Mr. Thomas is large, well over six feet, forthright and frank, looks you in the eye and displays, in laughter, a mouth full of rather prominent teeth, his own I think I found him friendly and charming.

7. I enclose a few relevant press clippings.

Jas. J. Hurley
High Commissioner.

File # 50056-40
111 ✓
CONFIDENTIAL

CHINESE POLICY - JULY TO SEPTEMBER 1954

General

The most disquieting development of the quarter has been a vigorous revival of propoganda for the capture of Formosa and the other Nationalist-held islands just off the Chinese coast which Chinese leaders have described as the major objective of Chinese policy; this has been followed by attacks on the island of Quemoy. It is unlikely that the Chinese intend to attack Formosa itself for the present, and the purpose of the attacks has probably been both to rouse patriotic feeling internally and externally to test United States reactions and to arouse apprehensions in the rest of the world about the consequences of United States policy.

2. While exploiting the Geneva settlement as evidence of their own peaceful intentions the Chinese have condemned the Manila Treaty as unnecessary and hostile. They have urged instead the merits of collective co-operation among the Asian countries based on the principles of non-aggression and co-existence.

3. There has been increasing bitterness towards the United States whose policy in support of Chiang Kai-shek and over the Manila Treaty has been interpreted as implacably hostile to China.

4. Every aspect of Chinese policy was endorsed by Krushchev in a speech made on his arrival in Peking with an imposing Soviet delegation to the October 1st celebrations.

5. The improvement in Anglo-Chinese relations resulting from the Geneva Conference was maintained though by signing the Manila Treaty and not voting for the Chinese People's Government's representation in the United Nations the United Kingdom is said to have placed obstacles in the way of Sino-British relations. The remaining British mercantile interests in China have derived no great benefit from the improvement. The visit of the Labour Party delegation was used by the Chinese to enhance their own prestige, and to contrast their own readiness for co-existence with the "warmongering" of the United States.

6. Within China the first National Peoples' Congress met in Peking. It adopted the new Constitution, elected the present leadership to the principal offices of State, and endorsed China's progress to socialism and industrialisation.

Formosa and the Coastal Islands

7. The propoganda campaign for the "liberation" of Formosa seems to have been touched off by the Nationalist seizure on June 23rd of the Soviet tanker TMAPSE, which much incensed the Soviet Government. It grew in violence after the reports of a proposed United States-Formosa Defence Pact, and was the most important theme of Chou En-lai's report on August 11th to the Government Council on his return from Geneva, when he declared emphatically that Formosa was China's internal affair and firmly resisted any idea of trusteeship. The Nationalists countered with leaflet raids over the mainland. But the Communists were the first to begin actual fighting, when on August 23rd they sent a small raiding force to the

Nationalists-held island of Quemoy (a few miles off Amoy harbour) and followed this on September 3rd with an artillery bombardment of the island. The Nationalists retaliated by bombing Amoy and other places and exchanges have continued intermittently.

8. The Chinese Communists' motives for this action probably include:-

- (a) determination to prevent the conclusion of a United States-Formosa Defence Pact or the inclusion of Formosa in any system of alliances;
- (b) the need to keep the spectre of American aggression alive to justify their internal policies;
- (c) a means of separating the United States from her allies;
- (d) serious inconvenience from Nationalist attacks on their shipping, and
- (e) desire to test reactions of the Americans, in particular, whether they would be prepared to extend their present guarantees, which cover only Formosa and the Pescadores, to the other islands.

An attempted landing on the Matsu group (off Foochow) was reported on September 28th, and on September 30th the newly-appointed Minister of Defence called on his forces to be prepared for an urgent combat mission. Meanwhile the Soviet Government, which has supported the Chinese in their demands, has raised the question of Nationalist interference with shipping in the General Assembly.

South-East Asia

9. The Geneva settlement has been insistently represented by the Chinese as a victory for the Communist policies of peace in the face of the aggressive plans of the Americans. Chou En-lai's visits to Mr. Nehru and U Nu were the first steps in a campaign to allay Asian fears. China's role in Indo-China, and the five principles of non-aggression and co-existence, enumerated in the joint statements after the visits, have been its main theme. The Chinese have contrasted their own allegedly scrupulous adherence to the Geneva settlement with the conduct of the parties to the Manila Treaty, which they have condemned as a breach of the settlement, an attempt to split Asia, and a pretext for United States intervention in Asian affairs. In his speech to the National Peoples' Congress on September 28th which displayed marked satisfaction at the success of these policies Chou En-lai proposed that "Asian countries should negotiate..... to promote collective co-operation and jointly strive to defend collective peace and security in Asia". They may therefore have in view some form of Asian non-aggression pact, based on the five principles.

Overseas Chinese

10. Both Mr. Nehru and U Nu emphasised to Chou En-lai the desirability of reassuring the Governments of South-East Asia about their large Chinese minorities. The new Constitution

states that the Chinese Government "protects the proper rights and interests of Chinese resident abroad" and a conference was held in Peking in July to elect thirty representatives of the overseas Chinese to the National People's Congress. On September 23rd Chou En-lai announced that the Chinese Government was willing to settle the question of the nationality of the overseas Chinese and to urge them to respect the laws of their host Governments. They would tackle the question first with the South-East Asian countries with whom they had relations; by this they presumably intend Burma and Indonesia, but probably not Malaya. The Chinese have thus shown that they see the need to appease anxiety. But nothing they have said so far limits their complete freedom of action.

Korea

11. The Chinese People's Government has claimed in official reports that seven Chinese divisions are being withdrawn from Korea. In his speech of September 23rd, Chou En-lai put forward a proposal for a new conference, including neutral Asian nations, to settle the Korean problem.

Japan

12. The Soviet Union and China have continued to make friendly gestures towards Japan. There have been gestures over Japanese war criminals; mention of trade prospects, invitations to delegations, and sympathetic references to the plight of the Japanese people under United States military occupation.

Nepal

13. The Chinese have publicly announced their readiness to establish normal relations with Nepal.

Anglo-Chinese Relations

14. Following on Mr. Eden's discussions with Chou En-lai at Geneva, the status of the United Kingdom Charge d'Affaires in Peking and his staff has been much improved although full diplomatic relations have not yet been established. He has been able to discuss outstanding problems with officials of the Ministry of Foreign Affairs to an extent hitherto impossible. The newly-appointed Chinese Charge d'Affaires is expected in London shortly. In his speech of September 23rd however Chou En-lai described the United Kingdom's signature of the Manila Treaty and their attitude over Chinese representation in the United Nations as obstacles to the further improvement of relations.

15. Nevertheless the improvement of relations with the United Kingdom has remained ostensible Chinese policy. The press has refrained from attacks. When the ~~British passenger~~ aircraft was shot down by Chinese military aircraft off Hainan, the Chinese expressed their willingness to consider paying compensation; although they have not yet replied to our note of September 18th presenting a claim for ~~1367,000~~.

16. The visit of the British Labour Party delegation was exploited as a major event. They were told by Mao Tse-tung that Britain would have to choose between the friendship of China and that of the United States.

17. An official Chinese trade delegation visited the United Kingdom in July under the auspices of the F.B.I. and kindred organisations. It proved impossible to judge whether the Chinese were genuinely interested in trade in goods not covered by the embargo; but this may be clearer after the return visit of a party of British businessmen to Peking in November. In the meantime the British firms left in China continue to meet with difficulties in winding up their affairs.

Internal

18. The National People's Congress met for the first time in Peking from September 15th to September 28th. 1,226 delegates were elected during August, including 30 representatives from Overseas Chinese. The list of successful candidates showed no evidence of any widespread purge. Kao Kang, until recently chairman of the important North-East area was however notably absent. The majority of the "democratic" i.e., non-Communist leaders were duly elected to maintain their facade of the "united front". The Dalai and Panchin Lamas, whose arrivals in Peking have been attended with much pomp and publicity were also included.

19. The Congress approved the draft Constitution with only trifling amendments. Liu Shao-Ch'i the leading party theoretician, in a speech modelled on Stalin's similar report of 1936, characterised it as an important step in the transition from the current "new democratic" to a "socialist" society. The majority of the new laws dealt with the constitution, but the first Chinese legislation on corrective labour closely following the Soviet pattern was approved.

20. The existing leaders were elected to the principal offices of State: Mao Tse-tung, Chairman of the Republic (and commander-in-chief) with Chu Teh, the leading soldier of the regime, as Vice-Chairman; Lin Shao-ch'i became chairman of the Standing Committee of the National People's Congress (S.C.N.P.C.), Chou En-lai Premier of the State Council, and P'eng Chen, the Mayor of Peking, Secretary-General of the S.C.N.P.C. The relationship between the State Council and the S.C.N.P.C. remains in doubt but both are firmly under Communist-control. P'eng Teh-luai, until recently Chinese commander in Korea, was appointed to the newly-created post of Minister of Defence. One of his first tasks will presumably be to deal with the curious decision to conscript 450,000 men between the ages of 18 and 22 who are being called up, according to official reports "gradually to extend conscription".

21. The Congress also received a series of economic reports from which it is clear that the regime intends to press vigorously ahead with the "socialist transformation" of all aspects of China's economy, with emphasis on heavy industry and the mustering of peasants into agricultural producer co-operatives. Rationing is to continue for a long time, and textiles and edible oils have been added to the growing list of controls.

22. It has been announced that more than a tenth of cultivated land has been affected by the floods of the Yangtze and other rivers and that it will now be impossible to reach this year's target for agricultural output. North-south communications appear also to have been seriously affected.

COMMONWEALTH RELATIONS OFFICE

18th October 1954.

file 5056-A-40
P. J. ... (K-E)

Policy Information Statement
for USIA (FE-148) Sept. 9/54.

CONFIDENTIAL.

CHINESE COMMUNIST THREATS TO "LIBERATE" FORMOSA

On July 9 the Chinese Communist regime initiated a propaganda campaign reaffirming its ~~ambitious intention to~~ liberate Formosa. Since that time, the campaign has been intensified for both the domestic and the foreign audiences. Its intensity is approaching that of the "Resist America - Aid Korea" campaign and its scope surpasses that of the B-W campaign, which had more limited objectives.

This campaign needs to be carefully studied not because it portends an immediate Chinese Communist military invasion of Formosa (although this should not be ruled out as a long-term eventuality) but because it is obviously designed to remove by any or all means possible the principal deterrent to the regime's pretensions to legitimacy and world recognition--the Government of the Republic of China--and to negate the influence of the United States which has been responsible for impeding the consolidation of the power of the Peiping regime and the extension of its international influence in the cause of Communism.

The initial item which was used to tough off the campaign was the suggestion, attributed to General Van Fleet, of the possibility of the conclusion of a bilateral security defense pact between the U.S. and the Republic of China. Since then the propaganda content has become broader in scope, including denunciations of U.S. moves to develop a Southeast Asian pact, the suggestion of a possible Northeast Asian pact, proposed U.S. efforts to assist the Associated States, alleged U.S. unwillingness to forward an Indochina settlement at Geneva, the rescue operations of American air and naval units off the coast of Hainan in connection with the Communist shooting down of a British passenger airliner, the visit of Seventh Fleet units to the offshore island Tachen, and U.S. assistance and support of the Government of the Republic of China. All of these matters are treated as evidence of U.S. aggressiveness and of illegal or unwarranted hostile activities directed at the Chinese Communist regime. On August 11, Chou En-lai, in a report on foreign affairs at the 33rd session of the "Central People's Government Council", stated that "the liberation of Taiwan is a glorious, historic mission of the Chinese people", calling on the "Peoples' Liberation Army to redouble their efforts in every field ... for the glorious task of liberating Taiwan and defending world peace." On August 22, the Standing Committee of the National Committee of the Chinese People's Consultative Conference, which is composed of representatives of all major political parties and groups, headed by the Chinese Communist Party, issued a "Declaration on Taiwan Liberation" which maintained that, on the basis of right and the Cairo and Potsdam Declarations, "Taiwan is an inseparable part of Chinese territory." Hence, "to liberate Taiwan and to eliminate the traitorous Chiang Kai-shek group are an exercise of China's sovereignty and are China's own internal affairs, and we will brook no interference by any foreign countries." Clearly, Formosa with its rival Chinese Government has been singled out as the central issue on which the Peiping regime wishes to make its case against the United States and before the world.

There is no real evidence that the Peiping regime is building up an invasion force on the China coast preparatory to an attack on Formosa itself, as distinct from the current activities against Nationalist-held islands immediately off the Mainland coast. Thus it is probable that the primary purpose of the Peiping regime is by psychological measures to weaken the diplomatic, economic and military restrictions and barriers developed largely by the U.S. to impede the consolidation of Communist China's power and the extension of its international influence.

From a reading of the content of Chinese propaganda, this campaign appears to be a part of the broad efforts of the Peiping regime to defeat U.S. policies, such as opposition to recognition of the regime, opposition to the seating of Red China in the United Nations, maintenance of the U.N. embargo against the Chinese Communist Mainland, development of a Southeast Asian pact, and the conclusion of a bilateral security pact with the Republic of China. The Peiping regime appears to believe that this can be accomplished by isolating the U.S. from its friends and other non-Communist countries through diminishing fear of Red China's intentions on the one hand, and increasing fear of U.S. military and security policies, on the other. By making it appear that Formosa is the issue between the U.S. and itself, the Peiping regime may be counting on securing the support of those non-Communist countries and groups which have recognized or are prepared to accept its control on the China Mainland; which have little respect for the Kuomintang and the leaders of the Government of the Republic of China or are afraid of or opposed to their desires to recapture the China Mainland by precipitating a new conflict in Asia; which are desirous of peace and any accommodation with the Communist orbit necessary to avoid a conflict which might lead to atomic warfare; which for various reasons are opposed to the U.S. or inclined to suspect or dislike the U.S.; or which desire to promote certain economic or political interests which might be furthered by alterations in U.S. policies or to take advantage of benefits which they believe will follow promised changes in Communist policy.

The Communists portray the Government of the Republic of China as ~~the instrument of American provocativeness and assert the legality of Chinese sovereignty over Formosa~~ but on the bland assumption that the Government of the Republic of China ~~exercises no rights of sovereignty~~. In this way the Peiping regime and the Soviet bloc are undoubtedly hoping to undercut the position and influence of the U.S. in the UN particularly on the question of Chinese representation, an issue which is susceptible to confusion because ~~many people are unclear as to the actual independence and power capabilities of the Republic of China and the legal status of the island of Formosa~~. The Peiping regime may not be altogether reluctant to provoke military or other retaliatory actions by the Republic of China or the U.S. in order to strengthen its charges of U.S. aggressiveness, to justify possible attacks on U.S. and Chinese Nationalist shipping or efforts to retake some of the off-shore islands. It is also possible that this propaganda offensive is induced in part by a desire to conceal anticipated or feared U.S. and Chinese Nationalist threats at a time when extensive floods have increased the vulnerabilities of the regime to external attacks, military, political and psychological.

Domestically, this propaganda campaign appears to be a continuation and a new phase of the persistent effort of the Peiping regime to dissipate traditional Chinese friendship toward the U.S. and to channel Chinese hostility towards the U.S. and away from more traditional objects or countries of popular Chinese distrust. By ~~focusing attention on Formosa, which almost all Chinese regard as rightfully belonging to China, and by making it appear that the~~ ~~effective controlling and ruling agent rather than the Government of the Republic of China,~~ the Peiping regime is clearly trying to mobilize strong Chinese national sentiments as well as Asian nationalism to its support. As an attempt to mobilize further popular Chinese opinion behind the regime, the campaign also provides the regime with opportunities further to tighten its control over the people and internal security.

U.S. Position

The U.S. policy toward Communist China, as defined publicly on numerous occasions by the President and the Secretary and as set forth in Policy Information Statement PB-102 of April 6, 1954, has not been altered by this Chinese Communist propaganda campaign.

On the other hand, in view of the pervasiveness of this campaign, directed as it is at many targets and designed to achieve a number of objectives, it is to the U.S. interest that U.S. efforts be redoubled to insure as far as possible that those target audiences are not won over by the Communist campaign and that the regime is frustrated in attaining its objectives.

U.S. Public Position

The U.S. supports peoples, including those on Formosa, who oppose Communist oppression and wish to remain free. The Chinese Communist regime in its current threat forcibly to "liberate" Formosa, which has understandably given no indication it wishes to be "liberated", reveals the patent falsity of its pretensions to become peace-loving.

The Chinese Communist regime reveals its fundamental cynical character when it directs its virulent and aggressive propaganda at one group while at the same time proffering to other audiences or groups blandishments of "co-existence" and "peace". The current campaign is an open admission by the regime that "peaceful co-existence" has militant aspects which need to be appreciated.

The actual falsity of what the Peiping regime attempts to establish as accepted facts should be exposed. An example of this is the transition from charging the U.S. with aggression in Korea to using the bland assumption that the U.S. was the aggressor in Korea as a frame of reference for provocative charges of U.S. intervention and hostile acts toward the Peiping regime. Clearly this basic device must be understood as an effort of the Communist propagandists to cover and minimize the aggressive and internationally outrageous conduct of the regime. The U.S. and the Free World should have little difficulty by this time in understanding the deviousness and duplicity of Communist methods and the special efforts of the regime to gain by subversion and guile what it cannot take by force.

DUPLICATE

S E C R E T

OUTWARD TELEGRAM FROM COMMONWEALTH RELATIONS OFFICE

TO: U.K. HIGH COMMISSIONER IN CANADA (ACTING)
U.K. HIGH COMMISSIONER IN AUSTRALIA
U.K. HIGH COMMISSIONER IN NEW ZEALAND
U.K. HIGH COMMISSIONER IN SOUTH AFRICA

RPTD: U.K. HIGH COMMISSIONER IN INDIA
U.K. HIGH COMMISSIONER IN PAKISTAN
U.K. HIGH COMMISSIONER IN CEYLON
WASHINGTON } (SAVING) (VIA FOREIGN OFFICE)
PEKING }

(Dated 31 ~~August~~, 1954)

Y.No. 207 SAVING SECRET

Repeated U.K. High Commissioner in Delhi, Karachi, Colombo and Saving to Washington and Peking.

F O R M O S A

Attached memorandum deals with recent United Kingdom/
United States discussions on Formosa.

(Ottawa, Canberra, Wellington, Pretoria)

2. Copies of memorandum may be given to Commonwealth authorities. Copies have been given to High Commissioners in London.

(New Delhi, Karachi, Colombo)

3. Memorandum is for your own information only.

S E C R E T

F O R M O S A

In reply to a question on 24th August, as to whether United States undertaking to defend Formosa includes the adjoining Pescadores Islands and the smaller islands (Quemoy, Matsu and Tachen) close to the China mainland, held by the Chinese Nationalists, Mr. Dulles stated that:

"The basic instruction is to defend the island of Formosa. There are a number of islands held by the Nationalists which lie in between Formosa and the mainland and the defence of which may, from a military standpoint, be so intimately connected with the defence of Formosa that the military would be justified in concluding that the defence of Formosa comprehended a defence of those islands. That would be primarily a military decision".

2. In subsequent informal, repeat informal, discussions with United States authorities, latter told us they had no reason to expect an attack on Formosa from the mainland. It was suggested to them that since operation of any Communist escort or convoy system in the Formosa Straits would be difficult unless the Nationalists were ejected from the small islands immediately off the coast the recent Peking propaganda campaign about Formosa was possibly the prelude not to an attack on Formosa but on those small islands. The United States authorities could not say what United States policy would be in such a situation but drew attention to Mr. Dulles's carefully chosen words in paragraph 1 above, i.e. "islands intimately connected with the defence of Formosa". The Pescadores clearly fell within that definition but the United States would probably not wish at this stage to clarify further its policy in regard to all the islands.

3. United States authorities agreed that the situation held the seeds of possibly serious trouble and would need watching closely.

4. It seems unlikely to us that the Communists will in fact attack Formosa. The spate of recent Chinese statements about Formosa probably derive partly from a desire to test United States attitude and partly from campaign of holding up the United States as the main obstacle to peace in the Far East. For these reasons, as well as in order to appear to be carrying out the Chinese Government's recent declaration on ~~liberating Formosa~~ the Chinese may well intend to attack the small islands near the mainland. Mr. Dulles's statement in paragraph 1 above may well have been made in the hope of deterring the Communists from attacking these islands without the United States Government having to commit themselves to defend them, since if they were really going to defend them they would probably be more likely to say so outright. Clearly, however, the situation is extremely delicate.

5. H.M. Ambassador in Washington has accordingly been asked to put the following points to the United States authorities.

- (a) We view the situation with great concern.
- (b) The Communists are clearly out to maintain tension with the United States and to cause difficulties between us over the ~~Formosa~~ question.
- (c) We are sure the United States authorities are fully alive to this and will do what they can to avoid clashes and to keep the temperature down.

/(d) We have

- (d) We have noted that Mr. Dulles said that the decision whether certain of these islands should be defended by the 7th Fleet would be primarily a military decision.
- (e) In view of repercussions which any decision must have on our own position in Hongkong, as well as of peace in Far East as a whole, we trust United States would inform us in advance of any decision that may be taken and that political, as well as purely military considerations would be given their full weight.
- (f) We hope United States will also be able to prevent provocative action by Chinese Nationalists. The latter may think it in their interest to try to embroil us all and everything possible must be done to control them.

Commonwealth Relations Office Memorandum of 31st August, 1954.

Copies of Memorandum have been communicated to the Governments of Canada, Australia, New Zealand and South Africa.

~~The Paper to~~ Aug. 31/54
Filed on 50056-A-40
RBEdwards
Flynn

SECRET

D. A. I. PAPER ON CHINA

50056-A	40
111	✓

2. HIGHLIGHTS OF CONTEMPORARY HISTORY

On October 10, 1911, the accidental explosion of a bomb in the home of some Chinese republican conspirators in Wuchang precipitated the train of events which brought about the fall of the Manchu Dynasty, the premature rise and early fall of the initial Republic, the period of warlordism and civil chaos, the Nationalist dictatorship and the eventual triumph of the Chinese Communist Party. The revolutionary leader, Dr. Sun Yat-sen, supported by the new social classes of western-trained students, modern military men (e.g., Chiang K'ai-shek), treaty-port merchants, overseas Chinese and the secret patriotic societies of South China, staged ten abortive rebellions in the first decade of the twentieth century. Dr. Sun was fund-raising in the United States at the time of the Wuchang uprising and was declared President of the new Republic in absentia. Dr. Sun, a Hong Kong-trained physician^{and} a Christian imbued with Western liberalism, was a visionary. He was not another Lenin, had little knowledge of party organization and administration, and had no concrete ideology to offer. The Manchu Dynasty died of its own inertia.

The outstanding fact in Chinese history has been its unique cultural and political unity. One quarter of the world's population has remained through^{out} the various dynasties an ethnic and social entity. Unified by its geographic isolation from the rest of the civilized world, by its common Sinitic language and Mongoloid race, the Chinese Empire in 1911 was basically the same as the one unified by Ch'in Shih Huang Ti in 221 B.C. Since Ch'in Shih Huang Ti

founded the Chinese Empire, the Empire has seen a succession of dynastic cycles with ten main dynastic periods - five of which were typically Chinese dynasties and five dynasties of conquest or "infiltration".

Each dynasty went through a cycle (varying from 195 to 319 years) of vigorous leadership, which degenerated into factionalism and the usurpation of civil administration from the scholar-bureaucrats by court eunuchs. On the economic side, soaring budgets and increasing commitments caused by conquests had led to bankruptcy and the infliction of direct land taxes upon the peasants. This often necessitated the creation of an army of mercenaries since a corvee peasant army was rendered unavailable by their non-registration for taxation. Peasant revolts against the orders of civil bureaucrats - usually possessed of fine economic ideals and fired with fanatic fraternal-order or religious zeal - were common but rarely successful and were usually suppressed by the local warlords. These warlords, in turn, sensing the weakness of the central administration, rebelled and with the "mandate of heaven" founded a new dynasty.

Despite the excellence of its civilization, China was conquered several times by the barbarians from the North. But in most cases the warlike nomads were overawed by the height of civilization achieved by the agricultural-urban Chinese. Thus, although they maintained a military control over the land, they developed an administrative dyarchy system for civil jurisdiction. Every high barbarian official would have a Chinese colleague translating his policy into action. The traditional bureaucratic organization and competitive examination regimentation would be kept. Culturally, the conquering barbarians almost invariably became absorbed into the cultural milieu of the vanquished Chinese. Eventually, the barbarians would become so corrupted by their subjects that some native Chinese dynasty would quietly supplant them. The only major

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group that refused to mingle with the Chinese and adopt their administrative methods, the Mongols, lasted less than 100 years in China. The Manchus, who preserved the traditional Confucian culture, lasted in office for the long period from 1616 to 1912. Throughout the imperial history, however, the pattern of rule never changed: power was vested in a tight triangle of authority composed of landlords, scholars and bureaucrats. The mode of life of the humble peasant remained unchanged for 4000 years and the further removed the power of the central administration was from him, the better he liked it.

China's modern troubles started with the commencement of the Western impact upon the Far East. Traditionally, convinced of their cultural supremacy, the Son of Heaven (the Chinese Emperor) and his courtiers insisted that all foreign embassies approach his Imperial Palace in a spirit of tribute, rather than in a spirit of equality. Now, for the first time, China found herself faced by nations she could not absorb as tributary nations in the usual manner. The earliest Western activity in the Far East was by a succession of commercial maritime powers. Portugese and Spaniards were in control of this new enterprise in the sixteenth century, the Dutch were supreme in the eighteenth, the British held the hegemony in the nineteenth century while the United States inherited the dominant position in the twentieth century. The ingredients of this new expansion were extracted from capitalism, nationalism, religion and individualism. There were two distinct periods in East-West relations. The first was the factory system which operated from the Portugese settlement at Macao in 1557 to the first Anglo-Chinese "Opium" War in 1842. The second was the treaty system which maintained itself from the Treaty of Nanking in 1842 to the formal abrogation of the unequal extraterritoriality treaties by Britain and the United States in 1943. The factory system was really an Asiatic extension of European mercantilism - where a company of merchants would have an agent in a port to

represent its interests, but the area still remained Chinese territory. When the Chinese Government began to suppress the opium trade, which had been imported to China by private British traders under license from the East India Company, the British decided to launch a full-scale military action to settle a variety of diplomatic, commercial and legal problems that had developed under the factory system. A new new era was inaugurated with the Treaty of Nanking, which humiliatingly ceded Hong Kong to the British and opened up China to the semi-colonial exploitation of the treaty system.

In the first phase of imperial rivalry in China, her territorial sovereignty was retained, at least in theory. After the defeat of China in the Sino-Japanese War from 1894-95, the European powers began an outright scramble for commercial concessions in China. Various European powers dickered for railroad concessions, which included building lines into their respective spheres of influence and being paid to expand their field for exploitation. The United States, through Secretary Hay's Open Door Notes of 1899-1900, hastened to halt this economic enslavement by declaring that the Americans had no desire for special favours. Actually, this "Open Door" was first promulgated by the British and was mainly an effort by the Americans for gaining a fair share of the spoils, which the United States was in danger of losing to other nations with special rights.

The humiliating impact of the West upon the Far East added to the domestic strains of a corrupt Manchu regime was the impetus for the continuing unrest in China that had characterized the last century of Chinese history. One of the most extraordinary incidents in this period was the peasant Thiping rebellion. The T'ai ping rebellion was organized by Hung Hsiu-ch'uan, a member of the lower litterati who had come under the influence of American missionaries.

Organizing a group of "god-worshippers" in Kuangsi province into The Heavenly Kingdom of Great Peace, he set up a militant pseudo-Christian, "communist", agrarian-reform rebel government in opposition to the alien imperial army. After 15 years of civil war covering most of central China, during which 20 million people were killed, Tseng Kuo-fan and his "Ever Victorious Army", trained by Generals Ward and "Chinese" Gordon, defeated the forces of the rebels who were badly disorganized by leadership rivalries and confused ideologies. Although the "T'aipings" were not endowed with a political program as highly worked out as that of the Communists, their rebellion possessed many of the qualities, such as religious fanaticism characteristic of their twentieth-century counterpart.

Up to the nineteenth century, the Chinese response to Western aggression had been that Chinese traditional values should be kept and that Western science should only be used to reinforce that background. However, acceptance of Western ideas was very slow. It was only in 1887 that Science was made an optional subject of presentation in the Imperial examinations. The first permanent railroad in China was not built until 1887. Protestant missionaries, by press and tracts, influenced the litterati towards reform. However, it was the defeat by Japan in 1894-95 that shook the ruling classes into a realization of their archaic institutions. K'ang Yu-wei, an outstanding intellectual, proposed the new slogan of "Confucius as a Reformer"- advocating wide-scale innovations under the guise of preserving the old outmoded Confucianist style of living. The young Emperor instituted the "Hundred Days" of reform in 1898 which accepted Western political institutions. However, he was quickly removed by the Empress Dowager.

Some 10,000 students a year were sent to study in Japan. These, along with the students at the new Paoing Military Academy (such as Chiang K'ai-shek), and the revolutionaries imbued with

Western liberalism, felt that China must be entirely reshaped on the Western pattern, must become a democracy, because that was modern, too, and must be industrialized.

The Republic which was established early in 1912 following the abdication of the Manchu Dynasty was, according to Dr. Sun Yat-sen and his fellow-revolutionaries, to be a democracy modelled closely on those of the United States and France, the two republican countries which were most familiar to the Chinese intellectuals. However, in the intention of one of its chief founders, the first President of the Republic, Yuan Shih-k'ai, it was to be a brief interregnum ending in the foundation of his own imperial dynasty. The Republic was destined to end neither in democracy nor in a new dynasty, but in chaos.

Yuan was a former Army Commander of the Manchu Empire who had switched sides in the middle of the conflict and gone over to the Republicans, offering them the unity of China and the abdication of the Manchus on the condition that he be the first President of the Republic. Sun agreed and resigned his provisional presidency in the hope that Yuan's offer would materialize and the civil war would halt.

Yuan's treachery continued, and his attempt to take over completely and form his own dynasty ended in his death in 1916. Japan's infamous Twenty-one Demands of 1915 (in which Japan asked for special concessions in the Shantung peninsula and elsewhere in North China) had forced his hand and placed him in a position from which he was unable to extract himself. His powers dwindled, he lost face and died a broken-hearted man.

China was now weaker than before and none of her troubles had been solved. It had been and continued to be a military show. The generals fought and enriched themselves and the country was in turmoil. Warlords took over in 1916 throughout China and a warlord

triumvirate ruled in North China until 1927. The Chinese Revolution had thus far been chaotic. China's two main pillars of administration throughout the ages dissolved during this period. The civil service disbanded and the scholars withdrew from public to academic life.

Sun Yat-sen was unable to get recognition from any power for his precarious regime in Canton. In January, 1923, Joffe, the Soviet envoy to China, met Sun Yat-sen in Shanghai and they decided to establish an informal alliance. In 1924, the Russian Borodin, along with other Soviet advisers, helped Sun to reorganize the Kuomintang or Nationalist Party on the same principles as the Soviet Communist Party. Sun reluctantly agreed to accept association with the infant Chinese Communist Party provided the Communist Party obeyed the Kuomintang leaders. In May 1924, the Whampoa Military Academy was established, headed by Chiang K'ai-shek, to provide a cadre of Kuomintang officers. The Kuomintang turned away^{from} an attempt at building a democracy and now its chief purpose was to recover sovereign rights. The promotion of social revolution was secondary.

In July 1921, the First Congress of the Chinese Communist Party, under the leadership of a Peking University professor, Ch'en Tu-hsiu, was held. Among the founders were Mao Tse-tung and Chou En-lai. The party was immature and had not even decided whether the example of the Russians or the new Social Democratic regime in Germany should be followed. In 1922, Comintern agents advised the Party to cooperate with the Kuomintang in a coalition of all classes against the imperialists.

Meanwhile, powerful warlords still controlled most of China. On March 12, 1925, Sun Yat-sen died. On March 26, 1926, Chiang K'ai-shek established his leadership by a coup d'etat in Canton and in July 1926 the Northern Expedition was launched. Within a short time, the larger cities of central China had been captured. The success of this expedition was assured by an incident in Shanghai the year

before. Here, a student crowd had been fired upon by the International Police and all China united in denouncing the foreigners. The wrath of the people also turned upon the warlords and the Peking militarist authorities who were accused of being the running dogs of the imperialists. The people, organized by Communist cadres, flocked to the advancing Northern Expedition in a nationalist and anti-foreign wave. Demonstrations throughout China alarmed the Western powers who saw that their concessions were endangered. Chiang K'ai-shek was aided by his Russian advisers and arms and by his uneasy alliance with the Chinese Communist Party. Chiang, who had been sent by Sun to the Soviet Union in 1923 and who returned convinced of the utility of the one-party state but disenchanted with Communism, saw that this alliance was unlikely to endure and that he might be duped by more left-wing leaders. At the first opportunity, on April 12, 1927, he disarmed the workers who had been trained to deliver Shanghai to the Nationalists, suppressed the Communists and established his right-wing Government at Nanking. The left-wing Kuomintang at Wuhan, under Wang Ching-wei, broke with the Communists in June 1927 and joined Chiang K'ai-shek. The Kuomintang forces under Chiang K'ai-shek, minus the discredited Communists, drove on to Peking, expelled the warlords and were recognized by the relieved foreign powers.

With the return of Borodin to Moscow and the failure of the Kuomintang-Communist alliance, Moscow lost interest in the Chinese Communist Party, ^{which} and for the next twenty years operated with practically no guidance from the Comintern. Li Li-san, with a small remnant Red Army ^a in a remote area of South China, urged a policy of recapturing several urban centres in order to restore the links of the Party with the urban proletariat. This policy suffered disastrous defeat in the battle for Changsha in July 1930. Li Li-san was condemned and Mao Tse-tung evolved a new theory for Asia of revolution by the peasants led by the intellectuals. Mao and

Chu Teh, the commander of the Red Army, established a Chinese Soviet Republic in a mountainous region of South China in 1931. The control of Mao Tse-tung over the Central Committee was definitely established by 1935 and has never since been disputed. Since 1938 there have been no important changes in the leading figures in the Chinese Communist Party.

Meanwhile, the Japanese occupied Manchuria in 1931. During the following years they invaded Jehol province, virtually detached North China from the Chinese and then at last openly invaded the whole country in 1937. Throughout this period, Chiang devoted his energy to military campaigns against the Communists, at first in Southern China and then, after the "long march", around Yenansain Northwest China. Finally, it was the Communists who forced Chiang to fight Japan.

In the decade from 1927-1937, Chiang K'ai-shek provided China with the semblance of a modern administration. His Western-educated bureaucrats managed to balance the budget, build railways and roads and to secure customs and tariff revisions from the foreign powers. However, it was still essentially government "for the people" by an elite group of litterati. They had no conception and little desire to implement any wide-scale reform of the land-tenure system or other social abuses. Meanwhile, the Nationalists were committing a large proportion of their available military manpower in the civil war against the Communists, while the Communists professed to be the only truly anti-Japanese forces. Then, in December, 1936, Chiang flew to Siam where rumours of disaffection within his forces had been heard. There he was made a captive by the Nationalist forces under the former warlord of Manchuria, the "Young Marshal" Chang Hsueh-liang.

The Communist negotiator, Chou En-lai, "mediated" the dispute between the two Nationalist generals and, with his life as forfeit if he did not consent, Chiang agreed to stop the civil war and to forge a "united front" with the Communists against Japanese aggression. In return, the Communists were prepared to acknowledge Chiang's leadership. It is still a moot point whether the impulse towards the "second United Front" with the Kuomintang (1938-1940) was an initiative of the Communist Party inside China or was rather the decision of the 7th World Congress of the Comintern in 1935. In any event, the Communists evidently believed that they could profit at the expense of the Nationalists from the inevitable confusion consequent to a war with Japan.

After Japan's outright invasion of China, which began with the crossing of the Marco Polo bridge at Peking on July 7, 1937 the Nationalists fought well at first but were forced to retreat and, by 1939, they had evacuated their capital to the western province of Szechwan at Chungking. In "occupied China", the Communists organized guerilla resistance to the Japanese but in "free China", the Nationalists ^{seemed more inclined to wait} ~~simply waited~~ for their Western allies to win for them the war against the Japanese, while most of the officials engaged in the corrupt practices inherent in a country with an inflationary ^{ing} currency. Meanwhile, the Communists consolidated their position in the rural parts of Japanese-occupied China by developing a guerilla network and by promising land-reform to the peasants. While the civil war was in abeyance during the Japanese hostilities, a gradual deterioration of Kuomintang-Communist relations began in 1941 and led to the renewal of the civil war in 1946.

The course of Soviet ^{influence} policy from 1945-1949 is difficult to interpret. Visitors to the Chinese Communist headquarters during the Yen-an period (1937-1945) saw no evidence of the presence of Soviet advisers or of material assistance. In 1945, in accordance

with the Yalta Agreement, the Soviet Government and the Nationalist Government of China signed a Treaty of Alliance under which the Soviet Union promised to give military aid and moral support only to the Nationalists. At the beginning of 1946, the withdrawal of Soviet forces from Manchuria was postponed for one month at the request of the Nationalist Government. As late as February 1949, the Soviet Government negotiated an agreement on trade in Sinkiang with the Nationalists. Of all the diplomatic envoys accredited to China, the Soviet ambassador was the only one to follow the National Government from Nanking to Canton and he was not formally recalled until October 1949, when he was transferred to Peking. Stalin ^{is reported to have} told Tito in 1948 that he had advised the Chinese comrades to seek a modus vivendi with Chiang K'ai-shek but they ignored his advice, mounted an assault across the Yangtze River and completed the military defeat of the Nationalist armies.

On the other hand, when the Soviet Army withdrew from Manchuria in 1945, the Chinese Communists fell heir to the surrendered Japanese arms in the smaller centres of Manchuria. ^{However} ~~Actually~~, all of the equipment in the great strategic centres which was not removed by the Russians, was turned over to the Chinese Nationalists who had been flown in to accept the surrender of the Japanese. ~~The first foreign intervention in the undeclared civil war took place when United States airplanes were used to ferry Nationalist soldiers from Free China to the great cities of Eastern and Northern China, so that Chiang's troops, rather than the Communist guerillas, would be able to accept the surrender of the Japanese.~~ ^{Nevertheless} ~~However~~, the period of Nationalist supremacy was fast coming to a close and either the renewal of the civil war between the Nationalists and the newly-resurgent Communists, or the formation of a coalition government was inevitable.

Late in 1946, the United States sent General George C. Marshall to China to mediate the dispute. The purpose of General Marshall's mission was to bring the opposing sides into a coalition government. The negotiations broke down, however, and the all-out resumption of the civil war came in 1947. The Communists controlled the rural areas of North and Northeast China and Manchuria. They also cut the rail connections to these areas. The Kuomintang controlled all China south of the Yangtze River, large parts of the northwest regions and all the large cities in the Communist-held territory. Chiang's objective was to obtain control of Northern China and Manchuria concurrently; the Communists' aim was to cut communications and later seize the cities and destroy the garrisons. Chiang's armies failed to conquer Shantung and his Manchurian garrisons remained isolated. The Communists counter-attacked in the summer of 1947 and the handwriting was on the wall. Mukden and many other Manchurian cities were taken. By early 1949, Tientsin and Peking in North China fell and the Kuomintang was defeated before Nanking. From February to April of 1949, negotiations were carried out and when these collapsed, the Communists swept through South and Western China to complete the conquest.

The Kuomintang, with its rotten and grafting leadership and lack of a clear-cut economic and agricultural programme, lost the support of the peasantry and the intellectuals. The Communists came to power on the basis of the support of these elements and of a highly disciplined political organization. The Chinese Communists received no ^{decisive} significant aid, throughout this period in their march towards complete power, from the Soviet Union.

Following the defeat of Chiang K'ai-shek's armies on the mainland, the remnants of the Nationalist Government evacuated to the island of Formosa. The Central People's Government of the People's Republic of China was formally established in Peking on

October 1, 1949. There was a great initial display of solidarity between the Soviet Union and China. In 1950, a new treaty of friendship was signed between the Soviet Government and the Peking Government, replacing the treaty of 1945 with the Nationalists. Agreements governing economic and technical assistance were signed at the same time and further agreements with much publicity in September 1952. At the end of 1952, the first Chinese Five Year Plan for economic construction was announced. This implied increased help from the Soviet bloc in the shape of technical advisers and capital equipment. Arrangements for such aid were completed in the three agreements which were announced on March 26, 1953, regarding (1) Sino-Soviet trade during 1953; (2) Soviet credit to China; and (3) Soviet help in the construction of hydro-electric works in China. Again, on September 17, 1953, a unilateral Chinese announcement was made that the Soviet Government had agreed to help with the construction and expansion of 141 "colossal" undertakings. China attaches ^{great} prime importance to the successful implementation of its Five Year Plan for which supplies and technical help are essential. The Soviet Union, for its part, may be unwilling or unable to give the necessary assistance. If Soviet help fails to come up to China's requirements, this might seriously weaken the alliance.

Although the administrative and social changes being made in China are, to some extent, modelled on the precedent of the Soviet Union, there are very important differences. These changes in China are, in the main, in strict conformity with Chinese concepts laid down in Mao Tse-tung's ideas of a "new democracy". While the pattern in the Soviet Union was directed towards the elimination of the "Kulak" class and the consolidation of the agricultural land into collective farms, the Chinese Communists have tended to redistribute the land among the former tenant and part-tenant farmers. Formerly, the tenant gave a high proportion of his crop to the landlord. Now, the new owner-farmer gives approximately the same percentage of the

assessed potential of his crop acreage, regardless of the crop conditions, to the State. He is probably economically poorer, ~~but~~ ^{and only} ~~at least~~ he has the satisfaction of being an owner. In the northern wheat belt, there have been some attempts made to establish collective farms, but the experiment has not progressed very far. In their agricultural policy, the Chinese Communists are stressing "mutual aid" among the peasants rather than collectivization. Similarly, the new marriage law promulgated by the Peking authorities was designed to meet a particular Chinese situation, namely the "feudal" dependence of the wife on the husband and the solidarity of the family unit in the Confucian ethic.

The Peking authorities are determined to build China into a major industrialized power. In order to pay for the industrial equipment which China needs from the Soviet bloc, the Communists are endeavoring to increase food production so that some food "surplus" can be exported abroad. One of the major obstacles in the past which has prevented the growth of a nation-wide complementary economy has been the lack of a distribution system. To combat this deficiency, the Peking Government has made a good start at improving internal communications by an immense programme of road- and railroad-building. Manchuria is already back in heavy industrial production. To supply the need for trained scientists, technicians and skilled workers, the Chinese have set up schools which are turning out large numbers of at least partially-trained personnel. It is estimated that within five years, China may be able to achieve an important expansion of its industrial base.

In common with other strong native dynasties in China's history, ^{The new regime} ~~the strongest government in China's~~ ~~over 4000 years of~~ ~~recorded history~~ has tended to reassert its "manifest destiny" by consolidating its hegemony over the outlying areas of the "traditional Chinese Empire. In late 1950, Chinese Communist troops invaded Tibet

an area over which Chinese suzerainty had become less than nominal, on the pretext of backing the claims of the Panchen Lama, then in exile in China, against those of the Dalai Lama, resident in Lhasa, to be the spiritual and temporal leader of the Buddhist Tibetans.

In accordance with the 1945 treaty with the Chinese National Government, the Soviet Government pursued a forward policy in regard to Manchuria. They have now, however, under the terms of the Agreements of 1950 and 1952 with the Peking Government, handed over control of the strategic East-West railway to the Chinese Communists, although the joint use by Russia and China of the naval base at Port Arthur is to continue until a peace treaty has been concluded by these two powers with Japan.

~~The separation of part of Mongolia from the Chinese State was first formally recognized by the Chinese Communists in 1950.~~ There is no evidence of Chinese Communist interest in Outer Mongolia before that date. The recent holding of a Chinese industrial exhibition in the Mongolian capital is an indication of increased Chinese interest in the area.

While evidence is scanty, it appears that Chinese Communists have been more effective in asserting their control over Sinkiang, despite Russian encroachments, than were the Nationalists. A Sino-Soviet agreement on oil and non-ferrous metals was concluded in March 1950 which provided for equal participation in and development of the mineral resources of Sinkiang. It is noteworthy, too, that the Chinese Communists plan eventually to extend the railway westward from Lanchow the capital of Kansu province, to Tihwa, the capital of Sinkiang province. Although Russian interest in Sinkiang has had a fairly long history, China has always been reluctant to consider that such interests were legitimate.

Korea, too, was a vassal of the Chinese Empire until

FORMOSA.

Reference on TS 30-B-40

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8/9/54

Aug 20/54

4. The Communist threat of an attack on Formosa is not taken seriously. But there is continued concern about the island as a future source of trouble. At his press conference Mr. Dulles was asked whether the American "undertaking to defend Formosa" included the islands in the Formosa strait. He replied that "the basic instruction was to defend the Island of Formosa," but added that some of the other islands "might be so intimately connected with the defence of Formosa that the military would be justified in concluding that a defence of Formosa comprehended a defence of these islands." In this connexion he mentioned the Pescadores, but was careful not to specify whether the United States would defend Nationalist-held islands on the mainland side of the strait. The widespread expectation that the latter may be attacked by the Communists has now been confirmed by a raid on Quemoy. This news has significantly brought no demand for action: on the contrary, several commentators were quick to point out that the Nationalists have also been indulging in sporadic raids and that retaliation was only to be expected. British criticism of Mr. Dulles' remarks (which was regarded as very temperate) has been ill-received. At best commentators discuss "the immense difference in the emotional content with which we and the British fill the China issue:" at worst they ask, like the Wall Street Journal, "what are we to think of alliances against Communism when the allies indicate they will run at the first sign of new Communist trouble!"

has caused increasing concern and resentment. Mr. Dulles, at his press conference, expressed "deep regret" that France had disagreed with the other E.D.C. countries at Brussels and hoped "that when France confronts the ultimate decision she will choose to cement the E.D.C. partnership"; but admitted that "hope is not the same as expectation." This confirmed the general impression that the E.D.C. is 'a dead duck'. Most Americans strongly favour E.D.C., both because it promised an effective military barrier to Communism and because they have an instinctive faith in the long-term benefits of "union" and a desire to end the Franco-German quarrel once for all. Mr. Adlai Stevenson, echoed the Administration when confirming that he had written to M. Mendes-France urging ratification, by describing the E.D.C. as "a step toward European unification" which "can greatly assist in building a strong, free and peaceful world." There is general agreement that Mr. Stevenson was quite right when he said that "E.D.C. is not a partisan matter in America" and that "Secretary Dulles spoke for all of us."

2. Criticism of France and especially of her Premier is therefore becoming sharper. Harold Callender's report in the New York Times that Mendes-France "was not merely resigned to the defeat of E.D.C., but desired that defeat" is now beginning to be reflected in editorial comment. Only extremists charge that he has "made a deal with the Russians" but while

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Copies	Description	Date
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BRITISH POLICY IN RELATION TO FORMOSA

Formosa was annexed by Japan in 1895 and remained under Japanese rule until the end of World War II. In the Cairo Declaration of December 1943, Great Britain, the United States and the Republic of China agreed that Formosa should be restored to China after the defeat of Japan. ~~Accordingly, in October 1945, the administration of the island was entrusted to the Nationalist Government which was still the effective Government of China.~~ It was then expected that in due course the Peace Treaty between Japan and the Allies would give de jure recognition to this de facto occupation.

On January 6, 1950, the British Government, having come to the conclusion that the Nationalist Government had ceased to be the effective Government of continental China, withdrew its recognition of that Government and recognised instead the Central People's Government in Peking. ~~The Nationalist authorities, however, remained in control in Formosa.~~

When the Japanese Peace Treaty was under negotiation (it was signed on September 8, 1951 and came into effect on April 28, 1952) the Allies were unable to agree which Government was entitled to sign it on behalf of China. As a result neither participated in the negotiations and neither signed the Treaty. But the Treaty contained a clause whereby Japan relinquished her claim to Formosa, so that ~~the final disposition of the island was left in suspense.~~

Since the British Government does not recognise the claim of Chiang Kai Shek's Nationalist Government in Formosa to be the Government of China, they do not maintain diplomatic relations with that regime. However, there is a British Consul at Tamsui who, in accordance with the practice of the British Government in a number of similar situations in the past, ~~maintains relations with the provincial authorities (i.e. the Governor) of Formosa, who are recognised to be de facto in control of the island.~~ The function of the British Consul is to look after British interests in Formosa.

Although Britain recognises the Central People's Government of China in Peking, it has never been British policy to press for the handing over of Formosa to the Chinese Communists. On this point British policy remains as it was stated by the Prime Minister, Sir Winston Churchill, two years ago when, in the House of Commons debate on January 30, 1952, he said:

"What I have said, and repeat, is that he (Chiang Kai Shek) and those who fought with him against the Communists, and have ~~taken refuge upon the island of Formosa,~~ should not be invaded and massacred there while the United Nations' forces possess such overwhelming superiority."

This policy has been endorsed by the Leader of the Opposition (the Labour Party), Mr. ~~Chomont Attlee,~~ who as recently as ~~July 17, 1954,~~ in the course of a Foreign Affairs debate in the House of Commons, referred to the proposal he had supported over a period of years ~~that Formosa should be held in trusteeship by the United Nations.~~ In the same debate, Sir Winston Churchill said:

"I certainly do not see anything in the conduct of China which has yet happened which should ~~lead the American Government to deliver Formosa to Communist China.~~"

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August 9, 1954.

BRITISH POLICY IN RELATION TO FORMOSA

Formosa was annexed by Japan in 1895 and remained under Japanese rule until the end of World War II. In the Cairo Declaration of December 1943, Great Britain, the United States and the Republic of China agreed that Formosa should be restored to China after the defeat of Japan. Accordingly, in October 1945, the administration of the island was entrusted to the Nationalist Government which was still the effective Government of China. It was then expected that in due course the Peace Treaty between Japan and the Allies would give de jure recognition to this de facto occupation.

On January 6, 1950, the British Government, having come to the conclusion that the Nationalist Government had ceased to be the effective Government of continental China, withdrew its recognition of that Government and recognised instead the Central People's Government in Peking. The Nationalist authorities, however, remained in control in Formosa.

When the Japanese Peace Treaty was under negotiation (it was signed on September 8, 1951 and came into effect on April 28, 1952) the Allies were unable to agree which Government was entitled to sign it on behalf of China. As a result neither participated in the negotiations and neither signed the Treaty. But the Treaty contained a clause whereby Japan relinquished her claim to Formosa, so that the final disposition of the island was left in suspense.

Since the British Government does not recognise the claim of Chiang Kai Shek's Nationalist Government in Formosa to be the Government of China, they do not maintain diplomatic relations with that regime. However, there is a British Consul at Tamsui who, in accordance with the practice of the British Government in a number of similar situations in the past, maintains relations with the provincial authorities (i.e. the Governor) of Formosa, who are recognised to be de facto in control of the island. The function of the British Consul is to look after British interests in Formosa.

Although Britain recognises the Central People's Government of China in Peking, it has never been British policy to press for the handing over of Formosa to the Chinese Communists. On this point British policy remains as it was stated by the Prime Minister, Sir Winston Churchill, two years ago when, in the House of Commons debate on January 30, 1952, he said:

"What I have said, and repeat, is that he (Chiang Kai Shek) and those who fought with him against the Communists, and have taken refuge upon the island of Formosa, should not be invaded and massacred there while the United Nations' forces possess such overwhelming superiority."

This policy has been endorsed by the Leader of the Opposition (the Labour Party), Mr. Clement Attlee, who as recently as July 14, 1954, in the course of a Foreign Affairs debate in the House of Commons, referred to the proposal he had supported over a period of years that Formosa should be held in trusteeship by the United Nations. In the same debate, Sir Winston Churchill said:

"I certainly do not see anything in the conduct of China which has yet happened which should lead the American Government to deliver Formosa to Communist China."

NUMBERED LETTER

f. m. b.

TO: THE CANADIAN EMBASSY, TOKYO, JAPAN.

Security: RESTRICTED

No: *1568*

FROM: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

Date: August 5, 1954

Reference: Your letter No. 803 of July 28, 1954

Enclosures:

Subject: FUTURE OF FORMOSA.

Air or Surface Mail: A I R

Post File No:

Ottawa File No. 50056-A-40 547, 5523	
<i>4/6</i>	<i>4/6</i>

References

United Nations
Division
Commonwealth
London
Washington

done
Aug 6
ag.

In reply to paragraph 2 of your letter under reference, Sir Winston Churchill, during the Foreign Affairs Debate in the United Kingdom House of Commons on July 14, did deal with the questions of the diplomatic recognition of the Government of Communist China and of the admission of representatives of the Peking régime into the United Nations. On this latter question, he remarked:

"In principle one cannot conceive that China would be forever excluded from the United Nations, but, on the other hand, one really does not see why this particular moment would be well chosen for its admission when it is still technically at war with the United Nations - technically, I say - and when it is at this moment going to achieve a resounding triumph by the success of the stimulated war in Indochina, in which it has played so great a part."

2. Almost parenthetically, Sir Winston referred to the vexed question of Formosa, which Mr. Attlee recommended should be placed under United Nations' trusteeship. The United Kingdom Prime Minister stated:

"I certainly do not see anything in the conduct of China which has yet happened which should lead the American Government to deliver Formosa to Communist China. Nor do I see any reason why at some subsequent date Formosa should not be created in the manner which the Rt. Hon. gentleman suggested, and placed in the custody of the United Nations."

These exchanges on the future of Formosa have been given some cogency recently by the Chinese attack on the Cathay Airlines near Hainan Island (on the excuse that it was presumed to be a Chinese Nationalist aircraft) and by Mr. Dulles' statement that the United States Navy and Air Force would be used to prevent a Chinese Communist invasion of Taiwan.

Internal Circulation

Distribution to Posts

CPDUN, New York
New Delhi
Wellington
London
Washington

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Aug 6
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for the
A. R. MENZIES
ACTING UNDER-SECRETARY OF STATE
FOR EXTERNAL AFFAIRS.

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

NUMBERED LETTER

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: THE CANADIAN EMBASSY, TOKYO, JAPAN

Reference:

Subject: Future of Formosa 8

Security: Unclassified

No: 803

Date: July 28, 1954

Enclosures: None

Air or Surface Mail: Air

Post File No: 210-3-1

Ottawa File No.	
50056-A-40	
46	46

Mr. Maranda

References

- Refer to:
- A/USSEA
- UN Div.
- Commonwealth
- American Div.
- Defence Div. (2)
- JCS (Comp. Div. (2))
- London
- Washington
- CIPUN, New York
- New Delhi
- Karachi
- Canberra
- Wellington
- Mr. Newbery

We quote below the text of an item which appeared in the Chinese Embassy's News Letter No. 30 of July 23, concerning a statement, attributed to Sir Winston Churchill, that Formosa might be placed under United Nations trusteeship:

Foreign Minister George Yeh recently played the current ~~British and American~~ thinking of suggesting to place Taiwan under ~~United Nations~~ trusteeship as "ridiculous" and "unthinkable."

The Minister, commenting on Churchill's recent remarks, said he was surprised to have been reported to have such intentions (sic). He said curtly "the reference to the trusteeship of Taiwan made by Winston Churchill in the House of Commons is too ridiculous to deserve any serious comment. It is like proposing the United Nations trusteeship for Wales or Scotland."

The foreign minister added: "Taiwan is historically, ethnically and politically as much a part of China as New Mexico and Louisiana as (sic) parts of the United States."

As to Attlee's remarks in the House of Commons during the recent debates, Minister Yeh said, "They reflect the pinings of a man who has been sadly disappointed with his own false hopes. Because it was Attlee's government that once rushed to the recognition of the puppet Mao's regime and has since lived in the hope of being favored with more recognition by Mao (sic). Fortunately the Chinese Communist rebels do not have the Hansard (British parliamentary) tradition and Mr. Attlee is spared of further disappointments."

2. ~~Is it a fact that Sir Winston Churchill made a serious suggestion that Formosa should be placed under U.N. trusteeship?~~

1027 602 3 BW 5 : 02

R.L. Rogers
The Embassy.

*Done Aug 11/54
J.M.H.*

Internal Circulation

- To: Mr. D'Sauley
- Mr. Rayke
- Mr. Blanchette
- Mr. Maranda
- File on 50056-A-40
- R. Edmonds (F.E.)

Distribution to Posts

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SECRET (TOP SECRET)

The Embassy

1954 AUG 3 PM 2:49

U.S. Embassy

actions and reaction that Formosa should be placed under
S. Is it a fact that Sir Winston Churchill made a

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Economic the Chinese Communist Party do not
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because the was Vatter, a Government that once
been said disabourments with its own false robes.
said: "They reflect the feelings of a man who has
Commons during the recent debates." Minister Yen
to Vatter, a remark in the House of
Deals of the United States."

Deals of China as New Mexico and Louisiana as (sic)
officially, officially and politically as much as
The foreign minister added: "It is a
disabourment for Vatter of Scotland."

comment: It is like proposing the United Nations
Commons is too ridiculous to deserve any serious
debate made by Winston Churchill in the House of
Commons. The reference to the disabourment of
reported to have such intentions (sic). He said
recent remarks: said he was surprised to have been

The minister's comment on Churchill's
disabourment as "ridiculous" and "unthinkable."
feeling to place Taiwan under United Nations flag -
the current British and American thinking of anti-
Foreign Minister George Yen recently played

United Nations disabourment:
Winston Churchill, that Formosa should be placed under
of July 31, concerning a statement attributed to Sir
expressed in the Chinese Embassy, a News Letter No. 30
He shows below the text of an item which

Office of Liaison
MEMORANDUM FOR THE SECRETARY OF STATE
SUBJECT: [Illegible]

STO-3-1
VIL
MOBE
JULY 30, 1954
UNCLASSIFIED

MEMORANDUM FILED

OFFICE OF THE SECRETARY OF STATE

DUPLICATE

*File on 50057-9-40
original 50293-40*

OTTAWA FILE
No. <u>50056-A-40</u>

96/91

Despatch No. 1367

Date July 27, 1954

SECURITY CLASSIFICATION
S E C R E T

orig on 11578-D-40

FROM: The Canadian Ambassador, WASHINGTON, D.C.
 TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference.....

Subject: Interview with United States Ambassador to Nationalist China.

Copies Referred To.....
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No. of Enclosures
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Post File
No.....

We had an opportunity on July 24 to talk to Karl Rankin, the United States Ambassador to Nationalist China. He seemed extremely willing to give us his views on the importance of his post and we thought you might be interested in a report of those views as a part of our series of despatches on China. Rankin struck us as a pleasant enough individual but one with deep-seated prejudices. He is an extreme conservative and violently anti-Communist in his views on Far Eastern matters. His professional service has been at posts in Europe and the Middle East for the most part and only since 1949 in Asia. We shall set out his views in this despatch without the adornment of our comments, with the hope that we can give you their full flavour.

2. United States-United Kingdom differences over China. Rankin said quite bluntly that, in his opinion, United Kingdom interest and influence in the Western Pacific was gone. In contrast to the first decades of this century, the United Kingdom could no longer be considered a Great Power in terms of Far Eastern affairs. The furthest outpost of real interest for the United Kingdom in the area was Malaya. Hong Kong was a historical accident and in any event was not now a possession of sufficient importance to affect the making of United Kingdom policy towards Asia. Developments in the wartime and post-war period tended naturally to decrease the realism with which United Kingdom policy with respect to the Western Pacific area was made. This, he thought, was increasingly true now that much of the vast United Kingdom investment in China had been liquidated by force of circumstances. Rankin said that it was not that the United Kingdom Government lacked knowledge of the Far East, but rather that it lacked concrete interests there; these circumstances, in his opinion led to an unrealistic appraisal of the current facts of life in the Western Pacific region. The same arguments applied to France and the Netherlands. Dutch effectiveness had ceased with the outbreak of World War II and the French stake had been thoroughly liquidated at the Geneva conference.

3. The interests and responsibilities of the United States, on the other hand, had increased tremendously during and after the last war until they had now reached the point of no return. The United States, both from the point of view of national self-interest and from that of the interests of the free world, could not disembarass itself of responsi-

bility for whatever happened in the Pacific area. Every attempt should be made by the United States to secure United Kingdom cooperation in Far Eastern matters, but if that proved impossible the United States should act alone or in concert with other like-minded allies. It was an error, in Rankin's opinion, to think of this region as the Far East. It was after all, to the United States, the Near West. He was sure that, as Canadians, we would understand the intense United States interest in what happened on the shores of "our sea". The "Far East" was, after all, a term hallowed by history, but significant only in terms of the former British Empire. Rankin was content that it might continue to be used in academic circles but felt that it had no place in the vocabulary of realistic policy planners.

4. Rankin said he was sick and tired of hearing people talk of United States responsibility for the fall of China to the Communists and for the disturbed state of affairs in Southeast Asia, and that he took whatever opportunity he could to apply the corrective of his own logic to such statements. He thought that if blame was to be attached to any country for the state of affairs currently facing the free world in the Pacific region, it might be assigned with the following priority: Japan, the Soviet Union, China and lastly, if at all, the United States. The West was reaping the whirlwind sowed by Japanese activity in the late 30's and throughout the war. The Japanese, in fact, had achieved in defeat much of what they had attempted to gain by force of arms, i.e. the eviction of the "colonial powers" from Asia, or at least their extreme discomfiture.

5. Significance of Formosa. In these circumstances it was essential that Formosa, as the embodiment of anti-Communist China, should be maintained and strengthened as a symbol of the free world's determination to resist the encroachments of Communist China's imperialism and as a threat to the flank of Communist China. Communists everywhere understood only one thing and that was the reality of power and the determination to use that power. There was, in Rankin's opinion, a real danger that the West was once again going to allow a vacuum of power to develop in the Western Pacific. There would be a good deal of pressure for the withdrawal of United States and UN troops from Korea as time went on. The French forces were immobilized by force of circumstances in Indo-China and we might expect their withdrawal in the not too distant future. Not much progress had been made so far with Japanese rearmament. Certain allies questioned the continuance of United States military aid to Formosa. Such developments as these could only, in Rankin's opinion, contribute to the over-weening ambitions of Communist China. For that reason, if for no other, military assistance to Formosa should be continued. He thought that in numbers, at least, the maximum potential of ground troops in Formosa had been achieved but there was a good deal of room left for improvement in the efficiency of these ground troops. With the exception of the United States, Formosa possessed the best air force on our side in the area. This should be strengthened. He pointed out that Nationalist China's military strength could not be used against the mainland without United States consent. For

that reason he thought there should be no concern among the Western allies that the world would be plunged into general war for the sake of Nationalist China's interests alone.

6. Rankin did not rule out the necessity of finding some channel of communications between the United States and mainland China, although we did not get the impression that he put much store in negotiation as a means to a desirable end. He said he was firmly of the opinion that it was time for Communist China to make some concessions to the United States point of view rather than to insist that all concessions come from the Western side. His logic would seem to be that the West should maintain positions of strength immediately adjacent to Communist Chinese territory while at the same time taking whatever opportunities were offered to reach some modus vivendi with Communist China. His position did not seem to be merely a show of strength for strength's sake but rather a show of strength as a part of a general policy to come to satisfactory terms with mainland China. ~~We got the impression that he would not rule out the possibility of the separate existence of a State of Formosa and that it might rather than as a base for a refugee government from the Chinese mainland.~~

7. Rankin, in speaking to the press on July 21, indicated that informal discussions were taking place between the United States and Nationalist China on the possibility of a bilateral military defence pact. But he said that the issue was "not a live one" at the present time. Rankin repeated this view in his talk with us. (Rankin's view has been confirmed from two sources. President Eisenhower in his press conference on July 22 said that, while the subject of a possible bilateral United States defence pact with Nationalist China had been under study for some time, no final decision on it had been reached as yet. One of our Commonwealth colleagues discussed the matter with the Deputy Director of the Office of Chinese Affairs in the State Department last week and was told that, "while the door of negotiations is not closed there were no present plans for holding formal negotiations", and that for all practical purposes the question was in abeyance. The State Department representative went on to say that a formal pact would not affect the present situation materially in any case, and that any usefulness which it might have would be the Nationalist Chinese political interests which it would serve. Nationalist China was inclined to feel left out in that the United States had already concluded bilateral treaties with the Philippines, Japan and Korea. The State Department representative also suggested that Chiang Kai-shek might feel some need to counter-balance the prestige which accrued to Communist China from its participation in the Geneva conference.)

8. "Northern Tier" Defence Organization. Rankin said it was conceivable that a regional defence organization might be worked out embracing Japan, South Korea and Formosa. He thought that the Nationalist Chinese would regard such an organization with a good deal of realism in spite of

their suspicions of Japan. Chiang Kai-shek recognized that Japan was potentially the greatest single unit of anti-Communist strength in Asia. In an interview which Rankin had with Chiang Kai-shek just before he left Formosa, the Generalissimo had mentioned the danger that Japan, by reason of the vagaries of Western policy, might become prey to the same divisive forces which had so weakened France in Europe. The suspicions which existed between Far Eastern nations were every bit as deep as those which existed between European states but in the Generalissimo's view they could not be allowed to prevent the effective marshalling of anti-Communist strength in the face of the Communist imperialism represented by the present government of mainland China. Rankin seemed to subscribe to these views. (We have reported separately on this idea of a northern tier defence organization in our letter No. 1351 of July 26.)

9. Internal Conditions in Formosa. Rankin thought that ~~relations between the Formosans and the refugee government of Nationalist China~~ had improved immensely in the last few years and saw no reason why they should not continue to improve. Formosans were active in local government and seemed to be taking to responsibility as readily and efficiently as any bureaucracy in Asia. Rankin thought that the economic prospects for the country were reasonable if conditions ever developed which would make unnecessary the immense outlay for the support of a military establishment of the present size. He pointed out that much of the administration of the country was carried on by civil servants responsible to the provincial government and, therefore, to a Formosan Cabinet. ~~The numbers of civil servants employed by the refugee Nationalist Chinese Government were constantly dwindling.~~ We questioned Rankin as to a possible successor for Chiang Kai-shek and were told that the most likely candidate at the moment was the Vice President and not one of the Generalissimo's sons. Rankin did not believe that Chiang Kai-shek favoured an "imperial" succession.

10. Rankin strongly urged the appointment of a Canadian representative to Formosa. He thought that such an appointment would be viewed with enthusiasm by Chiang Kai-shek. Rankin, himself, believed Canada had a stake greater than most countries in maintaining the morale of fervent anti-Communist forces in the Western Pacific.

11. We indicated in the first paragraph of this despatch that we would give you Mr. Rankin's views pure and unalloyed. This position we will maintain but we might end with one comment. We are uncertain with what regard Rankin's views are looked on by the State Department. We would guess that they are not accepted without challenge but it is perhaps important to remember that views of the type contained in this despatch are constantly being fed into the State Department by Rankin and must have some effect on the Department's thinking.

A.D.P.Heaney.

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

NUMBERED LETTER

TO UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: THE CANADIAN EMBASSY, WASHINGTON, D.C.

Reference:

Subject: China: United States-Nationalist
China Defence Discussions

Security: CONFIDENTIAL

No: 1324

Date: July 21, 1954

Enclosures:

Air or Surface Mail:

Post File No:

Ottawa File No.

50056-A-40

91

46

JUL 22 1954

M. W. [Signature]

Edwards (on return) E

References

Refer to:

- ~~SSFA~~
- AUSSEA
- American Div
- ~~Referral (1)~~
- ~~Referral (2)~~
- STS (through) (2)
- CCOS (4 copies)
- ~~DAI~~
- ~~DAI~~
- ~~DAI~~
- London
- NY, New York
- Tokyo
- New Delhi
- M. Renzie

It is reported in the Washington press this morning that Mr. Karl Rankin, United States Ambassador to Nationalist China, told reporters yesterday, as he emerged from an interview with President Eisenhower at the White House, that there have been informal discussions both in Washington and Taipeh about a mutual defence pact between the United States and the Chinese Nationalist governments. Mr. Rankin stressed the informal character of these talks and observed that the issue is not a live one at the present time. Mr. Rankin's remarks accorded with the comments made to us recently on this subject by Mr. Walter McConaughy, Director of the Office of Chinese Affairs at the State Department. Mr. McConaughy suggested that a proposal for a pact of this sort had originated from the Chinese Nationalist Government. He said that such a treaty with Nationalist China was not imminent but it might well be considered from time to time (please refer to para. 5 of our Despatch No. 1212 of July 9).

Internal Circulation

- To see:
- ~~Mr. McConaughy~~
 - ~~Mr. Dayke~~
 - ~~Mr. Sandhelle~~
 - ~~Mr. Graham~~
 - ~~Mr. [unclear]~~

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R. Edwards (FE)

The Embassy

PBR Campbell

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INCOMING MESSAGE

COPY

FROM: *Original m 5475-E-46*
 THE CANADIAN AMBASSADOR TO THE UNITED STATES.
Copies in 50055-B-46
4380-46
 TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA
50273-46

Security Classification	
SECRET	
File No.	
<i>50056-A-46</i>	
91	✓

Priority	System CYPHER-AUTO	No. WA-1236	Date July 12, 1954
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Departmental Circulation
 MINISTER UNDER/SEC
 D/UNDER/SEC
 A/UNDER/SEC'S
 POL/CO-ORD 'N SECTION

Done _____
 Date _____

Reference: Our teletype WA-1166 of June 29.

Subject: Visit of Churchill and Eden to Washington: Admission of Communist China to the United Nations.

In view of all the gossip and speculation there has been about what was said concerning the admission of Communist China to the United Nations during the visit of Churchill and Eden to Washington, we thought we should report to you some information given us at the end of last week by Hayden Raynor at the State Department. We realize that you have had the advantage of receiving an account of what transpired from Churchill himself. Nevertheless, it may be useful for us to come after "gleaning here and there", so that you may know how the record of these conversations stand in the State Department. In our conversation with Raynor last Friday, he was reading from the memoranda prepared by Livingstone Merchant.

References

Done _____
 Date _____

2. According to the State Department's records, there were two conversations on this subject. The first was between Eden and Dulles. Eden is reported to have raised the subject by saying that the United Kingdom could not give an unequivocal pledge that the question of admitting Communist China to the United Nations would not come up at the next session of the Assembly. However, he immediately added that the United Kingdom would do everything possible to see that it did not become a problem. Dulles replied that, for the United States, admission of Communist China to the United Nations was an impossibility. The question of trade with Communist China was serious enough but it could not compare in gravity with the question of membership in the United Nations. You will notice that what both Eden and Dulles said on this subject falls considerably short of complete precision. In the circumstances, however, it may be almost as important to have the actual words used as to guess what lay in the minds of the speakers.

3. Dulles then went on to develop the thesis that one of the principal aims of the Chinese Communists was to drive the United States from the Pacific Ocean.

.....2

The United States would resist that effort with every means in its power. One reason they were so opposed to the admission of Communist China to the United Nations was that any such success for the Peking regime might be expected to increase its power and prestige in the Pacific. Dulles specifically mentioned the possible effects on Indonesia of admitting China to the United Nations.

4. In the second conversation on this subject, Churchill and Eisenhower participated as well as Eden and Dulles. Churchill said that he understood how difficult it would be for the United States to abandon an old and faithful ally like Chiang Kai-Shek. For that reason, he had ~~long thought that the best solution might be for the Peking regime and the regime in Formosa both to be represented in the United Nations.~~ There was also some discussion of the possibility of revising the structure of the United Nations so that the permanent membership of the Security Council would be changed. Although it was thought on both sides that this would be an attractive solution, it was agreed that it would be extremely difficult to bring about. Dulles said that he considered the decision made at San Francisco to give China a permanent seat on the Security Council had been ill-advised. Certainly in present circumstances India would be a more suitable member. Perhaps this issue could be tackled when the Charter came up for revision. However, he agreed with Eden that there was little likelihood that the Soviets would agree to such a change in the composition of the Security Council.

5. According to the State Department's records, there was no further discussion of admitting Communist China to the United Nations.

INCOMING MESSAGE

COPY

FROM: THE CANADIAN AMBASSADOR TO THE UNITED STATES.
 TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Security Classification	
CONFIDENTIAL	
File No.	
50056-148	
46	✓

Priority	System	No.	Date
	CYPHER-AUTO	WA-1164	June 29, 1954

Departmental Circulation
 MINISTER UNDER/SEC
 D/UNDER/SEC
 A/UNDER/SEC'S
 POL/CO-ORD'N SECTION

Done _____
 Date _____

References

Done _____
 Date _____

Reference: Your telegram EX-1127 of June 26.

Subject: Visit to Canada of Chinese prisoners of the Korean war.

The State Department say that the five former prisoners and two interpreters are coming under the sponsorship of a private organization known as the Overseas Chinese Anti-Communist Association. The purpose of their visit is apparent from this title. It is expected that they will talk about their experiences with the Communists with Chinese Communities in New York and San Francisco and probably some intermediate places. The State Department recommended that visitor's visas should be issued for the Chinese former prisoners: Nationalist Chinese are eligible to be granted multi-entry United States visitors visas.

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Eden's 50056-A-4

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Foreign Office and Whitehall Distribution

SECRET

FC 1019/38

CHINA
June 28, 1954
Section 1

CONDITIONS IN FORMOSA

Mr. Hermann to Mr. Eden. (Received June 28)

(No. 41. Secret)

Tamsui,
June 17, 1954.

Sir,

I had intended, quite soon after arriving at this post, to report to you my first impressions of Formosa. Owing, however, to the fact that I have no contact with the real rulers of the country, and cannot hope to be in the full confidence even of persons of less importance it has taken me some seven months to form anything like a clear picture of conditions here; so that the views which I now have the honour to submit might more properly be called second impressions.

2. The question which I have found most difficult to answer is whether the present administration is just the old gang, playing the same old game. On the whole I do not think this is so. The most corrupt and callous of the old régime are, as far as can be foreseen, permanently departed to some way abroad; most of the old faces that remain are those of men who have always been relatively honest and public-spirited; and all have been considerably chastened by their experiences on the mainland. However nostalgic Chiang Kai-shek and his chief henchmen may be for the old days of absolutism, they seem to have realised that those days are dead, and, even if unwillingly, are yielding little by little to democratic pressure. This may, of course, be the result at least in part of their dependence on the United States, but it has already, I believe, reached a stage from which they would be unable to retrace their steps, either here or on the mainland.

3. By Anglo-Saxon standards the government in Formosa is still corrupt, inefficient, militaristic and undemocratic; and it is rightly criticised on those counts. There is, however, a tendency for the English press (and I believe members of Parliament) to consider that because it is not perfect it is not a government at all, which seems to me unfair. It is no more corrupt, inefficient, militaristic and undemocratic than a very large number of members in good standing of the United Nations, and a good deal less so than many. It may be less efficient, but it is certainly not as undemocratic, as the government on the mainland.

4. As far as democracy is concerned, the most common criticism is of course that there is in effect only one party. This is true, but while it may originally have been the design of the Kuomintang, it is now rather the result of circumstances. Almost every man of consequence and ability belongs to the Kuomintang, so that there is no possible nucleus outside it for a party capable of competing; the Democratic Socialist and China Youth parties have no leaders to inspire confidence, and are consequently for ever split among themselves. It has been suggested by many political theorists that the Kuomintang should divide into two parties but this would surely be imposing the shadow without the reality—and in any case, few would want to leave the side led by Chiang Kai-shek. The fact is that opposition parties are allowed to exist, and that their weakness is largely their own fault. It is clear from their performance in local and provincial elections that they would do no better if some form of popularly elected central government were devised.

5. Another accusation commonly levied is that Formosa is a police state. Though there is no visible evidence of this (beyond a tendency to ubiquity on the part of, particularly, the Peace Preservation Corps) there is, I fear, no doubt that the guarantees of individual liberty which we take for granted are sadly lacking. Once a man is arrested, for political or other reasons, there is ~~no appeal~~, and the use of violence by police investigators is far from unknown. On the other hand, the vast majority of the population, though they avoid contact with members of the various police organisations, carry on their daily affairs without any fear of them; the man who minds his own business is in no danger. Moreover, while there is no doubt far too much political imprisonment, such prisoners are on the whole treated with considerable leniency, and a genuine effort seems to be made to "reorient" rather than punish them. More disturbing than the activities of the police and Peace Preservation Corps (which can to some extent be excused by Formosa's dangerous situation is to my mind, the organised thuggery of the Youth Corps, which bears all too much resemblance to the Hitler Youth, unfortunately this though heartily disliked by the better officials, is so far in no danger of either abolition or reform.

6. I have been much struck by the appearance and behaviour of the military. They are no longer, as they were when I was last in China, a combination of outcast and tyrant. The fact that they are well-dressed, well-fed and healthy is of course due to United States aid, and to this can indirectly be ascribed their excellent discipline and confident bearing. What is most noticeable, however, is their good behaviour in public: they are well-mannered, friendly and frequently helpful. Of their fighting capacity I can, of course, say nothing, though American advisers speak highly of the lower ranks, poorly of their leadership.

7. I am at a loss to account, otherwise than by traditional Chinese courtesy, for the unfailing friendliness with which British subjects are treated here. I ascribed it at first to a surprising understanding of our viewpoint, but I have since come to the conclusion that the Chinese resentment against and disappointment in us goes very deep, and that even those who consider themselves our friends have written us off as a moral force. Many of them have indeed succeeded, with an intellectual effort, in understanding why we recognised Communist China in the first place. They cannot however understand (or rather they explain by a complete loss of self-respect) our swallowing

of one humiliation after another from the Communists: the rejoicings in British trade circles at the slightest apparent concession from Peking: and above all, what appears to them as a widespread eagerness in England to believe, in face of all the facts, the best of the Communists and the worst of the Nationalists. In these circumstances it is surprising that, apart from a few minor discriminations (and half-hearted interference with Communist-owned ships flying the British flag) British business is allowed to flourish, British nationals live unmolested, and this Consulate is given not only consular but also certain diplomatic privileges. Self-interest is no doubt the motive, but not every government nowadays is intelligent enough to put self-interest before wounded pride.

8. I have little to say on the subject of Nationalist relations with the United States of America, all-important to them though these are. The ~~local British merchants~~ (whose judgement I do not trust) are convinced that ~~the population~~ ~~secretly~~ ~~hates the Americans,~~ and will ~~rend them at the slightest sign of slackening,~~ American support. I have, however, noticed nothing more serious than a reasonable degree of envy, resentment of criticism, and proneness to assert independence in irritating ways.

9. A problem to which I have given much thought is how far the administration (as distinct from the public, which is subjected to incessant propaganda) believes that the Nationalists have a chance of recovering the mainland. Despite their professed certainty that the majority of Communist troops will desert to their side if a landing is made, and the undeniable fact that all their governmental activities are aimed at eventual reoccupation, I feel sure that those in authority are perfectly aware that, unaided, they have no hope at all of succeeding. They are, however, completely convinced that even if the Communists should temporarily restrain themselves from aggression, or if, going to the other extreme the rest of the free world should succumb without bloodshed, there will eventually be an all-out conflict between the Communists and the United States. When that happens, they are confident of being able to secure a sufficient footing on the mainland to enable them to take it over even if unconditional surrender is not enforced, and the United States (assuming them victorious) are tempted to leave a reformed Peking government in power. Otherwise stated, they are relying on the United States, or the United Nations, to win the inevitable war for them, but preparing to get in on the ground floor in case the victors should decide that some other government would after all be preferable. This interpretation is, I admit, guesswork, but I see no other logic in their attitude.

10. All that I have so far written refers to the ~~Nationalist refugees from the mainland, not to the native Formosans.~~ ~~The latter want nothing better than for the Nationalists to return to the mainland but for quite different reasons.~~ It is, I think, true that their resentment has gradually diminished since the 1947 troubles, that they are now more or less reconciled to being Chinese, and that they at any rate prefer the present régime to the Communists. There has, however, been little or no fusion of the two groups, who still deeply mistrust each other. Despite the fact that the last few Provincial Governors have done their best to improve the lot of the Formosans, there is as yet little inclination on the part of the central authorities to give them a greater share of the government (if they wanted it, which is far from certain) or indeed to ~~consider them as much more than the~~

~~inhabitants of an occupied country.~~ Until the mainlanders retake the mainland the best that the Formosans can hope for is that ~~their masters~~ will behave as a progressively more benevolent colonial power.

11. I am sending a copy of this despatch to Her Majesty's Charge d'Affaires, Peking, Her Majesty's Ambassador, Washington, the Commissioner-General for the United Kingdom in South-East Asia at Singapore, and the Political Adviser, Hong Kong.

I have, &c.

(Sgd.) A.H.B. HERMANN.

DEPARTMENT OF EXTERNAL AFFAIRS
MEMORANDUM

TO: ~~FAR EASTERN, UNITED NATIONS~~.....

~~AND LEGAL DIVISION~~.....

FROM: American Division/E. A. Cote/nk.....

REFERENCE:

SUBJECT:

Security CONFIDENTIAL.....

Date..... May 24, 1954.....

File No.	
file on 56056-A-40	
4/6	R. B. Edwards (F.E.)

To see:

In Lengis AM
A. J. [unclear]
A. [unclear]
A. [unclear]
A. [unclear]
A. [unclear]
A. [unclear]
A. [unclear]

On May 21 I lunched with Mr. Liu Chieh, the Chinese Ambassador to Canada. Mr. Liu and I had been "associates" on Trusteeship Council matters at the United Nations some eight years ago and our paths had not crossed until recently.

2. In the course of an excellent Chinese lunch, Mr. Liu was very friendly and, I thought, less bitter than he was eight years ago.

3. The conversation dealt with, in part, American relations. We discussed the character of the American people and then Mr. Liu spoke of the efforts which the United States and Canada were making to "bolster" Europe. I suggested that the efforts which were made in North America were made primarily to relieve Europe of some of its heavy burden, but also to bolster up the North American defences which had been so suddenly and completely dissolved after World War Two. Mr. Liu countered by saying that obviously General Marshall (who had incited the Chinese to join with the Communists and had learned his lesson there) applied it properly and the Americans had really contributed to preventing Europe from falling into the hands of the Communists.

4. In the course of the conversation we got off on a tangent and Mr. Liu raised informally with me the question of British Columbia laws or regulations (he did not know which) which

which require foreign consuls to have powers of attorney before being able to act on behalf of a foreign national's estate. Mr. Liu did not know whether China was bound by a Civil Procedures Convention or whether these were laws or, specifically, regulations, of British Columbia. If these were laws, the matter might be more difficult to change than if they were regulations. I volunteered to approach our Legal Division informally. Mr. Liu did not wish this done at this time.

5. After lunch, the conversation swung to Southeast Asia. Mr. Liu developed for some time the thesis that Mr. Nehru and the Indian people (by virtue of the leaders' English education and the fact that the people had been cut off from Asian thought for nearly two centuries) were really more Occidental than Oriental. The Indian leaders could not interpret an Asian mind nor were they accepted or acceptable as Asian leaders. I merely commented that the role which Canada and, I thought, other members of the Commonwealth were trying to fulfill vis-a-vis India and other Asian members of the Commonwealth was to profit of the Commonwealth tie to attempt to establish a bridge between East and West. Canada, for its part, was not concerned whether India or another power became or was the leader of Asian opinion.

6. I asked Mr. Liu whether he thought that the Chinese Reds would intervene more openly and directly in Indo-China. He thought that they had learned their lesson in Korea, where it had been bitter for them to have their Chinese volunteers publicly known and, as a result, China branded as an aggressor. He thought that China itself was a poor country and that the Soviet would provide the arms. The Chinese Reds would nevertheless support the Indo-Chinese adventure to the maximum but would not allow their action to become officially known as an intervention. He thought that the Chinese Reds' tactics would be to fight until the maximum gains had been achieved, then to talk to prepare for a further bit of fighting and, when the limited objectives had been reached, to talk again until they were ready to fight again!

Calhoun
AMERICAN DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

NUMBERED LETTER

TO THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: THE CANADIAN EMBASSY, TOKYO, JAPAN

Reference:

Subject: Petition of the Formosan Democratic Independence Party

Security:.....Unclassified.....

No:.....448.....

Date:.....April 30, 1954.....

Enclosures:.....One.....

Air or Surface Mail: Air.....

Post File No: 210-3-1.....

Ottawa File No.	
50056-A-40	
50056-A-40	
91	91

196

11578-D-40

MAY 11 1954

Copy on ~~50056~~ file numbers

References

Refer to (with enclosure)

- PM's Office ✓
- SSEA ✓
- AUSSEA ✓
- KFC, Geneva ✓
- London ✓
- Washington ✓
- CPUN, New York ✓
- New Delhi ✓
- Karachi ✓
- Canberra ✓
- Wellington ✓
- U.N. D.D. ✓
- Delencieux (2) ✓
- JCS (through D.D.) ✓
- Commonwealth D.D. ✓

Enclosed is the original of a petition from the ~~Formosan Democratic Independence Party~~ which was sent to the Embassy recently for onward transmission to the Prime Minister. The petition requests that Formosan independence be discussed at the Geneva Conference and that the Formosan Democratic Independence Party be allowed to send observers to the conference.

R. L. Rogers.
The Embassy.

*Done June 11/54
D.H.*

Internal Circulation

- European D.D. ✓
- Consular D.D. ✓
- The Americas ✓
- Copy on file 11578-D-40
- To see: Mr. Blandhette
- Mr. Boyer
- Mr. Paraganda
- file on 50056-A-40

Distribution to Posts

aj

R. Edmunds (F.E.)

7.E. 179/12/5/54

PETITION

Submitted by the Formosan Democratic Independence Party to the Far Eastern Peace Conference to be convened at Geneva, Switzerland, on April 26th, 1954

The convening of the Far Eastern Peace Conference at Geneva, Switzerland, on April 26th, 1954, will certainly bring brightness to the entangled situation in Asia, and, especially we, the seven million people of Formosa are praying for its success with a great expectation. As you understand, the current issues in Asia are all so inter-related that it is impossible to separate the problems of Korea and Indo-China from the rest; therefore our Formosa Issue must be put on the agenda of the Conference. Hence, we want herewith to present for your thorough consideration and righteous judgement this petition expressing the facts on Formosa and the aspirations of the Formosan people.

1. Chiang Kai-shek's Regime occupying Formosa is illegal

Ignoring completely the right of the Formosan people to have a chance to express their will, violating entirely the second chapter of the Atlantic Charter, and through the international dealing in the Cairo Agreement, Formosa was handed over to Chiang Kai-shek's Regime. We are herewith appealing to the Conference the inadequacy of this kind of international dealing treading down the will of the Formosan people, profaning the international laws for the sake of power politics, and ignoring humanity and righteousness.

And, before the Peace Treaty with Japan, the occupation of Formosa and the Pescadores by Chiang Kai-shek's Regime was only entrusted by the Allied Powers, which qualification has been completely lost at the time when she was expelled from the China continent, and became an expelled regime. Moreover, in the Peace Treaty with Japan, according to the second chapter, section B, it was only stated that Japan should give up Formosa and the Pescadores should belong, or who was to have authority in Formosa. Thus Chiang Kai-shek's Regime has no legal foundation or whatsoever of continuing its occupation of Formosa. Nevertheless, by what reasons today they are still allowed to remain there? We protest herewith most strongly to the Allied Powers its illegality and contradiction, and demand that Chiang Kai-shek's Regime should be expelled from Formosa.

2. The extreme mal-administration of Chiang's Regime has disqualified its occupation in Formosa

Conceding supposedly all the above points, let us inspect whether Chiang Kai-shek's Regime has any qualification of Formosa's administration. Its most infamous corruption and dictatorship, being an open secret, in the China continent, has reached its worst degree at present in Formosa. With its greedy exploitation and ruthless massacre, dictatorship and tyranny, completely enslaving the Formosan race, they had finally provoked our people, and exploded into the revolutionary action on the day of February 28th, 1947. It was not a mere coup d'etat. It was an explosion of accumulated racial indignation and racial awakening out of torturing despair. Namely, as a result, we, the seven million Formosan people, sacrificing with a high price of having more than twenty thousand Formosans indiscriminately massacred by Chiang Kai-shek, including old and young, men and women, had proclaimed to the world the identity of Formosans as a race. Hence, the extreme mal-administration Chiang had practiced has also disqualified its occupation in Formosa. (For detail reference materials, please refer to the petitions and memoranda we have sent to the United Nations every year since 1948.)

3. Chiang's Regime is breaking up peace in Asia

Propagating an unrealistic counter-offensive on the China continent and trying every means to save its disintegrating structure, are the present shape of Chiang's Regime, with its only aim focussed on waiting and utilising the World War III. We strongly believe that the Far Eastern Peace Conference in Geneve, looking for peace, will surely take up the Formosa Issue, because Chiang's regime in Formosa, ignoring justice and humanity, are trying all means to provoke the next World War at the sacrifice of the people in Formosa and the World. Therefore with Chiang's Regime continuing its occupation of Formosa, there will be no peace in Asia as well as the World.

4. The Formosa's independence is the Key to peace in Asia.

It is plain in history that Formosa has been a bone of contention among various powers. There has been a continuous struggle and strife between the governing power and the people of Formosa. In 1624 Netherland had occupied the southern part of Formosa, and in 1626 Spain the northern part. In 1640, as the result of a war between Netherland and Spain in Formosa, the whole island had come under the unified rule of Netherland. In 1661 Formosa was conquered by Koxinga, and an independent kingdom was established there until 1683, when the kingdom fell under the invasion of the Manchu regime. In 1895, it was ceded to Japan as the result of Sino-Japanese War, which had been held by Japan till 1945.

Though a democratic Republic was established there just before Japan's occupation, it was finally destroyed by Japan. However, during fifty years from 1895 to 1945 there had been more than fifteen revolutions aiming at Formosa's independence.

These historical events prove beyond any doubt that there has been constant conflicts in Formosa between the ruler and the ruled. The facts prove also that the only way to peace is to give Formosans complete independence.

Owing to the particular geographical position of the island and its environments, it is plain that Formosa should not be entrusted to any powers having conflicting interests in the Pacific. Such a step will threaten the peace of Asia and upset the balance of power. The only way to peace is to give independence to Formosa which we have been wishing for most enthusiastically. Let us establish an independent neutral nation under the United Nation's guarantee. This is the only way to the peace in Asia.

Thus the history has plainly showed how enthusiastically our people has been longing for independence. It is our wish to carry into effect the proclamation made by the seven million Formosans at the last revolution on February 28th, 1947. The strong desire and determination with which we have organized the Formosan Democratic Independence Party is based on the ideals and convictions held by our people.

5. Our demands and convictions.

~~Formosa is the Formosans' Formosa; never any other's: This is our fundamental conviction. We will never surrender or compromise with any "highway-robber". Return us Formosa! This is our ardent demand. Therefore we demand 1. that Formosa and the Pescadores should be put under a trusteeship of the United Nations for a period of, but not any longer than, three years; 2. then after the lapse of the aforesaid three year period, complete independence should be given to the people of Formosa under security of the United Nations. After we gained the~~

honour of our independence subjectively and objectively speaking, we hope to establish a country of permanent neutrality guaranteed by the United Nations because, geographically this is the only way to maintain peace and security in Asia. And internally we want to construct our country in such a way that she will become a world-model, socialistic and democratic country.

Thus we have expressed our will and reported to you the facts on Formosa, however, for the sake of presenting the details to the Conference, we hope that you will allow us to dispatch our formal delegates to the Conference as observers.

Finally we believe that what we have stated above are all concerning with the problems of justice and humanity. On the name of the twentieth century civilization, we sincerely hope that you will please kindly study and discuss our Formosan problem most thoroughly, and make a righteous decision.

Respectfully submitted,

The Formosan Democratic Independence
Party

The President, ~~Thomas W.I. Liao~~

(Sgd.) T.W.I. Liao

The Vice-President, ~~Huang Nam-peng~~
(Sgd.) Huang Nam-peng

March 20th, 1954

608, YMCA, Kanda

Tokyo, Japan.

File-

50056-A-40
46 ✓

EXTRACT FROM THE CHINESE NEWS SERVICE OF APRIL 27, 1954.

Constitutionalism

DISTRICT EXECUTIVES, ASSEMBLYMEN ELECTED

An average of 75 per cent of the 1,057,831 eligible voters of six cities and counties in Taiwan turned out on April 18 to vote for their own candidates to the Provisional Provincial Assembly. This was the first time that in the Government's promotion of local self-government, assemblymen of the provincial level were elected by direct ballot.

The provincial assembly consists of 57 members to be elected in the 16 counties and five municipalities on the island. In the April 18 elections, 18 provincial assemblymen were chosen in Taichung, Tainan and Keelung municipalities and Tainan, Yulin and Changhua counties. The 39 other assemblymen will be elected on May 2.

To economize on time and expenses, the voters who went to the polls on April 18 simultaneously elected six mayors and magistrates. Keelung Mayor Hsieh Kuan-yi, Yunlin Magistrate Wu Chin-huei, Changhua Magistrate Chen Hsi-ching and Tainan Magistrate Kao Wen-jui, all incumbents, were re-elected. Taichung's city council speaker Lin Chin-piao was elected as Taichung Mayor, while his counterpart at Tainan, Yang Ching, was elected as Tainan Mayor. The successful candidates, including the delegates to the provincial assembly, will serve for three years.

Seven of the 18 provincial assemblymen were re-elected. They included Huang Chao-chin, speaker, and Lin Ting-li, publisher of the United Daily News. Taipei Mayor Wu San-lien was among the new members elected to the assembly.

Of the 57 assembly members, six are women and three aborigines. The law prescribes that for an electorate which has four or five assembly delegates, one of them must be a woman.

In preparation for local elections, the Taiwan Provincial Government in July 1950 decided, after a three-year study and planning, to redistrict Taiwan's administrative areas into 16 counties and five cities. First elections of the 21 magistrates and mayors took place at five different times between the end of 1950 and the early part of 1951. The provincial assemblymen, now serving, were elected in December 1951. These assemblymen, totalling 55, were elected not by direct ballot but by members of the 21 district councils throughout the island. Beginning this year, provincial assemblymen are being elected by the people directly and their two-year term has been lengthened to three years. With the increase in population, assembly seats have been raised to 57.

April 7, 1954.

External Affairs Committee Question April 6, 1954

Invitation to Prime Minister to Visit Formosa

file 50056-A-40
R. B. Edmonds (F.E.)

Question Mr. Nesbitt asked, "was the Prime Minister invited to visit Formosa?"

The Minister replied that he thought he was, but after the itinerary had been made up. He promised to obtain definite information on this point.

Answer

No formal invitation to visit Formosa was ever received. What happened was that some informal inquiries were made as to whether it would be possible for the Prime Minister to accept an invitation to visit Formosa during his tour of the Far East. Unfortunately, the Prime Minister's itinerary was already heavy and the short time at his disposal did not permit him to consider accepting further invitations. In reply to a question asked by the Member for Lethbridge (Mr. Blackmore) on March 11, you stated that "no political significance of any kind should be read into the fact that the Prime Minister was not able to visit Formosa on this tour".

SECRET

During the early part of the eighth session of the General Assembly in September, 1953, the Chinese Ambassador to Canada, who was then in New York, approached a member of the Canadian Delegation to sound him out about the possibility of the Prime Minister accepting an invitation from the Chinese Nationalists to visit Formosa during his tour of the Far East. He was informed that it would probably be very difficult for the Prime Minister to add Formosa to his itinerary at that late date. It was apparent that Dr. Liu had been requested by the Chinese Foreign Minister to make discreet inquiries on this point. In a telegram, No. 57 of September 29, 1953, to the Canadian Delegation in New York, this position was confirmed. This telegram reads: "Itinerary for Prime Minister's world tour is already very heavy, and in view of short time at his disposal to complete the tour, Mr. St. Laurent cannot consider accepting further invitations".

File

Security .. Confidential

MESSAGE FORM OUTGOING

File No. 11578-D-40 50056-A-40	
46	✓

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO: The Canadian Ambassador,
Washington, D.C. No. _____

Message To Be Sent	No.	Date	For Communications Section Only
AIR CYPHER	<i>Ex-469</i>	March 26, 1954.	
EN CLAIR			
CODE			
CYPHER			

Priority	
.....	

REFERENCE: **Your letter No. 511 of March 18, 1954**

ORIGINATOR	
(Signature)	
R. B. Edwards/am	
(Name Typed)	
Div. Far Eastern	
Local Tel. 6129	

SUBJECT: **National Assembly Session in Formosa**

APPROVED BY	
A. R. MENZIES	
(Signature)	
A. R. Menzies	
(Name Typed)	
Internal Distribution:	
S. S. E. A. - U. S. S. E. A.	
U.N. Division ✓	
Done. <i>am</i>	
Date. <i>Mar. 29/54</i>	

We have read your numbered letter under reference with interest and note that the State Department, despite the damaging allegations of Dr. K. C. Wu, does not intend to change its policy regarding the Chinese Nationalist Government. As you know, the National Assembly has recently been convened in Formosa to elect a President and a Vice-President of the Republic of China, as well as an 85-member presidium for the Assembly. One of the purposes of the National Assembly, at which two Chinese-Canadians are in attendance, is obviously to emphasize the fact that the Chinese Nationalist Government in Formosa is the legal successor to the government which won the 1947 elections in mainland China. Upon the conclusion of this National Assembly, it would be interesting to receive a State Department appraisal of the political health of the Chinese Nationalist regime at the present time.

Copies Referred To:	
London	
CFDUN, New York ✓	
Done.	
Date.	

EXTRACT FROM CHINESE NEWS SERVICE OF MARCH 23, 1954ConstitutionalismCHIANG ELECTED BY OVERWHELMING MAJORITY

The constitutional National Assembly, the highest people's representative body of China, which elected Generalissimo Chiang Kai-shek President of the Republic in 1948, re-elected him on Mar. 22 for a second six-year term. President Chiang won by an overwhelming majority of 1,507 to 48 votes cast for his opponent; Hsu Fu-lin, elderly leader of the Democratic Socialist Party. Altogether 1,575 delegates cast their secret ballots, 20 of which were declared invalid.

News of the election results touched off islandwide rejoicing. An estimated 8,000 students and thousands of others gathered on the plaza of the Presidential mansion to cheer free China's First Couple.

Tendering felicitations to President Chiang, the Democratic Socialist party candidate declared: "The result of the election reflects the will of the 450,000,000 Chinese. I wish to offer you my hearty congratulations."

The Young China Party sent the following congratulatory message to President Chiang: "Your re-election today by the National Assembly signifies the support of the entire nation. We are happy for the country because the right man has been chosen. We are also encouraged by the prospect of an early assault on the mainland and resurgence of the nation."

ELECTION OF VICE PRESIDENT IS ON MAR. 23

The Assembly consists of 3,045 seats for which 2,908 delegates were duly elected in a three-day period beginning Nov. 21, 1947, throughout China in areas free from Communist disturbances. The first session of the Assembly met in 1948. A majority of the entire 3,045 seats, or a total of 1,523 votes, is required to win the Presidential election on the first ballot.

The first ballot took place on Mar. 20. Since the number of delegates attending the present session of the Assembly numbered 1,577 up to that day, and since a certain number of delegates had pledged their support to the elderly Mr. Hsu on his nomination as a Presidential candidate, President Chiang's first-ballot victory had not been expected. The final count of the first ballot was: President Chiang, 1,387; Hsu Fu-lin, 172, and invalid ballots, 14. Four of the 1,577 registered delegates were absent.

Although only a plurality of the votes cast by attending delegates is required for election on the second ballot, President Chiang Kai-shek won by 1,507 votes.

The election of the Vice President will take place on Mar. 22. Premier Chen Cheng, Kuomintang candidate, is being opposed by Shih Chih-chuan, a Democratic Socialist Party nominee. Shih, a 62-year-old law professor for over 20 years, was vice-president of the Judicial Yuan in the late 1940's.

Elder Statesman Mo Teh-hui and editor-publisher Wang Yun-wu, independent candidates for the Presidency and Vice Presidency, announced their withdrawal from the race on Mar. 19. They threw their support to the Kuomintang ticket of President Chiang and Premier Chen.

NUMBERED LETTER

File: 50056-A-40

TO: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: THE CANADIAN EMBASSY, WASHINGTON, D.C.

Reference:

Subject: Criticisms of Chinese Nationalist Government by K.C. Wu.

Original M.N. 115-78-D-40

Security: CONFIDENTIAL

No: 511

Date: March 18, 1954

Enclosures:

Air or Surface Mail:

Post File No:

Ottawa File No.	
50056-A-40	
102	L

References

Attached is an article by Richard Johnston from the New York Times of March 15 reporting criticisms against the Chinese Nationalist Government which have been made publicly by K.C. Wu, who formerly was the Governor of Formosa and held many high posts with the Chinese Nationalist Government. We discussed Dr. Wu's statement with Mr. Walter McConaughy, Director of the Office of Chinese Affairs at the State Department, because Wu is by far the most important, insofar as influence in this country is concerned, of the former officials of the Chinese Nationalist Government who have spoken out against it.

2. Mr. McConaughy said that he was surprised and disconcerted by ~~Wu's statement~~ in making public his strictures on the Chiang Kai-shek government. He admitted that many of the charges were unquestionably true but he had some doubts about the former Governor's motives in making them public. He said that Wu privately expressed to State Department officials his dissatisfaction with the government on Formosa when he first arrived in the United States some months ago. He maintained at that time, however, that his views should not be made public because that would be of assistance only to the Communists. Observing that those conditions still held true, McConaughy speculated that some personal incident had caused Wu to change his mind or else he was acting under pressure of enthusiastic American friends. McConaughy suggested that Wu's strictures were exaggerated - not in what he said about the illiberal character of Chiang Kai-shek's government, but in his accusations about corruption. The State Department's information is that tremendous strides have been made in the reduction of corruption. These reports have been confirmed by American Foreign Operations Administration officials, who act in close collaboration with Chinese Nationalist Government officials in a joint economic agency. McConaughy also suggested that Wu's complaints that his 16-year-old son was being held as a hostage may also be inaccurate. He pointed out that, both for military service and foreign exchange reasons,

Internal Circulation

Distribution to Posts

it is not the policy of the Chinese Nationalist Government to issue travel passports to male children of that age.

3. McConaughy agreed that, because of K.C. Wu's good reputation and standing in this country, where he has a very large number of friends and acquaintances, his condemnation of the Chiang Kai-shek government will have a considerable effect in the United States in raising public doubts about the wisdom of American policy of support for the Chinese Nationalist Government. He added that it would not have an effect on the attitude of the United States Government.

(Sgd.) P.G.R. Campbell

The Embassy.

CANADIAN EMBASSY

WASHINGTON

Subject: CHINA

Date: March 15, 1954.

Publication: NEW YORK TIMES

DR. WU BREAKS WITH CHIANG; ASKS REFORMS TO
BEAT REDS

By Richard J. H. Johnston

Special to The New York Times

EVANSTON, Ill., March 14--Dr. K. C. Wu, former Governor of Formosa and holder of high posts in the Chinese Nationalist Government, announced today an open break with Generalissimo Chiang Kai-shek. Dr. Wu charged the Nationalist regime with having abandoned all semblance of democracy, with having made an attempt on Dr. Wu's life in Formosa last spring and with holding his 16-year-old son, Wu Hsiu-hwang, as a political hostage.

Dr. Wu made public copies of letters he had written two weeks ago to both President Chiang and the Chinese Nationalist Assembly in Taipei, Formosa, calling for immediate enactment of six major reforms for the Government of Formosa and urging Generalissimo Chiang to bring to bear his influence in instituting the reforms.

Dr. Wu declared he "deeply regretted" that his actions today would undoubtedly provide immense propaganda material for the Communist Chinese Government at Peiping. However, he added that a continuation of the present course in the Formosa Government would lead to ultimate Communist success.

He said that the United States was providing three-quarters of the annual Chinese Nationalist budget of \$400,000,000 and that the people of the United States should know the facts that had motivated his step.

Dr. Wu held a press conference at the Georgian Hotel here, where he and Mme. Wu occupy a modest three-room apartment.

Denying with emphasis that he had been involved in dishonest transactions, an accusation that formed the basis of rumor on Formosa after Dr. Wu's departure from there last May, he said:

"They know that I have been honest. What they really want to do is just put up trumped-up charges and then issue me a summons to return to answer the charges.

"Since, evidently, I cannot return under the circumstances, they will probably issue an order of general arrest for me and pass sentence in absentia. But if they do this, I shall challenge them to bring the evidence to an American court to demand extradition. I shall waive all rights of political asylum and prove beyond doubt the true nature of their regime

in the extradition court."

Dr. Wu charged that the elder son of President Chiang, Maj Gen Chiang Ching-kuo, was being groomed by his father for the establishment of a Chiang dynasty. He described the younger Chiang as the instigator of the establishing of a police state on Formosa.

"He has established a system of political commissars after the Russian pattern," Dr. Wu asserted.

He went on to say that representative government on Formosa had been destroyed, that one-party rule under President Chiang had obliterated the last vestiges of it.

"For your own security's sake," Dr. Wu said, "the United States people must not abandon Formosa. You must not appease Red China in any way in Geneva. You must not allow Red China to shoot its way into the United Nations. The only course open to you is to bring every pressure you can upon the Nationalist Government in Formosa so that it may reform itself and become truly a bastion of democracy in the global defense of the free world."

He went on to say that "in this hour of national crisis for China what we Chinese people need most is unity."

Dr. Wu declared that it was undesirable for the Chinese to "wash our dirty linen in the American public," but he had been "forced to come out into the open as an element of disunity and to broadcast our own weaknesses abroad."

He called this necessity "an agony".

PERSONAL ATTACKS

Dr. Wu stated that, in April of last year, shortly before he left Formosa with his wife, an attempt had been made upon his life and that he had escaped by the narrowest of margins. He said that revelations of details of the incident, other than that it involved an automobile "accident," would endanger others and he would therefore say no more about it at this time.

The 50-year-old former Mayor of Chungking, Shanghai and Hankow, who is a graduate of Grinnell College, Iowa, and who received his doctorate of philosophy at Princeton University, read a statement tracing his service to his Government through the years of World War II, the brief period of post-war Nationalist decline on the mainland and the Nationalist exile on Formosa. He has also been Vice Minister of Foreign Affairs and Minister without portfolio for the Nationalist Government.

He recalled that he had been appointed Governor of Formosa after the remnants of the Nationalist Army and Government moved to the island when the Communists conquered the mainland, in a bid by President Chiang for United States support.

This support came, he said, but, he added, under the pressure the United States encountered following the outbreak of the Korean War, Generalissimo Chiang permitted his son to eradicate the democratic structure built in Formosa by Dr. Wu and turn the island into a police state.

"In order to recover the mainland," he went on, "we must secure the full-hearted support of our 8,000,000 countrymen on Formosa, the full-hearted support of the 13,000,000 Chinese overseas and the unceasing and effective sympathy and support of all friendly nations."

SUN YAT-SEN'S PRINCIPLES

He added that the "present policy of our Government is in direct contradiction to the fundamental principles of its founder, Dr. Sun Yat-sen."

Dr. Wu summarized the evils of the Formosa Government as:

- Institution of one-party rule.
- Intrusion of politics into the armed forces.
- Establishment of a secret police apparatus.
- Lack of guarantees of individual rights.
- Lack of freedom of the press.
- Establishment of thought control.

Dr. Wu said that he had submitted these observations in detail to the National Assembly on Formosa in his recent letter.

To eliminate abuses he urged the adoption of six measures.

Investigation of the finances of the Kuomintang, the political party of the Nationalist Government.

Abolition of political activity in the armed forces.

Establishment of a national security system removed from influence by "relatives of the high authorities of the Government."

Establishment of a committee to hear the complaints of persons illegally detained and prosecuted.

Establishment of a committee to investigate the destruction of the free press.

Abolition of the "Youth Corps," which Dr. Wu described as a terroristic organization controlled by the younger Chiang.

Calling upon Generalissimo Chiang to push these suggested reforms, Dr. Wu said at the press conference: "I fervently and devoutly pray that he will take immediate steps to put my recommendations into practice. If he does not do so, not only our hope of ever recovering the mainland of China is lost, but he may find himself even unable to defend effectively Formosa in the not too distant future."

Dr. Wu added that "no nation and no army will fight just for the benefit of one man or one family."

"Smear tactics" against himself or the use of "faked evidence" would not avail, Dr. Wu said. His personal honesty had been questioned solely by rumor, he added; that nothing

had been specifically charged against him; he was ready to face any charges that might be brought.

DENIES ACCUSATIONS

He said that accusers had charged him with leaving Formosa with a half-million dollars. Dr. Wu said he had left Formosa with \$5,000 of his own funds and had since been supporting himself, his wife and two unmarried children who are students in this country on a modest income derived from writing and lecturing.

Speaking with controlled emotion about his youngest child, for whom he has not been able to obtain a Nationalist passport, despite repeated appeals to his government, Dr. Wu said he had directed a "personal appeal" to Chiang Kai-shek.

*Cross referenced
on 45-40*

File 50052-A-40
46 | ✓

EXTRACT FROM THE HANBARD REPORT OF THE HOUSE OF COMMONS
DEBATES FOR THURSDAY, MARCH 11, 1954.

**INQUIRY AS TO REASON FOR PRIME MINISTER
NOT VISITING FORMOSA**

On the orders of the day:

Mr. J. H. Blackmore (Lethbridge): I desire to ask a question of the government, through the minister of external affairs, notice of which I have not sent him. Was it the result of accident or deliberate planning that our Prime Minister's itinerary did not include vitally strategic Formosa and Canada's loyal world war II ally, Chiang Kai-shek?

Hon. L. B. Pearson (Secretary of State for External Affairs): No political significance of any kind should be read into the fact that the Prime Minister was not able to visit Formosa on this tour.



DEPARTMENT OF
EXTERNAL AFFAIRS
CANADA

Far Eastern Division

CONFIDENTIAL

CIRCULAR DOCUMENT

NO. A. 56/54

Ottawa, February 26, 1954.

file on 50056-A-40
P.B. Edwards (F.E. Div.)

Information about the Eighth Session
of the United Nations General Assembly (60)

Under cover of this circular document, which is the sixtieth in this series, we are transmitting the Final Report of the Canadian Delegation on Chinese Representation in the Sixth Committee.

Bruce Keith
for Secretary of State
for External Affairs.

To the Heads of
Canadian Posts Abroad
excluding Consulates.

FINAL REPORT ON THE DEBATE ON
CHINESE REPRESENTATION IN THE
SIXTH COMMITTEE

Throughout the proceedings in the Sixth Committee during the Session there was an element of uneasiness with regard to the mode in which Polish Chairman Dr. Katz-Suchy had been addressing the representative of China, Ambassador Hsu. The Chairman had consistently called on the Chinese delegate by his name, rather than as the representative of China. While there was no impression that the Polish Chairman had ever allowed his personal views on Chinese representation in the United Nations to cause him to refuse the floor to ~~Doctor Hsu~~ there were occasions when he was very brusque in dealing with him.

This matter came to a head towards the end of the deliberations of the Committee, and stemmed from a point of order raised by A. J. Carey, representative of the United States, who questioned the mode in which the Chairman was addressing the Chinese Representative. A two day debate ensued which at times was heated, though not altogether without its humorous aspects. The delegate of El Salvador, who had first drawn the Chairman's attention to the subject over a month previously (when this representation had been completely ignored), submitted a draft resolution which referred to the practice of addressing the representative of a member state by name instead of as a representative of his country as being at variance not only with the rules of international courtesy but also with the respect which is due to all members of the United Nations, and declared that when official business was being conducted it was the duty of the Chairman and other officers to address all members of the committee as representatives of their respective countries, and not as private persons.

India made considerable efforts to amend this draft (A/C.6/L-322) in a manner which might have been interpreted as favouring the point of view of the chair, and in effect postponing any consideration of the matter. Different Indian attempts for amendment were rejected in votes ranging from 23 to 16 with 10 abstentions to 35 to 8 with 6 abstentions.

In his speech the United States representative bitterly attacked the Polish Chairman. The Chairman was, he said, refusing to accord a duly accredited representative the courtesy and respect due to him. He reminded the Chairman that, as elected officer of the General Assembly and as Chairman of the Committee, he was bound to subordinate his personal views and the views of his government to his duties as Chairman. He pointed out that this practice amounted to a reflection on the decision of the General Assembly of September 15 to postpone the question of Chinese Representation in the United Nations for the remainder of the eighth session.

Dr. Katz-Suchy, who is an experienced and competent debater, defended his position firmly and with considerable skill. He rejected accusations of discourtesy by saying that Dr. Hsu was always recognized by the chair whenever he requested the floor, and on no occasion had been denied the opportunity to speak. He pointed out that the rules of procedure, particularly Rule 109, do not specify any

special form of address, but merely prescribed that the Chairman shall call upon the speakers in the order that they indicate their desire to speak. The sole duty of the Chairman was to assure to all members equal rights in the exercise of their functions in the Committee. His addressing Dr. Hsu by his personal name was due neither to a desire to be familiar with him nor to a desire to be discourteous to him. Nevertheless he said that he did not wish to conceal the fact that he recognized as the true representatives of China only the representatives of the Central People's Government of the People's Republic of China. In addressing Dr. Hsu by his name he was therefore compromising between his conviction and his position as the duly elected Chairman of the Committee, he said. He referred to similar compromises which he said had been made in other organs of the United Nations, particularly in the Security Council, the Second Committee and the Economic and Social Council. He was even able to turn the argument of the United States that he was questioning the decision of the General Assembly not to consider Chinese Representation at this session, by saying that it was the United States delegate who, in raising this on a point of order, was raising the substantive question of the representation of China. Having made this statement he left the chair, which was then taken by the Afghan Vice-Chairman.

It is our impression that the Chairman, realizing a vote was inevitable, deliberately walked out of the meeting to avoid presiding over it at a time that a vote of censure against him was being passed. Before departing he told the Committee that his views could not "be bought or changed by either office or money" and he made it clear that he had no intention of addressing Dr. Hsu as the Representative of China.

There were a number of votes on procedural motions during the course of the debate. The Chairman himself put the question of competence to the vote and the Committee affirmed its own competence by 32 votes in favour to 13 against with 3 abstentions.

As the debate reached its climax the Soviet group and the Indians (both of whom sensed that the majority would insist upon voting upon the El Salvador resolution) adopted every form of procedural tactic they could devise, either to adjourn the debate without a decision, or to prevent a vote being taken. These filibuster tactics involved voting upon several procedural motions. These were as follows:

- (a) A motion by Colombia for the adjournment of the meeting which was defeated by 26 votes (including Canada) to 15 with 8 abstentions.
- (b) A motion by the Soviet Union, for the adjournment of the meeting under rule 119, on the grounds that the El Salvadorian draft and the Indian amendment thereto had not been circulated 24 hours in advance. This was defeated by 24 votes (including Canada) to 20, with 5 abstentions.
- (c) A motion by the Soviet Union that the Committee decide not to vote on the draft resolution, which was defeated by 26 votes (including Canada) to 16, with 5 abstentions.

Towards the end of the debate however the Committee did adopt a procedural motion by New Zealand to close the debate by 34 votes (including Canada) to 11, with 6 abstentions. At this point, some members explained their votes before the El Salvadorian draft was put to the vote. F.A. Vallat (United Kingdom) said that he would vote in favour of the El Salvadorian draft and against the Indian amendments since he believed that the question before the Committee was "purely technical" and effective only in respect of the Sixth Committee. The addressing of a member by his personal name, he thought, raised practical difficulties. He felt that an exaggerated political importance had been attached to the question. It appeared that he did not wish to encourage referring such questions to the General Assembly. Dr. Martua (Peru) said that he had proposed to delete the first paragraph of the El Salvadorian proposal so as to remove the personal implications of the draft resolution. P.D. Morozov (U.S.S.R.) claimed that the unprecedented action of the Committee had lowered its prestige. He naturally supported the Chairman fully. He did however agree with the United Kingdom that the matter had received altogether too much attention. The Mexican representative would vote for the El Salvadorian text but against some of the Indian amendments. He thought that the resolution was in accord with rule 109 of the Rules and Procedure which referred to "representatives" and not to private persons. He too deplored the raising of the issue. The representative of Denmark said that he would vote in favour of the draft resolution because it dealt only with the procedural question, but he wished to state that his government recognized the People's Republic of China as the lawful government of China.

El Salvador was finally persuaded to drop the preamble of its draft resolution (which had been revised once) and the resolution was then carried by vote of 35 in favour (including Canada), six against (Soviet bloc and India) and 9 abstentions.

Canadian Position.

The Canadian delegation felt, as did the Delegations of most other countries, that although it was unfortunate that this issue had been raised, it was desirable to conclude the discussion and come to some clear decision. It was considered that the practice of the Soviet Bloc in this respect was obviously improper and discourteous, notwithstanding the fact that it was not technically contrary to the rules of procedure. It was generally recognized that this debate and the resolution which was adopted had only procedural implications and in no way prejudged the question of Chinese representation in the United Nations. Moreover, the resolution as finally adopted was, in the opinion of most delegations, confined to the manner in which officials of the Sixth Committee should address one another. It will not be binding either on the General Assembly or other Committees, although it constitutes a useful precedent if the issue should arise in some other organ of the United Nations.

Although this resolution was fought through the Committee to a successful conclusion, it did not appear to have any effect upon the subsequent attitude of the Chairman. It was clear that Dr. Katz-Suchy had no intention of changing his method of describing the Chinese Delegate or of complying with the resolution adopted by the Committee, if ~~Dr. Hsu~~

should ask for the floor. Since the deliberations of the Committee were almost ended at the time this matter was brought to a head, some backstage negotiation was undertaken which had the effect of smoothing the small amount of work remaining for the Committee to complete, although the method adopted represented a substantial concession to the Chairman's point of view. It seems that an understanding was reached in which the Assistant-Secretary-General Cordier played an important part. Dr. Hsu would not request the floor for the remainder of the session. In fact he did not ask to speak during the remaining meetings of the Committee. In the event that he requested the floor it was thought that the Chairman and the Vice-Chairman would exchange seats, so that the Vice-Chairman would call upon Dr. Hsu as the delegate of China.

Eighth session
SIXTH COMMITTEE

APPENDIX "A"
A/C.6/L.322/Rev.1

El Salvador: revised draft resolution

Note: This resolution was adopted by a vote of 35 in favour
(including Canada) to six against, with 9 abstentions.

Declares that when official business is being conducted
it is the duty of the Chairman and all other officers of
the Committee to address all members of the Committee as
representatives of their respective countries and not as
private persons.

file 50056-A-40
R. Edwards (F.E.D.)
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DEPARTMENT OF STATE

To see / Mr. Hengies
Mr. Edwards
file [Signature]
F.E.D.

CONFIDENTIAL

Information Policy Statement for USIA
(FE-82) February 17, 1954

MEETING OF THE NATIONAL ASSEMBLY AND
PRESIDENTIAL ELECTION IN THE REPUBLIC OF CHINA

The National Assembly is scheduled to convene in Taipei February 19, 1954, for the purpose of electing a president and a vice-president for the Republic of China. During the month the Assembly is expected to remain in session, it will also hear governmental reports and pass numerous resolutions. Although the National Assembly is the body that constitutionally elects the president and vice president, in all probability it will be responsible to the wishes of President Chiang and the 32-man Central Committee of the Kuomintang. Constitutionally, this election must be held 90 days before the expiration on May 20 of President Chiang Kai-shek's present six-year term of office. Because the re-election of Chiang Kai-shek is assured, the most important issue before the Assembly will be the election of a vice president. The importance of the vice presidential election does not stem from the duties of the office, which, except in the event of succession are entirely honorary, but from the indication it will give concerning the trend in the relative strengths of the various political groups in Taiwan.

In the interests of maintaining party harmony, Chiang Kai-shek will consider for his choice of a vice president a person who would be acceptable to the majority of the factions within the Kuomintang; but at the same time he will also be interested in protecting the political fortunes of his elder son, Chiang Ching-kuo, director of the General Political Department of the Minister of National Defense and member of the Kuomintang's Central Committee. Some consideration will undoubtedly also be given to Mainland and Overseas Chinese opinion, as well as world opinion, in the selection of a vice president.

The most often rumored names of possible vice presidential nominees are Ch'en Ch'eng, who is the present premier, Chang Ch'un, and Ho Ying-ch'in. All three are trusted supporters of Chiang Kai-shek and all are party veterans with influential support ~~and~~ in the party and government. Of these three, Ch'en Ch'eng has been the most openly opposed to Chiang Ching-kuo's rise and therefore would seem to be, from Chiang Ching-kuo's point of view, the most undesirable candidate. However, the younger Chiang might find Ch'en acceptable believing that Ch'en's poor health might force his retirement from active political life, or because Ch'en's acceptance would require relinquishing the premiership, thus leaving greater room for Chiang Ching-kuo to solidify his power under a new cabinet.

Other rumored possibilities for the vice presidential nomination are Hu Shih, the outstanding scholar, and such prominent party elders as 73-year old Wang Ch'ung-hui, President of the Judicial Yuan; Yu Yu-jen, the 76-year old President of the Control Yuan; and 72 year old Mo Te-hui, a senior presidential advisor.

~~Li Tsung-jen, the incumbent vice president, is not a candidate for re-election. Li faces judicial action by the National Assembly on a bill of impeachment, drafted by the Control Yuan, for dereliction of duty by failing to leave the United States for Taiwan.~~ Although the National Assembly has the constitutional power to decide on Li's impeachment, several high-ranking Chinese officials believe that, since Li's term automatically expires in May, the matter will not be pressed. Li, however, will probably be soundly censured by Assembly resolutions.

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The convocation at this time of the National Assembly, originally elected in 1947 for six-year terms, necessitated modification of constitutional provisions and changes in that body's organic laws. Due to the impossibility of holding new elections for assembly delegates from the mainland constituencies under Communist control, the terms of the incumbent Assemblymen were extended by presidential mandate. The quorum provision of the 3,045-man National Assembly for general session was reduced from a majority to one-third, although it is expected that a majority, or approximately 1,600 of the originally elected delegates or alternates will actually attend the sessions.

U.S. Position

The United States has a friendly interest in the political deliberations and electoral actions of Free China and hopes that these deliberations and actions will further advance the strength and unity of the Chinese people in the cause of freedom, and enhance the international stature of the Government of China.

Public Position

Emphasize, as appropriate and where facts warrant, those resolutions and actions of the National Assembly which

- (1) demonstrate the wide and responsible concern of Free China's leaders and representatives for the Chinese people, and Free World security and cooperation;
 - (2) indicate particular concern for the interests of other non-Communist Asian governments and any recognition of the influential role of Overseas Chinese communities in strengthening non-Communist governments in Asia.
 - (3) reveal increased Chinese support for the Republic of China.
- (CAUTIONS: 1. Present a balanced and accurate picture of developments in the National Assembly.
2. Do not draw special attention to the position of the present titular vice president, (Li Tsung-jen.)

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FILE 50056-A-40

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BY BAG

From TAMSUI to FOREIGN OFFICE

A.H.B. Hermann.
Saving Telegram No.2.
January 29th, 1954.

Repeated to:-

Governor, Hong Kong, No.5 Saving
Commissioner-General, Singapore, No.4 Saving
Governor, Singapore, U/N Saving
High Commissioner for Federation of Malaya, U/N Saving
Office of C-in-C Far East Station(CSO(I)), U/N Saving
GHQ Far East Land Forces (COL(I)), U/N Saving
HQ Far East Air Forces (CIO), U/N Saving
UK High Commissioner, Ottawa, U/N Saving
UK High Commissioner, Canberra, U/N Saving
UK High Commissioner, Wellington, U/N Saving
UK High Commissioner, Pretoria, U/N Saving

CONFIDENTIAL

Addressed to FOREIGN OFFICE telegram No.2 Saving of January 29th, repeated for information saving to Governor, Hong Kong; Commissioner-General, Singapore; Governor, Singapore; High Commissioner for Federation of Malaya; Office of C-in-C Far East Station; GHQ Far East Land Forces; HQ Far East Air Forces; and United Kingdom High Commissioners at Ottawa, Canberra, Wellington and Pretoria.

SITREP January 15th to 28th, 1954.

1. ~~44,207 Chinese ex-prisoners of war from Korea were welcomed in Formosa with wild enthusiasm on January 25th/27th.~~ According to publicity the vast majority of them wish to join the Nationalist Army. It is now an accepted convention that they all deserted across the battle line, in a "grim Odyssey", rather than being captured, and that the rest of the Communist forces are only awaiting an opportunity to do so. Behind all the propaganda, however, there is undoubtedly a genuine boost in public morale.

Expressions of gratitude for the insistence of HMG on the release of the prisoners have been qualified by conjectures that its object was to obtain pro-communist concessions from the Americans in return.

2. The time-limit for members of the National Assembly to report themselves (December 31st, 1953) has been extended indefinitely in the cases of those overseas, as more are reporting than were expected. Among them are some ex-officials who, if they should come to Formosa, would find themselves on trial for their past activities.

3. It is deduced here from President Eisenhower's budget speech that American military aid to Formosa, thought to be between 300 and 400 million dollars in 1953, may be raised to 500 million dollars in 1954. Economic aid is expected to remain stable at about 75 million dollars.

4. It is planned to win support to the Nationalist cause by sending "freedom ships" to countries with large Chinese communities.

72 groups of overseas Chinese (most of them cultural or sporting, but all given a fair share of indoctrination) visited Formosa in 1953.

5. Visits: Lt. General Otto Weyland, Commander of the US Far East Air Force, January 14/17; Secretary of Army Robert Stevens and US Ambassador to Korea Ellis Briggs January 27/28.

CONSUL

FILE NO. 11488-A-40

Press Office

January 28, 1954.

file on 50056-A-40
R. B. [unclear] (FE)

Prime Minister's Tour: Question of Formosa.

Glyde Blackburn called me last night at home stating that CP was in the course of preparing another piece on the Prime Minister's tour and asked whether we had representation of any kind in Formosa. He said he could not recall that we had a diplomatic, consular or trade post there, whereas the Chinese maintained an embassy here. I stated that "I did not have my little book Canadian Representatives Abroad handy at the telephone and I would call him back". After consultation with Mr. Ronning (Mr. Menzies had not yet arrived home from the office) and Dr. MacKay, I confirmed to Blackburn that we did not have representation in Formosa. In explanation I pointed out that we of course have had an embassy in Nanking, that the Chinese Government had moved from Nanking to Canton to Chungking and to Formosa, and that we (as well as many other governments) were not physically able to close down a mission in one place and re-open in another as the Chinese move from place to place.

I then added that "our volume of day-to-day business with the government in Formosa is not sufficiently great to warrant the establishment of an embassy there; and that since we closed down in Nanking we have found in practise that we have not been able to transact our business with the Chinese Government via their embassy here.

S. A. FREIFELD

C.C.S: O/SSEA;
O/AUSSEA;
Far Eastern;
Mr. P. Bridle, Comm.,
Mr. D.M. Cornett;
Mr. Ross Martin, PM's Off.

S. A. Freifeld,
Press Officer.

DEPARTMENT OF EXTERNAL AFFAIRS
NUMBERED LETTER

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA

FROM: THE CANADIAN EMBASSY

BONN, GERMANY

Reference: Washington Despatch No. 2366 of
December 10, 1953.

Subject: Relations between West Germany and
Formosa

No.

Date

Enclosures

Air or Surface Mail

Post File No. 21-5

Ottawa File No.

50056-A-40

~~11987-40~~

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References

*file on 50056-A-40
R. Edmunds (F.E.)*

The Foreign Office has apparently just written to the U.K. High Commission here to find out their views on the United States proposal that West Germany exchange diplomatic missions with the Chinese Nationalist Government. A member of the High Commission has informed us that in their reply they propose to point out the embarrassment which would be caused if the Federal Republic should respond favourably to the United States suggestion. As you know, the Germans will have to seek authority from the Allied High Commission before opening any new diplomatic or consular post. In this event the British would certainly be placed in a most embarrassing position and the British here, who do not know yet whether the suggestion has been made to Dr. Adenauer, hope either that it will not be made or that he will not yield to United States pressure on this question.

Internal
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John Starnes

Chargé d'Affaires a.i.

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Washington

Series	File/Dossier 50056-A-40	Volume 3	Dates 2/4/53 - 5/1/54	Location/Lieu
Title/Titre Category/Catégorie	Status of Formosa - Policy of Western Powers		Screeners A. P. MENZIES	Date 15/9/83
Explanation/Explication		Declassified Déclassé <input checked="" type="checkbox"/>	Partly declassified Déclassé en partie <input type="checkbox"/>	Closed Non déclassé <input type="checkbox"/>
				Release date Date du déclassément

This volume begins with introduction
 of US Presidential Order of 2/16/50 to the
 Fleet re "neutralization" of Formosa by saying that we
 have prevented Ch. Nationalists from attacking the mainland
 P.M. statement 2/2/53 that order was made on the sole responsibility of the
 S.S.E.A. long statement in HqC 5/2/53. Variety of items re
 conditions in Formosa. Dept article by K. Brando for Apr 53
 External Affairs Bulletin on Formosa!

As nearly all this volume is over 30 yrs old
 I recommend that it all be declassified ASAP

FOR SUBSEQUENT CORRESPONDENCE
SEE NEXT PART OF FILE

TOP SECRET

DOWNGRADED TO SECRET
REDUIT A SECRET

Far Eastern Division/R. B. Edmonds/sc

December 28, 1953.

FORMOSA

file on 50056-A-40
R. B. Edmonds (F.E. Div.)

The Cairo Declaration, subscribed to by the United States, the United Kingdom, and China, on December 1, 1943, stated:

"It is their purpose that Japan shall be stripped of all the islands in the Pacific which she has seized or occupied since the beginning of the First World War of 1914, and that all the territories that Japan has stolen from the Chinese, such as Manchuria, Formosa and the Pescadores, shall be restored to the Republic of China."

This promise was confirmed in the Potsdam Proclamation by the same three powers (the Soviet Union subsequently adhering) on July 26, 1945.

2. Under Article 2 of the Treaty of Peace with Japan signed at San Francisco on September 8, 1951, by Canada, Japan, and 47 other signatories, Japan renounced "all right, title, and claim" to Formosa; but the Peace Treaty did not specify to whom sovereignty over Formosa was transferred and today the main difficulty over Formosa arises from the claims of two rival governments of China: the National Government of China at Taipeh, Formosa, which is recognized by Canada, and the Central People's Government of China, at Peking, which is not recognized by Canada. Both these governments consider Formosa to be an integral part of China.

3. On May 15, 1951, on May 22, 1951, and on April 1, 1953, you stated in the House that Canada's consistent position has been

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that Formosa should be neutralized, so far as possible, while hostilities continue in Korea. Following President Eisenhower's State-of-the-Union message of February 2, 1953, which rescinded that part of the original order by which the United States Seventh Fleet was authorized to prevent operations by the Chinese Nationalist forces against the mainland, you said in the House on February 5, that Canada was not committed by, though naturally concerned with, the action taken in Washington in connection with this matter. Canada would, however, be directly concerned if Chinese Nationalist raiders or invading forces were escorted or protected in their operations against mainland China by the armed forces of other United Nations governments. The Canadian Government does not believe that the defence of Formosa, which has not been assumed by the United Nations, should be confused with the defence of Korea, which has.

SECRET

4. The United States State Department realizes that any increase of Chinese Nationalist military activity against the Communists might provoke retaliatory action by the latter against Formosa, which could involve the United States Seventh Fleet and the United States Air Forces. Prior to his statement of February 2, 1953, President Eisenhower obtained an informal understanding from Chiang K'ai-shek to the effect that the Chinese Nationalists would not undertake intensified military operations against the Chinese Communist forces, without prior consultation with the United States military authorities.

5. Canada's view has been that the final disposition of Formosa is a possible subject for discussion at any political conference on Far Eastern problems which is convened as a result of the Armistice in Korea. It has also been the stated position of the Can-

adian Government that, in any decision regarding the future of Formosa, the wishes of the people there should be a matter of primary consideration.

TOP SECRET

6. The question of Formosa's strategic significance has long been a domestic issue in the United States. Until the Korean crisis, however, the official United States position was one of non-interference, although it was considered preferable, other things being equal, if Formosa were not in the hands of a potentially hostile power.

7. Since the Chinese intervention in Korea, however, the United States has tended to attach increasing importance to the strategic value of Formosa, particularly because of its threat to the line of communications between the Philippines and Okinawa. Domestic political factors have reinforced this attitude. The Canadian military view of Formosa, on the other hand, has been that in the event of war with China or with the Soviet Union assisted by China, it would be of limited strategic value.

8. In general, we have taken the position that political considerations and the danger of embroiling the United States in a war with China outweighed strategic factors, except perhaps during hostilities in Korea. We have resisted the suggestion that the United Nations might assume any long-run responsibility for the disposition of the island or its denial to the Chinese Communists. In this, we have been influenced by Asian opinion and by the difficulties involved in finding any solution to the problem while the Nationalist regime still exists on the island.

File: 50056-A-40

Defence Liaison (2)/G.P.Kidd/mmr

Original on 5729-A-40
Copied

File: 11578-D-40
50056-A-40 ✓
9820-40

CONFIDENTIAL

OTTAWA, December 15, 1953.

The Commissioner,
Royal Canadian Mounted Police,
OTTAWA.

Attention Special Branch

50056-A-40
57 | 54

The Department of Citizenship and Immigration sends us on a regular basis its translations of the Chinese language press in Canada. In the translations for the week ending November 14, 1953, we noted the following item which we believe will be of interest to you:

" Name of Paper: The New Republic, Victoria.
Date of Publication: 8-11-53.
Subject of Article: Nationalist China's Official to Arrive in Vancouver Shortly.

News Report.

VANCOUVER - Wong Buck Yel, a member of the overseas Chinese Commission, will be sent by the Chinese Nationalist Government to Vancouver to make a first hand study of the Chinese in Canada, this was announced here today by the Chinese Consulate-General. "

The possibility that a Chinese Nationalist official will visit Chinese Canadian communities in this country could have unfortunate implications. As you know, the idea held by some Chinese Canadians that they possess a loyalty to their racial homeland does not contribute towards a healthy Canadian citizenship within this group. The actions of this Chinese Nationalist official could create political dissension inside the Chinese community in Canada and thereby impede the progress that has been made to assimilate them into the Canadian society. I should accordingly be glad to receive any information you may be able to obtain concerning Mr. Wong Buck Yel's activities whilst in Canada.

(sgd.) G. G. Crean
for the Acting Under-Secretary of State
for External Affairs

FAR EASTERN DIVISION/R.B.EDMONDS/mlc

DEPARTMENT OF EXTERNAL AFFAIRS

MEMORANDUM

FILE COPY

TO: ..Defence Liaison Division (2).....

Security CONFIDENTIAL

Date ... December 10, 1953

FROM: ... Far Eastern Division

File No. 11578-D-40		
50056-A-40 ✓		
9820-40		
46	✓	

REFERENCE:

SUBJECT: ..Chinese Nationalist Official's Investigation of Chinese in Canada.....

Approximately every fortnight, the Canadian Citizenship Branch of the Department of Citizenship and Immigration forwards to us an advance copy of translations of the Chinese press in Canada. Under cover of a letter of transmittal, dated December 7, 1953, the Citizenship Branch has just forwarded to us translations of the Chinese press in Canada for the week ending November 14, 1953.

One of these latest items is of interest. The relevant extract reads:

Name of Paper: The New Republic, Victoria.
 Date of Publication: 8-11-53
 Subject of Article: Nationalist China's Official to Arrive in Vancouver Shortly.

News Report.

VANCOUVER - Wong Buck Yel, a member of the overseas Chinese Commission, will be sent by the Chinese Nationalist Government to Vancouver to make a first hand study of the Chinese in Canada, this was announced here today by the Chinese Consulate-General.

It has occurred to us that the RCMP might be interested in the activities of this Chinese Nationalist official. Although the RCMP may already be investigating this gentleman, it might be appropriate to remind them of this Department's interest in the matter. As you know, the Chinese in Canada have traditionally claimed dual citizenship. In a recent letter to the Department of Citizenship and Immigration, it was suggested that any Chinese Canadians who swore allegiance to Chiang K'ai-shek could be accused of being a foreign agent in Canada and might jeopardize their citizenship. If our objective is to assimilate the Chinese in Canada into the Canadian community, it would

- 2 -

be highly unfortunate if a Chinese Nationalist official were to visit every Chinatown in the country to create political dissension. If you consider it appropriate you might convey these views to the RCMP. The relevant false docket containing this press extract is attached for your information.

(sgd.) A. R. Menzies

Far Eastern Division

Ext. 1

*Send to
David Eastman
2365 for action
DAVID B. WILSON*

9.28

file on 50056-A-40 PAE

OTTAWA FILE
No. 110-15-11-40

71 / 35

SECURITY CLASSIFICATION
CONFIDENTIAL

Despatch No.

Date..... December 10, 1953.....

FROM: THE CANADIAN AMBASSADOR, WASHINGTON, D.C.

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference.... Our despatch No. 1894 of October 5, 1953.....

Subject:..... China.....

*For reference, see page 7
Done Dec 30/53 CLK*

We had a general discussion recently with Mr. Walter McConaughy, the Director of the Office of Chinese Affairs at the State Department. This despatch gives an account of the views which he expressed on various topics.

Visit of Syngman Rhee to Chiang Kai-shek (See also our Letter No. 2329 of December 7).

2. The joint statement issued by Chiang Kai-shek and Rhee after their conference asserted that Nationalist China and the ROK stood firmly united against Communism but made no mention of a formal alliance. Rankin, the United States Ambassador in Taipeh, reports that he has no knowledge of any secret agreements reached as a result of the meeting between the two leaders. He doubts whether such agreements were made and has the impression that Rhee's return of Chiang Kai-shek's visit to him in 1948 was more of a gesture than anything else. McConaughy observed that Chiang and Rhee undoubtedly had a large field in which to reach an identity of views and also much about which to voice mutual dissatisfaction at this time. He thought it possible that the ultimate disposition of non-repatriable Chinese prisoners-of-war now held in Korea may have been discussed but this is not definitely known. He doubts that the despatch of Chinese Nationalist troops to Korea would be seriously considered because of the difficulty of supporting these troops without United States assistance and because of lack of enthusiasm on the part of Koreans for having Chinese troops of any kind in their territory.

Dismissal of Wang Shih-chieh and United States policy on recognition.

3. Rankin reports that the immediate cause of the dismissal of the Chinese Nationalist Secretary-General was Chiang Kai-shek's annoyance over the failure of Chennault and Willauer, of the China Air Transport Inc., to honour promissory notes which they had made out to the Government, in connection with the deal which gave their company title to the CAT aircraft which figured in the Hong Kong litigation. Apparently Wang was influential in the deal between the Chinese Government and Chennault. His dismissal is surprising because he is a long-time friend of Chiang Kai-shek.

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..... DEC 15 1953	
No. of Enclosures	<i>✓</i>
Post File	
No.....	

4. Rankin reports that the Generalissimo has been in extremely bad humour recently. He was greatly irritated by reports of Mr. Dulles' press conference of November 9, when the Secretary stated that the Administration had not said that it would be forever opposed to recognition of a Communist government in China. McConaughy said that Chiang, in company with a large part of the press, had misinterpreted this remark to indicate relaxation of United States policy in the matter of recognition of Communist China. He explained that Mr. Dulles was pointing out at his news conference that no reason existed for the United States to alter its policy of non-recognition of Communist China and that the Secretary meant to add, more or less as an aside, that diplomacy can never be based on rigid concepts which would make such terms as "never" and "forever" appropriate.

Chinese Nationalist troops in Burma

5. The United States will continue to urge the Chinese Nationalists to proceed with the evacuation and to see that the evacuees bring out their arms in accordance with the Bangkok Agreement. The United States will also advise the Burmese Government to do what it can to assist the evacuation which is taking place and to extend its cease-fire deadline as necessary to permit its continuation. The State Department hope that the Burmese will not be too inquisitive about the birthplace of those being evacuated, since the region whence the evacuation is taking place is something of a melting-pot.

6. McConaughy, for the first time in conversation with us, spoke frankly about Chiang's opposition to evacuation of Li Mi's forces, saying that the Generalissimo could not understand the Western powers' insistence on the withdrawal of any anti-Communist forces from the mainland or Burma's insistence on getting rid of forces which might help them against a Communist attack. McConaughy repeated that the United States would of course continue to press upon China the necessity to remove a military force which constitutes a violation of Burmese sovereignty and which weakens Burma's capacity to take action against Communist dissidents.

7. The Chinese Nationalists were not happy with the recent debate at the United Nations on Burma's complaint. They could not have expected less in the way of a resolution but they were uncomfortable because of the general condemnation which they received.

Recall of Soviet Ambassador to Communist China

8. The United States Ambassador in Moscow has not yet expressed an opinion on the recall of Kutznetsov after being less than a year in China. The British apparently regard the move as routine, suggesting that Kutznetsov was sent to China for a particular purpose as an expert on labour organization and that his task has now been fulfilled. The French see in his recall the possibility of Soviet dissatisfaction with the state of their relations with China.

*Done
Dec 30/53
CKK*

*Referto: A/USSEA
UN Div.
European Div.
American Div.
Commonwealth Div.
Defense Liaison (1)
Defense Liaison (2)
Pol Lond Section
JIS (Group Div (2))*

*London
CPDUN, New York
Paris, Embassy
Paris, AHA
Tokyo
New Delhi
Karachi
Jakarta*

*Colombo
Canberra
Wellington
Copies for files 6676-40
5400-40
11578-3-40*

*T. P. Murray
To see: Mr. Lanzetta
Mr. P. Sawyer
Mr. Blundette
Mr. Cole
File on 50056-A-40
P. Edwards (F.E.)*

CONFIDENTIALBY BAG From TAMSUI to FOREIGN OFFICE.

A.H.B. Hermann,
 Saving Telegram No.27,
 November 27th, 1953.

Repeated to:-

Governor, Hong Kong, No.65 Saving
 Commissioner-General, Singapore, No.49 Saving
 Governor, Singapore, U/N Saving
 High Commissioner for Federation of Malaya, U/N Saving
 Office of C-in-C Far East Station (for CSO(I)) U/N Saving
 GHQ Far East Land Forces (for COL(I)) U/N Saving
 HQ Far East Air Forces (for CIO) U/N Saving
 UK High Commissioner, Ottawa, U/N Saving
 UK High Commissioner, Canberra, U/N Saving
 UK High Commissioner, Wellington, U/N Saving
 UK High Commissioner, Pretoria, U/N Saving

CONFIDENTIAL

Addressed to FOREIGN OFFICE telegram No.27 Saving of November 27th, repeated for information saving to Governor, Hong Kong; Commissioner-General, Singapore; Governor, Singapore; High Commissioner for Federation of Malaya; Office of C-in-C Far East Station; GHQ. Far East Land Forces; HQ Far East Air Forces; and United Kingdom Commissioners at Ottawa, Canberra, Wellington and Pretoria.

SITREP October 28th - November 26th.

1. The cheering effect of visits by Mr. Vice-President NIXON and Admiral CARNEY was abruptly dampened by statements made by Mr. Secretary DULLES, hinting that the USA might eventually recognise a well-behaved Communist Regime in China, and by Admiral Carney (just after leaving Formosa) to the effect that the USA was not likely to supply Formosa with vessels suitable for attacking the mainland. The USA is now suspected of backsliding.
2. After a few anti-Burma blasts at the beginning of the evacuation of Nationalist guerillas, the topic has disappeared from the press.
3. Much resentment is expressed against the Indian handling of anti-Communist POWs in Korea.
4. Persistent rumours of an impending Formosa/Korean defence pact were aroused by visits by Mr. HOLLINGTON TONG to Seoul, but are probably unfounded.
5. The dismissal of Secretary-General WANG SHIH-CHIEH on November 17th gave rise to rumours of a Cabinet crisis over foreign policy, but the dismissal is believed to have been due solely to an administrative dispute.
6. General WU TE-CHEN, ex Vice-President and Foreign Minister, Kuomintang elder statesman, died on November 19th.

7. After an attack by a Nationalist aircraft on a British ship on November 7th, interference with British shipping appears to have moderated.

8. Visits: US Vice-President and Mrs. Nixon November 8-12; Admiral Carney November 12-16; Admiral STUMP November 5-8; Senator H. Alexander Smith; Congressman Walter H. JUDD.

CONSUL.

Foreign-Language Press Review Service,
Canadian Citizenship Branch,
Department of Citizenship and Immigration,
Room 102, The West Block,
Ottawa, Ontario.

~~For Eastern Div~~
~~American Div~~
Mr. Cox
58056-A-40
18 | 18

SUBJECT: U.S. Aid to Nationalist China.

SOURCE: "The Shing Wah Daily News," Chinese daily, non-communist,
Toronto, 23-10-53.

TO: 1. Mr. L.A.D. Stevens, Political Co-ordination, Dept. External Affairs
2. G.S.O. II, M.I.-3, N.D.H.Q.,
Room 4539, "A" Bldg., Ottawa.

Taipei, Formosa - (Special to the Shing Wah Daily News)

It is learned here that the U.S. Defence Department will propose to spend one billion and fifty million U.S. dollars as military and economic aid to Nationalist China in 1954. Observers here feel that the U.S. move is designed to increase the military preparedness of Formosa, Korea and French Indo-China. They are also of the opinion that the U.S. is now in the process of abandoning the "Europe First" policy.

To see: ~~Mr. Hargis~~
~~Mr. Hargis~~
~~Miss Allen~~
~~Mr. Cole~~
American Div

file on 58056-A-40
RBE

Mr. Russell

PATRON
HIS EXCELLENCY THE RIGHT HONOURABLE VINCENT MASSEY, C.H.
GOVERNOR-GENERAL OF CANADA

UNITED NATIONS ASSOCIATION IN CANADA ASSOCIATION CANADIENNE DES NATIONS UNIES



NATIONAL PRESIDENT
MAJ.-GEN. E.L.M. BURNS, D.S.O. O.B.E.

VICE-PRESIDENTS
MRS. REX EATON, O.B.E.
MARVIN GELBER
DR. N. A. M. MACKENZIE, C.M.G., Q.C.
HON. THOMAS VIEN, P.C., Q.C.
DR. R. C. WALLACE, C.M.G.

HONORARY TREASURER
J. STANLEY McLEAN

NATIONAL OFFICE
340 McLEOD STREET, OTTAWA
2-0507

CHAIRMAN, NATIONAL EXECUTIVE
MARVIN GELBER
CHAIRMAN, ADMINISTRATIVE COMMITTEE
MAJ.-GEN. E. L. M. BURNS

NATIONAL SECRETARY
KATHLEEN E. BOWLBY

October 14, 1953.

Mr. A. R. Menzies,
Far Eastern Division,
Department of External Affairs,
OTTAWA, Ontario.

To see:
An. Menzies
file (4)
RBE

50056-A-40
7 41

Dear Mr. Menzies:

I am enclosing two copies of the issue of WORLD REVIEW FOR CANADIAN SCHOOLS on "Dealing with China".

You will recall that I checked the statements on Canadian policy with you and that, following our conversation, Mr. Edmonds prepared a revised draft of the whole manuscript. Unfortunately there is no flexibility in the amount of material that we can print and Mr. Edmonds' revisions were almost entirely in the form of additions that amounted to an increase of about seven hundred words. We were unable to use this material, as I have already explained to Mr. Edmonds, because of space limitations. We were able to incorporate a few changes and corrections but the bulk of the revisions had to be omitted.

On the point of the subject suggested for discussion, Mr. Charter, the history teacher who prepares this material, felt that it was necessary to word it so as to involve a single issue rather than combining the questions of recognition and representation at the United Nations. Even if aggression has nothing to do with the decision as to whether or not a government should be recognized, it is an argument that will be raised in that connection by many people and it will be up to the high school students to sort out the more valid from the less valid arguments.

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Menzies
16 OCT 1953

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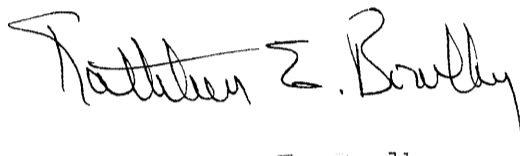
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- 2 -

I hope that our inability to incorporate most of the material prepared by Mr. Edmonds does not create the impression that we are not grateful for the assistance you and he gave us. Your interest and your help are most warmly appreciated and we regret that we were able to make so little use of the additional material prepared.

With warmest thanks for your assistance,

Sincerely yours,

A handwritten signature in cursive script that reads "Kathleen E. Bowlby". The signature is written in dark ink and is positioned above the typed name.

Kathleen E. Bowlby,
National Secretary.

KEB/bs
Encl.

DESPATCH

COPIES ON FILES: 6676-40

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SECRET

TO: THE SECRETARY OF STATE FOR
 EXTERNAL AFFAIRS, OTTAWA, CANADA.

THE CANADIAN AMBASSADOR,

FROM: WASHINGTON, D.C.

Reference: Our Letter No. 1686 of August 26 and
 Despatch No. 1649 of August 20, 1953
 Subject: Interview with Director of Office of
 Chinese Affairs at the State Department

Security: 1894

No: October 5, 1953.

Date:

Enclosures:

Air or Surface Mail:

Post File No:

Ottawa File No.
50056-A-40
77

References

This despatch reports on a discussion which we had recently with Mr. Walter McConaughy, Director of the Office of Chinese Affairs at the State Department.

1. Trade with Communist China

2. We raised this question, taking as a starting point the recent statement of the Yugoslavian Foreign Minister advising the Western powers to take advantage of China's desire for foreign trade and the publication, over Mr. Stassen's signature, of the Report to Congress (for the first half of 1953) by the Foreign Operations Administration on the Mutual Defence Assistance Control Act. There has been some newspaper comment on what seems in Mr. Stassen's report to be a more lenient view towards trade in non-strategic materials with Communist countries. Copies of the Foreign Operations Administration's report are being sent to you under separate cover.

3. Mr. McConaughy did not think that the Stassen report should be taken as presaging a relaxation of the Government's policy on trade with Communist China. He drew a distinction in this regard between that country and the Communist countries in Europe. He thought that the United States might begin to look more favourably on non-strategic trade with the latter but was not prepared to alter its policy of economic embargo against China in the present circumstances. He justified the distinction on the grounds that China was acting as an aggressive power. He said that thinking within the Administration and the temper of Congress appeared to be in accord in this matter and that, so far as he could see, the United States Government would not wish to resume trade with mainland China, even in non-strategic commodities, unless the Peking Government gave evidence of abandoning its aggressive ways by helping to achieve settlement in the Far East which might bring stability not only to Korea but also to Indo-China and possibly Formosa. He said that the United States recognized that it could not take such a strong line in this matter with its allies if the Korean conference should be held and attain any measure of success. For its own part, however, the United States would not be likely to move towards trade relations with China unless progress were

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made towards a genuine and wider settlement in the Far East. It should be emphasized, however, he added, that the United States was quite ready to revise its policy if the Chinese should make possible such a settlement.

4. United States reports, particularly those coming from Hong Kong, are that Communist China is definitely feeling the pinch of loss of trade with the West. The State Department believe that the recent dismissal of Po I-po, the Minister of Finance, was due to the retarding of the Government's economic programme, a situation which required a scapegoat. Mr. McConaughy said that the United States hoped that its allies realized the value of the trade policy which they have carried out towards China and would not hasten to discard it prematurely.

II Visit of Chiang Ching-kuo

5. The Generalissimo's elder son is now in Washington. He has been in the United States for about two weeks as the official guest of the State and Defence Departments. He is not receiving full-dress treatment, said Mr. McConaughy, but is undertaking an extensive and instructive programme. He is being received by the President and various high government officials and is inspecting military and police establishments. It is not surprising that he is making a point of visiting the large Chinese communities, where he is supposed to have been fairly well received.

6. At Chiang's request it was arranged that his progress from the West coast to Washington should be a slow one with numerous stopovers, so that he could get to know the country and the people. Mr. McConaughy thought that this experience would be most salutary. General Chiang has stayed at motels, lined up in small towns to get into movie-theatres, talked to small business-men and labourers, and been requested by the local police of one town, despite his being guided by the mayor, not to park his car illegally. Mr. McConaughy, who knows the young Chiang well and considers him to be a person of intelligence, believes that the experience is making a considerable impression upon him. Chiang's only other foreign adventure was in the Soviet Union some twenty-five years ago. He is now strongly anti-Communist but his behaviour has been notoriously authoritarian. Mr. McConaughy hopes that his American visit might perhaps have a leavening influence on his beliefs in this regard. The Generalissimo's son is expected to be in the United States for another ten days or so.

III Situation on Formosa

7. Another Chinese Nationalist personage now visiting Washington is C. K. Yen, the Minister of Finance. Mr. McConaughy said that Yen was concerned about the danger of inflation in Formosa and was discussing with United States authorities ways of offsetting this. In particular, the Minister feared that the Nationalist government might no longer be able to keep the budget in balance. He would probably ask for additional United States assistance to prevent this, arguing that the danger largely arose from the heavy financial drain of military expenditures. Mr. McConaughy thought that some additional assistance might have to be provided.

8. Mr. McConaughy's remarks indicated that the United States remained apprehensive that the Chinese Communists might launch an attack against Formosa, particularly with strong air forces. He said, however, that there is no evidence to lead to the conclusion that such an attack was being built up now. He

thought more likely that the Chinese Communists might attempt to capture the off-shore islands still in Nationalist hands. The fall of these islands would be embarrassing to the defense of Formosa, according to Mr. McConaughy, but not vital. You will recall that he had said to us previously that these islands were not considered by the United States authorities to be within the American "defence line."

IV Chinese Nationalist Troops in Burma

9. Mr. McConaughy admitted that the situation had deteriorated. The Chinese have offered to evacuate two thousand men, whom they described as regulars, but said they could not exercise authority over the remainder, who were not regulars, and were for the most part not of Yunanese origin but were indigenous Chinese. The Burmese Government have rejected this contention and have opened hostilities against the Chinese forces. Mr. McConaughy said that the Burmese Government have now withdrawn from the negotiations and would press their complaint in the United Nations. The United States, however, still hoped that as many as possible of the Chinese troops could be evacuated from Burma. To this end, the United States would urge the Burmese not to take drastic military action, while trying to get Chiang Kai-shek to proceed with plans to evacuate as many as possible of the Chinese forces. The United States Ambassador in Taipeh is endeavouring to persuade the Generalissimo to make a public statement that he will withdraw the Chinese regulars. Mr. McConaughy said the Thailand Government remains cooperative and he still had hopes that a large number of Chinese regulars might be brought out before the debate in the United Nations.

(Sgd.) A.D.P. Heeney

AMBASSADOR.

CHINA: U.S. Propaganda Directed against Political Conference Participants

Kudryatsev, in IZVESTIA, charges that the sudden and "provocative clamor" about Formosa raised by the American press "is calculated for blackmail and the exerting of pressures on the participants in the forthcoming political conference." The "clamor" about Formosa is said to be no accident brought about by a sudden change in the Far Eastern situation, for "as if by command," the American press suddenly focused attention on Chiang Kai-shek's appeal for a U.S.-Nationalist military agreement which was issued immediately after America was forced to conclude an armistice in Korea. This "inspired propaganda noise" is therefore allegedly revealed as carefully calculated American propaganda policy.

The IZVESTIA article also points to intensified American aid to Formosa and the increase of U.S. military strength in the Far East as evidence of America's continued aggressive designs on Asia. The publication of a "secret" agreement between the U.S. and the Chiang regime--"only after the conclusion of an armistice in Korea"--is presented as evidence that Nationalist troops are being "officially included into the system of the American Command in the Pacific." In view of this fact, Moscow observes it must now be clear to everyone that "American soldiery bears direct responsibility for all the actions of Chiang Kai-shek," and that any Nationalist provocation against the Chinese People's Republic could be used by the Americans as a pretext for embarking on more encompassing military adventures in Asia. Kudryatsev's only call for action is for "peace-loving peoples to be vigilant, including the peoples of Asia." Since this commentary is broadcast only to the Communist belligerents of the Korean war, it may be reminding them of America's aggressive threat to Asia in order to bolster their resolve in the face of American "blackmail and the exerting of pressures on the participants to the forthcoming political conference."

CONFIDENTIAL

*f memo Sept 21/53
for Pol. Co. Orientation Section
in 50182-A-40*

file in 50056-A-40
BB (Far Eastern)
15/12/53

ACCESS SECTION / SECTION DE L'ACCES

DOCUMENT REMOVED FROM FILE / DOCUMENT RETIRE DU DOSSIER

RG 25 Volume 90-91/008 File/ 50056-A-40 part 3
Box H 173 Dossier

Nature of document/ Description du document Br Foreign Office memo from SIR R. MAKINS
TO LORD SALISBURY

No. of Pages/ Nbre de pages 1 both sides

Date August 31, 1953

Exempt/Exception, 131(a)
Access To Information Act/
Reason for Removal/ Loi sur l'accès à l'information
Retrait en vertu de

Review Officer/ Agent(e) d'examen Robert McCall

Far Eastern Division:
R.B. Edmonds/TP

Copy for file 50056-A-40

50056-A-40
rd ✓

Ottawa, September 10, 1953.

Our Files: 11578-B-40
50056-A-40

Dear Miss Bowlby:

In accordance with your request, an Officer of this Division, on a personal basis, has undertaken to revise and clarify certain sections of your draft manuscript on "Dealing with China". We have tried to keep the manuscript similar in length and in style to that of the original. I trust that our suggested revision will prove useful for distribution to Canadian schools. I am enclosing one copy each of the original draft and our suggested redraft.

We would appreciate receiving a couple of copies of the printed pamphlet when it appears.

Yours sincerely,

A. R. MENZIES

A.R. Menzies.

Miss Kathleen Bowlby,
United Nations Association,
340 McLeod Street,
O t t a w a .

Suggested Redraft ofWORLD REVIEW FOR CANADIAN SCHOOLS

Vol. IV No. 2

October, 1953.

DEALING WITH CHINA

The truce in the Korean War, in which the United Nations forces were opposed by ^{Chinese Communists} ~~North Koreans~~ as well as ^{North} ~~Chinese~~ ^{Koreans} Communists, brings home the fact that we are dealing with two Chinas.

The Nationalist Government, ousted to the island of Formosa, is still recognized by the majority of the member countries in the United Nations. Its representative sits in the Security Council, as one of the five great nations possessing the veto power. The People's Republic of China at Peking has exercised effective control over mainland China since its establishment on October 1, 1949. Only a few non-Communist countries recognize its existence in any form.

Clash of Two Chinas

This two-^{China} country split really took place more than 25 years ago when Generalissimo Chiang K'ai-shek marched northward to defeat the war lords and unite China under a single government.

Following a 1921 meeting in Shanghai between Dr. Sun Yat-sen, the founder of the Chinese Republic, and Adolph Joffe, a Comintern agent, the Kuomintang, or Nationalist Party, was reorganized along Communist Party lines. After the death of Sun Yat-sen in 1925, the new leader of the Kuomintang, Generalissimo Chiang K'ai-shek, inherited Comrade Michael Borodin and other Russian-trained Communists as some of his close advisers. These advisers had one aim in view: to create in China a state in which foreign influences would be lessened

and in which the western-type capitalist system would be replaced by state socialism.

Chiang K'ai-shek did not agree. He wanted to make his revolution acceptable. He wanted to be accepted by the West, to gain admission for his new China into the League of Nations. He realized that without western aid he could not hope to get either technical help or the capital to build up his new China. During the march northwards in 1927 from the Kuomintang headquarters in Canton, Chiang K'ai-shek seized upon an opportunity to break with the Communists. Some Moscow-trained Chinese Communists fled to Russia, while the remnants of the Party in China retreated to an interior province in Southeast China, under the leadership of the Party's present Chairman, Mao Tse-tung. Under pressure from Nationalist armies, 80,000 Communist troops undertook the Long March of 1934 of 4,000 miles from Southeast China to their new headquarters in Yen-an in ^{North} Southwest China. For twenty years, the Chinese Communists resisted annihilation by the Nationalists, without any open support from the Soviet Union. Despite the existence of a nominal "united front" against Japan, the civil war between the Nationalists and Communists continued intermittently throughout the period of the Japanese invasions and World War II. The civil war broke out again with renewed intensity after the failure of General George Marshall's mediation mission in 1947.

In the end it was the failure of Chiang's government to bring about ^{quickly enough} a better life for the Chinese ^{peasants} that defeated him. It is said that the majority of Chinese did not rebel against the Nationalists. They simply did not support them. They did not support Communism; they simply accepted it.

The real instrument of success of the Communists in 1949 was the Chinese Red Army. Starting in the northwest where they had already built up a strong state, dispossessed large landholders, and distributed land to the peasants, the Communists preached their message of land reform and destruction of foreign influence wherever they went. Everywhere they gathered recruits among the sons of peasant farmers; at times whole regiments of the ^{Nationalist Army} ~~enemy~~ deserted to them.

Until the end of World War II, no substantial material aid was sent by Russia to the Chinese Communists. Moscow could not forgive the fact that ^{the} Chinese Communists had failed to redirect the Kuomintang along Communist lines during the coalition period in the 1920's. Indeed, even after it became evident that the Chinese Communists were achieving ascendancy in the civil war in 1949, the Soviet Union still recognized Chiang K'ai-shek as the legitimate ruler of China, since the Russians feared a strong united country on their southern border. Nevertheless, ^{considerable} ~~substantial~~ material aid was given to the Chinese Communists in the latter stages of the civil war. Today, according to some reports, there are believed to be no less than 80,000 Russian advisers in China.

The present People's Republic of China is certainly not democratic in our understanding of the term; neither does it follow the Russian method in practice. The control is maintained through the Chinese Communist Party's 6 million well-trained members throughout the country. These party men head and organize political committees and congresses all over the country, so that in theory the mass of the people seem to be taking part in their government. In practice, a handful of individuals in Peking, with Mao Tse-tung as "chairman" and Chou En-lai as premier and foreign minister, make all

the decisions affecting such powers as local taxation in the smallest village.

A Communist Party member must swear an oath to obey blindly instructions from above. There is no room for an opposition such as we have always been used to in our parliaments. Opposition to the party in power is regarded in China as treason.

Trade and "Squeeze"

We have said that the Chinese regime differs from the Russian, and it does. For one thing, Chairman Mao Tse-tung is considered to be a Marxist theorist in his own right. When the Chinese Communists were expelled in 1927 from the industrial cities on the eastern seaboard to a backward interior province, Mao Tse-tung, of peasant origin himself, stated a new theory for Asian revolutionaries, i.e. revolution by peasants rather than by industrial workers, the latter being the method favoured by Lenin. Again, the Soviet Union does not sanction any private enterprise. The Chinese rulers do, and, up to the present at least, even encourage it. Farmers own their own plots of land; most of the retail stores, some factories, even a few electrical plants and street car companies are in the hands of individuals.

In fact the government makes it almost impossible for a private firm to go out of business. A shipping, dockyard, or electrical company, built and financed by American or British capital, though finding it increasingly difficult to do business, is not allowed to lay off any employees, but must continue to pay idle hands. When the employer reaches the bottom of the till, the government may step in. Still he is not allowed to close shop, he must go on working under government supervision and somehow import foreign capital in order to

meet his debts. In 1951 British firms in China were forced to import millions of pounds sterling for this purpose.

Of course this form of extortion has had its effect on Chinese trade -- regardless of the Korean War and the embargo. Before World War II three-quarters of Chinese trade was with the industrialized West. Today that figure is only 25%, and China must depend on what she can get from Russia to make up the difference.

The practice of "squeeze" has been the bane of Chinese life for centuries. We would call it "graft". Everybody down to the local postman and the butcher demanded his little present for services rendered. The Communists promised to do away with "squeeze", and during the early part of their regime government was comparatively honest. In fact the Government proudly proclaimed: "a Communist cannot be corrupt, and who is corrupt cannot be a Communist".

Sad to say, human nature is not changed by slogans, however noble. ^{So-called} "Reactionary landlords" and "capitalists" were purged quickly in the early days of the Peking regime. Following this initial purge, new "five-anti" and "three-anti" campaigns were started against such crimes as evasion of taxes. In fact, these campaigns exposed a number of malpractices even among Communist officials. Accusations and counter-accusations of bribery and corruption were followed by public confessions. A few prominent Communists were executed. Thousands of others were terrified into honesty for the first time in their lives.

Now the "public confession" has become a part of Chinese life. School children are urged to confess their own weaknesses and sins, to report on their parents. Students are invited to criticize their teachers; teachers are exhorted to criticize themselves and each other. One principal confessed

he had been cruel to his students; another teacher confessed to neglecting her students so that she could spend her time drinking tea with wives of prominent Communist Party members!

Since seizing power in 1949, the Chinese Communists have laid themselves open to charges of aggression and imperialism. Large scale military intervention in Korea against the United Nations forces is but one charge. South China is being used as a base of supplies and operations by the Vietminh revolutionaries against the Associated States of Indochina. In Malaya, most of the guerrilla forces are Chinese Communists and receive encouragement from China, and in more subtle ways the Peking Government exerts pressure in such countries as Thailand (Siam) and Burma through Chinese living in those countries. A more aggravating action against a peaceful people was taken two years ago in Tibet.

A Passage to India

The way to India from China lies through the mountains of Tibet. ^{The} Tibetans' traditional taste for tea causes caravans to set out from a city in South China near the Yangtse River, over the "roof of the world" to the Tibetan capital at Lhasa. ^{Tibetans} The ~~priests~~ of Lhasa reach India by continuing this route across the Himalaya mountains. They skirt the ^hBrahmaputra river, and at one time are near the foot of Mount Everest. Then they descend to the Kingdom of Nepal. They have reached India.

Late in 1950 Chinese troops set out on this road to Lhasa. To the world at the time it seemed a rather senseless venture, and a needless disturbance in a little known part of the world. Tibet, as you know, is a sparsely populated mountain territory entirely controlled by Buddhist priests (lamas).

Before the 20th century it was considered a province of China, though allowed to run its own life. There was some disturbance at one time over the claims of two rival Lama leaders to control Tibet, and the Chinese Republic was considering sending an expedition. But the British, who were also interested in Tibet, persuaded the Chinese to settle the matter peacefully.

Although the Dalai Lama^{of Lhasa} has been the most important spiritual leader in Tibet, a rival Lama leader^{the} (Panchen Lama) has been in exile in China, and the Chinese Communists decided to support his claims as an excuse to occupy Tibet. Perhaps this aggression can be considered as having little to do with the United Nations or with threats to world peace. The Chinese Communists, at least, claim Tibet as a part of China. Nevertheless, this is the first instance, in recent times, that completely defenceless Tibet has been invaded by troops from the world without. This Chinese Communist invasion of Tibet has grave implications, since the Peking regime now has access to a military route leading to the sub-continent of India.

The Canadian View

Should the People's Republic of China be recognized as the Government of China?

This question must soon be answered. The Korean armistice has come; if the other Far Eastern problems are to be settled, China must be represented at the discussion table.

According to international law, a government qualifies for recognition if it exercises effective control over its national territory, commands the obedience of the bulk of the population and has a reasonable prospect of permanency. The Peking regime has met these objective standards. Such a government need not be either democratic or even representative of the people. Realizing that the Communist government on

mainland China did in fact both exist and govern, the British Government accorded recognition to the People's Republic of China early in 1950.

Recognition ^{normally} involves getting on speaking terms with the government recognized, by the opening of diplomatic missions in the country of that government and by receiving official representatives from that government.

While the recognition of one authority in China would involve the withdrawal of recognition of the other, the international situation at the present time would probably make such a simple solution of the problem difficult. For one thing, the Nationalist Government of Chiang K'ai-shek on Formosa has powerful friends and any de-recognition of Chiang's status on the island would be firmly opposed.

A second, but not unrelated, problem is the Chinese seat in the United Nations. When the United Nations Charter was drafted at San Francisco in 1945, "China" was named as one of the five great powers which would have a permanent seat on the Security Council with the right of veto on "substantive" questions. Chiang K'ai-shek's representative still occupies that seat. Some nations claim that the question of which government should occupy the "Chinese" seat is a "procedural" one and thus is not subject to the veto but can be settled by a simple majority of the eleven members of the Security Council. Other countries, such as the United States, ~~for example,~~ regard the question as one of substance and are prepared to veto any change in Chinese representation. The United States is prepared to sit down with the Chinese Communist Government at a Korean "political conference" to discuss means for reuniting Korea and for preventing a ^{resumption of hostilities} ~~recurrence of violence~~ in that country but is not prepared to recognize the existence of the government with which it is negotiating.

Among the non-Communist nations of the world, India stands at the other extreme of this question. Mr. Nehru, India's Prime Minister, a great and forceful spokesman for the Asians, said: "If the unfortunate error of keeping out the new China from the U.N. had not been committed, much of the trouble that has subsequently occurred (in Korea) might have been avoided."

Where does Canada stand in this debate? In the first place, our Government has made it clear to the world that we will not use our forces or support any adventure designed to overthrow the Communist Government of China. Secondly, Mr. Pearson indicated, in a speech in Vancouver on May 27, 1953, that "if the Chinese Communists agree to an honourable armistice in Korea which will end their aggression and bring about their withdrawal from Korea, and if they do not begin some other aggression in Asia, then we should agree that serious consideration can be given to the question of recognition in the light of all the facts." ←

Meanwhile, however, Canada still recognizes the Nationalist Government as the legal Government of China, although there is, at present, no Canadian diplomatic representative in Formosa.

Nevertheless, even if the Peking regime qualifies under objective standards for recognition as the legal Government of China, if the present criteria for membership in the United Nations are to be maintained, the Chinese Communist Government cannot expect to be represented in the United Nations without first showing proof of its peaceful intentions and of its willingness to honour its international obligations and agreements.

DEBATE AND DISCUSSION SUBJECT

Resolved that:

Canada should formally recognize the People's Republic of China as the Government of China ^{now} and should support its admission into the United Nations.

Considerations for:

1) The Communist Government in Peking does exercise effective control over mainland China while, conversely, the Nationalist Government on Formosa does not. The Peking regime holds authority over 1/5 of the population of the world.

2) Other recognized legal governments have come to power by revolutionary methods, e.g. U.S.A., U.S.S.R., and Indonesia.

3) Canadian support for the Peking Government's claim to represent China in the United Nations would probably be involved as a consequence of Canadian recognition of the People's Republic of China. Independent representation of Communist China would provide an opportunity for the tension in the Sino-Soviet alliance to be brought into the open and might lead to a more independent Peking foreign policy.

4) Recognition of Communist China is a necessary prelude to the achievement of any genuine peaceful settlement in the Far East since we cannot ignore the undoubted fact of Communist Chinese strength.

Considerations against:

1) Communist China has had a continuous record of aggression since coming to power, ^{e.g.} ~~i.e.~~, Korea, Tibet and Indochina,

and has given no indication of its willingness to honour international agreements.

2) Nationalist China should not be abandoned since its continued existence gives hope to millions of non-Communist Chinese on the mainland and the majority of overseas Chinese.

3) Recognition of the Peking Government, and especially its admission into the United Nations, would imply excusing past Communist aggression and encouraging future aggression and would be an unfortunate precedent for other nations which might try to "shoot their way" into the United Nations despite the qualifications for membership enumerated in the United Nations Charter.

4) The United States, which has been the most powerful backer of the Chiang K'ai-shek regime, would not be favourably impressed by Canadian recognition of the Peking Government.

November issue: West Indian Federation

Far Eastern Division:
R.B. Edmonds/TP

DEPARTMENT OF EXTERNAL AFFAIRS

MEMORANDUM

FILE COPY

TO: THE ACTING UNDER-SECRETARY.....

Security CONFIDENTIAL.....

Date August 31, 1953.....

FROM: FAR EASTERN DIVISION.....

File No. 11578-B-40	
50056-A-40 ✓	
35-BC-40	
41	41

REFERENCE:

SUBJECT: Report by Mr. Harry Hussey on Conditions in Formosa.....

Mr. Harry Hussey, a Canadian Old China Hand, with some forty years experience in China, called upon the Department on August 20. Mr. Hussey, an architect by profession, built the Rockefeller Medical College in Peking and has been on the fringes of Chinese politics ever since 1911. Mr. Hussey has had dealing with this Department on a number of occasions in the past. He claims to have been instrumental in securing Chinese acceptance of General Odium as the first Canadian Ambassador to China. At one time he lobbied vigorously to get his son into the Department. On other occasions he has acted as guarantor for several Chinese immigrants coming to Canada. In 1949, enthused with the glories of the new Peking regime, he offered his spacious home in Peking as a chancery for Canada's first Embassy to the People's Republic of China. However, for the last three months he has been living at the "Friends of China Club" in Taiwan and has been reconverted to a belief in the virtues of Chiang K'ai-shek. As he himself admits, his views on Chiang K'ai-shek have vacillated about six times in his life.

2. During the course of his present visit to the Department, he showed us a copy of a personal letter he had written to Judge Davis in Bonn concerning conditions in the Chinese Nationalist stronghold. Doubledays of New York contracted to publish a book of his entitled "Behind the Bamboo Curtain" but the publisher's lawyers have recently counselled Doubledays against publishing the book because of the rather predominant anti-Communist bias in the United States at the present time.

c.c. European
D.L.(2)

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3. Although Mr. Hussey has recently become a professional apologist for the Chinese regime in Formosa, he still has a few reservations about their future. Some of the old-time cronies of Chiang K'ai-shek on Formosa have admitted to Mr. Hussey, privately, that they realize that the Kuomintang cannot reconquer the mainland. Although Chiang K'ai-shek is giving Formosa "a good government, perhaps the best in Asia", Mr. Hussey does not believe that Chiang K'ai-shek would make an adequate President for reunited China. Kuomintang realists abhor the thought of the slaughter of ten or twelve more million people in a renewed civil war on the mainland, but they feel that there is some hope for "peaceful penetration" of the Chinese Communist regime. Mr. Hussey claims that the Peking Government is badly divided and that, perhaps, Madame Sun Yat-sen, the widow of the founder of the Chinese Republic, might become the focus of Rightist deviationism within the Chinese Communist Party. Mr. Hussey stated that it is not generally recognized that the Peking Government is a coalition of about eleven recognized parties. For example, there is not one single Communist on the Supreme Court. The army is effectively controlled by the C.C.P. but the other Ministries are not. Even the "People's Liberation Army" itself has a hierarchy. The elite of the Chinese Communist army is composed of about 80,000 veterans of the "long march" of 1934. At least one-half of the Chinese Communist army is of Kuomintang origin and only a minority of these are avowed Communists. More than one million soldiers (most of them ex-Kuomintang troops) have been wounded in the war in Korea and these wounded soldiers have scattered to their villages throughout China. These soldiers are now retailing to their "home folks" stories of defeats, graft and excesses by Communist soldiers against the Chinese people. Coincident with these stories of renewed signs of age-old Chinese graft and corruption has been the weakening of control of the C.C.P. in the countryside. The old landlords and village elders are gradually regaining positions of leadership in many parts of the country in replacement for the enthusiastic young cadres of the early days of the Peking regime. (On this point Mr. Hussey's tale corroborates the report we have seen from the Italian Consulate-General in Hong Kong.)

4. The real purpose of Mr. Hussey's visit to Ottawa at the present time is to enter a plea on behalf of the Formosan Government for Canadian diplomatic representation in Taiwan.

Although Mr. Hussey was told that the Canadian Government's viewpoint was that, if the Chinese Communist forces withdrew from Korea and the Peking regime showed a desire to fulfill its international obligations, recognition of the People's Republic of China would be given "serious consideration", Mr. Hussey hoped that Canada would still recognize the Chinese Nationalist regime in Formosa as the Government of Formosa. Apparently, there is a fairly sizeable Canadian missionary community in Formosa who would wish to have the benefit of, at least, Canadian Consular services. (This semi-official approach by Mr. Hussey to establish Canadian diplomatic representation in Formosa reinforces the efforts, recently reported to us by our Embassy in Tokyo, of the Chinese Ambassador in Japan, Mr. Hollington Tong, to persuade Mr. Mayhew to urge the Canadian Government to establish a Canadian office in Formosa.) Mr. Hussey's representations were listened to with polite silence but he was given no encouragement about the probability of any such action being taken by the Canadian Government.

Far Eastern Division.

DEPARTMENT OF EXTERNAL AFFAIRS

SECRET

SUMMARY

OF: Despatch No. 1649 of August 20, 1953,
from the Canadian Ambassador, Washington,
re: United States Relations with
Nationalist China and the situation
in Formosa.

SECURITY GRADING

DATE August 26, 1953

INITIALS OF AUTHOR

A.E.B.

Insert particulars of document or file being summarized.

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with summary:
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D.L. (1)&(2)

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To see: Mr.
Menzies
Mr. Carter
& file
(6833-46)

Mr. Maybee
Mr. Edmonds

Military Operations

There exists with the Government of Nationalist China on Formosa an informal and secret understanding that the United States will be consulted before the execution of offensive operations from the island. The United States has desired this understanding because of the danger that any considerable military action from Formosa against the mainland might provoke retaliation on a similar or greater scale with uncertain consequences.

Chinese Nationalist Forces

The United States believes that the Chinese Nationalist Air Force and Army are increasing considerably in efficiency and morals as their equipment and training proceed. The same cannot be said of the Nationalist Navy. The air force now have in operation about ten to fifteen United States jet fighter aircraft.

Political and Economic Conditions

The State Department is of the opinion that greater progress is being made in military matters on Formosa than in the political and economic spheres. Inflation on Formosa is becoming acute.

Attitude of the Formosans

The Formosans are restive under the "occupation" from the mainland but are becoming more resigned to the inevitable. They are particularly discontented about their exclusion from high national office.

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Despatch No. 1649

Date August 20, 1953.

FROM: THE CANADIAN AMBASSADOR, WASHINGTON, D.C.

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference:

Subject: United States Relations with Nationalist China and the situation in Formosa.

Mr. MINZIE }
Mr. CARTER }
TO SEE
File 1/15.

The attached articles about Chiang Kai-shek's military activities, which were printed in "The Washington Post" of August 17 and "The New York Times" of August 19, prompted us to have a discussion about Nationalist China with Mr. Walter McConaughy, Director of the Office of Chinese Affairs at the State Department.

Chinese Nationalist Military Operations

2. Mr. McConaughy said that it would be an exaggeration to describe the United States as "keeping Chiang on a leash". Nevertheless, there existed with the government on Formosa an informal understanding that the United States would be consulted before the execution of offensive operations from the island. The United States had desired this understanding because it was aware of the danger that any considerable operation from Formosa against the mainland might provoke retaliation on a similar or greater scale with uncertain consequences. The basis of the understanding reached with the Chinese Nationalist authorities was that, since the United States Seventh Fleet had standing orders to defend Formosa, the Chinese should not take any unilateral action which could involve the fleet in hostilities. You will recall that when President Eisenhower modified the role of the Seventh Fleet, which had previously been ordered to "neutralize" Formosa, United States officials told us that we should not expect the new order to result in large-scale operations by the Chinese Nationalists against the mainland.

3. The understanding with the Chinese Nationalist Government was not made public by the United States Government because of the danger that exaggerated and embarrassing interpretations might be placed on it by some Congressional leaders and press commentators. Mr. McConaughy thought that the reference to it which had now been made in public might not have a harmful effect so far as the Chinese Communists were concerned. He suggested that knowledge that there was some understanding of this nature between the United States and the Formosa Government might make the Chinese Communists less likely to attack the off-shore islands now held by the Nationalists. He added that these off-shore islands are not in fact considered to be within the United States "defence line", but they are of importance to the security of Formosa and serve a useful purpose as air raid interception bases. Some of these islands are reasonably well garrisoned with regular troops and have radar installations of a sort, mostly old Japanese types. United States military authorities apparently consider that there is a danger of the Chinese Communists launching large-scale air attacks upon Formosa.

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Mr. Edwards
(see return)

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The Chinese Nationalist Forces

4. In the judgment of Major-General Chase, head of the American Military Assistance Group in Formosa, the Chinese Nationalist air force and army are increasing steadily in efficiency and morale as their equipment and training proceed. The same cannot be said of the Nationalist navy.

5. The air force now has in operation some jet fighter aircraft, which have been made available by the United States. Mr. McConaughy did not wish to be specific about the number, but from his remarks we would judge this to be from ten to fifteen. He said that more jets would be brought into operation as Chinese pilots were trained. United States officers reported the Chinese to be adept in handling jet aircraft once they had received sufficient training. There was always the danger that the Chinese Communists might conduct a surprise raid with the objective of putting the Nationalist jets out of commission while they were on the ground.

6. The Chinese Nationalist Army evinced a definite improvement in morale and fighting spirit during its recent comparatively ambitious raid against Tung Shan Island. In General Chase's opinion the political activities within the army carried on by Chiang Ching-kuo, elder son of the Generalissimo, are more of an irritation to the Commander-in-Chief, Sun Li-jen, than an actual hindrance to the effective execution of his command. Apparently General Sun is quite outspoken to foreigners in his criticisms of Chiang Ching-kuo's political interference in the army and it might be taken as a good sign that he has nevertheless retained his post. Mr. McConaughy pointed out that in any case there is obviously a difficult job to be done in keeping watch on Communist agents within the ranks of the Nationalist forces. General Chase apparently does not make too much of the fact that Chiang Kai-shek's younger son, Chiang Wei-kuo, commands the Nationalist armoured force. He seems to think that the younger son does not in fact wield much authority.

7. The ineffectual state of the navy is ascribed to lack of tradition and to the poor quality of the senior officers, some of whom owe their appointments to political patronage, such as Admiral Kuei, the former Commander-in-Chief, who was previously an army general, and others, like his successor, Admiral Ma, are merely incompetent without even that excuse. The Nationalist navy possesses some former United States escort vessels. Under existing legislation the United States Administration has authority to turn over to suitable foreign powers in the Far Eastern area navy vessels of destroyer class and below (not more than twenty-five navy vessels may be disposed of in this manner in the Far Eastern area). However, we have the impression that the United States does not consider it feasible to try to transform the Chinese Nationalist navy into an efficient force.

Political and Economic Conditions

8. General Chase, who was recently in Washington to report to the Administration, expressed the opinion that more perceptible progress was being made in military matters on Formosa than in the political and economic spheres. He was apprehensive about the effects of inflation, which was showing signs of becoming acute. He apparently did not think well of the increasing influence within the Kuomintang of Chiang Ching-kuo.

9. Mr. McConaughy thought that O. K. Yui, K. C. Wu's successor as Governor of Formosa, might handle the financial situation better than his predecessor. The new governor's political views would probably be more conservative, and he was certainly less Western-minded than Wu, but Mr. McConaughy would not class him as a reactionary.

10. K. C. Wu, long recognized as a member of the more liberal element of the Nationalist Government, was not considered to be entirely out of favour. Mr. McConaughy thought that some part at least of the cause of his retirement was ill health. He had seen the former governor in Washington and had observed that he was suffering heavily from asthma, for which he is now taking treatment in Colorado. No one, however, would assume ill health to be the sole reason for Wu's departure. He had apparently had disagreements with Premier Chen Cheng.

Attitude and Treatment of the Formosans

11. Mr. McConaughy said that the Formosans were still restive under the "occupation" from the mainland but were becoming more resigned to the inevitable. He thought that the process of their absorption into the Chinese Nationalist scheme of things would depend on whether the liberal elements in the Kuomintang would be able to maintain their influence. He did not consider that these had been extinguished with the departure of K. C. Wu. He described Premier Chen Cheng as being well disposed towards the Formosans. The Premier had put through a land reform programme which should be beneficial to the majority of Formosans. Admittedly, most of the dispossessed owners had also been Formosans, but they had received recompense largely in the form of stocks in government-owned corporations, such as public utility concerns (although not in the major government commercial agencies such as the Taiwan Sugar Company).

12. The Formosans remain discontented, according to Mr. McConaughy, over the fact that they are still not admitted to high national office. A few, however, have been elected to the Legislative Yuan. Mr. McConaughy said he had recently interviewed in Washington a Formosan member of the Legislative Yuan who, although critical of the Kuomintang, obviously realized that they were established in Formosa for a long time and considered that things should be looked at from this realistic viewpoint.

D. J. Murray

CANADIAN EMBASSY
WASHINGTON

Subject "U.S. Keeping Full Control on Chiang"

Date Aug. 17, 1953.

Publication Washington Post

Action Limited
**U.S. Keeping
Full Control
On Chiang**

By Marguerite Higgins
TAIPEH, Formosa, Aug. 16
(NYHT).—A hitherto undisclosed agreement has put Chinese Nationalist forces as much on a leash as ever so far as American control is concerned, despite the lifting of the neutralization ban on Formosa, it can now be revealed.

The new agreement between the United States and the Chinese Nationalists on this island, the essentials of which have been made available to this correspondent, provides that Generalissimo Chiang Kai-shek's forces "will not increase for the present time the tempo" of their military activities against Communist China without specific consultation and, in effect, prior approval of the United States.

According to diplomatic sources here and in Tokyo, the United States has taken the position that since it is supplying virtually all Chiang Kai-shek's military equipment it has a right to a voice in how it should be used.

Retaliation Feared

Following the formal announcement in February of the end of prohibitions on Nationalist attacks against the mainland the State Department, in particular, began to worry that any increased activity on the part of Chiang Kai-shek's force of 500,000 soldiers, sailors and marines might provoke retaliatory attacks on Formosa by the Reds.

As applied in practice, the agreement on the tempo of Nationalist military activities has meant that any important operation, such as the Nationalist paratroop and amphibious attacks on Communist-held Tungshan island in mid-July, had to be referred in advance for approval to the United States Navy Pacific Command at Pearl Harbor. This command is responsible for assisting in the defense of Formosa.

No one on Formosa is foolish enough to contend that a big scale invasion against the Communist Asiatic mainland could be engineered without extensive logistical support from the United States, particularly now that the Communist military machine has become so formidable.

But the Nationalist capability for staging disruptive hit-and-run raids against Red installations is increasing. This campaign to disrupt the Red build-up could be augmented under the new accord only if the United States agrees

An example of the problems posed by strict controls is illustrated by the Nationalist amphibious and airborne land-run attack on Tungshan island, an operation involving almost an entire division.

The trouble began because the Nationalist attack plan as approved by Pearl Harbor did not include air support. The Nationalists assert that the Americans objected to the commitment of air power on the ground that this was going too far in the direction of "stepping up the tempo" of attacks against the Reds.

Red Artillery Threat

In any event, it turned out that the position selected for the drop of 600 paratroopers was murderously zeroed in. Red hillside emplacements were accessible only to the air. It became clear that in the air-drop zone there would be real butchery by the enemy artillery unless air support was called immediately. The Chinese commander in charge of the Tungshan operation, therefore, radioed urgently for assistance.

In Taipei the Chinese chief of staff immediately gave orders for planes to get under way, but satisfactory authorization was not forthcoming from the Americans at Formosa and the Nationalists tried to call back the Air Force attack.

A Chinese air force pilot—the individual who first pointed up to this correspondent the American accord and its consequences—described the result this way:

"We were already over our target and were going into our second runs by the time they started to pull us off. It was lucky the cancellation did not come through any earlier. It was obvious that many of our troops would never have gotten back aboard ship if we had not silenced those artillery emplacements and interrupted reinforcements."

CANADIAN EMBASSY
WASHINGTON

Subject "Secret Pact Gives U.S. Rein on Chiang"

Date Aug. 19, 1953. Publication New York Times

SECRET PACT GIVES
U. S. REIN ON CHIANG

Bars Any Attack by Formosa
on Chinese Reds Without
Prior Consultation

Special to THE NEW YORK TIMES

WASHINGTON, Aug. 18— A responsible Government source confirmed today the existence of a secret understanding with the Chinese Nationalist Government under which its troops based on Formosa would not undertake intensified military operations against the Chinese Communists without prior consultation with United States military authorities, who are still responsible for the defense of the island.

The agreement was made shortly after President Eisenhower, in his State of the Union message, had issued orders to the Seventh Fleet cancelling the part of a previous directive that called on the fleet to prevent any military operations directed from Formosa against the mainland of China. The President directed the fleet to continue to protect Formosa against invasion by the Chinese Reds.

The understanding was not made public, or generally known in Washington, until a report of its existence was published Monday. The report asserted that the Chinese Nationalist forces were as much on the leash as ever, so far as United States control was concerned.

In response to questions, a responsible official said the new understanding was a necessary supplement to, but not a reversal of, President Eisenhower's revised orders to the Seventh Fleet.

This official said the United States could not give Generalissimo Chiang Kai-shek, leader of the Nationalist Army, a "blank check" to carry on operations that conceivably could touch off a third world war.

This official explained that this Government had to have advance knowledge of Chiang Kai-shek's proposed military operations because a raid by his air or ground forces easily might provoke a Communist counter-attack upon Formosa that could involve the Seventh Fleet and United States air forces.

It was noted that Generalissimo Chiang's air force recently was given modern United States jet aircraft whose range would permit attack on Red airfields on the mainland of China.

If the Chinese Nationalists were to mount such an attack, it almost certainly would bring a retaliatory air raid upon Formosa and perhaps an invasion of that island itself. The Chinese Communists have a force estimated at 500,000 troops in the area opposite Formosa.

Eastern Division:
R. Edmonds/TP

50056-A-40
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PERSONAL

Ottawa, June 25, 1953.

Our File: 50056-A-40

Dear Mrs. Dobson:

On June 16, 1953, I wrote to Dr. Walmsley of the Department of East Asiatic Studies, in the hope that he would know how to get in touch with Professor Dobson concerning his forthcoming visit to Formosa. As Dr. Walmsley may have told you, the Chinese Embassy cannot issue your husband with a visa for Formosa prior to receiving the prerequisite passport photos. It is highly unlikely that Professor Dobson will be able to pick up his Chinese Nationalist visa in Hong Kong unless he has fulfilled the above-mentioned requirement.

2. Although the issuance of this visa is a matter between yourself and the Chinese Embassy, the officials of that Embassy here in Ottawa contacted the Department of External Affairs since they were aware that Professor Dobson had already left for the Far East. I think it is only fair to state that it is altogether likely that your husband will not be able to get to Formosa unless he complies with this regulation. Therefore, if it is at all possible, you should take immediate steps to correct this omission.

I hope that Professor Dobson's trip to the Far East, a part of the world which is dear to all of us, will be both enjoyable and profitable.

Yours sincerely,

C. A. RONNING

C.A. Ronning.

Mrs. W.A.C.H. Dobson,
c/o Department of East Asiatic Studies,
Royal Ontario Museum,
100 Queen's Park,
Toronto 5, Ontario.

Mr. Edmunds
I don't know
how should write
to you

UNIVERSITY OF TORONTO
DEPARTMENT OF EAST ASIATIC STUDIES

ROYAL ONTARIO MUSEUM
100 QUEEN'S PARK
TORONTO 5

June 19 1953

C.A. Ronning, Esq.,
Department of External Affairs,
Ottawa.

Dear Mr Ronning:

In reply to your letter of June 16, I would say that Mrs Dobson has been in touch with the Chinese Embassy in Ottawa. Unfortunately she has no photographs available. Anyway, Professor Dobson is already in Hongkong and I doubt very much if he will have difficulty obtaining permits to enter Taiwan.

If you come up to Toronto do come in to see us. I believe I met you but briefly when you were in "The Canadian Business Agency", Chungking.

Very sincerely yours,

L.C. Walmsley
L.C. Walmsley,
Department of East Asiatic Studies

He probably had
is that he
will not get
into Formosa
without these
photos.

file on 6056 A 40
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DEPARTMENT OF EXTERNAL AFFAIRS
SUMMARY

50056-A-40

OF: British Consul's Note of ^{JUNE 18} ~~May 26~~, 1953
from Tamsui on "Progress of the
Nationalist Regime on Formosa and its
Future Prospects".

SECURITY GRADING

SECRET
DATE ^{JUNE 18} ~~August 4~~, 1953
INITIALS OF AUTHOR

Insert particulars of document or file being summarized.

R.B.E./TP

CIRCULATION

U.S.S.E.A.
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(2)
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Section
Press Office
J.I.S.
J.I.B.
Washington
D.P.D.U.N.,
New York

The British Consul in Tamsui, Formosa, believes that the Chinese Nationalist Government on Formosa is not likely to take any action at the present time which would jeopardize the continuation of American support. The Kuomintang continues to be dominated by Chiang K'ai-shek and a few of his trusted cronies. The tenets of Sun Yat-sen are now outmoded and the only positive policy of the Chinese Nationalists at the present time is to reconquer the mainland. Western-educated liberals have little influence in the Kuomintang. It is doubtful whether any other leader but Chiang could hold the party together as a single entity.

2. The Chinese Nationalist armed forces are heavily subsidized by the Americans and absorb about one-seventh of the total male population of the island. As the over-age mainlanders retire from the armed forces, they will have to be replaced by native Formosans, which would be a disrupting factor in the economy of the island. Junior officers are relatively efficient professionally, but the general officers still leave much to be desired. The morale of the forces is doubtful but they could probably give a good account of themselves in the defence of Formosa.

3. Formosans regard the mainlanders "as just another set of alien exploiters who, on the whole, have been neither so benevolent nor so efficient as their Japanese predecessors." Although the administrative efficiency of the Chinese Nationalists has improved since their mainland days, it is overcentralized and overstaffed with emigres from the mainland. Despite the fact that Formosa is a police state, there is a surprising measure of freedom of speech and freedom of the press.

4. Formosa produces a surplus of food but her economic stability is not improved by the presence of two million mainlanders, the majority of whom are engaged in non-productive activities. Complementary to the American aid programme, the Nationalists have drawn up a four-year plan, which aims at self-sufficiency for Formosa by 1956 - a rather forlorn hope.

5. Overseas Chinese support is not likely to develop for the Kuomintang unless they can point to some external successes at the expense of the Chinese Communists. If American aid were to decrease, a further swing towards authoritarianism can be expected in the Kuomintang. Although the breakup of the KMT would probably be the best thing for Formosa, as yet there are no indications of a genuine Formosan independence party nor of a candidate capable of becoming the future "third force" leader of anti-communist China.

SECRET

Foreign Office and Whitehall Distribution

CHINA

June 18, 1953

Section 1

FC 1026/3

NOTE BY HER MAJESTY'S CONSUL, TAMSUI, ON THE PROGRESS
OF THE NATIONALIST REGIME ON FORMOSA AND ITS
FUTURE PROSPECTS

1. Introductory

In considering this problem the far reaching effects, both direct and indirect, of American aid, advice and controls should constantly qualify our present judgment of Nationalist affairs. So long as relations continue substantially as they now are, it is unlikely that Nationalist policy will radically alter, or that they will take any political action which is likely to jeopardise the continuation of American support. It is only when these external controls are eventually eased and the Nationalists are again their own masters that we shall know the true trend of their policies, and how deeply liberal ideas have taken root.

Another factor which must be remembered is that the ruling caste of Nationalist mainlanders are a minority, and are outnumbered by the native-born Formosans by 3 to 1. Whilst the Formosans are docile by nature and have been schooled to submissiveness by long years of Japanese colonial rule, it is always possible that they might assert themselves and claim— particularly in any international discussion on Formosa's future— their undoubted right to a voice in their own destiny.)

2. The Kuomintang

The importance of the Kuomintang derives from the virtual identity of party and Government, a state of affairs which the party leaders are determined to perpetuate. In spite of the much-publicised period of reform which officially ended last October KMT leadership is still fundamentally authoritarian and reactionary in outlook, and the party itself is torn by internal dissension. One suspects that such concessions to liberal ideas as are made are unwilling ones forced on leaders by circumstances and by American pressure. The party continues to be dominated by Chiang Kai-shek and a group of trusted friends of his youth — nearly all military men — with Chiang himself holding supreme power over policy making and key appointments. His displacement during his lifetime from this position in the party is almost unthinkable. All this does not mean that there is not a section of the party of growing importance, which draws its recruits from the younger generation of Western-educated Chinese, and which sincerely believes in liberal ideas and reform. Others, again, join the KMT because membership is a passport to office. As things are to-day, these secondary groups have little real power and the recent ousting of K.C. Wu from the governorship of Taiwan is generally interpreted as a victory for the reactionary elements. The party draws breath from the tedious and outmoded writings of Sun Yat-sen, which are uninspiring in themselves and not adapted to present-day problems. Apart from the dream of a

"China irredenta" the party programme contains little to fire the popular imagination. Even the land reform programme has been phlegmatically received by the Formosans. The bulk of the party's support comes from the 2 million mainlanders refugees who followed the Government to Formosa in 1949, together with an unknown—but comparatively small—number of the 10 million overseas Chinese scattered throughout South-East Asia, and such underground support as it may have on the mainland of China. It is difficult to estimate the extent of support from native-born Formosans. Certainly this is small amongst the older generation, but seven years' propaganda in the schools and youth organisations will have had its effect on the generation now reaching manhood. The number of party adherents on Formosa will probably thus tend to increase with the passing of time. Two other parties are recognised as legal—the Social Democratic Party and the Young China Party. Both, however, are weak internally and dominated by the KMT. At present they are little more than a facade, useful to support the fiction of a democratic regime in Formosa.

3. Chiang Kai-shek as a leader

In spite of continuous contact with the West, Chiang remains essentially an eastern autocrat. Surrounded by sycophants, he does not mix with the people, but is a figure-head only seen on rare and carefully stage-managed ceremonial occasions. He is, indeed, a man of limited vision, although more amenable to American pressure than formerly. He clings to his trusted friends and is reluctant to place power in the hands of untried new-comers, however good their reputation may be. Since the early days of the "Northern Expedition" in 1927, his record has been one of almost continuous failure, and there is nothing to show that in his old age he possesses the qualities of bold decision and inspiring leadership which are necessary in one who claims to be the guiding star in the restoration of "China's" fortunes. Nevertheless, for all his shortcomings his name is surrounded by a halo of prestige within the KMT, and it is doubtful whether anyone else could hold the party together as a single entity. Opinions might differ as to whether this is or is not a good reason for retaining Chiang at the helm. It is at least arguable that the KMT in its present form is the major obstacle to progress, and that if Chiang could be removed the party—perhaps after a phase of internal struggle—would split into its natural constituents, and permit the development of a more healthy political system. Be that as it may, Chiang, at the age of 66, is a vigorous man in excellent health, and there seems to me no reason to expect a change in leadership for some years to come.

4. The armed forces

The potential of the armed forces depends very largely on American policy as to equipment, training and supply, and subsequently on how much support they may give them in any operations—either defensive or offensive—that they may undertake. As yet there is no evidence that American ideas go beyond fitting the Nationalists for the local defence of Formosa, and—although of course this does not exclude the possibility of offensive operations—it is by these standards that their capabilities should be judged. The present-day Nationalist soldiers are unrecognisable, in physical fitness and turnout, as the same men who fled, bedraggled and dispirited, from the mainland in 1949. Much of this improvement is traceable to the adequate diet which the troops now receive. Discipline and behaviour have also improved and, under the MAAG programme, the equipment and training of the individual soldier are now

rapidly approaching satisfactory standards. There have, moreover, under American direction, been radical organisational and administrative changes, including reform of the training schools from top to bottom, which should permit the component parts of the army and other services to function in battle as a co-ordinated whole, and allow the individual soldier, in peace or war, to receive his due in pay and rations. The military budget is now closely scrutinised and audited, and the old style abuse of privilege by military officers is severely curtailed if not eliminated. There is, nevertheless, the reverse side of the medal. Firstly the army is ageing, and future replacements both of normal and battle wastage must come from Formosan youths. This process has already begun and, whilst Formosans might be expected to fight well in defence of their homeland, it is doubtful if they would view with enthusiasm the prospect of pulling Chiang's chestnuts out of the fire. It should be noted, furthermore, that the armed forces absorb about 1/7 of the total male population of the island. As the process of replacing mainland servicemen by Formosans continues, there will be an increasing strain on the island's economy, since the time-expired mainlanders will be unqualified to take up the work in farm and factory of the serving Formosan. It is, indeed, difficult to see how the strength of the army can be indefinitely maintained at its present level. Secondly, whilst the quality of regimental officers has much improved, the leadership and professional ability of many of the general officers still leave much to be desired. This manifests itself particularly in an inability to plan successfully anything beyond a small-scale operation, and in unreceptiveness to new ideas or teachings. For this state of affairs Chiang Kai-shek himself, through his control of the higher appointments, must bear a share of the responsibility. In making his selections he still appears to be more swayed by considerations of party loyalty than by the claims of military efficiency. This principle seems to have encroached even into the organisational field where Chiang's insistence on keeping the armoured force as a separate command under his second son, Chiang Wei-kuo, can only be explained as Oriental fear of placing too much power in the hands of one man (i.e., Sun Li-jen). Thirdly, the factor of morale must be considered. Whilst by outward appearances the individual soldier's morale is now good, judgment must be reserved as to whether it would withstand the test of battle or even a long period of inaction. In particular, a sharp reverse in the opening stages of a campaign might revive memories of past defeats and lead to a breakdown of morale. Much, of course, will depend on whether the leadership of the senior officers can be improved. As to the relative merits of the three services, the air force, with its high proportion of American-trained pilots, stands easily first. The army follows, with the navy, now commanded by the insipid Ma Chi-chuang, a good third.

To sum up, therefore, the Nationalist armed forces should, under the American aid programme, continue to grow in power for a year or so. After another short period, a decline must be expected both in strength and effectiveness. For a few years, beginning in 1954, the Nationalists should thus have at their disposal a well-trained and well-equipped military force, certainly capable of giving a good account of themselves in the defence of Formosa, and probably capable of a useful contribution as part of an expeditionary force in support of United Nations action. Their value in unsupported offensive action cannot, however, be rated so highly and it must be remembered that in battle the presence of foreign advisers on staffs and in units could not be dispensed with, without risking a loss in efficiency and a lowering of morale.

The above opinions must always be qualified by the thought that the new Nationalist army is untested, and has yet to prove its worth in battle.

5. Relations between mainlanders and Formosans

Six years ago, following a period of unbridled exploitation culminating in the Chen Yi massacres of February 1947, relations between Formosans and their mainland masters could hardly have been worse. Today, although still uneasy, they have much improved, thanks chiefly to K.C. Wu's work in developing an equitable administration and in fighting for fair treatment and equal opportunities for Formosans in education and other fields. Whilst the gap is now smaller, the basic reasons for the estrangement remain, i.e., the mainland official still regards the Formosan-born Chinese as of a somewhat inferior breed, and the Formosans look at the mainlanders as just another set of alien exploiters who, on the whole, have been neither so benevolent nor so efficient as their Japanese predecessors. Whilst it is avowed Nationalist policy to carry the Formosans with them as brother-Chinese, past wounds are kept open by two practices in particular. Firstly, in spite of the opening up of many provincial and municipal government appointments to Formosans, the pick of the Central Government jobs are still reserved for mainlanders. And secondly, internal security, whether exercised by the military or through the security police, is entirely in the hands of mainlanders. Formosans are untrusted and unarmed, and have to submit without complaint to the sudden call of the policeman's knock, the search of their houses in the middle of the night and often to arrest and detention without trial. On the other hand, language difficulties should not be exaggerated. Mandarin is taught in all schools and has spread quickly through the island in business and other every-day transactions. In a few years the Formosan will be bilingual in Mandarin and Formosan as his father was in Japanese and Formosan.

6. Quality of Administration

Whilst always bearing in mind the effects of the American backing of the economy as discussed in paragraph 1 above, it must be admitted that the Nationalists enjoy advantages on Formosa that were absent on the mainland. For one thing, Formosa is a small and compact island with excellent communications to all inhabited parts. Control and supervision are thus simple matters, in contrast to conditions on the mainland of China before 1949, where the Central Government writ by no means ran everywhere unchallenged. For another, there is a greater density of Western-educated and Western-trained Chinese in Formosa than was formerly the case on the mainland. This is natural as those with Western connexions fled with the Government if they could. This factor has been of material advantage to the Nationalists in enabling them to find the necessary technical skills for their much contracted industry and public utilities. The result, therefore, is an appearance of efficiency that was absent in pre-1949 days. For example, trains run to time, streets are reasonably clean, telegraph and postal services are excellent, and factories produce their goods without strikes or stoppages. But, under all this, the administration is still inefficient. The chief faults are over-centralisation (due to ingrained Chinese reluctance to delegate responsibility), shortage of really first-class ability, and swollen staff (due to the need to find employment for surplus members of the families of mainlanders). The result is that the machinery is clogged and initiative is penalised. The Americans are, nevertheless, continuously working to improve matters and progress

has been made in many fields, particularly in financial control. There has been a marked recession of corruption, which is no longer a major problem. Here again American controls have been a big factor in bringing about this state of affairs.

On the political side, within the limitations imposed by the austerity necessary for economic recovery and the "general mobilisation" programme, the proclaimed Nationalist internal policy is to build up Formosa as a model province, with land reform as the principal plank in the party platform. Progress towards provincial and municipal self-government and a mild edition of the welfare State are the secondary planks. The two-fold object of this is to secure internal stability and at the same time offer an attractive alternative to the Communist Utopia across the water. The sincerity of the Central Government must, however, be suspect. For example, the land-to-the-tiller programme, the implementation of which had constantly been deferred on the mainland, because the landlord class formed the back-bone of KMT support, has no string in it here, since the Formosan landlords are not, generally speaking, KMT adherents. The Central Government have, moreover, on the pretext of the present emergency, consistently opposed Formosan efforts—although backed by K.C. Wu—to obtain for themselves any real increase in power, through an extension of the authority of the Provincial and Municipal Assemblies or the free choice of the Governor of the province.

It must here be said that Formosa is, at present, a police State. This is not due to the prevalence of crime—the Nationalists indeed inherited a docile and law-abiding population from the Japanese—but to the need to protect themselves against Communist infiltration.

Under Chiang Ching-Kuo's overall guidance, internal security is maintained by methods strongly reminiscent of Soviet Russia, including house-to-house search, arrest without warrant, check and counter check on officials, constant watch on the daily doings of each individual member of the community, and a system of mutual guarantees for immigrants. Whilst the juridical processes applied to persons charged with non-political offences cannot be unduly criticised, a different set of rules is brought into play for those unfortunates who incur the suspicion of being concerned with pro-Communist activities. In their cases, they may be detained incommunicado for an indefinite period for "interrogation" (three months is, however, the usual upper limit), trial is in camera and without the right of appeal against the sentence, and the defendant may not employ his own counsel. Whilst, however, the police are ubiquitous and sometimes harsh in the methods, there is nothing approaching the brutality and ruthlessness of Iron Curtain countries' methods. In particular, there is a surprising measure of freedom of speech, and criticism of the Government, both in the press and in private conversations, is constantly seen and heard. In all, whilst the methods employed may not commend themselves to us, it must be admitted that the Nationalists have some justification for their precautions, in the seriousness of the dangers which threaten them.

7. Economic Policy

Formosa produces a surplus of food, and should therefore, in this modern world, be considered fortunate. Appearances, however, are deceptive, and her natural riches in fact are few. Her most important natural resources are her agricultural products,

coal (although quality is only fair and extraction costly due to thin seams), salt (from sea-water evaporation), and a topography and climate favourable to the development of hydro-electric power. Even much of her soil is poor (apart from the alluvial lands), and large quantities of artificial manures have to be applied annually in order to maintain its fertility. Since 1949, she also carries the additional burden of 2 million mainland Chinese refugees, the majority of whom are engaged in non-productive activities. Included are 500,000 men in the armed forces. On top of this, the rate of natural increase of the population is 3 per cent. per annum, which means a doubled population in twenty-five years. From the above it will readily be appreciated that there is no cause for complacency as to Formosa's future economic stability, and the black market rate of the American dollar, which stands at a premium of 70 per cent. over the "certificate" rate, testifies to the lack of internal confidence.

At this point it may perhaps be useful to trace the recent history of the Formosan economy. In the days of the Japanese regime a natural and simple balance was evolved whereby Formosa in general exported agricultural products and salt to Japan, in exchange for capital goods and manufactured articles. After the war the flow of goods was channelled to mainland China, and Formosan products were again exchanged for manufactured articles, either produced in China or re-exported there-from. Following the Nationalists' loss of the mainland in 1949, Formosan trade was once more disrupted and a reorientation towards Japan was again apparent. Formosa was, however, from then on, dealing externally with foreign nations and was having to earn her foreign exchange in open competition in world markets. It was soon found that her exports, sugar (which earns 80 per cent of her foreign exchange), rice, tea, fruits, salt, &c., were, in spite of much good work in post-war rehabilitation and reorganisation, inadequate to enable her to pay her way.

It was at this stage that MSA seriously took charge of the problem and from 1950 have undertaken the task not only of providing commodities to balance income and expenditure, but also of building up Formosan transportation facilities, utilities and industry with the ultimate aim of enabling the economy to stand on its own feet. At the same time, MAAG has taken care of military requirements. Co-ordinated with this American aid programme and complementary to it, the Nationalists have drawn up a 4 year plan, which aims at self sufficiency by 1956. The emphasis is on increased power production, increased fertiliser output and the establishment of light industries which, although much of the raw materials will still have to be imported, will at least save the foreign exchange required in their processing. It is also hoped to find overseas markets for the surplus products of the new industries and thus further increase earnings of foreign exchange. Whilst the Americans are hopeful of the success of these plans, there are certain reasons for regarding such hopes as unduly optimistic.

Firstly, the need to import nearly all raw materials will place Formosan products at an initial disadvantage. Secondly, inferior factory management and swollen staffs will put up costs to an uncompetitive level. Thirdly, technical skills do not reach Western standards, with the result that the quality of the products inevitably suffers (this is most noticeable in everyday life here). And lastly, bureaucratic controls and financial juggling handicap the free and healthy development of industries and repel foreign investment. The uncertain political future accentuates this. Although, there-

fore, progress and improvements may be expected, it is questionable if the new industries will be able, during the next few years, to capture new foreign markets to any extent. (An exception to this perhaps is cement, where the ingredients are found locally in favourable circumstances, and the quality of the product is believed to be excellent). There are also good prospects for the development of a glass industry, the raw materials for which are found locally.

It must, therefore, be doubted whether Formosa's plans to become a self-supporting State, independent of American aid, can easily be realised. Formosa is not naturally a rich land, and probably is not inherently capable of financing Chiang Kai-shek's ambitious programmes and in particular of supporting the burden of a large-alien refugee population. If a happy future is to be secured Formosa must cut her suit according to her cloth and, most important of all, must find some means of checking the growth of her population. Otherwise, the present comparatively high standards of living will inevitably fall and there will be left a fertile soil for the propagation of Communist doctrines.

8. Rallying of Overseas Chinese

There is little to add to Jacobs-Larkcom's letter of 9th April, 1953, to Shattock on this subject, except to emphasise that overseas Chinese support for the KMT is unlikely to increase significantly unless the Nationalists can point to some external success at the expense of the Chinese Communists. The eyes of the individual overseas Chinese are focussed on his home village on the mainland, and progress on Formosa itself will not interest him or arouse his patriotic sentiments.

9. The future

Whilst there is no reason to anticipate that the KMT will loosen their tight grip on affairs, it may be useful to speculate for a few moments on the course of future events.

It would be logical to suppose that American aid—and with it American influence and controls—will begin to decrease shortly. The first effects of this would probably be to strengthen the position of the less progressive elements of the KMT, and a swing further towards authoritarianism could be expected. There is, however, a powerful body of young Western-educated Chinese, who are dedicated to progress and whose numbers and influence are growing daily. They would not now be easily subdued, and are, indeed, the real hopes of Nationalist China, although, unfortunately, no natural leader has yet appeared. If KMT internal stresses became too great, a split in the party might occur, with the formation of two or three genuinely independent groups with the right to seek power from the people through free elections. This might be the occasion for the emergence of a Formosan independence party, which could, numerically, outnumber all other parties combined. Whilst such a movement would now be illegal, there is no evidence to-day even of its underground existence on the island, although the idea is kept alive in Japan by Thomas Liao. Although a break-up of the KMT is always possible, and would probably be the best thing for Formosa, it is as likely, if not more so, that when the day comes for Chiang to lay down his charge the succession will be decided in traditional Oriental style, by the loyalty of the army, with the result that a further period of authoritarian rule will follow. Whilst it is not proposed to discuss at length the

problem of Chiang Kai-shek's successor, it is perhaps worth mentioning the claims of the somewhat sinister figure of his elder son, Chiang Ching-kuo, who many well-placed observers consider is being schooled to step into his father's shoes. In any event, there are no signs that the "Third Force" have any candidate capable of becoming the future leader of an anti-Communist China.

Tamsui,
May 26, 1953.

Far Eastern Division:
R. B. Edmonds/TP

50056-A-40
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PERSONAL

Ottawa, June 16, 1953. 20

Our File: 50056-A-40

Dear Dr. Walmsley:

Professor W.A.C.H. Dobson of your Department called upon the Department of External Affairs a short while ago concerning his forthcoming visit to the Far East.

Professor Dobson asked the Chinese Embassy here in Ottawa for a visa in order to visit the island of Formosa. The Chinese Embassy is quite willing to issue such a visa, but cannot do so prior to receiving the prerequisite passport photos. The Chinese Embassy believes that Professor Dobson has already left for the Far East and that, if they request these photographs directly, he will not receive the letter. Apparently, Professor Dobson expects to pick up his Chinese Nationalist visa in Hong Kong, but he will be unable to do so if he has not fulfilled the above-mentioned requirement.

We realize, of course, that it is not strictly the duty of the Department of External Affairs to act as an agent of the Chinese Embassy in a consular matter. It would be appreciated, however, provided you are aware of the whereabouts of Professor Dobson, if you could forward this information to him. I thank you in advance for your cooperation in this matter.

Yours sincerely,

C. A. RONNING

C.A. Ronning.

Lewis C. Walmsley, Esq., D. Paed.,
Department of East Asiatic Studies,
Royal Ontario Museum,
Queen's Park,
Toronto, Ontario.

Far Eastern Division/C.A. Ronning/MB

July 15, 1953

CONFIDENTIAL

MEMORANDUM FOR FILE

Dr. Liu Chieh's Inquiry about Invitation
to Mr. Mayhew to visit Formosa

After I had participated in an exceptionally lavish Chinese meal in the Chinese Embassy and after the other guests, who were Chinese (I nearly inserted "also"), had been ushered into an adjoining room, Dr. Liu Chieh told me that he had been informed by Dr. Hollington Tong, Chinese Ambassador in Tokyo, that Mr. Mayhew was visiting Canada in August.

2. In this connection Dr. Liu asked about the possibility of Canada opening a Consulate in Formosa. He assumed that the subject would come under discussion during Mr. Mayhew's vacation trip in Canada. My reply was to the effect that it was most doubtful that Canadian interests and business in Formosa would warrant any favorable consideration of such a proposition.

3. Dr. Liu then asked what the possibilities were of Mr. Mayhew accepting the invitation extended through Dr. Tong, to the Canadian Ambassador in Japan to visit Formosa in the near future. I replied that, speaking unofficially, I would think that it would probably be very difficult to give favorable consideration to this matter until the political situation in the Far East had been stabilized after the settlement of such outstanding problems as the unification of Korea, the relationship of Communist China to the United Nations, the war in Indo-China as well as the future of Formosa itself.

4. Dr. Liu then asked me about our intentions regarding recognition of Communist China. I referred to the public Statements on this subject issued by our Minister and Prime Minister. He was familiar with these Statements and said that, speaking personally and as frankly as I had in replying to his

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questions about our opening a Consulate in Formosa, he would admit that these public Statements were perfectly logical. He added that he understood Canada's position in this regard perfectly although it was certainly not easy for his Government to accept this position. I asked Dr. Liu if he thought Canada could continue indefinitely to recognize the Nationalist Government of Formosa as the government of mainland China. He replied: "No, definitely not." The best he could personally hope for was that Canada would not withdraw recognition of his Government as the Government of Formosa.))

5. The conversation drifted to the topic of the talked-of invasion of the mainland by Formosa. Dr. Liu admitted - not as the Chinese Ambassador - that he had no hope of such an undertaking. If it were attempted he thought it could not succeed without the United States and he had no hope of the Americans giving the necessary assistance. He concluded by saying that we should probably not see the downfall of the present Peking Government during our lifetime.

6. This attitude was in surprising contrast with the view he expressed when I had lunch with him in 1951 upon my return from Nanking. On that occasion he was confident that the Peking régime would soon collapse and the Nationalists would soon be back in power because the Chinese people would not accept Communism. He refused to attach any importance to the reports I gave him of the many evidences of the strength of the Peking Government. These evidences were only temporary and apparent - not real - in his opinion. He appraises the situation more realistically now and accepts it with characteristic Chinese fatalism.

Far Eastern Division.

file on 50056-A-40

R. E. Dyson (F.E.W.)
4/4

June 3, 1953.

CONFIDENTIAL

DEPARTMENT OF EXTERNAL AFFAIRS

Canadian Voting Policy regarding Chinese Representation at the United Nations and in Subsidiary Bodies of the United Nations.

In view of the fact that the question of the re-admittance of Nationalist China to full membership in UNIO is to be discussed at the forthcoming Seventh Session of the International Civil Aviation Organization, to be held at Brighton, England, you may be interested in receiving guidance as to past Canadian policy on these matters.

2. The current Canadian Government practice in voting on the question of Chinese representation in the United Nations is as follows:

(a) In organs which are competent to take decisions on the matter

- (i) we support motions for postponement provided that no specific time limit is fixed or
- (ii) if the substantive question is voted on, we abstain.

(b) In subsidiary bodies of United Nations organs and of the specialized agencies we support motions of non-acceptance or, if necessary, oppose motions designed to alter the present representation of China in such bodies.

3. The Nationalist Government of China has, in the past, experienced considerable difficulty in meeting its financial commitments in subsidiary bodies of the United Nations. When the question of whether China should be allowed to continue her membership, or to retain voting rights upon the payment of token contributions, has arisen, it has usually been found that the United States and the United Kingdom are divided in their opinion, the United States supporting Nationalist China and the United Kingdom opposed.

4. According to a memorandum of September 4, 1952, from the United Nations Division, our policy in these matters has been to:

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(a) support the resolution if both the United States and the United Kingdom are in agreement, or

(b) abstain if the United States favours and the United Kingdom opposes.

This situation has arisen in the International Labour Conference of June, 1952, in the International Hydrographic Bureau Conference in the summer of 1952 and at the UNESCO Conference in Paris in the fall of 1952. In each case, Canada has abstained. We have continued to abstain on questions of this nature, since every decision tends to be regarded as a political one expressing either support for or disapproval of the Taipei regime. Our abstention vote has been intended to give the impression that Canada does not hold any unrealistic views concerning the status or capabilities of the Nationalist Government in Formosa.

5. It is quite possible that Nationalist China is automatically eligible for readmission and no action on the part of Canada will affect the outcome of that decision one way or the other. If the question of token payments arises, however, it is the opinion of this Division that our past voting policy on this specific question should be followed.

R.A. MacKay/PW
May 30, 1953.

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MEMORANDUM FOR FILE

Military Forces - Formosa

Mr. Farace of the Italian Embassy visited me in my office to-day and read extracts from a recent despatch from their "temporary" Mission in Formosa regarding the conditions of Nationalist forces.

2. The Army consists of ^{normally} ~~normally~~ about a half million troops or twenty to twenty-one Divisions of 11,000 men each but it was estimated that only four Divisions are reasonably armed with modern equipment and trained in their use. These are the only effective forces equipped for action and the Nationalist Government are not disposed to use them anywhere outside of Formosa lest it weaken the security of Formosa. Of the remaining sixteen to seventeen Divisions, five were estimated to be about sixty per cent equipped, six about forty per cent and the remainder not over twenty-five per cent. The equipment possessed by these Divisions is of different types (for example, even rifles in the same Division might be of three or four types) and they have very few automatic weapons. Although considerable progress has been made under United States guidance in modernizing the army, equipment promised by the United States was arriving very slowly.
3. The Air Force consists of some 35,000 men, 120 fighters (B-47's and Thunderbolts), 52 DC-3 Transports and 30 Bombers (B-26's), two jets had arrived for training late in April but the Air Force has no jets for operational purposes and no night fighters.
4. The Navy consists of 45,000 men, 1 Cruiser, not very modern, 7 Destroyers, 12 Mine Layers, 1 Mine Sweeper, a number of small Coast Guard Vessels, 24 LSM's and LST's. The Navy is too small to cover or transport any serious expedition against the Mainland.
5. Although the morale of Nationalist troops is good, the median age is 28 to 30 and there is very little intake of new recruits both because the Services are not

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popular with the Formosan people and because their loyalty to the Nationalist régime is doubtful. Due to long inaction, Nationalist forces are probably deteriorating in effectiveness despite improvement in equipment and training.

6. In conclusion it was felt that the Nationalists were quite incapable of offensive warfare beyond nuisance raids against the Mainland. The Americans endeavoured to encourage such nuisance raiding but the Nationalist Government was inclined to hold back in order to avoid antagonizing the Communist Government and to conserve manpower and equipment. In effect, a truce obtains between Nationalist and Communist forces.

R.A.M.

R.A.M.

N.B. - I am unable to evaluate the above information. I leave it to Defence Liaison (2) Division to pass it on, if they consider it desirable, to National Defence.

cc. to: Far Eastern Division
Defence Liaison (2) Division

Far Eastern Division:
R.B. Edmonds/TP

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RBE*

File No. 50056-A-40

DRAFT

TOP SECRET

May 19, 1953

FORMOSA

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In a previous memorandum, we have outlined our recommendations as to our future policy towards Communist China after a Korean armistice has been achieved. In this memorandum we shall suggest recommendations regarding the future status and disposition of Formosa.

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Post-Cairo Declaration Policy regarding/Disposition of Formosa

2. During World War II, President Roosevelt, Prime Minister Churchill and Generalissimo Chiang K'ai-shek met in Cairo to discuss post-war conditions in the Far East. The Cairo Declaration, subscribed to by the United States, the United Kingdom and China, on December 1, 1943, stated:

"It is their purpose that Japan shall be stripped of all the islands in the Pacific which she has seized or occupied since the beginning of the First World War of 1914, and that all the territories that Japan has stolen from the Chinese, such as Manchuria, Formosa and the Pescadores, shall be restored to the Republic of China."

This promise was confirmed in the Potsdam Proclamation by the same three powers (the Soviet Union subsequently adhering) on July 26, 1945. The Japanese Instrument of Surrender, which was based on the Cairo and Potsdam Declarations, was signed by Canada on September 2, 1945. The Canadian Government was notified of the de facto administration of Formosa by China through a note from the Nationalist Government in 1946, stating that Formosa was restored to Chinese sovereignty and that the Formosans had regained their Chinese citizenship, and that, through an agreement, signed with China, the commercial modus vivendi with that nation covered all Chinese territories, including Formosa.

3. Under Article 2 of the Treaty of Peace with Japan signed at San Francisco on September 8, 1951, by Canada, Japan, and 47 other signatories, Japan renounced "all right, title, and claim" to Formosa; but the Peace Treaty did not specify to whom sovereignty over Formosa was transferred. The difficulty over Formosa arises from the claims of two rival governments of China: the National Government of China, with its capital at Taipeh, Formosa, which is recognized by Canada, and the Central People's Government of China, with its capital at Peking, which is not recognized by Canada. Both these governments consider Formosa to be an integral part of China.

Canada's Past Policy regarding Formosa.

4. The official Canadian Government viewpoint has always been that the final disposition of Formosa should be a subject for discussion at a conference on Far Eastern problems which should be held when the fighting ceases in Korea. Canada strongly supported the Statement of Principles approved by the Political Committee of the Fifth United Nations General Assembly which specifically provided for such a conference. It has been the stated position of the Canadian Government that, in any decision regarding the future of Formosa, the wishes of the people there should be a matter of primary consideration.

5. In general, we have taken the position that political considerations and the danger of embroiling the United States in a war with China outweighs strategic factors, except perhaps during hostilities in Korea. The Canadian military view of Formosa has been that, in the event of war with China or with the Soviet Union, assisted by China, it would be of limited strategic value. We have resisted the suggestion that the United Nations might assume any long-run responsibility for the disposition of the island or its denial to the Chinese Communists. In this, we have been influenced by Asian opinion, and by the obvious difficulties involved in finding any rational solution

in view of the existence of the Nationalist regime on the island.

United States Government Attitude to Formosa

6. The question of Formosa's strategic significance has long been a domestic issue in the United States. Two opposing trends are evident in American public opinion and in the United States administration's record in dealing with Formosa. The first group favours a policy of non-intervention in the Chinese civil conflict, i.e. a hands-off attitude regarding Formosa. This group considers that the Communist successes on mainland China should be recognized as an accomplished fact of Far Eastern history. The internal weaknesses of the Kuomintang regime have led some American observers to write off the Chinese Nationalists as an effective weapon to contain or throw back the Communists on the mainland. These doubts were given their most explicit substance in the United States White Paper on China ("United States Relations with China", Department of State publication 3573, Far Eastern Series 30, 1949), issued in August, 1949. It was this same philosophy that led President Truman on January 5, 1950, to make the following reference to Formosa:

"The United States will not pursue a course which will lead to involvement in a civil conflict in China. Similarly, the United States Government will not provide military aid and advice to the Chinese forces on Formosa."

7. The opposite trend, has reflected ~~in~~ the view that the Nationalist Government, with all its weaknesses, constitutes the chief potential ally of the United States in dealing with the Communist regime on the mainland which, because of its role in the expansion of Soviet power and influence in Asia, should be vigorously opposed. This view has been reinforced by the contention - first presented to the public in General

MacArthur's controversial message to the Veterans of Foreign Wars on August 27, 1950 - that from a military viewpoint the safeguarding of Taiwan as an element in the chain of island bases ringing the Western Pacific, which includes the Philippines and Okinawa, is essential to the safety of the United States. As a minimum, this group urges that Formosa be safeguarded against Communist attack and that the continuance of the Nationalist Government be ensured. As a maximum, they recommend that the troops of Chiang K'ai-shek be assigned to reconquer the mainland, or, at least, to harass the Communist armies in order to deflect Peking from hostile activities in Korea, Indochina and elsewhere. It is this second school of thought that has achieved the ascendancy in the new administration of President Eisenhower, as reflected in his State-of-the-Union message of February 2, 1953, which rescinded that part of the original order by which the United States Seventh Fleet was authorized to prevent operations by the Chinese Nationalist forces against the mainland.

8. Some Americans had hoped that a third way could have been found to avoid the dangers implicit in either of these courses. They looked hopefully to Hong Kong for evidence that the Chinese liberals there would form an effective Third Force which might be supported as a means of overthrowing the Communists, without placing any reliance on the Nationalists. Others felt that similar results could be achieved if Chiang K'ai-shek could be replaced by some new, popularly chosen leader. Finally, some observers advocated a course of action that could lead either to the island being placed under some form of United States trusteeship, or to the local population being permitted, by plebiscite, to choose its own future destiny. However, none of these compromise proposals have received much support among American policy makers.

9. Regarding the future status of Formosa, in his testimony on June 1, 1951, before the Committees on Armed Services and Foreign Relations, Mr. Acheson outlined American policy as follows: "The President has stated that we are not prejudicing the future of Formosa. That is a matter which should be decided, he said, either in connection with the Japanese Peace Treaty or by the United Nations, and the view which has been taken more recently is that the United Nations is the appropriate place where it should ultimately be decided". Mr. Acheson admitted that this was a departure from the Cairo Declaration which guaranteed that Formosa would be returned to the Republic of China, but he felt that the literal implementation of this promise would cause some problems at the present time.

Recommendations for Future Canadian Policy on the Disposition of Formosa.

10. By the Japanese Peace Treaty, to which Canada was a signatory, Japan renounced all claims on Formosa, but the Peace Treaty did not specify to whom sovereignty over Formosa was transferred. Legally, it has been established indisputably that Formosa is part of China. For strategic and domestic political considerations, however, the United States administration would not agree to any settlement of the Formosan issue at the present time which would hand over the island to the jurisdiction of the Peking regime. As has been outlined in our previous memorandum, it is our firm recommendation that, following the Korean armistice, Canada should recognize Communist China. Therefore, for consistency's sake, Canada would probably have to recognize, as a diplomatic truism, that Formosa belonged to Communist China. Nevertheless, on a short-run basis, because of the considerable United States interest in this matter, such a denouement would be impossible.

11. It can be safely assumed that Communist China will never abandon her claim to Formosa as long-range policy. However, in the post-Korean political conference, it is inevitable that both the United Nations command and the Communist side must be willing to undertake some bargaining. Two questions might logically be posed at this time:

(1) What would Communist China surrender in order to achieve United Nations recognition of her ^{suzerainty} ~~suzerainty~~ over Formosa?

(2) What would the United States demand in return for the abrogation of her rights in Formosa?

12. Although the ultimate disposition of Formosa would of necessity be decided over the bargaining table, it might be appropriate for Canada to have some definitive views regarding the commonsensical solution to the problem, even though the achievement of such an Utopian ideal might be impracticable. In the first place, Canadian recognition of the People's Republic of China as the Government of China would automatically mean derecognition of the Kuomintang regime on Formosa as the de jure Republic of China. Proceeding from this first postulation, we might then try to differentiate Chiang K'ai-shek's regime from the island of Formosa. Chiang K'ai-shek is the most discredited leader in Asia and ^{any} general Far Eastern settlement which involved the retention of his status as the leader of the Republic of China would be complete anathema to both the Communist countries and to most of the other countries of Asia. On the other hand, as a matter of practical politics, Communist China probably realizes that Formosa cannot be returned immediately to its jurisdiction. Therefore, the Peking regime might be willing to accept an independent republic of Formosa as, at least, an interim solution to the problem. It might be possible to establish a demilitarized Formosan republic, whose independence would

be guaranteed by the principal powers concerned, i.e. United States and Communist China. By a resolution of the United Nations General Assembly, one nation, preferably India, might be designated as the supervisory nation to conduct free and independent elections on the island of Formosa. This would be in line with past United Nations actions, where U.N. commissions had supervised the elections in such countries as Greece and Korea, e.g. the 1948 election in Korea. However, we think it would be more desirable for one nation to undertake this responsibility rather than an international group. India would be an admirable choice for such a task, both because she is generally regarded as a neutral in the cold war conflict and because, remembering her past opposition to the Chiang K'ai-shek regime, she would bend over backwards to be fair in the present instance.

13. It might be possible to hold these free elections within a year of the conclusion of the Far Eastern settlement at the Political Conference. The Chinese Nationalist emigrés, presently residing in Formosa, would be given the choice of either returning to mainland China or of remaining in Formosa. The Chinese Communists, of course, would have to guarantee non-persecution of those who wish to return to the mainland. The top echelon Nationalist officials, such as Chiang K'ai-shek himself, might be given the opportunity to apply as individual citizens for immigration to any country which would accept them, e.g., the Generalissimo might join his in-laws on Long Island in New York. Although the native Formosans have long since developed an indigenous culture and loyalty, they, with the exception of some 146,000 aborigines of Malayo - Polynesian origin, are of Chinese ancestry. Therefore, they might be prepared to welcome any mainland Chinese who wished to remain on the island, even though most of these mainlanders are Mandarin-speaking while the

native Formosans speak the Fukienese dialect. These mainland Chinese would be free to take positions in the administration of the new Formosan republic, providing they could secure office in a free election and provided that they ~~are~~^{we} not trying to perpetuate a Nationalist nucleus for the invasion of the mainland.

14. We must recognize the possibility, of course, that the good citizens of this new Formosan republic would, in a free election, select a Communist government. The Chinese Communists, for example, in return for their guarantee of the independence of Formosa, might demand that Communist Chinese from the mainland be allowed to emigrate to Formosa. It seems inevitable that Formosa will eventually become part of Communist China, but this process might be sufficiently delayed so that the hostility of the "China lobby" in the United States to such a program might be assuaged to some extent. Nevertheless, without being too naive about the actualities of the situation, Canada might propose a course of action which would lead to the creation of an independent republic of Formosa in the manner outlined above.

Far Eastern/C.E.McGaughey/A.E.Blanchette/R.B.Edmonds/
M.D.

Original on
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May 15, 1953.

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MEMORANDUM FOR THE MINISTER

Far Eastern Problems other than Korea for consideration
by one or more Political Conferences after a Korean
Armistice

The Korean problem is one of a number in Asia which require for their solution agreement between the West on the one hand and Communist China and the Soviet Union on the other. The method which holds the most promise for the reaching of agreement would appear to be the political conference method. In a previous memorandum we have suggested that the Korean question should be the first substantive item on the agenda of any political conference or conferences which may be called after the Armistice. A procedure by which a political settlement in Korea is made the first step, would test the intentions of the two leading Communist powers and if successful, create a favourable climate for negotiations on other problems. The most important of these are thought to be the international recognition of Communist China, the status of Formosa, the war in Indochina and the position of Japan. Although these problems form a pattern we do not think it necessarily follows that they can best be tackled en bloc. The criterion should be whether they lend themselves more readily to solution by collective or individual consideration. We tend to favour individual consideration in the belief that each problem which is resolved will result in an easing of tension which in turn will make it easier for subsequent agreement to be reached on another point at issue. Moreover ad hoc conferences would allow for the representation of different countries according to their interest in the problem to be negotiated.

Communist China

2. On October 1st, 1949, the Central Government of the People's Republic of China was proclaimed in Peking. Canada was on the verge of recognizing this government as the government of China when the Korean war broke out in June 1950 at which time the decision was deferred. There followed the intervention of the Chinese Communists in Korea. On May 7th, 1951, you told the House; "There can be no question even of considering it (i.e. recognition) while the Chinese defy the United Nations in Korea and fight against our forces there." In view of this position, this paper proposes to consider the problem of recognition on the assumption of an armistice in Korea.

3. The following are arguments for the recognition of Communist China: -

(i) Having met the objective conditions prescribed by international law; - effective control of the national territory, obedience of the bulk of the population and a reasonable prospect of permanency, the Chinese Communist Government has long since qualified for recognition as the de jure Government of China. Conversely, the Chinese Nationalist Government is not, according to international law, entitled to continued recognition as the Government of China.

(ii) Canadian recognition of the Peking Government would involve support for that Government's claim to represent China in the United Nations. The Soviet Union now speaks not only for itself but also for Communist China at the United Nations and this arrangement inhibits the development by the latter of an independent foreign policy. In so far as the policy by which Communist China is excluded from the Free World tends to drive that power and the Soviet Union into a

closer alliance, that policy does not serve the interest of Canada and the Free World. It is submitted that membership of Communist China in the United Nations would provide an opportunity for some of the tensions which must exist in the Sino-Soviet alliance eventually to be brought into the open where they might be exploited to the benefit of Canada and its allies.

(iii) Canada by recognizing Communist China might act as a bellwether for similar action by other hesitant countries. Only when Communist China has acquired general international status can this country and its friends deal directly with it, and so eliminate the uncertainties which stem from the use of go-betweens in necessary intercourse. The fact that there have been a number of occasions when it has been important for the nations of the Free World to know where Communist China has stood on an issue points up the unreality of a sustained policy of non-recognition. The Peking regime has achieved a greater control over the territory and the population of continental China than any other government in China for centuries. This is one of the international facts of life which must eventually be accepted. By ignoring this fact through a policy of non-recognition, we tend to incapacitate ourselves in any attempt to cope with the problems stemming from the situation of Chinese Communist strength. Until Communist China is generally recognized, we can see no end to the tension in the Far East.

4. The following are arguments against recognition of the Peking regime: -

(i) The United States would not be favourably impressed by Canadian recognition.

(ii) The Nationalist Government owes Canada a considerable sum of money which would be lost if recognition were withdrawn.

However, continued recognition has not resulted in the debt payments being met and the possibility of recovering these debts is practically nil.

5. On balance we suggest that in the event of an armistice, the arguments in favour of recognition are overwhelming - recognition being understood to entail our derecognition of the Nationalist Government and our support of Communist China for membership in the United Nations.

Formosa

6. The Cairo Declaration and the Potsdam Proclamation called for the return of Formosa to the "Republic of China". Canada has acknowledged Formosa as part of China. In the Peace Treaty, Japan renounced "all right, title and claim" to Formosa but that treaty did not specify to whom sovereignty over Formosa was transferred. At present, both Peking and Taipeh lay claim to the island.

7. The Canadian Government viewpoint has been that the final disposition of Formosa should be a subject for discussion at the conference on Far Eastern problems to follow an armistice in Korea. Any decision regarding the future of the island should take into account the wishes of its inhabitants. We have resisted the suggestion that the United Nations might assume any long-run responsibility for the disposition of the island or its denial to the Chinese Communists. In this stand we have been influenced by Asian opinion and by the obvious difficulties involved in finding a solution in view of the existence of the Nationalist regime on the island. Our military authorities think that in the event of war with Communist China or with the Soviet Union assisted by China, Formosa would be of limited strategic value.

8. Although we recommend that Canada should recognize Communist China after a Korean

armistice and so acknowledge its claim to Formosa, we realize that because of the considerable United States interest in the matter, there is small possibility in the near future of that regime acquiring peaceful control of the island. Communist China cannot be expected to surrender its claim to jurisdiction over Formosa as a long run policy objective. However, while we cannot foresee any possibility of Communist China compromising on this problem at all, we hope that there might be some slight chance of the Peking regime being persuaded on the bargain counter of future advantages, to accept an interim solution of the problem which would not block its eventual acquisition of Formosa. Nevertheless, while we might have some hope, for example, that agreement could be reached on a proposal which would leave to a referendum held under United Nations auspices or to a legislature formed as the result of free elections held under the same auspices, the choice of whether to establish an independent republic or to join mainland China, we would be deluding ourselves if we did not recognize the enormous difficulties which would have to be overcome before such an agreement might become a reality. These difficulties would include the fate of Chiang K'ai-shek and his supporters, the question of who would vote, the associated problems of the disbanding and repatriation of the Nationalist troops etc. (The repatriation issue calls to mind the problem which has so long beset the armistice negotiations in Korea). We can envisage no agreement concerning Formosa which did not require the United States to abandon Chiang K'ai-shek, the most discredited leader in Asia, and we consider the prospects of such a development in the near future slight.

9. Concerning policy after a Korean armistice relating to the recognition of Communist China and the status of Formosa, our thinking had led us to the following tentative conclusions on which your guidance would be appreciated.

(i) Canada should recognize Communist China as soon as practicable after the

conclusion of an armistice in Korea.

(ii) When Canada recognizes this power, it should support its claim to represent China in the United Nations.

(iii) Canadian recognition of Communist China entails the derecognition of the Nationalist regime at Taipeh.

(iv) By recognizing Communist China, Canada would recognize its ultimate claim to Formosa.

(v) Although Canada would acknowledge Peking's ultimate claim to Formosa, this would not preclude Canada from supporting proposals concerning the control of Formosa for an interim period provided these proposals per se did not exclude the possibility of Communist China acquiring the island eventually. The number of imponderables in the situation requires, we suggest, Canadian policy to have this flexibility. Then many problems can be dealt with as they arise.

Indochina

10. It is difficult to assess Indochina in terms of a post-Korean-armistice conference. The uncertain flux of events there; the hesitation of the major Western powers about suitable approaches to the problem; the possibility that the Communists themselves may not want a settlement in Indochina either now, when things are going well for them, or after an armistice in Korea, are some of the factors which make firm recommendations on the subject difficult at this time.

11. However, as a result of the recent invasion of Laos and the ensuing exchanges of telegrams and views which came to our attention on the subject between Australia, France, New Zealand, the

United Kingdom and the United States, among others, we are inclined to think that the war in Indochina can no longer be considered as a strictly internal problem of the French Union; that a new approach to the issue is advisable; that current policies are only bolstering a military and political impasse, which in time is likely to degenerate into complete Vietminh control of Indochina; and that a settlement by some form of negotiation with the Communists may be the best way of coping with the emergency.

12. There would seem to be two methods whereby a settlement in Indochina can be negotiated: at a special political conference or through the United Nations. As the French are emphatically opposed to any reference of the problem to the United Nations for fear of stirring up another anti-colonial power debate there; as Communist China is not a member of the United Nations; as any rise in the political temperature of the world now, by a full-blown United Nations debate, may well jeopardize prospects for an armistice in Korea and for a general settlement of other problems with the Soviet Union and China; but as some form of settlement in Indochina is clearly desirable, we think that it could best be achieved at a special political conference. Moreover, because many countries, e.g. Ethiopia, Colombia, Canada itself, which are involved in Korea, are not so concerned with Indochina, we would favour that the membership of a conference on Indochina be restricted to interested countries only and that it be kept separate, if possible from the prospective post-Korean-armistice conference itself.

13. With this in mind, it is suggested that Canadian policy on Indochina now accept: -

(i) the desirability of having the war in Indochina negotiated at a political conference; and

(ii) that this conference be a special one, convened to deal with Indochina alone and limited in membership to interested countries only.

14. A sine qua non for such a conference would be that the French should be willing to accept the idea of a settlement by negotiation, as affording them the opportunity of an honourable way out of their difficulties and to grant full and unfettered independence to the Associated States of Indochina in order to get support from Indochinese nationalists themselves to obtain as favourable a settlement as possible.

15. A settlement might provide for some kind of international supervision in Indochina after the conference. Such control would tend to prevent Indochina from going completely Communist; to deter future Communist aggression there; and to give the West time to build up strength nearby.

16. It may of course be necessary to consider a settlement along territorial rather than political lines, resulting in a situation not unlike that which may eventually prevail in post-armistice Korea.

17. Circumstances may of course force us to accept previous suggestions that the problem of Indochina be referred to the Security Council. At an earlier stage of our thinking on the subject, we were inclined to favour such a course, inasmuch as the prospect of a political conference on the issue did not then seem to be an acceptable alternative. We fully appreciate the disadvantages of referring Indochina to the Security Council in the face of a Soviet veto. We are also aware of the embarrassing debate which would probably be led by the Arab-Asian bloc, supported by the Soviet bloc, if the matter were discussed in the General Assembly. We considered such a step only because we hoped the result might be that, faced with the impossibility of arriving at a satisfactory solution thereby, France and the United States would be confronted with the inevitability of the alternative of a political conference in order to reach a settlement. Reference of the problem to the United Nations should, therefore, be contemplated only as a last resort.

18. As the situation in Indochina is fluid and under constant review, this memorandum only presents the direction in which Departmental thinking on the subject is now proceeding. Canada is not directly involved in Indochina nor can we have much influence on the course of events there. Because of this, it is necessary for us to await further information about the policies of our Allies, in particular France, the United Kingdom and the United States before preparing more precise recommendations on the matter. In the meantime, our Embassy in Washington is obtaining the State Department's reaction to our proposal of having a special conference called on the subject.

Japan 19. Japan is a Far Eastern problem which the United States probably would not wish to discuss at the proposed political conference. The United States was the driving force behind the Peace Treaty by which Japan became aligned with the West. However, this treaty did not restore to normalcy Japan's relations with its nearest Asian neighbours. Indeed, it tended to exacerbate its relations with Communist China and the Soviet Union.

20. Since the war, the United States has taken the primary responsibility for Japan's relations with the Free World. It has signed a security treaty with Japan which is a basic component of its security web in the Pacific area. It would be difficult to over-estimate the importance of Japan as a base for the United States military effort in Korea.

21. United States policy towards Japan has been designed to isolate that country from Communist China and the Soviet Union. As the result of United States pressure, Japan has signed a peace treaty with Nationalist China, has refrained from large-scale trade with the mainland, and has developed, in spite of constitutional prohibitions, the nuclei of an army and navy.

22. The United States has provided the necessary armament for the new Japanese quasi-military organizations and through its dollar purchases in Japan of goods and services for the Korean war has enabled Japan, not only to maintain its balance of payments, but also to revive its munitions industry. It has publicly announced that these purchases will continue for two years at least at about their present levels whether or not an armistice is achieved in Korea. The United States has drafted ambitious plans for Japanese rearmament and has informed, rather than consulted with, the more important of its Allies concerning them.

23. Communist China, rebuffed by Japan's entry into the Western bloc through the Peace Treaty, well aware of the importance of Japan to the United States as a military base and mindful of the dangers to it which could be inherent in a rearmed Japan, has made the neutralization of Japan its immediate objective. In pursuit of this goal, it has tried to tempt the Japanese with lucrative trade offers, it has repatriated a number of Japanese residents and through propaganda, has sought to discredit the Japanese Government as an American puppet.

24. The importance which Communist China and the Soviet Union attach to Japan is illustrated by the fact that the Sino-Soviet Pact of February 1950 allies the two countries "for the purpose of preventing a resumption of aggression and violation of peace on the part of Japan or any other State that may collaborate with Japan directly or indirectly in acts of aggression". After the Sino-Soviet talks last September, it was announced that because Japan had concluded a separate Peace Treaty with the United States and certain other countries and did not seem to wish to have a treaty with China or the Soviet Union, China had requested the Soviet

Union to extend the joint use of the Port Arthur naval base until such time as a peace treaty between China and Japan and between the Soviet Union and Japan was concluded.

25. The United States garrisoning of Japan and provision of economic aid will for some time inhibit to a considerable but decreasing degree Japan's freedom of choice as to which of the two groups competing for power to adhere. To maintain a population increasing by more than a million a year, a Japan deficient in all natural resources must trade increasingly. Its natural market is Continental Asia. Even if the United States is prepared to subsidize Japan indefinitely, which is unlikely, it would have difficulty in providing for the political ambitions of Japan to regain in Asia a place in the sun or the economic ambitions to better its lot. There is some reason to think that Japan in seeking fulfillment for its ambitions, will increase its economic and political connections with Asian States, including Communist China and perhaps the Soviet Union, in the hope it would thereby strengthen its bargaining position with the West, and obtain more freedom of international action. Although it is improbable that Japan will embrace Communism domestically, it will probably move closer to an independent position between the two power blocs so that it may better play them off against each other to its own advantage. This procedure is hardly likely to serve well the cause of either the West, or Communist China and the Soviet Union. There would seem good reason for a political conference to take up the problem of Japan with a view to fitting that country into the Asian complex with as little danger as possible to all concerned.

(Sgd.) C.S.A. RITCHIE

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No. 50056-A-40...

10 - 70
SECURITY CLASSIFICATION
UNCLASSIFIED

Letter No.....539.....
Date.....May 12, 1953.....

19 MAY 1953
FROM: THE CANADIAN EMBASSY, TOKYO, JAPAN

TO: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference.....

Subject:..Military Assistance Advisory Group in Formosa.....

To see:

- Mr. Rennie
- Mr. Carter
- Mr. McLaughlin
- Mr. Hampson

Refer to:

- A/USSEA
- Defence Liaison (1)
- Defence Liaison (2)
- JIS (through DL (2))
- American Div.

Copies Referred To.....

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No. of Enclosures
1

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Karachi ✓
Ceylon ✓

Post File
No.....

Wellington ✓
Pol. Coord. Section ✓
* file RBE

Attached are copies of a statement attributed to Major General William C. Chase, the Commander of the USMAAG in Formosa concerning the growth of his command during the past two years. I do not think that there is anything particularly significant about this statement but am sending it to you because of the lack of many sources of information about what goes on in Formosa.

R.L. Rogers.
The Embassy

*Done
May 27/53
OK*

70

Majr. Gen. William C. Chase, on the eve of the second anniversary of the Military Assistance Advisory Group which he commands, declared there is no fear of invasion with the increasing physical and combat fitness of the Nationalist Armed Forces which is being supported by the U.S. 7th Fleet. The MAAG chief, who hopes the strength of his personnel will further increase this year, pointed out that through "cordial relations" and "effective mutual cooperation," there is an "impressive demonstration of what can be accomplished when free nations unite against a common danger." The MAAG will celebrate its second anniversary on May 1.

Chase's statement follows:

"Two years ago today, MAAG Formosa was born when we arrived in Taiwan with a mere handful of men and our orders -- 'to help the Free Chinese in strengthening the defenses of Taiwan and in maintaining internal security.'

"At the end of the first month, MAAG strength totaled only 34 officers and 17 non-commissioned officers. But, at the end of 90 days, MAAG had grown to 208 officers and men; at the end of first year, to 360 and, today, we are more than 700 strong, our carefully selected members drawn from the U.S. Army, U.S. Navy and U.S. Air Force. I hope that during the next year we may become even stronger.

"For two years now, Chinese and Americans have worked together in complete union and harmony in an intense effort to the strengthening of our mutual defense from communist aggression. The Armed Forces of the Republic of China have been reorganized and retrained in intensive, modern programs designed to produce fast-moving, hard-hitting combat units.

"The combat efficiency of all units have increased greatly. The receipt of essential 'hardware', supplies and equipment, at first seemingly a mere trickle, has gained momentum and it is now arriving at a gratifyingly increased rate.

"We have seen the physical and combat fitness of the Armed Forces of Free China increase to a point where, supported by the U.S. 7th Fleet, we have no fear of invasion. My confidence in our ability to repel any type of enemy invasion was indicated when I recommended that our wives and children should be permitted to come to Taiwan. The confidence of my government in the same was indicated when this recommendation was approved. To date, about 150 MAAG families have been reunited here in Taiwan, and more dependents will arrive as rapidly as housing conditions will permit.

"MAAG has had to be concerned with problems of internal security. The Government of the Republic of China has effectively handled that problem without assistance of any kind.

"I feel that we may regard with considerable pride and satisfaction our mutual accomplishments of the past two years. Our cordial personal relations and effective mutual cooperation have presented an impressive demonstration of what can be accomplished when free nations unite against a common danger.

"I make no prediction of things to come as we enter upon the third year of MAAG. Let us double our joint efforts to build up the fighting potential of the Armed Forces of Free China."

~~Very late~~

Far Eastern Division:
R.B. Edmonds/TP

File Nos. 9820-40
50056-A-40

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CONFIDENTIAL

May 4, 1953.

~~file 9820-40~~
file
77/77
TP

MEMORANDUM FOR THE ACTING UNDER-SECRETARY

Question of Chinese-Canadians Swearing Allegiance
to Chiang K'ai-shek.

On your instructions, we have redrafted a letter in reply to the letter which has been received from the Headquarters of the Chinese Freemasons of Canada, which is attached. Two previous letters on the question of whether Chinese-Canadians should swear allegiance to Chiang K'ai-shek have been dealt with through the Canadian Citizenship Branch of the Department of Citizenship and Immigration. However, since this letter has already received an interim acknowledgment from the Minister's Office, a copy of which is attached, and since Dr. Kaye, the Liaison Officer of the Citizenship Branch, is away for two weeks at a conference, it would be perhaps, appropriate that we should answer directly to the Chinese Freemasons in this instance. The letter, as redrafted, is phrased in quite an innocuous fashion without specifically mentioning the matter in question, but merely stating our attitude towards any group that wish to swear allegiance to a foreign political party.

2. I attach, for your approval and signature, a reply to the Chairman of the Chinese Freemasons of Canada.

C. A. RONNING
Far Eastern Division.

c.c. Consular Division.

Far Eastern Division:
R.B. Edmonds/TP

Ottawa, May 5, 1953.

Files: 9820-40
50056-A-40

Dear Sir,

The Secretary of State for External Affairs has asked me to reply to your letter of April 8, 1953, to supplement the interim acknowledgment which we sent you on April 11, 1953.

We were very interested in receiving the press release which you forwarded to us concerning the organization and objectives of the Chinese Freemasons in Canada. We agree, in principle, with your attitude regarding the limits which should be placed upon the political activities of your organization. While private Canadian citizens can express opinions and debate resolutions on any political issue in any part of the world, it would be quite a different issue if Canadian residents are asked to give allegiance to a foreign government.

We note your assurances that the Chinese Freemasons are not identified with any foreign political party. In conclusion, we would like to thank you for bringing this matter to our attention.

Yours sincerely,

C. S. A. RITCHIE


Under-Secretary of State
for External Affairs.

Chong Ding, Esquire, Chairman,
The Chinese Freemasons,
Headquarters of Canada,
1 Pender Street East,
VANCOUVER 4, B.C.

Revised version of article appeared in
"External Affairs Bulletin" issue of April, 1953.

file on 50056-A-40

RBE

FIRST DRAFT OF ARTICLE

FOR EXTERNAL AFFAIRS BULLETIN

F O R M O S A

The island of Formosa might be termed the "Emerald Isle of the China Sea". Although, like Ireland, it is possessed of a luxuriant physical beauty, its history has been marred by jurisdictional disputes and turbulent rebellions. In the 17th century, there was a Chinese saying which summed up the situation in Formosa: "Every three years a disorder and every five years a rebellion". That quotation is still applicable to Formosa today.

Physical Geography, Products of and Ethnic Groups in Formosa

Formosa, or Taiwan, as it is called by the Chinese, is about four hundred miles south of the mouth of the Yangtze and a hundred from the mainland of China. It lies off the Chinese province of Fukien, from which it is separated by a strait from ninety to two hundred and twenty miles wide. The island is almost exactly bisected by the Tropic of Cancer and lies between 25°20' and 21°50' north latitude. It has a maximum length of 235 miles while its breadth varies from 60 to 80 miles. Altogether it covers an area of 13,836 square miles. It is about one-fourth the size of the State of Illinois, but with an equal population of around eight millions. Formosa constitutes the eastern escarpment of what was once the great Malayo-Chinese continent, and is connected by a submarine plateau with the Chinese mainland. The strategic importance of Formosa is obvious and it has been described as a stationary aircraft carrier poised between Japan and the Philippines, from which position it controls the sea lanes from North Asia through the south east to Malaya, Burma and India.

The backbone of the island, extending north and south, is formed of a range of densely wooded mountains, called by the Chinese Chu-Shan which rise to upward of 14,000 ft. of which the height of the highest known peak, Mount Morrison, is given as 14,720 ft. Eastward of this range lies a narrow strip of mountainous country, presenting to the Pacific Ocean a precipitous cliff-wall, with in many places a sheer descent of from 1,500 to 2,500 ft. The western side of the range consists of a single broad alluvial plain, stretching from north to south of the island, seamed by innumerable water channels and terminating at the coastline in mud flats and sand banks.

Apart from heavy rainfall in the northern, central and eastern portions of the island, the climate is not exceptional, since the insular position ensures a modification of the heat by sea breezes. Malarial fever is, however, prevalent in the north, and violent typhoons are very common at certain seasons.

The island is famous for the luxuriance of its vegetation and many of the hot house plants, such as orchids and azaleas, grow wild on the mountain slopes and in the valleys. Ferns, tree-ferns, campher- and teak-trees, pines, firs, wild fig-trees, bananas, bamboos, palms, indigo and other dye plants, tobacco, coffee and tapioca, all grow in profusion on the island. Forty-three species of birds are indigenous to the island. Fish is plentiful near the coast, but insects and wild animals are scarce. The main crops are rice, two crops of which are grown per year, sugar cane, tea, jute, sweet

potato, beans, and ground nuts. The chief minerals are coal, of which there is a large supply, gold, salt, petroleum, natural gas and sulphur. The principal exports besides campher, of which Formosa controls the world market, are tea, coal, sugar, jute, hemp and dyewoods. Taiheku (or Taipei), in the north of the island, is the capital of Formosa and the Tamsui and Keelung are its principal ports. Tainan on the southwest coast is another important port.

The island is as beautiful as it is fertile. In 1590, Portuguese navigators sailing along the eastern coast were so taken by the precipitous, but wooded mountains and wild beauty of the shoreline that they marked the island in their log-book as "Ihia Formosa", meaning "beautiful island." From the other side, the Chinese, who can quite easily reach the western coast in their junks, were struck with the peaceful beauty of the inhabited and cultivated hillsides of western Formosa, and they called it "Taiwan", i.e. the "Terraced Bay", which is still the official designation of the island. Before the 16th century, peoples of Malayan or Polynesian origin, related to the peoples of Mindanao and Borneo, inhabited Formosa. The descendants of these head-hunting aborigines who show both Malayan and negrito characteristics, still live in Formosa. These aborigines, of whom there are about 146,000 living at the present time, live mainly in the mountainous slopes and even during the Japanese regime controlled about half of the physical surface of the island. They constituted a serious problem for the Japanese, and were enclosed by the Aiyer^u-Sen or guard-line, which extended for over 360 miles, of which over 230 miles were electrified. The aborigines are divided into two groups:

(a) The Jukuban, or "Subdued Savages", comprising over 500 tribes, who are civilized and have vowed allegiance to the government and who number about 116,000; (b) the Seiban, or "Wild Savages", who total about 30,000, comprising 146 tribes, of which by far the most untractable is the head-hunting Tayal group in the northeast. The camphor gatherers often had to be provided with police escort when venturing into the aborigine-inhabited camphor forests. In 1938, the population figures for Formosa were:

Chinese	5,392,800	93.88%
Japanese	308,800	5.37%
* Foreigners	43,400	.75%
* Almost entirely Chinese who are citizens of the Republic of China.		

N.B. These "Chinese" include the 146,000 aborigines and Chinese Hakkas related to the tribes of Kwangtung province in China. These have been supplemented since 1945 by 1,200,000 Chinese from the mainland, of whom about 600,000 are soldiers, 200,000 are civil servants and the rest are business men, professional people and intellectuals.

Early History

The island was known to the Chinese before the Christian era, but does not seem to have attracted any serious attention until the year 605 or 606 A.D. In the 14th century, several Chinese colonies were established in Formosa, but were subsequently withdrawn in the middle of the 17th century. From the 17th century on, Formosa has been under the jurisdiction, at various periods, of the Dutch, the Spaniards, the Chinese, the French and Japanese. At times, too, the island has been under the de facto jurisdiction of Chinese and Japanese pirates, a Hungarian nobleman, and a group of American merchants from Canton.

In 1624, the Dutch established a base, on the southeast shore, called Zeelandia, and maintained a settlement there for 37 years. From this centre, they extended their control over the hinterland, sent in missionaries and encouraged the people to plant sugar and develop camphor cultivation. The Dutch had established the key post of Batavia in 1619 and extended their operations into the rest of the East Indies, including Formosa, from there. In 1644, China was invaded by the Manchus, and the Manchu Ching dynasty supplanted the Chinese Ming dynasty. More than 100,000 Chinese escaped to Formosa, then known as a base of operations by pirates, both Japanese and Chinese. Thousands of other Chinese followed annually, mainly from the densely populated coastal provinces of Fukien and Kwangtung. Even today the predominant dialect of Formosa is Fukienese. In 1661 Chen Ch'eng-Kung (known in the west as Koxinga), one of the Ming leaders, escaped from the Manchus and landed at Zeelandia, with a fleet and an army of 25,000 men. The discontented Chinese on the island, combined with the Japanese and Chinese pirates, at once supported him and within a year, the Dutch gave up their control of the island. All evidence of Dutch influence soon disappeared. Koxinga managed to retain possession of the island for 22 years.

For a period of 200 years after 1683, Formosa was part of the Manchu empire. It was administered by a resident Commissioner of the Governor of Fukien Province, of which it is recognized as a prefecture. Although the Manchu officials maintained a garrison in Formosa of 10,000 to 15,000 soldiers, they were unable to suppress the practically continual series of rebellions.

Although Formosa was nominally under Manchu rule, many foreign adventurers and merchants tried to establish

their suzerainty over the island. John K. Fairbank, in his book, "The United States and China", relates an incident in the early 19th century concerning American interest in the island. Although in the period 1818 to 1824 the United States had extended its continental position to the Pacific Ocean, American diplomats, sheltering behind the Monroe Doctrine of 1823, were profoundly uninterested in transpacific expansion. In Formosa, American merchants from Canton explored the island, built a port, raised the Stars and Stripes, loaded some 78 vessels with cargoes worth half a million dollars and got the American Commissioner to China to advocate the American annexation of Formosa. The ambitious plans of these American adventurers, however, were doomed to disappointment, since the State Department did not even dignify the proposal with a reply.

By the treaty of Tientsin in 1858, Formosa was opened to trade with the West, particularly with Jardine Matheson and Company and Dent and Company, two British firms of Hong Kong. By the terms of this treaty, An-Ping, Tainan, Takao and Tamsui were opened to foreign trade as treaty ports. In 1868, the British compelled the Chinese officials to abolish the camphor monopoly, to recognize the right of foreigners to travel and buy freely, the right of missionaries to reside and work on the island, etc.

In the 19th century, the island of Formosa became notorious for the piracy of its inhabitants and the ill-treatment they inflicted upon navigators, who chanced to be wrecked on their coasts. In 1869 marines from the German ship "Elbe" landed on the Formosan coast. After the inhabitants fired upon them, the Commander landed marines, destroyed the nearest village and killed those who did not escape. In order to obtain redress for the murder of a Japanese shipwrecked crew by aborigines, the Japanese Government

in 1874, undertook to take possession of the southern part of Formosa, asserting that it did not belong to China because she either would not or could not govern its savage inhabitants. Through the intervention of the British Minister in Peking, Sir Thomas Wade, war was prevented, the Japanese withdrew and the Chinese retained control. Ten years later, during the Franco-Chinese war over Tonkin, a French naval squadron under Admiral Courbet blockaded the island, and for a period of eight months in 1884 the French tri-colour was planted on the northern portion of the island of Formosa in the coal district of Keelung. As a result of these violent protests against foreign piracy, and because of the obvious strategic value of the island to foreign navies, in 1887 the island of Formosa was raised by Imperial decree from the status of being a prefecture of Fukien Province to the full rank of an independent province.

In 1895, China was defeated in the Sino-Japanese war, and by the Treaty of Shimonoseki, Formosa was ceded to Japan on the 18th April. The Chinese in Formosa were determined to prevent the island from becoming a part of Japan, and offered it to the British or to the French. The British, however, declined the offer. During the treaty negotiations, Li Hung-Chang, the Chinese plenipotentiary commiserated with the Japanese on their misfortune in securing sovereignty over the island, and pointed out that Formosa was not amenable to good government for the following reasons:-

1. Banditry could never be exterminated;
2. The practice of smoking opium was too deep-rooted and wide-spread among the people to eradicate;
3. The climate was unhealthy;
4. The presence of head-hunters was a constant menace to economic development.

Despite this pretended alacrity of the Chinese Government in Peking to rid themselves of the island, the Formosan people took affairs into their own hands and on May 23rd, 1895, they proclaimed the establishment of the Formosan Republic. It lasted only three weeks in the north, but in the south guerilla warfare successfully defeated the Japanese troops until November 18th. It took from four to six more years to subdue the guerilla fighters, whom the Japanese contemptuously called "brigands". These "brigands", however, were powerful enough to mount an offensive assault on the capital of Formosa, Taihoku (Taipei) in 1900. The head hunters of the mountainous interior continued to be a problem until the Japanese were able to bribe them to lay down their weapons with salt, of which there was a dearth in the mountains, and which is still used as currency by some of the tribes.

In March, 1906, over 6000 persons were reported killed or injured in an earthquake in Formosa.

Although the Japanese Government put into force an immigration plan for Formosa to reduce over-population in the home Japanese islands, few Japanese farmers wished to emigrate to the Japanese empire in Korea, Formosa or Manchuria to compete with Korean and Chinese peasants accustomed to a still lower standard of living than the Japanese. The Japanese Government gave land, houses, roads, schools, hospitals, etc. on condition that all advances were to be repaid in ten years. Under this 1910 scheme, only 3,368 people were settled in three different regions. Even by 1938 only 308,800 Japanese were in Formosa. Most of the Japanese population, apart from official and military personnel, were found in the mining districts of the northeast and sporadically in the plantations along the western coast plain.

The first political party, organized on a modern basis against the Japanese in Formosa, was the Domekai, organized by Chinese from Formosa studying in Tokyo, which aimed at the abolition of some of the especially harsh laws in Formosa. In 1927, the Domekai's publication "Taiwan Youth" transferred to Formosa where it became the spearhead of the educational movement until it was suppressed in 1930. By 1928, the political movement had divided into two branches, the moderates centred around Bunka-Kyokai, which were strongly represented in the Taiwan Agricultural Cooperatives and the revolutionary Marxist organization closely associated with the Workers' Union (Taiwan Keyuso Renmei). In 1928 there began a new era of suppression by the Japanese Government in Formosa and the Marxist groups were the first victims.

During the early years of the Occupation after 1895, the Japanese were mainly preoccupied with the suppression of Chinese rebellions. For years, however, the war against the aborigines were carried on by regular detachments of the Japanese army. In 1930 a rebellion by several thousand aborigines was suppressed.

During the Second World War, the Japanese recognized the strategic value of Formosa and used it as a base of operations against South East Asia. The Japanese planes which bombed General MacArthur's troops in the Philippines were based on Formosa. The island was badly bombed by the Allies in the war and this has had a deterrent effect upon the economic recovery of Formosa since 1945.

Post Cairo Declaration History

During World War Two, President Roosevelt, Prime Minister Churchill and Chiang K'ai-Shek met in ^{Cairo} ~~Korea~~ to discuss post war conditions in the Far East. The Cairo declaration, subscribed to by the United States, the United Kingdom and China on December 1st, ¹⁹⁴³ ~~1952~~, stated:

"It is their purpose that Japan shall be stripped of all the islands in the Pacific which she has seized or occupied since the beginning of the first World War of 1914, and that all the territories that Japan has stolen from the Chinese, such as Manchuria, Formosa and the Pescadores, shall be restored to the Republic of China."

This promise was confirmed in the Potsdam proclamation by the same three powers (^{the} Soviet Union subsequently adhering) on July 26, 1945, in Article 8, which reads as follows:

"The terms of the Cairo declaration shall be carried out and Japanese sovereignty shall be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and such minor islands as we determine."

Thus the dismemberment of the Japanese Empire became one of the conditions enumerated in the Potsdam Declaration for the "unconditional surrender" of Japan.

On August 30, 1945, Chiang K'ai-Shek proclaimed Chinese sovereignty over the island of Formosa. The Japanese Instrument of Surrender, signed on September 2, 1945, was based on the Potsdam Proclamation and provided that the terms of the proclamation should be carried out. Immediately after V-J Day, the Chinese took over the island of Formosa as one of their provinces. On October 24th, as a result of an order issued on the basis of consultation and agreement among the Allied Powers concerned, the Japanese Forces in Formosa surrendered to the National Government of China, and on October 25th, the Chinese Governor-General was inaugurated in Taihoku (now called Taipei). The Chinese troops who landed on the island of Formosa were greeted initially with great enthusiasm by the native Formesans. Unfortunately, however, relations between the Taiwanese and the mainlanders steadily became worse. The maladministration and exploitation

of Formosa in the years immediately following the war has sometimes made this island appear to be more like a foreign colony won by conquest than a province returned to the motherland.

Although the reparations payments actually made by Japan were small, all the Japanese assets located in allied countries or liberated areas became the property of the country in which they were found. Thus, the Koreans and Chinese inherited vast capital investments built up over the decades by the Japanese Government and Private investors in Korea, Formosa, Manchuria and China proper. The Japanese assets in Formosa were quickly appropriated by Chinese mainland officials.

The tension which mounted between the Taiwanese and the administration from the mainland, culminated in an incident on February 28, 1947, involving the mainland police with a native woman who was peddling cigarettes without the licence demanded by the Government's "Monopoly Bureau". This led to a series of clashes which resulted in most of the island coming under the control of Formosan leaders headed by a "Settlement Committee". Meanwhile, on March 8th, reinforcements arrived from the mainland requested by Chen Yi, the Chinese Governor. Armed trucks patrolled the streets and Formosan leaders were executed. Altogether by the end of March, 1947, at least 5000 people were killed and thousands more were imprisoned. Because of the disgust of some Kuomintang leaders on the mainland ^{with this massacre,} ~~this~~ demanded Chen Yi's resignation, ^{was demanded} and on April 22, 1947, Nanking announced the appointment of Wei Tao-Ming as the new Governor. The situation

quietened down but the basic underlying tension was not noticeably lessened.

In December, 1948, the Executive Yuan of the Nationalist Government, faced with the defeat on the Chinese mainland, evacuated to Formosa. By the end of 1948 most of the Chinese Navy and Air Force had been moved to Formosa. Chiang K'ai-Shek himself, went to Formosa, from Chungking in West China, after the defeat of the Nationalist Armies on the mainland, in 1949.

Dealing with the status of Formosa, President Truman issued this statement on June 27, 1950:

"The attack upon Korea makes it plain beyond all doubt that communism has passed beyond the use of subversion to conquer independent nations and will now use armed invasion and war. It has defied the orders of the Security Council of the United Nations issued to preserve international peace and security. In these circumstances the occupation of Formosa by Communist forces would be a direct threat to the security of the Pacific area and to the United States forces performing their lawful and necessary functions in that area."

"Accordingly, I have ordered the Seventh Fleet to prevent any attack on Formosa. As a corollary of this action I am calling upon the Chinese Government in Formosa to cease all air and sea operations against the mainland. The Seventh Fleet will see that this is done. The determination of the future status of Formosa must await the restoration of security in the Pacific, a peace settlement with Japan, or consideration by the United Nations."

This neutralization of Formosa was a unilateral action by the United States Government and did not commit any other member countries of the United Nations.

On July 31, 1950, General MacArthur visited Formosa and had discussions with Chiang K'ai-Shek. This visit caused considerable criticism and so President Truman sent his personal advisor, Mr. Averell Harriman, to Tokyo.

On August 5th, General MacArthur's Deputy Chief of Staff, Major General A.P. Fox, headed a group of 22 officers and men who arrived in Formosa to set up a permanent liaison office between Chiang K'ai-Shek and Supreme Commander's

Headquarters in Tokyo. On August 24th, Foreign Minister Chou En-lai of the Communist Chinese Government cabled to the Security Council demanding that it take action against "United States aggression in Formosa". On August 28th, President Truman ordered General MacArthur to withdraw a message he had sent to a Chicago meeting of the Veterans of Foreign Wars. General MacArthur had laid great stress on the military importance of Formosa. If it were held by an enemy, he said, it "could be compared to an unsinkable aircraft carrier and submarine tender ideally located". In a press conference on August 31st, President Truman said that it would not be necessary to keep the United States Seventh Fleet in the Formosan Straits after the end of the conflict in Korea. ~~Subsequently, on October 16th, President Truman met General MacArthur on Wake Island.~~

On September 29, 1950, the Security Council voted 7 to 4 in favour of inviting Chinese Communist Delegates to participate in its Debate on the Allegation of American "Armed Invasion" of Formosa. On October 3rd, General MacArthur's Far East Command Survey Mission to Formosa was given orders to wind up its business and return to Japan immediately. Subsequently, on October 16th, President Truman met General MacArthur on Wake Island. On November 27th, representatives of the Chinese People's Republic attended a United Nations meeting for the first time, but only because of the special invitation agreed to above.

On December 8, 1950, following a conference in the United States, a joint communique by President Truman and Prime Minister Attlee ^{was published} saying: "On the question of Formosa, we have noted that both Chinese claimants have insisted upon the validity of the Cairo Declaration and have expressed reluctance to have the matter considered by the United Nations. We agreed that the issues should be settled by peaceful means and in such a way as to safeguard the interest of the people

of Formosa and the maintenance of peace and security in the Pacific, and that consideration of this question by the United Nations will contribute to these ends." However on December 16th General Wu Hsiu-Chüan, the leader of the Chinese Communist Delegation, in a press conference at Lake Success, rejected the cease-fire proposal put forward by the United Nations Assembly and said that the Chinese terms for peace in the Far East were the withdrawal^a of United States forces from Korea and Formosa and a seat in the United Nations.

Although armistice negotiations were inaugurated in July 1951, at Kaesong and subsequently at Panmunjom, the armistice negotiations did not deal specifically with the future status of Formosa. Early in the Korean war, Chiang K'ai-Shek offered to send 33,000 Chinese Nationalist troops to Korea but this offer was rejected by the United Nations Command because President Truman did not wish to extend a collective police action against aggression in Korea into another all-out involvement in the Chinese Civil War. Today it is recognized by American military leaders that the most effective use for the Chinese Nationalist Forces would be in a "second front" operation on the mainland of China. This, in effect, would be the outcome of President Eisenhower's modification of the previous order issued to the United States Seventh Fleet in the State of the Union message on February 2, 1952.

United States Government Attitude to Formosa and the Chinese Nationalists

Two opposing trends are evident in American public opinion and in the Government's record in dealing with Formosa. The first group favours a policy of non-intervention in the Chinese civil conflict, i.e., a hands-off attitude regarding Formosa. This group considers that the Communist success on

mainland China should be recognized as an accomplished fact ^{of} ~~for~~ Far Eastern history. The internal weaknesses of the Kuomintang regime have led some American observers to write off the Chinese Nationalists as an effective weapon to contain or throw back the Communists on the mainland. These doubts were given their most explicit substance in the United States White Paper on China ("United States Relations with China", Department of State Publication 3573, Far Eastern Series 30, 1949⁷), issued in August, 1949. In Mr. Acheson's testimony before the Senate Group investigating the dismissal of General MacArthur, it was acknowledged that the State Department gave instructions on December 23, 1949 to all its Foreign Service officers to inform the public that Formosa was of no strategic value, that the island was politically, geographically and strategically a part of China, and "in no way especially distinguished or important." It was the same philosophy that led President Truman on January 5, 1950 to make the following reference to Formosa:

"The United States will not pursue a course which will lead to involvement in the civil conflict in China. Similarly, the United States Government will not provide military aid and advice to the Chinese forces on Formosa."

The opposite trend has reflected the view that the Nationalist Government, with all its weaknesses, constitutes the chief potential ally of the United States in dealing with the Communist regime on the mainland which, because of its role in the expansion of Soviet power and influence in Asia, should be vigorously opposed. This view has been reinforced by the contention - first presented to the public in General MacArthur's controversial message to the Veterans of Foreign Wars on August 27, 1950 - that from a military viewpoint the safeguarding of Taiwan as an element in a chain of island bases ringing the Western Pacific is

essential to the safety of the United States. The report of improvements in the military, political and economic situation within Formosa has reinforced the position of those who advocated policies in line with these views. As a minimum, this group urges that Formosa be safeguarded against Communist attack and that the continuance of the Nationalist Government be ensured. As a maximum, they recommended that the troops of Chiang K'ai-Shek be assigned to reconquer the mainland, or, at least, to harass the Communist Armies in order to deflect Peking from hostile activities in Korea, Indo-China and elsewhere.

The first important victory for this second school of thought was the President's directive of June 27, 1950 neutralizing the island of Formosa. Although admittedly of an emergency nature tied to the conflict in Korea, this decision placed the direct weight of the American military resources behind the Nationalists in Formosa. This policy was reiterated in a State Department memorandum in August 1950 in which support was pledged to the Nationalist Government to oppose any U.N. action regarding China. This memorandum, in effect, gave unequivocal support to the Nationalist regime and left no doubt that the policy of "writing off" Formosa, as outlined in the note of December 23, 1949, had been reversed. This school of thought, of course, has recently received the blessing of President Eisenhower in his order modifying the task of the Seventh Fleet in the Formosan Straits, which in effect, may allow the Nationalists an opportunity to open a "second front" on the mainland of China.

Some Americans ^{had} ~~have~~ hoped that a third way could ^{have been} be found to avoid the dangers implicit in either of these courses. They looked hopefully to Hong Kong for evidence that Chinese liberals would form an effective Third Force which might be supported as a means of overthrowing the Communists

without placing any reliance on the Nationalists. Others felt that similar results could be achieved if Chiang K'ai-shek could be replaced by some new, popularly chosen leader. Finally, some observers advocated a course of action that could lead either to the island being placed under some form of United States trusteeship, or to the local population being permitted, by plebiscite, to choose its own future destiny. However, none of these compromise proposals have received much support among American policy makers.

Regarding the future status of Formosa, in his testimony on June 1, 1951, before the Committees on Armed Services and Foreign Relations, Mr. Acheson outlined American policy as follows: "The President has stated that we are not prejudicing the future of Formosa. That is a matter which should be decided, he said, either in connection with the Japanese Peace Treaty or by the United Nations, and the view which has been taken more recently is that the United Nations is the appropriate place where it should ultimately be decided". Mr. Acheson admitted that this was a departure from the Cairo Declaration which guaranteed that Formosa would be returned to the Republic of China, but he felt that the literal implementation of this promise would cause some problems at the present time.

As for American aid to the Chinese Nationalists, during his speech to Congress of April 19, 1951, General MacArthur called for a policy which would permit the Nationalists to make a military contribution to the struggle against ^{the} Chinese Communists. Secretary of Defence, General George C. Marshall, subsequently told the Senate Committees, investigating MacArthur's dismissal, that the primary aim of the forces on Taiwan should be to prevent the island from falling under Communist Control rather than to carry out ^{aggressive} aggressive actions on the mainland. When Mr. Acheson appeared before the Senate Group he confirmed that American policy called for safeguarding the island from Communist control.

On May 18, 1951, Dean Rusk, Assistant Secretary of State for Far Eastern Affairs, declared that the Nationalist Government on Formosa "more authentically represents the views of the great body of the people of China" than the Communist regime in Peking. The State Department denied that the Rusk speech meant that the Administration was moving toward fuller support for Chiang K'ai-Shek. Nevertheless, it is obvious that since the Korean war the Americans have greatly extended their aid to the Nationalists in Formosa. In the 1951-1952 fiscal year, over \$500 million of American aid was extended to Taiwan. This amount represented a third of the total aid allotted to the whole Far East.

Chiang K'ai-Shek's Regime on Formosa and United States Aid to the Chinese Nationalists

Chiang K'ai-Shek's administration on Formosa has been the subject of much controversy. It must be recognized, however, that the super-imposition of nearly two million mainland Chinese upon the six million native Formosans was bound to cause problems. Six hundred thousand of the mainlanders are soldiers, two hundred thousand are civil servants and the rest are business men, professional men and intellectuals. This provides an obvious contrast to the native Formosans of whom ninety-five percent are peasant farmers. When Formosa was returned to the Chinese, there were three main groups who could have been utilized for Administration. These were: (1) "carpet baggers" i.e., Formosans who had returned to Taiwan with the mainland Chinese; (2) Japanese trained administrators who were barred from office; (3) mainland Chinese officials. Many of the Formosan leaders who might have been integrated into the Administration were killed by the Nationalists in retaliation for the March 1947

insurrection. When K.C. Wu, the former Mayor of Shanghai, became Governor of the Province, he enlarged the Provincial Commission to include seventeen Formosans out of a total of twenty-three.

The Nationalist Government of Formosa has failed to give either the native Formosans or the mainland Chinese expatriates a greater degree of democracy. The individual citizen still lacks legal protection against the crudity of military justice. In an effort to stamp out Communist subversion, the Nationalists have developed several powerful secret police organizations who conduct house-to-house searches and have jailed several thousand people without the benefit of public trial. Although several "paper reforms" have been instigated to correct these abuses, the military and police still lack respect for civilian authority. The same lack of respect for the rule of law was seen at the local elections carried out in Formosa last year. When, on the first balloting in the South, it was obvious that native Formosans were winning most of the contests, the Kuomintang moved in on the subsequent elections in the North and there its candidates usually won.

Although some in the Nationalist Cabinet wish to build a genuine democratic society, the members of the Kuomintang Reform Committee, whose members are appointed by Chiang K'ai-Shek and who possess most of the real authority on the island, are more concerned with discipline and control in the party than in democracy. The Nationalists, as do the Chinese Communists, subscribe to the theory of a "democratic centralism". The ordinary Chinese on Formosa, though dissatisfied with their lack of political outlet, do not possess the ideas and education to help themselves. The Japanese introduced universal primary education on the island and taught the Formosans just enough to enable them to understand police orders, but excluded all "dangerous

thoughts" - such as democracy - from the school curriculum. The vigorous intellectual life that characterized the refugee universities in free China during the Sino-Japanese war is not found today in Formosa. The Nationalist Government in Formosa has not provided a beacon light of democracy to serve as a rallying point for the ten million overseas Chinese in South-east Asia and the non-communists on the Chinese mainland.

The strength of Chiang-K'ai-Shek's armed forces in Taiwan in May 1951, was estimated by Fred W. Riggs in his book, "Formosa under Chinese Nationalist Rule". ~~The forces in Formosa~~ ^{to} include the following:

Army (Ground Forces)	345,000
Navy	45,000
Airforce	70,000
Combined Service Forces	20,000
Political Officers & Garrison	120,000
	<hr/>
Total	600,000

It is probable that only between 200,000-300,000 of the ground forces could be turned into combat effectives. Although most of the Nationalist armies were lost on the mainland, practically the entire Ministry of Defence (the Chinese equivalent of a Pentagon) escaped to Formosa and added to the superabundance of Generals, Admirals and other officers. Many of the soldiers were ailing and aged men who had escaped to the mainland because they had been assigned to rear area service near the ports. The Nationalist Army managed to salvage about 1,000 obsolete tanks from the mainland. At the present time, the rations of the soldiers seem to be adequate, providing each soldier with 2,500 calories per day.

The Air Force in 1951 was said to number between 8-10 groups using perhaps 300-600 World War Two planes. These included fighters, C-47 Transports and light bombers. However, in an article in the New York "Times" on April 2, 1951, Hanson Baldwin, the military analyst, said that only one-third of these planes were operational. The Navy in 1951 had about 70 major vessels - LST and destroyer escort type - and numerous smaller craft. About one-quarter of all Naval personnel were officers.

The Commander-in-Chief of the Chinese ground forces is, theoretically, General Sun Li-jen, a graduate of Virginia Military Institute who distinguished himself in the Burma campaign in World War Two under General Stillwell. However, he has little real authority and is largely limited to supervising the training of the men. A corps of political officers, commanded by the Generalissimo's eldest son, Major-General Chiang Ching-Kuo, has its representatives in almost every unit of the Army. This "political commissar" reports directly to his father and thus by-passes the Army Commander-in-Chief. While this system limits the opportunities for subversion, it also generates suspicion and intrigue and prevents the development of an effective chain of command. The problem of retiring over-aged Nationalist mainland troops and finding replacements is also an unresolved problem. The Ministry of Defence is reluctant to incorporate a large number of native Formosans into its armies.

On May 1, 1951, the United States Military Assistance Advisory Group was officially established on Formosa. N.A.A.G. now has about ^{six hundred} ~~a~~-thousand United States officers and men assigned to re-organize, train and equip Nationalist forces for the "defence of Formosa and maintenance of internal security". This group has now spent about

\$300,000,000, primarily for the purchase and shipment of arms, ammunition, vehicles, medical supplies, rations, uniforms and other specialized equipment. All Chinese requests for aid are screened by the American staff first. This United States group has made real progress in providing Formosa with proper airfields, an improved air warning system, modern harbour equipment and many of the other facilities needed for a military establishment. Recently, too, of course, United States military aid to Formosa has been speeded up, and such items as jet fighters have been promised to Chiang K'ai-Shek.

Prior to the Korean war, Formosa received about \$40,000,000 in the form of cotton, fertilizer, wheat, petroleum, medical supplies and other commodities from the United States. Since June, 1950, an additional \$250,000,000 has been appropriated for economic assistance to the Nationalist Government. Most of these funds have been used to cover the cost of essential imports, including cotton, petroleum, soya beans and chemical fertilizer necessary to maintain Formosa's agricultural production. Proceeds from the sale of these commodities are used to meet the Chinese Government's budget deficit, to finance construction of military facilities such as barracks and to meet local currency costs on other phases of the aid program.

The Mutual Security Agency finances the employment by the Chinese Government of the services of such technical experts as the J.G. White Engineering Corporation. On V-J day, electrical power production on Formosa had been reduced to about 50,000 kilowatts. By the end of 1952 it was six times that. Domestic production of chemical fertilizer, which reached 104,000 tons in 1951, was expected to increase by 50% in 1952.

However, the major "success story" of the Americans in Formosa is the work of the American and Chinese Joint Commission on Rural Reconstruction. This Commission was established under the provisions of the China Aid Act of 1948 and began its operations on the mainland. J.C.R.R. faced the agricultural problem of Formosa on four fronts: land reform, agricultural productivity, farmers associations and rural health. Already land rent has been reduced from approximately 60% to a maximum of 37.5% of the main crop, tenure has been guaranteed for a minimum of three years, and public land has been made available on terms the small farmer can afford. The output of rice has reached 1.5 million dollars annually - the highest in the island's history. The ^{Fig} peak population has been raised from 1.3 million two and a half years ago to 1.9 million today. This is important news for the Chinese, who often calculated their standard of living by the number of days a month they can afford to eat pork. The J.C.R.R., with its 250 different projects in Formosa, is creating a peaceful social and economic revolution in Formosa's rural life.

Canada's Attitude Towards Formosa

The Japanese Instrument of Surrender, which was based on the Cairo and Potsdam Declarations, was signed by Canada as a signatory nation on September 2, 1945. The Canadian Government was notified of the de facto administration of Formosa by China through a note from the Nationalist Government of China in 1946, stating that Formosa was restored to Chinese sovereignty and that the Formosans had regained their Chinese citizenship, and through an agreement, signed with China, that the commercial modus vivendi with that nation covered all Chinese territories, including Formosa. The Canadian Government's attitude to Formosa was defined in the House of Commons by Mr. Pearson on April 1, 1952. He said:

"...At the moment we in the United Nations are pledged at least to try to make peace with Communist China over Korea; and negotiations for the first stage of making peace, the armistice stage, are now under way. That is what we are trying to do. Then, if we are successful in the first stage we are pledged to discuss other Far Eastern questions. We have taken that pledge in the United Nations. Should we now say that we will never allow Formosa to go back to Peking if they do not throw out their present government in China? Should we say that, especially when we have subscribed to international agreements recognizing Formosa as part of China, and when we recognize that now sovereignty legally resides in China? I suggest that that would be rigid, dead-end diplomacy, and not very wise diplomacy to follow at this time in this matter...."

"...Ultimately, of course, Formosa must be a question of international discussion and decision, preferably through the United Nations, as the Secretary of State for the United States has already intimated.

"In such a discussion, which I suppose must come ultimately, there are certain factors which should be taken into consideration by those responsible. The first--and possibly the most important factor of all, though it is very often overlooked--in our discussion of this matter is that the views of the Formosan people themselves should be taken into consideration. They are a people who have not known national freedom, who are in many ways quite separate from the Japanese and Chinese who have ruled over them. Second, consideration should be given to the character and policies of the government or governments of China which may be in power at that time. Fourth, of course, we cannot overlook the fact I have just mentioned, that legally Formosa is part of China. Both Chinese governments insist on that. It is about the only matter on which they are united. The dispute is over which government shall control Formosa."

The Secretary of State for External Affairs has expressed himself on several other occasions on this question. Following President Eisenhower's State of the Union message on February 2, 1953 which modified the Presidential directive to the seventh fleet, Mr. Pearson made a statement on Formosa in the House of Commons on February 5, 1953:

"With respect to the position of the Canadian Government, while we remain resolved to carry out our United Nations obligations in Korea, we do not think that the defence of Formosa, which has not been assumed by the United Nations, should be confused with the defence of Korea, which has. As I have mentioned on several occasions in the house, on May 15, 1951, on May 22, 1951, and on April 1, 1952, our consistent position has been that this island should be neutralized, so far as that is possible, while hostilities continue in Korea. Our view has been that the final disposition of Formosa should be a subject to be discussed at a conference on Far Eastern problems which should be held when the fighting ceases in Korea; and we strongly supported the statement of principles approved by the political committee of

the fifth United Nations general assembly which specifically provided for such a conference. In any decision regarding the future of Formosa, the wishes of the people there would naturally be a primary consideration.

In considering the possible effects of this recent action by the United States government, I should emphasize that on Far Eastern issues, as on other questions in which we are both concerned, the fundamental and long-term aims of Canada and the United States are similar, although naturally we may differ on occasions in our approach to specific issues and as to how these long-term aims can best be achieved.

Canadians of course know President Eisenhower well. They feel a deep gratitude for the services he has already rendered the free world, and have full confidence, I am sure, in his peaceful and constructive purposes. And I am convinced that one of these purposes - as it is the purpose of this government and this parliament and our country, and the purpose of the other governments who are now engaged in Korea - is to end and not extend the Korean war.

It should also be noted that in his statement President Eisenhower stated clearly that "This order implies no aggressive intent on our part." Nor should we, I think, assume that because of this order any large scale operations in the near future are likely to be undertaken by Chinese Nationalist forces on the mainland. The order does, however, rescind that part of the original order by which the United States seventh fleet would prevent any such operations.

The original order did give, I suppose, to the Communist forces in China a feeling of immunity from attack from Formosa, and this has become increasingly unacceptable to the people of the United States, as the Chinese Communists have continued their aggression in Korea and only recently rejected a resolution, approved by the present United Nations general assembly which could have ended the war there on acceptable terms. The United States Government has, therefore, found it necessary to take action to alter a situation which was considered to have no longer its original justification.

It is no doubt hoped that this change may keep more Chinese communist forces in China and hence have an advantageous effect on United Nations operations in Korea.

It would of course be another matter, as hon. members will be aware, if Chinese Nationalist raiders or invading forces were escorted or protected in their operations by the armed forces of other United Nations governments. We have no reason to believe, however, on the basis of any information available to us that any such development will take place, the consequences of which would be far-reaching.

We are not of course committed by, though naturally we are concerned with, the action taken in Washington in connection with this matter. The government will follow developments with the closest possible attention and take appropriate action to make our views known if and when the occasion so warrants. Meanwhile, I think it would be unwise and premature to jump to dogmatic or critical conclusions concerning the step taken by the United States government, and announced in a statement by President Eisenhower, which contained so much that was wise and heartening to us all."

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Albert Ravenholt.
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Far Eastern Division:
R.B. Edmonds/TP

File Nos. 9820-40
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CONFIDENTIAL

50056-A-40
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April 27, 1953.

MEMORANDUM TO MR. MACKAY (THROUGH CONSULAR DIVISION)

Question of Chinese Canadians Swearing Allegiance
to Chiang K'ai-shek.

Recently the Canadian Citizenship Branch asked our advice about what policy guidance should be given to their Vancouver regional officer concerning the question of whether Chinese residents in Canada should swear allegiance to the regime of Chiang K'ai-shek in Formosa. On March 25, 1953, we replied to Dr. Kaye to the effect that such a move on the part of Chinese citizens would constitute a throwback to the old issue of whether Chinese Canadians possess dual nationality. We also suggested that such a move, particularly in British Columbia, might provide an ideal excuse to label the Chinese community as agents of a foreign power.

2. In a letter to this Department, a copy of which is attached, the owner of the Chinese Citizen Publishing Company, Mrs. Hosken, asks us for a statement which she could publish in her newspaper. Dr. Kaye, the Liaison Officer of the Canadian Citizenship Branch, in a telephone conversation, promised to transmit our policy guidance in this matter to Mrs. Hosken. This matter has been discussed with Consular Division.

I am attaching for your approval and signature, subject to the concurrence of Consular Division, a letter to Dr. Kaye.

G. A. RONNING

Far Eastern Division.

CONFIDENTIAL

, April , 1953.

File Nos. 9820-40
50056-A-40

Dear Dr. Kaye:

In reference to a telephone conversation between yourself and a member of our Far Eastern Division last week, I am enclosing a copy of a letter from the publisher of the Chinese Citizen Publishing Company of Vancouver.

As was mentioned to you in the telephone conversation, Mrs. Hosken, the publisher of this paper, has requested the Department of External Affairs to write her a statement setting down in plain language the Canadian Government's attitude in the matter of Chinese Canadian citizens swearing allegiance to Chiang K'ai-shek. As you know, on March 25 we wrote to you on a similar subject, in order that you might give policy guidance to your Vancouver regional officer. On these matters of citizenship, we think it advisable for your Department to relay instructions on this matter to Mrs. Hosken. In your letter to her you might mention that the issue had been referred to you through External Affairs.

We would however, wish to indicate the general line which a statement for publication in this paper should take. I would suggest a statement such as the following:

"While private Canadian citizens can express opinions and adopt resolutions on any political issue in any part of the world, it is quite a different issue when Canadian residents are asked to swear allegiance to a foreign government. If members of the Chinese community in Canada formally swear allegiance to Chiang K'ai-shek's Nationalist Government in Formosa, it might be construed by

Dr. V.J. Kaye, Liaison Officer,
Canadian Citizenship Branch,
Department of Citizenship and Immigration,
Ottawa.

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Canadian citizens in general as an indication that Chinese residents in Canada are agents of a foreign power. Canadian citizens of Chinese racial origin, as a whole, have proved to be loyal and dependable and they should not undertake any project that would reflect on their desire to further Canada's best interests."

You will note that this draft statement for publication is not specifically attributed to a Canadian Government source, nor does it mention the question of Chinese dual nationality or the latent anti-Oriental feeling in certain parts of this country. I would be grateful if you would write Mrs. Hosken, merely transmitting a statement, such as the one we have suggested, without going into these controversial issues just mentioned.

Acting Under-Secretary for State
for External Affairs.

INCOMING MESSAGE

*Original on 50293-40
58069-A-40
COPY*

FROM: THE CANADIAN AMBASSADOR TO THE UNITED STATES TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA	Security Classification
	CONFIDENTIAL
	File No. 50056-A-40
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Priority IMPORTANT	System CYPHER-AUTO	No. WA-881	Date April 10, 1953.
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Departmental
Circulation
MINISTER
UNDER/SEC
D/UNDER/SEC
A/UNDER/SEC'S
POL/CO-ORD'N
SECTION

Reference: EX-610 of April 9th.

Subject: United States Far Eastern Policy.

Addressed External WA-881 (Important), repeat
Candel No. 42.

Similar articles to that of Leviero have been written by various Washington correspondents over the past few days, reporting that the United States Government would seek to establish a division of Korea at the Sinanju-Hamhung-Hungnan "waistline" and is considering a United Nations trusteeship for Formosa. They suggested that these are two of the objectives which the United States would pursue at the political conference on far eastern problems to take place after a Korean armistice.

2. It is generally accepted in responsible press circles here that the articles were inspired by a "background conversation" which Mr. Dulles had with certain journalists on Monday night. The Secretary of State is not averse to this method of trying out some of his ideas for public reaction, it being understood of course that the views expressed cannot be attributed to him.

3. The rather startling nature of the reports which resulted apparently from last Monday's conversation have produced what is known in the local vernacular as a "rhubarb". Senator Knowland telephoned Mr. Dulles yesterday, in order to express his astonishment, following which he said that the Secretary of State had assured him that "no such statement had come from him".

4. White House Press Secretary Hagerty, at his news conference yesterday, made the following statement with specific reference to Leviero's article in the New York Times:

"The reported administration policy on Formosa and Korea is without foundation of fact. No consideration has been given by the Administration to a United Nations trusteeship for Formosa. Likewise the Administration has never reached any conclusion that a permanent division

Done.....

Date.....

References

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Date.....

of Korea is desirable, or feasible or consistent with the decisions of the United Nations". In a supplementary comment Mr. Hagerty explained that before the Chinese Nationalists had moved to Formosa there was a proposal to make the island a trusteeship. He said that the situation changed completely when Chiang Kai-Shek established himself in Formosa and since 1947 neither the present Administration nor the previous one had proposed or favoured a trusteeship for Formosa.

5. Subsequent to these denials the press have chorused an indignant cry to the effect that the identity of the high official in the Eisenhower Administration who gave out the story about Korea and Formosa is well known.

6. We shall of course endeavour to ascertain whether there is any substance to the reports. You will realize that for the present State Department officials must be guided in their comment by the official denials which have been issued. I doubt whether the Administration has developed a firm policy for the post-armistice political conference. The reports probably reflect no more than the tentative and forward thinking of an individual official. I have never heard of any suggestion that the military demarcation line should be other than that provided for in the draft armistice agreement.

7. As to the sentence in the United Nations-French communique referred to in para 3 of your message, you will see that our message WA-860 of April 8th went at some length into the State Department's explanation of this sentence and the British enquiries concerning it.

INCOMING MESSAGE

Original must 213-40
COPY
Copy: ML 50069-A-40

FROM: THE CHAIRMAN, CANADIAN DELEGATION TO THE
 GENERAL ASSEMBLY, NEW YORK.

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

file 77

Security Classification	
CONFIDENTIAL	
File No.	
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Priority	System	No.	Date
	CYPHER-AUTO	166	April 10, 1953

Departmental
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MINISTER
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 A/UNDER/SEC'S
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 SECTION

Reference:

Subject: Far Eastern Political Settlement -
 United States Thinking.

Addressed Ottawa No. 166 repeated Washington No. 109.

The front page story in the New York Times yesterday morning April 9 by Anthony Leviero speculating on United States policy concerning a political settlement of far eastern issues causes, as you can imagine, many a raised eyebrow among United Nations delegations. The Chinese were indignant at the idea of trusteeship for Formosa, and Dr. Tsiang called it "nonsense". The South Korean delegate, Colonel Ben Limb, said that his government would "have no such thing" as a division of Korea between north and south at the waist and insisted that United Nations objectives called for unification not division of the peninsula.

2. Most other delegations were astonished that at this juncture in the negotiations at Panmunjom, there should have been such an obvious leak from Washington intimating that the United States Administration was seriously considering asking the Communists to move back 90 miles, whereas the armistice agreement calls for a cease-fire on the present battle lines. This was certainly the reaction of the United Kingdom, French, and Belgian delegations.

3. Even after the stories had been denied by the White House, the terms of the denial indicated that there was at least something to the story of dividing Korea at the waist and delegations with whom we discussed the matter continued to believe that the stories had been leaked as a trial balloon. According to the New Zealand delegation, they came from Mr. Dulles himself at a dinner with correspondents two days ago but we have no confirmation of this report.

4. The United States delegation were naturally embarrassed by the whole affair and relieved when White House denial was issued. As Cory said in summing up, "we are not giving anything away". But the sharp reaction in Washington labelling as "appeasement" a proposal to ask

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the Communists to withdraw 90 miles from their present line has come as something of a shock to delegations who had been looking for an early settlement on the basis of the present battle lines. Although it has been generally realized that the dividing line for any eventual political settlement need not exactly correspond to the line of an armistice or cease-fire, I think it is fair to say that it has been generally assumed here that the differences between the two lines would be a matter of minor adjustments only.

CANADA

CONFIDENTIAL

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION
CANADIAN CITIZENSHIP BRANCH

*to sec: The Hon. ...
+ file RBE*

[Handwritten initials]

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Ottawa, March 30, 1953.

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Under-Secretary of State for
External Affairs,
East Block, Ottawa, Ont.

Your File: 50056-A-40

Dear Sir:

[Signature]
31 MAR 1953

Your kind reply to our request for your opinion regarding the answer which should be given to the President of the Chinese Benevolent Association in Vancouver is greatly appreciated.

We have transmitted it to our Regional Liaison Officer in Vancouver and he has been advised to act upon it.

[Handwritten signature]

Dr. V. J. Kaye,
Liaison Officer.

VJK/jl

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EXTERNAL AFFAIRS
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Far Eastern Division:
R.B. Edmonds/TP

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March 26, 1953.

Mr. Edmonds

MEMORANDUM FOR UNITED NATIONS DIVISION

I.L.O. Technicians for Formosa

21. I refer to your memorandum on this subject of March
2. As you know, the Canadian Government does not encourage Government officials to pay official visits to Formosa, but we do not prevent private Canadian citizens from going there. There are, for instance, several Canadian missionaries at present working on that island. The Canadian Government also does not screen or prevent Canadian citizens who wish to enter the employment of the United Nations Secretariat or one of the U.N. Specialized Agencies.
3. However, the Canadian Government, as a matter of policy, has not undertaken any projects recently which would tend to strengthen the position of the Chinese Nationalist Government in Formosa. Therefore, in regard to the recruitment for Formosa of two technicians familiar with sugar cane machinery from Canada, our position would be that there are many other areas in the world to which we would be more anxious to extend technical assistance. Bearing in mind our limited human resources, we would not encourage the sending of technicians to Formosa if this action would mean a curtailment of our program of technical assistance elsewhere. If, however, the above-mentioned conditions are met and if such technicians are readily available in Canada and can be recruited without undue publicity, this Division would have no great objection to such technicians being sent to Formosa.

c.c. Economic Division

C. A. Rowling

Far Eastern Division.

EXTRACT from the minutes of a meeting of the Honourable the
Treasury Board, held at Ottawa, on March 20, 1953.

V. H.

T. B. 446875

EXTERNAL AFFAIRS

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4/4/53
wb
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by [initials]

CIRCULATE TO:	
Mr. Hensley	[initials]
Mr. Armstrong	[initials]
Mr. Stewery	[initials]
& file	[initials]

X

The Board authorize payment of actual travelling expenses, for which the usual detailed accounts will be submitted, incurred by the Reverend Hugh MacMillan, a missionary recently returned from Formosa, in travelling between Toronto and Ottawa for interviews with officials of the Department.

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D. McArthur
Assistant Secretary.

APR 9 1953

copy sent to C.T.O

APR - 2 RECD
W.F. James

DEPARTMENT OF EXTERNAL AFFAIRS
CROSS REFERENCE SHEET

Security *Secret*

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50056-A-40		
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Type of Document *Brief* No. *105* Date *19 March 53*

From *D. H. I.*

To *C. H. S.*

Subject:

USA supplying F84 type aircraft to Chinese nationalists

Original on File No. *50028-BC-40 "D"*

Copies on File No.

Other Cross Reference Sheets on.

Prepared by *Ror*

Far Eastern Division:
R.B. Edmonds/TP

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File No.	50056-A-40
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March 14, 1953.

file RBE

MEMORANDUM TO MR. MACKAY

Visit of Dr. Hugh MacMillan of Formosa to Ottawa

On March 9, 1953, Rev. Hugh MacMillan spoke to officials of this Department regarding his experiences in Formosa. Dr. MacMillan, a graduate of Dalhousie University, *? Toronto?* went to Formosa in 1924 under the auspices of the Canadian Presbyterian Mission. He left Formosa in 1939 to attend the First Christian Youth Conference at Amsterdam with the Japanese Youth Delegation. During the war he studied at Edinburgh University, toured Canada on behalf of the Student Christian Movement, acted as Secretary of the Committee Aiding Japanese Canadians, and served two years with the British Embassy in Washington, D.C., and in San Francisco. In 1947, he and his wife returned to Formosa. His work there has mainly been with student and youth groups and also as the unofficial representative of the Canadian Aid to China Relief Project. He claims that, at present, there are 200 self-supporting Protestant churches in Formosa. The languages used in their work there are the Amoy Fukienese dialect of Chinese and also Japanese.

2. When Dr. MacMillan first went to Formosa in 1924, the island was a colony of the Japanese. In the period from 1927 to 1928, many refugees from the Chinese mainland, including ~~these~~ Chinese escaping from the Kuomintang Government as well as Westerners escaping from anti-foreign riots in China, came over to Formosa. At that time Formosans had contact with Mao Tse-tung, and as a result, several Marxist, anti-Japanese movements were formed in Formosa.

3. During the 1930's in Formosa, foreigners were under constant surveillance by Japanese detectives. As early as 1934,

14.3.26(05)

there was evidence that the Japanese Government had already laid detailed plans for the capture of the Philippines and the rest of Southeast Asia. A Japanese admiral was Governor of the island for part of this period. In the 1930's the Taiwan University was founded, but this institution was not established to encourage higher education among the native Formosans, but was rather an experimental station to study conditions in Southeast Asia in preparation for Japanese invasion of the area. For example, the Dutch language was one of the courses on the curriculum. After the Sino-Japanese war broke out in 1937, strategic airfields were built near Taipeh in Formosa, from which Japanese planes bombed Shanghai, Nanking and Canton. Later, of course, some of these airfields were used as a base for air operations against the Philippines.

4. The native Formosans, of whom a majority are descendants of Chinese from the neighbouring province of Fukien, have always been imbued with an undercurrent of "Formosa for Formosans" feeling. In the 1930's, Formosan graduates came back from Japanese Universities and founded anti-Japanese societies - some of which were Marxist and others were motivated by Christian ideas of "freedom", etc. No high level administrators in the Japanese regime in Formosa were native Formosans, although most officials on the working level were Taiwan Chinese.

5. In the post-war period, there was some initial enthusiasm for the new Chinese rulers. However, this initial friendliness was quickly dissipated by the 1947 massacre, in which, from 5,000 to 30,000 people were killed. "Remember February 28" is still as much a slogan in Formosa as "Remember Pearl Harbour" was a slogan in the United States during the war. The original Chinese administrators under Governor Chen Yi were of the "carpet-bagging" variety, i.e. political hangers-on with no professional qualifications.

6. Since 1947, however, the antipathy of the Formosans to the Chinese Nationalists has gradually decreased. Chen Yi's successors as Governor, Wei Tao-Ming and K.C. Wu were increasingly popular with the Formosans. K.C. Wu, the former Mayor of Shanghai, has been quite intent on initiating "democracy" in Formosa, and elections on the municipal level have been carried out. These elections seem to have been quite free and, while a mainlander was elected Mayor of the port city of Keelung, native Formosans were elected as the Mayors of

the capital city of Taipei and the other port city of Tainan.

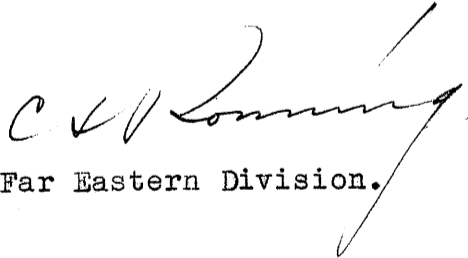
7. The native Formosans regard themselves as belonging to the West and they feel that President Truman's "neutralization" order in June, 1950, placed the Iron Curtain in the middle of the Formosan Straits. Prior to June, 1950, the Formosans felt that they would be taken over by the Communists and they wanted United Nations jurisdiction over the island to preserve their independent status from the ambitions of both Japan and China. Since then, however, with the increasing American stress on the strategic importance of the island, the Formosans have become reconciled to the inevitability of a Third World War. In a "hot war" the Formosans anticipate being on the front line as a probable base for an invasion of the mainland by the Western Allies. Chiang Kai-shek is regarded by the Formosans as a symbol of the Western guarantee of their freedom from Communist China. Although there is no great desire on the part of the Formosans to invade the mainland, history does indicate that they are "brothers under the skin" of the Chinese. There is a strong physical and spiritual link with Amoy on the mainland and a certain nationalist pride in the heroism of the Fukienese in defeating the Manchus in the 17th Century. K.C. Wu, whose wife comes from Amoy, deliberately fosters this patriotic feeling towards Amoy among the native Formosans.

8. The Japanese instituted universal primary education in Formosa and this has been extended by the Chinese Nationalists. More students are attending schools today than ever before, but the quality of education is on a lower level. The students are also learning Mandarin Chinese in the schools. Conscription for the Formosans has been instituted, although even today only a small percentage of the army are native Formosans. In the original call-up 25,000 to 30,000 were drafted for a limited period of service and were subsequently put on the reserve status. In a second call-up since then, others have been drafted on a longer term basis. The original conscription order, however, had to be proclaimed in Japanese, since few of the Formosans understood Mandarin Chinese. One of the reasons why few Chinese are able to leave Formosa, for educational or other purposes, is because of the draft law.

9. At the present time there are two ostensible governments in Formosa and one other which has considerable real power.)

These are the Provincial Government under K.C. Wu, the Central Government of China under Chiang K'ai-shek and the military hierarchy which is somewhat independent and is closely linked with the Americans. The presence in Formosa of this bureaucratic duplication, as well as the influx of two million mainland expatriates, has been an economic strain upon the island. K.C. Wu has recently stated that the island will be economically self-sufficient by 1954. Presumably, this means economically self-sufficient providing the United States finances the military side of the administration. The export from Formosa to Japan of sugar has been re-established to the full pre-war extent. Dr. MacMillan mentioned that the only foreign diplomatic missions, of which he was aware, in Taipeh were those of the United States, the Philippines, Panama, Iran and Thailand.

10. Concerning the Chinese Nationalist Armed Forces, he said that the early group that came over from the mainland were ill-disciplined and aroused a great deal of antagonism among the native Formosans. However, the later group that came from Hainan were very well-behaved and were a complete contrast to the earlier groups. There have been no recent incidents between the troops and the local civilian population. The troops seemed to be well-trained, but not well-fed. They received all the rice they could eat but only a small allowance of vegetables and no meat. He surmised that the morale of the troops was not very high since most of the soldiers wished to return to their homes. Their morale was being boosted by the political officers in the army by offering the inducement that a return to the mainland would mean a return to their homes. There is a danger, of course, that upon reaching the mainland, many of these troops would desert and leave directly for their homes.


Far Eastern Division.

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CANADA

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION
CANADIAN CITIZENSHIP BRANCH

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Ottawa, March 13, 1953

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CONFIDENTIAL

Under-Secretary of State for
External Affairs,
East Block, Ottawa, Ont.

Attention: Mr. C.A. Ronning,
Far Eastern Division.

Dear Mr. Ronning:

W. J. Kaye
14 MAR 1953

We would greatly appreciate receiving your opinion on the answer to be given to the President of the Chinese Benevolent Association in Vancouver, by our Vancouver Regional Officer.

We enclose the copy of a letter sent by Mr. Foon Sien and also a copy of the letter from our Regional Officer in Vancouver.

Yours sincerely,



Dr. V. J. Kaye,
Liaison Officer.

VJK/jl
Encls.

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EXTERNAL AFFAIRS
RECEIVED

1953 MAR 14 AM 10:00

Copy

Immigration Building,
Vancouver 1, B.C.
March 4th, 1953.

CONFIDENTIAL

Mr. E. Bussiere,
Acting Director,
Canadian Citizenship Branch,
Ottawa, Ontario.

Dear Mr. Bussiere;

I am enclosing for your consideration a copy of a letter which I have just received from Mr. Foon Sien, the President of the Chinese Benevolent Association. In this letter, Mr. Foon Sien raises a question which seems to be a vitally important one, and one with many political implications. Before sending the letter to me he telephoned me, and asked me for my oral opinion. In reply I told him that I would consider the matter very carefully before passing any judgment on the issue. Before I do reply to Mr. Foon Sien, I certainly wish to obtain from you your own judgment on the matter. Personally I am convinced that it would be very unwise for the Chinese Benevolent Association to give its formal endorsement to any kind of external political issue. The Benevolent Association is rendering a very important service to its members with respect to benevolent, social, and educational objectives; these services would, in my judgment, be seriously prejudiced should the Association become entangled in political issues, whether external or internal. That is my own conviction, but I hesitate to express it to Mr. Foon Sien until I hear from you.

According to my observation, the great majority of the Chinese people here are strongly anti-Communistic. However, I agree with Mr. Foon Sien that the endorsement of Chiang Kai-shek's government by the Chinese Benevolent Association would be the wrong method to fight Communism, and that for many reasons such a step would be contrary to the interests of Canada.

Mr. L. Bussiere,
Acting Director.

March 4th, 1953.

- 2 -

Mr. Foon Sien and his executive are awaiting my advice on the matter, and I shall give it to them as soon as I hear from you. If you would prefer that I either make my own decision in the matter, or, alternatively, that I remain non-committal, please let me know.

Yours sincerely,

(Dr.) W.G. Black,
Regional Liaison Officer.

Copy

THE CHINESE BENEVOLENT ASSOCIATION
(NATIONAL HEADQUARTERS)

108 Pender Street East,
Vancouver 4, B.C. Canada.
March 3rd, 1953.

Dr. W.G. Black,
Regional Liaison Officer, Citizenship Branch,
Department of Citizenship and Immigration,
Immigration Building,
Vancouver 1, B.C.

Dear Dr. Black:

Confidential and Not For Publication

There is a question before the officers of this organization which is causing us considerable anxiety. Many times in the past you have given us the benefit of your wisdom and experience. We have always found your advice extremely sound and would greatly appreciate your opinion on our present problem.

Recently, there arrived in Vancouver copies of a petition or declaration which pledges the signator to support of General Chiang Kaishek's Nationalist government on Formosa and, more particularly, to support of an invasion of the Chinese mainland by Nationalist forces.

Signing of this declaration is actually a form of oath which the Chinese feel honor bound to carry out. In other words, it would be an oath of allegiance to General Chiang.

The declaration was drawn up by a committee of the Chiang government dealing with the affairs of overseas Chinese. This committee has fostered a strong "Save China" movement which hopes to raise funds and support in North America and Cuba.

An influential group is working here towards that end. It includes Chinese officials, officers of General Chiang's political party in Canada and the appointed members of the Overseas Chinese Affairs Commission.

Pressure is being brought to bear on all Chinese groups and individuals to get the declaration signed, with the motto, "If you do not sign, you are a Communist."

(continued on page 2)

The Chinese Benevolent Association has been asked to sign but we have doubts that this may be a wise move. We naturally want to do anything to fight Communism but feel this method may be wrong and contrary to the interest of Canada since many native-born and naturalized Canadian citizens who are also our members would be involved.

The people who are promoting this scheme are implying that the Canadian government has approved it or is in sympathy with it. My own feeling is that Canadian officials know nothing of it and might take great exception to Canadian citizens supporting a foreign war. Perhaps you could clarify this point for us.

Also, it seems that such an oath of allegiance to the Chiang government would be in direct contradiction to the oath to the British sovereign which Chinese accept when they become naturalized. Could you tell us what reaction, if any, there might be?

Please excuse the great length of this letter but I felt you would want to be fully informed of the situation before you could offer me any advice. I will be glad to supply further details if you wish them.

The majority of the Chinese are greatly confused as to what course of action to take in regard to this matter. Above all, we do not want to jeopardize the position we have worked so long to attain here. If there is any indication that the Government of Canada disapproves of these actions, the Association will strongly urge its members to disregard the petition. Any remarks or advice you can give us will be of great value.

Sincerely yours,

(Signed) "Foon Sien"

Foon Sien.



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CANADIAN NATIONAL

W. M. ARMSTRONG, GENERAL MANAGER
TORONTO

TELEGRAPHS

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CHARGE TO
DEPT. OR
ADDRESS

sent RA
Veuillez expedier la dépêche suivante aux conditions mentionnées au verso auxquelles je consens par les présentes.
Send the following message, subject to the terms on back hereof, which are hereby agreed to

Ottawa, March 5, 1953.

file on 560567A-40
RBE

Dr. Hugh MacMillan,
164 Evelyn Avenue,
Toronto 9, Ontario.

The Department of External Affairs pleased to invite
you to a conference in East Block Ottawa March ninth eleven a.m.
with Department Officers Stop Expenses will be paid Stop Please
inform if this not convenient

RA
~~RA~~ Mackay

To be charged to the Department of
External Affairs (Far Eastern Division)
Accounts Branch, Finance Division
East Block
O t t a w a .

CANADIAN NATIONAL TELEGRAPH COMPANY

(OPERATING ITS OWN LINES AND THOSE OF THE GREAT NORTH WESTERN TELEGRAPH COMPANY, THE GRAND TRUNK PACIFIC TELEGRAPH COMPANY AND THE CANADIAN GOVERNMENT RAILWAYS). HEREINAFTER CALLED THE COMPANY.

ALL MESSAGES ARE SUBJECT TO THE FOLLOWING CONDITIONS, WHICH HAVE BEEN APPROVED BY THE BOARD OF RAILWAY COMMISSIONERS FOR CANADA, UNDER GENERAL ORDER 162, DATED MARCH 30TH, 1916 AND ORDER 49274, DATED 5TH DECEMBER, 1932, WHICH ORDERS WERE PUBLISHED IN THE CANADA GAZETTE ON DECEMBER 24TH AND DECEMBER 31ST, 1932, AND JANUARY 7TH, 1933.

It is agreed between the sender of the message on the face of this form and this Company that said Company shall not be liable for damages arising from interruptions in the working of its lines, for errors in cipher or obscure messages, or for errors from illegible writing, beyond the amount received for sending the same.

To guard against errors, the Company will repeat back any telegram for an extra payment of one-half the regular rate; and, in that case, the Company shall be liable for damages suffered by the sender to an extent not exceeding \$200.00, due to the negligence of the Company in the transmission or delivery of the telegram.

Correctness in the transmission and delivery of messages can be insured by contract in writing, stating agreed amount of risk, and payment of premium thereon at the following rates, in addition to the usual charge for repeated messages, viz.: one per cent for any distance not exceeding 1,000 miles, and two per cent for any greater distance.

This Company shall not be liable for the act or omission of any other Company, but will endeavour to forward the telegram by any other Telegraph Company necessary to reaching its destination, but only as the agent of the sender and without liability therefor. The Company shall not be responsible for messages until the same are presented and accepted at one of its transmitting offices; if a message is sent to such office by one of the Company's messengers, he acts for that purpose as the sender's agent; if by telephone, the person receiving the message acts therein as agent of the sender, being authorized to assent to these conditions for the sender. This Company shall not be liable in any case for damages, unless the same be claimed, in writing, within sixty days after receipt of the telegram for transmission.

No employee of the Company shall vary the foregoing.

LA "CANADIAN NATIONAL TELEGRAPH COMPANY"

(EXPLOITANT SES PROPRES LIGNES DE MÊME QUE CELLES DE LA "GREAT NORTH WESTERN TELEGRAPH COMPANY", DE LA "GRAND TRUNK PACIFIC TELEGRAPH COMPANY" ET CELLES DES CHEMINS DE FER DU GOUVERNEMENT CANADIEN)—CI-APRÈS NOMMÉE LA COMPAGNIE.

TOUTE DÉPÊCHE EST SUJETTE AUX CONDITIONS SUIVANTES QUI ONT ÉTÉ APPROUVÉES PAR LA COMMISSION DES CHEMINS DE FER DU CANADA, PAR L'ORDONNANCE GÉNÉRALE NO. 162 EN DATE DU 30 MARS 1916 ET CELLE NO. 49274 EN DATE DU 5 DÉCEMBRE 1932, LESQUELLES ONT ÉTÉ PUBLIÉES DANS LA GAZETTE OFFICIELLE DU CANADA LES 24 ET 31 DÉCEMBRE 1932, ET LE 7 JANVIER 1933.

Il est convenu entre l'expéditeur de la dépêche au recto et la compagnie, que la dite compagnie ne sera pas responsable des dommages pouvant résulter du défaut d'expédition ou de livraison, ou d'une erreur dans l'expédition ou la livraison d'une dépêche non-répétée, pour un montant excédant le prix payé pour l'envoi de la dite dépêche, que ces dommages soient dus ou non à la négligence des employés de la dite compagnie, ou autrement, ou à des retards causés par l'arrêt du fonctionnement des appareils télégraphiques, ou à toute erreur dans une dépêche due à ses chiffres et à ses termes obscurs ou à une écriture illisible.

Pour éviter toute erreur la compagnie répétera une dépêche moyennant un paiement additionnel de la moitié du taux régulier, et dans ce cas la responsabilité de la compagnie sera limitée à \$200.00 s'il y a dans l'expédition ou la livraison de la dite dépêche erreur ou retard résultant de la négligence de la compagnie.

La responsabilité de l'expédition et de la livraison parfaite d'une dépêche s'assure par contrat écrit dans lequel est stipulé le montant du risque et sur paiement, en plus du taux pour les dépêches répétées, d'un supplément calculé sur la base suivante: un pour cent pour une distance n'excédant pas 1,000 milles et deux pour cent pour une plus longue distance.

La dite compagnie ne sera pas responsable du fait ou de l'omission d'une autre compagnie, mais s'efforcera toujours de faire parvenir les dépêches à destination en se servant de cette autre compagnie lorsque nécessaire. Dans ce cas elle ne sera considérée que comme mandataire de l'expéditeur et n'encourra aucune responsabilité personnelle. La responsabilité de la dite compagnie commencera seulement quand les dépêches auront été présentées et acceptées à un de ses bureaux d'expédition. Lorsqu'une dépêche est apportée à un des bureaux de la compagnie par un de ses messagers ce messager est considéré comme mandataire de l'expéditeur. Lorsqu'une dépêche est communiquée au bureau de la compagnie par téléphone, la personne qui reçoit cette dépêche est considérée comme mandataire de l'expéditeur et est censée avoir toute autorité pour consentir, au nom de l'expéditeur à ces conditions. Dans aucun cas la compagnie ne sera responsable pour dommages à moins que demande n'en soit faite par écrit dans les soixante jours qui suivent la remise de la dépêche à la dite compagnie.

Aucun employé de la compagnie n'a le droit de changer ces règlements. La version anglaise des présentes conditions prévaudra.

Far Eastern Division:
R.B. Edmonds/TP

RESTRICTED

file on 50056-A-40
to RBE ✓

March 3, 1953.

Mr. Mackay

MEMORANDUM TO MR. MACKAY

Visit of Dr. Hugh MacMillan to Ottawa

We have read with interest the letter to you from Dr. MacMillan of February 28. In view of his long residence in Formosa, this Division would suggest that his offer to come to Ottawa on March 9 be accepted. Consideration should be given, of course, to paying his expenses for the trip.

2. Since the Canadian Government has no representative in Taiwan, it would seem appropriate that Officers of Far Eastern Division be given the opportunity to hear an assessment, from a Canadian point of view, of the situation in Formosa and of the administration of the Chinese Nationalists there. As you may know, arrangements have recently been made, through our Trade Commissioner in Hong Kong, for the Canadian Presbyterian Mission in Formosa to distribute National Film Board films there. This Division will also be interested in giving Dr. MacMillan a list of questions regarding Formosa to which the Canadian Government is anxious to receive answers. Dr. MacMillan, because of his wartime activities with the British Embassy in Washington and with the committee aiding Japanese-Canadians, should be well qualified to provide us with information that would be useful for our purposes.

3. Therefore, we would recommend that Dr. MacMillan be invited to meet a group of interested officials in this Department at a conference on March 9.

C. A. Edmonds
Far Eastern Division.

5-3.5(JS)

Received June 23, 1953.

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CANADIAN EYES ONLY

Foreign Office and Whitehall Distribution

CONFIDENTIAL

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50056-A-40

CHINA

1st March, 1953

Section 1

FC 1018/64

THE NATIONALIST MILITARY POSITION IN FORMOSA

file on 50056-A-40
RBE

Mr. Jacobs-Larkcom to Mr. Shattock, Foreign Office. (Received 1st March)

(No. 310/S.1/53. Confidential) Tamsui,
Sir, 10th February, 1953.

You will have seen from my telegram No. 18 about "deneutralisation," that my views are that the immediate effects of this step are not likely to be serious. The officially-inspired Formosan press, whilst necessarily jubilant at the political victory, has been careful to warn public opinion not to look for spectacular results. No large-scale operations are promised for 1953.

2. It is, however, extremely doubtful if the Nationalists will ever be in a position to stage a successful full-scale counter-attack against the mainland, without a fundamental alteration in the present scope of American aid. Their plans to overcome their disadvantage in numbers are based on assumptions which we believe to be false—i.e., that on landing there will be large-scale defections from the Communist armies, an uprising of the civil population, and vigorous and effective guerrilla support. Even if Nationalist hopes in this direction proved correct, they would still be dependent on very substantial American air, naval and logistic aid, in order to safeguard the flow of supplies and reinforcements for a major campaign.

3. The Nationalists, therefore, find themselves in the somewhat unenviable position of having to make good their promises to recover the mainland, without being assured of the essential tools for victory—the first of which is active American support. Chiang, by the significant omissions in his statement commenting on Eisenhower's "State of the Union" message (see my telegram No. 18), made it abundantly clear that he himself realises this. We may thus expect an immediate intensification of Nationalist pressure on the Americans for increased aid and positive support for their mainland adventure. This pressure would be applied not only through official channels, but also by means of a vigorous press campaign and propaganda in America, with the object of softening public opinion there towards deeper commitments in China, and perhaps with an eye towards preparing the ground for a "rescue" if Nationalist forces do in the end launch a major attack

with inadequate resources, and find themselves in difficulties.

4. The re-equipment of the Nationalist forces, even according to the present limited organisation approved under the M.A.A.G. programme, is unlikely to be completed before 1954. Even if the Americans are working to a more optimistically timed schedule, the claims of the "hot" war in Indo-China (apart from Korea and other commitments), will act as a brake on deliveries of equipment to Formosa. A further period for combined training and thorough familiarisation with the new equipment will then be necessary before the Nationalist forces will be fit to take part in major offensive operations. On this assumption the counter-attack could hardly be staged before the early summer of 1954.

5. Within the next year or so, however, it is likely that we shall see some increase in the scale and frequency of Nationalist raids against the China coast and off-lying islands. Apart from military benefits, such raids particularly if successful, would be excellent propaganda in America. They would, moreover, have a good chance of success, owing to Nationalist local naval superiority and the difficulties facing the defence in the movement of reserves to the threatened area, owing to the poor lateral communications in the hinterland of the Fukien and Chekiang coasts. I should not expect such raids to be greater than a diversion in strength, or able to maintain themselves ashore for more than a week.

6. It will, perhaps, be useful at this stage to consider Nationalist action if they fail in their schemes to persuade the Americans to give them full support for a major counter-offensive. Although much of the following must be pure speculation, four possibilities suggest themselves. The first is that they may be pinning their hopes of salvation on a general conflagration. Many influential Chinese here do believe with apparent sincerity, in the inevitability of a third world war. If this conviction is shared by the Nationalist leaders, their present policy of building up as strong an army, navy and air

force as possible, for opportunist use, and preparing world opinion in favour of their reinstatement after victory, as the government of China, would be logical. The second is that, knowing their resources to be inadequate, they would still launch a counter-offensive in the hope that the Americans would be forced to come to their rescue. Any such situation would place an American Administration in an awkward dilemma, with the choice lying between entanglement in continental China, or abandonment of their Nationalist allies, on whose equipment and training so much American money has been spent. The third possibility is that a fanatical, almost mystical belief of the Nationalist leaders in success, will drive them to launch a counter-offensive, however poor the prospects may look to the onlooker in the cold light of reason. Although this course is unlikely, the possibility cannot be entirely discounted. And lastly, they may do nothing. Whilst such inaction is directly contrary to all the preparations and propaganda of the past three years, a policy of drift was characteristic of Nationalist leadership during their disastrous military campaigns against the Communists before abandonment of the mainland. Such a course, would, however, be heartily approved by the native Formosans.

7. From the above, it appears that, owing to the inherent weakness of the Nationalist military position, American future policy is of more importance than Nationalist plans, and that, provided "deneutralisation" is not the first step of a series of acts leading to full American support, there are good reasons to hope that the effects of this change of policy can be localised. You will be better able to judge the overall trends of American policy than I am. The following remarks are, therefore, offered from the limited view point of a local observer. Whilst it is early to expect any firm indication as yet, I suggest that Rankin's selection to fill the vacant ambassadorship is a favourable sign that the Americans have not thrown to the winds their policy of moderation. Whilst Rankin is no appeaser, he is equally a realist and takes a broad view of international politics. Moreover, he has a sympathetic understanding of Hong Kong's difficulties and of the rôle she has to play in the Far East. In this connexion I do not think Chase's hints in his recent interview with a *News Week* correspondent, of a Nationalist full-scale attack by the end of the year, should be given too much weight. They certainly were not made with official

sanction and probably represent nothing more than the personal opinions of a somewhat pugnacious fighting soldier.

8. The Americans, however, undoubtedly anticipate some benefits—even though limited in scope—from "deneutralisation." Apart from removing the grounds for the charge on the home front that they are "sheltering the Communists," they probably hope for some diversionary effects from a step-up of the tempo of Nationalist nuisance raids against the mainland (*vide* Bradley's remarks on the air in America). To this end we may expect American advice to be more readily available in planning such minor operations. They probably also regard the uncertainty created in Communist minds by the present situation to be, in itself, a useful weapon, and for this reason may not wish to dispel it by a firm statement of the future policy.

9. Personally, I find it hard to believe that American policy will be so modified as deliberately to commit American armed forces to the support of a major operation by Chiang Kai-shek for the recovery of the mainland. (There is, of course, the danger that they may be jockeyed into some such action (see paragraph 6 above). It is more likely, however, that the Americans will continue to regard the Nationalists as a useful reserve of military strength for opportunist use in the future if favourable conditions develop.

10. In conclusion, therefore, my feelings are that, whilst it cannot be denied that "deneutralisation" slightly increases the danger of spreading the war in the Far East, the Nationalists on their own, and without an augmented scale of aid from the Americans, are not likely to be able to produce a threat so serious to the C.P.G., that the Russians would feel called upon to intervene in the struggle—*e.g.*, to sponsor submarine attacks on Nationalist sea communications, or air attacks on military targets in Formosa.

11. The development of American policy will thus be the key to the future. At this end, useful pointers would be the delivery of "invasion" equipment such as landing craft, bomber aircraft, &c., American approval of an increase in strength, or significant organisational changes in the Nationalist armed forces, particularly in the navy and air force, the stationing of American air squadrons on Formosan airfields, and marked increases in the strength of M.A.A.G. and perhaps Western enterprises. These points will be watched carefully and reported.

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76. RBE
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TRANSMITTAL SLIP

TO: The Under-Secretary of State
for External Affairs, Ottawa
FROM: The Canadian Embassy,
Washington, D.C.

February 24, 1953.

Despatching Authority ..J.J. McCardle.

Copies

Description

5

Bill H.R. 3066 of February 16: "To provide naval assistance to the Republic of China in the augmentation of a naval establishment, and for other purposes".

83D CONGRESS
1st Session

H. R. 3066

IN THE HOUSE OF REPRESENTATIVES

February 16, 1953

Mr. Cole of New York introduced the following bill;
which was referred to the Committee on Armed Services

A BILL

To provide naval assistance to the Republic of China in the augmentation of a naval establishment, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,
That, notwithstanding the provision of any other law, the President of the United States is authorized, whenever in his discretion the public interests render such a course advisable, or will assist in relieving the Armed Forces of the United States of military and other duties in the Far East, China, and Formosa and the seas contiguous thereto or putting the Government of the Republic of China in better position to protect, defend, or improve the safety of navigation in its waters, to provide the Republic of China such naval services, training, plans and technical advice as he may deem proper.

SEC. 2. The President of the United States is authorized, for the purposes described in section 1, upon

application from the Republic of China, and whenever in his discretion the public interests render such a course advisable, to transfer, dispose and deliver naval vessels of the destroyer type not to exceed six in number and assorted minor miscellaneous craft not to exceed one hundred in number under the authority of this Act, together with such floating drydocks of sufficient capacity to accommodate destroyers and such material necessary for the operation and maintenance of the vessels and craft transferred under the authority of this Act, and for the training of the crews of such vessels and craft, to the Republic of China by sale, exchange, lease, gift, or transfer for cash, credit or other property, with or without warranty, or upon such other terms and conditions as he may deem proper: Provided, That vessels transferred under the authority of this Act shall be reported annually to the Congress of the United States: Provided further, That no information, plans, advice, material, documents, blueprints, or other papers bearing a secret or top secret classification shall be communicated, transmitted, or disposed of under the authority of this Act.

SEC. 3. The provisions of this Act shall terminate three years after the date of its enactment.

EX 182A

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*copy on 4457-B-40
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OTTAWA FILE
No. 50243-40

77/77
SECURITY CLASSIFICATION
UNCLASSIFIED

Letter No. 190
Date...February..19,..1953.....

24 FEB 1953

FROM: The Canadian Embassy, Tokyo

TO: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference.....

Subject: Mr. Pearson's statement

*Mr. Pearson's statement
to the Minister
of External Affairs
copy of
the Minister's
statement
of Feb 17
sent Tokyo
by airmail
Feb 20)
MC*

I suppose it is not necessary to drop you this note as in all probability you will be attending to this matter anyway. However, I quote below a very brief newspaper reference to a speech made by Mr. Pearson:

Japan News, Wednesday, February 18

"Ottawa, Tues. - Canada "regretted" the U.S. decision to deneutralize Formosa, External Affairs Minister Pearson said yesterday."

There was a little more in last night's paper but not enough to give us any idea of what was said.

2. If you have not already sent us a copy of Mr. Pearson's speech, I would be very pleased if you would do so.

3. The subject of the deneutralization of Formosa and the blockading of the Chinese coast is a very live issue here. Mr. Pearson's address would give us the cue that is needed.

Copies Referred To.....
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No. of Enclosures
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Post File
No. <u>210-3-11</u> ...

Done 20 Feb MC

Rob Mayhew
The Embassy

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EXTERNAL AFFAIRS
REF ID: A66484

1953 FEB 23 PM 3:44

[Handwritten signature]

TO: DIRECTOR, FBI
FROM: SAC, NEW YORK
SUBJECT: [Illegible]

RE: [Illegible]

DATE: [Illegible]

[Illegible text]

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FEB 23 1953

SEARCHED
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FEB 23 1953

NUMBERED LETTER

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: THE OFFICE OF THE HIGH COMMISSIONER...
FOR CANADA, LONDON

Reference: Our letter No. 260 of February 3.

Subject: Situation in Formosa

Security:.....CONFIDENTIAL.....

No:.....436.....

Date:.....February 18, 1953.....

Enclosures:.....

Air or Surface Mail:....Air.....

Post File No:.....

Ottawa File No.	
50295-40	
77	77

*file on 50056-A-40
RBE*

References

*Original on 50056-A-40
→ 11578-9-40*

We have received from the Foreign Office the following situation report from the United Kingdom Consulate in Tamsui for the period 21st January to 3rd February:

"Central Government: In congratulatory message to Eisenhower on his inauguration, Chiang Kai-shek expressed faith that new administration would further promote traditional friendship between United States and "China". In interview with A.P. correspondent, Chiang said inaugural address reflects courage, confidence and determination and "contained many ideas I have cherished for years".

"2. In a statement issued after Eisenhower's "State of the Union Message", Chiang Kai-shek welcomed "denuclearisation" as a reasonable and enlightened move, adding that he would not look to foreign ground forces to assist Nationalist China to recover the mainland. Other inspired comment is on lines that large scale operations will not be militarily feasible for at least another year.

"3. Silo road bridge over Cho Shui River opened to traffic 28th January. Bridge, which is nearly two kilometres long and was built largely with MSA Aid, completes west-coast trunk road and establishes all-weather road communication between north and south of island.

"4. Provincial: On 21st January, Provincial Assembly approved balanced Provincial Government Budget for 1953 at N.T.\$ 1,070,910,978. Largest contribution to revenue remains Monopoly Bureau at estimated N.T.\$ 485 million.

"5. Departures: 27th. Brigadier-General McDonald Deputy Chief M.A.A.G. for Tokyo. 29th. Admiral Ma Chi-chuang for United States on one month's inspection tour of naval installations. 35d. Ryugo Hashimoto, Japanese Liberal Congressman for Tokyo after 3 days goodwill visit."

Internal
Circulation

Distribution
to Posts

(Signed) H. R. HORNE

Canada House

*file on 50056-A-40
RBE*

FIRST DRAFT OF ARTICLE
FOR EXTERNAL AFFAIRS BULLETIN

F O R M O S A

The island of Formosa might be termed the "Emerald Isle of the China Sea". Although, like Ireland, it is possessed of a luxuriant physical beauty, its history has been marred by jurisdictional disputes and turbulent rebellions. In the 17th century, there was a Chinese saying which summed up the situation in Formosa: "Every three years a disorder and every five years a rebellion". That quotation is still applicable to Formosa today.

Physical Geography, Products of and Ethnic Groups in Formosa

Formosa, or Taiwan, as it is called by the Chinese, is about four hundred miles south of the mouth of the Yangtze and a hundred from the mainland of China. It lies off the Chinese province of Fukien, from which it is separated by a strait from ninety to two hundred and twenty miles wide. The island is almost exactly bisected by the Tropic of Cancer and lies between 25°20' and 21°50' north latitude. It has a maximum length of 235 miles while its breadth varies from 60 to 80 miles. Altogether it covers an area of 13,836 square miles. It is about one-fourth the size of the State of Illinois, but with an equal population of around eight millions. Formosa constitutes the eastern escarpment of what was once the great Malayo-Chinese continent, and is connected by a submarine plateau with the Chinese mainland. The strategic importance of Formosa is obvious and it has been described as a stationary aircraft carrier poised between Japan and the Philippines, from which position it controls the sea lanes from North Asia through the south east to Malaya, Burma and India.

The backbone of the island, extending north and south, is formed of a range of densely wooded mountains, called by the Chinese Chu-Shan which rise to upward of 14,000 ft. of which the height of the highest known peak, Mount Morrison, is given as 14,720 ft. Eastward of this range lies a narrow strip of mountainous country, presenting to the Pacific Ocean a precipitous cliff-wall, with in many places a sheer descent of from 1,500 to 2,500 ft. The western side of the range consists of a single broad alluvial plain, stretching from north to south of the island, seamed by innumerable water channels and terminating at the coastline in mud flats and sand banks.

Apart from heavy rainfall in the northern, central and eastern portions of the island, the climate is not exceptional, since the insular position ensures a modification of the heat by sea breezes. Malarial fever is, however, prevalent in the north, and violent typhoons are very common at certain seasons.

The island is famous for the luxuriance of its vegetation and many of the hot house plants, such as orchids and azaleas, grow wild on the mountain slopes and in the valleys. Ferns, tree-ferns, camphor and teak-trees, pines, firs, wild fig-trees, bananas, bamboos, palms, indigo and other dye plants, tobacco, coffee and tapioca, all grow in profusion on the island. Forty-three species of birds are indigenous to the island. Fish is plentiful near the coast, but insects and wild animals are scarce. The main crops are rice, two crops of which are grown per year, sugar cane, tea, jute, sweet

potato, beans, and ground nuts. The chief minerals are coal, of which there is a large supply, gold, salt, petroleum, natural gas and sulphur. The principal exports besides camphor, of which Formosa controls the world market, are tea, coal, sugar, jute, hemp and dyewoods. Taihoku (or Taipei), in the north of the island, is the capital of Formosa and ~~the~~ Tamsui and Keelung are its principal ports. Tainan on the southwest coast is another important port.

The island is as beautiful as it is fertile. In 1590, Portuguese navigators sailing along the eastern coast were so taken by the precipitous, but wooded mountains and wild beauty of the shoreline that they marked the island in their log-book as "Ihla Formosa", meaning "beautiful island." From the other side, the Chinese, who can quite easily reach the western coast in their junks, were struck with the peaceful beauty of the inhabited and cultivated hillsides of western Formosa, and they called it "Taiwan", i.e. the "Terraced Bay", which is still the official designation of the island. Before the 16th century, peoples of Malayan or Polynesian origin, related to the peoples of Mindanao and Borneo, inhabited Formosa. The descendants of these head-hunting aborigines who show both Malayan and negrito characteristics, still live in Formosa. These aborigines, of whom there are about 146,000 living at the present time, live mainly in the mountainous slopes and even during the Japanese regime controlled about half of the physical surface of the island. They constituted a serious problem for the Japanese, and were enclosed by the Aiy^uer-Sen or guard-line, which extended for over 360 miles, of which over 230 miles were electrified. The aborigines are divided into two groups:

(a) The Jukuban, or "Subdued Savages", comprising over 500 tribes, who are civilized and have vowed allegiance to the government and who number about 116,000; (b) the Seiban, or "Wild Savages", who total about 30,000, comprising 146 tribes, of which by far the most untractable is the head-hunting Tayal group in the northeast. The camphor gatherers often had to be provided with police escort when venturing into the aborigine-inhabited camphor forests. In 1938, the population figures for Formosa were:

	Chinese	5,392,800	93.88%
	Japanese	308,800	5.37%
★	Foreigners	43,400	.75%
★	Almost entirely Chinese who are citizens of the Republic of China.		

N.B. These "Chinese" include the 146,000 aborigines and Chinese Hakkas related to the tribes of Kwangtung province in China. These have been supplemented since 1945 by 1,200,000 Chinese from the mainland, of whom about 600,000 are soldiers, 200,000 are civil servants and the rest are business men, professional people and intellectuals.

Early History

The island was known to the Chinese before the Christian era, but does not seem to have attracted any serious attention until the year 605 or 606 A.D. In the 14th century, several Chinese colonies were established in Formosa, but were subsequently withdrawn in the middle of the 17th century. From the 17th century on, Formosa has been under the jurisdiction, at various periods, of the Dutch, the Spaniards, the Chinese, the French and Japanese. At times, too, the island has been under the de facto jurisdiction of Chinese and Japanese pirates, a Hungarian nobleman, and a group of American merchants from Canton.

In 1624, the Dutch established a base, on the southeast shore, called Zeelandia, and maintained a settlement there for 37 years. From this centre, they extended their control over the hinterland, sent in missionaries and encouraged the people to plant sugar and develop camphor cultivation. The Dutch had established the key post of Batavia in 1619 and extended their operations into the rest of the East Indies, including Formosa, from there. In 1644, China was invaded by the Manchus, and the Manchu Ching dynasty supplanted the Chinese Ming dynasty. More than 100,000 Chinese escaped to Formosa, then known as a base of operations by pirates, both Japanese and Chinese. Thousands of other Chinese followed annually, mainly from the densely populated coastal provinces of Fukien and Kwangtung. Even today the predominant dialect of Formosa is Fukienese. In 1661 Chen Ch'eng-Kung (known in the west as Koxinga), one of the Ming leaders, escaped from the Manchus and landed at Zeelandia, with a fleet and an army of 25,000 men. The discontented Chinese on the island, combined with the Japanese and Chinese pirates, at once supported him and within a year, the Dutch gave up their control of the island. All evidence of Dutch influence soon disappeared. Koxinga managed to retain possession of the island for 22 years.

For a period of 200 years after 1683, Formosa was part of the Manchu empire. It was administered by a resident Commissioner of the Governor of Fukien Province, of which it is recognized as a prefecture. Although the Manchu officials maintained a garrison in Formosa of 10,000 to 15,000 soldiers, they were unable to suppress the practically continual series of rebellions.

Although Formosa was nominally under Manchu rule, many foreign adventurers and merchants tried to establish

their suzerainty over the island. John K. Fairbank, in his book, "The United States and China", relates an incident in the early 19th century concerning American interest in the island. Although in the period 1818 to 1824 the United States had extended its continental position to the Pacific Ocean, American diplomats, sheltering behind the Monroe Doctrine of 1823, were profoundly uninterested in transpacific expansion. In Formosa, American merchants from Canton explored the island, built a port, raised the Stars and Stripes, loaded some 78 vessels with cargoes worth half a million dollars and got the American Commissioner to China to advocate the American annexation of Formosa. The ambitious plans of these American adventurers, however, were doomed to disappointment, since the State Department did not even dignify the proposal with a reply.

By the treaty of Tientsin in 1858, Formosa was opened to trade with the West, particularly with Jardine Matheson and Company and Dent and Company, two British firms of Hong Kong. By the terms of this treaty, An-ping, Tainan, Takao and Tamsui were opened to foreign trade as treaty ports. In 1868, the British compelled the Chinese officials to abolish the camphor monopoly, to recognize the right of foreigners to travel and buy freely, the right of missionaries to reside and work on the island, etc.

In the 19th century, the island of Formosa became notorious for the piracy of its inhabitants and the ill-treatment they inflicted upon navigators, who chanced to be wrecked on their coasts. In 1869 marines from the German ship "Elbe" landed on the Formosan coast. After the inhabitants fired upon them, the Commander landed marines, destroyed the nearest village and killed those who did not escape. In order to obtain redress for the murder of a Japanese shipwrecked crew by aborigines, the Japanese Government

in 1874, undertook to take possession of the southern part of Formosa, asserting that it did not belong to China because she either would not or could not govern its savage inhabitants. Through the intervention of the British Minister in Peking, Sir Thomas Wade, war was prevented, the Japanese withdrew and the Chinese retained control. Ten years later, during the Franco-Chinese war over Tonkin, a French naval squadron under Admiral Courbet blockaded the island, and for a period of eight months in 1884 the French tri-colour was planted on the northern portion of the island of Formosa in the coal district of Keelung. As a result of these violent protests against foreign piracy, and because of the obvious strategic value of the island to foreign navies, in 1887 the island of Formosa was raised by Imperial decree from the status of being a prefecture of Fukien Province to the full rank of an independent province.

In 1895, China was defeated in the Sino-Japanese war, and by the Treaty of Shimonoseki, Formosa was ceded to Japan on the 18th April. The Chinese in Formosa were determined to prevent the island from becoming a part of Japan, and offered it to the British or to the French. The British, however, declined the offer. During the treaty negotiations, Li Hung-Chang, the Chinese plenipotentiary commiserated with the Japanese on their misfortune in securing sovereignty over the island, and pointed out that Formosa was not amenable to good government for the following reasons:-

1. Banditry could never be exterminated;
2. The practice of smoking opium was too deep-rooted and wide-spread among the people to eradicate;
3. The climate was unhealthy;
4. The presence of head-hunters was a constant menace to economic development.

Despite this pretended alacrity of the Chinese Government in Peking to rid themselves of the island, the Formosan people took affairs into their own hands and on May 23rd, 1895, they proclaimed the establishment of the Formosan Republic. It lasted only three weeks in the north, but in the south guerilla warfare successfully defeated the Japanese troops until November 18th. It took from four to six more years to subdue the guerilla fighters, whom the Japanese contemptuously called "brigands". These "brigands", however, were powerful enough to mount an offensive assault on the capital of Formosa, Taihoku (Taipeh) in 1900. The head hunters of the mountainous interior continued to be a problem until the Japanese were able to bribe them to lay down their weapons with salt, of which there was a dearth in the mountains, and which is still used as currency by some of the tribes.

In March, 1906, over 6000 persons were reported killed or injured in an earthquake in Formosa.

Although the Japanese Government put into force an immigration plan for Formosa to reduce over-population in the home Japanese islands, few Japanese farmers wished to emigrate to the Japanese empire in Korea, Formosa or Manchuria to compete with Korean and Chinese peasants accustomed to a still lower standard of living than the Japanese. The Japanese Government gave land, houses, roads, schools, hospitals, etc. on condition that all advances were to be repaid in ten years. Under this 1910 scheme, only 3,368 people were settled in three different regions. Even by 1938 only 308,800 Japanese were in Formosa. Most of the Japanese population, apart from official and military personnel, were found in the mining districts of the northeast and sporadically in the plantations along the western coast plain.

The first political party, organized on a modern basis against the Japanese in Formosa, was the Domekai, organized by Chinese from Formosa studying in Tokyo, which aimed at the abolition of some of the especially harsh laws in Formosa. In 1927, the Domekai's publication "Taiwan Youth" transferred to Formosa where it became the spearhead of the educational movement until it was suppressed in 1930. By 1928, the political movement had divided into two branches, the moderates centred around Bunka-Kyokai, which were strongly represented in the Taiwan Agricultural Cooperatives and the revolutionary Marxist organization closely associated with the Workers' Union (Taiwan Koyuso Remmei). In 1928 there began a new era of suppression by the Japanese Government in Formosa and the Marxist groups were the first victims.

During the early years of the Occupation after 1895, the Japanese were mainly preoccupied with the suppression of Chinese rebellions. For years, however, the war against the aborigines were carried on by regular detachments of the Japanese army. In 1930 a rebellion by several thousand aborigines was suppressed.

During the Second World War, the Japanese recognized the strategic value of Formosa and used it as a base of operations against South East Asia. The Japanese planes which bombed General MacArthur's troops in the Philippines were based on Formosa. The island was badly bombed by the Allies in the war and this has had a deterrent effect upon the economic recovery of Formosa since 1945.

Post Cairo Declaration History

During World War Two, President Roosevelt, Prime Minister Churchill and Chiang K'ai-Shek met in ~~Korea~~^{Cairo} to discuss post war conditions in the Far East. The Cairo declaration, subscribed to by the United States, the United Kingdom and China on December 1st, 1952, stated:

"It is their purpose that Japan shall be stripped of all the islands in the Pacific which she has seized or occupied since the beginning of the first World War of 1914, and that all the territories that Japan has stolen from the Chinese, such as Manchuria, Formosa and the Pescadores, shall be restored to the Republic of China."

This promise was confirmed in the Potsdam proclamation by the same three powers (^{the} Soviet Union subsequently adhering) on July 26, 1945, in Article 8, which reads as follows:

"The terms of the Cairo declaration shall be carried out and Japanese sovereignty shall be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and such minor islands as we determine."

Thus the dismemberment of the Japanese Empire became one of the conditions enumerated in the Potsdam Declaration for the "unconditional surrender" of Japan.

On August 30, 1945, Chiang K'ai-Shek proclaimed Chinese sovereignty over the island of Formosa. The Japanese Instrument of Surrender, signed on September 2, 1945, was based on the Potsdam Proclamation and provided that the terms of the proclamation should be carried out. Immediately after V-J Day, the Chinese took over the island of Formosa as one of their provinces. On October 24th, as a result of an order issued on the basis of consultation and agreement among the Allied Powers concerned, the Japanese Forces in Formosa surrendered to the National Government of China, and on October 25th, the Chinese Governor-General was inaugurated in Taihoku (now called Taipei). The Chinese troops who landed on the island of Formosa were greeted initially with great enthusiasm by the native Formosans. Unfortunately, however, relations between the Taiwanese and the mainlanders steadily became worse. The maladministration and exploitation

of Formosa in the years immediately following the war has sometimes ~~made~~ this island appear to be more like a foreign colony won by conquest than a province returned to the motherland.

Although the reparations payments actually made by Japan were small, all the Japanese assets located in allied countries or liberated areas became the property of the country in which they were found. Thus, the Koreans and Chinese inherited vast capital investments built up over the decades by the Japanese Government and private investors in Korea, Formosa, Manchuria and China proper. The Japanese assets in Formosa were quickly appropriated by Chinese mainland officials.

The tension which mounted between the Taiwanese and the administration from the mainland, culminated in an incident on February 28, 1947, involving the mainland police with a native woman who was peddling cigarettes without the licence demanded by the Government's "Monopoly Bureau". This led to a series of clashes which resulted in most of the island coming under the control of Formosan leaders headed by a "Settlement Committee". Meanwhile, on March 8th, reinforcements arrived from the mainland requested by Chen Yi, the Chinese Governor. Armed trucks patrolled the streets and Formosan leaders were executed. Altogether by the end of March, 1947, at least 5000 people were killed and thousands more were imprisoned. Because of the disgust of some Kuomintang leaders on the mainland, ^{with this massacre,} ~~this demanded~~ Chen Yi's ^{was demanded} resignation, and on April 22, 1947, Nanking announced the appointment of Wei Tao-~~mi~~ng as the new Governor. The situation

quietened down but the basic underlying tension was not noticeably lessened.

In December, 1948, the Executive Yuan of the Nationalist Government, faced with the defeat on the Chinese mainland, evacuated to Formosa. By the end of 1948 most of the Chinese Navy and Air Force had been moved to Formosa. Chiang K'ai-Shek himself, went to Formosa, from Chungking in West China, after the defeat of the Nationalist Armies on the mainland, in 1949.

Dealing with the status of Formosa, President Truman issued this statement on June 27, 1950:

"The attack upon Korea makes it plain beyond all doubt that communism has passed beyond the use of subversion to conquer independent nations and will now use armed invasion and war. It has defied the orders of the Security Council of the United Nations issued to preserve international peace and security. In these circumstances the occupation of Formosa by Communist forces would be a ~~direction~~ threat to the security of the Pacific area and to the United States forces performing their lawful and necessary functions in that area."

"Accordingly, I have ordered the Seventh Fleet to prevent any attack on Formosa. As a corollary of this action I am calling upon the Chinese Government in Formosa to cease all air and sea operations against the mainland. The Seventh Fleet will see that this is done. The determination of the future status of Formosa must await the restoration of security in the Pacific, a peace settlement with Japan, or consideration by the United Nations."

This neutralization of Formosa was a unilateral action by the United States Government and did not commit any other member countries of the United Nations.

On July 31, 1950, General MacArthur visited Formosa and had discussions with Chiang K'ai-Shek. This visit caused considerable criticism and so President Truman sent his personal advisor, Mr. Averell Harriman, to Tokyo.

On August 5th, General MacArthur's Deputy Chief of Staff, Major General A.P. Fox, headed a group of 22 officers and men who arrived in Formosa to set up a permanent liaison office between Chiang K'ai-Shek and Supreme Commander's

Headquarters in Tokyo. On August 24th, Foreign Minister Chou En-Lai of the Communist Chinese Government cabled to the Security Council demanding that it take action against "United States aggression in Formosa". On August 28th, President Truman ordered General MacArthur to withdraw a message he had sent to a Chicago meeting of the Veterans of Foreign Wars. General MacArthur had laid great stress on the military importance of Formosa. If it were held by an enemy, he said, it "could be compared to an unsinkable aircraft carrier and submarine tender ideally located". In a press conference on August 31st, President Truman said that it would not be necessary to keep the United States Seventh Fleet in the Formosan Straits after the end of the conflict in Korea. ~~Subsequently, on October 16th, President Truman met General MacArthur on Wake Island.~~

On September 29, 1950, the Security Council voted 7 to 4 in favour of inviting Chinese Communist Delegates to participate in its Debate on the Allegation of American "Armed Invasion" of Formosa. On October 3rd, General MacArthur's Far East Command Survey Mission to Formosa was given orders to wind up its business and return to Japan immediately. Subsequently, on October 16th, President Truman met General MacArthur on Wake Island. On November 27th, representatives of the Chinese People's Republic attended a United Nations meeting for the first time, but only because of the special invitation agreed to above.

On December 8, 1950, following a conference in the United States, a joint communique by President Truman and Prime Minister Attlee ^{was published} saying: "On the question of Formosa, we have noted that both Chinese claimants have insisted upon the validity of the Cairo Declaration and have expressed reluctance to have the matter considered by the United Nations. We agreed that the issues should be settled by peaceful means and in such a way as to safeguard the interest of the people

of Formosa and the maintenance of peace and security in the Pacific, and that consideration of this question by the United Nations will contribute to these ends." However on December 16th General Wu Hsiu-~~Chün~~^a, the leader of the Chinese Communist Delegation, in a press conference at Lake Success, rejected the cease-fire proposal put forward by the United Nations Assembly and said that the Chinese terms for peace in the Far East were the withdrawal of United States forces from Korea and Formosa and a seat in the United Nations.

Although armistice negotiations were inaugurated in July 1951, at Kaesong and subsequently at Panmunjom, the armistice negotiations did not deal specifically with the future status of Formosa. Early in the Korean war, Chiang K'ai-~~Shek~~ offered to send 33,000 Chinese Nationalist troops to Korea but this offer was rejected by the United Nations Command because President Truman did not wish to extend a collective police action against aggression in Korea into another all-out involvement in the Chinese Civil War. Today it is recognised by American military leaders that the most effective use for the Chinese Nationalist Forces would be in a "second front" operation on the mainland of China. This, in effect, would be the outcome of President Eisenhower's modification of the previous order issued to the United States Seventh Fleet in the State of the Union message on February 2, 1952.

United States Government Attitude to Formosa and the Chinese Nationalists

Two opposing trends are evident in American public opinion and in the Government's record in dealing with Formosa. The first group favours a policy of non-intervention in the Chinese civil conflict, i.e., a hands-off attitude regarding Formosa. This group considers that the Communist success on

mainland China should be recognised as an accomplished fact ~~for~~^{of} Far Eastern history. The internal weaknesses of the Kuomintang regime have led some American observers to write off the Chinese Nationalists as an effective weapon to contain or throw back the Communists on the mainland. These doubts were given their most explicit substance in the United States White Paper on China ("United States Relations with China", Department of State Publication 3573, Far Eastern Series 30, 1949*), issued in August, 1949. In Mr. Acheson's testimony before the Senate Group investigating the dismissal of General MacArthur, it was acknowledged that the State Department gave instructions → on December 23, 1949 to all its Foreign Service officers to inform the public that Formosa was of no strategic value, that the island was politically, geographically and strategically a part of China, and "in no way especially distinguished or important." It was the same philosophy that led President Truman on January 5, 1950 to make the following reference to Formosa:

"The United States will not pursue a course which will lead to involvement in the civil conflict in China. Similarly, the United States Government will not provide military aid and advice to the Chinese forces on Formosa."

The opposite trend has reflected the view that the Nationalist Government, with all its weaknesses, constitutes the chief potential ally of the United States in dealing with the Communist regime on the mainland which, because of its role in the expansion of Soviet power and influence in Asia, should be vigorously opposed. This view has been reinforced by the contention - first presented to the public in General MacArthur's controversial message to the Veterans of Foreign Wars on August 27, 1950 - that from a military viewpoint the safeguarding of Taiwan as an element in a chain of island bases ringing the Western Pacific is

essential to the safety of the United States. The report of improvements in the military, political and economic situation within Formosa has reinforced the position of those who advocated policies in line with these views. As a minimum, this group urges that Formosa be safeguarded against Communist attack and that the continuance of the Nationalist Government be ensured. As a maximum, they recommended that the troops of Chiang K'ai-Shek be assigned to reconquer the mainland, or, at least, to harass the Communist Armies in order to deflect Peking from hostile activities in Korea, Indo-China and elsewhere.

The first important victory for this second school of thought was the President's directive of June 27, 1950 neutralizing the island of Formosa. Although admittedly of an emergency nature tied to the conflict in Korea, this decision placed the direct weight of the American military resources behind the Nationalists in Formosa. This policy was reiterated in a State Department memorandum in August 1950 in which support was pledged to the Nationalist Government to oppose any U.N. action regarding China. This memorandum, in effect, gave unequivocal support to the Nationalist regime and left no doubt that the policy of "writing off" Formosa, as outlined in the note of December 23, 1949, had been reversed. This school of thought, of course, has recently received the blessing of President Eisenhower in his order modifying the task of the Seventh Fleet in the Formosan Straits, which in effect, may allow the Nationalists an opportunity to open a "second front" on the mainland of China.

Some Americans ~~have~~^{had} hoped that a third way could have been ~~be~~ found to avoid the dangers implicit in either of these courses. They looked hopefully to Hong Kong for evidence that Chinese liberals would form an effective Third Force which might be supported as a means of overthrowing the Communists

without placing any reliance on the Nationalists. Others felt that similar results could be achieved if Chiang K'ai-Shek could be replaced by some new, popularly chosen leader. Finally, some observers advocated a course of action that could lead either to the island being placed under some form of United States trusteeship, or to the local population being permitted, by plebiscite, to choose its own future destiny. However, none of these compromise proposals have received much support among American policy makers.

Regarding the future status of Formosa, in his testimony on June 1, 1951, before the Committees on Armed Services and Foreign Relations, Mr. Acheson outlined American policy as follows: "The President has stated that we are not prejudicing the future of Formosa. That is a matter which should be decided, he said, either in connection with the Japanese Peace Treaty or by the United Nations, and the view which has been taken more recently is that the United Nations is the appropriate place where it should ultimately be decided". Mr. Acheson admitted that this was a departure from the Cairo Declaration which guaranteed that Formosa would be returned to the Republic of China, but he felt that the literal implementation of this promise would cause some problems at the present time.

As for American aid to the Chinese Nationalists, during his speech to Congress of April 19, 1951, General MacArthur called for a policy which would permit the Nationalists to make a military contribution to the struggle against the Chinese Communists. Secretary of Defence, General George C. Marshall, subsequently told the Senate Committees, investigating MacArthur's dismissal, that the primary aim of the forces on Taiwan should be to prevent the island from falling under Communist ~~Control~~ rather than to carry out ^{aggressive} ~~aggressive~~ actions on the mainland. When Mr. Acheson appeared before the Senate Group he confirmed that American policy called for safeguarding the island from Communist control.

On May 18, 1951, Dean Rusk, Assistant Secretary of State for Far Eastern Affairs, declared that the Nationalist Government on Formosa "more authentically represents the views of the great body of the people of China" than the Communist regime in Peking. The State Department denied that the Rusk speech meant that the Administration was moving toward fuller support for Chiang K'ai-Shek. Nevertheless, it is obvious that since the Korean war the Americans have greatly extended their aid to the Nationalists in Formosa. In the 1951-1952 fiscal year, over \$300 million of American aid was extended to Taiwan. This amount represented a third of the total aid allotted to the whole Far East.

Chiang K'ai-Shek's Regime on Formosa and United States Aid to the Chinese Nationalists

Chiang K'ai-Shek's administration on Formosa has been the subject of much controversy. It must be recognized, however, that the super-imposition of nearly two million mainland Chinese upon the six million native Formosans was bound to cause problems. Six hundred thousand of the mainlanders are soldiers, two hundred thousand are civil servants and the rest are business men, professional men and intellectuals. This provides an obvious contrast to the native Formosans of whom ninety-five percent are peasant farmers. When Formosa was returned to the Chinese, there were three main groups who could have been utilized for Administration. These were: (1) "carpet baggers" i.e., Formosans who had returned to Taiwan with the mainland Chinese; (2) Japanese trained administrators who were barred from office; (3) mainland Chinese officials. Many of the Formosan leaders who might have been integrated into the Administration were killed by the Nationalists in retaliation for the March 1947

insurrection. When K.C. Wu, the former Mayor of Shanghai, became Governor of the Province, he enlarged the Provincial Commission to include seventeen Formosans out of a total of twenty-three.

The Nationalist Government of Formosa has failed to give either the native Formosans or the mainland Chinese expatriates a greater degree of democracy. The individual citizen still lacks legal protection against the crudity of military justice. In an effort to stamp out Communist subversion, the Nationalists have developed several powerful secret police organizations who conduct house-to-house searches and have jailed several thousand people without the benefit of public trial. Although several "paper reforms" have been instigated to correct these abuses, the military and police still lack respect for civilian authority. The same lack of respect for the rule of law was seen at the local elections carried out in Formosa last year. When, on the first balloting in the South, it was obvious that native Formosans were winning most of the contests, the Kuomintang moved in on the subsequent elections in the North and there its candidates usually won.

Although some in the Nationalist Cabinet wish to build a genuine democratic society, the members of the Kuomintang Reform Committee, whose members are appointed by Chiang K'ai-Shek and who possess most of the real authority on the island, are more concerned with discipline and control in the party than in democracy. The Nationalists, as do the Chinese Communists, subscribe to the theory of a "democratic centralism". The ordinary Chinese on Formosa, though dissatisfied with their lack of political outlet, do not possess the ideas and education to help themselves. The Japanese introduced universal primary education on the island and taught the Formosans just enough to enable them to understand police orders, but excluded all "dangerous

thoughts" - such as democracy - from the school curriculum. The vigorous intellectual life that characterized the refugee universities in free China during the Sino-Japanese war is not found today in Formosa. The Nationalist Government in Formosa has not provided a beacon light of democracy to serve as a rallying point for the ten million overseas Chinese in South-east Asia and the non-communists on the Chinese mainland.

The strength of Chiang-K'ai-Shek's armed forces in Taiwan in May 1951, was estimated by Fred W. Riggs, in his book, "Formosa under Chinese Nationalist Rule", ~~The forces in Formosa~~^{to} include the following:

Army (Ground Forces)	345,000
Navy	45,000
Airforce	70,000
Combined Service Forces	20,000
Political Officers & Garrison	120,000
	<hr/>
Total	600,000

It is probable that only between 200,000-300,000 of the ground forces could be turned into combat effectives. Although most of the Nationalist armies were lost on the mainland, practically the entire Ministry of Defence (the Chinese equivalent of a Pentagon) escaped to Formosa and added to the superabundance of Generals, Admirals and other officers. Many of the soldiers were ailing and aged men who had escaped to the mainland because they had been assigned to rear area service near the ports. The Nationalist Army managed to salvage about 1,000 obsolete tanks from the mainland. At the present time, the rations of the soldiers seem to be adequate, providing each soldier with 2,500 calories per day.

The Air Force in 1951 was said to number between 8-10 groups using perhaps 300-600 World War Two planes. These included fighters, C-47 transports and light bombers. However, in an article in the New York "Times" on April 2, 1951, Hanson Baldwin, the military analyst, said that only one-third of these planes were operational. The Navy in 1951 had about 70 major vessels - LST and destroyer escort type - and numerous smaller craft. About one-quarter of all Naval personnel were officers.

The Commander-in-Chief of the Chinese ground forces is, theoretically, General Sun Li-jen, a graduate of Virginia Military Institute who distinguished himself in the Burma campaign in World War Two under General Stillwell. However, he has little real authority and is largely limited to supervising the training of the men. A corps of political officers, commanded by the Generalissimo's eldest son, Major-General Chiang Ching-Kuo, has its representatives in almost every unit of the Army. This "political commissar" reports directly to his father and thus by-passes the Army Commander-in-Chief. While this system limits the opportunities for subversion, it also generates suspicion and intrigue and prevents the development of an effective chain of command. The problem of retiring over-aged Nationalist mainland troops and finding replacements is also an unresolved problem. The Ministry of Defence is reluctant to incorporate a large number of native Formosans into its armies.

On May 1, 1951, the United States Military Assistance Advisory Group was officially established on Formosa. M.A.A.G. now has about ~~2 thousand~~ ^{Six hundred} United States officers and men assigned to re-organize, train and equip Nationalist forces for the "defence of Formosa and maintenance of internal security". This group has now spent about

\$300,000,000, primarily for the purchase and shipment of arms, ammunition, vehicles, medical supplies, rations, uniforms and other specialized equipment. All Chinese requests for aid are screened by the American staff first. This United States group has made ~~real~~ progress in providing Formosa with proper airfields, an improved air warning system, modern harbour equipment and many of the other facilities needed for a military establishment. Recently, too, of course, United States military aid to Formosa has been speeded up, and such items as jet fighters have been promised to Chiang K'ai-Shek.

Prior to the Korean war, Formosa received about \$40,000,000 in the form of cotton, fertilizer, wheat, petroleum, medical supplies and other commodities from the United States. Since June, 1950, an additional \$250,000,000 has been appropriated for economic assistance to the Nationalist Government. Most of these funds have been used to cover the cost of essential imports, including cotton, petroleum, soya beans and chemical fertilizer necessary to maintain Formosa's agricultural production. Proceeds from the sale of these commodities are used to meet the Chinese Government's budget deficit, to finance construction of military facilities such as barracks and to meet local currency costs on other phases of the aid program.

The Mutual Security Agency finances the employment by the Chinese Government of the services of such technical experts as the J.G. White Engineering Corporation. On V-J day, electrical power production on Formosa had been reduced to about 50,000 kilowatts. By the end of 1952 it was six times that. Domestic production of chemical fertilizer, which reached 104,000 tons in 1951, was expected to increase by 50% in 1952.

However, the major "success story" of the Americans in Formosa is the work of the American and Chinese Joint Commission on Rural Reconstruction. This Commission was established under the provisions of the China Aid Act of 1948 and began its operations on the mainland. J.C.R.R. faced the agricultural problem of Formosa on four fronts: land reform, agricultural productivity, farmers associations and rural health. Already land rent has been reduced from approximately 60% to a maximum of 37.5% of the main crop, tenure has been guaranteed for a minimum of three years, and public land has been made available on terms the small farmer can afford. The output of rice has reached 1.5 million dollars annually - the highest in the island's history. The ~~peak~~^{pig} population has been raised from 1.3 million two and a half years ago to 1.9 million today. This is important news for the Chinese, who often calculated their standard of living by the number of days a month they can afford to eat pork. The J.C.R.R., with its 250 different projects in Formosa, is creating a peaceful social and economic revolution in Formosa's rural life.

Canada's Attitude Towards Formosa

The Japanese Instrument of Surrender, which was based on the Cairo and Potsdam Declarations, was signed by Canada ~~as a signatory nation~~ on September 2, 1945. The Canadian Government was notified of the de facto administration of Formosa by China through a note from the Nationalist Government of China in 1946, stating that Formosa was restored to Chinese sovereignty and that the Formosans had regained their Chinese citizenship, and through an agreement, signed with China, that the commercial modus vivendi with that nation covered all Chinese territories, including Formosa. The Canadian Government's attitude to Formosa was defined in the House of Commons by Mr. Pearson on April 1, 1952. He said:

"...At the moment we in the United Nations are pledged at least to try to make peace with Communist China over Korea; and negotiations for the first stage of making peace, the armistice stage, are now under way. That is what we are trying to do. Then, if we are successful in the first stage we are pledged to discuss other Far Eastern questions. We have taken that pledge in the United Nations. Should we now say that we will never allow Formosa to go back to Peking if they do not throw out their present government in China? Should we say that, especially when we have subscribed to international agreements recognizing Formosa as part of China, and when we recognize that now sovereignty legally resides in China? I suggest that that would be rigid, dead-end diplomacy, and not very wise diplomacy to follow at this time in this matter...."

"...Ultimately, of course, Formosa must be a question of international discussion and decision, preferably through the United Nations, as the Secretary of State for the United States has already intimated.

"In such a discussion, which I suppose must come ultimately, there are certain factors which should be taken into consideration by those responsible. The first--and possibly the most important factor of all, though it is very often overlooked--in our discussion of this matter is that the views of the Formosan people themselves should be taken into consideration. They are a people who have not known national freedom, who are in many ways quite separate from the Japanese and Chinese who have ruled over them. Second, consideration should be given to the character and policies of the government or governments of China which may be in power at that time. Fourth, of course, we cannot overlook the fact I have just mentioned, that legally Formosa is part of China. Both Chinese governments insist on that. It is about the only matter on which they are united. The dispute is over which government shall control Formosa."

The Secretary of State for External Affairs has expressed himself on several other occasions on this question. Following President Eisenhower's State of the Union message on February 2, 1953 which modified the Presidential directive to the seventh fleet, Mr. Pearson made a statement on Formosa in the House of Commons on February 5, 1953:

"With respect to the position of the Canadian Government, while we remain resolved to carry out our United Nations obligations in Korea, we do not think that the defence of Formosa, which has not been assumed by the United Nations, should be confused with the defence of Korea, which has. As I have mentioned on several occasions in the house, on May 15, 1951, on May 22, 1951, and on April 1, 1952, our consistent position has been that this island should be neutralized, so far as that is possible, while hostilities continue in Korea. Our view has been that the final disposition of Formosa should be a subject to be discussed at a conference on Far Eastern problems which should be held when the fighting ceases in Korea; and we strongly supported the statement of principles approved by the political committee of

the fifth United Nations general assembly which specifically provided for such a conference. In any decision regarding the future of Formosa, the wishes of the people there would naturally be a primary consideration.

In considering the possible effects of this recent action by the United States government, I should emphasize that on Far Eastern issues, as on other questions in which we are both concerned, the fundamental and long-term aims of Canada and the United States are similar, although naturally we may differ on occasions in our approach to specific issues and as to how these long-term aims can best be achieved.

Canadians of course know President Eisenhower well. They feel a deep gratitude for the services he has already rendered the free world, and have full confidence, I am sure, in his peaceful and constructive purposes. And I am convinced that one of these purposes - as it is the purpose of this government and this parliament and our country, and the purpose of the other governments who are now engaged in Korea - is to end and not extend the Korean war.

It should also be noted that in his statement President Eisenhower stated clearly that "This order implies no aggressive intent on our part." Nor should we, I think, assume that because of this order any large scale operations in the near future are likely to be undertaken by Chinese Nationalist forces on the mainland. The order does, however, rescind that part of the original order by which the United States seventh fleet would prevent any such operations.

The original order did give, I suppose, to the Communist forces in China a feeling of immunity from attack from Formosa, and this has become increasingly unacceptable to the people of the United States, as the Chinese Communists have continued their aggression in Korea and only recently rejected a resolution, approved by the present United Nations general assembly which could have ended the war there on acceptable terms. The United States Government has, therefore, found it necessary to take action to alter a situation which was considered to have no longer its original justification.

It is no doubt hoped that this change may keep more Chinese communists forces in China and hence have an advantageous effect on United Nations operations in Korea.

It would of course be another matter, as hon. members will be aware, if Chinese Nationalist raiders or invading forces were escorted or protected in their operations by the armed forces of other United Nations governments. We have no reason to believe, however, on the basis of any information available to us that any such development will take place, the consequences of which would be far-reaching.

We are not of course committed by, though naturally we are concerned with, the action taken in Washington in connection with this matter. The government will follow developments with the closest possible attention and take appropriate action to make our views known if and when the occasion so warrants. Meanwhile, I think it would be unwise and premature to jump to dogmatic or critical conclusions concerning the step taken by the United States government, and announced in a statement by President Eisenhower, which contained so much that was wise and heartening to us all."

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File No. 50056-A-40

EXTRACT FROM "THE MONITORING REPORT"
Published by Monitoring Service of the B.B.C.

file 6
RBE

Tuesday, Feb. 17, 1953.

POINTS FROM OTHER BROADCASTS

FROM NATIONALIST CHINA

A Voice of Free China broadcast from Taipeh, in English for North America, argued that the question of whether to blockade the Chinese mainland was "a military decision" and should be assessed in military terms. "It should not occasion any great political stir" among the allies of the USA, "principally Britain." The main argument against the blockade "used by Britain especially," was "the same this time as any other time, when either Josef Stalin or Mao Tse-tung may be displeased or British interests are at stake." Britain's main reason for clinging to a "pacifying" policy, despite the "many bitter lessons" and the "serious disadvantages" which she had experienced as a result, was "the fear of losing her chance of trading with Communist China and of displeasing the enemy to such an extent that he might flare up and start World War Three." The USA was not affected by these considerations, but had to take note of the fact that Americans were bearing the heaviest casualties and paying the bulk of the cost of the war in Korea. Asserting that a blockade would severely handicap Communist China's war effort the broadcast claimed: "With the blockade Free China will be able to shatter the Mao Tse-tung regime without the aid of UN troops." The talk concluded: "Perhaps the most unjustified thing in considering the blockade is the fear that Russia will enlarge the war. Those who adopt this line of thinking really underestimate Stalin. Whenever Stalin wants a war there will be a war."

Far Eastern Div./H.H. Carter/mbm

February 14, 1953.

SECRET

*File 77
HMC*

MEMORANDUM FOR THE UNDER-SECRETARY (through Mr. Mackay).

file on 50056-A-460 RBA

Modification of orders to the U.S.
Seventh Fleet

*50243-40
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Attached for your signature, if you concur,
is a self-explanatory numbered letter to our High Commis-
sioner in South Africa on this subject, in reply to his
attached Despatch No. 48 of February 2, 1953. We had not
previously sent the text of Mr. Pearson's statement of
February 5 to our Mission in South Africa as it is not one
of our Missions which are on the regular list for receiving
such material.

H. H. Carter

for Far Eastern Division.

16.2.26(us)

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Dossier

Nature of document/ Description du document Br. foreign office memo - re: Meetings with French Ministers

No. of Pages/ Nbre de pages 1 both sides

Date February 13, 1953

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**MESSAGE FORM
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File No.		
50056-A-40		
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Security Classification
UNCLASSIFIED

FROM: THE CANADIAN PERMANENT REPRESENTATIVE TO THE UNITED NATIONS,
NEW YORK.
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

System EN CLAIR	No. 89	Date: February 12, 1953.
Priority	<u>Reference:</u> My telephone Conversation with Mr. Rae.	
Departmental Circulation MINISTER UNDER/SEC D/UNDER/SEC A/UNDER/SEC'S	<u>Subject:</u> Canada's Far Eastern Policy.	
Done..... Date.....	<p>1. The following is the text of an article in the February 16 issue of Time.</p> <p>2. I may say that no one here is responsible for any of the quotations used in the article. I am sending this to you because the article which appears in the Canadian edition may differ from that which appeared in the American edition.</p> <p>"In matters of Far Eastern policy, Canada's External Affairs Minister Lester Pearson tends to see eye to eye with Britain's Anthony Eden and India's Jawarharlal Nehru. But last week, when both Eden and Nehru criticized the United States decision to end the Seventh Fleet patrol off Formosa (see international), Pearson cautiously parted company with them. Rising in Parliament, he said: "(The) statement by President Eisenhower...contained much that was wise and heartening to us all...Canadians know President Eisenhower well...and have full confidence.... in his peaceful and constructive purposes. And I am convinced that one of these purposes...is to end and not to extend the Korean war."</p> <p>Extension of the war might result, Pearson said, if Nationalist Chinese forces were to invade the mainland escorted by United States or other United Nations military units. But, he added, "We have no reason to believe.... that any such development will take place....meanwhile, I think it would be unwise and premature to jump to dogmatic or critical conclusions."</p> <p>Pearson's statement represented no fundamental change in Canada's Far Eastern policy. That policy, so far as it concerns China, is one of acceptance of the Communist conquest. Explains one Canadian diplomat: "The key word is passitivity."</p> <p>Actually, Canadian officialdom's views on China have changed reluctantly since the days when it was</p>	
References		
Done..... Date.....		

popularly believed that the Red Chinese were the sponsors of a humane land reform movement. Canada in 1950 was all set to recognize the Chinese Communist Government, and the Korean war upset the plan. Canadian diplomats now admit that Canada "would have looked awfully foolish and inept if we'd gone through with recognition". They also confess that they did not expect the Chinese Reds "to be as vicious as they become" in Korea. But disillusioned though they have been on some scores, Canada's China policymakers still look with cool distaste on the Nationalists in Formosa, still cling to their passive attitude toward Chinese Communism."

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Cross File EXT. 220
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MESSAGE FORM
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File No. 50056-A-40		
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Security Classification		
UNCLASSIFIED		

FROM: THE CANADIAN AMBASSADOR TO THE UNITED STATES.
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

System EN CLAIR	No. WA-358	Date: February 11, 1953.
Priority	<u>Reference:</u>	
Departmental Circulation MINISTER UNDER/SEC D/UNDER/SEC A/UNDER/SEC'S	<u>Subject:</u> President Eisenhower's State-of-the-Union Message. Addressed External Ottawa WA-358, repeated Permdel as No. 44. You may be interested in the following lead editorial in this morning's Washington Post entitled "Canada Keeps Her Head":- Begins: For realism in foreign affairs as well as plain speaking when the occasion demands, one can usually rely upon our Canadian friends. It is significant that President Eisenhower's State of the Union message, particularly the passage on Formosa, aroused in Canada little of the uneasiness reported from parts of Europe. Perhaps the general approval of the President's address was due to its forward- looking nature and to the trade and tariff program held out by Mr. Eisenhower. With respect to the release of Chiang Kai-Shek's forces for raids on the Chinese mainland, however, one may suspect that the Canadians understood at the outset that the move was primarily psychological. As G.V. Ferguson of the Montreal Star pointed out in this newspaper on Sunday, there is increasing agreement in Canada with President Eisenhower's point that a state of "paralyzed tension" in Korea cannot be prolonged indefinitely. In part this agreement, no doubt, stems from Canada's own casual- ties in Korea; but in larger part it stems from a genuine effort to understand the American predicam- ent. This does not mean that there would be Canad- ian support for a unilateral blockade of China by the United States; it does mean, however, that the Canadians may be sympathetic with a carefully thought out plan to get the Korean involvement off dead center. It is important for the United States to cultivate that understanding, not only through	
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consultation on foreign affairs, but also through expediting such other matters of common concern as customs simplification and the new St. Lawrence Seaway bill. Ends.

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OTTAWA FILE
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SECURITY CLASSIFICATION

CONFIDENTIAL

Letter No. 174

Date.. February 11, 1953. *W. L. Carter MC*

19 FEB 1953

FROM: THE OFFICE OF THE HIGH COMMISSIONER FOR CANADA, NEW DELHI
TO: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference.. My telegram No. 37 of February 10, 1953

Subject: President Eisenhower's statement on the neutralization of the 7th Fleet.

Donated 5/1/53

Copy

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USSEA
SECY. TO CABINET

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AMERICAN DIVISION
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DEFENCE LIAISON (2)
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To see *R. K. Nehru*
for file

The confidence expressed by Mr. R.K. Nehru, and reported in my telegram under reference, that President Eisenhower's statement, since it was prompted primarily by domestic considerations, did not presage an extension of hostilities in the Far East, is not shared by the Indian press. With the notable exception of The Hindustan Times which closely reflects government views, the press has reacted sharply in exasperation and alarm. Editorial comment has been heavy and almost all papers have roundly condemned the President's statement on the grounds of the consequences that they think are likely to flow from it, and which they confidently believe to be an extension of the war in Asia. "United States in the Saddle", (Free Press Journal, Bombay, February 7); "Extension of Hostilities", (Amrita Patrika Bazar, Calcutta, February 9); "Mid-winter Madness" (The Times of India, Bombay, February 4, a paper usually friendly to the United States); these are typical headlines on the editorial pages.

2. As with the initial reaction to the results of the presidential election, however, (see my despatch No. 1278 of November 12, 1952) second thoughts may well be calmer. There is often a tendency in the Indian press to belabour the Americans for their failure to act in international affairs in the way in which the Indians would act, and the more cautious notes sounded by The Hindustan Times and The Hindu suggest that the initial reaction has been perhaps unnecessarily panicky.

3. The Hindustan Times, in its issue of February 2, heads its editorial "A Major Change" but reaches the following conclusion:

"With the failure of the last Indian effort to bridge the gulf between the two sides over the prisoner-of-war issue, hopes of a Korean settlement began to fade slowly. The latest American decision will be taken everywhere as a sign of deterioration in the international situation rather than as a step towards ending the war in Korea quickly and establishing peace. The best the outside world can hope for is that the withdrawal of the Seventh Fleet may not be followed immediately by any decisive step either by the Nationalist Government in Formosa or by the People Government of Peking. Meanwhile, an American clarification of a reassuring character is called for."

The Hindu in its issue of February 3 regards the proposal to neutralize the 7th Fleet as "highly disturbing"; but its editorial is measured and concludes thus: "A military deadlock has been reached in the Korean war. Peace-loving nations would prefer to seize the chance to arrange a truce rather than to break the deadlock by opening a new war front".

4. Mr. Aneurin Bevan, who arrived in Delhi on February 10 and is a guest of the President at Rashtrapati Bhavan, has given an interview to the press in which he is reported as stating, inter alia, that "the unilateral action of the United States was unfortunate in the extreme and has had a bad effect on Anglo-American relations". This item has been given wide publicity in the press.

5. Official government reaction both to President Eisenhower's statement and to the Chinese proposals reported in the Indian papers of February 5 has been extremely guarded. In fact, when it was reported that at a conference of State Governors and Rajpramukhs held here last week-end, Mr. Nehru and Dr. Radhakrishnan had both expressed alarm over President Eisenhower's statement, the Government issued a sharply worded denial. The speech of the President at the opening of Parliament on February 11, contained the following statement:


"This war continues not only to the utter misery and ruin of the people of Korea, but also as a focus of danger for the rest of the world. Certain statements recently made, and the consequences that might flow from them in extending the war in Korea, have caused considerable apprehension in the minds of people all over the world. My Government has viewed these developments with grave concern. I trust that any tendency towards an extension of the war which has already brought disaster in its train, will be checked and the minds of nations and peoples will be turned towards a peaceful approach to these problems. My Government will continue to work to this end and will pursue a policy of friendship with all countries without any alignment with one group of nations against another."

Office of the High Commissioner

Office of the High Commissioner
for the United Kingdom,
Earncliffe,
Ottawa.

C.A. Ronning.
With the Compliments of
N. Reddaway.

10th February, 1953.



EXTERNAL AFFAIRS
RECORDS-CLEARED

1953 FEB 10 PM 4:45

275 Albert Street, Ottawa, Ontario

Telephone: 5-7291

United Kingdom Information Office

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TO EDITORS: This article is offered to you for EXCLUSIVE use in your city.

International Commentary No. 6

FORMOSA - A TACTICAL DISAGREEMENT

by
W.N. Ewer

*File 76 } .18
(nothing new)
H. Carter
file on 50056-A-40 11 Feb 1953
RBE*

11 FEB 1953

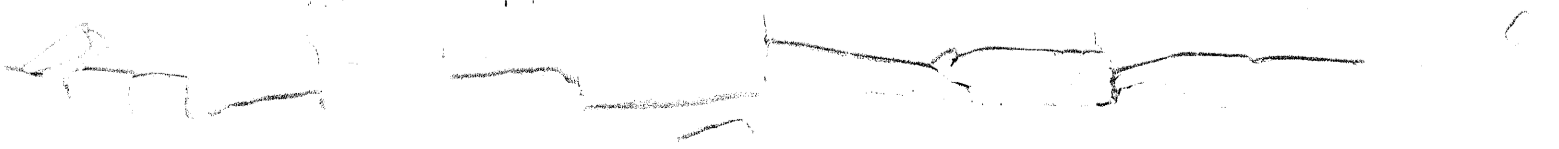
It would be foolish to underestimate the "concern" (the word is Mr. Eden's) which has been caused in the United Kingdom - and by no means only in the United Kingdom - by President Eisenhower's decision to dencutralise Formosa.

There is first, the fear that it is a step which may have "unfortunate political repercussions without compensating military advantages." And secondly, there is a certain dismay that an action of such importance, and of such potentially far-reaching implications should have been taken without consultation with either the British or any other Government. It is, of course, recognised that the original orders to the Seventh Fleet in 1950 were a unilateral action by the United States and that abrogation of the order was for the United States alone. The doubt that is felt is not about the propriety of the decision but about its wisdom and about its effects on the situation in the Far East as a whole.

But, equally, it would be foolish to overestimate the significance or the importance of the divergence of views between London and Washington which has once again become apparent in connection with Formosa. The divergence is a real one. But it is a disagreement on tactics, not on principle or objectives.

The passages in President Eisenhower's message which deal with the principles and the broad lines of international policy in the present world situation could be endorsed much as they stand by either the Government or the average citizen in this country: or, for that matter, in any other country of the free world. There is little or no dispute about the objectives of policy.

There is (as there has frequently been before) clear disagreement about the methods by which the agreed objectives should be sought. British public opinion questions the wisdom of the dencutralization of Formosa: just as on a previous occasion American public opinion, on the whole, questioned the wisdom of the action of the British Government in recognising the new regime in China, and of withdrawing recognition from



the Nationalist Government on Formosa.

It is true that some British critics today tend to take the view that it is not only unwise of the United States administration to do what it has done, but that it is in some way wrong of it to have acted without the prior consent and approval of its associates. Just as there were American critics who took the view that the British Government should not have recognised the Communist regime in Peking without the prior consent and approval of the United States.

But both groups seem to me to fail to realise the essential and inevitable character of a partnership between free democracies. Any such partnership must necessarily be based on fundamental agreement about principles and objectives. That is the only reason for its existence. But it cannot be based on and cannot require a complete uniformity either of opinion or of action on even important detail. It would be unthinkable that each or any member of such a partnership should claim the right to a veto on any action of any of the group. It would be equally unthinkable that any member should claim to dictate the policy or the decisions of any other.

An imposed uniformity is possible in a system of dictatorships in which one predominant partner can simply issue orders which its satellites are bound to accept and to obey. It is impossible in a system of democracies in which each Government is bound to act, and can only act, in accordance with the wishes of its elected Parliament. Democracy imposes both positive obligations and negative restrictions on the Government of any democratic state. That may at times seem to the impatient a nuisance or even a weakness. It is, in the long run, a source of strength.

But it does confront any association of democracies with problems which are not easily solved. It means that in any such association some Government will, at almost any moment, be doing something of which its partners disapprove, or will be failing to do something which its partners greatly desire. For any democratic Government which attempted to enforce on its own people against their will a policy laid down by even the closest and most friendly of allies must either cease to hold power or cease to be democratic.

Democratic institutions involve and require democratic control of policy, which, in turn requires independence in the taking of decisions. Such independence is perfectly compatible with the closest degree of consultation and cooperation in the pursuit of common objectives. But it also means that at times there will, inside the framework of cooperation, be marked and even sharp divergences of policy. They have to be accepted. For to attempt in any way to prevent them would be to invite worse evils. In this particular case of Anglo-American partnership no divergence of immediate policy

could be as fatal to the partnership itself as would be any feeling in the United States that American policy is being "dictated from London", or any feeling here that British policy is being "dictated from Washington". Democratic alliances can only be strong and stable if they are reasonably flexible, if honest differences between the partners are not only tolerated but understandingly accepted. In this case, where partners may have failed to convince each other on their respective points of view, there is agreement to disagree, which is always a spur to efforts to align policies as far as possible in future.

There is an old mediaeval precept, of unknown origin, which commends "in essential things unity, in doubtful things liberty, in all things charity". It seems the perfect motto for any association of free peoples. And it is remarkably apposite to the immediate situation created by the President's order to the Seventh U.S. Fleet.

EXT. 230

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**MESSAGE FORM
INCOMING**

File No.		
50056-A-40		
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Security Classification		
UNCLASSIFIED		

**FROM: THE HIGH COMMISSIONER FOR CANADA, WELLINGTON, NEW ZEALAND.
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA**

System EN CLAIR	No.	Date: February 9, 1953.
Priority PRESS	<u>Reference:</u>	
Departmental Circulation MINISTER UNDER/SEC D/UNDER/SEC A/UNDER/SEC'S	<u>Subject:</u>	
Done _____ Date _____	<p>Following is text of Prime Minister's statement issued 2 p.m. today, Begins:</p> <p>We hope that any fears that may be entertained lest the withdrawal of the Seventh United States Fleet will directly or indirectly add to international complications or spread the present Korean conflict or increase the danger of another world war will prove to be unfounded. The right of the United States Government to take the decision announced by the President is not questioned. Mr. Nash has been good enough to consult with me about the statement he is making concerning the United States Government's decision in connection with Formosa. In turn, I have told Mr. Nash of the Government's attitude and I feel now that I should make it public. The Government has given much thought to the position and has so far not made statements one way or the other because of its desire to avoid misunderstandings and the creating of controversy at a time when the new American administration is in its first few weeks of office. In the absence of personal discussion with American statesmen, our knowledge of what is behind the President's decision can only be gleaned from official communications. The right of the United States Government to take the decision announced by the President is not questioned. All that requires to be said at this juncture is, I feel, that we hope that any fears that may be entertained lest the withdrawal of the Seventh United States Fleet will directly or indirectly add to international complications or to the spread of the present Korean conflict or increase the danger of another world war will prove to be unfounded. Of one thing I am certain and that is that nothing is further from the thoughts of the American President or his Government than any element of aggressive intent or any desire on their part to widen the area of conflicts. Ends.</p>	
References	Done _____ Date _____	

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CHICAGO DAILY TRIBUNE
Monday, February 9, 1953
Part 1—Page 6 F

CANADIAN RADIO POURS SARCASM ON IKE'S POLICY

Calls Him 'Influenced by China Lobby'

BY EUGENE GRIFFIN
[Chicago Tribune Press Service]

MONTREAL, Feb. 8—The government radio poured sarcasm today on the Republican administration's foreign policy, particularly the release of Chiang Kai-shek's troops to attack the communist China coast.

James Minnifie, Washington reporter for the New York Herald Tribune, a Canadian, said President Eisenhower is being influenced by a "rainbow colored" group including the so-called "China lobby" and "isolationists."

Matthew Halton, the Canadian Broadcasting corporation's London "talker," expounded British complaints about the United States with quotations from the Daily Herald. He said State Secretary Dulles has been "terribly crude."

For its Ottawa talk in the "Capital Report" program, broadcast over the monopolistic national network, the CBC put on Charles Woodsworth, editor of the Ottawa Citizen, which has attacked Mr. Eisenhower's Formosa policy.

"Sop to People"

Woodsworth said today it was "a sop the Republicans have thrown the American people to fill election promises." The "unilateral" nature of the Republican administration's foreign policy was deplored by the radio speakers. They complained that the Republicans, unlike the Democrats, are unwilling to wait on the advice of other governments.

They recalled that the military

value of Canada's army. Its strength was estimated today at 600,000 men, which would be about

100 times Canada's token ground force in Korea. Canada has refused any combat air contribution.

The government is preparing for a debate in parliament this week on its position regarding shifting trends in American foreign policy. Many newspapers have conceded that Americans are entitled to some unilateral leeway in Korean war policy.

The Ottawa Journal, the paper most frequently quoted on the editorial pages of other Canadian papers, defended Mr. Eisenhower's Formosa decision again yesterday, and criticized "our Canadian Bevanites, some of whom seem to dislike the United States far more than they dislike Red China."

Talks Are Censored

"In recent times," it said, "too many among us have been influenced by these leftists with their petulant anti-Americanism."

Extent of government influence on radio opinion in this country is a subject of recurrent debate. The subjects of talks are approved before delivery, and critics have charged that only favored correspondents or commentators are hired regularly. To escape such criticism, the CBC recently has tried to fill some spots with speakers known to be independent.

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Mr. Carter
16 FEB 1953

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EXTERNAL AFFAIRS

EXTERNAL AFFAIRS
1953 FEB 13 PM 12:57

1953 FEB 13 PM 2:03

Handwritten:
H. H. H.

CANADIAN PRESS BACKS UP U. S. IN FORMOSA STAND

The Tribune is the only newspaper in the world to cover Canadian news fully and fairly.

BY EUGENE GRIFFIN
[Chicago Tribune Press Service]

MONTREAL, Feb. 6—America's right to refuse to have its hands tied too much in the Korean war by European "allies" has been recognized with unusual unanimity in Canadian newspapers this week, following President Eisenhower's announcement that Chinese nationalists will be free to attack the communist mainland from Formosa.

"Much stress is placed by some upon what is called 'opinion in Europe' or the 'opinion of America's allies,'" the Ottawa Journal said. "Do such people ever think of the opinion of Americans?"

The paper rapped "this obsession of some Canadians with not offending Red China—of people who talk as tho we could offend Americans to our heart's content, but never, never utter a word to hurt a Red Chinaman."

Cites U. S. Battle Losses

The Montreal Star asked critics of the United States, especially India, to "take into account the steady drain of American blood on the Korean battlefields."

"Without United States support of the United Nations," the Star said, "there would be today no United Nations at all; without American armed strength, the North Koreans would long ago have established themselves over the whole of that unhappy country."

The Toronto Star said: "It is doubtful that continued failure of the United Nations to bring the Korean war to a satisfactory con-

CHICAGO DAILY TRIBUNE
Saturday, February 7, 1953
F★ Part 1—Page 7

clusion would strengthen the prestige of the U. N. in Asia."

Dulles Wins Support

State Secretary Dulles' warning to Britain and Europeans that they must unite their defense forces has received some support in Canadian papers, with exceptions taken that Britain should not be pushed into a European union because of its "commonwealth association."

"The new free world alliance must be an alliance in fact," the Toronto Globe and Mail said. "Unless Europe can adopt that attitude, no outside power, no matter how strong, can possibly underwrite her future security."

Most Canadian papers have acknowledged that American sacrifice in Korea has entitled the United States to disregard its so-called allies when necessary for military reasons. Canada itself has only a token land and sea contribution in Korea.

Nervous About Chiang

One of the few papers to criticize President Eisenhower's Formosa policy was the Ottawa Citizen, which called it a "headstrong action."

Public officials in Ottawa reportedly are nervous about the possibility that Chiang Kai-shek may extend the Korean war.

The Ottawa correspondent of the Montreal Gazette reported that members of parliament, particularly those who belong to the government's Liberal party, are critical of the new United States policy. He wrote that this critical attitude was shared by Lester B. Pearson, secretary of state for external affairs. Pearson said that Canada would make its views known whenever the occasion warranted.

INSTRUCTIONS

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3. The name of the person responsible for authorizing the despatch of the material should be shown opposite the words "Despatching Authority". This may be done by signature, name stamp or by any other suitable means.
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HIGH COMMISSIONER FOR CANADA
NEW DELHI

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4, Aurangzeb Road,
New Delhi, India.

February 9, 1953.

TOP SECRET

Dear Mr. Nehru,

I attach two copies of a statement made by Mr. Pearson in the House of Commons in Ottawa on February 5 last regarding Formosa and the disposition of the United States Seventh Fleet. I think you may find the statement of interest.

For your private information, we have been informed by Mr. Pearson that he has gathered sufficient from recent discussions in Washington to believe that there is little ground for apprehension that the United States is contemplating pressing, at the resumed session of the General Assembly, for stronger measures against China. Mr. Pearson has suggested that you might wish to know this and also to know that he is encouraging this cautious line in Washington whenever he has an opportunity.

His best information leads Mr. Pearson to believe that the recent announcement by President Eisenhower concerning Formosa and the Seventh Fleet was prompted primarily by domestic considerations; that it does not presage any substantial alteration in the situation in that area; and that it is not meant to indicate that the Americans will facilitate any operations from Formosa or elsewhere which would widen the sphere of hostilities in the Far East. Mr. Pearson would be grateful if you could pass this information on to the Prime Minister.

Yours sincerely,
Richard Pearson

H.K. Nehru, Esq.,
Foreign Secretary,
Ministry of External Affairs,
New Delhi, India.

High Commissioner.

Text of statement made by Mr.L.B.Fearson, Secretary of State for External Affairs for Canada, in the House of Commons, Ottawa on February 5, 1953 regarding Formosa.

Mr. Speaker, on Monday last the Honourable Member for Vancouver East (Mr. Innis) addressed a question to the Prime Minister on that part of President Eisenhower's address to Congress on the state of the union which concerned Formosa. In replying at that time the Prime Minister indicated that more information might be available later in the week when it was hoped that a discussion on External Affairs would take place. That discussion cannot, I think, now take place until next week and I would therefore like to give information supplementary to that which was given by the Prime Minister on Monday.

I have had an opportunity, as have Honourable Members since Monday, of studying the text of the statement by the President of the United States to which I have referred. In that statement, Honourable Members know, the President announced the modification of the Presidential order to the Seventh Fleet issued by his predecessor on June 27, 1950. That order which was given, as the House will recall, shortly after the aggressive attack on South Korea, was in the nature of an instruction to the United States Seventh Fleet both to prevent any attack upon Formosa from the mainland and also to ensure that Formosa should not be used as a base of operations against the Chinese Communist mainland.

The order was issued, of course, before the large scale intervention by Chinese Communist forces in Korea and its objective was to neutralize Formosa in order to limit the hostilities arising out of the aggression of June 25, 1950 on the Korean Peninsula.

As the Prime Minister indicated on Monday, the original order was an action taken on the sole responsibility of the United States Government, just as the recent action modifying it with respect to what the President has termed the employment of the Seventh Fleet to "shield Communist China", was taken on the sole responsibility of the United States Government.

That, however, does not make the matter one of little or merely indirect interest to other countries including Canada.

With respect to the position of the Canadian Government, while we remain resolved to carry out our United Nations obligations in Korea, we do not think that the defence of Formosa, which has not been assumed by the United Nations, should be confused with the defence of Korea. As I have mentioned on several occasions in the House, on May 15, 1951, on May 22, 1951 and on April 1, 1952 our consistent position has been that this island should be neutralized, so far as that is possible, while hostilities continue in Korea. Our view has been that the final disposition of Formosa should be a subject to be discussed at a conference on Far Eastern problems which should be held when the fighting ceases in Korea, and we strongly supported the statement of principles approved by the political committee of the 5th United Nations General Assembly which specifically provided for such a conference. In any decision regarding the future of Formosa, the wishes of the people there would naturally be a primary consideration.

In considering the possible effects of this recent action by the United States Government, I should emphasize that on Far Eastern issues, as on other questions in which we are both concerned, the fundamental and long term aims of Canada and the United States are similar, although naturally we may differ on occasions in our approach to specific issues and as to how these long term aims can best be achieved.

Canadians of course know President Eisenhower well. They feel a deep gratitude for the services he has already rendered the free world and have full confidence, I am sure, in his peaceful and constructive purposes, and I am convinced that one of these purposes - as it is the purpose of this Government and this Parliament and our country and the purpose of the other governments who are now engaged in Korea - is to end, and not to extend, the Korean war.

It should also be noted that in his statement President Eisenhower stated clearly that "this order implies no aggressive intent on our part", nor should we, I think, assume that because

of this order any large scale operations in the near future are likely to be undertaken by Chinese Nationalist forces on the mainland. The order does, however, rescind that part of the original order by which the United States Seventh Fleet would prevent any such operations.

The original order did give, I suppose, to the Communist forces in China, feeling of immunity from attack from Formosa and this has become increasingly unacceptable to the people of the United States as the Chinese Communists have continued their aggression in Korea and only recently rejected a resolution approved by the present United Nations General Assembly which could have ended the war there on acceptable terms. The United States Government has therefore found it necessary to take action to alter a situation which was considered to have no longer its original justification.

It is no doubt hoped that this change may keep more Chinese Communist forces in China and hence have an advantageous effect on United Nations operations in Korea.

It would of course be another matter, as Honourable Members will be aware, if Chinese Nationalist raiders or invading forces were escorted or protected in their operations by the armed forces of other United Nations Governments. We have no reason to believe however on the basis of any information available to us that any such development will take place, the consequences of which would be far reaching.

We are not of course committed by, though naturally we are concerned with, the action taken in Washington in connection with this matter. The Government will follow developments with the closest possible attention and take appropriate action to make our views known if and when the occasion so warrants. Meanwhile I think it would be unwise and premature to jump to dogmatic or critical conclusions concerning the step taken by the United States Government and announced in a statement by President Eisenhower which contained so much that was wise and heartening to us all.



File No. 24/3/5

COPY

OFFICE OF THE HIGH COMMISSIONER
FOR NEW ZEALAND
OTTAWA, CANADA

File to
(This information is
9 February 1953.
contained
in Wellington's
enclaves
Telegram
of 9 Feb 1953
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distributed
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R. A. MacKay, Esq.,
Assistant Under-Secretary of State
for External Affairs,
Department of External Affairs,
Ottawa, Ontario.

Dear Bert:

We have just received by telegram
the texts of statements made today by the Prime
Minister of New Zealand, Right Hon. S. G. Holland,
and the Leader of the Opposition, Right Hon. W.
Nash. I enclose copies for your information. I
am sending copies under separate cover to Chester
Ronning.

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Mr Ronning
11 FEB 1953

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KBE

Yours sincerely,

A. R. PERRY

Official Secretary.

Encls: 2

TEXT OF STATEMENT MADE ON 9 FEBRUARY 1953 BY THE
PRIME MINISTER OF NEW ZEALAND, RT. HON. S. G. HOLLAND

Mr. W. Nash, Leader of Opposition, has been good enough to consult with me about the statement he is making concerning the United States Government's decision in connection with Formosa. In turn, I have told Mr. Nash of the Government's attitude and I feel now that I should make it public.

The Government has given much thought to the position and has so far not made statements one way or the other because of its desire to avoid misunderstandings and creating controversy at a time when the new American administration is in its first few weeks of office.

In the absence of personal discussion with American statesmen our knowledge of what is behind the President's decision can only be gleaned from official communications.

The right of the United States Government to take the decision announced by the President is not questioned. All that requires to be said at this juncture is, I feel, that we hope that any fears that may be entertained lest the withdrawal of the 7th United States Fleet will directly or indirectly add to international complications or to the spread of the present Korean conflict or increase the danger of another world war, will prove to be unfounded.

Of one thing I am certain, and that is that nothing is further from the thoughts of the American President or his Government than any element of aggressive intent or any desire on their part to widen the area of conflict.

TEXT OF STATEMENT MADE ON 9 FEBRUARY 1953 BY THE
LEADER OF THE OPPOSITION, RT. HON. W. NASH

Whilst no one with any knowledge of the personality and work of President Eisenhower will question his sincerity or desire to maintain peace, there is justifiable concern regarding the decision to withdraw the United States fleet from their protective role between Formosa and China.

The United States must have the right to determine the role of its Navy, but when a decision affects the safety of the people of the nations and, in particular, a decision vitally related to the war between the United Nations and North Korea and China, it does appear that the nations concerned should have been consulted or advised before the decision was reached. No one understanding the whole position regarding the aggression against Southern Korea will question the correctness of the United States decision and the great contribution in lives and equipment of the United States with the support of the United Kingdom, New Zealand and other nations, but, major decisions that affect the United Nations and the supporting nations in Korea should not be taken without consultation. The action at present contemplated by the United States may set alight the fire which every lover of peace and freedom desires to avoid.

Far Eastern Div./H.H. Carter/mbm

February 9, 1953.

SECRET

MEMORANDUM FOR THE UNDER SECRETARY (Mr. MacKay to see)

Modification of Orders to U.S. Seventh Fleet - Australian View.

file on 50056-A-40
RBE

Attached is a copy of telegram No. 15 of February 7 from the Canadian High Commissioner, Canberra, which refers to a message from the Prime Minister of Australia to the Australian High Commissioner in London (repeated to Ottawa). We have received a copy of this latter message informally from a member of the Australian High Commissioner's Office, and I attach a copy of it. I think you will find this message of interest, as indicating some anxiety on the part of the Australian Government at the way in which their position regarding President Eisenhower's announcement has been interpreted by the Australian press. As outlined in this message from the Australian Prime Minister, their position seems, in fact, to be very similar to that adopted by our own Government and expressed in Mr. Pearson's statement on February 5 in the House of Commons.

*Noted
W*

2. I attach for your signature, if you concur, a short note to the Minister transmitting copies of these two telegrams to him.

*signed
W
sent
10.2.53*

H.H. Carter

Far Eastern Division.

- cc. ~~Minister's Office (Mr. Rae)~~
- ✓ Commonwealth Div.
- ✓ U.N. Division and Press Office,
- ✓ Washington,
- ✓ New York, London,
- ✓ New Delhi, Tokyo.

9.2.48(JS)

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February 9, 1953.

File 76
MRC

SECRET

MEMORANDUM FOR THE MINISTER

Modification of Orders to U.S. Seventh
Fleet - Australian View.

Attached is copy of telegram No. 15 of February 7, 1953, from our High Commissioner in Australia, which refers to a telegram sent by the Australian Prime Minister to the Australian High Commissioner in London. We have received a copy of this latter message from the Australian High Commissioner's Office here, and I attach a copy of it. I think you will find this message of interest, as indicating some anxiety on the part of the Australian Government at the manner in which their position regarding President Eisenhower's announcement has been interpreted by the Australian press. As outlined in this message from the Australian Prime Minister, their position seems, in fact, to be very similar to that expressed by you on February 5 in the House of Commons.

L.D.W.

L.D.W.

M
10-2-22(53)
9.2.48(US)

FILE COPY

February 9, 1953.

MEMORANDUM FOR HEADS OF DIVISIONS' MEETING

Mr. Carter.

Modification of Orders to the United States Seventh Fleet.

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to [initials]

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RBE

On Monday, February 2, the Prime Minister made a short statement regarding President Eisenhower's announcement on this subject in his "State of the Union" message of the same date (see my Note for Heads of Divisions' meeting for Monday, February 2). The Prime Minister's statement stressed that both the original order to the Seventh Fleet of June 27, 1950, and the modification of that order announced by President Eisenhower, had been made "on the sole responsibility of the United States Government". He added that "the Canadian Embassy was informed about the forthcoming statement to be made by President Eisenhower, but it was not suggested that we should express our views about it." Later the Prime Minister indicated that a further statement would be made by the Secretary of State for External Affairs (who was not in Ottawa on February 2) when the Government had had more time to study President Eisenhower's announcement.

On Thursday, February 5, the Minister made a statement on this question in the House. The following are, perhaps, the most important excerpts from it:

"As the Prime Minister indicated Monday, the original order was an action taken on the sole responsibility of the United States Government, just as the recent action modifying it with respect to what the President has termed the employment of the Seventh Fleet to 'shield Communist China' was taken on the sole responsibility of the United States Government. That, however, does not make the matter one of little or merely indirect interest to other countries, including Canada.

"With respect to the position of the Canadian Government, while we remain resolved to carry out our United Nations obligations in Korea, we do not think that the defence of Formosa, which has not been assumed by the United Nations,

should be confused with the defence of Korea, which has. As I have mentioned on several occasions in the house... our consistent position has been that this island should be neutralized, so far as that is possible, while hostilities continue in Korea. Our view has been that the final disposition of Formosa should be a subject to be discussed at a conference on Far Eastern problems which should be held when the fighting ceases in Korea; and we strongly supported the Statement of Principles approved by the Political Committee of the fifth United Nations General Assembly which specifically provided for such a conference. In any decision regarding the future of Formosa, the wishes of the people there would naturally be a primary consideration....."

"We are not of course committed by, though naturally we are concerned with, the action taken in Washington in connection with this matter. The government will follow developments with the closest possible attention and take appropriate action to make our views known if and when the occasion warrants. Meanwhile, I think it would be unwise and premature to jump to dogmatic or critical conclusions concerning the step taken by the United States Government, and announced in a statement by President Eisenhower, which contained so much that was wise and heartening to us all."

On Tuesday, February 3, Mr. Eden made a short statement in the United Kingdom House of Commons terming the announcement by President Eisenhower "a unilateral decision by the new United States Administration to amend a unilateral decision taken by their predecessors." Mr. Eden added, "Her Majesty's Government were informed in advance by the United States Government and ^{we} made known their concern at this decision which they feared would have unfortunate political repercussions without compensating military advantages. This continues to be the view of Her Majesty's Government. It is important, however, to keep this matter in its correct proportion and perspective." (UNCLASSIFIED).

H. H. CARTER

Far Eastern Division.

COPY

MESSAGE FORM
INCOMING

File No.		

Security Classification
S E C R E T

FROM: THE HIGH COMMISSIONER FOR CANADA, CANBERRA, AUSTRALIA.
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

System CYPHER-O.T.P.	No. 15	Date: February 7, 1953.
Priority	<p><u>Reference:</u> Your telegram No. 15 of February 3.</p> <p><u>Subject:</u> Modification of Orders to the United States 7th Fleet.</p> <p>Prime Minister has sent cable to the Australian High Commissioner in London setting forth the Australian views on this subject. External Affairs Department suggest that you obtain copy from Forde to whom the message was repeated.</p> <p style="text-align: center;">-----</p>	
Departmental Circulation MINISTER UNDER/SEC D/UNDER/SEC A/UNDER/SEC'S		
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AIR BAG

HRH/JS

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Original in 57293-48

OTTAWA FILE

No. ... *500567A-40*

77/77

SECURITY CLASSIFICATION

RESTRICTED

Despatch No. *332*

Date. February 7, 1953.

file 77

FROM: THE HIGH COMMISSIONER FOR CANADA, LONDON

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference. Our despatch No. 317 of February 6.

Subject: Formosa - press comment

It cannot be said that there has been any furor in the British press over the decision of the new United States Administration to amend the order to the Seventh Fleet.

2. The initial reaction of The Times has already been reported to you in our telegram No. 192 of February 3. Today The Times thought it necessary to make a strategic appreciation since Mr. Eisenhower's decision had so far been debated almost entirely in its political aspects. The Times thought that Mr. Eisenhower had probably puzzled the Chinese and that if the bulk of the United Nations forces in Korea had to fight their fiercest battle in the spring they would benefit from any cloud of mystery that could envelop Formosa.

3. From this point onwards The Times appeared to entertain certain vague doubts about attacks from Formosa itself. It pointed out that Formosa would probably have fallen into Chinese Communist hands (as the American authorities had expected in 1949) had it not been for the war in Korea. The State and Defence Departments in Washington were now agreed that Formosa must in no circumstances fall into Communist hands. Although the Nationalist forces were better equipped and trained than in 1950 they would need to be replaced if they were expended yet replacements could not easily be found by General Clark.

4. The Economist of February 7 thought that any change in the Far Eastern situation was bound to cause inflated hopes in the United States and exaggerated fears in Europe. In fact, however, neither decisive operations nor mortal dangers were to be expected from the kind of pinpricks that the Chinese Nationalist forces would be able to make. Mr. Eisenhower's decision really left the military situation very much where it was for raids against the mainland had been going on for some time.

5. In view of the state of American opinion, apart perhaps from that of the American Chiefs of Staff, The Economist expressed relief at the little that President Eisenhower had suggested in the way of new action. As a piece of sabre rattling it could hardly be milder.

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Washington

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6. Where opinion in the United Kingdom and elsewhere in Europe is concerned, The Economist thought that Mr. Eisenhower's mistake in the eyes of moderate critics was to have done so soon the kind of thing that immoderate opinion had been saying the Republicans would do sooner or later. Many people in Europe and Britain had the curious conviction that to resist aggression in Korea was right but to be tough with Communist China was wrong. Much of the alarm in the House of Commons was caused by the realization that attempts to conciliate Peking had proved futile and that President Eisenhower now believed the Chinese would be brought to terms only if they were weakened and worried by the kind of cold war methods used by themselves.

7. Here, thought The Economist, was the root of the matter: would the President's action hasten or delay the end of the Korean war? It was impossible to be certain. If the Chinese took the threat from Formosa seriously there might be a diversion of Chinese troops, but the diversion would be important only if the United Nations Command were planning a decisive offensive in Korea itself. Either, therefore, the Americans intended to make a serious business of the Nationalist raids or they intended to leave the Nationalists to do what they could with their own limited resources. Neither course offered a clear military advantage and both had the disadvantage of causing such vocal and visible differences between the United States and its allies that the Chinese and the Russians might well be encouraged to be more stubborn. This was precisely the point that Mr. Eisenhower and Mr. Dulles seemed to be disregarding.

8. But, concluded The Economist, the principle of the united front in psychological warfare had to be remembered in London and Paris as well. The President had to do something and his decision would not be reversed. The British aim should now be to make the best of a bad job and the first thing was to convince American opinion that their allies in Korea are doing everything they can to combat Communism and are not resigned to perpetual stalemate. It was also important that the American effort in Asia should be shown in its true proportions in relation to the French and British efforts in Indo-China and Malaya. The lesson of this Formosa incident was that it would be less necessary for President Eisenhower to appease opinion at home if the allies of the United States did more to impress it.

(Signed) H. R. HORNE

High Commissioner

P
Y

FROM: External, Canberra PRIORITY
TO: Crotonate, London (repeated to Austcom, Ottawa)
DATE: 6th February, 1953.
NO. 353
SX SECRET

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No. 353. SECRET. For High Commissioner from Prime Minister, Formosa.

Australian press has suggested that Government has welcomed Eisenhower's announcement in his State of the Union Message that the Seventh Fleet will no longer act as a shield for Communist China. Press alleges that this welcome has been due to our assessment that withdrawal of ban on Nationalist operations would cause Chinese Communists to redispense their forces. Press has also suggested that Government has criticized United Kingdom attitude.

2. In order to make clear our position, please inform United Kingdom Government as follows.

3. It was clear from timing and terms of the notice to our Embassy in Washington regarding President's intention that United States decision to modify its policy was unlikely to be affected by any representations which we or others might make. However, (in any event) withdrawal of the ban on Nationalist operations would not in itself lead to any immediate major operations from Formosa. It seemed to us that public controversy could achieve no useful purpose and might well damage mutual confidence, arising as it would out of one of Eisenhower's first policy actions. In their public statements the Prime Minister and Minister for External Affairs have therefore stressed fact that Seventh Fleet was not at disposal of United Nations but was under direct command of United States Government.

4. United Kingdom Government will have noted, however, that Prime Minister in his statement yesterday mentioned that if the practical effect of American action were to extend hostilities, we would have a very material interest. It was ~~was~~ longer range implications which we felt should be examined urgently with United States Government and before President's message was delivered we instructed Australian

Done
9 Feb
MK

Ambassador in Washington to seek from State Department fullest information as to various possibilities this new situation might hold for United States and for others. State Department informed Ambassador that since Chinese could not engage in any substantial activities against mainland of China without a great deal of assistance from United States, Chinese Nationalist Government would, in practice, have to get United States consent for any large scale attack on mainland. It was implied that such consent would not necessarily cover small raids but a senior State Department official gave as his personal view that United States Government would keep Nationalists from doing anything "exciting" and that Chiang Kai-Shek would not embark on any major venture without consulting United States.

5. We thus have some limited assurance that United States does not intend to encourage Nationalist Government to take kind of action which might result in extensive hostilities between Nationalists and Chinese Communist Government and into which United States might be drawn. We, ^{are} of course, concerned at reactions in India, Indonesia and elsewhere in Asia. We are also concerned at other related action which United States might take or propose, such as use of Chinese Nationalist forces in Korea. We are giving consideration to an approach to United States to discuss such related questions and would welcome views of United Kingdom.

Ext. 180 C

AIR BAG

HRH/js

DUPLICATE

Original on 50293-40

OTTAWA FILE

No. *50056-A-40*

Despatch No. *317*

Date *February 6, 1953*

SECURITY CLASSIFICATION

RESTRICTED

FROM: THE HIGH COMMISSIONER FOR CANADA, LONDON

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference... *Our telegram No. 202 of February 4*

Subject: *Formosa*

As foreshadowed in paragraph 3 of our telegram, the official Opposition in the Commons Debate on February 5 argued that there should and could have been consultation before the new orders to the Seventh Fleet of the United States Navy were decided upon and announced, and that Mr. Churchill may have discussed Formosa on his American visit or have had some reason to believe that Mr. Eisenhower and Mr. Dulles were contemplating some such policy.

2. Mr. Herbert Morrison, who presented the case of the official Opposition, was on the whole moderate and reasonable within the limits of his argument. He disavowed any desire to befuddle or endanger Anglo-American relations and stressed the great importance of firm, friendly and close co-operation between the United Kingdom and the United States in promoting the peace, security and well-being of the world. He also denied that the Opposition misunderstood American feelings or that they sympathized with Communist aggression. But President Eisenhower had said that mutual security meant mutual co-operation and this surely meant mutual consultation between active partners for the promotion of good policies. The method which had been pursued in the case of Formosa was hardly consistent with that declaration.

3. Mr. Morrison tried without success to coax Mr. Churchill into disclosing what had been said in New York. He argued that Mr. Churchill's visit must be regarded as official and that as a matter of Parliamentary decency and constitutional propriety Mr. Churchill should tell the House whether he had discussed Formosa with Mr. Eisenhower or Mr. Dulles or whether he had asked that there would be effective consultation with the United Kingdom Government before any change in Formosa policy was announced.

4. On the substance of Mr. Eisenhower's decision Mr. Morrison thought that there was an absence of recognition that there were large and complicated political issues and consequences implicit in Mr. Eisenhower's statement that any military solution to the Korean war would inevitably affect certain other areas. Nor was there any recognition that the effective Government of China in office could not permanently be unrecognized

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by the nations of the world and kept outside the United Nations. Noting perhaps the inconsistency between the cool reception given by the Labour Government to Mr. Truman's original order for the Seventh Fleet and the present anxieties of the Labour Opposition about Mr. Eisenhower's decision, Mr. Morrison said that, although the late Government had had their doubts about Mr. Truman's policy, there was much to be said for his action as time went on: it had limited the possibility of trouble between the Chinese mainland and Formosa and had been a contribution to the maintenance of peace in the Far East. President Eisenhower had announced a vital change of policy with what appeared to be almost an incitement to Chiang Kai Shek to attack the mainland in strength with an implied undertaking that the United States Navy would not interfere. The Chinese Nationalist forces had received great assistance from the United States and there could be an attack upon the mainland in strength. The consequence of such an attack would be, first, the risk of spreading the war in Korea, on which there had been common policy between the Truman Administration and the United Kingdom Government, and secondly, there was the question of what the United States would do if the Chinese Nationalists got into difficulties or were defeated. If the United States became directly involved in warlike activities against the Chinese mainland or against Chinese naval forces it would be wrong for British forces to become likewise involved. The United Kingdom, moreover, could tolerate no interference with British shipping. //

5. As was also expected, the Labour left wing adduced rather wilder arguments than its own front bench. Mr. Crossman argued that the way in which this issue was handled would set the standard for Britain's relations with the new United States Administration. If it were handled with strength and determination the unfortunate attempt to act unilaterally might not be repeated, but if the Foreign Secretary weakened, the new Administration might well adopt the principle that the difference between itself and Mr. Truman's Administration was that they told their allies whereas the Truman Administration had asked their allies' advice. The United Kingdom should now announce that it opposed the presence of Chiang Kai Shek's representative on the Security Council. If the present policy were not resisted now the United States would be sending armed Japanese onto the Chinese mainland.)

6. We should also add that Mr. Crossman made some attempt to understand American policy. He ascribed Mr. Eisenhower's decision to requirements of domestic policy and thought that the United Kingdom should be grateful that this was all the price that Mr. Eisenhower and Mr. Dulles had had to pay to settle with Senator McCarthy and the China Lobby. The United States had done something irresponsible but not mortally dangerous.

7. Mr. Eden in reply pointed out that Mr. Morrison had overlooked the fundamental difference between the circumstances of today and those when the original order to the United States Seventh Fleet had been made. Since that order had operated, China had become an aggressor in North Korea. The thought that the United States Navy was acting as a screen in protection of the Chinese People's Republic dominated American opinion and was an argument which could not be resisted whatever thoughts the House might have. ✓

8. Mr. Eden indicated that he had discussed this matter with Mr. Dulles in London and was convinced that Mr. Eisenhower's statement that the new order to the Seventh Fleet implied no aggressive intent on the part of the United States clearly stated the American attitude. The Government felt confident that they would develop the type of collaboration with the United States Administration which would make it impossible for any action which could have far reaching international reactions to be taken without having an opportunity of expressing views beforehand. He said he had chosen his words carefully and entirely on his own responsibility since no commitments could be entered into by Mr. Dulles on his present journey.

9. On the subject of Mr. Churchill's visit to the United States, Mr. Eden said that the Government had received an unofficial indication that the new Administration might at some time alter the orders to the Seventh Fleet. As a result of this the matter had been put in the notes given to Mr. Churchill before his departure. The results of Mr. Churchill's conversations had been reported to the Foreign Office but as Foreign Secretary he could not give any account of them since they were all private and confidential talks with people who had then no official position. All this did not affect the main issue which was that when the new Administration had stated what it proposed to do, the Government had made known its concern.

10. This debate was held on a Government motion for the adjournment and the Opposition did not divide the House.

for (Signed) H. R. HORNE
High Commissioner

Ext. 182 C

DUPLICATE

Original 50293-10

OTTAWA FILE
No. *50056-A-40*

77/77
SECURITY CLASSIFICATION
Confidential

Letter No. *259*.....

Date.. February 6, 1953.....

FROM: P. G. R. Campbell, Canadian Embassy, Washington, D.C.

TO: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference.. Attention: C. A. Ronning, Head of the Far Eastern Division.

Subject:... MODIFICATION TO PRESIDENTIAL ORDER TO THE 7TH FLEET
REGARDING FORMOSA.....

Henry Brandon, Washington correspondent for the London Sunday Times, who has some reliable connections both at the State Department and the Pentagon, told me that the Joint Chiefs of Staff were not told about President Eisenhower's final decision regarding the new order to the 7th Fleet until Friday morning, January 30th, (the day when the decision was conveyed to Commonwealth embassies). According to Brandon the Joint Chiefs were rather disgruntled at this.

2. Presumably the matter was discussed by the National Security Council and the Joint Chiefs of Staff would have been aware of this. The reported manner of their learning the final decision, however, might lend weight to the belief that more significance was attached to the psychological aspects of the order than to the practical military results.

3. Tomlinson, of the British Embassy, told me that General Bradley, asked by one of the British military staff for his reaction to the Formosa decision, described it cryptically as "eyewash". This seems to give credence to Brandon's story, which I notice is also referred to by Marquis Childs in this morning's Washington Post. General Bradley's reported reaction anyway is in accord with his well-known views about the undesirability of becoming militarily involved in China (cf. his statement at the MacArthur hearings about the "wrong war in the wrong place at the wrong time").

P. G. R. Campbell.

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*Under Secy W
We should be
careful to keep
Australians informed
about our own
this subject P.M.*



*Mr. [unclear] DUSSEA
Commonwealth Div.
Far Eastern Division
See Minister's
comments*

Noted
H.K.

OFFICE OF THE HIGH COMMISSIONER
FOR THE COMMONWEALTH OF AUSTRALIA,
OTTAWA.

SEEN
L.B. PEARSON
SECRET

6th February, 1953.

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To	To
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Dear Mr. Pearson,

I am forwarding for your information a copy of a telegram dated 6th February, despatched by the Australian Prime Minister to the Australian High Commissioner in London. The telegram sets out the Australian Government's views, which have been misrepresented in some sections of the press, regarding President Eisenhower's announcement in his recent State of the Union Message that the United States Seventh Fleet would no longer restrain Nationalist Chinese assaults on the mainland of China.

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Yours sincerely,

J. M. Forde
(High Commissioner).

The Honourable L. B. Pearson, O.B.E.,
Secretary of State for External Affairs,
OTTAWA, Canada.

*7.7.24(us)
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EXTERNAL AFFAIRS

Statement by the Minister regarding Formosa, in the House
of Commons, February 5, 1953

On the orders of the day:

Hon. L.B. PEARSON (Secretary of State for External Affairs): Mr. Speaker, on Monday last the hon. member for Vancouver East (Mr. MacInnis) addressed a question to the Prime Minister on that part of President Eisenhower's address to congress on the state of the union which concerned Formosa. In replying at that time the Prime Minister indicated that more information might be available later in the week when it was hoped that a discussion on external affairs would take place. That discussion cannot I think now take place until next week, and I would therefore like to give information supplementary to that which was given by the Prime Minister on Monday.

I have had an opportunity, as have hon. members, since Monday of studying the text of the statement by the President of the United States to which I have referred. In that statement, as hon. members know, the President announced the modification of the presidential order to the seventh fleet issued by his predecessor on June 27, 1950. That order, which was given, as the house will recall, shortly after the aggressive attack on South Korea, was in the nature of an instruction to the United States seventh fleet both to prevent any attack upon Formosa from the mainland, and also to ensure that Formosa should not be used as a base of operations against the Chinese communist mainland.

The order was issued of course before the large-scale intervention by Chinese communist forces in Korea, and its objective was to neutralize Formosa in order to limit the hostilities arising out of the aggression of June 25, 1950 on the Korean peninsula.

As the Prime Minister indicated Monday, the original order was an action taken on the sole responsibility of the United States Government, just as the recent action modifying it with respect to what the president has termed the employment of the seventh fleet to "shield communist China" was taken on the sole responsibility of the United States Government. That, however, does not make the matter one of little or merely indirect interest to other countries, including Canada.

With respect to the position of the Canadian government, while we remain resolved to carry out our United Nations obligations in Korea, we do not think that the defence of Formosa, which has not been assumed by the United Nations, should be confused with the defence of Korea, which has. As I have mentioned on several occasions in the house, on May 15, 1951, on May 22, 1951, and on April 1, 1952,

our consistent position has been that this island should be neutralized, so far as that is possible, while hostilities continue in Korea. Our view has been that the final disposition of Formosa should be a subject to be discussed at a conference on Far Eastern problems which should be held when the fighting ceases in Korea; and we strongly supported the statement of principles approved by the political committee of the fifth United Nations general assembly which specifically provided for such a conference. In any decision regarding the future of Formosa, the wishes of the people there would naturally be a primary consideration.

In considering the possible effects of this recent action by the United States Government, I should emphasize that on Far Eastern issues, as on other questions in which we are both concerned, the fundamental and long-term aims of Canada and the United States are similar, although naturally we may differ on occasions in our approach to specific issues and as to how these long-term aims can best be achieved.

Canadians of course know President Eisenhower well. They feel a deep gratitude for the services he has already rendered the free world, and have full confidence, I am sure, in his peaceful and constructive purposes. And I am convinced that one of these purposes - as it is the purpose of this government and this parliament and our country, and the purpose of the other governments who are now engaged in Korea - is to end and not to extend the Korean war.

It should also be noted that in his statement President Eisenhower stated clearly that "This order implies no aggressive intent on our part." Nor should we, I think, assume that because of this order any large scale operations in the near future are likely to be undertaken by Chinese Nationalist forces on the mainland. The order does, however, rescind that part of the original order by which the United States seventh fleet would prevent any such operations.

The original order did give, I suppose, to the Communist forces in China a feeling of immunity from attack from Formosa, and this has become increasingly unacceptable to the people of the United States, as the Chinese Communists have continued their aggression in Korea and only recently rejected a resolution, approved by the present United Nations general assembly which could have ended the war there on acceptable terms. The United States Government has, therefore, found it necessary to take action to alter a situation which was considered to have no longer its original justification.

It is no doubt hoped that this change may keep more Chinese communist forces in China and hence have an advantageous effect on United Nations operations in Korea.

It would of course be another matter, as hon. members will be aware, if Chinese Nationalist raiders or invading forces were escorted or protected in their operations by the armed forces of other United Nations governments. We have no reason to believe, however, on the basis of any information available to us that any such development will take place, the consequences of which would be far-reaching.

We are not of course committed by, though naturally we are concerned with, the action taken in Washington in connection with this matter. The government will follow developments with the closest possible attention and take appropriate action to make our views known if and when the occasion so warrants. Meanwhile, I think it would be unwise and premature to jump to dogmatic or critical conclusions concerning the step taken by the United States Government, and announced in a statement by President Eisenhower, which contained so much that was wise and heartening to us all.

Mr. MacINNIS: May I ask a supplementary question. First, can the Secretary of State for External Affairs tell the house when a debate on this subject will be undertaken, whether the government was kept informed of this contemplated action on the part of the United States, and whether the government has been informed of any other action, in addition to this, in the same area?

Mr. PEARSON: So far as the first question is concerned, it is hoped that a discussion on external affairs may take place in the early part of next week, perhaps Monday or Tuesday. Replying to the second question, as the Prime Minister (Mr. St. Laurent) indicated last Monday, we were informed as a matter of courtesy about this United States unilateral action before it took place. We were informed on Friday last that this paragraph had been prepared for the President's message. We have no information about any possibility or likelihood of any subsequent action being taken by the United States Government.

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FROM: THE HIGH COMMISSIONER FOR CANADA, LONDON, ENGLAND
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

System CYPHER-AUTO	No. 202	Date: February 4, 1953.
Priority	Reference: Our telegram No. 197 of February 3.	
Departmental Circulation	Subject: Formosa.	
MINISTER UNDER/SEC D/UNDER/SEC A/UNDER/SEC'S	<p>Mr. Eden's statement that the government had made known its concern in Washington received the full support of the House and drew much of the sting from opposition criticism. The opposition had alleged that the American decision had created a new situation in the Far East. In the House their questions revolved chiefly around the issue of consultation. They suggested that the government's representatives in Washington had been made by a junior officer and in the absence of Mr. Dulles. They pressed Mr. Churchill to give any information about what had taken place in this matter during his recent visit to the United States. Finally, they pressed Mr. Eden to discuss the matter with Mr. Dulles who arrived in London yesterday.</p> <p>2. Churchill declined to disclose the substance of what he called his private and confidential talks in the United States. Eden agreed to discuss with Dulles what action, if any, would follow from the American decision.</p> <p>3. The government finally agreed to a debate on February 5. Judging from what has happened, the opposition line may be (a) that the United States Government has created a new situation without undertaking adequate consultation with its allies (b) that Mr. Churchill may have got wind of the change last month and had either agreed to it or let it go by default. The Labour Left Wing may also raise the ghost of what the new statesman called "McCarthy-McArthurism". Mr. Gaitskell indeed suggested yesterday that one of the most regrettable features of the matter was the harm that might be done to Anglo-American relations.</p>	
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OFFICE OF THE HIGH COMMISSIONER
FOR NEW ZEALAND
OTTAWA, CANADA

SECRET

3 February 1953

File 77
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Mr Wilson
Mr Rimmer
Hart
CR

Dear Bert:

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PBE

As promised yesterday, I set out the terms of the New Zealand comment on the decision of President Eisenhower that the Seventh United States Fleet will no longer shield the Chinese mainland from Nationalist attacks:

Our preliminary reaction to this change of policy is one of misgiving since we fear the effect may be to broaden rather than restrict the area of conflict with China. In return for a very doubtful military advantage it will, in our view, increase Chinese hostility and very probably Chinese resistance so that the United Nations objective of an early settlement in Korea will be retarded rather than expedited. Moreover, the Chinese may feel disposed to retaliate by intervention in Hong Kong. Our present feeling is that we should record regret at the decision on the grounds that it will prove prejudicial to the United Nations aims in Korea and to the early attainment of a final settlement in the Far East.

I should perhaps add that I interpret this as a preliminary statement of the New Zealand Government's views and the action which the Government takes will no doubt be guided by the attitude of other Commonwealth governments. I will let you know of any developments and would very much appreciate information from you if Mr. Pearson decides to make any representations to the United States.

Yours sincerely,

Ray Perry
Official Secretary.

R. A. MacKay, Esq.,
Assistant Under-Secretary of State
for External Affairs,
Department of External Affairs,
O t t a w a.

I gave Mr Perry a copy of the statement put forward for the Prime Minister, and said it was unlikely that the Govt. would make any representation to the U.S.

noted thanks with W

RAM

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FROM: THE HIGH COMMISSIONER FOR CANADA, LONDON, ENGLAND
 TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

System CYpher - AUTO	No. 196	Date: February 3, 1953
Priority MOST IMMEDIATE	Reference: Your telegram No. 151 of February 2.	
Departmental Circulation MINISTER UNDER/SEC D/UNDER/SEC A/UNDER/SEC'S	Subject: Mr. Eden's Statement on Formosa.	
Done _____ Date _____	<p>We were on the point of sending you an advance text when, owing to last minute misgivings in the Foreign Office, a hurried conference was held at the House just before Mr. Eden was due to speak. Since this meant that Mr. Eden might make some changes, the Foreign Office have made it pretty clear to us that they would prefer the advance text to be checked against delivery.</p> <p>2. The general line of the advance text was that, on being informed in advance of President Eisenhower's decision, the United Kingdom Government had expressed their concern that the political repercussions would be without compensating military advantages. Mr. Truman's neutralization of Formosa had, however, been a unilateral act before Chinese intervention in Korea.</p>	
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W. Carter

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3 FEB 1953

FROM: THE HIGH COMMISSIONER FOR CANADA, LONDON, ENGLAND

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

file on 50056-A-40 RBE

System CYPHER - AUTO	No. 191	Date: February 3, 1953
Priority IMMEDIATE	<u>Reference:</u> Your telegram No. 151 of February 2. <u>Subject:</u> Mr. Eden's statement on Formosa.	
Departmental Circulation MINISTER UNDER/SEC D/UNDER/SEC A/UNDER/SEC'S <i>Done JHS</i>	Mr. Eden returns to London from Scotland this morning and no statement has yet been drafted. We expect to have word the moment when a draft is approved.	
<i>Refer</i> <i>SSEA (The Rec)</i> <i>USSEA</i> Done _____ Date _____ <i>PR's Office</i> <i>UN Div</i>	-----	
<i>Done Feb 3/53</i> <i>Bm</i> References <i>The Ritchie</i> <i>Mr MacKay</i> <i>Commonwealth</i> <i>Press office</i> <i>MC</i>		
Done _____		
Date _____		

MESSAGE FORM OUTGOING

File No. <u>50293-110</u>	
<u>76</u>	<u>76</u>

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO: THE CANADIAN EMBASSY, WASHINGTON, D. C.

file on 50056-A-40 RBE

Message To Be Sent		Date	For Communications Section Only
AIR CYPHER	No. <u>EX-184</u>	February 3, 1953	SENT -- FEB 3 1953
EN CLAIR			
CODE			
CYPHER			
Priority	REFERENCE: Your telegrams Nos. WA. 252, WA. 259 and WA. 260 of January 30 and February 2, respectively.		
IMPORTANT <i>R</i>	SUBJECT: Modification of Orders to the United States 7th Fleet.		
ORIGINATOR	COMMUNICATIONS PLEASE REPEAT THIS TELEGRAM TO THE FOLLOWING:		
(Signature)	LONDON No. <u>157</u> , NEW YORK No. <u>56</u> , TOKYO No. <u>18</u>		
H. H. Carter / MB	NEW DELHI No. <u>32</u> , KARACHI No. <u>23</u> , CANBERRA, No. <u>15</u>		
(Name Typed)	WELLINGTON No. <u>18</u> , PARIS No. <u>56</u>		
Div. Far Eastern	Following from the Under-Secretary. BEGINS.		
Local Tel. 7859	Yesterday (February 2) the Prime Minister made the following statement on this subject in the House. Text Begins:		
APPROVED BY	It will be appreciated that the government have not had an opportunity to study the text of President Eisenhower's announcement regarding the modification of the order to the seventh fleet, as this announcement was made only about an hour ago. I may say, however, that the presidential order to the seventh fleet, issued on June 27, 1950, was made on the sole responsibility of the United States government. The modification of the order announced today by President Eisenhower is also made on the sole responsibility of the United States government. Late Friday last, the Canadian embassy was informed about the forthcoming statement to be made by President Eisenhower, but it was not suggested that we should express our views about it. The Canadian Ambassador, Mr. Wrong, arrived in Ottawa this morning. He is here on a		
(Signature)			
G. A. Ronning			
(Name Typed)			
Internal Distribution:			
S.S.E.A. U.S.S.E.A.			
United Nations Div.			
American Div.			
Defence Liaison I			
Done			
Date: Feb 5/53			
Copies Referred To:			
Chairman, Chiefs of Staff			
Sec. to Cabinet			
Prime Minister's Office			
DMI			
DAI			
DNI			
Press Office			
Done			
Date: Feb 5/53			
Ext. 97 (Rev. 1/52)			

- 2 -

visit which had been arranged before this incident occurred. Advantage will be taken of his presence to discuss this matter and its background more fully. Text Ends. MESSAGE ENDS.

UNDER-SECRETARY OF STATE
FOR EXTERNAL AFFAIRS.

Ext. 182 C

DUPLICATE

Original on 50293-40

OTTAWA FILE

No. 50056-A-40

77/77

SECURITY CLASSIFICATION

Unclassified

Letter No. 225.....

Date February 3, 1953.....

FROM: P. G. R. Campbell, Canadian Embassy, Washington, D.C.

TO: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference.....Attention: G. A. Roming, Head of the Far Eastern Division

Subject:...MODIFICATION TO THE INSTRUCTIONS TO THE 7th FLEET.....
regarding Formosa

You may be interested in the enclosed articles from the Washington Post editions of February 2nd and 3rd. In general press reaction to the Formosa decision has been calm and appears to accept the Administration's contention that no major military results are likely to flow from it in the near future.

P. G. R. Campbell.

Copies Referred
To.....
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No. of Enclosures
.....2.....

Post File
No.....

3rd Draft
LLB P 1

file on 50056-A
February 3, 1953.

STATEMENT ON FORMOSA
FOR USE IN THE HOUSE OF COMMONS

file 76	
50293-40	AK
76	

I have had the opportunity of studying the text of the statement made by President Eisenhower concerning Formosa in the course of his State of the Union message delivered yesterday, in which the President announced the modification of the Presidential order to the Seventh Fleet issued by his predecessor on June 27, 1950. That order, which was given, as the House will recall, shortly after the aggressive attack on South Korea and was in the nature of an instruction to the United States Seventh Fleet both to prevent any attack upon Formosa from the mainland, and also to ensure that Formosa should not be used as a base of operations against the Chinese Communist mainland. ~~President Truman issued the order in the following announcement:~~ In issuing the original order, President Truman made the following announcement:

"...The occupation of Formosa by Communist forces would be a direct threat to the security of the Pacific area and to United States forces performing their lawful and necessary functions in that area. Accordingly, I have ordered the Seventh Fleet to prevent any attack on Formosa. As a corollary of this action, I am calling upon the Chinese Government on Formosa to cease all air and sea operations against the mainland. The Seventh Fleet will see that this is done..."

This order was issued before the large-scale intervention by Chinese Communist forces in Korea and its objective was to neutralize Formosa in order to limit the hostilities arising out of the aggression of June 25, 1950 to the Korean peninsula.

...

As the Prime Minister indicated yesterday, the original order was an action taken on the sole responsibility of the United States Government, just as the recent action modifying it with respect to what the President has termed the employment of the Seventh Fleet to "shield Communist China" was taken on the sole responsibility of the United States Government.

With respect to the position of the Canadian Government, it should be emphasized that we are concerned solely with carrying out our United Nations obligations in Korea. We must not confuse the defence of Formosa, which has not been assumed by the United Nations, with the defence of Korea, which has. As I have mentioned on several occasions, the Canadian Government has assumed no special obligation for the defence of Formosa, and our consistent position has been that this Island should be neutralized, so far as that is possible, while hostilities continue in Korea. Our view has been that the final disposition of Formosa should be a subject to be discussed at a conference on Far Eastern problems which should be held when the fighting ceases in Korea; and we strongly supported the Statement of Principles approved by the Political Committee of the United Nations General Assembly, which specifically provided for such a conference. Wishes of people of Formosa important.

...

3.

In considering the possible effects of this decision of the United States Government, I should emphasize that on Far Eastern issues, as on other questions in which we are both concerned, the fundamental and long-term aims of Canada and the United States are similar, although naturally we may differ on occasions in our approach to specific issues and as to how these long-term aims can best be achieved.

We know President Eisenhower well and we have full confidence in his purposes. I am convinced that it is the aim of the United States Government, as it is the aim of this Government and of the other Governments who are now engaged in Korea to end and not to extend the Korean war. The House will recall that in making his statement yesterday, the President stated clearly that "this order implies no aggressive intent on our part". (Quote message - WA-260, February 2).

No reason to believe that this means any particular operation, certainly any large scale operation in the near future likely to be undertaken by Nationalist forces.

It does remove the order to U.S. fleet preventing any such operation - issued in 1950 - circumstances different then.

Since Chinese Communists refused to stop aggressive action - latest evidence in U.N. Resolution on POW's.

...

4.

This prohibition gave, I suppose, certain security to Communists in China - a state of affairs increasingly unacceptable to people of U.S., and hence U.S. Government has taken action to alter situation.

No reason to believe actual situation likely to change, but removal of this prohibition may keep more Chinese forces in China and hence effect U.N. operations in Korea.

Would be another matter if Chinese Nationalist raiders were escorted or assisted by other U.N. governments.

No reason to believe that this would happen; certainly Canadian Government would not participate in or recommend such action in present circumstances, as it might obviously extend the war to the continent of Asia, and would certainly be intervention in civil war on that continent.

However, it is too soon to foresee the advantages or disadvantages or even the implications of this action by the United States Government. The views of the Canadian Government on the objectives of the Korean war have in no way changed; nor have we abandoned the hope that the Indian resolution which might have made possible an armistice in Korea may not at some stage become the basis of a Korean settlement. We are not, of course, committed by, though naturally we are interested in, the recent decision which modifies the original Presidential order with respect to Formosa. We shall

5.

follow developments with the closest possible attention and take appropriate action to make our views known whenever the occasion so warrants.

February 3, 1953.

FILE COPY

MEMORANDUM FOR MR. RAE, MINISTER'S OFFICE

Status of Formosa.

File 77
50056-A-40
50223-100
77
file on 50056-A-40
RBE

The statement issued by the Big Three at the Cairo Conference on December 1, 1945, stated that, "...all the territories Japan has stolen from the Chinese, such as Manchuria, Formosa and the Pescadores, shall be restored to the Republic of China."

2. The Potsdam Proclamation of July 26, 1945, stated (Article 8): "The terms of the Cairo Declaration shall be carried out and Japanese sovereignty shall be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and such minor islands as we determine."

3. Under Article 2 of the Treaty of Peace with Japan, which Canada has ratified, Japan renounced "all right, title and claim" to Formosa; but the Peace Treaty did not specify to whom sovereignty over Formosa should be transferred. (The difficulty, of course, arises from the claims of the two rival governments of China).

4. On April 1, 1952, in the House of Commons, the Minister discussed this matter:

"...At the moment we in the United Nations are pledged at least to try to make peace with Communist China over Korea; and negotiations for the first stage of making peace, the armistice stage, are now under way. That is what we are trying to do. Then if we are successful in the first stage we are pledged to discuss other Far Eastern questions. We have taken that pledge in the United Nations. Should we now say that we will never allow Formosa to go back to Peking, if they do not throw out their present government in China? Should we say that, especially when we have subscribed to international agreements recognizing Formosa as part of China, and when we recognize that now sovereignty legally resides in China? I suggest that that would be rigid, dead-end diplomacy, and not very wise diplomacy to follow at this time in this matter?..

"...Ultimately, of course, Formosa must be a question of international discussion and decision, preferably through the United Nations, as the Secretary of State for the United States has already intimated.

"In such a discussion, which I suppose must come ultimately, there are certain factors which should be taken into consideration by those responsible. The first--and possibly the most important factor of all, though it is very often overlooked--in our discussion of this matter is that the views of the Formosan people themselves should be taken into consideration. They are a people who have not known national freedom, who are in many ways quite separate from the Japanese and Chinese and who have ruled over them. Second, consideration should be given to the character and policies of the government or governments of China which may be in power at that time. Fourth, of course, we cannot overlook the fact I have just mentioned, that legally Formosa is part of China. Both Chinese governments insist on that. It is about the only matter on which they are united. The dispute is over which government shall control Formosa."

5. On May 22, 51, the Minister made an important statement on Formosa in the Standing Committee on External Affairs of the House of Commons:

"...The Formosan problem--I suppose we can call it that--is a very real one. The Declaration of Cairo which was drawn up in 1943 said that Formosa should, as a part of the peace settlement, be returned to China. Those countries which signed the Declaration of Cairo, and those who gave acceptance to it afterwards--we indicated at that time in Canada our approval of that declaration, again because of facts as they were in 1943--said that Formosa should become a part of China in the peace settlement...

"At the beginning of the North Korea attack the United States Government said that in order to protect the flank of the United Nations forces against the aggressors, Formosa would have to be neutralized in this conflict. Therefore they extended the protection of the United States Seventh Fleet to the waters around Formosa and they also--I am not sure in what form it was done--tried to make sure that the Nationalist army in Formosa would not provoke a new struggle by action against continental China.

"As the hostility of the Chinese communist government to United Nations action in Korea became more implacable and more aggressive and expressed itself in military action, so the position of certain other states in regard to the disposition of Formosa began to harden; and it is now felt in some quarters that Formosa cannot be returned to any Chinese government as a result of any settlement, if that Chinese government is unfriendly and hostile to the free democracies.

"I think, without going into the merits of the case one way or the other, Mr. Chairman, it is correct to say that our policy as a government has been to avoid any action, even from Formosa, which would extend the conflict into China but at the same time, to realize that while the Chinese communists are taking aggressive military action in Korea, it is not possible even to consider turning over of Formosa to them.

"I am not prepared to say anything about the eventual solution at this time. I hope possibly in that eventual solution some people who are now overlooked in this matter, I mean the people of Formosa themselves, might be given some consideration. I do not know what they would decide if they were asked what they wanted to do. I suspect, however, that their decision might be a surprising one."

6. The Minister has on several occasions expressed the Canadian view that the final disposition of Formosa should be the subject of an international conference on Far Eastern problems, to be held when the fighting ceases in Korea. For example, he stated in the House on May 15, 1951:

"The policy of the Government of Canada in regard to these matters has been made clear more than once in this House, outside this House and at the United Nations...I would repeat...because I think it describes in a nutshell our policies in regard to these matters--the last paragraph of the statement of principles adopted by fifty-two members of the United Nations, including the United States of America. It deals with the Far East problem in general, Formosa and recognition in particular. We are bound by this paragraph because we accepted this statement of principles. The last paragraph read as follows:

'As soon as agreement has been reached on a cease-fire, the General Assembly -

That is, the General Assembly of the United Nations -

- shall set up an appropriate body which shall include representatives of the Governments of the United Kingdom, the United States of America, the Union of Soviet Socialist Republics, and the People's Republic of China, with a view to the achievement of a settlement, in conformity with existing international obligations and the provisions

- 4 -

of the United Nations Charter, of Far Eastern problems, including among others those of Formosa (Taiwan) and of representation of China in the United Nations.' "

Far Eastern Division.

Far Eastern/H.H. Carter/mbm

February 3, 1953.

SECRET

MEMORANDUM FOR MR. MACKAY

Documents for Cabinet.

Modification of Orders to the United States Seventh Fleet.

50067-40
For File to
50293-40
file on 50056-A-40
RBE

In his "State of the Union" message on February 2, President Eisenhower announced the decision of the United States Government to modify the Order to the Seventh Fleet issued by President Truman on June 27, 1950, which had instructed that fleet to prevent both an attack on Formosa and operations by the Chinese Nationalist forces against the mainland. The effect of this new decision by the United States is to remove the previous interdiction against operations by the Chinese Nationalist forces. President Eisenhower said that the Seventh Fleet should no longer be employed to "shield" Communist China in view of that government's intervention in the Korean war and its repeated rejections of proposals to compromise the prisoners of war issue - including the one sponsored by India at the recent session of the U.N. General Assembly. He emphasized, however, that this new decision by the United States did not imply any aggressive intentions on the part of that Government. Our understanding from our Embassy in Washington, which was given advance information on this subject on Friday, January 30, is that the Seventh Fleet's instructions to prevent an attack upon Formosa will continue to stand (although this was not made precisely clear in President Eisenhower's announcement). The United States Government has acted unilaterally in this matter as it did when President Truman issued his Order of June 27, 1950. (Documents No. _____, No. _____ and No. _____).

References: WA-252, of Jan. 30
WA-259, of Feb. 2
WA-260 of Feb. 2,
all from Canadian
Embassy, Washington.

C. H. Rowing
Far Eastern Division.

Eden

File 50293-40
76 ✓
file on 50056-A-40
RBE

Spot 5/53

Information Office,
British Embassy,
Washington D.C.
February 3, 1953.

FORMOSA - THE SEVENTH FLEET.

The following is the text of a statement by Mr. Eden in the House of Commons on February 3rd 1953, on the proposed de-neutralization of Formosa.

The President of the United States announced yesterday in a State of the Union message that the United States 7th Fleet, which has been enforcing the neutralisation of Formosa since the outbreak of the Korean war, would no longer be employed to prevent Chinese Nationalist attacks against the mainland of China. Her Majesty's Government were informed in advance by the United States Government and at once made known their concern at this decision which they feared would have unfortunate political repercussions without compensating military advantages.

This continues to be the view of Her Majesty's Government. It is important, however, to keep this matter in its correct proportion and perspective. The neutralisation of Formosa was a unilateral act of policy with which Her Majesty's Government were not associated. It was made before Chinese intervention in the Korean war. President Eisenhower has now decided that "There is no longer any logic or sense in a condition that required the United States Navy to assume defensive responsibilities on behalf of the Chinese Communists". He has therefore issued instructions "that the 7th Fleet no longer be employed to shield Communist China". "This order," Mr. Eisenhower went on to say, "implies no aggressive intent on our part".

The step announced is in consequence a unilateral decision by the new United States Administration to amend a unilateral decision taken by their predecessors.

COPY

file on 56051-A-40
RBEFile 27
50243-40
HRMESSAGE FORM
INCOMING

File No. 50243-40		
77	77	
Security Classification		
RESTRICTED		

FROM: THE CANADIAN AMBASSADOR TO THE UNITED STATES
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

System CYPHER - AUTO	No. WA - 260	Date: February 2, 1953
Priority IMMEDIATE	<u>Reference:</u>	
Departmental Circulation MINISTER UNDER/SEC D/UNDER/SEC A/UNDER/SEC'S	<u>Subject:</u> Message of the President on the State of the Union - Reference to Korea and Formosa.	
Done _____ Date _____	<p>Following is extract from the advance text, which has not been checked against delivery and which, as you are aware, must be held in strict confidence until delivery has begun. Delivery is expected to start at 12:30 p.m. today.</p> <p>Begins:</p> <p>In this general discussion of our foreign policy, I must make special mention of the war in Korea.</p> <p>This war is, for Americans, the most painful phase of Communist aggression throughout the world. It is clearly a part of the same calculated assault that the aggressor is simultaneously pressing in Indo-China and in Malaya, and of the strategic situation that manifestly embraces the Island of Formosa and the Chinese Nationalist forces there. The working out of any military solution to the Korean war will inevitably affect all these areas.</p> <p>The Administration is giving immediate increased attention to the development of additional Republic of Korea forces. The citizens of that country have proved their capacity as fighting men and their eagerness to take a greater share in the defense of their homeland. Organization, equipment, and training will allow them to do so. Increased assistance to Korea for this purpose conforms fully to our global policies.</p> <p>In June 1950, following the aggressive attack on the Republic of Korea, the United States Seventh Fleet was instructed both to prevent attack upon Formosa and also to insure that Formosa should not be used as a base of operations against the Chinese Communist mainland.</p> <p>This has meant, in effect, that the United States</p>	
References		
Done _____ Date _____		

Navy was required to serve as a defensive arm of Communist China. Regardless of the situation in 1950, since the date of that order the Chinese Communists have invaded Korea to attack the United Nations forces there. They have consistently rejected the proposals of the United Nations Command for an armistice. They recently joined with Soviet Russia in rejecting the armistice proposal sponsored in the United Nations by the Government of India. This proposal had been accepted by the United States and fifty-three other nations.

Consequently there is no longer any logic or sense in a condition that required the United States Navy to assume defensive responsibilities on behalf of the Chinese Communists, thus permitting those Communists, with greater impunity, to kill our soldiers and those of our United Nations Allies, in Korea.

I am, therefore, issuing instructions that the Seventh Fleet no longer be employed to shield Communist China. This order implies no aggressive intent on our part. But we certainly have no obligation to protect a nation fighting us in Korea.
Ends.

ORIGINAL

Copy in 50064-A-40

MESSAGE FORM
INCOMING

File No.	
50 243-40	
77	77
Security Classification:	
SECRET	

Mr. Carter
21 FEB 1953

FROM: THE CANADIAN AMBASSADOR TO THE UNITED STATES
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

file on 50056-A-40
Tosca RPE
[Handwritten signatures]

System CYPHER-AUTO	No. WA-259	Date: February 2, 1953.
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Priority
IMMEDIATE

Departmental Circulation
MINISTER
UNDR/SEC
D/UNDR/SEC
A/UNDR/SEC'S.

Reference: WA-252 of January 30.

Subject: Modification to Presidential Order to the 7th Fleet Regarding Formosa

As requested we made enquiries of the State Department yesterday about the implications of the new instructions to the 7th Fleet. This was done through Allison, Assistant Secretary of State for Far Eastern Affairs, at his home. Explaining that you would in all probability be questioned in Parliament on Monday, we observed that anything he could add to the exposition he had given us and other Commonwealth embassies on Friday would be appreciated. We asked whether any particular significance relating to the new order to the 7th Fleet should be attached to the publicized visits to Washington at this time of Admirals Leahy and Radford. We also indicated concern lest United States units might become involved in Chinese Nationalist raids.

2. Allison assured us that no particular operation was being planned here - that would be up to the Chinese Nationalists to decide in accordance with their capacity. The United States was merely taking the administrative action necessary to lift the present restrictions on the movements of the Nationalist forces. Admiral Radford's presence in Washington at this time was coincidental, since he was on a regular routine visit planned some time ago. The suggestion that United States units might be involved in Chinese Nationalist raids he described as "most unlikely".

3. Allison repeated some of the things he had said on Friday: that spectacular operations against the mainland of China are not foreseen now; that the actual situation is not likely to be greatly affected by the new instructions; that the two main motivating factors in the decision have been:

(1) The Government's desire to put an end to a state of affairs which it did not consider to be acceptable to the people;

Done _____
Date _____

References
Refer *[Handwritten notes]*

XX NDW
American Div
X Chama
CASC
X W. Ritchie
X W. Mac Kay
X W. R. King
Commander
Dw = London X
Consular
Pres Office
DML, DNI, DPL, Paris
Tokyo X
New Delhi X
New York X
Caribbean
Wellington
C. P. N., New York X

Done Feb 3/53
B.M.

(2) There would be some military advantages. The potential threat from Formosa should keep the Communists "off balance" and should pin down a considerable body of their forces in Central China. It would be a contributing factor towards inducing them to a willingness to stop the war in Korea.

4. Allison appeared to hint, and this impression is shared by the British Embassy, that no other major moves in Far Eastern policy are on the cards at this time.

5. You may be interested to know that it is now generally accepted here that the leak to the press about the new order to the 7th Fleet emanated from Senator Taft, to the annoyance of the Administration.

7 Feb 76
149

Security CONFIDENTIAL

MESSAGE FORM OUTGOING

File No.	
50293-40	
76	✓

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA
 TO: CANADIAN HIGH COMMISSIONER,
 LONDON.
file on 50056-A-46
RBE

Message To Be Sent	No. 151	Date February 2, 1953	For Communications Section Only SENT -- FEB 2 1953
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AIR CYPHER
 EN CLAIR
 CODE
 CYPHER AUTO

REFERENCE:

Priority
 IMMEDIATE *AMC*

SUBJECT:

ORIGINATOR
AMC
 (Signature)
 S. F. RAE:AMC
 (Name Typed)
 SSEA
 Div.....
 5074
 Local Tel.....

Grateful if you could send us soonest advance
 text Mr. Eden's proposed statement re Formosa.

APPROVED BY

 (Signature)

 (Name Typed)

Internal Distribution:
 S. S. E. A. - U. S. S. E. A. ✓

Done.....
 Date *Feb 4/53*

Copies Referred To:
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 Date.....
 Ext. 97 (Rev. 1/52)

File 77
50793-00
February 2, 1955.
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file on 50056-A-40
RBE

MEMORANDUM FOR THE PRIME MINISTER

President Eisenhower's Statement about Formosa

Should a question arise in the House to-day about President Eisenhower's statement on Formosa, you may think it desirable to answer rather than wait for Mr. Pearson's return to-morrow. Mr. Pearson was consulted by telephone Saturday evening and again this morning and I think he would agree with the following line:

In the absence of the Secretary of State for External Affairs until to-morrow, I might answer the question.

It will be appreciated that the Government have not had an opportunity to study the text of President Eisenhower's announcement regarding the modification of the order to the 7th Fleet, as this announcement was only made at *about* o'clock to-day. I may say, however, that the Presidential order to the 7th Fleet, issued on June 27, 1950, was made on the sole responsibility of the United States. The modification of the order announced to-day by President Eisenhower is

- 2 -

also made on the sole responsibility of the United States. Late Friday last, the Canadian Embassy was informed about the forthcoming statement by President Eisenhower but we were not asked for our views.

The Canadian Ambassador, Mr. Wrong, has arrived in Ottawa this morning on a visit which has been planned for some time. Advantage will be taken of his presence to discuss the matter fully.

L.D.W.

FILE COPY

February 2, 1953.

*For R. R. [unclear]
to see & return to me please*

*file on 50056-A-40
RBE*
File 27
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MEMORANDUM FOR HEADS OF DIVISIONS' MEETING

Mr. Carter

Modification of Presidential Order to the United States Seventh Fleet.

Today, at 12:⁴⁵~~30~~ p.m., in his "State of the Union" message, President Eisenhower announced the decision of the United States Government to modify the Order to the Seventh Fleet issued by President Truman on June 27, 1950, which had instructed the fleet to prevent both an attack on Formosa and operations by the Chinese Nationalist forces against the mainland. The effect of this new decision by the United States is to remove the previous interdiction against operations by the Chinese Nationalist forces. President Eisenhower said that the Seventh Fleet should no longer be employed to "shield" Communist China in view of that government's intervention in the Korean war, and its repeated rejections of proposals to compromise the prisoner-of-war issue - including the one sponsored by India at the recent session of the General Assembly. He emphasized, however, that this new decision by the United States did not imply any aggressive intentions on the part of that government.

SECRET

Our understanding, from our Embassy in Washington, which was given advance information on this subject on Friday, January 30, is that the Seventh Fleet's instructions to prevent an attack upon Formosa will continue to stand (although this was not made precisely clear in President Eisenhower's statement). The United States Government has acted unilaterally in this matter, as it did when President Truman issued his order of June 27, 1950. Meanwhile, the implications of this new decision by the United States are being closely studied in the Department.

H. H. CARTER

for

Far Eastern Division.

Far Eastern Div./H.H. Carter/mbm

February 2, 1953.

File 77
fmc

*1st Draft
Revised
3 Feb
mhc*

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MEMORANDUM FOR MR. MACKAY

With reference to our meeting this morning, I attach a re-draft of a possible reply by the Minister in the House of Commons, regarding an anticipated question on the United States Seventh Fleet.

H.H. Carter
for Far Eastern Division.

cc. Mr. Ritchie
Mr. Rae
Press Office

February 2, 1953.

SECRET

SECOND DRAFT

POSSIBLE REPLY BY THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS IN
THE HOUSE OF COMMONS REGARDING PRESIDENT EISENHOWER'S REVISION OF
ORDERS TO THE SEVENTH FLEET.

Question:

Does the Minister wish to comment on the statement made by President Eisenhower in his "State of the Union" message on Monday, February 2, to the effect that new orders have been issued to the United States Seventh Fleet modifying President Truman's orders of June 27, 1950?

Answer:

Yes, I would like to make a short statement on this subject. On January 30, 1953, our Embassy in Washington received some advance information on this matter. Subsequently we made further investigations in Washington and came to the conclusion that it was not a subject on which this Government would wish to make representations to the United States Government. I would like to emphasize at the outset that President Eisenhower's statement represents unilateral action taken by the United States Government on its own responsibility. The views of the Canadian Government were not sought before this action was taken, nor were they sought before President Truman issued his original order to the Seventh Fleet on June 27, 1950. On that date, President Truman made the following announcement:

"...The occupation of Formosa by Communist forces would be a direct threat to the security of the Pacific area and to United States forces performing their lawful and necessary functions in that area. Accordingly, I have ordered the Seventh Fleet to prevent any attack on Formosa. As a corollary of this action, I am calling upon the Chinese Government on Formosa to cease all air and sea operations against the mainland. The Seventh Fleet will see that this is done..."

On August 31, 1950, in the House of Commons, I made the following reference to this statement by President Truman:

"We understand the reasons for the action of the President of the United States - who has acted so boldly and wisely, if I may say so, throughout this Korean crisis - in ordering the United States fleet to prevent any attack on Formosa, and in calling upon the Chinese Nationalist Government in Formosa to cease all air and sea operations against the mainland. This action seemed to us designed simply to prevent the extension of the conflict in Korea. It was a strategic defensive decision and had, as we understood it, no political implications. We have, however, been disturbed, as I have no doubt others have been disturbed, by reports of preventive military measures taken by the Nationalist Government of China against communist concentrations along the mainland coast, as well as by statements reported to have been made by Generalissimo Chiang Kai-shek concerning United States-Chinese 'military co-operation'. We have also been disturbed by statements that seem in our minds to confuse the defence of Korea, which has been assumed by the United Nations, with the defence of Formosa, which has not; statements that have even implied - somewhat mistakenly I think - that those who wish to draw at this time a distinction between the two operations are defeatists and appeasers. So far as this government is concerned, we are concerned solely with carrying out our United Nations obligations in Korea or elsewhere. These obligations do not, as I understand them at the present time, include anything that can be interpreted as the restoration of the Nationalist Chinese Government to the mainland of China; or an intervention in Formosa."

In subsequent statements in this House I have repeatedly indicated that we welcomed the action taken by the United States Government to neutralize Formosa in the manner mentioned above, for the duration of the Korean war. For example, I referred to this question on May 7, 1951, and on March 21, 1952, in the House. I have also repeatedly made it clear that the Canadian Government has no special obligation regarding the defence of Formosa. For instance, in the Standing Committee on External Affairs, on April 29, 1952, I said: "We do not feel that we have any special obligations in Canada for the defence of Formosa, and we have undertaken no such obligation."

Regarding this latest development, I wish to emphasize that the Canadian Government was not asked to express an opinion regarding President Eisenhower's intention to modify the orders to the U.S. Seventh Fleet. I think it is still too early to say what the effect of this

United States decision will be. Accordingly, I would not wish my statement today to be interpreted as expressing either approval or disapproval of this decision. I would, however, like to conclude by reassuring the House that it remains a fundamental principle of this Government that we should do everything possible to restrict the present hostilities to the Korean peninsula and to avoid action which might risk an extension of the war. On this particular problem of Formosa, my Government stands by the statement ~~was~~ made by me on August 31, 1950, which I have just quoted.

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<i>77/77</i>
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Despatch No. *48*.....
 Date..... **February 2, 1953.**

FROM: The High Commissioner for Canada, Cape Town, South Africa.

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference.....

Subject:..... **Announcement of the withdrawal of the Seventh Fleet from Formosa.**

A despatch from Washington in tonight's paper reports that all nations with troops in Korea were informed of the President's decision on Formosa before the delivery of his speech yesterday.

2. Officials of the Department of External Affairs have expressed some concern about the action of the President, more particularly its unilateral character, and tell me that they understand that Canada is even more disturbed. However that may be, they say that although they received word that the announcement of the decision would be made public the following evening, "Die Burger" here carried a sub-leader on the decision on the following morning, from their point of view a disquieting comment on the effectiveness of American security arrangements. There has been some editorial comment on the American announcement but so far it has been confined to the strategic implications of the new move.

T. W. L. MacDERMOY

High Commissioner

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Additio nal Information : International status of Formosa - Policy of the Western powers after 1945. Email page

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