

ANGLO-AMERICAN TENSIONS
OVER THE CHINESE OFFSHORE ISLANDS,
1954-1958

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ABSTRACT

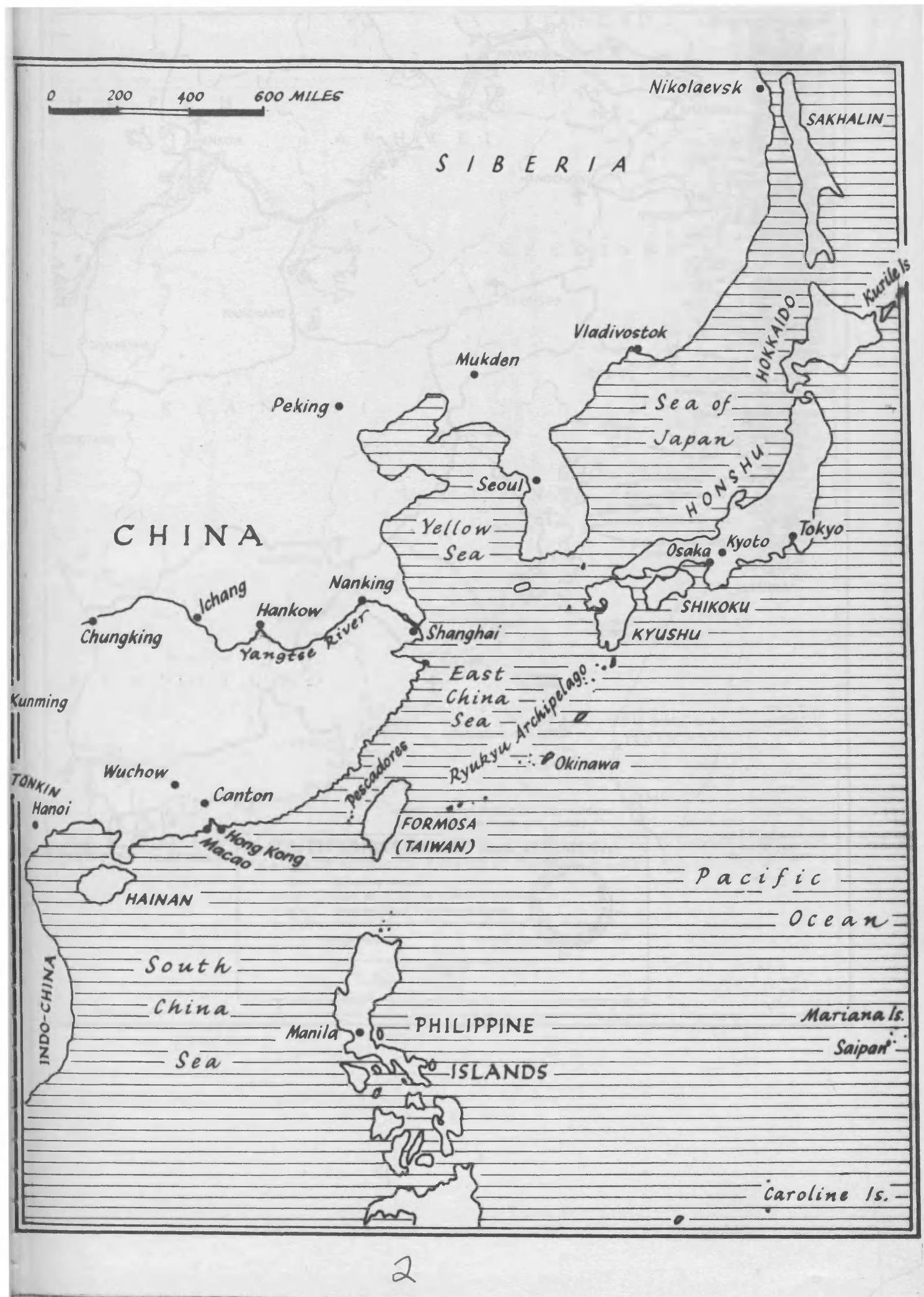
The purpose of this thesis is to explore the 'special relationship' between the United States and Great Britain and their ability to work together in the Far East despite widely divergent policies towards the People's Republic of China. The American policy of non-recognition of the PRC and its active support of the Republic of China, in opposition to Britain's early recognition of the PRC, did not hamper British and American efforts to work together to wage or contain the Cold War. In reference to the crises in the area of the Chinese offshore islands of Matsu and Quemoy, I would argue that the US and Britain put their differences aside during tense periods because they agreed generally on over-all policy, to disengage the PRC from the influence of the Soviet Union, but used different means to attain this goal.

Both Britain and the US, to different degrees, attempted to establish 'two China's' in order to stabilize the situation in the Far East which left unchecked might trigger a third world war. The skirmishes in the offshore islands in 1954-55 and 1958 highlighted the danger of this situation and affected the related issues of the China seat in the United Nations, the embargo placed on trade with the People's Republic at the time of the Korean war, Hong Kong and the diplomatic relationships in the region. This thesis examines the impact of these issues on Far East policy, particularly, how agreements reached on the United Nations and trade issues affect British policy during the 1958 offshore islands crisis.

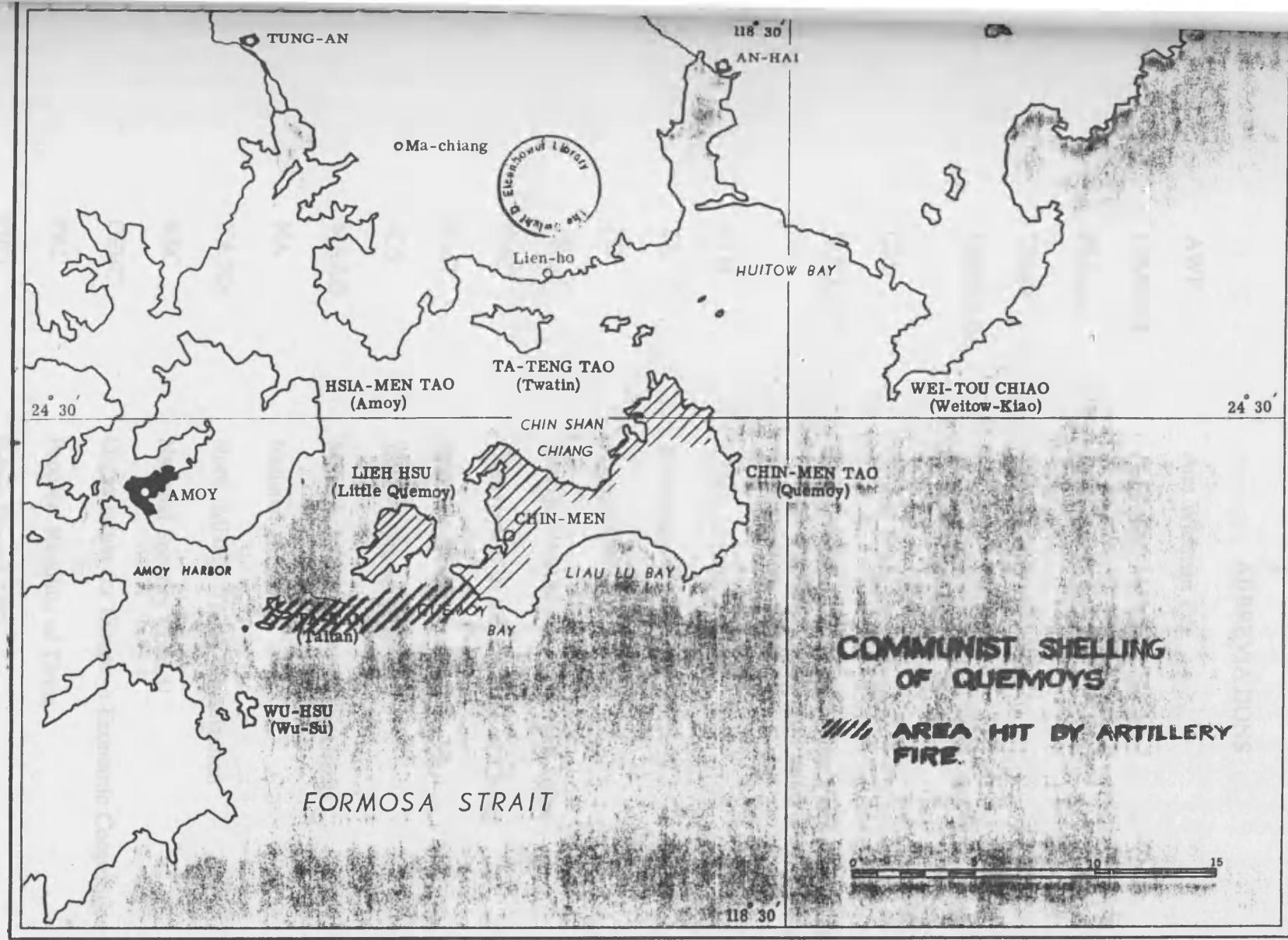
The change in British policy from ~~1954~~ 1954 to 1958 is striking, reflecting external issues such as Suez and Harold Macmillan's rise to the office of prime minister. American policy, although less inflexible than is traditionally assumed, shifts slightly over the same period and attempts to normalize the situation by placing tighter controls on its ally, Chiang Kai-shek. As will be seen, British cooperation on Far Eastern issues was an important prerequisite for American manoeuvres in the region.

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ABBREVIATIONS

AWF	Ann Whitman File
CINCPAC	Commander in Chief, Pacific
Chicom	Chinese Communists
Chinat	Chinese Nationalists
CHINCOM	China Committee, permanent working group of the Paris Consultative Group
CIA	Central Intelligence Agency
COCOM	Coordinating Committee of the Paris Consultative Group of nations working to control export of strategic goods to communist countries
COS	Chiefs of Staff
EL	Eisenhower Library
FO	Foreign Office
FRUS	Foreign Relations of the United States
GRC	Government of the Republic of China
KMT	Kuo Min Tang
JCS	Joint Chiefs of Staff
MAAG	Military Assistance Advisory Group
NA	National Archives
NATO	North Atlantic Treaty Organization
NSC	National Security Council
OEEC	Organization for European Economic Cooperation
PRC	Peoples' Republic of China
PRO	Public Record Office
ROC	Republic of China

SEATO Southeast Asia Treaty Organization

UN United Nations Organisation

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CHAPTER 1

INTRODUCTION

It would indeed be an understatement to say that the United States and Britain in the 1950's merely disagreed over China. From 6 January 1950 when Britain recognized the People's Republic a gulf opened up between the two allies that was not fully bridged until the 'great aberration'¹ in American policy ended on 1 March 1979 when the US recognized the PRC. Despite their seemingly insuperable differences, the spread of the Cold War from Europe to Asia provided a basis for their cooperation as they came to share the common goals of splitting the Chinese Communists from the Soviet Union² and containing the further spread of communism in the Far East. This commonality of purpose was achieved and maintained with difficulty, particularly since they also disagreed on the measures necessary to realize their goal. Thus, the occurrence of hostilities in the Chinese offshore islands not only might exacerbate their already tense relations but might also publicly expose the differences between the US and Britain which, it was then believed, was the aim of the Soviets and their Chinese ally.

It is the purpose of this thesis to explore the way in which the US and Britain managed to maintain a common position in the Far East with special reference to the tension in the Taiwan Straits and the problems such crises posed to their ability to

¹ Cohen, W.I. America's Response to China: An Interpretative History of Sino-American Relations, 2nd edition (New York: 1980) p. 221.

² F[oreign] R[elations of the U[nited] S[tates], 1952-1954, III, pp 710-1; Record of discussion between Churchill, Eisenhower, Eden, Dulles, et al, at Bermuda, 7 Dec. 1953.

cooperate in the Far Eastern Cold War. Whereas the US and Britain worked together in Europe with relative ease, the Far East, particularly China, posed a greater challenge to the diplomatic skills of their leaders and officials. In a State Department review of their differences from 1950 to 1955 three issues directly related to China were at the top of the list: policy towards recognition of the Chinese Communists, export controls over shipments to the PRC, and Chinese representation in the United Nations.³ A comparison between the management of the 1954-5 offshore island crisis and the 1958 crisis provides an interesting and important background against which to observe and study the changes in American and British policies on these issues, and, vice versa, the impact that these changes had on their approach not only to the region as a whole but also to the second offshore island crisis.

The scope of this thesis is limited to an examination of the Anglo-American relationship in regard to the 'two Chinas', the People's Republic of China and the Republic of China, in the 1950's. Although the tangled US-Nationalist and US-PRC relations, on the one hand, and Sino-British and British-Nationalist relations, on the other, are an important part of this thesis as they form the basis for Anglo-American cooperation and dissension, they are not its prime focus and, therefore, are described and explained only as they affect the Anglo-American relationship. As noted, Anglo-American cooperation was hindered by the inherent contradiction in their positions on recognition. Britain recognized the PRC, claiming that this action simply acknowledged the fact of its existence not necessarily of her approval, in order to protect her position in Hong Kong, protect her trade interests in China and keep in step

³ N[ational] A[rchives], 611.41/1-555, Beale memorandum to Rayner re: Analysis of US-UK differences, 5 Jan. 1955.

with Asian Commonwealth countries such as India. Conversely, she recognized the Nationalist authorities as the de facto administration of Taiwan and maintained a consul in Tamsui. In theory, Britain dealt only with the Provincial authorities and had no relations with the Central government. But, it is because of this duality of approach that Britain was often accused of following a 'two China' policy. The American position was much less complicated as they recognized the Nationalist authorities as the de jure government of all of China and were represented by an Ambassador in Taipei.⁴

The literature on the Chinese offshore islands crises, with a few notable exceptions, focuses on aspects other than the Anglo-American relationship, whereas publications on the Anglo-American alliance are predominately concerned with other issues. Michael Dockrill's article, 'Britain and the First Chinese Off-Shore Islands Crisis, 1954-55' is an excellent account of British policy which utilizes the recently released British documents, but his interpretation of the American aspect is hindered by a lack of American documentation. Likewise, Roderick MacFarquhar's review, 'The China Problem in Anglo-American Relations,' suffers from the lack of available archival sources at the time of writing and is incorrect in many of his claims as he has to rely on the biographies of leaders from that period. In the same publication D.C. Watt fails to mention China in his contribution, 'Demythologizing the Eisenhower Era.' Recent biographies of Anthony Eden, Harold Macmillan and Selwyn Lloyd all shed additional light on these issues which ~~devote~~^{get} only limited space ~~to these issues~~. Since the publication of the Foreign Relations of the United States volumes for the years 1955-7 and the opening of additional archival material in the US, many interesting and

⁴ PRO, FO371/110231 FC1042/1A, FO Brief for Geneva Conference, 2 Apr. 1954.

the publication of the Foreign Relations of the United States volumes for the years 1955-7 and the opening of additional archival material in the US, many interesting and well-documented books are being written on the offshore islands crisis, such as Thomas Stolper's book which concentrates on the Sino-American angle, and the Eisenhower Era, resulting in a revisionist view of his presidency. This thesis seeks to fill in these gaps in the historiography of the Cold War in the Far East as it was prosecuted against the Sino-Soviet bloc in general and the People's Republic of China in particular by attempting to present a fuller examination not only of Anglo-American tension and cooperation during the offshore islands crises but also the related issues. These include of the embargo of strategic trade with Communist China, the question the China seat in the UN, and Hong Kong. We shall also explore whether the de facto existence of these two mutually hostile Chinese regimes, resulting in both Britain and the US to some extent tacitly acknowledged^{ing} the existence of 'two Chinas.'⁵

BACKGROUND

The Chinese offshore islands comprise many small island groups which ^{created wh}

⁵ Dockrill, Michael, 'Britain and the First Chinese Off-Shore Islands Crisis, 1954-1955' in Dockrill, Michael and Young, John Wilson (eds) British Foreign Policy, 1945-1956, (London, 1989). MacFarquhar, Roderick, 'The China Problem in Anglo-American Relations' and Cameron Watt, D., 'Demythologizing the Eisenhower Era' both in Louis, Wm. Roger and Bull, Hedley The 'Special Relationship': Anglo-American Relations Since 1945, (Oxford: 1986), and Dimbleby, David and Reynolds, David An Ocean Apart: The Relationship Between Britain and America in the Twentieth Century, (London: 1988). Stolper, Thomas E. China, Taiwan and the Offshore Islands: Together with an Implication for Outer Mongolia and Sino-Soviet Relations, (New York: 1985); Richard Immerman's collective volume John Foster Dulles and the Diplomacy of the Cold War, (New Jersey: 1989) on John Foster Dulles is an example of the work by revision historians of the Eisenhower presidency such as Stephen Ambrose's Eisenhower: The President, Vol. II, (New York: 1984) and Brands, H.W. Cold Warriors: Eisenhower's Generation and American Foreign Policy (New York: 1988).

the Executive Yuan began to function on 9 December 1949. The offshore islands were of greater psychological importance than military significance since the Nationalists would have encountered great difficulty using these islands, the largest of which were the Tachens, the Quemoys and the Matsus, as 'stepping stones' to recover the mainland or vice versa be conquered themselves. The Nationalists, however, considered their retention to be crucial not only for their continued existence but also for their future plans. They repulsed an attempted invasion of Quemoy in 1949 and, after the withdrawal from Hainan Island in 1950, the territory under Nationalist control underwent no significant change until 1955.

The proximity of the islands to the mainland put them at the front line of the Chinese civil war. During the Korean War Chiang Kai-shek, the president of the Republic of China who came to be seen in the US as 'an ally in a global moral battle' against communism, was encouraged by the US to build up strong forces in Matsu and Quemoy, thus, by 1954 the number of Nationalist troops stationed there nearly doubled.⁶ There can be no doubt that the world came to wish that the Nationalists and the Chinese Communists had been separated by the approximately 120 miles of the Taiwan Straits rather than confront each other at these vulnerable and exposed points. In late 1949 and early 1950, 'most observers felt that it was only a matter of time before the Communists would take over' and it was not believed that Chiang would survive for long on Taiwan.⁷

⁶ NA, 793.00/10-658, Robertson to the secretary on History of the GRC Troop Strength on the Offshore Islands, 6 Oct. 1958; Stoessinger, J.G. Nations in Darkness: China, Russia and America, (New York: 1986) p. 266; and P[ublic] R[ecord] O[ffice], Kew, FO371/114984 F1071/12, Graham minute, 20 July 1955.

⁷ Barnett, A.Doak Communist China and Asia: Challenge to American Policy, (London: 1960) p. 389.

Despite the fact that the Korean War served to harden the American attitude toward the new Chinese regime, the conflict provided the impetus for re-newed Anglo-American cooperation in the Far East. Before the invasion the US seemed to be disassociating itself from Chiang; President Truman publicly stated that he was unwilling to continue to provide military aid or advise to Chiang's military.⁸ Truman's about-face on this issue was certainly not based on any respect for Chiang whom he believed to be corrupt and not worth wasting 'one single American life to save him.'⁹ As Nancy Tucker observed:

The guns which exploded into action along Korea's 38th parallel on June 25, 1950 shattered more than just the morning calm. Any real prospect of normalization in relations between the United States and Communist China abruptly ended. Shocked by what appeared to be a naked display of Soviet puppetry, American officials marshaled their resources and responded with force.¹⁰

Thus the Korean War gave the Nationalists a new lease on life¹¹ and served to freeze America's non-recognition policy. On 27 June Truman announced that the 7th Fleet had been directed to patrol the Taiwan Strait in order to neutralize the water way in order to protect Taiwan while at the same time preventing the Nationalists from pursuing hostile activities against the mainland. The appearance of Chinese 'volunteers' in the Korean War, Warren Cohen notes:

Just like Stalin's unilateral quest for security in Europe had stiffened Western resistance and brought about the very military encirclement he

⁸ Barnett, p. 389.

⁹ Miller, Merle Plain Speaking: An Oral Biography of Harry S. Truman, (London: 1974) p. 283.

¹⁰ Tucker, Nancy Bernkopf, Patterns in the Dust: Chinese-American Relations and the Recognition Controversy, 1949-50, (New York, 1983) p. 195.

¹¹ Barnett, p. 390.

feared, so Chinas' intervention in the Korean War produced a much more threatening military posture by the United States. Of all the bases and alliances, however, the Americans actions that most gravely concerned Mao's China were those related to Taiwan.¹²

The Korean war marked a turning point for both British and American policy. With this flagrant example of the PRC's bellicosity and unsuitability to join the 'brotherhood of nations' the American policy of isolating the PRC prevailed over Britain's more flexible posture. The PRC was named an aggressor against the United Nations which resulted in the imposition of a United Nations embargo on the trade of strategic goods with the PRC. At this time Britain changed its vote on the admission of the PRC into the UN. Whilst she never voted against the PRC, Britain did begin to vote in favour of the moratorium resolution, a procedural device developed by the US to ensure that the question of which China retained the UN seat was not discussed. This served to allow the Nationalists to remain in the UN without having a divisive debate on the issue. As long as hostilities continued in Korea such a strict and unyielding stance was necessary and justified. Once these conditions changed, however, Britain attempted to return to its former approach on these issues but soon found that, once instituted, these harsh measures were not easy to rescind.

By the time a settlement came in the Korean conflict, the Republicans had returned to the executive office for the first time since 1932. After 1949 the Truman administration had been haunted by the lingering question of 'Who lost China?' The fact that no one but the Chinese were responsible for their own destiny did not seem to register at that time and a 'red scare' which manifested itself in 'McCarthyism' left its mark on many elements of society and government, including the State Department.

¹² Cohen, p. 222.

The Republican party was known to be sympathetic to Chiang and, at the beginning, Eisenhower seemed to fulfill its hopes and expectations.

On 2 February 1953 Eisenhower gave his first State of the Union address in which he announced his land-mark decision to change the orders of the US Seventh Fleet patrolling the Taiwan Straits; the United States would no longer protect the mainland from Nationalist attacks, but would continue to protect Taiwan and the Pescadores from a communist assault (it is important to note that the offshore islands were never included in these orders). This de-neutralization order came to be popularly referred to as the 'unleashing' of Chiang.¹³ Dulles was pleased with this action, as he told Charles Bohlen, 'lifting the injunction would be mainly symbolic, but ... it was morally wrong for the United States to place its fleet in the position of even nominally protecting any Communist Country.'¹⁴ It goes without saying that the British disapproved of this move which they saw as Eisenhower's fatal mistake in his dealing with Chiang since it encouraged the Nationalist leader to increase his hostile activities against the mainland and shipping, particularly British shipping.

Although Chiang was unpopular in Britain, he was seen to be a good, Christian general by many in the US. Chiang, as Eisenhower and Dulles would have been the first to admit, was far from perfect, but in July of 1954 a public opinion poll showed that by 59% to 26% people favored not improving relations with the PRC and in the same period another showed 78% to 7% of people opposed the PRC's admission into

¹³ FRUS, 1952-1954, XIV, pt. 1, 71, pp. 133-135; 73, p. 136; 75, p. 140; and 78, p. 145.

¹⁴ Bohlen, Charles E. Witness to History, 1929-1969 (London: 1973).

the UN

China.¹⁵ As the US ambassador to the UN, Cabot Lodge, wrote to Eisenhower at the end of July 1954:

Beating communism in Guatemala, fighting the admission of Red China to the United Nations, despatching United States ships and planes to the China Sea -- these are actions which get applause.¹⁶

The scenario could not have been more different in Britain where there was no emotional tie to China and the Labour Party took ~~what~~ the ^{opposite} ~~antithesis~~ view to that of the Republican party in the US. Whereas Dulles made a point at the Geneva conference of 1954 of shunning Chou En-lai, Eden forged a new links with the PRC's premier and foreign minister as the PRC recognized Britain's representative in Peking for the first time, according Humphrey Trevelyan the status of charge d'affaires. In contrast to this friendly exchange, Dulles and Eden disagreed on issues such as Indo-China. In his talks with Chou and Molotov, Eden sought to gently assure the Chinese premier that the US was not 'bitterly hostile' and 'jealous' of China by stating that he believed that the American people were very fond of China:

They had never had the same trading interest as we had, but they had had many links of goodwill and friendship, particularly through their missionaries. When their relations had gone wrong it had brought about a strong emotional disappointment which had affected their attitude.¹⁷

Eden found Chou 'hard and cold and bitterly anti-American'. Although Britain had lost a lot materially in China since 1949, Eden was encouraged by Chou to think that

¹⁵ Kuznitz, Leonard A. Public Opinion and Foreign Policy: America's China Policy, 1949-1979, (Connecticut: 1984).

¹⁶ E[isenhower] L[ibrary], Ann Whitman Diary Series, Box 3: ACW Diary August 1954 (4), Lodge letter to Eisenhower, 30 July 1954.

¹⁷ PRO, PREM11/649, Geneva Conference, Eden telegram, 30 Apr. 1954.

Britain had a better future in China. As Chou said 'in the long run you will not lose.'¹⁸ There ensued a 'honeymoon' period in Sino-British relations which gave Eden a glimmer of hope that with the hostilities ended, Britain might be able to change its vote in the UN and relax the embargo against strategic trade with China. Once hostilities began in the offshore islands in September, these plans had to be shelved.

At Geneva Chou had expressed hostility to the ^{idea of a} South East Asian Defence Organization which had been designed to be a NATO of the Far East. The British were not particularly happy with this creation and talked of some form of Locarno pact for the Far East as an alternative. They realized, however, that the US would want to take early action. In September 1954, just as tensions were beginning to rise in the offshore islands, a conference was held in Manila which signed SEATO into existence.¹⁹ Chiang had wanted to be allowed to join but was refused entry. Cohen suggests that the PRC raised tensions in response to SEATO's creation as a way to stop the US from concluding a treaty with Chiang.²⁰ But such displays of communist belligerency strengthened the American's hand with the British, as will be seen in the following chapter, Chiang got his treaty.

¹⁸ Ibid.

¹⁹ PRO, PREM11/649, Geneva Conference - SEADO, C.C. (54) 22 June 1954 and FO371/115061 FC1051/6, Crowe minute, 13 Jan. 1955.

²⁰ Cohen, p. 226.

CHAPTER 2

ORACLE

In the months leading up to September, 1954, the temperature in the area of the main offshore island groups of Quemoy, Matsu and the Tachens, gradually rose. The situation caused great anxiety and some confusion in the United States where policy was being hotly debated. The essential question was whether the defence of the offshore islands was worth the risk of war with China. John Foster Dulles, the American secretary of state, while traveling to the United States after attending the *Treaty* South East Asian ~~Defense~~ Organization Conference in Manila and visiting Taiwan for the first time, devised a plan to refer the matter of the offshore islands to the United Nations which would offer the 'possibility of avoiding going to war alone with the moral condemnation of the world or of having the effect of the loss of the islands on the defense of Formosa.'¹ This plan was to be known later by the code-name ORACLE.

In early September, Communist shelling of Quemoy increased dramatically. As a CIA report shows, there had been indications from early July when the PRC increased propaganda on the 'liberation' of the offshore islands as well as Taiwan that the Chinese Communists had the capability to take the offshore islands against Nationalist opposition alone. As noted in another report the PRC was in a 'spirit of exuberant optimism'² after its success at Geneva and at Dien Bien Phu earlier that summer, thus the attack on 3 September on Quemoy had been thought likely for a

¹ FRUS, 1952-1954, XIV, p. 620, Memorandum of Discussion, 214th Meeting of National Security Council, 12 Sept. 1954.

² NA, 793.5/9-354, Radford to Murphy, 3 Sept. 1954.

while. Although the bombardment may have been timed to affect the Manila Conference, the CIA believed that the PRC was testing American intentions.³

The Nationalists were not blameless. While the CIA estimated that an attack on Quemoy was not imminent, it was believed that continued Nationalist raids on Amoy, the mainland port close to Quemoy, would cause the communists to lose face:

Such Nationalist action thus appears likely to increase the prospect for Communist retaliation against the Quemoy and for a Communist venture against the Tachen or the Matsu islands. An additional possibility is that of Communist air raids against Formosa.⁴

The Nationalists received mixed signals from US military advisers stationed on Taiwan over the conditions under which they could hit mainland targets. On 3 September the Nationalists were informed that there were no restrictions on their air or naval operations in defence of Quemoy but these orders were modified on a day by day basis.⁵ The US position was ambivalent: on the one hand, they did not wish to harm the Nationalists' chances of successfully defending their territory, but on the other hand they did not wish the Nationalists to be blamed for escalating hostilities. Finally on 21 September, the American Ambassador in Taiwan, Karl Rankin, informed the Nationalist President Chiang Kai-shek that, while the US was 'gratified by the fine military effort put forth in response to Communist shelling', it did not want to encourage the impression that the Nationalists were trying to spread the conflict; aggressive air action should be toned down while air and naval reconnaissance was

³ EL, A[nn] W[hitman] F[file], International Series, Box 9: Formosa (1), CIA report on Offshore Islands, 8 Sept. 1954.

⁴ Ibid.

⁵ NA, 793.5/9-454, Martin memorandum, 24 Sept. 1954.

increased.⁶ Although consensus had not yet been reached in Washington on policy it was evident that the Nationalists would not be allowed to drag the US into a major conflict.

President Dwight D. Eisenhower later described the 1954-5 offshore island crisis as 'one of the most serious problems of the first eighteen months of my administration.'⁷ From the start the president approached the problem with caution and, relieved that the US was 'not at war now', ordered the 7th Fleet 'to get into position for reconnaissance and not to be aggressive.'⁸ The American Joint Chiefs of Staff were split as to what the American reaction should be if a full-scale attack on Quemoy developed although they all agreed that the offshore islands were not essential for the defence of Taiwan and the Pescadores. The chairman of the JCS and the heads of naval operations and the Air Force all favoured American intervention (which might require the use of atomic weapons), fearing that the loss of Quemoy and its 50,000 Chinese Nationalist troops would have serious political and psychological effects in Taiwan; the lone dissenter was General Matthew B. Ridgway, chief of staff of the United States Army. General Walter Bedell Smith, under secretary of state, like Ridgway, did not consider the interests involved important enough to risk a war. In a telegram to Dulles on 3 September Smith wrote that he was inclined to agree with Ridgway and suggested that the flare-up had been timed to have maximum effect on

⁶ NA, 794A.5MSP/9-2154, Rankin to St Dept, 21 Sept. 1954.

⁷ D.D. Eisenhower The White House Years: Mandate for Change, 1953-1956, (London: 1963) p. 459.

⁸ EL, AWF, DDE Diary Series, Box 7: Phone Calls - June-Dec. 1954 (2), Eisenhower phone call to Bedell Smith, 4 Sept. 1954.

the Manila conference.⁹

From Manila, Dulles replied that:

I believe that loss of Quemoy would have grave psychological repercussions and lead to mounting Communist action ... this would be beginning of chain of events which could gravely jeopardize entire offshore position. If, however, defense of Quemoy as real estate cannot be substantially related to defense of Formosa and if, as I suspect, committal of US force and prestige might lead to constantly expanding US operations against mainland, then I still believe we should help to hold Quemoy if it is judged defensible with our aid....¹⁰

On 5 September Dulles again telegraphed:

We do not want to duplicate the French mistake [in Vietnam] of making a symbol of what cannot be held.... If, however, Quemoy can be and is held, then much of the Communist prestige stemming from Dien Bien Phu will have been cancelled out.¹¹

The Americans were anxious neither to lose more territory to the communists nor to allow the PRC to win another propaganda victory by successfully capturing Quemoy.

The President concurred. Smith informed Dulles that Eisenhower:

[F]eels it would be a great mistake to undertake assist defense of Quemoy unless reasonably certain it can be held, and in view of nearness to mainland and other factors he is inclined to question ability to hold indefinitely, particularly if as seems likely Communists are willing to accept very heavy casualties to gain political objective.¹²

The British, also concerned about the dangerous incidents occurring in the Formosa Straits, feared that it could develop into war, but felt unable to do much about it. The PRC's propaganda about 'liberating' Taiwan increased but, in the light of the forthcoming SEATO Conference at Manila, the Foreign Office felt it best to say

⁹ FRUS, 1952-1954, XIV, p.558, Smith to Dulles, 3 Sept. 1954.

¹⁰ FRUS, 1952-1954, XIV, (Document number) 273, Dulles to Smith, 4 Sept. 1954.

¹¹ FRUS, 1952-1954, XIV, 278, Dulles to Smith, 5 Sept. 1954.

¹² FRUS, 1952-1954, XIV, 281, Smith to Dulles, 6 Sept. 1954.

nothing to the Chinese Communists; it did not believe that an attack on Taiwan itself was imminent. An approach to the Chinese Nationalists was out of the question due to the lack of formal diplomatic relations between Britain and the Republic of China. Representations to the Americans, the remaining possibility, were initially mooted for fear of being seen to conciliate the Chinese Communists. By September the situation had deteriorated and it was decided that Lord Reading, minister of state for foreign affairs, should discuss the matter with Dulles at Manila.¹³

Colin T. Crowe, head of the Foreign Office Far Eastern Department, recommended that Reading impress tactfully upon Dulles British concern about the situation and the need for the Nationalists to be kept under control:

Since, however, the Americans are particularly sensitive on this we should make it clear that no criticism of their present policy is intended and that we fully realize the Chinese Communists are evidently determined to maintain tension over this question.¹⁴

Clearly Reading was impressed with Dulles' own concern about the situation. On his return he noted that he had seen no point in urging Dulles to do 'what he was clearly doing...my impression was that he was finding Chiang Kai-shek no more amenable than Syngman Rhee [president of South Korea]'¹⁵

Dulles prepared a memorandum for distribution at the National Security Council meeting on 12 September which explicitly defined his thinking on the matter:

1. Quemoy cannot be held indefinitely without a general war with Red China in which the Communists are defeated. The Reds might agree to the independence of Formosa, but never the alienation of the off-shore islands like Quemoy.

¹³ PRO, FO371/110257 FC1094/21, Crowe minute, 20 Aug. 1954.

¹⁴ PRO, FO371/110257, FC1094/20 C.T. Crowe minute, 2 Sept. 1954.

¹⁵ PRO, FO371/110258, FC1094/33 Reading minute, 15 Sept. 1954.

2. If we want such a war, Quemoy can be made to provide the issue.
3. However, it is doubtful that the issue can be exploited without Congressional approval....
5. Almost certainly a committal under present circumstances to defend Quemoy etc. would alienate world opinion and gravely strain our alliances, both in Europe and with ANZUS. This is the more true because it would probably lead to our initiating the use of atomic weapons.

III 1. It is suggested that the US should take the situation to the UN Security Council, on the ground that Chi[nese]Com[munist] action is a threat to international peace...

4. It would have to be recognized that the US could not wholly control the situation in the Security Council, and there would have to be preliminary work. This would particularly involve the UK, to assure a tolerable result in the Security Council; and the Chi[nese]Nat[ionalist]s to be sure they would not veto the program in the S[ecurity]Council]. Probably a temporary injunction, which restrained the Communists from disturbing Quemoy, Tachen, etc., would also embrace preventing ChiNat attacks on the mainland and ship seizures, and it might end the embargo on Red China to the extent that it exceeds the restrictions against strategic goods to the Soviet Union...

5. A probable ultimate outcome of UN intervention, if the Soviet Union permitted it, would be the independence of Formosa and the Pescadores.

6. If the jurisdiction of the UN was rejected, or its recommendation vetoed by the Soviets or ChiComs, then the moral position of the free world against the Communist world would be reinstated, and military measures could be taken with a larger measure of moral sanction from the world community.¹⁶

At the meeting, Dulles reported on his recent discussions with Chiang Kai-shek in Taibei where he had stopped on his return from the Manila SEATO Conference after the president had authorized the trip.¹⁷ The Chinese president had again asked for a mutual security treaty with the United States similar to other American treaties with countries in the region. Such a treaty had been strongly recommended by the Far Eastern Department in February 1954. It had then been feared that the signing of a mutual defence treaty with the Nationalists would be regarded as a hardening of the

¹⁶ FRUS, 1952-1954, XIV, pt. 1, 292, J.F. Dulles memorandum, 12 Sept. 1954.

¹⁷ EL, AWF, DDE Diary Series, Box 7: Phone Calls - June-Dec. 1954 (2), president to Bedell Smith, 6 Sept. 1954.

American position which allies such as Britain and France would regard ~~it~~ as 'unfortunate' and which the Soviets would use for propaganda purposes to show that the US desired to have the Geneva Conference fail. Dulles disapproved Robertson's proposal to commence negotiations with the Nationalists on the grounds that there was not enough time before Geneva and that the Senate would be a problem.¹⁸ When Dulles met Chiang in Taibei, however, he expressed the opinion that Chiang was for the present better off being covered by Eisenhower's Executive Order which instructed the Seventh Fleet to defend Taiwan and the Pescadores. Chiang had made no special plea for help regarding the offshore islands, probably for fear of being turned down. The main topic at the NSC meeting was, however, whether the defence of the offshore islands was 'substantially related' to the defence of Taiwan and the President's constitutional authority in regard to the present orders to the Seventh Fleet.

All present agreed that a decision to defend the islands would mean war with China. Eisenhower commented 'that he was damned if he knew what effect such action would have on Britain and our other allies.' Dulles hoped the Council would never have a more difficult decision, but maintained that:

[A] Chinese Nationalist retreat from the islands would have disastrous consequences in Korea, Japan, Formosa and the Philippines.... the other side was that to go to the defence of the offshore islands as they now stand would involve us in war with Communist China. Outside of Rhee and Chiang, the rest of the world would condemn us, as well as a substantial part of the U.S. people. The British fear atomic war and would not consider the reasons for our action to be justified. Possibly very few Americans would agree.¹⁹

¹⁸ NA, 793.5/2-2654, Merchant memorandum to Dulles, 26 Feb. 1954, 793.5/3-1554, Robertson memorandum, 15 Mar. 1954 and FRUS, 1955-1957, II, 182, pp.399-401 and footnote 8.

¹⁹ FRUS, 1952-1954, XIV, pt. 1, 293, p.619, NSC meeting at Denver, 12 Sept. 1954

For Dulles this presented a 'horrible' dilemma. He thought that the UN should not be ignored in this and suggested referring the matter to the Security Council. Dulles proposed that no decision be made until the UN strategy had been fully explored; it was important that all peaceful means be exhausted before taking military action. The president agreed adding that he 'wanted to feel out what the British might do.' Dulles was satisfied that the British would 'go along with us' but, if they were unwilling to cooperate, the US could say that it might be forced to act alone, and the British would then accept some form of status quo.²⁰

On 13 September, Sir Ivone Kirkpatrick, British permanent under-secretary of state, sent Sir Anthony Eden, British secretary of state for foreign affairs, who was then visiting Rome, an account of the offshore island crisis. He reported:

Dulles had said that whether the offshore islands should be defended or not was primarily a military decision, but in view of the possible repercussions on Hong Kong and the position in the Far East as a whole we trusted we would be informed in advance of any decision and that political as well as military considerations would be taken into account.²¹

Sir Roger Makins and Sir Robert Scott, British ambassador and minister to the US, respectively, were approached by the State Department. Dulles wished to discuss with Eden the Quemoy situation encompassing the question of the island's defence²² and possible referral of the case to the UN. In light of these developments, the British Chiefs of Staff on 15 September reviewed the military significance of Quemoy for the defence of Taiwan. They decided that Quemoy and other islands held by the

²⁰ FRUS, 1952-1954, XIV, pt. 1, 293, pp.620-622, NSC meeting, 12 Sept. 1954.

²¹ PRO, FO371/110258, FC1094/35 Kirkpatrick to Rumbold, 13 Sept. 1954.

²² PRO, FO371/110258, FC1094/27, Makins to Eden, 14 Sept. 1954.

Nationalists were not essential for this purpose. Furthermore, they concluded, US participation in this defence might lead to events that could provoke war between the US and Communist China.²³

In preparation for the 17 September London meeting between Dulles and Eden, the Foreign Office prepared, and the Cabinet approved, a plan in which Britain would play the role of intermediary between the US and Communist China. This plan called for Quemoy to be transferred to the Chinese Communists as part of a wider accommodation, which would offer 'some prospect of bringing about a detente in Chinese-American relations.' It required the de facto creation of 'two Chinas': the evacuation of Quemoy; neutralization of waters between the mainland and Taiwan; and the renunciation of the use of force by the Chinese Communists. Winston Churchill, the British prime minister, felt it unlikely that the Chinese Communists would succeed in attacking Taiwan. Churchill thought the best long-term solution would be neutralization of Quemoy and curtailment of Nationalist attacks on the mainland.²⁴

When they met at the Foreign Office later that day, Dulles told Eden that the offshore islands could in the last resort only be defended by tactical nuclear weapons; *Dulles* he found this to be a frightening prospect. Dulles asked for British assistance in referring the matter to the UN under articles 39 and 40 (Chapter 7) of the UN Charter. The result would be the neutralization of the Formosa Straits with the Nationalists unable to attack the mainland.²⁵ Livingston T. Merchant, American assistant secretary

²³ PRO, FO371/110258, FC1094/27 COS(54) 99th Meeting, Minute 5, 15 Sept. 1954.

²⁴ PRO, CAB 128/27, C.M. (54) 60, minute 2, 17 Sept. 1954.

²⁵ PRO, FO371/110231, FC1042/10 Record of Meeting, Dulles and Eden, 17 Sept. 1954.

of state for European affairs, recorded from this conversation that Eden, 'watched & worried', said it would be a 'terrible wicket' if the US became involved in a major war over Quemoy. Eden suggested an exchange of protection for Quemoy if Chiang pledged not to attack the mainland. Eden felt this could be achieved through either the UN or direct negotiations. Dulles replied that direct negotiations would be difficult for the US and even the UN course would raise problems. Both Dulles and Eden agreed that Quemoy was geographically more related to the mainland than to Taiwan; but Dulles said that withdrawal would not be practicable due to the effect on morale, though he assumed that ORACLE would lead to territorial adjustments. Eden thought his government would assist the US but he would have to 'think deeply about it.'²⁶

In a telegram to Eisenhower, Dulles reported:

Eden listened with intense interest but was totally non-committal which was natural. He remarked that US action to defend Formosa was understandable and would have wide approval but that the same was not true of Quemoy and other islands near the mainland. I explained large psychological and lesser material relationship of these islands to Formosa but I fear he was not totally convinced.²⁷

The British were to continue to maintain that there was a difference between Matsu and Quemoy which they considered to be part of the mainland and Taiwan and the Pescadores.

Eisenhower later said that Eden 'enthusiastically agreed' to the UN action.²⁸ Although not exactly enthusiastic, Eden did tell the Cabinet, 'It was courageous of Mr. Dulles to consider this course, which would not be popular with extremist opinion in

²⁶ FRUS, 1952-1954, XIV, pt. 1, 298, pp. 650-651, Note of Conversation by Merchant, 19 Sept. 1954.

²⁷ FRUS, 1952-1954, XIV, pt. 1, pp. 649-650, Dulles to Eisenhower, 18 Sept. 1954.

²⁸ Eisenhower, p. 464.

the United States, and he deserved our support.²⁹ At this juncture, Eden insisted on his own condition that Peking should be invited to present their own case. This proved to be the condition on which the success of ORACLE hung.

In New York on 22 September, Sir Pierson Dixon, British permanent representative to the United Nations, and Sir Gerald Fitzmaurice, a Foreign Office legal adviser, met Dulles to discuss procedural matters. It was an auspicious beginning to a long drawn out affair. Dulles was receptive to Dixon and Fitzmaurice's proposals that the PRC should be invited (the British considered Communist China's participation to be 'indispensable') and a third party should initiate the proposed UN action. Dulles was also sympathetic with the view that the UN action should be taken under Chapter 6 rather than Chapter 7; because the British considered the islands to be part of the mainland, action under Chapter 7 would in effect accuse the Chinese of 'invading their own territory'.³⁰

Eden discussed this matter further with Dulles during the London Conference on 26 September. The two secretaries of state enjoyed a good working relationship at this time. David Carlton, in Anthony Eden, wrote 'Another important feature of the London Conference was the full restoration of harmony between Eden and Dulles.'³¹ The record of their talks bears this out. Eden agreed to support prompt action in the Security Council in order to obtain a suspension of military activities against the offshore islands. Dulles agreed to action under Chapter 6 which Eden preferred since it prevented concerned parties from using the veto. Eden suggested that New Zealand

²⁹ PRO, CAB 128/27, C.M. (54) 61, minute 2, 21 Sept. 1954.

³⁰ FRUS, 1952-1954, XIV, pt. 1, 300, p.653-4, 22 Sept. 1954.

³¹ D. Carlton, Anthony Eden, (London, 1981) p. 363.

be asked to initiate the exercise since she was not closely identified with the situation but had a legitimate interest. Dulles recommended this procedure to Eisenhower who considered New Zealand 'excellent'. In the meantime, the president had arranged for the suspension of the Chinese Nationalists' raids on the mainland.³²

On 29 September, Dulles and Eden presented the proposal to the acting New Zealand High Commissioner in London, Campbell. Although Dulles did the talking, Eden completely backed him up. Eden described the proposal as 'an admirable one' which 'constituted wise statesmanship'.³³ In reply to a question on how far the US might be prepared to go if broader questions were raised in the UN, Dulles said that Formosa would not be abandoned, but that it might eventually be separated from the mainland - the 'two Chinas' solution. If the Soviets used their veto or if the initiative failed, Dulles believed 'we were no worse off than we are now'.³⁴ As was expected, New Zealand accepted her role within a few days.

On 2 October, Dulles told Eden that the situation had calmed down to some extent. The administration was now unsure whether to proceed with ORACLE immediately, so that it would already be on the Security Council agenda in case of attack, or to wait until after the November Congressional elections. In order to be prepared to proceed at any time, it was agreed that a working party be set up in Washington. Eden preferred a general cease fire extending to all hostilities between Formosa and the mainland. Dulles pointed out that it would be difficult to achieve Chinese Nationalist agreement to this and that the first step should be to 'neutralize'

³² FRUS, 1952-1954, XIV, pt. 1. 305 & 306, pp. 663-4.

³³ FRUS, 1952-1954, XIV, pt. 1, 309, p.668

³⁴ Ibid.

the offshore islands. Dulles said that this in turn 'might lead' to a cessation of all military operations in the area. Dulles did not object to Eden's proposal to inform both Moscow and Peking hours before ORACLE was introduced by New Zealand. Eden's purpose was to warn both countries of the British view of the 'seriousness of the situation' and encourage them to cooperate.³⁵

New Zealand and Britain both favoured early action in order to avoid leakage and other hazards. On 4 October, Dulles, who had always desired prompt action, told the President that, unless he felt that Congress should first be consulted, action should be taken immediately; after a month's delay the action might lose 'much of its persuasiveness and genuineness.' Indeed, events themselves might not permit delay. Dulles assured Eisenhower, 'It is hard for me to believe that it will have any adverse effect, and the effect might be favourable on balance.'³⁶ Eisenhower did not consider Congressional consultation necessary and authorized support for the Security Council to request a cessation of hostilities in the offshore islands area.³⁷

Until they began tripartite discussions, Dulles and Eden worked well together. Problems between the two emerged when it came to the exact wording and scope of the resolution to be presented by New Zealand and an agreed minute which would prescribe the three governments' action. It was of primary importance to Dulles that the resolution be limited to the hostilities in the offshore islands and avoid discussion of the other problems between the Chinese Nationalists and Communists as 'such a

³⁵ FRUS, 1952-1954, XIV, 316, P. 676, record of conversation, Dulles and Eden, 2 Oct. 1954; and PRO, FO371/110232, FC1042/25, Eden to Dixon, 2 Oct. 1954.

³⁶ FRUS, 1952-1954, XIV, pt. 1, 318, p. 680, Dulles to Eisenhower, 4 Oct. 1954.

³⁷ FRUS, 1952-1954, XIV, pt. 1, 319, p.681, memorandum by the Secretary of State, 5 Oct. 1954.

broad discussion would be bound to reveal embarrassing differences between the United States and the United Kingdom.³⁸ In regard to the resolution, the administration had to 'avoid giving the appearance of reverting to the Truman doctrine about Formosa.'³⁹ After many meetings and a flurry of telegrams, these difficulties were eventually overcome, though Eden was not completely happy with ORACLE's limited scope.

Dulles was to be proven correct in the importance he attached to the agreed minute that was drafted in order to reduce the risk of a misunderstanding between the US, Britain and New Zealand later. He also wanted something to show Senators in case they were suspicious of the operation. Eden agreed.⁴⁰ It is important to note that a contingency plan was never agreed upon in October (nor in January when ORACLE was again discussed), if the PRC refused to attend the UN Security Council meeting. In a memorandum to the Cabinet Eden wrote that 'unless there was a hitch' after the Americans informed the Nationalists, Operation ORACLE should begin on 15 October.⁴¹

At one of the preparatory meetings, Dulles asked the British representatives to clarify their intentions regarding informing the PRC. Dulles had heard that Britain was thinking about telling them possibly 3 days in advance of ORACLE instead of only a few hours. The British explained that they proposed to keep notification to the

³⁸ FRUS, 1952-1954, XIV, pt. 1, 323, p. 702, Record of Conversation, 6 Oct. 1954.

³⁹ PRO, F0371/110233, FC1042/40, Makins to Roberts, 8 Oct. 1954.

⁴⁰ Ibid.

⁴¹ PRO, CAB 129/ 71, C.P. (54) 308, memorandum by Secretary of State to Cabinet, 12 Oct. 1954.

Chinese Communists in line with that to the Chinese Nationalists who would be informed 2 or 3 days in advance. Dulles pointed out that the American relationship with the Nationalists was one of close working allies, and this was vastly different from the British relationship with Peking. It was important that the Nationalists should not fly 'off the handle'; the US could not commit herself until she had consulted them. This would take more than a few hours. The British acquiesced.⁴²

On 12 October, Eden sent instructions to Humphrey Trevelyan and Sir William Hayter, British charge d'affaires in Peking and British ambassador to the Soviet Union, respectively. Eden stressed that it would be a 'difficult exercise' and, as hard as it would be to get the Chinese Communists to cooperate, it would probably be even more difficult to persuade the Nationalists. Despite the limited scope of the operation to stopping fighting, Eden hoped that it might be possible later to reach a wider settlement. Both Trevelyan and Hayter were to make it clear that ORACLE was not merely a propaganda exercise, but a serious attempt to stop the fighting. Hayter's job was to persuade the Soviets to use their influence with the Chinese Communists. The two diplomats were to await a telegram code-named ORACLE, and then proceed.⁴³ The Nationalists, however, had yet to be informed.

THE US-NATIONALIST MUTUAL DEFENCE TREATY

Not surprisingly one of the most divisive issues for the US and Britain proved to be the handling of Taiwan, despite the fact that neither the Foreign Office nor the

⁴² FRUS, 1952-1954, XIV, pt. 1, 323, p. 704, Record of conversation, 6 Oct. 1954.

⁴³ PRO, FO371/110233, FC1042/56 Eden to Trevelyan, 12 Oct. 1954 and Eden to Hayter, 12 Oct. 1954.

State Department expected either the Chinese Nationalists or the Chinese Communists to be favourably disposed towards ORACLE. Dulles had waited to conclude negotiations with the British and New Zealand Governments before tackling the Nationalists.

On 1 October Dulles asked Rankin in Taipei for his views on how and when to inform the Nationalists of the proposed UN action. Dulles did not expect the Chinese Communists to accept UN jurisdiction, but he felt that ORACLE might allow the Nationalists to continue to occupy the offshore islands, which would not be assured if the Communists made an all-out attack and the US decided not to defend them.⁴⁴ Rankin replied that it would be 'prudent to expect violently unfavourable reception.' The Republic of China would see it as another Yalta agreement whereby Free China, at Britain's behest, would 'be sold down the river as result of secret deal made behind Chinese backs.' The Nationalists would regard this as the US appeasing Britain; and the Communists might take advantage of the cessation of hostilities imposed while Operation ORACLE was being considered in the UN and attack. Rankin proposed that the blow to Nationalist morale be mitigated by undertaking a mutual security pact and increasing aid to Taiwan.⁴⁵

On 7 October Dulles and Eisenhower discussed ORACLE and decided they should not reveal their own role to Chiang, but merely inform him that certain nations intended to bring the matter to the UN. The President agreed with Dulles and Robertson that 'if Chiang was prepared to assume a defensive posture on Formosa and the Pescadores, we could and should make a security Treaty with him' and the treaty should be proposed at the same time as ORACLE. Robertson had earlier reaffirmed

⁴⁴ FRUS, 1952-1954, XIV, pt. 1, 313, p. 672, Smith to Rankin, 1 Oct. 1954.

⁴⁵ FRUS, 1952-1954, XIV, pt. 1, 320, p. 682, Rankin to Robertson, 5 Oct. 1954.

his support for a defense treaty and suggested that, in the light of increased communist propaganda, 'Withholding of a treaty could lead to a grave miscalculation by the Soviets.' He concluded that the treaty would neither extend nor reduce present US commitments, but 'Rather it would formalize them and provide not only a clear warning to the Communists but also significant psychological support to the GRC.'⁴⁶

Robertson argued that the early conclusion of a treaty was important:

[T]o assure the GRC of our continued support at a time when its morale may be seriously lowered as a result of the status of the off-shore islands being raised, with U.S. support, in the U.N. Such a move in the U.N. would deal a severe psychological blow to the GRC. U.S. willingness to negotiate a mutual defense treaty, however, would help substantially to mitigate the force of this blow.⁴⁷

Dulles had discerned from his talks with Makins that Eden was having second thoughts, indeed he complained to the president that 'at first he [Eden] agrees; 2 or 3 days later, "doesn't know"'.⁴⁸ This may have been the reason why Dulles did not reveal to Eden this significant change in American policy before Robertson went to Taiwan for discussions with the Generalissimo. When the secretary left for a short vacation on Duck Island on 12 October he informed the president that the most important matter pending was China. Dulles noted, 'After difficult negotiations, we have a very complete and definite understanding' with Britain and New Zealand on the UN operation.⁴⁹ Clearly he did not feel that the treaty would affect ORACLE.

⁴⁶ NA, 794a.5-MSP/10-254, Robertson memorandum to Dulles, undated, but probably 2 Oct. 1954.

⁴⁷ Ibid.

⁴⁸ FRUS, 1952-1954, XIV, pt. 1, 326, p. 708, Memorandum from Dulles to Robertson, 7 Oct. 1954 and footnote 2.

⁴⁹ EL, AWF, Dulles-Herter Series, Box 3: Dulles, John Foster Oct. 1954, Dulles to Eisenhower, 12 Oct. 1954.

Chiang reacted in typical fashion when Robertson proposed ORACLE to him on 13 October. He threatened to fight to the last man with or without American help in the offshore islands; said that New Zealand had been 'duped' by Communists; but was somewhat mollified by talk of a mutual security treaty and wanted to begin negotiations immediately. Robertson, who was extremely pro-Nationalist and not well-liked by the British, did an excellent job in quite firmly presenting and defending the State Department's line making it plain that the offshore islands would not be covered. Rankin was of little help and, while advocating ORACLE, told Chiang that he 'did not like it and shared with President Chiang considerable unhappiness over the present situation.'⁵⁰ This would not have surprised the British representative in Tamsui, who later wrote that, although he was friendly with Rankin, he found the American ambassador's views 'very disquieting' because he opposed evacuation of the offshore islands and cessation of Nationalist attacks either against the mainland or international shipping. Hermann speculated at that time that he did not know how much weight Rankin carried in Washington, but he thought that Washington did not carry 'as much weight as it should with him.'⁵¹ After a full day of talks, Chiang eventually said that, while he would prefer no action to be taken in the UN, he would not oppose the resolution if the proposed mutual security treaty was announced before such action took place.⁵²

On 14 October the British and New Zealand Governments were told that

⁵⁰ FRUS, 1952-1954, XIV, pt. 1, 337, p. 739, memorandum of Conversation, Taipei, 13 Oct. 1954.

⁵¹ PRO, FO371/115042 FC1041/587, Hermann to Crowe, 1 Mar. 1955.

⁵² *Ibid.*, p. 749

Chiang's response had been negative. Douglas MacArthur, II, State Department counsellor, then presented the proposed mutual security treaty in such a way that it was not evident that Robertson had actually gone to Taibei with this in his pocket to use as bait. MacArthur said that the treaty was not dependent on action in the UN, Formosa would not become a 'privileged sanctuary', and he did not believe the offshore islands would be included. Dulles, of course, advocated going ahead. Scott thanked MacArthur for the 'frankness and fullness' of the presentation of the Secretary's thoughts and expressed the opinion that, if it was indeed the intention of the United States not to publicise the treaty while ORACLE was being considered, he felt that Britain would go along with the procedure.⁵³

Eden's reaction to the proposed treaty was negative despite the fact that his ambassador in Washington saw this as a first step toward 'two Chinas'. Makins reported to Eden that Chiang had 'immediately raised' the mutual security treaty and Dulles (who had had this in mind for some time) would be prepared to conclude such a treaty on condition that negotiations should be secret and separate from ORACLE. To Dulles the two initiatives dove-tailed and, taken together, would dampen the present explosive situation. For his part, therefore, the secretary did not feel that this need change Operation ORACLE and advocated immediate action (not surprisingly since he had been the one to offer the treaty).⁵⁴ Makins, while admitting the difficult long-term implications of such a treaty which would 'freeze' American policy, felt that it would do little more than formalize the present position which would lead directly to

⁵³ FRUS, 1952-1954, XIV, pt. 1, 342, pp. 758-9, memorandum of conversation, State Department, 14 Oct. 1954

⁵⁴ PRO, FO371/110234, FC1042/64 Makins to Eden, 15 Oct. 1954.

the 'conception' of two Chinese authorities and possibly a more realistic attitude on the part of the US to Peking. He therefore recommended proceeding with ORACLE warning that the US might go ahead with the treaty without the 'compensating restraints on Chiang.'⁵⁵ In New York Dixon who had not previously been overly enthusiastic about ORACLE, agreed with Makins that this could lead to a 'two-China' concept which the British advocated.⁵⁶ But Eden was not convinced and requested more time for consideration.⁵⁷

Eden reported to the Cabinet on 15 October that there had been a 'disconcerting development'; the US had conceded to Chiang's request for a mutual defence security treaty. He went on to say that it was 'unfortunate' that Britain had not been forewarned since 'it now appeared it had been in Mr. Dulles' mind for some time.' The foreign secretary expressed surprise that Dulles should suppose that ORACLE was not affected since Britain would be in a 'false position' with Moscow and Peking if she approached them now without revealing her knowledge of the proposed treaty. Eden also stressed the need for full knowledge of the treaty's details which he feared would end all chance of reducing tension in the offshore islands when it was made public. The Cabinet agreed that the US should be informed that they could not proceed and would not be committed to ORACLE until they knew the terms and purpose of the proposed treaty.⁵⁸ Robert Boardman writes in his account that Eden

⁵⁵ PRO, FO371/110234, FC1042/64, Makins to Eden, 15 Oct. 1954.

⁵⁶ PRO, FO371/110234, FC1042/71, Dixon to Eden, 15 Oct. 1954.

⁵⁷ PRO, FO371/110234, FC1042/68, Eden to Makins, 15 Oct. 1954.

⁵⁸ PRO, CAB 128/27, C.M. (54) 66, 15 Oct. 1954.

had been a keen supporter of ORACLE, 'but it was then shelved by the Americans.'⁵⁹

This is quite untrue. The Americans continued to press for ORACLE; Eden was uncommitted.

Further discussions with Dulles answered few of Eden's questions. It disturbed the foreign secretary that Robertson whom he did not trust was in charge of negotiating with the Nationalists, noting 'I am sure we must think out a new plan. This cock won't fight - at least not as we would wish.'⁶⁰ Dulles felt that the treaty would give protection to Formosa and the Pescadores and the offshore islands would be covered by UN action under the New Zealand resolution.⁶¹ Makins and Scott in Washington continued to favour ORACLE, while Dixon in New York disagreed. Makins thought it would lead to a 'harmonizing' of British and American policies in the Far East and also a more relaxed American attitude to Peking. While he did not think it would necessarily lead to early recognition of Peking, there might be a modification of the trade embargo and 'more rational' discussion about UN representation.⁶² Elsewhere Makins described the treaty as a first step in Chiang's 'reduction to the status of a minor potentate and one who does not even own his own estate.'⁶³ Denis Allen, the superintending under-secretary of state, proposed that Eden discuss the problem with Dulles in Paris since they always seemed to work better face to face. Allen concluded

⁵⁹ R. Boardman, Britain and the People's Republic of China, 1949-1974, (London, 1976) p. 123.

⁶⁰ PRO, FO371/110238, FC1042/173, Eden minute, 9 Nov. 1954.

⁶¹ PRO, FO371/110235, FC1042/84, Makins to Eden, 18 Oct. 1954.

⁶² PRO, FO371/110235, FC1042/84A, Makins to Eden, 18 Oct. 1954.

⁶³ PRO, FO371/110235, FC1042/84B, Makins to Eden, 19 Oct. 1954.

'It seems unlikely that we shall unravel the present tangle by telegraphic correspondence before then and it will probably be wiser not to make the attempt.'⁶⁴

Eden was reassured following his talks with Dulles in Paris on 21 and 23 October regarding the situation. Shelling in the Straits had again lessened. Dulles and Eden agreed that ORACLE should be deferred until the US made a statement of the conditions and purpose of the treaty. The Foreign Office would have access to the American statement before it was publicized and depending upon the terms of the treaty, Eden (with Cabinet concurrence) told Dulles that he would proceed with ORACLE. Until then, however, Britain would continue to be uncommitted, but was willing to resume working party discussions in the meantime.⁶⁵

While American negotiations with the Chinese Nationalists on the mutual security treaty continued their slow and painful course, Britain and America, because of the proposed treaty, had problems planning ORACLE. In early November when gunfire in the offshore islands increased, Dulles warned Eden that it might be necessary to take immediate action in the Security Council.⁶⁶ Eden fired back to the Washington Embassy, 'There seems a danger that the Americans may try to rush us into ill-considered action.'⁶⁷ Eden who after the Geneva Conference earlier that summer had tried to exploit the 'honeymoon' in Anglo-Chinese relations was disturbed by Trevelyan's report of probable Chinese Communist hostility to the treaty and the

⁶⁴ PRO, FO371/110234, FC1042/79, Allen minute, 16 Oct. 1954.

⁶⁵ PRO, FO371/110235, FC1042/96, Eden to FO, 21 Oct. 1954; and FO371/110235, FC1042/103 Eden to FO, 23 Oct. 1954.

⁶⁶ PRO, FO371/110237, FC1042/124 Makins to FO, 3 Nov. 1954.

⁶⁷ PRO, FO371/110237, FC1042/128, Eden to Makins, 4 Nov. 1954.

possible detrimental effect on British relations with the Chinese Communists resulting from ORACLE, and Dixon's estimate of Security Council action in the event of a mass assault on the islands.⁶⁸ On 5 November, Eden told the Cabinet that the practicality of ORACLE was becoming 'increasing doubtful' and that ORACLE might even increase international tension once the terms of the proposed treaty was announced.⁶⁹ The foreign secretary continued to harbour these fears even after ORACLE was initiated in the UN.

At this point Eden tried a little personal diplomacy. Without first advising Washington, he called the Chinese Charge d'Affaires in London, Huan Hsiang, to the Foreign Office for a discussion with Sir Harold Caccia, an assistant under secretary, on the increased military activity. The Chinese were told: 'It would be most dangerous for the Chinese government to base their plans on the assumption that the United States will not intervene to defend Quemoy and other coastal islands' and hinted that 'modern weapons' might be used.⁷⁰ Eden was hopeful of a peaceful settlement of the problem, making it known that they were working with the Americans, and urged prudence and patience on the part of the Chinese Communists. Scott reported that Dulles was satisfied by Eden's initiative.⁷¹ But Peking's response was not encouraging. Huan Hsiang told Caccia on 18 November that the Chinese would never wish to start war

⁶⁸ PRO, FO371/110236, FC1042/115, Trevelyan to FO, 29 Oct. 1954 and FO371/110237, FC1042/134, Dixon to FO, 5 Nov. 1954.

⁶⁹ PRO, CAB 128/27, C.M. (54) 73, 5 Nov. 1954.

⁷⁰ PRO, FO371/110259, FC1094/64 Caccia minute, 6 Nov. 1954.

⁷¹ FO371/110237, FC1042/139, Makins to FO, 6 Nov. 1954; and FRUS, 1952-1954, XIV, pt. 1, 386.

with the US, but it was the US who persisted in interfering in China's internal affairs.⁷² Little was gained by the initiative.

In Washington, Dulles was having an extremely difficult time not only with the Chinese Nationalists, who were becoming more and more anti-ORACLE, but also with the Joint Chiefs of Staff. Although Eden often said that he understood Dulles' difficulties, he pressed constantly, reminding Dulles that he was as yet uncommitted to proceed with ORACLE. When he telegraphed Makins that he was 'disturbed' by Dulles' inability to provide a draft of their public statement⁷³, Makins responded that the issue was basically 'one of confidence' in Dulles and the president who, he was sure, were doing their best to safeguard the original purpose of stopping hostilities without becoming committed to the defence of the offshore islands.⁷⁴ Makins' faith in the Americans was only valid up to a point, but the foreign secretary was not impressed by Makins' appeal to 'trust the Americans'.⁷⁵

On 23 November George Yeh, the Chinese Nationalist foreign minister, and Dulles initialled a draft treaty and exchange of notes, which were immediately relayed to London. In a memorandum to President Eisenhower, Dulles said that the 'difficult negotiation' had led to a result that clearly defined American interest in Taiwan and the Pescadores, but in a way that 'will not enable the Chinese Nationalists to involve us in war with Communist China'.⁷⁶ The treaty in conjunction with the exchange of

⁷² PRO, FO371/110238, FC1042/169, Eden to Makins, 19 Nov. 1954.

⁷³ PRO, FO371/110237, FC1042/135, Eden to Makins, 6 Nov. 1954.

⁷⁴ PRO, FO371/110237, FC1042/141, Makins to Eden, 6 Nov. 1954.

⁷⁵ PRO, FO371/110237, FC1042/148, Eden minute to Crowe minute, 11 Nov. 1954.

⁷⁶ FRUS, 1952-1954, XIV, pt. 1, 403.

notes signified the 'releasing' of Chiang by the administration. The mutual defence treaty itself was similar in scope and terminology to treaties the United States had signed with Japan and South Korea, except in the territory to be covered. This was purposely left rather vague in order to keep the Chinese Communists guessing, and merely referred to 'such other territory as may be determined by mutual agreement'.⁷⁷ The exchange of notes was of key importance since they explicitly revealed the defensive nature of the treaty and the control the United States would have over deployment of Nationalist troops. Britain wanted the notes made public at the same time as the treaty. Makins recommended continuing with ORACLE; word around Washington was that Chiang was 'on the skids'.⁷⁸

Eden reported to the Cabinet on 24 November that, despite American assurances to the contrary, neither the treaty nor the documents related to the treaty met their two main points, namely that Taiwan was not to be a 'privileged sanctuary', and that the offshore islands were to be excluded. Indeed, Kirkpatrick noted that he 'was somewhat bewildered by Mr. Dulles's skill in so wrapping up our requirements that it is almost impossible to perceive them.' If the words 'other territories' did not refer to the offshore islands, what did they mean? The Chinese Communists were bound to ask that question.⁷⁹ The PRC was infuriated by the treaty because of her claim to all the territory it covered and by American interference, not because the offshore islands were or were not covered. Like the Nationalist Chinese, Peking did not favour a cease fire that drew a line between the offshore islands and Taiwan which would allow the

⁷⁷ PRO, FO371/110238, FC1042/178, Makins to FO, 23 Nov. 1954.

⁷⁸ PRO, FO371/110238, FC1042/178C, Makins to FO, 23 Nov. 1954.

⁷⁹ PRO, FO371/110238, FC1042/178, Kirkpatrick minute, 24 Nov. 1954.

evolution of 'two Chinas'. Eden urged Dulles either to clarify these two points in his public statement or publish the exchange of notes with the treaty, because he feared the publication of the treaty alone would increase rather than decrease tension in the Far East.⁸⁰ With Cabinet concurrence Eden made it plain that he considered the treaty changed the original basis for ORACLE and saw no advantage from the Western point of view in proceeding as Dulles wished.

The sentencing of 11 U.S. servicemen by the Chinese Communists on espionage charges on 23 November added a new and dangerous element to the proceedings.⁸¹ ORACLE would now appear to be a Cold War riposte. Makins lamented that every time the US seemed to be considering a more rational policy towards Communist China, the Chinese themselves did something to rekindle public emotion and anger.⁸² Dulles and Robertson refused to change the public announcement, pointing out that they had already amended it once at New Zealand's request although they agreed to delay ORACLE until the public's reaction to the announcement could be assessed.⁸³

American and British public opinion reacted favourably, but the Chinese Communists were angry and accused Britain of conniving with the US. Britain's position was not helped by her public support of the US over the sentenced airmen. Dulles strongly hinted that the US might be forced 'to act alone or to seek collective action against [possible Chinese Communist] attack in the UN' whether ORACLE went

⁸⁰ PRO, CAB 128/27, C.M.(54) 79, 24 Nov. 1954; and FO371/110238, FC1042/178 Eden to Makins, 24 Nov. 1954.

⁸¹ PRO, FO371/110239, FC1042/190, Eden to Makins, 27 Nov. 1954 and FO371/110239, FC1042/192 Eden to Makins, 29 Nov. 1954.

⁸² PRO, FO371/110239, FC1042/186B, Makins to FO, 25 Nov. 1954.

⁸³ FRUS, 1952-1954, XIV, pt. 1, 416. pp.962 & 965.

ahead or not, but suggested that he might be satisfied if the matter was merely introduced but not forced to a vote. Heeding Makins' warning 'that the situation will be ugly enough in either case,' Eden gave in and agreed to continue preparations for ORACLE, but insisted that the publication of the exchange of notes precede ORACLE and there be a 'good chance of Communist concurrence.' The British considered Peking's attendance in the Security Council during the debate to be vital for the success of ORACLE; the Americans did not, and therefore wanted to press on.⁸⁴ Dulles assented that the notes would need to be published first, but could not say when that would be. The Chinese Nationalists who themselves fervently hoped that the notes would not be published would need to be consulted.⁸⁵ The frustration experienced in the Foreign Office was expressed by James Murray who minuted 'It would be helpful if the Americans were a little more frank about the nature of their understandings with the Nationalists.'⁸⁶

By the time Dulles and Eden met in Paris on 17 December, Dulles had already largely decided that the exchange of notes would not be released until the treaty documents were sent to the Senate for ratification in January.⁸⁷ This allowed Dulles the lee-way to agree with Eden that the decision to proceed with ORACLE should be deferred. Eden was quite pleased with his talks with Dulles. Meanwhile, in a letter to Scott in Washington, Allen described his 'heart to heart' discussions with

⁸⁴ FRUS, 1952-1954, XIV, pt. 1, 428, 432 and 445; FO371/110240, FC1042/228, Makins to Eden, 6 Dec. 1954 and Eden to Makins, 7 Dec. 1954.

⁸⁵ FRUS, 1952-1954, XIV, pt. 1, 432, pp. 1002-3.

⁸⁶ PRO, FO371/110241, FC1042/236 Makins to FO, 7 Dec. 1954.

⁸⁷ FRUS, 1952-1954, XIV, pt. 1, 428, p.990.

MacArthur. They had agreed that ORACLE had had its ups and downs, but it was 'pretty well sorted out for the time being' partly due to the way Britain had publicly handled the treaty and the American airmen issue. Both Allen and Eden believed that Anglo-American relations over Far Eastern affairs were 'on a fairly even keel again for the present.'⁸⁸

Britain and the United States had worked closely in bringing the matter of the US airmen before the United Nations. On the grounds that American intelligence expected no imminent attack and in view of the 'heated atmosphere' due to the US airmen issue and the treaty, Dulles had agreed to a policy of 'watchful waiting.' He believed that it would be possible to proceed with ORACLE 'when attack seemed imminent or the situation quieted, whichever comes first.'⁸⁹ Before Dulles had left for Paris, Robertson had prepared a memorandum stating the pros and cons of going on with ORACLE. Robertson offered more cons than pros and the net message seemed to be that it was better to support an ally like Chiang than take a chance on Britain and New Zealand.⁹⁰ From his remarks to Eden in Paris, it does not seem that Dulles took the same view.

While in Paris in December, Eden began to think of ways to recapture 'the spirit of Geneva' and re-establish contact with Chou En-lai, premier and foreign minister of the People's Republic of China, in a bid to improve their worsening relations.⁹¹ In late December Chou in a speech to the National Committee of the

⁸⁸ PRO, FO371/110243, FC1042/290, Allen to Scott, 20 Dec. 1954.

⁸⁹ FRUS, 1952-1954, XIV, pt. 1, 447.

⁹⁰ FRUS, 1952-1954, XIV, pt. 1, 445.

⁹¹ PRO, F0371/110246 FO1051/57, Allen minute, 20 Dec. 1954.

Chinese People's Political Consultative accused the British of bad faith. Eden considered this to be a suitable opening for an approach by Trevelyan. Without appearing to apologize for their support of the US, the British wished to convince the Communists of the defensive purpose of the US-Nationalist mutual defence treaty and warn them that an attack on Taiwan would involve the UN. Nothing would be gained by fighting and a peaceful solution could only be achieved on the 'basis of the actual situation.'⁹² Trevelyan spoke with Chou on 5 January. He urged the Chinese, when they were formulating their policy, to remember that the US would never withdraw its protection of Chiang Kai-shek.⁹³ The appeal apparently had very little impact since heavy bombing of the Tachen Islands by the Chinese Communists resumed on 10 January. Despite the bombing, Eden and the Foreign Office were well pleased and wished to maintain contact with Chou. The British still hoped to convince the Chinese Communists eventually that their fears of an American attempt to re-install Chiang on the Mainland were groundless. Once again, the British had not consulted or informed the Americans first.⁹⁴

On 6 January the President sent the treaty and notes to the Senate for ratification. The British were distraught and blamed the State Department for trying to play down the exchanged notes when the press failed to notice them. At the same time the truth behind Robertson's October visit to Taiwan was revealed. Murray minuted 'the Americans were a good deal less than frank with us' regarding the visit.

⁹² PRO, FO371/115061, FC1051/1 Eden telegrams to Trevelyan, 31 Dec. 1954.

⁹³ PRO, FO371/115061, FC1051/2, Trevelyan to Eden, 5 Jan. 1955.

⁹⁴ PRO, FO371/115061, FC1051/6, Crowe minute, 13 Jan. 1955; and Eden to Peking, 14 Jan. 1955.

The Whitehall official responsible for China and Korea in the Far Eastern Department, however, agreed that, while that seemed to be the case, it could also be regarded as a cover up for what was 'as far as we know, the real reason.'⁹⁵ The Foreign Office continued to believe that Chiang had been the one to insist on the treaty.

The renewed bombing of the Tachens in mid January 1955 raised the issue of ORACLE yet again. Dulles and Eden had agreed not to go ahead until the Secretary General of the UN returned from Peking, where he was trying to secure the release of the American airmen. The Foreign Office was relieved to hear from its Washington Embassy that Dulles initially appeared to believe it better if ORACLE remained in 'cold storage' for the time being. Murray noted that, since the exchange of notes had been published and finally noticed by the world press, Dulles would believe that all the British preconditions had been met and it would be difficult to refuse to proceed should Dulles decide to do so.⁹⁶

THE FORMOSA DOCTRINE

The increased shelling of the Tachens in January 1955 brought to a head the debate over the best way to secure peace in the region, marking a turning point in not only the American administration's handling of the crisis but also in its commitment to the offshore islands. Although Dulles still hoped that ORACLE might result in a cease fire of some sort, the Tachens posed an immediate problem that, whether they were to be defended or evacuated, would require American military assistance with the

⁹⁵ PRO, FO371/115023, FC1041/7, /8 & /13, Makins to FO, 7 Jan. 1955, Makins to FO, 8 Jan. 1955, and Joy to FO, 6 Jan. 1955.

⁹⁶ PRO, FO371/115023, FC1041/18 Allen minute, 15 Jan. 1954; and Murray minute, 19 Jan. 1954.

attendant risk of hostile contact with the PRC. The president and his secretary of state now questioned if their interests were best served by the vagueness of the US-Nationalist Mutual Defence Treaty that simply referred to 'other territories' that might be defended. As noted earlier even the Foreign Office wondered just what this phrase meant if it did not refer to the offshore islands. It was thus decided that American policy should be clarified in order to deflect the USSR and the PRC from miscalculating American intent and making an ill-judged attack. The vehicle for this warning was to be a presidential message to congress which came to be known as the Formosa Doctrine.

On 12 January the Nationalist ambassador, Wellington Koo, warned Robertson that, unless the US increased its logistic support for the Tachens' defence, the Nationalists 'may not make a serious attempt to hold the islands.'⁹⁷ The Tachens' vulnerability had been brought home to the Nationalists by the loss of three ships during the PRC's bombing raid on the Tachens, the northernmost island group that was considered to be the most difficult to defend, on 10 January. It was made clear that Chiang would base his decision on America's response which he must have hoped would be more favourable than it was. On 19 January the Chinese Nationalist foreign minister, George Yeh, and Koo informed Dulles that none of the Tachen islands could be held without American aid and the Nationalists were thinking of withdrawing. Dulles immediately seized upon this and informed Robertson that he was:

[V]ery anxious that the memorandum of the first conversation should show that it was he [Yeh] who first brought up the question of the evacuation of the Tachens and not I. This may be important later if the

⁹⁷ NA, 793.5/1-1455, McConaughy Memorandum, 14 Jan. 1955.

Chinats should claim it was we who forced evacuation upon them.⁹⁸

The Chinese Nationalists suggested the US indicate 'positive interest' in the retention of remaining offshore islands followed by a public statement. Dulles said that the US could not 'afford to bluff in this situation', should not give any warning that might prove empty and added that the retention of the Tachens would not be militarily sound even if the US were already at war with Communist China. Dulles again tried to interest the Nationalists in a UN approach to cover Quemoy and possibly Matsu: 'If it did not result in a cease-fire, it might at least place the Chinese Government in a stronger moral position.'⁹⁹

That same day Dulles told the President that the Nationalists could not hold the Tachens without US help and should be encouraged to evacuate with US assistance, but he was leaning toward making a firm commitment to defend Quemoy. Dulles continued:

[I]t seemed to me apparent that doubt as to our intentions was having a bad effect on our prestige in the area, since it was in many quarters assumed that we would defend the islands, and our failure to do so indicated that we were running away when actual danger appeared. I felt it important to make our intentions clear and then stick to them....I said I thought we should also stimulate UN activity along the lines which had been long considered in the hope that its influence might lead to some pacification in the area.¹⁰⁰

Eisenhower agreed with the proposal in principle. What was left was further consultations with the Nationalists, Britain and Congressional leaders.

Eden soon made it plain that he would not continue with ORACLE if a

⁹⁸ FRUS, 1955-1957, II, 16 and footnote 1.

⁹⁹ Ibid, pp. 39 - 40.

¹⁰⁰ FRUS, 1955-1957, II, 17, p. 42.

provisional guarantee was made since 'provisional undertakings tended to become permanent.'¹⁰¹ On 19 January when Dulles explained the situation to a sympathetic Makins he made it clear that any new commitment to defend the remaining offshore islands would not enlarge the treaty area. In turn, Makins recommended proceeding with ORACLE to prevent the situation from deteriorating¹⁰², particularly since ORACLE was now public knowledge. Eden lost no time in responding. After consulting with the Cabinet, he telegraphed Makins that he found this development 'disturbing.' It had been Eden's goal to keep Formosa and the Pescadores separate from the offshore islands which he wished to see abandoned. Eden believed that the Chinese Communists might eventually be persuaded that they could not have Formosa and the Pescadores, but they would 'never acquiesce in the coastal islands remaining in Nationalist hands.' The provisional guarantee would confuse friend and foe and would make it more difficult ever to get Chiang out of the islands. The foreign secretary feared that the Chinese Communists would now refuse to cooperate in the UN cease-fire and plainly stated that Makins should make these points strongly to Dulles:

I shall be prepared to consider going ahead with ORACLE, which in any event will be hazardous, if the Americans give up the idea of guaranteeing Quemoy or other coastal islands.

I have also not forgotten Dulles' remarks to me last September that Quemoy was indefensible except with the use of atomic weapons. Have the Americans really weighed the dangers of having to use these to defend a useless island simply to support Nationalist morale by

¹⁰¹ PRO, CAB128/28; C.C. (55), 20 Jan. 1955.

¹⁰² PRO, FO371/115023, FC1041/21 and /22, Makins telegrams to FO, 19 Jan. 1955.

compensating them for the loss of the equally useless Tachens.¹⁰³

Dulles had fully expected the British to continue with ORACLE despite the fact that the US was now dramatically changing its stance by saying that the offshore islands were worth defending.¹⁰⁴

Makins and Scott met with Dulles on 20 January and related Eden's misgivings. Dulles was willing to meet them half way and said that the public statement could be less specific than had previously been planned. Matsu and Quemoy would not be mentioned by name. Eventually they came to the understanding that nothing would be said publicly until after the UN operation was complete. He assured the British representatives that the use of atomic weapons was 'a remote possibility.'¹⁰⁵ At a National Security Council meeting held the next day, Dulles reported the British views, pointing out that he believed that they might be willing to go along if the US announced that it would defend Formosa and not mention the offshore islands, so long as the Chinese Nationalists and Communists were informed privately. Meanwhile Allen Dulles, director of the Central Intelligence Agency, had given a negative estimate of results if Dulles' original plan was used. The President, confident of congressional reaction, said he:

[C]ontemplated no permanent extension of the defense area of Formosa. We will continue to defend these islands until some other arrangements can be made to quiet the Formosa area. We would then get out of the

¹⁰³ PRO, FO371/115023, FC1041/21, Eden to Makins, 20 Jan. 1955; CAB 128/28: C.C. (55) 5th, Minute 6, 20 Jan. 1955; and FRUS, 1955-1957, II, 18.

¹⁰⁴ FRUS, 1955-1957, II, 23, p. 72, NSC meeting 20 Jan. 1955.

¹⁰⁵ FRUS, 1955-1957, II, 25, pp. 88-89; and FO371/115024, FC1041/30 Makins to FO, 20 Jan. 1955.

offshore islands.¹⁰⁶

The 'other arrangements' referred to certainly included a possible UN cease fire that resulted from Operation ORACLE.

Eden on 22 January agreed that the President's message to Congress was an improvement and 'on balance it is now to our advantage to assist the Administration in keeping to a moderate line.' Thus Eden finally agreed to proceed with ORACLE despite all the risks.¹⁰⁷ Dulles had warned Makins previously that he could not give any commitment that the offshore islands would eventually be allowed to go to the Communists, although this might be what the British had in mind. However, he promised to do his best to stop Nationalist activities (i.e. against shipping) while the UN was contemplating ORACLE.¹⁰⁸ As the final details of the operation were worked out in Washington and New York, the British worried over ways to entice the Chinese Communists to attend, matters with which the Americans were not so concerned.

Britain's influence on American policy making was at its height in this period of tense and frequent negotiations on both ORACLE and the future of the offshore islands. The importance of ORACLE to the Americans gave Britain a great deal of leverage in its dealings with the administration. As we have seen, Eden's unwillingness to continue with the operation if the US made a commitment, either public or private, to defend the offshore islands, in conjunction with the CIA's report, certainly was an important factor in Eisenhower's decision to retract the offer of a

¹⁰⁶ FRUS, 1955-1957, II, 26, pp.90-94, NSC meeting 21 Jan. 1955.

¹⁰⁷ PRO, FO371/115024, FC1041/39, Eden to Makins, 22 Jan. 1955.

¹⁰⁸ FRUS, 1955-1957, II, 27, p.98.

public commitment to defend all the remaining Nationalist-held territory. Chiang was greatly disappointed by this volte face and continued to try to force the Americans' hand by refusing to evacuate from the Tachens.

The President sent his amended message to Congress on 24 January. Although the exercise had originally been designed to clarify the American position, the end product fell far short of that goal and American intentions toward the offshore islands were left vague. The president clearly defined American interests in the region, stressing the importance of Taiwan in the 'island chain of the Western Pacific that constitutes, for the United States and other free nations, the geographical backbone of their security structure in that Ocean.' In asking Congress for authorization to use whatever measures were deemed necessary to defend Taiwan and the Pescadores, he insisted that it was not his intention to expand the area covered by the Mutual Defence Treaty, which had yet to be ratified, but:

[U]nhappily, the danger of armed attack directed against that area compels us to take into account closely related localities and actions which, under current conditions, might determine the failure of such an attack.¹⁰⁹

Congress confirmed its faith in the president's judgment to make the decision on whether or not the US should intervene when on 25 January the House of Representatives passed the resolution by 410-3 and the Senate by 85-3 on 28 January. Although the British were satisfied with the resolution itself, Eden told the Cabinet on 27 January that he was disturbed by the tenor of the proceedings in the Foreign Relations Committee and the administration's unwillingness to:

[A]ccept a formula designed to show that military action by United States forces would be limited to the defence of Formosa and the

¹⁰⁹ FRUS, 1955-1957, II, 34, pp. 115-119

Pescadores. The Administration seemed to be running great risks of exposing themselves to the criticism that their policy was designed, not so much to avoid an extension of hostilities in the Far East, as to enlist support for military action which they were determined to take.¹¹⁰

Eden's misgivings were not unfounded, particularly in the light of Eisenhower's private assurance to Chiang, but Britain's best interests were served through their efforts to persuade the Soviets and the Chinese Communists to participate in ORACLE.¹¹¹

In 1957 the president refuted a claim by John Beal made in his book on John Foster Dulles that Eisenhower had given Chiang a secret letter to defend Matsu and Quemoy. The president maintained that he 'had never written any such letter or given any assurances that went beyond the law,' which, of course, meant the Formosa Doctrine or Public Law 4.¹¹² The president's confidential assurance to Chiang of 2 February to assist in the defence of Matsu and Quemoy, under existing circumstances, 'in the event of an attack seriously threatening their loss'¹¹³ in return for the Nationalists evacuation from the Tachens did not contravene Public Law 4 since the Congress left it to the president to decide whether or not an attack on the offshore islands presaged an attack on Taiwan which the US was bound by treaty to defend. The confidential assurance was given in order to placate Chiang who had on 30 January informed the US that he would refuse to order an evacuation of the Tachens unless the US publicly clarified her commitment to the remaining offshore islands as had earlier been promised and smoothed Nationalist fears of American betrayal. The

¹¹⁰ PRO, CAB128/28; C.C. (55) 27 Jan. 1955.

¹¹¹ PRO, CAB128/28; C.C. (55) 24 Jan. 1955.

¹¹² EL, AWF, DDE Diary Series, Box 23: April '57 Diary-Staff Memos (2), Pre-press conferences notes, 3 Apr. 1957.

¹¹³ NA, 793.5/10-2055, chronology of events, 20 Oct. 1955.

British, who continued with ORACLE on the understanding that the US had abandoned the notion of a provisional guarantee and would make 'no additional public or private commitment' to the Nationalists¹¹⁴, would have been greatly upset to learn that the Nationalists had been given such an assurance. As will be shown in the following chapter, the question of America's commitment to the offshore islands continued to be a divisive issue; the British and the Americans disagreed as to whether the retention or evacuation of the offshore islands would result in a lessening of tension in the area as long as the Nationalists remained on Taiwan.

In January 1956 following the publication of a Life magazine article the word 'brinkmanship' was coined to describe Dulles' handling of three major problems encountered early in the life of the Republican administration: Korea, Indo-China and Matsu and Quemoy. The article had a negative effect on public opinion; people were worried that the secretary of state was willing to take the country to the brink of war and then pull back; what happened if the aggressor did not back down? Although the secretary of state had been interviewed he told the president that the author had paraphrased his remarks. Eisenhower, however, considered the line about the 'brink of war' to be 'unfortunate'. Dulles explained that he 'was making it clear that we were prepared to fight' to which the president responded that in the event of 'any action toward a major war, he would go before the Congress'.¹¹⁵ Before his press conference, the president expressed astonishment that Dulles had talked so freely and prepared to be vague with the press himself. He speculated that 'It would be

¹¹⁴ PRO, FO371/115024 FC1041/37, Makins telegram, 21 Jan. 1955.

¹¹⁵ EL, AWF, DDE Diaries, Box 12: Jan. '56 Phone Calls, president to Dulles, 19 Jan. 1956.

unthinkable to be guilty of a Munich. It is likely that you do come to a place uncomfortably close to war (by following such a program), but you cannot retreat and retreat.¹¹⁶ Publicly Dulles asserted that he was a man of peace, however:

[T]here are basic moral values and vital interests for which we stand, and that the surest way to avoid war is to let it be known in advance that we are prepared to defend these principles if need be by life itself. This policy of seeking to prevent war or seeking to prevent war by preventing miscalculation by a potential aggressor is not a personal policy.... It is expressed in Public Law 4 whereby the Congress, by an almost unanimous bipartisan vote, authorized the President to use the armed forces of the United States in the Formosa area if he deemed it necessary for the protection of Formosa and the Penghus....¹¹⁷

As we have seen, the Formosa Doctrine was less revealing of America's intentions than had originally been hoped and Dulles continued with ORACLE.

Prime Minister Eden was particularly upset that, despite Makins' warning that the article was for domestic consumption and that it would be undesirable for Britain 'to be drawn into an American domestic wrangle'¹¹⁸, such an article had been published just before his scheduled visit to Washington in early February 1956. Although the Foreign Office was instructed to limit comment, Eden was particularly irritated that past controversies, particularly Indo-China, had been raised at that time. Makins was informed that he hoped that Washington realized 'how embarrassing it is to us here that this untruthful and irresponsible article should have appeared'.¹¹⁹

The section of the Life article on the Formosa Doctrine and America's

¹¹⁶ EL, AWF, DDE Diary Series, Box 12: Jan. '56 Miscellaneous (4), Pre-press briefing, 19 Jan. 1956.

¹¹⁷ PRO, PREM11/1689, Makins telegram, 17 Jan. 1956.

¹¹⁸ PRO, PREM11/1689, Makins telegram, 12 Jan. 1956.

¹¹⁹ PRO, PREM11/1689, Lloyd to Makins (approved by Eden) 14 Jan. 1956.

commitment to the remaining offshore islands, raised eyebrows in Whitehall. The excerpt reads as follows:

The third time Dulles faced war came in those weeks in late 1954 and early 1955, when menacing Communist maneuvers were made against Quemoy and the Matsus - the time now identified as the Formosan crisis. Here war was avoided mainly by a resolution drafted by Dulles and passed by an overwhelming bipartisan vote in Congress which authorized the President to use U.S. military forces should the Chinese Communists attack Formosa. Thus the Chinese were publicly put on notice that Eisenhower was ready and authorized to retaliate at once. Dulles has never doubted, incidentally, that Eisenhower would have regarded an attack on Quemoy and the Matsus as an attack on Formosa.¹²⁰

The final sentence was marked in the file. As we will see in the following chapter, the British worried over the extent of America's commitment to these offshore islands which served to hinder their own attempts to draw a line between the offshore islands and Taiwan and the Pescadores. The British apparently remained unaware that Taiwan *guarantee* had been given an informal American *which would be withdrawn if superseded by a UN cease fire or if the PRC distinguished between an attack on the offshore islands and Taiwan as the British wanted the US to do.*

THE PEOPLE'S REPUBLIC AND ORACLE

When the president sent his message, the Formosa doctrine, to Congress Eden again agreed to delay ORACLE in order that it should not confuse the Congressional debate. Eden was now worried that ORACLE might do more harm than good in view of negative remarks made by Chou immediately after the message was sent to Congress in which he called the President's message a war message and re-stated

¹²⁰ PRO, PREM11/1689, Quote from Life article January 1956.

China's determination to liberate Taiwan.¹²¹ Dulles' reaction to the speech was indifferent; he thought that 'Chou's statement was stupid and would help get the resolution through.'¹²²

Difficult negotiations continued between the Americans and the British who differed sharply on the importance of the PRC's attendance to the success of the operation. Trevelyan felt there was a slim chance the Chinese Communists would attend, if only to complain about US actions. The key was to convince them that this action was for exploring a solution rather than for taking definite action.¹²³ A two pronged approach was agreed where New Zealand would introduce the issue and Secretary General Dag Hammarskjold would invite the Chinese Communists to attend; the resolution would be introduced at a later stage. Behind the scenes Britain would, as previously planned, inform the Chinese and Soviets beforehand. The outstanding issue that remained was what would happen if the Chinese Communists refused to attend. The British rightly feared that the Americans would try to press it to a conclusion, i.e. a Soviet veto.

Although now committed to follow through, the British remained very sceptical. On 27 January Eden told the Cabinet that he was 'disturbed by the attitude of the United States Government.' At the Senate hearings, Dulles had not made it clear that military action by the US would not include the offshore islands.¹²⁴ And at the last

¹²¹ PRO, FO371/115025, FC1041/65, Eden to Makins, 25 Jan. 1955.

¹²² FRUS, 1955-1957, II, 36, p.122. Meeting, 25 Jan. 1955.

¹²³ PRO, FO371/115025, FC1041/47, /48, and /55, Trevelyan telegrams to FO, 23 & 24 Jan. 1955.

¹²⁴ PRO, CAB 128/28, C.M. (55) 7, 27 Jan. 1955.

minute, Scott had to talk Dulles out of tabling the cease-fire resolution at the outset of ORACLE. This led Kirkpatrick to the view 'that the Americans, although they profess to be anxious about the whole position, find elementary prudence unbearably galling.'¹²⁵

On 28 January, the New Zealand letter was delivered to the President of the Security Council. Chou En-lai and Molotov were informed of ORACLE. Trevelyan described Chou as 'tense and absolutely uncompromising.'¹²⁶ It was soon apparent that the Chinese Communists would probably not accept the invitation. The Soviets took Peking's line and blamed tension in the area on the US. On 30 January, Arkady Sobolev, the Soviet representative to the UN, sent a letter to the president of the Security Council. The Soviet resolution condemned the US and the Chinese Nationalists, and called for American withdrawal from Taiwan. Although this item was obscured by the British-led vote to consider ORACLE first, it was only one of many Soviet diplomatic initiatives to deal with the problem in the area.¹²⁷ On 4 February, Eden reported to the Cabinet that the Chinese Communists were only willing to participate in the Security Council if the Soviet item were to be considered, which was unacceptable. Britain's biggest problem from this point would be to keep the US from tabling the previously agreed resolution or insisting on further debate in the UN.¹²⁸

Eisenhower, on hearing of Chou's refusal, told James Hagerty, his press

¹²⁵ PRO, FO371/115027, FC1041/120, Kirkpatrick minute, 27 Jan. 1955.

¹²⁶ PRO, FO371/115028, FC1041/132, Trevelyan to FO, 28 Jan. 1955.

¹²⁷ FRUS, 1955-1957, II, 66.

¹²⁸ PRO, CAB 128/28, C.M. (55) 9, 4 Feb. 1955.

secretary:

You know, they [the Chinese Communists] are certainly doing everything they can to try our patiences. It's awfully difficult to remain calm under these situations. Sometimes I think that it would be best all around to go after them right now without letting them pick their time and the place of their own choosing. I have a feeling that the Chinese Communists are acting on their own on this and that it is considerably disturbing to the Russians. This Chou refusal must come as a great surprise to our British friends. You know, they were trying to get us in a position where they would solve the whole situation and stop the hostilities. Of course, they're not too interested in Formosa, but Hong Kong - that's another story. They'd do almost anything to retain that.¹²⁹

Eisenhower later wrote, 'It was therefore clear that the United Nations was unable to be of any help to us in establishing a cease fire and keeping the peace.'¹³⁰ This did not stop the administration, particularly Dulles, from continuing to press the British to take ORACLE to its conclusion.

Once the PRC declined the UN invitation, the potential for an open split between the US and Britain increased. Eden was determined at all costs that a UN debate be avoided and became very active in pursuing independent initiatives and encouraged third parties, particularly India, to use their influence to change Peking's decision. When the Commonwealth prime ministers met in London in early February 1955 Taiwan was a main topic for discussion. The American Embassy in London reported, 'Every one seemed worried and nobody seemed to have a ready-made solution.... Despite this feeling of friendliness there was an apprehension in certain quarters that if the alliance were to founder it would be on Far Eastern

¹²⁹ FRUS, 1955-1957, II, 77, pp. 202-3.

¹³⁰ Eisenhower, p. 469.

developments.¹³¹ There was, however, general agreement that there should be a differentiation between the offshore islands and Taiwan and the Pescadores. As Churchill reportedly told the conferees, we must stand with our 'misguided friend' in her hour of need just as the US had stood with the British Empire in her hour of peril.¹³² There was no public repudiation of the US position, even though by the end of the month there was growing speculation in the press that the US and Britain had different perceptions of the requirements for peace.¹³³

Eden considered the Soviet proposal to call a conference to discuss the Far Eastern situation to be a hopeful sign and with India explored their offer for discussions on the region. Harold Macmillan, then chancellor of the exchequer and later foreign secretary and prime minister, wrote:

The only encouraging signs appeared to be in Moscow, for it was clear that the Russians did not want a war in the Far East which it might not be possible to limit.

Indeed, both Moscow and London are working (somewhat paradoxically) on the same line and trying to restrain their friends.¹³⁴

The Soviets proposed that they, India and Great Britain, should sponsor a conference to be held in Shanghai or New Delhi with the United States, the People's Republic of China, France, Burma, Pakistan, Ceylon and Indonesia. The Nationalists were to be excluded. This initiative further confirmed Eden's belief that further action

¹³¹ NA, 741.13/2-155, Aldrich to St Dept, 1 Feb. 1955.

¹³² NA, 793.5/2-855, Aldrich to St Dept, 8 Feb. 1955.

¹³³ PRO, FO371/115037 FC1041/12, Makins telegram and attached minutes by Allen, Kirkpatrick and Eden; FO to Makins, 18 Feb. 1955; and FC1041/13, Makins telegram, 17 Feb. 1955.

¹³⁴ H. Macmillan, Tides of Fortune, 1945-1955, (London, 1969) pp. 552-3.

should not be taken in the Security Council.¹³⁵ Charles Bohlen, American ambassador to the Soviet Union, telegraphed the State Department:

It is doubtful that Soviets could have any illusions that conference bypassing UN, excluding Nationalist China and in composition suggested would be acceptable to west powers, particularly US.

It is obviously a play for neutralist Asian nations, particularly India, and also in hope causing division between US and UK. In this connection it has been noted that Soviets have made quite a point of Great Britain's position in this matter and have sought to play up to specific British feelings.¹³⁶

Bohlen's assessment reflected the thinking at Foggy Bottom in Washington. Thus, the Soviet initiative was not taken seriously in the United States and was written off as a propaganda ploy. Eden eventually conceded that the Soviet initiative, even if altered, was a non-starter and went on to explore other ways to keep the United States from continuing UN action and ultimately declaring its intention to defend the offshore islands after ^{the} Tachens were evacuated in mid-February.

Dulles was now interested in a renunciation of force by both sides. He told Makins on 9 February that, if the Chinese Communists would give dependable assurances not to take Taiwan and the Pescadores by force, the US would be willing to reconsider its position regarding the offshore islands. Eden thus set off to explore this possibility, despite the fact that there was extremely little possibility that the Communist Chinese would give such an assurance (nor the Chinese Nationalists).¹³⁷ Dulles and Eden agreed in Bangkok in early March to delay further action in the

¹³⁵ PRO, FO371/115032, FC1041/261, Eden Telegrams to Makins, 5 Feb. 1955.

¹³⁶ FRUS, 1955-1957, II, 86, pp.217-218, 5 Feb. 1955.

¹³⁷ FRUS, 1955-1957, II, 99; PRO, FO371/115035, FC1041/339 Makins to FO, 9 Feb. 1955 & minutes and FO371/115036, FC1041/377 Makins to FO, 11 Feb. 1955.

Security Council until after he had completed his approach to Chou. At one point Eden was ready to offer to go across the Hong Kong border to meet with Chou, but Churchill, who had begun to take more interest after a spate of letters from Eisenhower, intervened and the Cabinet only authorised a meeting with Chou in Hong Kong itself.¹³⁸ Although Chou invited Eden to Peking, the terms of discussion were not suitable since again the Chinese stated that they were only willing to discuss American aggression in the area. Thus on 2 March Eden sent a message to Chou that 'a common basis does not yet exist' for a 'peaceful settlement of serious issues at stake' and returned to Britain.¹³⁹ The British foreign minister was still determined to resist American pressure to continue with ORACLE.¹⁴⁰

As seen in the following chapter, American and British perceptions during this period could not have been more different. Dulles considered the lull that ensued after the Tachens' evacuation in mid February to be a peak time for a possible PRC attack and put additional pressure on Britain to proceed with ORACLE; Dulles wanted to have international public opinion and sanction behind him for any move deemed necessary to defend Taiwan. The British strongly resisted on the grounds that ORACLE might provoke the PRC into renewing hostilities. On 14 March Makins told the secretary that London thought that the present uneasy situation might be designed to place 'maximum strain' on Anglo-American relations. Indeed, Britain's contact with the Soviets would be impaired by the UN operation, but the secretary did not like, and later rejected, Makins' suggestion that Britain, India and the Soviets might be asked

¹³⁸ PRO, PREM11/879.

¹³⁹ PRO, FO371/115041 FC1041, Eden Rangoon telegram, 2 Mar. 1955.

¹⁴⁰ PRO, FO371/115041 FC1041/549, Crowe minute, 3 Mar. 1955.

by the UN to explore the situation further. Dulles reiterated that the US was willing to reconsider its position on the offshore islands, the point of contention between the US and Britain, if the Chinese gave an 'explicit or implicit disavowal' to take Taiwan by force.¹⁴¹ When they met again two days later Dulles definitely rejected Makins' proposal, although he intimated that he would not be adverse to these three countries exerting pressure on the PRC, but intermediaries were 'totally unacceptable.' One thing the British hoped to make perfectly clear was that they did not believe the PRC was preparing an attack but was attempting to consolidate public opinion on its side. In its memorandum that was handed to Dulles, they stated that it would be 'easier to justify vis-a-vis world and Asian opinion' any action necessary to defend Taiwan and the Pescadores.¹⁴² The US continued to discuss ORACLE and there was more talk of a guarantee of Taiwan in exchange for Chiang's withdrawal from the islands.

As April progressed Dulles became increasingly eager to act in order to be prepared for a break in the lull. On 24 March, Dulles sent a letter to Eden through Winthrop Aldrich, American ambassador to Great Britain, in which he stated his concern over the fact that the Security Council had not followed up the New Zealand initiative. One could not be sure how long the lull would last. The Soviet Union would take over the Presidency of the Security Council in April and Dulles was anxious to take action before then. He continued,

In our view it remains as important as ever to keep public attention focused on the fact that we all favour and are pushing for cessation of hostilities in offshore island area. This is the strength of our position, and it is ground on which we can all stand united...For our part we would much prefer to secure a prompt vote on the New Zealand

¹⁴¹ FRUS, 1955-1957, II, 152, pp. 364-6.

¹⁴² FRUS, 1955-1957, II, 157, pp. 374-5.

resolution, even assuming a Soviet veto, in which case it would be perfectly clear who opposes cease fire proposal....We would not put resolution to immediate vote if the United Kingdom opposed.¹⁴³

Eden was still unable to proceed. He considered that the Security Council would now only be used to promote the American viewpoint; this was 'not a good enough reason' to continue.¹⁴⁴ Eden wrote to Dulles on 25 March:

I am sorry to go on disagreeing with you about this question of the next move. I can assure you that I have given it very serious thought and I really do not see that to proceed with ORACLE at this stage would do any good and it might do much harm to the relations between our two countries and to our common cause.¹⁴⁵

Dulles conceded for the time being, but he was clearly anxious for action of some type. In his reply Dulles was careful to say: 'In deference to your views we will hold up immediate action', but he and the President doubted that events would allow the matter to be left moribund in the Security Council.¹⁴⁶ The British did not believe that the Chinese Communists would make a major attack before the Afro-Asian Conference convened in late April and Dulles grudgingly agreed that it would be 'inadvisable to stir up a row' in the Security Council before Bandung.¹⁴⁷

Chou's offer at Bandung to hold discussions with the US signaled the end of the crisis. As will be shown in the following chapter, after the Afro-Asian conference the British concentrated on exploring the sincerity of Chou's offer and the Americans were willing to let time and distance lead to an evolution of a de facto cease fire.

¹⁴³ PRO, FO371/115043, FC1041/618 Aldrich to Eden, 24 Apr. 1955.

¹⁴⁴ PRO, FO371/115043, FC1041/618, FO to Makins, 25 Mar. 1955.

¹⁴⁵ PRO, FO371/115043, FC1041/618 Eden to Dulles, 25 Mar. 1955.

¹⁴⁶ PRO, FO371/115043, FC1041/621 Aldwich to Eden, 27 Mar. 1955.

¹⁴⁷ FRUS, 1955-1957, II, 180, 429-431.

Thus a possible UN cease fire became less important, although the US still hoped to go forward with ORACLE in order to gain international approval for any action that they deemed necessary to defend Taiwan. Harold Macmillan who was appointed foreign secretary when Eden became prime minister in April sought to counter any suggestion of further action on ORACLE in the UN.

The British were not only having difficulty at this time keeping in step with the US but also with their Commonwealth allies, particularly the ANZUS countries that were under a great deal of pressure from the US. The Australians had earlier promoted a plan whereby the Commonwealth would give a limited guarantee of Taiwan in the event of a communist attack in exchange for a Nationalist withdrawal from the offshore islands. It should be noted that the US never believed that Chiang would be very impressed with a British guarantee of their existence. From its inception the Foreign Office had rather strong reservations about the feasibility of this plan and questioned how it could be worked out and practically applied. As Caccia noted, such a guarantee would end any possibility of a negotiated or tacit agreement with the PRC and should only be considered as a 'last resort measure to prevent what may develop into a Third World War.' Thus, Caccia proposed that 'The time has come when I think we must tactfully but firmly restrain Menzies [Robert Menzies, prime minister of Australia] from conducting the foreign policy' of Britain and the rest of the Commonwealth over Taiwan and Malaya.¹⁴⁸ The British felt that the US was backing Britain into a corner and believed that the State Department was encouraging stories on the proposed guarantee.¹⁴⁹ On 12 April Macmillan expressed his concern to the Cabinet that

¹⁴⁸ PRO, FO371/115046 FC1041/716, Caccia minute, 10 Apr. 1955.

¹⁴⁹ PRO, FO371/115045 FC1041/676, Crowe minute, 4 Apr. 1955.

Menzies might give the wrong impression to Dulles over the proposed commitment. He suggested that the Foreign Office should not give a 'wholly negative response' to the Australian prime minister's initiative, but proposed his own amendment. Interested governments would give 'some assurance' of their support under the auspices of the UN if Taiwan was attacked and at a four power conference the entire problem of the situation in the Taiwan Straits should be discussed.¹⁵⁰ On 19 April, just before the Bandung conference when the US was particularly worried about an imminent recurrence of hostilities, Macmillan informed the Cabinet that Menzies was unwilling to heed Britain's objections to the guarantee, but he did not believe that the Canadians or New Zealanders would follow Australia's lead. The foreign secretary offered a variation of his original plan. He believed that the US wanted only moral support, not military assistance, and would be content with an 'informal' guarantee. Macmillan was thinking in terms of a public statement 'based partly on respect for our obligations as a member of the United Nations' with reference to a discussion of the problem at a Four-Power conference. In the meantime Macmillan proposed that a statement of support for the US position, as far as possible, be prepared for use in case of a communist attack while the government was dispersed for elections. This was approved.¹⁵¹ Two draft statements were drawn up one to be used if the US intervened to defend the offshore islands and one if they did not. Both drafts emphasized the PRC's bellicosity and responsibility for the hostilities, but fortunately

¹⁵⁰ PRO, CAB128/29; C.M. (55) 12 Apr. 1955.

¹⁵¹ PRO, CAB128/28; C.M. (55) 19 Apr. 1955.

were never required.¹⁵² As noted, after Bandung the British put their energies into bringing the US and the PRC together at the bargaining table.

The role of the Soviet Union during the crisis is interesting. While they publicly supported their Chinese ally, both Britain and the US believed that they had wanted the PRC to accept the Security Council's invitation¹⁵³ and that the Soviets did not want a war with the US. In the wake of Eden's failed approach to Chou after Bangkok in early March, New Zealand played up the USSR's role in order to deflect Dulles from proceeding with ORACLE which would risk exposing the differences between the US and Britain. Sir Leslie Munro, the New Zealand ambassador, told Dulles that he had gained the impression from the Soviet ambassador to the US, Georgi Zaroubin, that they were concerned at the situation but having difficulty in controlling their Chinese ally. Dulles replied that he could understand such a feeling:

[W]e know from our experience with the South Koreans and Chinese Nationalists that it is not so easy to control an Asiatic ally even though you have physical control through the supplies which you furnish him. You can not just say, 'If you don't do this, you won't get anything more'. Rhee and Chiang know that they could precipitate a difficult situation if they wanted to. The Chinese Communists could do the same. The Soviets would not have much choice but to support the Chinese Communists if they get involved.¹⁵⁴

As noted earlier, one of the main reasons that Eden was determined not to press ORACLE to a vote in the UN was because it was bound to result in a Soviet veto which would preclude further Soviet-British consultations. At a meeting on 14 March Makins stressed to Dulles the importance of this link since 'the Soviets may feel that

¹⁵² PRO, CAB128/29; C.M. (55) 22 Apr. 1955 and FO371/115076 FC1091/52, Macmillan to Eden, 4 May 1955.

¹⁵³ PRO, FO371/115030 FC1041/202, Makins telegram, 31 Jan. 1955.

¹⁵⁴ FRUS, 1955-1957, II, 143, pp. 339-343.

as long as the UK is in some contact with them on the situation, they feel in a better position to use a restraining influence' on Peking.¹⁵⁵ Although the US continued to reject the Soviet plan for a five or six power conference unless the Nationalists were invited, they were willing to forego ORACLE if the PRC either renounced the use of force or distinguished between the offshore islands and Taiwan. The Soviets seemed willing to make this distinction. When Dulles met Molotov in Vienna during May 1955 for the signing of the Austrian State Treaty, the Soviet foreign minister said that Quemoy and Matsu did not 'belong' to Taiwan. This fitted the American and British point of view but, as noted by Dulles, until Peking made this distinction, it had to be assumed that any attack on the offshore islands might presage an attack on Taiwan.¹⁵⁶ By the time of the Geneva Conference in July 1955 the Straits were relatively calm and the US and PRC were preparing for the ambassadorial talks that were to begin in Geneva on 1 August. At the conference Khrushchev supported the Chinese whom he believed to be 'a patient people' and expressed his hope that the upcoming talks would have some 'fruitful result.'¹⁵⁷ As time was to prove, however, neither the Nationalist nor the Communist Chinese were willing to satisfy their respective allies by agreeing to a formal cease fire, but at least the ambassadorial talks marked the beginning of a de facto cease fire.

The continued lull took pressure off the British who generally accepted that the

¹⁵⁵ FRUS, 1955-1957, II, 152, p. 365.

¹⁵⁶ FRUS, 1955-1957, II, 249, p. 564.

¹⁵⁷ PRO, CAB129/76; C.P. (55) 99, Geneva Talks, 23 July 1955.

UN in present circumstances was not the place to negotiate about the future of Formosa.¹⁵⁸ One Foreign Office official expressed what must have been the heartfelt thoughts of everyone in the Foreign Office who had at any time worked on ORACLE, 'It is easier to refer a troublesome problem to the U.N. than to remove it from the U.N. in a face-saving way when it proves incapable of a U.N. solution.'¹⁵⁹ Eventually Dulles allowed ORACLE to fade slowly away and just left it on the Security Council agenda to be picked up when and if necessitated by an increase in tension in the offshore islands.

A review of Eden's handling of the crisis first as foreign secretary and after 6 April as prime minister shows the independent and innovative manner in which he pursued peace. On the one hand Eden worked hard to preserve a common position with the US, particularly through Britain's participation in Operation ORACLE. While on the other hand he maintained freedom of action distinct from the Americans and used his own direct channel to Chou which had been established at Geneva in 1954. The historian, Robert Rhodes James, writes of this time: '[Eden's] own programme as Foreign Secretary was formidable and his application as strong as ever, particularly over Formosa and the offshore islands, which he confessed was one of the most difficult issues he ever had to deal with.'¹⁶⁰ By contrast another commentator, David Carlton, feels that Eden had given ground to the Americans regarding Formosa.¹⁶¹ In fact, Eden played an extremely important role throughout, particularly when he

¹⁵⁸ PRO, FO371/115047 FC1041/ 744 Murray minute, 27 Apr. 1955.

¹⁵⁹ PRO, FO371/115039, FC1041/456 Buxton minute, 28 Apr. 1955.

¹⁶⁰ R.R. James, Anthony Eden, (London, 1986) p. 395.

¹⁶¹ Carlton, p.325.

threatened to stop cooperating with the State Department if the US publicly announced its intention to defend Matsu and Quemoy when, in early January, the Americans had already promised Chiang that they would do so. Eden made it quite plain that it was British policy to differentiate between Formosa and the Pescadores which did deserve protection and any of the offshore island groups which the British considered to be an integral part of the PRC.

Robert D. Murphy, American deputy under secretary of state for political affairs, was shrewd enough to comment later: 'Dulles respected the UN but he also regarded it at times as a receptacle where almost any thorny problem could be unloaded and stored away for a year or longer.'¹⁶² This is quite clearly what Dulles had in mind in this instance. For him ORACLE did not represent a commitment to resolve the offshore island problem once and for all, though he would have been pleased/ had this been the result. ORACLE was primarily a device to buy time and to rally international opinion behind the Nationalist cause. It is not clear that the British ~~which~~ were taken in by Dulles' talk of a wider settlement ever fully realized this. But, given the distrust between Eden and Dulles that often manifested itself at particularly difficult junctures, the British probably suspected Dulles of some form of duplicity.

Although Dulles argued that the UN initiative was stalled rather than conceded that 'diplomacy had failed'¹⁶³, judging ORACLE purely as a diplomatic exercise with specific objectives, it was indeed a failure. Nothing was accomplished in the United Nations: there was no cease fire and no evacuation of the offshore islands. The

¹⁶² R.D. Murphy, Diplomat Among Warriors, (New York, 1964), p. 443.

¹⁶³ FRUS, 1955-1957, II, 188, p. 444.

inherent weakness in the whole exercise was that the parties involved, particularly the United States and Great Britain, never truly agreed on the objectives they were seeking. Basically, the US wanted to gain international sanction for any action deemed necessary for the defence of Taiwan, while Britain wanted an evacuation or neutralization of the islands.

Despite its failure, ORACLE was the most important diplomatic initiative to solve the offshore island crisis and, indeed, played a key role during the tortuous and complex series of negotiations. It was an important initiative from the American point of view and Washington was willing at different times during the negotiations to modify and change its views to be more in concert with Britain. The two countries maintained throughout a working relationship which allowed Britain more influence on American policy than would otherwise have been possible since Britain did not have a military role, ~~had the Americans merely consulted the British in regard to the problem.~~

The US would have wished to go further in resolving the problem once and for all, but the 'X factor' limited their room for movement: the Chinese Nationalists were not an easy ally to deal with and were constantly trying to expand America's commitment to Taiwan. As will be seen in the following chapter, Eisenhower sought to limit the scope of US commitments to the Nationalists. Military planners of the day believed that the offshore islands could only be defended by nuclear weapons; such use of nuclear weapons would not help Chiang win back the hearts and minds of the mainland population, nor would it help either US or Taiwan in the international arena. Certainly the British persisted in their attempts to influence and modify American attitudes toward the two Chinas, especially in regard to the retention by the Nationalists

of offshore islands which, unlike the US, Britain saw as the main impediment to a normalization of the situation along the lines of other divided countries.

CHAPTER 3

TANGLED RELATIONSHIPS: THE UNITED STATES BRITAIN AND THE 'TWO CHINAS'

During the Cold War of the mid 1950's, American leaders depended on Communist Chinese bellicosity to give credence to their claims that the PRC was neither trustworthy nor peace-loving. At Bandung, however, the PRC courted the world with what the State Department referred to as Communist China's 'new look'. Appealing for 'peaceful co-existence', the foreign minister and premier, Chou En-lai, held out an olive branch that the US could not reject without alienating her allies and the non-aligned, neutral countries. This hint of a thaw in the Far Eastern Cold War posed a challenge to Anglo-American cooperation in the area which, as we have seen in the previous chapter, was of utmost importance. As we shall see, both before and after Bandung, due to their divergent policies toward the 'two Chinas', Britain and the US attempted to influence, change or modify the other's position and, in the last resort, to cultivate ~~to~~ ^{or} France on both sides.

A 'kinder, gentler' People's Republic contrasted favourably with the probing tactics of the Republic of China. In order to meet this new threat to the Free World's position in the Far East, the US sought to restrain her Nationalist allies - it was vital that the communists be seen as the aggressors in any fresh hostilities.¹ If the PRC refrained from hostile actions for any period of time the US would lose her main lever to keep allies such

¹ NA, 611.93/6-1257, 'United States Policy Toward China', 12 June 1957, and 793.5/5-1155, State Dept to Rankin, 16 May 1955.

as Britain from modifying the China differential on trade and perhaps even allowing Peking into the United Nations. Although the PRC's record was not pristine, the Nationalists' position, tenuous under the best of circumstances, was susceptible to further erosion.

President Eisenhower and his secretary of state's decision to accept Chou's challenge brought a new dimension to the intertwined relationships between the US, Britain, Taiwan and the PRC. In this chapter three facets of these complicated relationships will be explored: the US and the offshore islands, the ambassadorial talks in Geneva, and the Nationalist/s' attacks on British shipping.

THE UNITED STATES AND THE OFFSHORE ISLANDS

As was shown in the previous chapter, Chiang Kai-shek, the president of the Republic of China, was promised in January 1955 a public US commitment to the defence of Quemoy and Matsu in return for his withdrawal from the Tachen island group. America's intentions regarding the remaining islands were to be clearly spelled out in the president's message to congress so as to leave no doubt in the minds of the Chinese Communists. Clarity was considered at that time to be of the utmost necessity to prevent hostilities. Britain vehemently objected to this announcement and refused to continue with Operation ORACLE if this commitment was made public or permanent. Due to British pressure and other considerations, the US reneged on its promise to Chiang and the Formosa Resolution was left vague as to whether or not the US would defend the remaining offshore islands. The US returned to a policy of safety in ambiguity. Chiang suspected that the British were behind this changed attitude and accused them of persuading Washington to back down in order to pave 'the way for an eventual surrender

of all the offshore islands in return for a Formosa cease-fire²; this was not too far from the truth. The Gimo felt betrayed and at one point refused to evacuate the Tachens. In order to mollify Chiang he was informed on 2 February 1955 on a strictly confidential basis that 'under existing circumstances' the US would assist in the defence of the remaining offshore islands in the event of an attack 'seriously threatening their loss.'³ Although this confidential pledge was unilateral and, as will be seen, subject to withdrawal at any time, Chiang was as anxious to announce it as he had previously been anxious not to publish the Exchange of Notes.

In a letter to his old friend General Gruenther, the supreme allied commander in Europe, ~~H~~ Eisenhower reviewed the two tension filled weeks while the Formosa Resolution was being drafted and the difficult options and competing interests that he had to weigh in formulating this policy:

[W]e have a Europe that, speaking generally, is fearful of what some Europeans consider American recklessness, impulsiveness and immaturity in the foreign field. In Red China we have a dictatorial regime which seeks every opportunity to develop among its own people and all other Asiatics a deeper and deeper hatred of the West, particularly the United States. In Formosa we have the remnants of the Chinese Nationalists who are suspicious of any move in the Far East that does not involve an 'immediate direct and destructive attack on Red China.'

At home we have the truculent and the timid, the jingoists and the pacifists....⁴

While any military man could easily distinguish between the offshore islands and Taiwan, the president noted, the political aspects could not be overlooked. On the question of a public US guarantee, he reflected, that Chiang would be pleased, but:

² FRUS, 1955-1957, II, 70, p.186.

³ NARA, 793.5/10-2055, St Dept Memorandum, 20 Oct. 1955.

⁴ FRUS, 1955-1957, II, 71, pp. 189-193.

By announcing this as a policy we would be compelled to maintain in the area, at great cost, forces that could assure the defense of islands that are almost within wading distance of the mainland. This defensive problem could be extremely difficult over the long term, and I think that the world in general, including some of our friends, would believe us unreasonable and practically goading the Chinese Communists into a fight. We could get badly tied down by any such inflexible public attitude.⁵

On the other hand the US had to consider the defence of Taiwan and the high morale of the military and civilian population necessary to sustain her existence. How and what should the administration say that would not alienate her allies, but still put her enemies on notice that the US would not allow her 'vital interests' to be jeopardized? Both Britain and the US were certain that the Soviets were interested in peace, would not 'egg' the Chinese on, but would not publicly criticize the PRC's refusal of the UN invitation.⁶ Thus the Resolution left 'vague' America's commitment and, while not a long-term solution, would do until another settlement, or some form of a cease fire, could be found.

There was a basic flaw inherent in this plan: how did one distinguish between an attempt by the PRC to capture an offshore island and an attempt to liberate Taiwan? The practical problems of implementing the resolution in conjunction with the private pledge to defend the offshore islands had yet to be studied in detail by the administration. A few ^{reliable} of the necessary prerequisites for their successful application included: ~~impeccable~~ intelligence reports and lines of communication; trust and cooperation between the US and Nationalist China; and support from America's allies and public opinion for her intervention to defend the offshore islands. The first requirement was critical, particularly since only the president could make this decision, but it was manageable; a special group was set up by the Intelligence Advisory Committee to report daily to the president in order

⁵ Ibid.

⁶ PRO, FO371/115030 FC1041/226, Hayter Moscow telegram, 1 Feb. 1955.

to facilitate the recognition of certain PRC behaviour which may precede attacks on the offshore islands.⁷ The last two posed greater difficulties.

It was evident from the start that the US could not count on her allies to support their decision. The Commonwealth Prime Ministers upheld Australia's view that the islands were 'worth neither a mass nor a massacre' when they met in London at the beginning of February.⁸ When Eden stated in Parliament that the offshore islands were in a different category from Taiwan and the Pescadores (although he did state that they should not be taken by force), Makins was quickly reminded by the US that the islands had never been part of the PRC. Just because Britain recognized Peking they should not imply that these islands 'undoubtedly' formed part of the PRC's territory.⁹ Even so, Eden's statement was seen to support the US position as far as it was politically feasible considering their different policies toward China. An American intelligence report noted a dichotomy in Britain's reaction to the Formosa Resolution. The US was seen to be 'displaying statesmanship by seeking to settle the Formosa issue realistically,' but it was 'courting war' by trying to defend the indefensible offshore islands. There was, however, support for the proposition that force should not be used to settle the issue.¹⁰

As the president later lamented, they were caught in the middle with 'Chiang on one side and Britain on the other.'¹¹ While Eden was trying to convince the US to get Chiang

⁷ NARA, 793.5/4-1855, Department of State Instruction, 18 Apr. 1955.

⁸ PRO, FO371/115031 FC1041/254, Makins to FO, 3 Feb. 1955 and FRUS, 1955-1957, II, 82, pp. 212-3.

⁹ NARA, 793.5/2-755, Murphy to London, 5 Feb. 1955.

¹⁰ NARA, 793.5/2-855, Armstrong memorandum to Dulles, 8 Feb. 1955.

¹¹ EL, Ann Whitman Diary Series, Box 5: ACW Diary May 1955(3), memorandum of conversation, 18 May 1955.

out of all the offshore islands in order to clarify the free world's resolve to defend Taiwan and the Pescadores, Chiang contemplated issuing a unilateral statement alluding to America's defence of Matsu and Quemoy which, Robertson countered, might have to be repudiated by the administration.¹² Makins, reporting from Washington on his almost daily, intense discussions with Dulles, identified the secretary's two most important considerations: the uncertainty of the PRC's intentions towards Taiwan and the offshore islands and the Nationalists' morale.¹³ Until the communists drew a line between Taiwan and the offshore islands as America's allies were urging the US to do, or renounced the use of force to press her claim, Dulles told the ambassador, 'Quemoy and Matsu had to be considered in relation to the defense of Formosa and the Pescadores' and America's position would remain vague. If Britain, and other countries, gave assurances as to the defence of Taiwan, their views on the offshore islands 'would be entitled to greater weight.'¹⁴ Although it should be noted that Britain already enjoyed not a little influence with the administration, Eden found these reports disappointing. The foreign secretary did not think that the PRC would give such assurances and the British government would not give a guarantee for Taiwan.¹⁵ As shown in the previous chapter, in order to bring about a cease fire of some sort in the area, Eden proceeded independently to explore other options, such as the Soviet proposal for a five-power conference and a direct approach to the PRC, rather than bring ORACLE to a vote in the UN. One thing was clear throughout,

¹² FRUS, 1955-1957, II, 79, p. 205; 229, pp. 229-30; and 94, pp. 230-1..

¹³ PRO, FO371/115031 FC1041/242, Makins to FO, 2 Feb. 1955.

¹⁴ FRUS, 1955-1957, II, 99, p. 245.

¹⁵ PRO, FO371/115035 FC1041/339, Makins to FO, 9 Feb. 1955 and FO to Makins, 10 Feb. 1955.

Eden was determined publicly to stand with the US, if possible.¹⁶

The crux of the matter was that as long as the Nationalists remained in the offshore islands, the Anglo-American alliance was in jeopardy. The secretary believed that the British appreciated the restrictions that had already been imposed on Chiang and, while both he and the president had sympathy for the view that Taiwan should no longer be allowed to 'wage sporadic war against the mainland,' they could not agree with Prime Minister Churchill that the 7th Fleet was protection enough for Taiwan.¹⁷ As Dulles told the president, 'it's very clear that we cannot at this time squeeze any more out of him [Chiang].'¹⁸ There followed a rather strident exchange of letters between the two heads of government in which each vigorously pressed his case. The British never fully accepted American claims that the Nationalists could not be removed from their precarious perch on the 'offensive' islands, which everyone seemed to wish would disappear or sink under the ocean, without fatally damaging their morale. The closest that the British Chiefs of Staff came to granting the offshore islands any additional strategic significance was in February 1955 when they noted the value of the offshore islands 'as a means of extending the radar coverage for the defence of Formosa.'¹⁹ Eisenhower got in the last official word just before Eden finally gained his long-awaited post as prime minister. The president did not wish to complain, but he felt that Britain was perhaps out of step with the US, Australia and New Zealand in prosecuting the cold war in the Far East. Eisenhower wrote:

It is because of this confidence in our common intent -indeed, I hope I may

¹⁶ PRO, FO371/115036 FC1041/383, Eden to Makins, 15 Feb. 1955.

¹⁷ FRUS, 1955-1957, II, 110, pp. 270-273.

¹⁸ EL, AWF, DDE Diary Series, Box 9: Phone Calls - Jan.-July 1955(3), 16 Feb. 1955.

¹⁹ FO371/115038 FC1041/426, Extract from C.O.S. 55 10th Meeting, 16 Feb. 1955.

say our indestructible personal friendship - that I venture to bring up an apparent difference between our two governments that puzzles us sorely and constantly. Although we seem always to see eye to eye with you when we contemplate any European problem, our respective attitudes toward similar problems in the Orient are frequently so dissimilar as to be almost mutually antagonistic....

Of course I would personally be very happy, both as a political leader and as an ex-soldier who may have a bit of competence in the strategic field, to see Chiang, voluntarily and in accordance with what he believed to be his own best interests, withdraw from Quemoy and the Matus.

But I am just as unwilling to put so much pressure on him that he might give up the entire struggle in utter discouragement. It's at this point that you and ourselves seem to part company....²⁰

The British rightly saw this as a serious statement of policy. The Americans wanted more cooperation in Asia, particularly after the mixed signals that had gone to Laos. The situation was insoluble if the US was relying on Chiang to withdraw 'voluntarily' and, as one British official noted, the Americans were handing over 'US policy to control of Chiang.'²¹

When Eden and Dulles met at Bangkok in late February, the secretary apologized for the 'political inconvenience' of the Taiwan situation for the Conservatives, but firmly stated that after the withdrawal from the Tachens and Yichiangshan there could be no further concessions to the communists. The secretary made it clear that in order for there to be peace the next move must be a positive indication from the PRC.²² Intelligence reports showed a PRC build-up of bases near the offshore islands which were interpreted as evidence of a new onslaught and, as a contingency, Dulles wanted to proceed with ORACLE. Eden, as seen in chapter 2, was anxious not to go ahead with the UN operation

²¹ *FRUS, 1955-7, II, 175, p. 414*

Ibid, prime minister's minute, 1 Apr. 1 Eisenhower to Churchill, 29 Mar. 1955.

²¹ *FRUS, 1955-7, II, 175, p. 414*

Ibid, prime minister's minute, 1 Apr. 1955 and minutes to the text.

²² NARA, 793.5/2-2455, Dulles to Acting Sec., 24 Feb. 1955

and force a Soviet veto. Thus he suggested, and Dulles concurred, that a direct approach should be made to the PRC, so as to 'justify' British policy in Parliament.²³ After the meeting, Eden, who was sure that the recent increase in communist propaganda about liberating Taiwan was 'empty talk', made an approach to Chou for a renunciation of force in pursuing the PRC's claims against Taiwan. This was eventually rejected by the premier who blamed the US for the tension in the area.²⁴ Certainly Eden's attempts to improve Anglo-Chinese relations were not helped by Britain's support of the US during the crisis.

Despite the economic, military and humanitarian aid that the Nationalists received from the US, Chiang seemed to expect to be betrayed anytime. The administration's volte face over the public announcement to defend Matsu and Quemoy did not help the situation and the president-in-exile was determined that not another inch of territory would be surrendered. This was the intransigent position that the Americans faced whenever they attempted to broach sensitive subjects such as the offshore islands, a cease fire, troop movements, reduction of forces, etc. Even though the US was 'working like dogs' to keep supplies and hardware flowing to Taiwan, the president often felt that they were working toward different objectives. Chiang, Eisenhower told Dulles, persisted in seeing this as a civil war and not as a war against communism; if they could get an understanding with him 'on the world politically, then we could be very, very strong on the rest of it, on which Winston will go along 100%.'²⁵ The Generalissimo, however, told Dulles that he did not see the situation as a civil war and, reversing the PRC's claim that the US was responsible

²³ FRUS, 1955-1957, II, 129, p. 308 and 131, p.312.

²⁴ PRO, FO371/115039 FC1041/468 Eden to FO, 25 Feb. 1955 and FO371/115043 FC1041/605, Trevelyan to FO, 21 Mar. 1955.

²⁵ EL, AWF, DDE Diary Series, Box 9: Phone Calls - Jan.-July 1955(3), 16 Feb. 1955.

for tension in the area, wanted the Soviet Union and the PRC charged as aggressors; this sparked off a debate in Whitehall about when the 'bandits' became 'Russian puppets'.²⁶ But civil war or no, this did not make the Generalissimo any easier to deal with, despite his protestations that they were both working on the same side. Of course, Chiang was suspicious of the influence that Britain had on US policy makers and saw the Union Jack behind all American attempts to restrain or reform her erratic ally. Chiang did not trust the current British government but, as Robertson warned, the Nationalists should refrain from 'adding to their embarrassments.' Whatever the differences in Anglo-American policy toward the Far East, he warned, the Labour party 'would be immeasurably more difficult' to deal with.²⁷

Once agreement had been reached on the Tachen's evacuation, the Americans lost no time in discussing Taiwan's future. In Washington at the Nationalist Foreign Minister George Yeh's farewell call and again when Dulles visited Taiwan in March for the signing of the Mutual Defence Treaty, the secretary of state attempted to persuade the Nationalists to accept a cease fire and to begin preparing 'the people of Free China for a more realistic and long range view of the situation.' As he told Yeh, Chiang, although a 'wise man and a farsighted statesman,' should model himself on the person that Dulles considered to be the 'greatest statesman active today', Konrad Adenauer. While the chancellor hoped that Germany might be reunited, in the meantime, he kept the country strong, cultivated the necessary alliances and was prepared for such an opportunity. Indeed, Dulles urged that the Nationalists calmly await the march of time and a change in world circumstances for

²⁶ FRUS, 1955-1957, II, 138, p. 326 and PRO, FO371/115045 FC1041/668A, Joy to Crowe, 2 Apr. 1955.

²⁷ FRUS, 1955-1957, II, 139, p. 328.

their opportunity to return to the mainland. Certainly this was a 'two Chinas' concept, although Dulles insisted that this was not a British style 'two Chinas' concept since the US did not recognize Peking. Dulles told Chiang in March that his annual predictions on when the mainland would be reconquered, were 'belittling and exposing the Republic of China to a measure of ridicule abroad.' The Gimo remained resolute and obdurate and would accept neither a cease fire nor 'two Chinas'.²⁸ It is interesting to note in the light of future developments that Dulles did not at this time urge Chiang to evacuate the offshore islands.

Eisenhower and Dulles quickly learned that giving Chiang an inch, in military terms, merely inspired him to attempt to take a mile. As noted, Chiang's 'coyness' over the Nationalist's 'redeployment' (a euphemism for evacuation) of his troops from the Tachens and his attempt to have them removed, by the US Navy, to the offshore islands were not appreciated in Washington. The US was willing to start immediate discussions on the military aspects of defending the entire area, but, as Robertson told Yeh, they 'must work on a basis of mutual cooperation and good faith' otherwise everything else was meaningless.²⁹ There was some concern in the State Department that Chiang might consider his 'bargaining position' with the US regarding a cease-fire improved after his acquiescence over the Tachens.³⁰

The significance of the PRC's build-up of airfields near the offshore islands was debated, evaluated and re-evaluated on both sides of the Pacific. The administration first saw this as a sign of a planned assault but this estimate was revised just before Bandung.

²⁸ FRUS, 1955-1957, II, 103, pp. 251-9 and 138, pp. 320-8.

²⁹ FRUS, 1955-1957, II, 79, p. 207.

³⁰ NARA, 793.5/2-855, Armstrong to Dulles, 8 Feb. 1955.

The Nationalists, however, saw the airfields as a direct threat to their existence and exerted pressure on the Americans who, under the terms of the treaty and exchange of notes, had to approve all offensive operations against the mainland to allow them to bomb the bases before they were finished. But the American admirals responsible for the region were aware that the influence of other 'international considerations' made it 'necessary to take minimum action against the Chinese Communists.'³¹ In terms of the effect of the PRC's build-up on the morale of the Nationalist forces stationed on Matsu and Quemoy, Admiral Stump, the commander-in-chief of the Pacific Fleet, felt that 'although intrigue is rife, there is not too much threat of whole units switching sides.'³² The administration believed that international public opinion would condemn the Nationalists if they initiated such an attack against the mainland, particularly when the shelling of the offshore islands was tapering off and being replaced by a war of words. Just before Bandung the president decided definitely against approving the Nationalists' request to strike the airbases. This decision was 'firm at least through the Afro-Asian Conference. After that a fresh look will be taken at the situation.'³³ As will be seen in the following section, the immediate threat of hostilities subsided after Bandung and the US adamantly refused to consider such an operation despite a relentless Nationalist campaign. Unfortunately, Chiang continued to threaten that once the airfields were operational, it would be within his 'inherent right to self-defense to attack them,' despite American entreaties that sometimes political

³¹ EL, AWF, International Series, Box 9: Formosa Visit to CINCPAC (1955) (2), Goodpaster Memorandum, 18 Mar. 1955.

³² Ibid.

³³ EL, AWF, International Series, Box 9: Conferences on Formosa, Goodpaster note, 12 Apr. 1955.

considerations must outweigh military decisions.³⁴

Although skirmishes in the Taiwan Straits decreased after February 1955, there were still war scares. The president was infuriated by remarks made by Admiral Carney, then chief of naval operations, to the press in which he furnished a 'behind-the-scenes' account of a possible attack on Taiwan and gave a possible date for war. As Eisenhower told Dulles, he would take charge of the Department of Defence himself if Secretary of Defence Wilson could not prevent this kind of 'intolerable' talk.³⁵ The date of 15 April that was published as the day war might start, although Carney was not named as the source, concerned Eden who, as Gruenther warned Eisenhower, claimed that 'not one percent of the British people' would support a US war over the offshore islands.³⁶ Meanwhile, James Hagerty, the president's press secretary, was instructed:

[T]o tell press people not to be led astray by such news as Carney gave out, ... [but] to believe that Administration is being vigilant and certainly trying to get by without a war.³⁷

The prospects for peace seemed to change almost daily. On 3 March Walter McConaughy, director of the office of Chinese affairs, told the Canadian Ambassador that communist propaganda against Taiwan had significantly decreased and opined that the PRC was perhaps 'adopting a tacit cease-fire rather than a formal one.'³⁸ By 9 March, however,

³⁴ NARA, 793.5/5-1155, Rankin telegram, 11 May 1955.

³⁵ EL, AWF, DDE Diary Series, Box 9: Phone Calls - Jan.-July 1955(2), Monday, Dulles call to Eisenhower, 28 Mar. 1955.

³⁶ EL, AWF, Dulles-Herter Series, Box 4: Dulles, John Foster April 1955 (2), Gruenther to Eisenhower, 3 Apr. 1955.

³⁷ EL, AWF, DDE Diary Series, Box 9: Phone Calls - Jan.-July 1955(2), Monday, Dulles call to Eisenhower, 28 Mar. 1955.

³⁸ FRUS, 1955-1957, II, 137, p. 319.

Chou had rejected Eden's initiative and the secretary of state in one meeting told New Zealand's ambassador that 'there was a likelihood that severe fighting might break out and there was a danger that the U.S. might be drawn in' and in another meeting with Makins the secretary highlighted Eden's well-meaning, but failed approach to the PRC, putting the British on notice that ORACLE must go forward.³⁹

The intricate and perplexing discussions about Taiwan that took place among the highest echelon of American officials between March and April resulted in a significant shift away from the administration's earlier private commitment to defend Matsu and Quemoy. Dulles' warning, following his return from the Far East, that the problem of Taiwan was 'critical and acute' and should have been looked at 'more seriously at an earlier time' stimulated this debate. On 6 May when he reported on his trip, the president, according to the memorandum of conversation, appeared to accept the fact that the offshore islands which, under present circumstances, the US was bound to defend since they could not stand by while the Nationalists were 'crushed by the Communists' would have to be defended with atomic missiles; not weapons of mass destruction, but missiles with 'practically no radioactive fall-out' and 'entirely local in effect'. The only hope, the secretary noted, was that 'Chiang might reorient his policies so that less importance would attach to these islands.'⁴⁰

In subsequent presentations to the NSC and Cabinet Dulles painted a gloomy picture. The secretary had obtained the impression during his trip that the Chinese Communists were 'much more virulent' than he had thought and 'had a fanatical determination to obliterate any U.S. influence in that part of the world.' Ironically, Eden

³⁹ FRUS, 1955-1957, II, 144, p.340 and 145, pp. 344-5.

⁴⁰ FRUS, 1955-1957, II, 141, pp. 336-7; 142. p. 337; and 146, p. 346.

was cited as one of his sources for this 'increased insight of Chinese Communist purposes,' even though he disagreed with the foreign secretary's idea that, if the offshore islands were evacuated, the PRC would be satisfied.⁴¹ Although there was no tangible evidence, Dulles felt that Chiang could not be pressed 'too hard' without a corresponding rise in subversive activity that would weaken the Nationalists' morale and their will to survive. He concluded:

[T]he United States must be prepared to face a quite serious showdown in that part of the world. While it is not possible to judge whether Russia is backing the Chinese effort or is without control over it, the evidence is that Russian actions are minimal.... In any event, any acceptance of further defeats or withdrawals ... would greatly jeopardize U.S. interests and position in Formosa and all of Southeast Asia.⁴²

The NSC meeting focused more on the military aspect of the situation, particularly on the use of atomic weapons. Dulles reflected that, even if the offshore islands were given up to the PRC, the Taiwan problem would remain. The secretary thought that even Eden was coming to realize that the PRC would not 'call it quits on Formosa on any terms that the United States could accept'; they would continue testing America's commitment to the ROC until the US decided to 'shoot off a gun.' A future fight for Taiwan was 'a question of time rather than a question of fact' and the US needed to buy time to delay any intervention, at least until the Western European Union pacts had been ratified. On the assumption that war was inevitable, Dulles called for improved intelligence, an increase in materiel support for the Nationalists, and lastly:

[U]rgent steps to create a better public climate for the use of atomic weapons by the United States if we found it necessary to intervene in the defense of the Formosa area.... very shortly now the Administration would have to face up to the question whether its military program was or was not

⁴¹ FRUS. 1955-1957, II, 148, p. 252, footnote 2.

⁴² EL, AWF, Cabinet Series, Box 4: Cabinet Meeting 11 May 1955.

in fact designed to permit the use of atomic weapons.... Public opinion in Asia was not at all attuned to such a possibility.⁴³

Admiral Radford concurred that the Joint Chiefs of Staff had always maintained that atomic weapons would have to be used , especially since the whole US military structure was 'built around this assumption.' The president had no intention of putting US foot soldiers on the offshore islands, as he had told Radford earlier, 'If you have to put foot soldiers in then (considering the Chinese troops already there) then we can't hold anything in the world.... A division of soldiers would not make any difference,'⁴⁴ but it is questionable that he really considered the islands worth a world war. The morale issue concerned Eisenhower, who pointed out that the US 'alone could not save Formosa if its people did not want to be saved from Communism.' He had at least assumed that 'Chiang's army was loyal to him,' but Radford countered that the troops' morale hinged on their hopes of eventually returning to the mainland and the retention of these islands 'tended to provide some tangible hope of ultimate return.' Dulles concluded that the entire situation could look different in a year but, as Radford noted, the question was whether the PRC would launch a major attack before Bandung.⁴⁵

The president held an unscheduled meeting on 11 March to discuss the implications of this bleak scenario. As Eisenhower later dictated:

This discussion centered around the capacity of the Chinese Nationalists to defend Formosa during the coming weeks without active intervention on our part; alternatively, if this should not prove possible, how effective could be

⁴³ FRUS, 1955-1957, II, 146, pp. 345-350.

⁴⁴ EL, AWF, DDE Diary Series, Box 9: Phone Calls - Jan.-July 1955(3), President telephone to Radford, 1 Feb. 1955.

⁴⁵ Ibid.

our cooperation without the use of the atomic bomb.⁴⁶

The president wanted to know exactly what was necessary to achieve a successful defence of Matsu and Quemoy against either an 'initial probing attack' or an 'all-out amphibious attack'.⁴⁷

The general conclusion from this meeting was that the US could not afford to be isolated from her allies and should aim to delay an attack on the offshore islands. In addition a study of the psychological effects of a withdrawal from the islands on Nationalist morale would be conducted along with a prediction of the public's response to intervention.

During this tense period the administration was worried that the offshore islands were increasingly being accorded the same psychological, military and political significance as Dien Bien Phu by both the Nationalists and the world at large, particularly Britain. The fate of the world, war or peace, appeared to rest on the disposition of these tiny islands. This was a mistake. The islands had no strategic significance, they could not be used as stepping stones either to attack Taiwan from the mainland or, vice versa, attack the mainland from Taiwan; they were not worth a world war. The Nationalists were, against US counsel, building up troop strength on the remaining islands⁴⁸ and there was a niggling fear in Washington that the US would be cornered into defending Taiwan alone. The British on the other hand, seemed to believe that all would be well if only Chiang would leave the offshore islands. This view overlooks the fact that neither Taiwan nor

⁴⁶ EL, Ann Whitman Diary Series, Box 4: ACW Diary March 1955(6), Eisenhower's dictation to Ann Whitman, 14 Mar. 1955.

⁴⁷ EL, AWF, DDE Diary Series, Box 9: Phone Calls - Jan.-July 1955(3), President telephone to Radford, 11 Mar. 1955.

⁴⁸ NARA, 794A.5/7-155, Robertson to Dulles, 1 July 1955; 793.5/7-255, St Dept to Taipei, 2 July 1955; and 793.5/7-655, Taipei to St. Dept., 6 July 1955.

Peking would accept the 'two Chinas' idea, but the Foreign Office saw this as a first step in what might be a long process. (See Chapter 6 for a discussion of the 'two China' concept.)

By 21 March Eisenhower and Dulles had come up with a plan to plant 'a seed with Chiang out of which might grow in due course the idea of a voluntary withdrawal from Quemoy and Matsu.'⁴⁹ The problem for the president and secretary was that they wanted to control Chiang, but did not want to destroy his ability to survive. Although the British often seemed to expect the US to be able to force Chiang to withdraw, the reality was that it would probably have resulted in a bigger crisis than it had been designed to prevent, albeit a Nationalist-American one. The initial intelligence reports that had been received estimating communist capabilities and intentions, communist and non-communist reactions to the defence of Taiwan, and Chinese Nationalists' vulnerability to internal subversion supported this decision⁵⁰, although this did not end the debate on whether the islands should be defended or how. It was, however, agreed that the main objective was averting war but, if this could not be done, intervening without losing the support of the Free World. The intelligence estimate on international reaction to possible forms of American intervention indicated that:

The reactions of most non-Communist governments would in general be favorable to US defense of Taiwan, and unfavorable to US actions in defense of the offshore islands. If the US used nuclear weapons against Communist China, the predominant world reaction would be one of shock.

In the event the Nationalists, with or without US assistance or pressure, evacuated the Quemoy and Matsu Groups prior to a large-scale Communist

⁴⁹ EL, AWF, International File, Box 9: Conference on Formosa, Goodpaster Memorandum, 24 Mar. 1955.

⁵⁰ NARA, 794A.5/3-2444 and FRUS, 1955-1957, II, 158, pp. 376-380 and 159, pp. 380-384.

attack, the I[ntelligence] A[dvisory] C[ommittee] believes there would be a deterioration of morale in Taiwan, great disappointment in the ROK, and some concern in the Philippines, Thailand, Laos, Cambodia, and South Vietnam. However, the dominant reaction among other interested non-Communist states would probably be one of relief.⁵¹

The president himself did not believe that war was imminent. He noted in his diary, 'I have become accustomed to the fact that most of the calamities that we anticipate never really occur.'⁵² On 24 March when the National Security Council was discussing the estimate of the PRC's behaviour, the president stated that he did not think that the PRC would 'in all probability renounce such attempts [attacks on Quemoy and Matsu], and that we should make up our minds to live with the problem.'⁵³ This went against Dulles' usual claims that if the PRC renounced force in its claims then the US would exert pressure on Chiang. Clearly, the renunciation of force proposal was not expected to be accepted, but was designed to buy time. As Dulles noted, after ten years when native Taiwanese would have replaced the mainland Chinese in the armed forces, they would not be as interested in defending the offshore islands and the PRC would not fear a Nationalist attack less.⁵⁴ At this point the secretary proposed a new resolution for the UN, in order to break the stalemate with Britain who was refusing to continue with ORACLE and hoped to use the planned approach to Chiang as a bargaining tool with the Foreign Office over a blockade of the mainland and support for the US position in the Far East.⁵⁵

The president supported an 'outpost, not citadels' plan for the offshore islands. At

⁵¹ NARA, 794A.5/3-2455, Armstrong memorandum to Dulles, 24 Mar. 1955.

⁵² FRUS, 1955-1957, II, 172, p. 405.

⁵³ FRUS, 1955-1957, II, 164, p.390.

⁵⁴ *Ibid.*

⁵⁵ FRUS, 1955-1957, II, 185, p. 441.

an important meeting on 1 April a draft policy statement was discussed. American and Nationalist prestige was too closely linked with the fate of these islands. It was concluded that:

As to Quemoy/Matsu, attempt to stay raises danger of defeat, of drawing U.S. into war, of world disapproval of U.S. action, impair the whole U.S. security position in Western Pacific/East Asia. The President felt what is needed is an attempt to bring Chiang to withdraw voluntarily -- he would offer to deploy U.S. forces up to a division and an air wing on Formosa if Quemoy and Matsu were made outposts rather than strongholds and symbols of prestige. An individual having Chiang's confidence should try to bring him to this view.⁵⁶

This plan is often discounted by observers as a serious attempt to get Chiang out of the islands because of the men who were asked to carry out the mission, although it is obvious that the president regarded a full evacuation to be a non-starter and felt that emphasis should be put on the 'outpost' idea. The individuals initially mentioned were Robertson and General Wedemeyer, the latter had worked with Chiang during and after World War II and was believed to have his trust. Congressman Walter Judd, a very pro-Nationalist supporter, was considered even though, as the president told Dulles, Judd is rather 'emotional' and 'if the thought is advanced to him, he'll probably see the world going to ruin overnight.'⁵⁷ Judd accepted the mission, stating that he himself had always had 'reservations' as to the defensibility of the offshore islands and 'reservations as to the desirability of attaching either United States or ChiNat prestige to holding them.' Regarding Wedemeyer, Judd thought he had the full confidence of Chiang, but noted that

⁵⁶ EL, ACW Diaries, Box 5: ACW Diary April 1955 (6), memorandum of conference with the President, 1 April 1955.

⁵⁷ EL, AWF, DDE Diary Series, Box 9: Phone Calls - Jan.-July 1955 (2), Dulles telephone to president, 6 Apr. 1955

there was some doubt on this.⁵⁸ There is some confusion, which is not clarified by the evidence available, as to how the mission ultimately came to be made up of Radford and Robertson.

Radford and Robertson had earlier been named by George Yeh as two Americans that Chiang trusted. At his 10 February farewell call Yeh had told Dulles and Robertson that, 'A good friend with sound judgment could talk very frankly to the Generalissimo and often influence his decisions in a very useful way.' Radford and Robertson were two such people who could talk to Chiang with the 'utmost frankness without giving offense.'⁵⁹ Robertson was one person that the British, particularly Eden, disliked. When Robertson was approached, he named Radford as his first choice as partner for the mission.⁶⁰ The problem ~~he~~ was the brief they would be given.

Considering the weeks of preparation that went into this plan, there was still a great deal of uncertainty about how Chiang should be approached and the goal of the mission. The estimate on Nationalist morale dated 16 April was carefully studied by the president who concluded that they should avoid urging Chiang to accept a solution which he could not accept. This would merely preclude future cooperation. On 17 April, Dulles flew to Augusta, Georgia, to discuss the draft paper. It is here that further confusion crept into the process. Radford doubted the feasibility of the president's 'outpost' idea and preferred to offer Chiang a blockade of the mainland coast, which would be lifted once the PRC renounced the use of force, in return for evacuation from the islands. In addition, weapons

⁵⁸ EL, AWF, Dulles-Herter Series, Box 4: Dulles, John Foster April 1955 (1), memorandum for the president from Dulles, 6 Apr. 1955.

⁵⁹ FRUS, 1955-1957, II, 103, p. 255-6.

⁶⁰ EL, AWF, DDE Diary Series, Box 9: Phone Calls - Jan.-July 1955(2), president telephone to Radford, 11 Apr. 1955.

with atomic capabilities would be stationed on Taiwan, under US control. The president agreed despite his own doubts about the blockade idea which had been considered and rejected before.⁶¹ The Americans wanted movement on this plan in case the PRC attempted to have a resolution passed at the upcoming Bandung conference blaming the US for tension in the area. Thus instead of Radford and Robertson going to Augusta for further discussions to clarify their position with the president, they proceeded directly to Taipei.

When Dulles met Scott from the British embassy on 20 April he did not reveal the nuances of the Robertson and Radford trip to Taiwan. As he had earlier told the president at Augusta, he would 'hint' at their mission but 'doubted that it was wise to push the UK on this matter at this stage, particularly when they were very sensitive to their domestic political situation.'⁶² While the British would have been thrilled that the US was attempting to get Chiang to evacuate, they probably would never have accepted the blockade, particularly in the light of their feelings about the Nationalist's 'port closure' (see the third section of this chapter). As it was, the discussion with Dulles confused the British who totally misread the secretary's signals. If the US managed 'to work something out' with Chiang, Dulles told Scott, he hoped that Britain would contribute to these efforts to end the danger of fighting either by giving a guarantee of Taiwan or by tightening controls on British registered shipping carrying ^{goods} to the PRC for their build-up opposite Taiwan.⁶³ Scott reported that the Americans were floundering and looking for the British to bail them

⁶¹ FRUS, 1955-1957, II, 207, pp. 491-493 and EL, AWF, DDE Diary Series, Box 10: DDE Diary April, 1955 (1), draft instructions for trip to Formosa, 22 Apr. 1955.

⁶² *Ibid*, p. 493.

⁶³ FRUS, 1955-1957, II, 208, pp. 495-7.

out:

Though Dulles was careful not to say so in terms, the clear implication of what he said this morning was that he is looking to HMG to find the Administration a way out from the offshore islands. This, though not unexpected, is a development of cardinal importance; and much may turn on your response.

This indeed may be an opportunity to initiate action on a broader basis than contemplated in Exercise ORACLE, and to work for a ceasefire not as an end in itself but as the prerequisite to negotiations on the issues of substance. As a first step Dulles's overture entitles us to seek clarification of longer range American policy, but I strongly urge that your response should not be confined to requests for elucidation but should at the same time help the Americans to extricate themselves and the Nationalists from the off-shore islands provided that we are reassured about the more distant targets of American policy and the line they will take in discussing the wider issues in any negotiations or debates that may be arranged later.⁶⁴

Macmillan told the Cabinet that the enquiry gave Britain a 'favourable opportunity' for putting forward their plan for some type of informal guarantee to the US regarding Taiwan.

It is interesting to note that Macmillan stressed, as he would again during the 1958 offshore island crisis, that the US required only moral support and not military help. Thus he felt that it should be possible to work out a public statement that would satisfy the US without abandoning Britain's position. The foreign secretary had been working on draft statements with the working names of 'In the Soup' and 'Off the Hook' which would have allowed Britain to stand with the US in the event of any attack.⁶⁵ Chou's speech at Bandung and Radford's visit, however, affected whatever action the British could take to help the US, but Britain was at the forefront of countries offering their good offices to explore the premier's offer to talk with the US.

The Robertson-Radford mission proved to be a failure. The only exception to this

⁶⁴ PRO, FO371/115047 FC1041/739A, Scott to FO, 20 Apr. 1955.

⁶⁵ PRO, CAB 128/29, (4), 19 Apr. 1955 and CAB 128/29 (5) 22 Apr. 1955; and FO371/115047 FC1041/760, Note by Macmillan, undated.

was that on 24 April the Nationalists were informed that in view of changed conditions the US was withdrawing the private assurance given on February 2 1955 of direct military support in the defence of Kinmen and Matsu.⁶⁶ Robertson stressed the necessity of the communists striking the first blow and that any war must be to defend Taiwan and the Pescadores and not the offshore islands. Regarding the offer of a blockade in return for evacuation from the islands, the president countered that, even if he accepted this proposal, the blockade would probably be ineffective or withdrawn just as America's private assurance to defend Matsu and Quemoy was now being withdrawn. Chiang would not evacuate, nor was he under pressure to do so. He would defend these islands with or without American help, 'Soldiers must choose proper places to die. Chinese soldiers consider Quemoy-Matsu are proper places for them.'⁶⁷ The Formosa Resolution remained in force, however, now the United States's public and private commitments were the same.

The president clearly lamented this failed opportunity to make the offshore islands 'outposts', but in a sense it was the result of his own failure to impose this plan on his representatives. He told Dulles that he had never expected Chiang to 'give up outright on Quemoy and the Matsus'.⁶⁸ Indeed, Eisenhower said later that he would have responded the same way Chiang had done if he had been in his place. As long as Robertson and Radford, particularly the latter, 'did not feel they could suggest any attractive position between evacuation on the one hand and a "fight to the death" on the other, there was no possibility of a meeting of minds.' Because they were unable to 'grasp the concept' of the

⁶⁶ NARA, 793.5/10-2055, St Dept Memorandum, 20 Oct. 1955.

⁶⁷ FRUS, 1955-1957, II, 219, pp. 510-517.

⁶⁸ FRUS, 1955-1957, II, 220, p. 517.

president's 'outpost' proposal, nothing could be accomplished.⁶⁹ Hereafter Eisenhower attempted to impose a de facto outpost plan by trying to control Nationalist troop movements to and from the offshore islands, but Chiang continued to reinforce the islands. When Eisenhower met Eden at Washington in January 1956 the prime minister questioned him on the reinforcement of the islands. The president responded that:

[T]hey had tried to persuade Chiang that this policy was militarily mistaken. Unfortunately, the officer who had been sent out on this mission had not believed it to be true and so had not made a good job of it. Chiang made the holding of these islands a sine qua non of his continued existence in Formosa. He held that to abandon them except as the result of overwhelming attack would be disastrous to him and to the free world's position in the area.⁷⁰

The president had no quarrel with Eden's view that there was a difference between Taiwan and the offshore islands. Until hostilities broke out, however, the president could not say whether or not he would intervene. The problem was left to be resolved in the future.

Chou's offer to discuss the problem of tension in the Taiwan area with the US at Bandung, gave the US a new opportunity to be seen publicly to be working for peace, to buy time to put off the decision on US intervention, and perhaps accomplish other objectives such as the release of all Americans held in China or the PRC's renunciation of force. On 27 April the president and Dulles agreed that any press conference questions on Taiwan could be passed off on the grounds that the PRC was now willing to have a cease fire in the area.⁷¹ This allowed the administration to steer attention away from the failed mission and emphasize other prospects for dealing with the offshore islands. At the NATO meeting at Paris in May Dulles explained that the US was neither 'legally nor morally

⁶⁹ FRUS, 1955-1957, II, 225, pp. 522-3.

⁷⁰ PRO, FO371/120935 FC1074/1, excerpts from Washington talks, Jan. 1956.

⁷¹ EL, AWF, DDE Diary Series, Box 9: Phone Calls - Jan.-July 1955(2), 27 Apr. 1955.

committed to the defence of Quemoy and Matsu'; the outlook was better since Bandung which might lead to a renunciation of force by both sides; the US did not want war, but it would not appease the communists. As Dulles reported to the president, he had 'jokingly' defended Chiang who was 'not perfect, but at least he had the virtue of being honest, anti-communist and loyal to his world, and that while greater perfection could doubtless be found in Europe, it was not readily found in Asia.⁷² Clearly, however, tension was in abeyance and, as Scott observed, 'the high water mark of American interest in overthrowing Peking has passed.'⁷³

The problem of the offshore islands did not disappear. The British continued to urge the US at every opportunity, in June at San Francisco, in July at the Geneva Conference, and again in January 1956 when Eden and his new foreign minister, Selwyn Lloyd, visited the US, to effect a permanent solution of the problem - an evacuation, or neutralization, of the offshore islands - while there was a lull in hostilities and Chiang could retreat with dignity. The most striking feature of all these discussions is that at no point did the US promise that they definitely would not intervene to defend Matsu and Quemoy. The British representative in Tamsui, however, expressed sympathy for the Americans who, he argued, were restraining the Nationalists and suggested that Britain must trust the US to do the right thing. The Foreign Office agreed with his impression that:

[T]he Americans, including Rankin, are fully alive to the danger of the Nationalists trying to involve them in a showdown and that they have no intention whatsoever of letting the Nationalists trigger off a war on them. Moreover even if the Nationalists wanted to - and a lot don't - they are

⁷² EL, AWF, Dulles-Herter Series, Box 4: Dulles, John Foster May 1955, Dulles to President, 10 May 1955 and PRO, FO371/115007 FC10345/12, Steel to FO, 10 May 1955.

⁷³ PRO, FO371/115007 FC10345/14, Scott to Allen, 11 May 1955.

confident that they can control them, not merely by political pressures, but also by restricting supplies and training methods to those adapted for defensive use. The Nationalists in fact know that they cannot go it alone. To conclude, the Americans are all out to defend, not attack. In the absence of any Communist renunciation of the use of force against Formosa, the Americans can however be expected to help the Nationalists in holding every inch of their present territory, including the off-shore islands.⁷⁴

Indeed, the US was not bound to defend every inch of territory but, under the Formosa Doctrine, could defend the offshore islands if the president deemed such an attack to presage an attack on Taiwan and the Pescadores.

After April of 1955 when the US withdrew their unannounced guarantee of Matsu and Quemoy this policy of ambiguity and studied fuzziness remained in force. Operation ORACLE had proved to be a non-starter and neither the US nor Britain had persuaded either Taibei or Peking, respectively, to draw a line between the offshore islands and Taiwan and the Pescadores. As will be seen in the following section, one of the last options was direct talks between the US and the PRC.

BANDUNG AND THE AMBASSADORIAL TALKS AT GENEVA

⁵
In late April 1954, as Robertson and Radford proceeded to Taibei to discuss America's role in Taiwan's future, at Bandung in Indonesia 29 countries were meeting for the first Afro-Asian conference, marking the development of a 'third force' of non-aligned, neutralist countries. NATO ministers noted that, as a result of the conference there had 'emerged an Afro-Asiatic "mystique" and the Western Powers must be careful and cautious' in the future.⁷⁵ Chou used the Five Principles of Peaceful Co-existence⁷⁶, the

⁷⁴ PRO, FO371/120950 FC1195/5, Franklin to Crowe, 10 Aug. 1956.

⁷⁵ PRO, FO371/115007 FC10345/13, Steel (NATO) telegram, 11 May 1955: NATO Ministerial Meeting, 10 May.

basis of the Sino-Indian agreement, to build a link to the world and break out of the isolation that stemmed from the PRC's exclusion from the UN. On 23 April the Chinese premier announced that the PRC wanted peace not war with the US and was thus willing to discuss with them the relaxation of tension in the Far East, particularly in the area of Taiwan. This dramatic offer placed the US in a quandary.

The State Department in its initial assessment acknowledged the propaganda value of Chou's offer. William Sebald, a deputy assistant secretary of state for Far Eastern affairs, commented:

Chou's proposal apparently was designed to leave the Bandung conferees with the impression that Communist China, without modifying in the slightest its basic demands for the 'liberation' of Taiwan and the liquidation of the Government of the Republic of China, had gone more than half-way in a constructive effort to relax tensions over Taiwan. It was designed, as were the Chinese Communist tactics at Geneva, to establish a basis for throwing the onus for Far Eastern tensions on the United States, thus enabling the Communist propagandists to utilize the fear of war as a means of isolating the United States.⁷⁷

The international response made it clear that the US could not ignore the offer. Bandung conferees were reported to be 'stunned' by the 'reversal' of the PRC's policy. Sebald noted that, although the British were sceptical of Chou's intentions, their reaction to a 'negative' American response would be 'at best one of mild disappointment.' The State Department, after debating whether a statement issued by the president would give too much 'dignity' to Chou's words, issued a cautiously worded press release indicating their willingness to consider any efforts 'if sincere' that would bring peace, but insisted on the participation of Taiwan. The People's Republic was invited to show its sincerity by:

⁷⁶ These principles included: mutual respect for each other's territorial integrity and sovereignty; mutual non-aggression; mutual non-interference in each other's internal affairs; equality and mutual benefit; and peaceful co-existence.

⁷⁷ FRUS, 1955-1957, II, 217, p. 507-9.

accepting a cease-fire; releasing all Americans; and participating in the Security Council's debate on ORACLE.⁷⁸ Not surprisingly this did not happen, but the first two points eventually formed the basis of the US brief for the Sino-American ambassadorial talks.

Dulles credited the success of Bandung to America's Asian Allies rather than to Chou. When Dulles informed the president that the Generalissimo's reaction to his 'outpost' proposal had been negative, they agreed that the secretary should indicate at his press conference that he was receptive to any cease-fire proposal 'since their "Asian friends" at Bandung who had brought about the apparently more pacific mood on the part of the Chinese Communists would expect this of us.'⁷⁹ Dulles reported to the Cabinet that Nehru had suffered 'a great loss of prestige' at Bandung, whereas Chou had 'achieved a certain personal success,' but Dulles did not feel as threatened by Chou's success as he had after Geneva, noting:

[T]hat the conference came out well for us because of the great amount of pressure which was put on Chou to refrain from acts of violence. We had feared that there was a good possibility that Chou would come away from that conference having 'sold' the Asian nations on the line that the United States, rather than China, was the aggressor in the Far East, and thus gain a green light to go ahead and start violence in the Formosa area. Just the opposite occurred.⁸⁰

This being the case, the US was now willing to discuss a cease-fire with the PRC but would not discuss any 'matters of substance' regarding the ROC. Chiang had already agreed to an undeclared cease-fire when he signed the Mutual Defence Treaty, Dulles pointed out, because he was bound not to use offensive force unless in self-defence and then only if the US agreed to the attack. Dulles was clearly happy with the conference,

⁷⁸ Ibid.

⁷⁹ FRUS, 1955-1957, II, 220, p. 517.

⁸⁰ EL, AWF, Cabinet Series, Box 5: Cabinet Meeting of 29 April, 1955.

but his reading of the situation does not seem be totally correct since it could be argued that Chou went to Bandung ready to negotiate. Dulles had, however, written along these same lines before Bandung to the American ambassador in Turkey (Turkey was one of a number of countries that both the US and Britain had lobbied before Bandung to make sure that no resolutions were passed harmful to their respective positions⁸¹) that Chou would form his estimate of other Asian countries' reactions to any force against the offshore islands at the conference which 'may have decisive effect on ChiComs' subsequent action and on whether there is peace or war in Far East' and had also informed Makins that he had given assurances to friendly countries that, if at Bandung the PRC would agree to a 'cease-fire regarding Formosa which would leave the islands to be fought for', this would be a 'considerable contribution'.⁸² What is important is that, whether Chou acted on his own or not, Dulles gave the response that most of America's allies wanted to hear.

The British Embassy reported that Dulles' news conference of 26 April was considered in the US to have 'marked the opening of a new phase in American policy towards China'.⁸³ The secretary's readiness to negotiate with the PRC, Scott noted, took many Americans, even the State Department, by surprise.⁸⁴ Dulles's announced willingness to hold discussions with the PRC even if Taiwan was not present appeared to many, including republican senators and the Nationalists, to break with the State Department's statement of 23 April, making it necessary for Dulles to convince Koo that

⁸¹ PRO, FO371/115045 FC1041/691, Makins to FO, 7 Apr. 1955 and FO to Makins, 9 Apr. 1955.

⁸² FRUS, 1955-1957, II, 193, pp. 453-455 and 197, pp. 466-467.

⁸³ PRO, FO371/115007 FC10345/8, Scott to FO, 29 Apr. 1955.

⁸⁴ PRO, FO371/115007 FC10345/7, Scott to FO, 29 Apr. 1955.

issues directly related to the ROC would not be discussed in their absence.⁸⁵ On 27 April, Dulles met with Senators Knowland, Hickenlooper and Smith. Knowland, who had proposed on 14 April that a Senate enquiry into the failure of the administration to secure the release of the airmen be held, felt that Senator George, the democratic chairman of the Foreign Relations Committee, was being 'excessively deferred to' by the administration. Dulles asserted that he and the president were being responsible in pressing for a de facto cease-fire by talking to the PRC and explained the background of the decision:

The buildup of airfields [opposite the offshore islands] was going ahead and unless interfered with would create a situation where the Chinese would have air dominance over Quemoy and Matsu in the absence of an all-out United States atomic attack.

The President was very reluctant to authorize the Chinese Nationalists to hit the airfields in their development stage with United States planes upon Formosa. This would seem in the nature of 'preventive war' and make us seem responsible for the hostilities which would doubtless ensue.

The President was also reluctant to see a wholesale use of atomic weapons against the densely populated mainland where land bursts would be required which would have a fall-out which might involve heavy casualties. This might alienate Asian opinion and ruin Chiang Kai-shek's hopes of ultimate welcome back to the mainland.⁸⁶

For these reasons, the secretary concluded, diplomacy must be given a chance.

The Philippines, India, Pakistan, Indonesia, Burma and Britain each offered to act as intermediaries to bring the US and the PRC together. The State Department was leary of allowing third parties, particularly the Indians, to make representations on its behalf. The only exception was perhaps Britain who had protected American interests in Peking since 1950. On 3 May the British ambassador told Dulles that while his government did not 'wish to engage in "back seat driving", it was anxious to do anything it could to help.'

⁸⁵ FRUS, 1955-1957, II, 239, p.547.

⁸⁶ FRUS, 1955-1957, II, 228, pp. 526-7.

Trevelyan in Peking had immediately been instructed to seek elaboration from Chou on his offer following a US request that Britain should test the sincerity of Chou's offer; at first Dulles favoured publicity being given to his request, but later expressed the wish that it should not seem that Britain was acting on behalf of the US.⁸⁷

The US was in no hurry to establish contact, preferring to proceed 'deliberately'. There was a definite feeling that Americans held in China should be released first. By merely accepting 'in principle the idea of conversations', the State Department put the onus for any future problems on the PRC. As Robert Murphy, US deputy under secretary of state, noted:

[T]he case for caution was reinforced by the fact that we have not yet obtained any favorable action from the Chinese Communists in regard to the American prisoners. While we cannot make the release of the prisoners an absolute precondition for holding the talks, we are undoubtedly in a poor position to enter talks if none of our prisoners has been released first.⁸⁸

Murphy recommended that the US use its own contacts with the PRC's Consul at Geneva. This was in line with the findings of the State Department's 'prisoner officer', Edwin Martin, who had concluded in February that:

The principal advantage of the Geneva channel over an approach through the British Charge at Peiping [Peking] is that the direct contact affords us the satisfaction of presenting our own demands and of knowing that the Chinese Communists have heard them. This provides better material for publicity purposes and demonstrates to the relatives of our concern in the matter in a more dramatic way than would be afforded by an indirect approach through the British. The force of public opinion is one of the few weapons at our disposal, short of force, for bringing pressure on the Chinese Communists in this matter. If we go through the British, they may well, as

⁸⁷ FRUS, 1955-1957, II, 231 p. 531-4; 232, p. 534-5; 235, pp. 538-9; and 248 p. 562, and PRO, CAB 128/29 (55) 26 Apr. 1955 and FO371/115048 FC1041/785, Scott to FO. 27 Apr. 1955.

⁸⁸ FRUS, 1955-1957, II, 231, pp. 531-4.

they have at times in the past, be desirous of keeping publicity to a minimum.⁸⁹

Thus it was concluded that for many reasons, particularly propaganda, the US should use its own channel and fall back on Britain if necessary.

The problem of Americans held in China^{both airmen and missionaries,} was a long-standing and thorny one.

From 1950 to 1954 the British consul in Peking made over 40 approaches to the Chinese government regarding the treatment and detention of American citizens in the PRC. These communications were not acknowledged and were unproductive because Peking did not recognize the consul's diplomatic status. This status was accorded at the Geneva Conference in 1954, but the PRC refused to negotiate with Trevelyan at Geneva on this issue and insisted on direct talks with the US. Thus in June 1954, the American ambassador to Czechoslovakia, U. Alexis Johnson, met four times with Wang Ping-nan, assistant minister of foreign affairs until 1955 and later ambassador to Poland; thereafter, the talks continued intermittently between lower-level officials. These talks were designed to ensure that they did not signify recognition of the PRC, which was one reason why the US preferred to keep the level of contact below the level of consul general, and were limited to the subject of Americans detained in China (and, of course, Chinese students who had previously been denied the right to leave the US because of the technical knowledge or training that they had acquired in the US). When the Chinese Communists indicated that they were willing to deal with a third party representative in Peking on a reciprocal basis, the State Department was unable to agree to the proposal since the Nationalists would have claimed that any Chinese person in the US was already represented by the ROC's embassy; it would have meant that the US recognized the existence of an

⁸⁹ NARA, 611.95A241/2-1655, Martin memorandum to Murphy, 16 Feb. 1955.

alternative Chinese government. The talks had limited success and 16 Americans gradually were allowed to leave China; the British, however, felt that greater progress could be made if the US were more lenient on allowing Chinese students to leave America.⁹⁰ The PRC virtually ignored the Geneva channel after September 1954 (the beginning of hostilities in the offshore islands). On Thanksgiving Day, 23 November 1954 the PRC announced the sentencing for spying of 11 American airmen and two 'Army civilians' (John Downey and Richard Fecteau worked for the CIA) over the radio rather than directly to the US at Geneva.⁹¹

There was a great deal of pressure on the administration to be seen to be working for the release of these and other Americans detained in China including 4 other airmen (the Fischer group) who were in 'custody' and not yet sentenced. In response to the outcry of indignation in the US immediately following the PRC's announcement, the president and Dulles considered imposing a complete blockade of the China coast but it was acknowledged that such action would probably not effect an early release of the Americans and would be strongly criticized by many non-communist nations, certainly Britain, and perhaps even result in a rise of neutralism.⁹² On 27 November the British delivered a protest to the PRC but this went unanswered.

The issue was referred to the UN. The airmen had been shot down during the Korean War and should have been repatriated under the terms of the Korean Armistice (it should be noted that the PRC claimed that they had been shot down over Chinese territory

⁹⁰ PRO, FO371/115179 FC1691/27, Sutherland minute, 13 Jan. 1955.

⁹¹ NARA, 611.95A241/2-1655, Martin memorandum, 16 Feb. 1955.

⁹² NARA, 793.00/11-2954, Summary of SNIE-100-6-54: World Reactions to Certain US Courses of Action against Communist China; and PRO, FO371/110315 FC1262/3, Crowe minute, 4 Dec. 1954.

and were not prisoners of war, but intruders).⁹³ The Secretary General, Dag Hammarskjold, was entrusted with the task of securing the release of the airmen and Operation ORACLE was postponed until after Hammarskjold returned from his mission to Peking in early January 1955. The Secretary General returned empty handed, but felt that he had made an important contact with the premier whom he described as 'one of the most brilliant and able diplomats' he had ever met that employed the 'general tactics of nineteenth century diplomacy'.⁹⁴ On 13 January he reported to Cabot Lodge, the US representative at the UN, that he felt the Fischer group had a chance of being released soon, but cautioned that 'it must be done in such a way as to not make him [Chou] lose face', which meant that there must be no negative publicity in the US. Lodge responded that he was being asked to 'arrange it so that newspapermen will not act as newspapermen and that Senators will not act like Senators'.⁹⁵ The administration, however, was willing to enforce this code of discretion, but was unwilling to respond favourably to Chou's invitation to the families to visit the prisoners in the PRC. Dulles was sceptical of Hammarskjold's efforts and often felt that he had over-stepped his brief, but he preferred the secretary general to the Indian diplomat Krishna Menon who, at Britain's bidding, also became embroiled in this issue.

The secretary of state acknowledged that the solution to the China problem would take time and patience, but in the meantime, he envisioned a cease fire solution along the lines of other divided countries. Dulles discussed the prospects for peace in the Far East

⁹³ PRO, FO371/115181 FC1691/90, FO minute, 23 Apr. 1955.

⁹⁴ NARA, 793.5411/4-1555, memorandum of conversation between Hammarskjold and Hotchkis, 15, Apr. 1955.

⁹⁵ FRUS, 1955-1957, II, 11, pp. 26-30.

with Soviet Foreign Minister Molotov at the signing of the Austrian State Treaty at Vienna in mid May and again at San Francisco in June. At their first meeting Dulles reminded Molotov of an earlier conversation in February 1954 when the secretary had warned of future events in the Far East 'which might develop grave results which none of us wanted'; the future was now here. Molotov stated that the Soviet Union also wanted peace and mentioned their proposal for a five-power conference. Dulles countered that the US could not discuss the Nationalists' interests without them being present, 'Just as the Soviets might feel it necessary to be loyal to the GDR,' the US would be loyal to the ROC. Molotov accepted this and when they met in June proposed a six-power conference, but Dulles was disappointed to learn that the sixth power referred to was India. Dulles proposed that, since the PRC was dependent on the Soviet Union for strategic materials (to build the air bases opposite the offshore islands) and planes, it should be possible for the Soviets to control the Chinese Communists' behaviour, just as the US had done with the Nationalists. Dulles certainly left himself open to attack on this point since the US encountered grave difficulties in exercising control over the Nationalists and were contributors to the ROC's arms build-up, but Molotov contented himself with the reply that the PRC's build-up was an internal matter. On 19 May Dulles told the NSC that his discussions with Molotov had been the most interesting part of the conference, but both Dulles and the president made it plain that they would not agree to any five-power conference.⁹⁶

Increasingly it was feared that if they were not careful, the Americans would find themselves under pressure to be more conciliatory than they wished. Another Big Four meeting was scheduled for July and the administration was anxious to stave off any

⁹⁶ EL, Dulles-Herter Series, Box 4: Dulles, John Foster May 1955, Dulles telegram to President, 15 May 1955; FRUS, 1955-1957, II, 249, pp. 563-565; 252, pp. 567-8 and 276, pp. 610-611.

attempts to make it five. The game between the US and the PRC in this period was analogous to a tennis match as noted in one State Department brief:

The next move by the Communists may be the release of the imprisoned American flyers. Regardless of the merits of this question we should recognize that the effect of a Communist move in this direction will be to put the ball back in our court. While we should, of course, point out the factual situation and should perhaps press more vigorously and publicly for the release of the remaining American civilians, we should be prepared for the psychological impact of such a move by the Communists.⁹⁷

The US was in the invidious position of having not only to maintain but also to extend international support of the Nationalist Chinese position, while at the same time exploring the possibility of a cease-fire which neither the Nationalists nor the Communists seemed to want.

A break in the dead-lock finally came on 24 May 1955 when the 'Fischer group' was convicted, sentenced and then deported from China on 31 May. Chou hinted that they might have been released earlier had not certain events such as the blowing up of the Indian airliner, the 'Kashmir Princess', carrying PRC delegates to the Bandung Conference taken place. The release of these four airmen meant that the US was now expected to respond in kind. What ensued was a race for credit for the release between the Secretary General and the Indians which led Eden to note that 'Chou must be chuckling' at this rather 'undignified scramble'.⁹⁸ The Americans made a point of thanking both, although they favoured Hammarskjold.⁹⁹ It was increasingly obvious that there were too many middlemen which only confused the issue.

⁹⁷ NARA, 793.00/5-1655, Calhoun memorandum, 16 May 1955.

⁹⁸ PRO, FO371/115181 FC1691/110, Eden minute to Dixon telegram dated 3 June 1955.

⁹⁹ NARA, 793.5411/6-1455, Key to Dulles, 14 June 1955; and PRO, FO371/115181 FC1691/111, Dixon to Allen, 3 June 1955.

The Americans were especially anxious to rid Krishna Menon of his self-appointed role of honest-broker. Following the release of the airmen, Menon suggested several conciliatory measures that could be taken by the US to ensure the release of the other 11 airmen such an announcement that all Chinese students in the US could leave (the PRC had already been informed of this decision in Geneva on 30 May) and should not exploit the treatment of the POW's for propaganda purposes. Menon met the president and secretary of state on 14 June to further explain what moves the US might make, such as getting the Nationalists out of the offshore islands. Dulles considered Menon to be 'troublesome' because he mixed up the channels of communication and agreed with the new British foreign secretary Harold Macmillan that Menon was 'messing things up' and had not helped the situation. Furthermore, Dulles told Macmillan that he and the president had only met with Menon out of respect for Nehru and Eden.¹⁰⁰ Eisenhower felt much the same, noting:

Krishna Menon is a menace and a bore. He is a bore because he conceives himself to be intellectually superior and rather coyly ~~presents~~ to cover this *pretends* under a cloak of excessive humility and modesty. He is a menace because he is a master at twisting words and meanings of others and is governed by an ambition to prove himself the master international manipulator and politician of the age. He has visited me twice (in company with Secretary Dulles) to talk about establishing some basis of mediation between Red China and ourselves. I have bluntly told him, both times, that the American people will not consider using the lives and freedom of their own citizens as a bargaining material.¹⁰¹

Indeed, when the other 11 airmen were released on 1 August 1955, the president sent a personal letter to Nehru, but did not release a public statement as the US ambassador in

¹⁰⁰ FRUS, 1955-1957, II, 263, p.583, footnote 2; 269 and 270, pp. 594-602; 273, p. 605; and 274, p. 605-7.

¹⁰¹ EL, Ann Whitman Diary Series, Box 6: ACW Diary July 1955 (3), DDE/acw, 14 July 1955.

Delhi requested. They had taken none of Menon's advice that they should offer substantial concessions to get these airmen released and considered that he had probably done more harm than good.¹⁰²

The time was approaching for the US to sort out a method for direct contact. At Geneva, Macmillan displayed much more sympathy for the US position than his predecessor would have done. He responded to Dulles' explanation of why, although it was apparent there would not be any fighting for the time being, the US could only hope to reduce the size of the Nationalist garrison rather than evacuate these soldiers from the offshore islands, by saying that Britain would try to 'accommodate themselves' to US thinking.¹⁰³ Macmillan later wrote of these talks that Dulles' had 'let his hair down' and did not know how to handle the situation, he did not like Menon's diplomacy, but did not have an alternative since the Robertson-Radford mission to Taibei had failed to get the Nationalists out of the offshore islands.¹⁰⁴ Macmillan took Dulles' request for suggestions as an indication that the secretary was lost and baffled, but Dulles asked for advice from all quarters, including the Soviets. One might suspect that he did this in order to highlight the lack of options when both Chinas were so stubborn and sought to share the blame with others for failing to come up with a solution.

Just before the 1955 Geneva Conference Dulles decided that the time had come for him to make his next step before it was made for him by others. He noted to Hoover that he was 'getting fed up with all the intermediaries' since he could not decipher which of the five or six people 'who had indicated to him that they could speak with authority as to

¹⁰² NARA, 611.95A241/8-255, Dulles to Cooper, 3 Aug. 1955.

¹⁰³ FRUS, 1955-1957, II, 274, pp. 605-7.

¹⁰⁴ Macmillan, Tides of Fortune, p. 614.

Chou En-lai's views, did in fact have such authority.¹⁰⁵ On 9 July, he explained to Makins his decision to ask the British to inform the PRC that the US was willing to upgrade the existing talks in Geneva to the level of ambassador for discussions on the return of citizens and any topics the PRC might wish to nominate. The US was doing this to undercut Menon and made it quite plain that they did not wish Nehru to become an intermediary in this instance. The Americans, as well as the British, were anxious to get something moving before Geneva to head off any Soviet attempts to propose a conference on the Far East.¹⁰⁶ In public the secretary defended this decision, insisting that these talks would not denote recognition of the PRC, but were necessary: 'you may have to recognise the fact of evil but that doesn't mean that you clasp it to your bosom.'¹⁰⁷

When Con O'Neill, Trevelyan's replacement in Peking, met Chou on 13 July for the first time to present his credentials, he had the additional task of presenting the American initiative. Chou was favourably responsive and on 15 July agreed that the Geneva talks should be raised to a 'more authoritative level' in order to aid the settling of the return of civilians and to 'facilitate further discussions and settlement of certain other practical matters now at issue between the two of us'; Wang Ping-nan and Ambassador Johnson were duly appointed to conduct these discussions.¹⁰⁸ Unfortunately, before the talks could even get started, there was some dispute over the agreed announcement. In the US draft Peking was referred to as 'Peiping' which gave the city name the meaning

¹⁰⁵ FRUS, 1955-1957, II, 287, 630-1 and 283, p. 622.

¹⁰⁶ PRO, FO371/114974 F1071/5, Makins to Wash, 7 July 1955 and FO371/115008 FC10345/16, CRO telegram, 13 July 1955.

¹⁰⁷ PRO, FO371/114974 Makins telegram 1501, 28 June 1955.

¹⁰⁸ FRUS, 1955-1957, II, 302, pp.653-5.

'northern peace' rather than 'northern capital'.¹⁰⁹ This geo-political terminology was apparently misunderstood by non-China officers. Dulles originally agreed to change it to Peking, but Robertson was aware of the nuances and, although he agreed that it was of little significance to Americans, it had 'symbolic significance to the Chinese, as shown by Chou's reaction to "Peiping"'; if the US suddenly adopted this 'Communist nomenclature' it would only add to Taibei's 'suspicions and fears'.¹¹⁰ A solution was eventually found, but it boded ill for the future of the talks.

The British hoped that the US would be willing to discuss fairly general subjects¹¹¹, but the Americans' main determination was to get as many American citizens out of China as possible and establish a de facto cease fire. When requested by the Indians to persuade the US to be prepared to discuss wider issues, the Foreign Office refused on the grounds that it would be resented. As Patrick Dean noted, it was far too early to start pressing or lecturing the US, 'to do so now would only weaken our influence, which may be required later on' (if the talks were to break down).¹¹² The State Department was prepared to carry on with the talks for quite a long time and did not want expectations to be raised too high. When the American Embassy in London reported the keen interest that was being taken by the British press, the State Department issued instructions that steps be taken to 'discreetly pour cold water on news prospects' from Geneva lest the ambassadorial

¹⁰⁹ PRO, FO371/115008 FC10345/20, /22 and /27, O'Neill telegram, 13 July, 1955; O'Neill telegram, 15 July 1955; and O'Neill telegram, 18 July 1955, respectively.

¹¹⁰ FRUS, 1955-1957, II, p. 668, footnote 6.

¹¹¹ NARA, 611.93/7-1155, Aldrich to St Dept, 11 July 1955.

¹¹² PRO, FO371/115009 FC10345/47, Delhi to CRO, 1 Aug. 1955 and Dean minute, 2 Aug. 1955.

talks be perceived as a major conference.¹¹³

On 5 August Dulles reviewed the purpose and background of the talks with Eisenhower. The review encompassed the American relationship with Taiwan. Chiang was opposed to evacuating the offshore islands and the US had to accept this. Without American aid and assistance the islands were militarily untenable and could not be held by the Nationalists alone. But the US did not want war with the PRC and there was doubt whether the US could intervene to defend Matsu and Quemoy if the communists distinguished between the offshore islands and Taiwan. Finally, the US could not allow a large number of Nationalist forces to be destroyed on the offshore islands without there being a grave effect upon morale in Korea, Japan, Formosa, the Philippines and Southeast Asia. Thus the US was using diplomatic means that had been initiated before Bandung and was now 'using the time thus gained to try to build up a world opinion which would compel the Chinese Communists to accept the status quo and not seek to change it by force' - the divided countries concept. Dulles was not eager to push the Geneva talks except in regard to getting all US citizens out, 'otherwise, we needed time by which to stabilize the situation' in the Formosa area. Dulles concluded and the president concurred that there was at present no intention to meet with Chou En-lai.¹¹⁴

On 10 September 1955 the only conclusive agreement that was to be reached between the US and the PRC was announced. The Agreed Announcement dealt with item I of the agenda - the return of each countries' nationals who were to be allowed to 'expeditiously exercise their right to return' and third countries were appointed to deal with

¹¹³ NARA, 611.93/7-2855, London to St Dept, 28 July 1955 and 611.93/7-2855, St Dept to London, 28 July 1955.

¹¹⁴ FRUS, 1955-1957, III, 9, pp.15-17.

these issues: India in the US and Britain in Peking.¹¹⁵ Item II had not been clearly defined at the outset and referred to 'other practical matters'. The US was determined that the talks should be confined to discussions on either the return of citizens or a renunciation of force. Johnson was instructed to reject any attempts to raise the level of talks. The talks enjoyed limited success on the first item since many Americans eventually were released and those students who wished to return to the PRC left the US, but were stymied on discussions of other issues.

The talks soon became bogged down in empty Cold War rhetoric. Not only was the US intransigent over the interpretation of 'expeditiously' but she also insisted that the PRC renounce her right to use force in pursuing her claim to Taiwan. For her part, the PRC, insisting that Taiwan was an internal matter, was wanting to discuss the American occupation of Taiwan and the removal of the 7th Fleet. Kalicki refers to this period as 'Detente miscarried'¹¹⁶, but both sides had such different visions of detente that it would seem that even if the US had been more flexible, the PRC was not willing to allow the evolution of two Chinas.

America's two allies, Britain and the ROC, did not stand idly by whilst these discussions were going on. They were both not only allowed to see and comment on Johnson's instructions from the State Department but also given regular updates on the progress of the talks. British representatives were tested to the limits of their patience, ingenuity and endurance when dealing with the Peking authorities on America's behalf. They were in the forefront dealing with all the practical difficulties of making contact with

¹¹⁵ FRUS, 1955-1957, 53, pp.85-86.

¹¹⁶ J.H. Kalicki, The Pattern of Sino-American Crises: Political-Military Interactions in the 1950s (London, 1965) p. 163.

Americans in China and assisting them in their departure. The Foreign Office was very anxious that the talks continue as long as possible.¹¹⁷ As discussed in the following chapter, the US did attempt to use the talks as an excuse not to relax sanctions on trade with the PRC as the British wanted. While Britain acknowledged that the only long term solution acceptable to the PRC was the liberation not only of the offshore islands, but also of Taiwan, the US was determined to keep the island in the Free World, and 'we must stick with them on this'; an independent Formosa was another solution but neither the US nor the PRC or even Britain was ready for this. Thus Denis Allen noted:

In the meantime, we must continue to urge the Americans to make the present position more acceptable to their allies and to Asian opinion by taking steps to relax tension, by exercising effective restraint on Chiang Kai-shek and by facing the fact of the existence of the Chinese Communist regime. The more progress can be made in these discussions the less will be the risk that the Communists will try to resort to force.¹¹⁸

The Nationalists naturally took the opposite view. They were suspicious that there would be 'another Yalta sell-out' and at one time the US suspected the Nationalists of trying to sabotage the talks by insisting that the PRC was planning an imminent attack on Matsu as this was at a time when they were also trying to move an additional division of ground troops to Matsu without American permission and were suspected of using this as an excuse.¹¹⁹ The Nationalists, who felt that they had nothing to gain, would have liked them to be stopped and were placated by American officials who pointed out that the PRC would never accept a renunciation of force. As noted by McConaughy:

The shock and disapproval with which Geneva developments were received

¹¹⁷ PRO, FO371/115072 FC1079/1, FO minute, 21 Sept. 1955.

¹¹⁸ PRO, FO371/115054 FC1041/959, Allen minute, 7 July 1955.

¹¹⁹ NARA, 611.93/10-2155, McConaughy memorandum, 21 Nov. 1955 and 793.00/9-1955, Taipei to St Dept, 19 Sept. 1955.

on Taiwan reflected the lingering hope of many Chinese that our Treaty was merely our minimum commitment, and that the U.S. was still receptive to enlargements of this commitment. No amount of assurances that the U.S. did not intend to betray the interests of China could thus cause the Chinese to resign themselves to the Geneva talks, as they had hoped against hope for more than mere non-betrayal.¹²⁰

Again the US could satisfy neither of her allies, but there can be little doubt that as Winston Churchill is said to have commented, 'jaw, jaw' is better than 'war, war'. The continuation of the talks took on a new importance when the president suffered a heart attack in September 1955, because only the commander-in-chief could make the decision on whether the US would defend the offshore islands in the case of a communist attack.¹²¹ The situation in the offshore islands remained relatively calm until the talks were suspended when Ambassador Johnson was transferred and the US attempted to down grade the level of the discussions.

NATIONALIST CHINESE INTERFERENCE WITH BRITISH SHIPPING

Although the British could take their pick of Chinese Nationalist activities of which they disapproved, none was more irritating to them than the 'port closure' that Chiang enforced. Any ship suspected by Taiwan of carrying 'strategic goods', as Taiwan defined them, to mainland ports was subject to interference, irrespective of the ship's country of registry. British shipping was the worst affected. This served to exacerbate the already tense relations between Britain and Taiwan and the United States was left to mediate or referee in what could only be described as a half-hearted fashion.

Nationalist China did not have the navy, reconnaissance or international cooperation

¹²⁰ NARA, 611.93/10-2155, McConaughy memorandum, 21 Nov. 1955.

¹²¹ FRUS, 1955-1957, III, 64, p. 102, footnote 3.

necessary to enforce effectively their 'port closure', or blockade. But their policy of puerile pin-pricks left them open to charges that they were as difficult and dangerous as the communists. The US did not recognize the 'port closure', particularly when the ships of friendly nations were involved, but did not normally press the Nationalists on the issue. Britain's charge d'affaires and naval liaison officer at Tamsui in Taiwan delivered protests against Taiwan's attacks on shipping with regularity but, because Britain did not recognize the Nationalist government in Taibei, they could, in theory, only make direct contact with provincial authorities and relied on the US to ensure that their protests were passed to the central government.

In late 1953, the British felt that the Nationalists were becoming exasperated with American policy as they realized that, despite Eisenhower's inaugural speech on liberation, the president was not willing to rollback communism on the mainland. Certain Nationalist leaders were less willing to heed American advice to avoid British shipping when possible. The British surmised that the Nationalist navy was under pressure from extremists, like Chiang Ching-kuo, to intercept ships and confiscate cargoes while at the same time subject to harsh criticism from others if British ships were involved.¹²² The presence of the Royal Navy (Formosa Straits patrol comprised one destroyer or frigate on patrol with one destroyer or frigate standing by at Hong Kong) assigned to protect British shipping in the Straits increased the likelihood of an embarrassing incident occurring and, in order to prevent this happening, the British considered making a deal with the Nationalists to remove the Royal Navy if they curtailed their attacks on British shipping.¹²³ The Americans, like the Nationalists, tended to believe that many of the British ships calling

¹²² PRO, FO371/110201 FC1019/4, NLO to Admiralty, 15 Dec. 1953.

¹²³ PRO, FO371/110309 FC1261/24, Biggs minute, 29 Jan. 1954.

at mainland ports were actually owned or leased by communists and were transporting strategic material. Although the British vehemently refuted these claims, their protests often fell on deaf American ears. It was illegal for Americans to engage in trade with Communist China and American officials on Taiwan took a dim view of British trade. It is thus not surprising that American protests to the Nationalists regarding these activities tended to be lack lustre.

In June of 1954 the US had relayed information, without comment so as to retain deniability, on a Soviet tanker, the Tuapse, to the Nationalists. It was obviously a green light since the US did not normally pass on Soviet shipping intelligence. The president and Dulles did this in order to counter any conclusions drawn by the communists that the Americans were backing down after Indochina, but they soon regretted it.¹²⁴ The Soviets reacted vehemently to the detention of the Tuapse and held the US responsible. The Tuapse incident was linked with the shelling of the offshore islands in the autumn of 1954 when the Soviets brought both issues to the UN.

The handling of the two Soviet claims posed a challenge for the British and Americans. The Soviet UN delegate on 1 October submitted an item titled 'Violation of Freedom of Navigation in Area of the China Seas', and on 16 October asked that another item, 'Acts of aggression against the People's Republic of China and responsibility of the United States Navy for those acts', be included. Neither the US nor Britain foresaw difficulties with the latter since it was 'purely a cold war item', but the former had the potential to expose the cracks in the Anglo-American relationship.¹²⁵ As noted by the

¹²⁴ FRUS, 1952-1954, XIV, pt. 1, 260, p.546; for fuller discussion of the Tuapse incident see the Appendix document 3 for chapter 3.

¹²⁵ PRO, FO371/110214 FC1261/189, CRO telegram, 18 Nov. 1954.

Foreign Office's legal advisor, Sir Gerald Fitzmaurice, there were only two sets of circumstances in which Nationalist interference with foreign shipping could be legitimate: (1) if the Nationalists were the legitimate government of China (which the British did not consider them to be) actively involved in a struggle that had a chance of success; and (2) if they were recognized as having normal belligerent rights at sea. He concluded that the Taiwan authorities failed to meet these criteria and therefore had no right to interfere with shipping on the high seas.¹²⁶ Naturally the Americans took an opposing view. Dixon observed from New York that he hoped the debate would develop as a 'cold war exercise' so that Britain could back up the US in opposing what the Foreign Office considered to be a 'reasonable complaint against unlawful interference' with shipping.¹²⁷ Indeed, Eden instructed Dixon to inform the Americans that it would be impossible for Britain not to condemn the Nationalists.¹²⁸

Consideration of the Soviet items were initially postponed by the US and Britain in order to preserve ORACLE's chance for success in the UN (see chapter 2). In the end, however, the debates on the Soviet items were disposed of with relative ease. As reported by Britain's UN delegation from New York, they had wanted to tackle the two Soviet items together, but the US insisted that the accusation of American aggression could be easily defeated and, if linked with the navigation item, would confuse the issue and result in a less satisfactory vote, and should, therefore, be separate. Britain conceded nonetheless as Dixon noted:

¹²⁶ PRO, FO371/110238 FC1042/151, Note by Sir G. Fitzmaurice, 15 Nov. 1954.

¹²⁷ PRO, FO371/110214 FC1261/194, Dixon to FO, 10 Dec. 1954 and FO371/110237 FC1042/132, Sutherland minute, 4 Nov. 1954.

¹²⁸ PRO, FO371/110237 FC1042/129, Eden to Dixon, 3 Nov. 1954.

The American argument is of course the opposite of ours. As we regard the second item - on Freedom of Navigation - as an awkward one, we thought it would pay us to run the two together, in the hope that the inconvenient issues raised by the Freedom of Navigation issue would be blurred by the manifest absurdity of the charges of aggression.¹²⁹

After the discussions on the aggression item had been concluded, there followed another three days of acrimonious debate before the navigation complaint was successfully disposed of. On the second day, after the Soviet item failed to garner support in the General Assembly, the Soviets induced the Syrians to propose a 'mild' resolution which reaffirmed the principle of the freedom of navigation. British minister of state, Anthony Nutting, speculated that he would have had to vote for the Syrian resolution, but the 'violent propaganda' against the US in the debate on the original Soviet item, made it possible to support the US counter-proposal to refer the entire matter to the International Law Commission. Nutting concluded, 'The Soviet bloc have only themselves to blame, for it was only their remarkably clumsy tactics which failed to divide us from the Americans on this issue.'¹³⁰ As it was, the Americans were grateful for Britain's cooperation, but the British were no happier with the Nationalists.

The fighting in the area of the offshore islands of Quemoy, Matsu and the Tachens (located near the communist ports of Amoy, Foochow and Shanghai) foreshadowed new risks for shipping in the Taiwan Straits. There was an outcry of protests when the Nationalists accidentally sank two Japanese fishing boats which they claimed were communist vessels, but, as Rankin noted in March 1955, the problem had been less serious than it could have been.¹³¹ While the number of attacks on British shipping during the

¹²⁹ PRO, FO371/110214 FC1261/197, Pink to FO, 11 Dec. 1954.

¹³⁰ PRO, FO371/110214 FC1261/199, Dixon to FO, 16 Dec. 1954.

¹³¹ NARA, 793.5/3-1055, Rankin to McConaughy, 10 Mar. 1955.

crisis were few, the British resented Nationalist requests that her ships avoid these regions 'lest hostilities there involve them in untoward incidents.'¹³²

The British foreign secretary, who was intimately involved with Operation ORACLE, was irritated by the Nationalists' issuance of warnings to shipping. In October, and again in November of 1954, Taiwan's minister of national defence, Yu Ta-wai, personally relayed such warnings to British representatives at Tamsui. Although most British captains stayed away from these ports and called at Swatow instead¹³³, Eden maintained that the commodore in Hong Kong could only 'advise' and not 'instruct' British merchant shipping.¹³⁴ The foreign secretary's refusal to play by the Nationalists' rules, led to a second meeting with Taiwan's defence minister who stated:

[T]here is an explosive situation around the offshore islands and that, regardless of legal rights, it would be 'statesmanlike' for us [Britain] to avoid becoming involved in any hostilities by preventing British ships from approaching the danger areas. If we cannot prevent them, we should warn them that they do so 'at their own risk'.¹³⁵

The charge d'affaires believed that Yu was 'genuinely afraid that our relations may be further impaired by incidents not desired by either party,' but Eden found Yu's remarks threatening and concurred that fresh incidents would result in worsened relations.¹³⁶ He was unsympathetic to the news that Taiwan had lost its destroyer, the Taiping, and, like others, feared that the Nationalist navy was now more likely to be 'trigger happy'. Hermann was instructed to inform the Taiwanese that:

¹³² NARA, 793.00/10-1954, Rankin to St. Dept., 19 Oct. 1954.

¹³³ Ibid.

¹³⁴ NARA, 793.00/12-254, Aldrich to St Dept, 2 Dec. 1954.

¹³⁵ PRO, FO371/110313 FC1261/171, Hermann to FO, 16 Nov. 1954.

¹³⁶ Ibid.

We cannot agree that British ships should forego their legitimate rights. Nor can we agree that naval protection should be withdrawn, as implied by the suggestion that ships be warned that they proceed 'at their own risk'. Nationalist action against our ships could not be excused by reason of the present situation around the offshore islands. Indeed, the present situation makes it all the more important that the Nationalists should not attempt to interfere with our ships. They must ensure that their naval forces act correctly and understand that any rash action against our ships might have grave consequences in present circumstances.¹³⁷

Surprisingly, the British consul in Tamsui discussed the telegram with the American ambassador in Taipei, who was personally vehemently against any trade or shipping with the PRC, before he had seen the Nationalists. Hermann reported that Rankin agreed that Britain's position in Taiwan was weak and 'in the present excited atmosphere no one in a strong position on Formosa is capable of understanding our [Britain's] viewpoint.' It was proposed that, unless the Americans could be persuaded to influence the Nationalists, which Rankin doubted, George Yeh, who was the most likely Nationalist to be 'susceptible at least to argument based on our position in the coming UN debate', be approached in either London or New York.¹³⁸

The Americans found themselves in an uncomfortable position between ~~her~~^{their} two allies at a time when she needed Britain's help with ORACLE as well as the Soviet items and was also trying to convince the Nationalists to accept Operation ORACLE. On 24 November the British Embassy requested that the State Department support Britain's decision to reject Yu's request. The Americans were warned that Parliament was very concerned at Nationalist interference and any rash action taken against British ships would have serious repercussions, perhaps hampering Britain's position on the Soviet item on

¹³⁷ PRO, FO371/110313 FC1261/171, Eden to Tamsui, 23 Nov. 1954.

¹³⁸ PRO, FO371/110214 FC1261/188, Hermann to FO, 1 Dec. 1954.

navigation on the UN.¹³⁹ Walter McConaughy, director of the office of Chinese affairs, recorded that he had remained 'noncommittal', but the British, who clearly felt their case was strengthened by the accidental sinking of the Japanese fishing vessels a few days earlier, left the department reasonably satisfied that representations would be made to Taiwan.¹⁴⁰

Rankin's report on his conversation with the British consul reflected the ambivalence of the American position. On the one hand, he seemed to commiserate with the British and even suggested that Britain's refusal would be better received if presented orally to Yeh [the State Department apparently thought this meant that they would have to become involved and informed Rankin that they preferred not to raise the subject again with the British in Washington¹⁴¹]. Yet on the other hand, the ambassador, after describing Taiwan's attitude along the same lines as Yu, commented negatively on British shipping, noting that in recent months only one 'legitimate' British ship had been interfered with. Rankin agreed with both sides, however, that any serious trouble over shipping would be unfortunate.¹⁴²

The Foreign Office concluded, rightly or wrongly, that the Americans were in the best position to restrain the Nationalists. When approached on 7 December, however, the Americans indicated their unwillingness to get involved and informed the British that the Nationalists had already been made fully aware that the US 'wished them to take great care

¹³⁹ PRO, FO371/110313 FC1261/171, Eden to Wash, 23 Nov. 1954.

¹⁴⁰ NARA, 793.00/12-154, Dulles to Rankin, 1 Dec. 1954; and PRO, FO371/110214 FC1261/185, Joy to FO, 27 Nov. 1954.

¹⁴¹ NARA, 793.00/12-154, Dulles to Rankin, 1 Dec. 1954.

¹⁴² NARA, 793.00/12-154, Rankin to St Dept, 1 Dec. 1954.

to avoid incidents', although they did promise to speak to Yeh.¹⁴³ The Americans observed that prudence was required by her allies and hoped that each would exercise caution in order to avoid serious incidents.

Eventually a modus operandi evolved that allowed the British and the Nationalists to coexist in the Straits. Despite the Nationalist bombing of the Edendale at Swatow in January 1955, the British agreed to relay to merchant ships the Nationalists' suggestion that they should burn lights and illuminate the British flag at night and during the Tachen evacuation the Royal Navy's Formosa Straits patrol was suspended in order to reinforce the need for merchant ships to stay away from the regions subject to hostilities.¹⁴⁴ The fragile truce was threatened when on 13 May the Nationalists announced that they had mined the waters around the offshore islands. London advised the US that, if any British ships or lives were lost after hitting these mines, British public opinion would be inflamed and the government would have difficulty 'in tacitly supporting United States Taiwan policy'.¹⁴⁵ Despite reassurances that no mines had been laid in normal shipping channels, the British pressed for confidential information on the lay out of the mines which was not forthcoming from the Americans who had helped lay the mines.¹⁴⁶ Rankin and General Chase felt that the British complaint was primarily based on principle since no 'respectable' British ship normally called in these areas and they agreed that 'any assurance to British

¹⁴³ PRO, FO371/110214 FC1261/188 and /193, Crowe minute, 6 Dec. 1954; and Makins to FO, 9 Dec. 1954, respectively.

¹⁴⁴ PRO, FO371/115114 FC1261/13, Walker minute, 31 Jan. 1955 and FO371/115115 FC1261/34, Crowe minute, 7 Feb. 1955.

¹⁴⁵ NARA, 793.5/5-1855, St Dept to Taipei, 16 May 1955.

¹⁴⁶ Ibid; NARA, 793.5/5-1255, Taipei to ST Dept, 12 May 1955, and 793.5/7-555, memorandum of conversation, 5 July 1955.

would surely soon become known to Communist Chinese thus defeating at least in part effectiveness of this measure.¹⁴⁷ Fortunately no British ships were harmed, but the issue, like so many others, remained a point of contention.

Even before the communists revealed their 'new look', the British began using shock tactics to bring the realization of the potential embarrassment of the situation home to the Americans. Soon after the publication of the Sino-American Mutual Defence Treaty and the Exchange of Letters in January 1955, the Edendale was bombed by the Nationalists in Swatow harbour. The Washington Embassy was instructed to inform the State Department that the British press were asking if the bombing had been 'a matter of joint agreement' between the US and ROC in accordance with the terms of the exchange of letters. When Dulles was approached, however, on 28 January, he expressed regret but, much to Whitehall's irritation, claimed that the ship was owned by Chinese communists (which the British refuted).¹⁴⁸ The US had mixed feelings on the need to restrain the nationalists from interfering with communist shipping, but Bandung marked a turning point in State Department thinking.

After Chou's performance at the Afro-Asian conference in April of 1955, the British increasingly used comparisons of nationalist and communist behaviour to encourage the Americans to restrain their Chinese ally. When they asked Dulles to support the British claim for compensation from Taiwan for the bombing of the Edendale, they made a point of reminding the secretary how the previous summer the PRC had quickly apologized and

¹⁴⁷ FRUS, 1955-1957, II, 253, pp. 568-9.

¹⁴⁸ PRO, FO371/115114 FC1261/7, Crowe minute, 21 Jan. 1955 and FO to Wash, 21 Jan. 1955; and FO371/115114 FC1261/11, Walker minute, 28 Jan. 1955.

paid when they accidentally shot down a Cathay Pacific airliner.¹⁴⁹ The Americans refused to take sides, but promised to discuss the claim in a 'reasonable and fair way' with the Nationalists. The British considered this to be satisfactory since they did not realistically expect the US to actively support her claim when American legal advisors would not offer an opinion on the Edendale case, which would probably not have reflected Britain's viewpoint.¹⁵⁰ When the Inchwell was attacked, the debate on the legality of the port closure re-opened. Although Makins was instructed to point out that 'such attacks contrast with what Dulles' urging of cease fire in the Formosa Straits [refers to ambassadorial talks at Geneva and American attempts to get the PRC to agree to a renunciation of force] and plays straight into the hands of the Communists.'¹⁵¹

After Bandung the US attempted to put new restraints on Taiwan. In May 1955, Rankin discussed the necessary requirements for a cease fire, de facto or otherwise, with Yeh. The Ambassador noted that any cease-fire would necessitate the suspension of the ROC's 'port closure', which he noted was ineffective due to:

[L]imitations of GRC Navy, to British action which encourages Chinese owned Hong Kong ships in breaking port closure and to US reluctance extend avowed support, even moral, to GRC in this connection. Suspension of port closure for duration of cease-fire therefore would involve yielding no important present advantages but should please British and provide face-saving device for Reds if they were ready to stop shooting at least temporarily. Perhaps more important, GRC willingness suspend port closure should remove, for many of our friends, what doubtless appears as major objection to GRC retention of Kinmen and Matsu.¹⁵²

¹⁴⁹ PRO, FO371/115117 FC1261/64, Scott to FO, 23 Apr. 1955.

¹⁵⁰ PRO, FO371/115118 FC1261/94, Makins to FO, 31 May 1955 and Naylor minute, 6 June 1955.

¹⁵¹ PRO, FO371/115119 FC1261/131, FO to Wash, 6 Aug. 1955.

¹⁵² FRUS 1955-1957, II, 799, p. 559.

Rankin

~~Robertson~~ was wrong in regard to the retention of the offshore islands, but correctly pointed out to Yeh that the 'port closure' did not contribute positively to the enforcement of the United Nations embargo on strategic trade with the PRC (which the Nationalists frequently claimed).

During the preparations for the Sino-American ambassadorial talks in Geneva, the British suggested the 'cessation of attacks on shipping' and 'peaceful use of the seas' as topics for discussions between the US and the PRC. Robertson noted that the British, who wanted the US to induce the Nationalists to terminate their blockade, had their own 'axe to grind' in suggesting these topics, but he concluded that 'while we do not officially support the Nationalists' interdiction efforts, we should not become involved in bilateral talks with the Chinese Communists on this subject.'¹⁵³ As seen in the previous section, the US did not wish to discuss such specifics.

The attack on the Inchwell disturbed American officials, even though many of them tacitly supported these attacks, because the Nationalists were then perceived by international public opinion as the aggressors in the conflict.¹⁵⁴ Before the opening of the UN in 1955, Robertson took advantage of the Nationalists' concern that their position there might be undermined in the light of the PRC's peace propaganda campaign and stressed Britain's key position. Robertson reminded the Nationalist ambassador of Britain's irritation over the bombing of, and interference with, British vessels and reflected that 'the British disposition to go along with the "moratorium" arrangement in the UN might be

¹⁵³ FRUS, 1955-1957, II, 298, p. 648.

¹⁵⁴ PRO, FO371/115119 FC1261/134, Makins to FO, 10 Aug. 1955, and FO371/115120 FC1261/139, Makins to FO, 16 Aug. 1955.

adversely affected by their anger over the Chinese attacks on British shipping.¹⁵⁵ The correlation was clear.

By December 1955 attacks on British shipping had decreased. Eventually the British consul in Tamsui came to a 'gentleman's agreement' with Admiral Liang, the Nationalist naval commander-in chief, that British shipping would not be molested. The US, however, did not consider it 'reasonable' to ask the ROC to discontinue its interference with shipping 'so long as the Communists continue their intensive military program in Fukien for the declared purpose of "Liberating" Taiwan,' and as long as the US refused to allow the Nationalists to bomb these sites, but at the same time they recognized that Nationalist interests were not served by bombing and intercepting ships from friendly nations. Thus the 'gentleman's agreement' suited American aims well. Under this agreement the ROC issued confidential instructions to her forces not to fire on British flag vessels unless they were carrying strategic cargo for the PRC.¹⁵⁶ Obviously, the potential for serious mistakes and misunderstandings still existed, but there was now an agreed criterion for judging each case.

The situation did not become tense again until Britain abolished the China trade differential in June 1957 (see following chapter). In retaliation the Nationalists announced that they would 'redouble' their efforts to make the 'port closure' effective. Britain's swift protest to the State Department was, for once, dealt with quickly and firmly. The fact that the American Embassy in Taipei had just been sacked by an angry Chinese mob was not of little relevance to this action. The Nationalists were told that while the US recognized

¹⁵⁵ FRUS, 1955-1957, Vol. XI, p. 292-3, Memorandum of Conversation between Koo and Robertson, 9 Aug. 1955.

¹⁵⁶ EL, AWF, International Series, Box 20: Eden Visit January 30 - February 1, 1956 (3), Barnes to Goodpaster, 27 Jan. 1956.

the importance to them of preventing strategic trade with the PRC:

[T]heir own interest calls for caution in intercepting foreign commercial shipping, particularly British, in the Taiwan Strait.... serious incident involving a free world ship could seriously hurt the Nationalists.¹⁵⁷

Furthermore the Nationalists were again warned, this time by both the Americans and British that, if British ships were attacked or interfered with, public opinion might take interest in which China sat in the seat reserved for China in the United Nations.¹⁵⁸ The point was clear: if the Nationalists hoped to maintain their international position, particularly in the UN, they must appreciate the positions of those countries upon whose goodwill and tolerance they survived. When tensions arose again in the Taiwan Straits in August 1958 the US immediately made clear to the Nationalists that they not use this as an excuse to resume attacks on British shipping.

Yet again the US and Britain managed to maintain a common position despite disagreement. This is particularly significant when one considers that Chiang's interference with shipping could possibly have resulted in a naval skirmish between two of America's allies. The Royal Navy patrolled the Straits in order to protect their merchant ships from Nationalist attacks; the US 7th Fleet patrolled the Straits in order to defend the Nationalist's island-home. The approaches could not have been more different and the potential for a public rift between the two allies was great, especially as splitting the Americans and Britain was considered by them to be the goal of the Chinese and Soviets. The split in American loyalty resulted in a double edged policy and left both the Nationalists and the British to wonder exactly where they stood in relation to overall

¹⁵⁷ EL, AWF, DDE Diary Series, Box 25: June '57 Diary - Staff Memos, Staff Notes, 131, 15 June 1957.

¹⁵⁸ PRO, FO371/127499 FCN1261/26, Caccia to FO, 15 June 1957; and NARA, 793.00/6-2756, Clough memorandum, 27 June 1956.

American interests.

As will be seen in the two following chapters, the relative calm in the Taiwan Straits in the period between the opening of the Geneva talks in August 1955 and the Suez crisis in November 1956 presented Britain with her best opportunity to influence and modify American policy on the China trade differential and the question of Chinese representation in the United Nations and to improve her relations with the People's Republic. A major stumbling block throughout, however, was their different perceptions of Taiwan. As Franklin observed from Tamsui:

I have been startled to find that a point has nearly been reached where, when we speak of Formosa, we really use quite a different vocabulary and language. For the Americans strategically, too, the picture seems to have quite another meaning than for us. Morally, as well, the Americans and ourselves see a set of values which are not at all the same. In short, at a time when, against strong cold war pressures, Anglo-American regional policies have sooner or later to be agreed (if they are to stand up and not to be exploited to the disadvantage of both), the gap between us and the Americans on the whole Formosan issue seems wide and deep even if not immediately dangerous.¹⁵⁹

As one Foreign Office official lamented, it was a pity how far apart Britain was from the US in her approach to the region, 'since we do not disagree with them fundamentally on Peking's aim.'¹⁶⁰

The US, in its determination to hold the line against communism in the Far East, believed that it could not waver in its support of Taiwan. As this chapter has shown, however, this did not mean that Eisenhower and Dulles were blind to the Nationalist's flaws and the harm they did to their own position. Chiang Kai-shek was a shrewd political

¹⁵⁹ PRO, FO371/120912 FC1043, Franklin letter, 13 Jan. 1956.

¹⁶⁰ Ibid, Sutherland minute, 2 Feb. 1956.

operator and manipulator of American public opinion and, having lost all of the Chinese mainland, was not above threatening the United States that he would take independent action to reclaim his lost territory, even if this meant world war. The US had difficulty persuading her allies, especially Great Britain, to continue to support the Nationalist government, when the Nationalist's behaviour rivaled that of the Chinese Communist's in its war-like tone, particularly after Bandung. As long as both the PRC and the ROC refused either to renounce the use of force or to allow a de facto 'two Chinas' to evolve, the potential for unwanted hostility always existed. There was no final solution and, as the British Embassy in Washington noted, 'many people hope that keeping fingers crossed will pull the country through.'¹⁶¹

¹⁶¹ PRO, FO371/120913 FC1043/48, Graves letter, 14 May 1956.

CHAPTER 4

FOREIGN POLICY AND CONTROLS ON TRADE WITH THE PEOPLE'S REPUBLIC OF CHINA

From 1954 to 1957 the continued imposition of a strict embargo on trade with Communist China provided yet another point of dissension between the US and Britain. Just as the two countries disagreed over the strategic importance of the Chinese offshore islands, they held different views regarding the extent of restrictions required against trade with the People's Republic. After the conclusion of the Geneva Conference of 1954, Britain attempted to secure a relaxation of the embargo, but events in the Far East such as increased shelling on the offshore islands, hampered her efforts. When these tensions arose, the Americans stood firmly against any relaxation on trade controls but, once the danger receded, Britain gained a dominant negotiating position.

There was widespread acceptance by Western countries of the need for controls on strategic trade with the Soviet Bloc. In January 1950 Belgium, Canada, Denmark, France, Greece, West Germany, Italy, Japan, Luxembourg, the Netherlands, Norway, Portugal, Turkey, Britain and the US instituted a system for the control of trade with Soviet Bloc countries in Europe through the establishment of a regulating body called the 'Coordinating Council' (COCOM). Priority was assigned to goods which would make a contribution to the Bloc's military development. These goods were broken down into three different categories: List 1 goods were completely embargoed; List 2 goods were subject to quantitative control; and List 3 (watch list) goods were kept

under surveillance and exports had to be reported to COCOM.¹

These controls had been extended to the PRC and North Korea in June 1950 at the outbreak of the Korean War. Communist China was named a belligerent by the UN following the entry of the Chinese People's 'Volunteers' in the conflict on the side of North Korea in opposition to South Korea and the international forces under the UN Command. Thus, on 18 May 1951 the UN General Assembly adopted Resolution 500(V) which recommended an embargo on military and strategic materials being sent to North Korea and the PRC. Pursuant to this resolution, the 15 COCOM countries and 30 additional countries tightened restrictions on exports to China in excess of those applied to the Soviet bloc. In the autumn of 1952, the COCOM countries established the China Committee (CHINCOM) which like COCOM met in Paris.² The China Committee, which functioned independently of the UN, imposed stringent controls on trade with the People's Republic designed specifically to meet the conditions of the hot war in Korea and embargoed approximately 207 items not controlled for trade with the Soviet bloc.³ These additional 207 items, as originally proposed by Britain, comprised what was to be known as 'the China differential' or 'China list'. The continued enforcement of the China differential became a contentious issue as the conditions it had been imposed to meet changed and China Committee members, with the notable exception of the US, began to seek a convergence of the Soviet Bloc and China lists.

The importance of trade in Britain's economic, foreign and strategic policy is

¹ FRUS, 1955-1957, Vol. X: Economic Defense Policy, p.211, National Intelligence Estimate (NIE) 100-55, 11 Jan. 1955.

² Ibid.

³ PRO, FO371/121939 M3426/7 Brief for Washington Talks, Jan. 19, 1956.

underscored by the leading role Britain played in the China Committee's negotiations for the elimination of the China list. Early recognition of the PRC on 6 January 1950 did not afford Britain the protection of its trade and business interests in the PRC that it had hoped for. Due to Chinese disapproval of the British vote on Chinese representation in the UN and Chinese determination to remove all traces of the days of 'unequal treaties' and 'colonial exploitation', the PRC imposed draconian conditions that made it virtually impossible for British businesses to continue to operate in China.⁴

Despite these impediments to trade, British businessmen were eager to exploit the potential of the China market and tended to discount the difficulties faced by British businesses operating in China at the time of the 1949 Revolution. In 1952, seventy-four British firms continued to operate in Shanghai, but by 1957 only ten remained in all of China. Refusal to allow companies to raise local loans or to dismiss redundant labour were but two of the methods the PRC used to extract hard currency by forcing firms to remit large amounts of money from abroad to meet expenses. After a period of time, many companies were eager to close shop, but often they had to accept crippling terms in order to secure exit visas for employees, who were in some cases virtually held hostage. Following the Geneva Conference of 1954, the PRC became more lenient in its attitude towards British businessmen. British companies were allowed to close, but China insisted on assets-against-liabilities agreements. In this way, all the company's assets were handed over to the PRC government in

⁴ PRO, FO371/127353 FC1151/7, Dalton FO minute for Lord Gosford's meeting with the China Association on Feb. 8, 1957.

exchange for a release from artificially inflated liabilities.⁵ Thus, British officials remained sceptical that any economic advantage would accrue to Britain from an increase in trade with the PRC.

Trade is traditionally an extension of British foreign Policy. As noted by Denis Allen, deputy under-secretary of state at the Foreign Office, 'peace and trade are better than the reverse.'⁶ This was certainly the case in China where British policy was two pronged. On the one hand, British officials hoped to wean the PRC away from Soviet influence by encouraging trade with the West, thereby reducing Chinese dependence on the Soviet Bloc. On the other hand, officials believed that, by encouraging Chinese trade and financial interest in Britain, the PRC government would become more sensitive to British pressure and make British companies less hostages to fortune in *(apart from Hong Kong)* their dealings with the PRC.⁷ British Far Eastern colonial interests, however, were only of peripheral concern in the development of this policy.

Changes in Britain's strategic planning precipitated a reappraisal of the system of controls on trade with both the Soviet Bloc and the PRC, i.e. COCOM, as well as CHINCOM. By basing their planning on the assumption that thermo-nuclear bombs would be used in any major war, British ministers concluded that there was no need to prevent trade in strategic goods in order to guard against stockpiling, since the war would be over in minutes. Selwyn Lloyd, when minister of defence, expressed this point of view in a memorandum on security controls:

⁵ PRO, FO371/127356 FC1151/94, Benson Brief for Erroll's visit, 11/9/57.

⁶ PRO, FO371/110245 FC1051/1, W.D. Allen letter to H. Trevelyan, Peking, 24 Feb. 1954.

⁷ PRO, FO371/110265 FC1111/27, Buxton minute, 18 Feb. 1954.

[I]t is very questionable whether the political irritants and the handicaps to world trade which result from the controls can any longer be justified by their results in terms of defence advantage.⁸

This viewpoint certainly fitted the British position since it would allow Britain to reinvigorate trade with China, but their American counterparts did not accept the corollary that a change in strategic planning meant that trade controls should be abolished.

At this time, American policy was rooted in foreign and strategic policy considerations rather than economic interests. At no time during the Eisenhower Administration was there contemplation of the removal of the complete embargo on American trade with Communist China imposed in December 1950, despite the President's personal view 'that the effort to dam up permanently the natural currents of trade, particularly between such areas as Japan and the neighboring Asian mainland' would be defeated.⁹ American officials were wary of changes to the policy set by the China Committee and feared that removal of any of the 207 items embargoed only on the PRC would render the remaining China list technically indefensible or unenforceable.¹⁰

As seen in the previous chapter, American military and diplomatic ties in the Far East precluded relaxation of its stance against the Chinese Communists. The aim of US policy was to stop the spread of communism in the region through non-recognition of the PRC in order to maintain the ROC as the legitimate government of

⁸ PRO, PREM11/2135, Selwyn LLoyd, Memorandum on 'Security Controls on East/West Trade', 13 Sept. 1955.

⁹ EL, AWF, DDE Diary Series, box: 13: Mar '56 Diary; Diary, March 30, DDE notes of conv. with Bernard Baruch, 28 Mar. 1956.

¹⁰ NA, 793.00/12-1354, US policy paper, 13 Dec. 1954.

China through the promulgation of treaties with South Korea, Japan, South Vietnam, the Philippines, and the ROC. Despite the president's acceptance that America's Asian allies, particularly Japan, needed to trade with the mainland, the US had to take into account the vehement opposition of Syngman Rhee, Chiang Kai-shek, as well as domestic public opinion when considering the issue. These problems were addressed in an American policy paper in December 1954 that argued that increased trade would not only aid the development of the PRC's heavy industry, but it would also enhance the status of the PRC internationally. The conclusions drawn from this paper boded ill for British plans to abolish the differential:

The psychological and political effects of such a retreat on the part of the U.S. would be out of all proportion to such limited trade advantages as might accrue to our allies. The Chinese Communist claims to legal and moral respectability would be strengthened, and they would have won another victory over the U.S. "paper tiger."¹¹

Despite the signing of the Korean Armistice in 1953, there was no change in the status of the United Nations embargo on trade with Communist China. The main force behind the UN effort in Korea, the United States, bore painful scars from the conflict and considered any trade with the PRC to be giving aid and comfort to the enemy. British officials recognized that little could be accomplished in the face of American hostility and decided to wait for a political settlement of the Korean War before pressing for change.¹²

As far as the United States was concerned, there could be no question of lifting the embargo as long as the Communist Chinese continued their aggressive policies. The American Secretary of States Dulles worried that 'if the millennium arrives and

¹¹ Ibid.

¹² PRO, FO371/110274 FC1121/4, Addis minute, 16 Mar. 1954.

the Chinese Communists change their ways,' US policy would have to adapt. In the meantime, the US would remain intransigent. In responding to Selwyn Lloyd's suggestion that a bargain be reached on trade and UN representation, Dulles wrote:

I doubt that in these circumstances it would be productive to attempt to trade Chinese representation against the lifting of the embargo, since the position of a crucial number of UN Members on both questions presumably obtains only so long as the Chinese Communists continue to behave like international bandits.¹³

The conclusion of the 1954 Geneva Conference marked the end of British patience. Anthony Eden, British foreign minister, and Chou En-lai, premier and foreign minister of the PRC, established a rapport at Geneva; and Eden was anxious to take advantage of this 'honeymoon' period. There was hope that diplomatic and trade relations could be normalized and plans were made to invite Lei Jen Min, an important PRC trade official, to Britain.¹⁴ In addition, a group of Labour MPs, led by the former Labour prime minister, Clement Attlee, visited the PRC and on return barraged the government with Parliamentary Questions on the China differential, demanding that trade restrictions be put on the same level as those for the Soviet bloc. The China Association, a group of influential British businessmen interested in trade with China, lent its voice to the domestic appeal for the controls on trade with China to be reduced.

These British optimists ignored the American position. Colin Crowe, head of the Foreign Office far eastern department 1953-6, warned his superiors that an attempt to relax restrictions on trade with the PRC would precipitate a crisis with the US of

¹³ FRUS, 1952-1954, III, p. 729.

¹⁴ PRO, FO371/110291 FC1151/118, Trevelyan Peking tel. 478, 13 July 1954; Carden minute, 31 Aug. 1954; and Crowe minute, 1 Sept. 1954.

the same order as if Britain changed its vote on the moratorium(see following chapter for full explanation of this procedural device designed to keep the PRC out of the UN by delaying consideration of the question) in the UN regarding the seating of Communist China. Crowe suggested that the American Administration had done as much as it could at that time when it had defied domestic public and Congressional opinion and agreed to modify trade restrictions on the Soviet bloc.¹⁵ In fact, the China differential widened in August 1954, when the revised COCOM lists went into effect, thereby reducing the number of goods embargoed to the Soviet bloc.

The success of British aims rested on the maintenance of peace and stability in the region. Sir Harold Caccia, then British undersecretary of state and after November 1956 ambassador to the United States, noted that, if the detente continued 'in the Far East, the China Embargo list would cease to make sense and would be increasingly vulnerable to attack' in Britain¹⁶. With this in mind, Eden directed Lord Reading, minister of state for foreign affairs, to discuss the China differential with Dulles at the 'South East Asian Defence Organization (SEADO)' meeting at Manila in early September 1954. Unfortunately, 'the banner headlines in the local press about Quemoy were not conducive to a calm consideration of Chinese affairs.' Caccia was, however, able to report an agreement with Douglas MacArthur, II, counsellor of the Department of State, for Britain and the US to work together and to discuss in advance everything that was to be said to be either in public or in the China Committee regarding the

¹⁵ PRO, FO371/110275 FC1121/33, Crowe minute, 24 July 1954.

¹⁶ PRO, FO371/111210 M341/142, Record of Conversation between F.G. Lee and H. Caccia, 27 Aug. 1954.

future of the China differential.¹⁷ Thus close consultation and collaboration between the two countries were incorporated in the negotiations from the beginning, but any reforms or alterations of the trade controls had to be passed by the Paris Consultative Group (CG), composed of representatives of the China Committee.¹⁸

Following discussions with Eden on 26 September 1954 regarding the offshore islands crisis, Dulles used delaying tactics on the China differential issue by offering to start official discussions. On 8 October, the American negotiator, Harold Stassen, director of the Foreign Operations Administration, told Lord Reading that the time had come to relax the China embargo. A few days later Stassen, however, who had an uneasy relationship with Dulles, was forced to delay the talks. On 23 November the PRC announced that it had found 11 US airmen and 2 US Army personnel, from the Korean conflict, guilty of espionage, further fanning the flames of US hostility. Thus, on 18 December Stassen informed British officials that there was no possibility of the Americans going ahead with discussions.¹⁹ The British acknowledged Stassen's good will but, as Alan Edden, head of the Mutual Aid Department 1954-8, deduced, Stassen, in his early optimism, had reckoned without the US airmen, the offshore islands crisis and 'to some extent, without the rest of the U.S. Administration.'²⁰

Public perception of Communist China's bellicosity mitigated pressure for reform. The PRC's behaviour provided both governments with an iron-clad excuse to

¹⁷ PRO, FO371/11120 M341/142 Caccia Manila letter to Lee, 9 Sept. 1954.

¹⁸ FRUS, 1955-1957, X, p. 212.

¹⁹ PRO, FO371/116018 M3444/29, Edden minute, 11 July 1955.

²⁰ PRO, FO371/116017 M3444/13, Edden minute for a Parliament Question, 7 Mar. 1955.

continue to treat China more harshly than the Soviet Bloc. This was, of course, more important to the British government since American public opinion was extremely sympathetic to the Nationalist Chinese: the US need only to convince its allies. The British public required proof that the continuance of the China differential was justified and not merely a case of the US forcing on Britain its own policy of embargoing China. British officials enjoyed only a temporary respite since, as noted by Alan Edden, it was 'only possible to stall on this question so long as the Communist Chinese maintain a patently aggressive and unco-operative policy.'²¹

Dulles remained obstructive even after the lowering of tensions. In the summer of 1955 the US and People's Republic opened ambassadorial discussions in Geneva marking the de facto end of 1954-5 crisis. As evidenced in a background brief, the secretary of state clearly intended to use the Geneva ambassadorial discussions as a delaying tactic:

British, French and Japanese pressure to reduce trade restrictions from CHINCOM level has become extremely heavy. Only fact that we are negotiating with Chinese Communists at Geneva enabled us to forestall probably successful action to this end at forthcoming CG meeting in December. We argued that it would not make sense to throw away such bargaining counters without something in return and British and French have agreed to withhold action for time being. Foregoing very sensitive, since if Chinese Communists knew Geneva talks were delaying action by European countries to reduce trade restrictions, they would have additional motive to break off talks.²²

Dulles stressed the usefulness of trade as a bargaining counter with Foreign Secretary

²¹ PRO, FO371/111210 M341/157 Edden minute for discussions at NATO, 16 Dec. 1954.

²² NA, 793.11-955, St Dept tel 313 to Taipei, 9 Nov. 1955.

Harold Macmillan when they met in November 1955 at Novecell in France.²³

The American manoeuvre tested British endurance. At Novecell Dulles offered to 're-cast' the China list, but this did not allay British suspicions that the US was simply stalling.²⁴ Macmillan had reason to believe that the Chinese were willing to improve trade relations and, anxious to exploit this opportunity, Eden and Macmillan chafed at this American tactic.²⁵ Lord Reading observed that the government could not continue to stone-wall in Parliament:

It must be well understood that, left to ourselves, we should be ready at least to bring the Chinese list into line with the Russian. The unescapable inference is that we are refraining under American pressure from taking a course which we ourselves believe to be reasonable and indeed advantageous.

The only result is to expose us defencelessly to the charge that we are completely under the American thumb. Such an accusation does great harm to Anglo-American relations.²⁶

In an ad hoc meeting of ministers on 28 November, Lord Reading proposed, and ministers agreed, that the US should be given until the new year to play the trade card in the Geneva ambassadorial talks but, if it failed, Britain would proceed unilaterally to reduce the controls on trade with China to the level of those for the Soviet bloc.²⁷

Macmillan informed Dulles of this decision by letter on 2 December 1955.

²³ PRO, FO371/115977 FC1091/81, Record of Conversation with Dulles and Macmillan, Novecelle, France, 13 Nov. 1955.

²⁴ Ibid.

²⁵ PRO, FO371/116019 M3444/44 Macmillan Geneva tel 101, 4 Apr. 1955, and subsequent MAD minutes; at Geneva Molotov asked Macmillan about possibility of relaxing China embargo; British believed that the Chinese had asked them to raise the issue.

²⁶ PRO, FO371/11602 M3444/52, Lord Reading minute, 21 Nov. 1955.

²⁷ PRO, FO371/116021 M3444/69, Edden minute, 29 Nov. 1955.

The vehemence of the American response to the British threat to go it alone startled the unsuspecting British. Following discussion of the issue at a National Security Council meeting, Dulles sent a strongly worded reply to Macmillan, warning of grave consequences:

There was a strong feeling, in which the President concurred, that if there is a unilateral action in these matters, the result will be not only a collapse of the entire cooperative structure but also a high degree of ill-feeling, as between our two nations.²⁸

The British 'ultimatum' aroused resentment in Congress, government departments and the Joint Chiefs of Staff. The British Ambassador to the US, Sir Roger Makins, reported a dinner conversation with the Secretary of Defence in which Charles Wilson threatened that the decision would affect the Anglo-American relationship, particularly security matters and the exchange of information, and accused Britain 'of selling out the Western position for a few pounds.'²⁹ Makins, who had not been consulted before the ultimatum was delivered, proposed that even he would 'have considerably underestimated' the American reaction.³⁰ The American administration was counseled by its diplomats in Hong Kong and Taibei, to take such a firm stand as to discourage Eden from pressing his case.³¹ In the face of this negative response, Eden and Macmillan acceded to Dulles' request that action be delayed until they arrived in Washington for talks in January 1956. The British, however, had succeeded at least to the extent of shaking the US from its complacency.

²⁸ PRO, PREM11/2135, Dulles letter to Macmillan, 12 Dec. 1955.

²⁹ PRO, PREM11/2135, Makins Wash tel 3045, 13 Dec. 1955.

³⁰ PRO, PREM11/2135, Makins Wash tel 3045, 13 Dec. 1955.

³¹ NA, 611.93/1-2756, Rankin Taipei tel 693, 27 Jan. 1956; and 793.00/1-1056, Drumright Hong Kong tel 1374, 10 Jan. 1956.

The British were determined to learn from the strategic errors made in their first approach. It was necessary to make a reappraisal of British policy that would take into account domestic and international pressure on the US. Pierson Dixon, British representative to the United Nations, urged 'circumspection' in pressing the trade issue so as to not 'prejudice American support' on more vital issues.³² Crowe warned that, if the PRC moved against the offshore islands before the Washington talks began and Britain continued to press for relaxation of trade, the strength of American public opinion could force the administration to invoke the Battle Act or reduce aid to Britain.³³ Evelyn Rolleston of the Mutual Aid Department agreed that 'a new situation would arise if hostilities broke out in the Formosa Strait.'³⁴ Edden reasoned that such developments in the Far East would aid Britain domestically since ministers would 'then have the reason they at present lack for maintaining controls at a level imposed during hostilities in Korea.'³⁵

The Washington talks of 1956 mark an important milestone in the revision of controls on trade with China. In his talks with Eden, Eisenhower presented his own views in a very direct fashion, emphasizing his concern for the possible psychological effect from a weakening of the US position, as opposed to the need of countries such as Japan and Indonesia to trade with China. Eisenhower felt that 'Restrictions were to some extent a double-edged sword, both economically and psychologically,' and called for an assessment 'in terms of the advantage which would accrue to China on

³² PRO, PREM11/2135, Dixon tel 74, 27 Jan. 1956.

³³ PRO, FO371/116021 M3444/76, Crowe minute, 20 Dec. 1955.

³⁴ PRO, FO371/116021 M3444/76, Rolleston minute, 21 Dec. 1955.

³⁵ PRO, FO371/116021 M3444/76, Edden minute, 22 Dec. 1955.

the one hand by receiving it, and to the exporting country on the other in terms of reciprocal trade.' Both Dulles and Eisenhower stressed the importance of a gradual relaxation of the China differential 'in order to avoid giving the impression that there had been a major shift in US policy' whilst attempting to reinstate copper wire to the Soviet Bloc list. Eden and Lloyd, the new foreign secretary, were content to follow this step-by-step process, so long as tangible progress was seen to be made.³⁶

The Americans were delighted with the talks. Eisenhower recorded in his diary that he had never attended any international talk where 'the spirit of friendship was more noticeable than in this one.' In regard to China he noted, 'our differences are not so great as they would appear in the headlines.'³⁷ Dulles reported to the Cabinet that the British had been forced to make major changes by promising not to 'go it alone', whereas there had been only a slight shift in the American position on trade issues. Any changes would be 'very modest' and the China list would remain 'substantially higher than the list applicable to Russia.'³⁸

Again the British bristled as time passed without movement. The published Washington talks communique called for action 'now' but, due to the complexity of the issue and diverse attitudes in US government departments, the study that Eisenhower had initiated following the Washington talks, was inevitably delayed. Eden, however, was anxious for progress, and pressed Foreign Office officials to use

³⁶ PRO, FO371/121939 M3426/24, Record of Meeting, 31 Jan. 1956, at the White House.

³⁷ EL, AWF, DDE Diary Series, Box 9: Copies of DDE personal [1955-56] (1); Diary, 8 Feb. 1956.

³⁸ EL, AWF, Cabinet Series, Box 6: Cabinet Meeting of Feb. 7 1956.

strong language in discussions with the Americans.³⁹ In March 1956, the Cabinet, under Eden's leadership, boldly decided to allow the sale of embargoed tractors to the PRC, after it was confirmed that they were too low-powered to be used for military purposes, such as the preparation of airstrips or rail tracks on the mainland opposite Formosa.⁴⁰ Where words had failed, this decision gave a further jolt to the US administration, and Walworth Barbour of the US embassy in London warned his superiors in the State Department that Britain may be forced to 'take drastic steps as occurred last December.'⁴¹

Dulles was quick to offer an interim compromise. On 13 April, he admitted to Makins that the US was in a 'bad bind' and that the administration was 'perhaps at fault.' Defending American tardiness, Dulles said that trade with China 'was the worst kind of dynamite' from a Congressional and military stand-point. Admiral Arthur Radford, chairman of the Joint Chiefs of Staff, and the Defence Department were very upset and 'talked wildly about the sacrifice of their boys in Korea having been in vain.' Thus, Dulles could only offer an 'informal loosening of the controls' on a few agreed items on the China list until Congress adjourned.⁴² Dulles followed up this discussion with a letter to Lloyd. Warning that the trouble with Congress was 'not imaginary,' he suggested that copper be restored to the COCOM List (i.e. be re-

³⁹ PRO, FO371/121941 M3426/? J.A.N. Graham minute, 19 Mar. 1956.

⁴⁰ PRO, PREM11/2135, FO tel 132 to UKDEL Paris, 4 Apr. 1956.

⁴¹ EL, U.S. Council on Foreign Economic Policy, Office of the Chairman, Dodge Series, Subject Series, Box 1: East-West Trade (1); Barbour London tel 4480, 6 Apr. 1956.

⁴² PRO, FO371/121942 M3426/76, Record of Conversation between Dulles and Makins, 13 Apr. 1956.

embargoed against the Soviet bloc), followed by a tightening of the entire trade control system. In exchange, rubber and 30 or 40 other items would be removed from the China list.⁴³ Makins vouched for Dulles's sincerity, noting 'It is evident that he has made a very considerable effort against determined opposition.'⁴⁴

Eden and Lloyd did not succumb to these pleas. In his response to Dulles, Lloyd made it clear that a review of the controls on trade with China was 'inevitable even if it results in disagreement' between the US and Britain. Eden wholeheartedly shared this view, minuting to Lloyd, 'Good. We must be firm about this even if it means going ahead without U.S. for once. We cannot lose Malaya to please Congress.'⁴⁵

Eisenhower and Dulles found themselves defending the British to the rest of the Administration. The President, frustrated by the foot dragging in the various government departments, wanted an agreement 'between State, Commerce, Defense, and ODM as to what trade means to the world' in order to establish a national program.⁴⁶ At an important NSC meeting on 26 April, the council affirmed Dulles's interim plan to come to a private, informal understanding with Britain to allow extended use of the exceptions procedure for items on List I and List II which allowed for the sale of embargoed goods in special circumstances. The President was sympathetic to Japan which was either obliged to trade with the PRC or 'pass a tin cup

⁴³ PRO, FO371/121942 M3426/77, Coulson Wash tel 1004, 19 Apr. 1956.

⁴⁴ PRO, FO371/121942, Coulson Wash tel 1003, 19 Apr. 1956.

⁴⁵ PRO, PREM11/2135, FO tel 2181 to Wash, 18 Apr. 1956, Lloyd message to Dulles; Eden minute to telegram, 20 Apr. 1956.

⁴⁶ EL, AWF, DDE Diary Series, Box 15: Apr. '56 Goodpaster, Memo of Conversation with the President. 18 Apr. 1956.

around in San Francisco' and had strong feelings on the future of the controls, which again entailed the re-embargo of copper:

If we try to maintain too strict a list of controlled and embargoed items, the dam of trade would burst and the whole system of multilateral controls on trade with the Soviet bloc would be carried away in the flood.... We should get down to what needs to be done, get our friends to stand firmly with us on these few items, and let the rest be decontrolled.⁴⁷

Both the President and secretary of state balked at the observation of George Humphrey, US Secretary of the Treasury, 'that if one stopped and thought of all that we had done for the British' they should be willing to re-embargo copper to the Soviet Bloc. Eisenhower reminded those present that, whatever the US did for Britain, it was in our own 'enlightened self-interest' and supported Dulles's proposal that the US:

[N]ot agree to formal negotiations designed to reduce the ChinCom list levels, but instead continue to wink at the exceptions our allies make to this list and determine if we cannot, as a result, induce them to agree to embargo copper.⁴⁸

The exceptions procedure offered the US a public relations coup. This mirror play protected the Administration from charges that it was 'going soft' either on communism or on the PRC.⁴⁹ Extended use of this procedure allowed America's allies to increase trade in embargoed goods, without the public embarrassment of a formal change in the controls on China trade.

The British were disappointed and reluctant to accept the US proposal. At a meeting in Paris on 3 May, Dulles was partially successful in gaining Britain's agreement to the American plan for extended exceptions. Lloyd accepted the informal

⁴⁷ EL, NSC Series Box 7, 282 Meeting, NSC, 22 Apr. 1956.

⁴⁸ Ibid.

⁴⁹ Ibid.

agreement, but firmly rejected reinstatement of copper wire to the embargo list.⁵⁰ This compromise allowed both sides to claim partial victory, but failed to satisfy the needs of either country. British pressure at a time of relative calm in the Far East forced the US to consider development of a new trade policy, but fundamental differences were masked only temporarily.

Eden, annoyed at having to settle for extended use of the exceptions procedure, constantly searched for new ways to circumvent the controls. From the time of the agreement in May 1956 to June 1957, Britain made liberal use of the exceptions procedure by issuing export licenses to British exporters on a growing range and variety of items normally embargoed to China, but not embargoed to the Soviet Bloc. Eden and the Foreign Office kept careful watch to ensure that nothing politically sensitive was licensed, for example diesel engines were rejected because they could be used to power sea-going vessels for use against the offshore islands.⁵¹ In areas where the British economy was weak, however, it was difficult for the British government to refuse export licenses. In the case of a proposed license for Land Rovers, the US vehemently opposed the sale, claiming that they had some military value, but the British Cabinet made the decision to issue the license though, reduced the number of units exported. Britain defended this action, pointing out that the PRC could obtain the Land Rovers through a third party, such as Czechoslovakia, and, furthermore, Anglo-American relations would not be helped if the US were seen as the reason for

⁵⁰ PRO, PREM11/2135, Record of Conversation between Dulles and Lloyd, Paris, 3 May 1956.

⁵¹ PRO, PREM11/2135, Graves-Smith letter to Bishop, 25 May 1956.

UK unemployment.⁵²

By September 1956 the US, greatly alarmed by its allies' burgeoning trade with the PRC, proposed restrictions on the use of the exceptions procedure.⁵³ Although loathe to give in to American pressure, Eden and his foreign secretary were not in a strong negotiating position with the US. Lloyd revealed in a Cabinet memorandum that it would be unwise to create new friction with the US since it might be necessary 'to appeal to the Americans for help if we have to buy dollar oil' during the planned British intervention in the Suez Canal.⁵⁴ On 23 October the Cabinet agreed to yet another compromise measure to 'not accelerate' use of the exceptions procedure.⁵⁵ This did little to allay American concern that the 'unrestrained use' of the exceptions procedure would endanger the effectiveness of the entire control system on trade with both the PRC and Soviet Bloc and preparations ensued for new bi-lateral talks.⁵⁶

The Suez Crisis and Soviet intervention in Hungary had far-reaching implications on the policies of both countries. Suez brought the state of Anglo-American relations to a post war low, but, despite staggering political and economic effects, British resolve to obliterate the China differential remained firm. Harold Macmillan, who became prime minister after Eden's resignation in January 1957, was

⁵² PRO, PREM11/2135, FO tel 3253 to Wash, 19 Jul. 1957.

⁵³ PRO, FO371/121947 M3426/171, Record of Meeting, Lloyd, Wright, Edden, Barbour and Brown, 24 Sept. 1956.

⁵⁴ PREM11/2135. C.P.(56)221, 1 Oct. 1956, Cabinet Memorandum by Selwyn Lloyd.

⁵⁵ PREM11/2136. C.M. (56) 68th Conclusions, Minute 4, 3 Oct. 1956.

⁵⁶ EL, AWF; DDE Diary Series; Box 20: Dec. '56 Diary-Staff Memos. Staff Notes, 54, Dec. 17, 1956.

determined to rebuild the 'special relationship', but British and American attitudes remained poles apart as evidenced during high level talks held in London. Britain considered that events in Hungary proved that there was no reason for the Soviets to be treated more favourably than the Chinese and, therefore, the China list should be reduced. In direct opposition, the Americans felt that Hungary proved that the Soviets should be treated more harshly than before, and thus, the Soviet list of embargoed goods should expand to include the same items as the China list.⁵⁷

This difference of opinion on the impact of the Soviet intervention in Hungary and the need for trade controls resulted in further difficulties. On 10 January 1957 Dulles requested Britain to postpone settlement of the China differential until 'world conditions warrant'.⁵⁸ This note, taken in conjunction with the London talks, gave Prime Minister Macmillan notice of the difficulty he would encounter, but did not cause the prime minister to modify the view that it was now more 'far-fetched than ever to treat the Chinese more severely than the Soviet bloc'.⁵⁹ Barring a dramatic deterioration in the Far Eastern situation, domestic economic and political pressure on the government made it virtually impossible for Macmillan to be seen to cave in to American pressure on what was generally considered to be an American problem.⁶⁰ Britain could accept no less than abolition of the differential.

⁵⁷ PRO, FO371/127321 FC1121/1, Gore-Booth conversation with Tank and Papendorp of the US Embassy.

⁵⁸ PRO, FO371/128299 M3426/6 Edden minute for Parliament Question, 23 Jan. 1957.

⁵⁹ PRO, FO371/128295 M341/1, Edden minute, 16 Jan. 1957.

⁶⁰ PRO, FO371/128299 M3426/6, Edden minute for a Parliamentary Question, 23 Jan. 1957; Edden notes that PQ's strengthened Britain's hand by confirming the pressure the government was under in Parliament.

From Washington the new British ambassador encouraged a firm stance. Caccia, who replaced Makins in November 1956, confirmed that 'this is the year in which to settle this issue with the least damage to our relations,' but timing was important; 'it is to our advantage to get the waiver through Congress before tackling the China differential.' Caccia speculated:

The President must have something of a bad conscience over the failure to follow up his undertaking in February 1956 and the reasonableness of our case both on logical and moral grounds after Hungary, will mitigate the reaction in the United States except among the irreconcilables. If we had been quite frank with them it would be out of character for the President or the Secretary of State to punish us out of spitefulness. The danger lies rather with Congress.⁶¹

British policy makers heeded Caccia's advice and incorporated his suggestions into the brief on trade issues for the Bermuda Conference. Again, Britain was prepared to 'go it alone' if the differential was not resolved once and for all at Bermuda. The British were, however, willing to compromise and re-embargo copper wire and return it to quantitative control on List II.⁶² The American review was completed before the Bermuda Conference, but was not presented to Congress beforehand. Clarence Randall, special assistant to the President and head of the Council on Foreign Economic Policy (CFEP), reported to the President that his group had 'at long last taken action on the tortured question of western trade with Communist China' and agreed to a reduction of the differential with an increase of comprehensive overall controls.⁶³ It was generally accepted in Washington that not all its allies accepted the

⁶¹ PRO, FO371/128299 M3426/20, Caccia Wash tel; 460, 26 Feb. 1957.

⁶² FO371/128295 M341/4 Edden minute 7 Mar. 1957, note minutes from Wright, Gore-Booth, Hoyer Millar and initialled by Lord Hood and Selwyn Lloyd.

⁶³ EL, AWF, DDE Diary Series, Box 22: Feb. '57 Diary-Staff Memos; Staff Notes, 72, 9 Feb. 1957.

US assessment of the international situation and the festering China trade issue was recognized as a threat to NATO relations, and particularly, to the rebuilding of the Anglo-American relationship. A revised NSC Policy Statement on economic defense policy that would take into account Randall's conclusions was to be completed in April, but, it required congressional consultations. In view of the congressional requirement, the findings were not to be fully discussed with the British, so as not to raise their hopes.⁶⁴

The Bermuda Conference of March 1957 hailed a new era in Anglo-American cooperation in the Far East. Trade was not discussed in picayune detail, but the basics were covered during discussions on the UN. Lloyd impressed on Dulles Britain's need for expanded trade with Communist China: controls on trade were an 'international political liability' and it was only in deference to American wishes that Britain had sustained them so long. In response, Dulles offered his usual litany, but with a new twist, suggesting that:

[A] shift in U.S. economic policy towards communist China should be matched by a shift in the British political approach to that country. If we [Britain] could come closer to the United States on policy, it might be easier for them to meet us on the question of trade. For example, in the United Nations...⁶⁵

Lloyd immediately agreed that this avenue should be explored. The expansion of the United Nations, Lloyd noted, would mean the end of the working Western majority in

⁶⁴ EL, White House Central File, Subject Series, Box 9: Bermuda Meeting - March 21-23, 1957 [Folder for the President] (4): Brief for Bermuda Meeting, March 21-23, 1957, unsigned and undated.

⁶⁵ PRO, FO371/127239 F1071/15, Record of meeting at Bermuda between Dulles and Lloyd, 22 Mar. 1957.

that body, in turn 'the argument against admitting Communist China was stronger.'⁶⁶

Linkage of the two issues produced viable bargaining positions for the two countries. In June 1954 when Eden had raised the two issues with Dulles, the latter had replied that 'the problem of the trade embargo was an extremely difficult one but it was not in the same class as the other [UN] and did not present the same degree of gravity.'⁶⁷ British officials were encouraged by Dulles's suggestion that the continued recognition of the Republic of China in the UN was far more important to the US Administration than the continuation of the maligned China differential.

It was important to both sides that this trade off not be readily perceivable. The Far Eastern perception of the US as a strong, unwavering ally and defender of the free world meant that the US could not publicly relax its stance against trade with the PRC. Despite concern for congressional reaction to the new NSC policy on trade, Dulles promised that the US would soon take a fresh international position on the trade control issue. Lloyd acknowledged that many words 'would have to be eaten' if the British government publicly revised its position on Chinese membership in the UN.⁶⁸ It was thus agreed that, in order to avoid giving the appearance of striking a bargain, no mention should be made of this understanding in the official communique from Bermuda. It should be alluded to in an exchange of letters. On the British side, Lloyd

⁶⁶ Ibid.

⁶⁷ PRO, FO371/11120 M341/142, excerpt of conversation between Dulles and Eden, 27 June 1954.

⁶⁸ EL, White House Office, Office of the Staff Secretary, International Trips and Meetings, Box 2: Bermuda 1957 - Chronology, Friday March 22, 1957 (1), Bermuda tel 14 to Sec. of State, 22 Mar. 1957. Record of Meeting between Dulles and Lloyd held on same day..

thought:

[I]t would be easier for us to carry our own public with us on this question if in the meantime the question of the China differential had been disposed of quickly and without United States opposition.⁶⁹

Britain and the US should 'move forward on both fronts in a somewhat synchronized manner,' Dulles suggested:

[J]ust as it would be easier for you to take a stronger position against Chinese representation in the UN if the China trade differential were disposed of to your satisfaction, so from our standpoint it would doubtless be easier to deal with the trade question if we knew that your attitude on the substance of Chinese representation in the United Nations would be more positive.⁷⁰

The Bermuda Conference was considered to be a great success. Macmillan reported to the Cabinet that the 'President appeared to be genuinely anxious fully to restore the traditional relationship between the two countries.'⁷¹ In a meeting with American legislators, President said he got 'a great feeling of satisfaction' from the conference. At the same meeting Dulles alluded to the agreement on procedural arrangements, but claimed that no secret agreements had been concluded.⁷²

The memory of Bermuda grew dim in the cold light of reality when China Committee discussions resumed in Paris. But the underlying spirit of Bermuda had given Macmillan and Lloyd an edge in the negotiations, in the aftermath, they considered prudence to be the better part of valour and cloaked their own determination

⁶⁹ PRO, FO371/128299 M3426/31, Bermuda tel 1 Saving, 25/3/57, text of paper handed to Dulles on 23 March.

⁷⁰ PRO, FO371/128299 M3426/31, Bermuda Tel 1 Saving, 25 Mar. 1957, Note from US to British.

⁷¹ PRO, PREM11/2529, CAB 28, 31 Part 1:C.C. (57) 22 Conclusions.

⁷² WL, AWF, DDE Diary Series, Box 22: Mar '57 Diary Staff Memos (1); Excerpt Bipartisan Congressional Meeting, 25 Mar. 1957.

to end the China differential by hiding behind French proposals to the China Committee in Paris to abolish it. Caccia exhorted that 'it would be calculated to put their [US] backs up if we were to take the lead in encouraging other members of CHINCOM to gang up against the(m) before their proposals have been considered.'⁷³ Macmillan agreed that the issue required careful handling and the British proceeded with caution.⁷⁴

The new American proposals for revising the controls on trade with China proved to be too little too late. The US hoped that their new proposal would be recognized as a compromise position between the US desire to maintain the differential and their allies' opposition and proposed an embargo on fifty items of strategic goods, tightening of the exceptions procedure, and decontrol of the remainder of the controls enforced against only China.⁷⁵ The proposals were first presented to the British who were deeply disappointed with the American position and avoided negotiations with the Americans until the time seemed ripe for a private agreement outside of the committee.⁷⁶

Meanwhile, a line of communication was kept open in Washington. Douglas Dillon, deputy under secretary of state for economic affairs, believed that British officials did not fully comprehend the complexity of the US position. He explained to Caccia that the US could not 'willingly agree' in public to any substantial change

⁷³ PRO, PREM11/2529, Caccia Wash tel 914, 16 Apr. 1957.

⁷⁴ PRO, PREM11/2529, Harold Macmillan minute, 18 Apr. 1957.

⁷⁵ EL, AWF, DDE Diary Series, Box 23: Apr. '57 Diary - Staff Memos (1), Staff Notes, 98, 15 Apr. 1957.

⁷⁶ PRO, PREM11/1519, FO tel 2023 to Wash, 29 Apr. 1957.

in the treatment of Communist China, but hoped that 'making the most' of a single list for both the Soviet Bloc and the PRC, would enable Britain to cope with its domestic public opinion and the US to avoid trouble with Congress.⁷⁷ A sympathetic Caccia reported to London that the Administration was hampered by internal politics from being a party to a dramatic change, and, if stirred, Congress could cause a lot of trouble over foreign aid. Caccia warned that Britain would 'be considered principally responsible by pride of place' for any trade debacle. He therefore suggested that a low profile be kept in the China Committee in order to deflect American criticism when the inevitable result became known.⁷⁸

In Paris the US lobbied arduously against complete abolition of the China differential. Sir Hugh Ellis-Rees, permanent UK representative on the OEEC, reported from Paris that, apart from France and Japan, the other China Committee countries now hoped for a compromise in order to avoid a clash with the US.⁷⁹ American pressure on the French was so intense that it was believed that M. Alphand, the French ambassador in Washington, was 'brought to the point of offering his resignation on grounds that French Gov[ernmen]t ought to yield to US representations in wider interests of Franco-American relations.'⁸⁰ The French eventually withdrew their proposal thus forcing Britain to take the lead in the China Committee to abolish the differential.

The British government, however, did not falter. On 13 May, Lloyd presented

⁷⁷ PRO, PREM11/2529, Caccia Wash tel 1033, 1 May 1957.

⁷⁸ PRO, PREM11/2529 Caccia Wash tel 1034, 1 May 1957.

⁷⁹ PRO, PREM11/2529, Paris tel 141, 17 May 1957.

⁸⁰ PRO, PREM11/2529, Paris Del Tel 162, 27 May 1957.

the American ambassador with an aide memoire in which Britain insisted on a decision by the Americans in ten days. Lloyd rejected the latest US proposals and warned that a continuation of any form of differential in the face of the 'mounting storm' would feed anti-Americanism in the UK.⁸¹ On 17 May, Lloyd added a sweetener that he 'should not mind Sir H. Caccia making encouraging but uncommitting noises about the moratorium [UN] to the U.S. just at this moment of difficulty over China trade.'⁸²

The US responded to Lloyd's nudging with alacrity. Neither the president, who felt that 'basically Communist China and Soviet Russia should be treated alike,' nor the secretary of state wanted a public break with the British which might result in, among other things, a total collapse of the strategic trade control system.⁸³ Dulles advised Eisenhower that:

[I]t would be better for us to let the British, Japanese, etc., "go it alone" because the fact of our acceding to a substantial elimination of the China differential would be widely regarded in Asia as foreshadowing a policy of lessening opposition to the Chinese Communists which might precipitate widespread efforts by Asian countries to seek an accommodation with Peiping.⁸⁴

Despite these considerations and the potential difficulty with Congress, Dulles recognised that the trade issue was 'coming to a climax' and proposed further latitude

⁸¹ PRO, PREM11/2529, FO tels 2180 and 2181 to Wash, 14 Apr. 1957.

⁸² PRO, FO371/127305 FC1051/13, Lloyd minute, 17 May 1957, to Morland China Policy paper, 7 May 1957.

⁸³ EL, Papers of John Foster Dulles, White House Memoranda Series, Box 6: Meetings with the President - 1957 (5); Memorandum of conversation with the President, 17 May 1957.

⁸⁴ EL, Papers of John Foster Dulles, White House Memoranda Series, Box 5: White House Correspondence - General 1957 (6); Memorandum for the President from Dulles, 16 May 1957.

in the US position.⁸⁵

In the interim London was heartened by the tone of Caccia's discussions with Dillon. The British ambassador predicted that if the British pressed for a complete alignment of the Soviet and China lists there would be little or no adverse reaction either in Congress, the press or the Administration. Caccia suggested that, in regard to the latter, 'It would be more human for them to prefer rape to martyrdom,' and the cost to Anglo-American relations if Britain proceeded would not be 'excessive.'⁸⁶

Eisenhower's reply on 18 May to Macmillan was less inspiring than Dulles's. The president noted that the American military and congress disapproved of the British position, questioned whether any increased trade would be in strategic items, and expressed the hope that a modus vivendi could be reached in order to avoid a public split on the issue.⁸⁷ Dulles reiterated the same theme that the US could not completely abandon the China differential, but he was willing to give it a new look. In his closing paragraph, Dulles offered an olive branch which confirmed British interpretation of the US position:

What we are doing represents a great effort within the executive branch of government and with the Congress to meet you. But if this is not acceptable, and you should decide that you are unable to continue cooperation with us in this area, it will, of course, have a bad reaction in this country. We shall do our very best to hold those reactions to a minimum, but we cannot give any assurance that it will not have troublesome repercussions.⁸⁸

By 20 May the administration, resigned to the fact that Britain would take

⁸⁵ *ibid.*

⁸⁶ PRO, PREM11/2529, Caccia Wash tel 1118, 17 May 1957.

⁸⁷ PRO, PREM11/2529, Eisenhower letter to Macmillan, 18 May 1957.

⁸⁸ PRO, PREM11/2529, Dulles letter to Lloyd, 18 May 1957.

independent action, began to concentrate on damage control. On that day Dillon again met with Caccia to issue a dire warning about the Battle Act, hinting that there were parts of the act in which the President could use his own discretion (whereas other parts of the Battle Act called for mandatory action). The purpose was not to bludgeon the British, but to reinforce Dulles's hints and impress upon the British the need for great care in choosing words if they found the new US proposals to be unacceptable. Caccia reported:

If we went our own way, there would be bound to be some outcry and the language we then used would either make it more or less difficult for the US Gov[ernmen]t to hold back the hotheads. For instance we would clearly increase the difficulties if any statement by HMG were to say that we 'could not longer cooperate with the United States' in applying controls to China.⁸⁹

British officials feared being accused of negotiating in bad faith. Since the Bermuda meeting the Americans had made several new proposals which represented substantial changes in their position but Britain, determined to achieve complete abolition of the differential, had rejected these proposals. Sir Frederick Hoyer Millar, permanent undersecretary of state, urged some form of compromise in tandem with hints in Washington of modification of the British attitude regarding the moratorium:

The whole spirit of the [Bermuda] discussion was that both sides would try to reach agreement and that if the Americans would make some compromise on the China differential, we would make some compromise over the moratorium concerning China's admission to the United Nations. So far, the Americans have made some advance - though admittedly an inadequate one - over the China differential. We have offered no compromise whether over the China trade question or over the United Nations. That being so, and in spite of what Sir Harold Caccia says, I am afraid that for us to stand firm now and allow the discussions over China trade to break down might be regarded by the U.S. Administration as inconsistent with the understanding reached at Bermuda.... I cannot help being rather worried about the consequences

⁸⁹ PRO, Caccia Wash tel 1127, 20 May 1957.

of a breach with the Americans just at this stage when we still need their help so badly in the Middle East.⁹⁰

Macmillan was determined to obliterate the differential, but did not wish to appear intransigent. In his letter to Eisenhower on 20 May Macmillan talked compromise, but cautioned that 'this Chinese business has become almost as much an obsession with us as it appears to be with your Congress':

If there is any chance of a compromise that gives us the substance of what we want and you something to argue with Congress, then of course we will accept it. You will say that this is not much of a compromise, but that is the way of the world. Frankly I would much rather have an agreement with you than a disagreement.⁹¹

Macmillan did not believe that much trade with China would result following abolition of the differential, but felt it was better to settle the matter 'rather than let it go on and poison our relations' whilst there were far more important issues before the two countries.⁹²

That same day, British ministers decided to propose a system of quotas to replace the China list. Under the new system quotas would be agreed for certain items on List II (quantitative control) for the Soviet Bloc and nil (zero) quotas would be assigned to goods sensitive to the US but not important to British trade. The nil quotas would effectively embargo goods, but they would not be publicized as an embargo. Items under List III (watch list) would remain under export license control.⁹³ Lloyd apprised Dulles of this proposal by letter on 24 May and promised to respect the

⁹⁰ PRO, FO371/128301 M3426/106, Hoyer Millar minute to Edden minute, 20 May 1957.

⁹¹ PRO, PREM11/2529, Macmillan letter to Eisenhower, 21 May 1957.

⁹² Ibid.

⁹³ PRO, FO371/128303 M3426/116 Edden minute, 24 May 1957.

remaining controls if the US accepted this compromise. Lloyd feared that the British proposal would be 'unpalatable', but asserted that it was the only way to 'keep any system of strategic controls generally accepted and working in practice.'⁹⁴

The US reluctantly accepted that Britain had altered its stance in order to accommodate American prejudices. Delivering the note, Dillon described it as 'friendly' but told Dulles that "it added up to 'no dice'".⁹⁵ In the China Committee the American representative accepted the inevitable with ill-grace, but Eisenhower's reply to Macmillan stressed areas of agreement:

We understand your predicament and even though we may be compelled, in the final result, to differ sharply in our official positions, I think that each of our Governments should strive to prevent the possible popular conclusion in its own country that we are committed to going 'separate ways'.⁹⁶

Thus Macmillan confidently brought the painful process to a close. On 27 May Britain informed the China Committee that the abolition of the China differential was the only way to preserve the trade control system and on 30 May Lloyd announced its abolition in Parliament. Significantly, David Ormsby-Gore, minister of state for foreign affairs, at a press conference that same day stated, 'that it was not HMG's policy at present to press for the seating of Communist China in the United Nations'.⁹⁷

Both UK and US officials accentuated the remaining controls on trade with communist countries. British embassies were advised to stress areas of agreement with

⁹⁴ PRO, PREM11/2529, Lloyd letter to Dulles, 24 May 1957.

⁹⁵ FRUS, 1955-1957, Vol. X, p. 465.

⁹⁶ PRO, PREM11/2529 Eisenhower letter to Macmillan 24 May 1957.

⁹⁷ PRO, PREM11/2529, FO tel 2437 to Wash, 30 May 1957.

the US by highlighting that trade with the PRC would still be monitored.⁹⁸ Likewise, the State Department issued a press release that, while lamenting the British action, emphasized the British intention to continue application of the security controls on strategic exports.⁹⁹ Perhaps due to this skillful management of the issue, there was little disapproval of the action in the US. At a press conference on 5 June Eisenhower remarked that while he had not advocated complete elimination of the differential, he saw no merit in maintaining it, stating:

I am personally of the school that believes that trade, in the long run, cannot be stopped. You are going to have either just authorized trade or you are going to have clandestine trade.¹⁰⁰

For many reasons the president saw the collapse of the trade controls as inevitable not least of which was the difficulty of their application and enforcement. Eisenhower found the negotiations with Macmillan to be so smooth and profitable that he wanted to conduct an hour's chat with the prime minister each week.¹⁰¹ Dulles followed the same line in his own press conference on 11 June.

Caccia cautioned British officials not to delude themselves that they could now successfully change US policy on trade with China. Although the Americans had not penalized Britain by withdrawing political or economic support, Caccia advised Lloyd,

⁹⁸ PRO, PREM11/2529, FO INTEL 99, 29 May 1957.

⁹⁹ PRO, PREM11/2529, Wash tel 1195, 30 May 1957: State Department Press Release.

¹⁰⁰ PRO, FO371/128305, Wash tel 310 S, 5 June 1957.

¹⁰¹ EL, AWF, DDE Diary Series, Box 25: June '57 Phone Calls, Record of telephone call between the President and Dulles, 17 June 1957. Dulles, protecting his own position, asked that that part of the letter be removed because it would lead to Macmillan always popping over. Macmillan would be okay, Dulles felt, but then others would want to do the same.

who took careful note, that Britain should be on guard and certainly make no further attempts to alter US policy to the PRC:

[W]e should beware of thinking that because we have dealt successfully with the matter of China trade, we can move on with similar ease to the problem of admission of the Peking Government to the United Nations. If this were thought to be our immediate aim the present favourable trend of opinion could quickly swing against us. For the present it will be necessary for us to show reasonable co-operation in the application to China of the trade controls to which we have agreed and to avoid all action which might give ground for suspicion here that our abolition of the differential was intended as the first step in a campaign for the admission of China into the United Nations.¹⁰²

Indeed, the Anglo-American relationship emerged not just unscathed but strengthened.

American acquiescence did not presage a change in the US attitude towards trade with China. There were a few in the Foreign Office who believed that American businessmen would want access to the spoils to be gained from trade with China and would exert pressure on their government, but as Alexander Mayall, assistant head of the far east department, questioned: what if China trade was only a myth?¹⁰³ In fact, Eisenhower and Dulles simply recognized that the China Committee would not maintain the differential and pragmatically worked out a compromise that would meet their domestic and foreign policy requirements. The only real change was one of venue. The new NSC paper (NSC 5704/2) on strategic controls merely called for a transfer from multilateral controls to unilateral controls to ensure that countries such as Canada maintain stricter controls on trade with China than the Soviet Bloc. Although Clarence Randall suggested a new study be made on unilateral trade with

¹⁰² PRO, FO371/128305 M3426/184, Caccia despatch to Lloyd, 21 June 1957.

¹⁰³ PRO, FO371/127289 FC10345/300 Mayall and other FO minutes.

China the US embargo was not lifted.¹⁰⁴ At an NSC meeting, Randall argued that it was 'largely a pious hope' that these bilateral moves would result in strict application of a China embargo and thus suggested that American controls on trade with the PRC also be loosened. Dulles made short shrift of any such suggestion.¹⁰⁵

The British were not so successful in their relations with the PRC. Foreign Office officials hoped to exploit the potential of the China market and plans were made to send F.J. Erroll, parliamentary undersecretary of the Board of Trade, to the PRC to assess the situation. A British official in Peking admonished those in London that Erroll may not be well received, noting that the Chinese, 'have been at great pains to avoid letting us extract an ounce of political credit from the relaxation' of trade controls.¹⁰⁶ The communist government considered any type of strategic controls to be an affront. Furthermore, Britain could not give the PRC any assurances on the utilization of the strategic controls since certain goods could have been re-embargoed if tensions again rose in the far east.¹⁰⁷

As seen in the following chapter, the linkage of the UN moratorium vote and the China trade differential had important repercussions on British and American policy and the handling of Far Eastern affairs. Dulles and Eisenhower recognized that they were in a no win situation as far as the China differential was concerned since Britain was not the only country clamouring for its abolition. The Americans, however, were

¹⁰⁴ EL, AWF, DDE Diary Series, Box 25: June '57 Diary - Staff Memos, Staff Notes, 126, 7 June 1957.

¹⁰⁵ FRUS, 1955-1957, Vol. X, Memorandum of Discussion of NSC meeting, 12 Sept. 1957, pp. 491-494.

¹⁰⁶ PRO, FO371/127354 FC1151/54, Maby Peking tel 314, 11 July 1957.

¹⁰⁷ PRO, FO371/128305 M3426/174, MAD letter to Peking, 5 July 1957.

willing to bargain on the trade issue (because they knew that they would lose eventually), in order to gain continued recognition of the Republic of China in the UN and its other bodies. Eden, Macmillan and Lloyd worked hard for abolition, but in the end the pay off, in terms of increased trade with the PRC, was slight. Macmillan, however, scored points domestically by daring to challenge the US, albeit by sleight of hand, and winning.

CHAPTER 5

THE CHINA SEAT AT THE UNITED NATIONS

In the 1950's the United Nations Organization began to be transformed into a truly international body. But, despite the dramatic rise in membership from 1949 to 1971, the international body was dimmed by the absence of representatives from the world's most populous nation, the People's Republic of China. In the nuclear age, the United Nations not only promoted dialogue and negotiation in the face of aggression, but also provided a forum in which the Cold War could be peaceably waged, although this was not, of course, envisaged by its founding fathers. The perennial question of which government was entitled to represent China in the General Assembly, the Security Council and other UN bodies was clearly a manifestation of the Cold War. Presidents from Truman to Nixon used American influence and power to maintain the Republic of China's position in the UN. Likewise, Eisenhower and his Secretary of State, relied on help from the United Kingdom to maintain the status quo.

The Korean War provided the impetus for Britain and the US to concert their policy on Chinese representation in the UN. The Security Council's handling of the invasion of South Korea by North Korea on 25 June 1950, underlined the importance to the Truman administration of keeping the China seat in friendly hands. June Grasso argues that, prior to the invasion, the US had adopted a neutral position regarding the future of the China UN seat and 'did not seek "to bring pressure" or otherwise encourage, discourage, or influence other delegations in their vote on the Chinese

representation question.¹ The Republic of China, however, proved itself an indispensable ally in the Security Council vote to send UN troops to Korea since seven positive votes were required for the UN to take action. This result would have been impossible had Communist China occupied the seat. On 3 July the US delegation was informed 'that it should discourage other delegates from raising the representation question,' signalling the start of an active American lobbying campaign to maintain the Nationalist position in the UN, although Grasso notes, Britain 'disagreed with this stand.'²

After the establishment of the People's Republic, Britain, despite earlier hesitation in order to maintain unanimity with the Americans, began to vote for the seating of the PRC in September 1950. This changed once it became apparent that the Communist Chinese were involved in the Korean conflict and Britain 'took the line that the UN could not be expected to admit representatives of a government whose troops were participating in hostilities against the forces of the UN,' and from May 1951 onwards voted with the Americans to postpone discussion of this question.³

Britain never voted against any motion that the People's Government should represent China in the UN. However, they made use of a procedural device devised by the Americans known as the 'moratorium' by which consideration of the issue was postponed by simply not putting the question to a vote. By using this device an

¹ Grasso, June M., Truman's Two-China Policy, 1948-1950, (London, 1987), p. 154.

² Ibid, p. 171.

³ PRO, FO371/115212 FC2251/7, Walker minute, 21 Jan. 1955; PRO, FO371/112336 UP122/31, Brief for Geneva Conference, 13 Apr. 1954..

acrimonious and divisive debate in the General Assembly was avoided, thereby enabling a large majority of UN member states, particularly those such as Britain who had already recognized the PRC, to vote with the US on this issue.⁴

Chinese Communist behaviour during the Korean War provided the US and UK with common ground on which to base cooperation in the UN. America's objective to prevent any change in the representation of China required its UN delegation 'to exercise strong leadership, working in close cooperation with friendly delegations,' particularly the United Kingdom, 'whose lead on this issue is followed by a number of states.' A large majority vote in favour of the moratorium demonstrated 'continued free world solidarity on this issue, which might otherwise take on the appearance of a contest primarily between the United States and the Communist governments.'⁵

The propaganda and political importance of the British vote in support of the US position was underscored by Britain's recognition of the PRC and its place as head of the Commonwealth. American policy makers believed that Britain's favourable vote influenced other Western European and Commonwealth members, (with the exception of a few such as India), who might otherwise have wavered and voted to hold a debate and allow the PRC into the UN.

Unity of purpose began to break down as the Korean conflict drew to a close. The US feared that once an armistice was signed the UK would soon 'seek to terminate the "moratorium" agreement'. Thus US planners formulated a strategy to forestall any British change and suggested that the issue be raised at the Bermuda

⁴ FRUS, 1952-1954, III, pp. 788-793.

⁵ Ibid.

conference in December 1953.⁶ The question of Chinese representation was linked with overall American Far Eastern policy, since it was considered that the entry of the People's Republic into the UN might not only result in the spread of communist influence in South East Asia but also initiate a UN scrutiny of US military aid to the Nationalist government.⁷

The Americans received a respite despite the armistice. After the signing of the Korean armistice at Panmunjon in June 1953, Britain maintained that 'although active aggression had ceased ... further evidence of the good behaviour of the Chinese government' was required 'before we could actively support the seating of their representative in the UN.'⁸ Anthony Eden, then foreign secretary, approved this policy to delay reconsideration of Britain's vote on the moratorium issue until the following criteria were met: the PRC was seen to observe the Armistice Agreement, when there was progress at a political conference at Geneva, and the further British development of relations with the Communist Chinese.⁹ Dulles made it apparent at a meeting in Bermuda that he did not yet consider the PRC to be a 'peace-loving' country worthy of entering the UN, to which Eden suggested that they (the US and UK) should 'freely admit' to having a problem to face at the United Nations' and should begin talks on how to handle the issue in the future.¹⁰

⁶ FRUS, 1952-1954, III, p. 639.

⁷ FRUS, 1952-1954, III, p. 639, Bacon memorandum to Robertson and Johnson, 25 May 1953.

⁸ PRO, FO371/115212 FC2251/7, Walker minute, 21 Jan. 1955.

⁹ PRO, FO371/112335 UP122/4, M.S. Williams minute, 24 Dec. 1953; 'good' handwritten by Eden.

¹⁰ FRUS, 1952-1954, Vol. III, pp. 712-3.

Of the three Conservative prime ministers whose governments overlapped the Republican Eisenhower administration, only Anthony Eden showed real determination to resolve the untenable situation in the UN whereby the Republic of China, who (as the Soviet representative, Yakov A. Malik, claimed) 'represented nobody', retained the China seat.¹¹ Despite Eden's enthusiasm for improving Sino-British relations, Churchill was loathe to break with the Americans on this issue. Even without diversions such as tensions in the offshore islands, there is little evidence to suggest that the British vote on the moratorium would have changed while Churchill resided at Number 10. When Gladwyn Jebb, British representative to the UN before becoming ambassador to France, made a speech in early 1954 in which he stated that the PRC 'should represent China in the United Nations,' Churchill minuted to Eden that Jebb's 'far-reaching statements ... committed us to supporting the admission of China to the United Nations. I did not know that we had gone so far as that. In fact up to date we have adopted considerable reserve.'¹² Eden defended Jebb, noting that the purpose the speech had been 'to accustom [US] public opinion' to the idea that Communist China must eventually be brought into the UN, although, he conceded, the PRC would first have to 'work her passage'.¹³

The potential for disharmony was reflected in the diametrically different approaches of the American and British representatives to the 1954 Geneva Conference. Although the conference failed to achieve a settlement of the Korean

¹¹ UN Security Council Official Records, IV, 1949, 26-54: 458th meeting, 29 December 1949, Lake Success, New York, pp. 1-3.

¹² PRO, FO371/112335 UP122/16 Churchill minute to Jebb speech, 14 Jan. 1954.

¹³ PRO, FO371/112335 UP122/16 Eden minute, 19 Jan. 1954.

problem, it was a diplomatic and personal triumph for Eden who successfully forged a close and lasting relationship with the Chinese Communist Premier and Foreign Minister Chou En-lai, marking what Eden hoped was a new era in Sino-British relations. Before the conference, Dulles made clear the American position to the British Ambassador, Sir Roger Makins, by explaining the purpose of his proposed speech to be made to the Overseas Press Club. While in his speech Dulles did not suggest that the US would never accept the admission of the PRC into the UN, he cautioned Makins that this was because he did not believe such language to be appropriate - lest the British infer from his speech that change in the US position was near. Moreover, Dulles said that, while he would make it clear that his policy was not inspired by any great love for Chiang Kai-shek, he hoped that the US and Britain could maintain ~~its~~^{their} understanding in the UN.¹⁴

For domestic political reasons, Dulles approached the Geneva conference warily. David Mayers notes that 'Congressional pressures directed at Dulles before the Geneva Conference were aimed at discouraging any intentions he may have entertained about meeting with Chou En-lai or improving Sino-American Relations.'¹⁵ Dulles did not let the side down, and earnestly avoided meeting Chou 'unless our automobiles collide.'¹⁶ Congressional action later that fall vindicated Dulles' caution. Dulles did not believe that the outcome of Geneva would immediately presage a change in the

¹⁴ PRO, FO371/112336 UP122/29, Makins tel 27, 27 Mar. 1954.

¹⁵ Mayers, David Allan, Cracking the Monolith: U.S. Policy Against the Sino-Soviet Alliance, 1949-1955, (London, 1986)p. 128.

¹⁶ Mayers, p. 129.

British vote, but he planned to make an approach to the British at an advantageous time.¹⁷

Despite the fact that no settlement was reached on the Korean question at Geneva, Eden and the Foreign Office became anxious. Britain's vote in favour of the moratorium was a barrier to building its relationship with the PRC. But again, Churchill intervened. In talks at the White House in June 1954, the prime minister told Eisenhower, 'My line about recognition is that there has got to be peace first.' Eisenhower responded that among his own criteria for China's admission was withdrawal by the PRC to their own borders, release of American prisoners, and a statement by the PRC that they would observe propriety in international relationships. The president would then 'consider using his influence to obtain recognition.'¹⁸

In a separate conversation Dulles told Eden that the question of UN seat was more important than the issue of trade with China. He added that it was 'quite impossible for the U.S. Government to contemplate' the PRC in the UN at this time. Looking to the future, Dulles proposed that, if the structure of the Security Council could be altered, e.g. the permanent China seat be awarded to a neutral nation such as India, then the PRC could eventually enter the UN. This proposal, though occasionally raised as an alternative solution to the dilemma, was never seriously considered. Eden replied that while he 'wished to keep in step with the United States,' he could not guarantee continued compliance with the moratorium.¹⁹

¹⁷ FRUS, 1952-1954, III, p. 728.

¹⁸ EL, AWD Series, Box 2, ACW Diary June 1954 (1), Saturday 26 June 1954: Eisenhower's meeting with Churchill at the White House.

¹⁹ PRO, FO371/112337 UP122/70, Record of conversation between Eden and Dulles, Washington, 27 June 1954.

These talks, in tandem with reports from Washington, served notice to the British that the American public was no more ready than the administration to accept the entry of the PRC. From Washington Makins warned that there was mounting criticism in the US of British policy towards the PRC.²⁰ As a backlash to Chou's success at Geneva, worried pro-Chiang congressional leaders on 1 July won the passage of Joint Resolution 171, the McCarran Act, which called for immediate withdrawal of the US from the UN if the PRC were granted entry into the international body. In addition the UN would be asked to move from New York.²¹ Cognizant of the strength of public and congressional opinion reflected in this resolution and the creation of the Committee of One Million representing that number of signatures against the PRC's entry, both Eisenhower and Dulles spoke in unequivocal terms at press conferences against the admission of the PRC to the UN in current circumstances.²²

The British government responded immediately to these developments. In order to meet the US Administration half-way, Eden proposed to the Cabinet on 9 July 1954 that, in view of the public controversy in the US, 'it was important that the UK Government should take an early opportunity of clarifying their attitude towards the representation of China in the UN.'²³ As a result Churchill reiterated the UK position in the House of Commons that although the government believed that the PRC should

²⁰ PRO, FO371/112336 UP122/44, Makins tel. 1384, 4 July 1954.

²¹ Congressional Record, vol. 100, part 7, pp. 9488-9470.

²² PRO, FO371/112337 UP122/51, Makins tel 1411, 7 July 1954 and UP122/54, Makins tel 1421, 8 July 1954.

²³ PRO, CAB 128, 27 Part 2, C.C. (54) 49th Conclusions, (4) 9 July 1954.

be represented in the UN:

[I]n view of that Government's persistence in behaviour inconsistent with the purposes and principles of the Charter, ... consideration of the question should be postponed.²⁴

This statement temporarily masked Eden's 'wait and see' policy.

Thus the Americans mistakenly considered the issue settled. Eisenhower and Dulles reported to the cabinet that their position would be maintained in the UN and that Churchill was in close agreement with their attitude.²⁵ When the two countries' delegations met in New York in August, Sir Pierson Dixon, the British representative, reported that the Americans were 'clearly taken aback' that the British delegation had not yet received instructions to vote in favour of the moratorium. Despite a warning from Peter Ramsbotham, a member of the UK delegation to the UN, that the prime minister had not committed himself, the US assumed that the Churchill's comments assured continued British support for the moratorium.²⁶

The divide between the allies became increasingly apparent. Although Britain might publicly support the American position, officials adopted a tougher stance in private. But there was clearly little chance that the US would change its policy in 1954.

Cold war objectives dominated US policy and planning. Henry Cabot Lodge, US Representative to the United Nations, believed that the entry of the PRC into the UN 'would be a blow of major proportions to public confidence in our U.S.

²⁴ Hansard, vol. 530, 1953-54, 12 July 1954, p. 46.

²⁵ EL, AWF, Cabinet Series, Box 3: Cabinet Meeting of July 9, 1954.

²⁶ PRO, FO371/112338 UP122/93, Dixon letter, 3 Aug. 1954. FRUS, 1952-1954, Vol. III, p.746, Wadsworth tel. 48, 19 July 1954.

Administration and ... would be to give formal sanction to a basic change in the nature of the United Nations.' Lodge felt that the UN 'at present is a marvellous vehicle for organizing the free world coalition in case World War III should ever come.'²⁷ The administration feared that entry into the UN would strengthen Communist China's international prestige which had been growing since the Geneva Conference. The State Department provided a long summary of arguments to be used with reluctant allies:

(1) Communist China is an aggressor against the United Nations in Korea. The General Assembly resolution which found Communist China guilty of aggression still stands.(Resolution 498V).

(2) Through its military dominance of North Korea, Communist China has continued to defy the General Assembly's resolution 376 (v) which established the United Nations Commission for the Unification and Rehabilitation of Korea (UNCURK).

(3) At the Geneva Conference the representatives of the Chinese Communist regime treated the United Nations with utmost contempt, repudiating its past actions with respect to Korea and denying its competence to seek the unification of Korea.

(4) Communist China actively supported the Viet Minh aggression of the Ho-Chi-Minh regime in Indochina.

(5) The conduct of the Chinese Communist regime, far from justifying its seating in the United Nations, is of a nature which, under Articles 5 and 6 of the Charter, would subject a Member State to suspension of membership rights or even expulsion from the Organization.

(6) The Chinese Communist regime has not conformed to accepted standards of international law and practice, but has demonstrated a callous disregard of legal and moral standards.

(7) This question constitutes a precedent of utmost importance since it is the first time that conflicting claims have been made for the seat of a country. The way this issue is handled can have important future consequences in other cases.

(8) the Charter does not provide for "universality", however

²⁷ FRUS, 1952-1954, III, p. 721.

desirable this principle may be, but specifies that membership is open to peace-loving states which both accept its obligations and, in the judgment of the Organization, are able and willing to carry out these obligations.²⁸

The mere existence of this American position paper showed the futility of Eden's hope for change in US policy so soon after the Korean War. He and other British officials, excluding Churchill, believed that in certain circumstances the UK might unilaterally change its vote. On 10 July Dixon sent a thought-provoking telegram suggesting that Britain should not give the US a guarantee far into the autumn, because if the atmosphere became less tense, Peking could be seated at the same time as Japan. Dixon added the caveat that Britain could not vote against the moratorium without 'causing a major crisis in Anglo-American relations.'²⁹ Stunned, Churchill demanded an explanation from Eden, minuting:

A sense of proportion must govern our action to have a first-class quarrel and break with the United States about whether Communist China should come into UNO this year or next year or the year after. It would be a major act of unwise causing world disaster. We are lucky to be able to win so much American goodwill by so little. At present our policy is surely defined by the words drafted for me by the Foreign Office, namely that we should work for suspension of the issue by every possible means.... I do not like the manoeuvres proposed in 9a [Dixon's suggestion that Britain abstain on the moratorium vote to serve as a warning to the US]. There may well be quite a different mood in the United States next year.³⁰

Eden responded that there was 'No need to vary our policy. Sir P.D. was just thinking out loud.'³¹ But the following day, 16 July, Dixon was sent instructions to avoid

²⁸ FRUS, 1952-1954, III, pp. 788-793.

²⁹ PRO, FO371/112337 UP122/59, Dixon tel 621, 10 July 1954.

³⁰ PRO, FO371/112338 UP122/86, Churchill minute to Eden, DATE, regarding Dixon tel 621.

³¹ Ibid, Eden minute, 15 July 1954.

giving the impression that the UK would 'definitely support the moratorium at that session,' although he could 'say that we will not force the issue.'³² Thus Eden managed to dangle the issue in front of the Americans as a threat of what was to come, while deferring to Churchill's desire not to provoke the US.

The reluctant British were not above 'selling' their vote. On receipt of Dixon's telegram reporting the US Delegation's surprise, Colin Crowe, head of the Far Eastern department, suggested that the UK would get more help from the US over Cyprus if Britain gave a guarantee on the moratorium now rather than later.³³ Although loathe to reveal their hand so early, British officials liked this idea. Sir Ivone Kirkpatrick, permanent under-secretary of state, approved with the caveat that there should be 'no question of trying to bargain our agreement to a moratorium on Chinese representation against American support for our case on Cyprus,' but suggested that discussion of the two subjects should follow closely.³⁴ This reflected Makins' advice that 'it would be a mistake to try formally to link Cyprus with China (as we had wanted to link Guatemala with Cyprus).'³⁵ The Minister of State, Selwyn Lloyd, gained the prime minister's approval to this approach. In his minute Lloyd explained that US opposition to China's entry had not weakened, Chou's 'warlike' statements regarding Formosa exacerbated the issue, and, furthermore, there was still no proof of the PRC's good faith in Indo-China (or, for that matter, in the Chinese off-shore islands). Lloyd

³² PRO, FO371/112337 UP122/68, FO tel 510S to New York, 16 July 1954.

³³ PRO, FO371/112338 UP122/93, Crowe minute, 11 Aug. 1954.

³⁴ PRO, FO371/112339 UP122/?, Kirkpatrick FO tel 4232 to Washington, 23 Aug. 1954.

³⁵ PRO, FO371/112339 UP122/104, J.G. Williams minute 19 Aug. 1954.

proposed that British agreement to the moratorium formula for the 'current' year of 1954 be conveyed 'in such a way as to indicate that we expect United States help in the handling of the Cyprus item,' without seeking to make a bargain.³⁶

The Americans were thinking along the same lines. When Lodge met Dixon on 9 September he revealed that Dulles had instructed him to speak on the two issues since 'there seemed to be a link'. This ran contrary to Dulles's previous comments to Lodge that he was 'dubious about using Chinese representation as a bargaining point' since others would soon turn the tables and attempt to extract additional concessions from the US. Thus Dulles instructed Lodge to avoid doing anything that 'soured of "crudity."³⁷ Lodge intimated to Dixon that the US had other options, but ultimately hoped to work out a 'mutually acceptable' agreement with Britain. Dixon replied that he was under 'specific instructions not to link the two issues' but he was willing to listen to proposals, making it clear that the UK expected US support over Cyprus.³⁸

The Americans not only wanted the moratorium continued, but were anxious to change the wording of the text in order to strengthen the moratorium procedure. Britain agreed to drop the word 'postpone', but remained unwilling to remove the time-limiting phrase 'current year' in order to retain flexibility if the 9th session of the General Assembly ran over into January 1955.³⁹ The British were adamantly against

³⁶ PRO, FO371/112339 UP122/105, Lloyd minute to Churchill, 17 Aug. 1954; UP122/110.

³⁷ FRUS, 1952-1954, III, p. 730 and p. 779, Lodge tel 217, 9 Sept 1954.

³⁸ PRO, FO371/112339 UP122/120, Dixon tel 784, 9 Sept. 1954.

³⁹ PRO, FO371/112339 UP122/121, Dixon tel 785, 9 Sept. 1954.

agreeing to an extension of the moratorium into 1955, in case the opportunity arose allowing a favourable vote on the PRC's entry.⁴⁰ This eventuality was unlikely in view of the fact that the US and UK were actively engaged at that time in negotiations pertaining to the tensions in the offshore islands.

Despite the PRC's aggression towards Taiwan, Britain started to distance itself from its former policy of basing their vote on Communist China's bellicose behaviour, preferring to explain that their decision to vote in favour of the moratorium was 'based primarily on the strain to which the Organisation would be subjected by discussion of the question.'⁴¹

Robert Scott, minister at the British embassy in Washington, warned that many congressmen were speaking wildly that they would prefer to meet the issue of Chinese representation 'head on' in a debate in the Assembly rather than hide behind the moratorium procedure. Lodge had suggested that Robert Murphy use this line with Scott, not because he thought the UK would agree, but 'if we begin with this proposal it might be possible to reach agreement on a formula ... whereby the Assembly would decide not to consider the matter rather than merely to postpone consideration.'⁴² The US was also having difficulty restraining the Nationalist Chinese representative from pressing for a vote on the substantive issue. Clearly this was not in either best interest of the US or UK.⁴³

⁴⁰ PRO, FO371/112339 UP122/121, FO tel 1112, date? and UP122/125.

⁴¹ PRO, FO371/112340 UP122/143, Cope minute, 29 Sept. 1954, and FO371/115212 FC2251/7, Walker minute, 21 Jan. 1955.

⁴² FRUS, 1952-1954, III, p. 753, Memorandum telephone conversation between Key and Lodge.

⁴³ PRO, FO371/112339 UP122/103, Scott tel 1780, 17 Aug. 1954.

Thus, the British submitted to the inevitable, but not before making the Americans sweat. The moratorium resolution which effectively concealed the underlying tensions between the US and her allies was passed with the written text:

The General Assembly decides not to consider, at its ninth regular session during the current year, any proposals to exclude the representatives of the Government of the Republic of China or to seat representatives of the Central People's Government of the People's Republic of China.⁴⁴

From Tamsui, Taiwan, the British consul reported his assessment of the ROC's 'most difficult struggle yet' at the opening of the UN General Assembly. The Nationalists had prepared for a 'strong attempt by the "appeasers",' i.e. Britain and India, to seat Peking. But as Hermann noted, the safe crossing of this hurdle had less to do with Nationalist propaganda efforts than 'the concurrent unpopular moves by their Peking opponents.'⁴⁵

During the course of 1955 the British increasingly feared that the Americans viewed the situation in the UN as permanent. When the United States signed a mutual security treaty with the Nationalist Chinese in December 1954, there was strong British concern that it not only complicated the issue of Chinese representation, but also signalled that the US might continue indefinitely to support the ROC. Although, in Dixon's view, the treaty did not legally prevent the US from recognizing the People's Republic.⁴⁶ Though few British officials seriously doubted that they would continue to support the US over the moratorium at the 10th session of the General Assembly

⁴⁴ UN General Assembly Official Records, 9th Session, 474 plenary meeting, 21 September 1954, New York, New York, pp. 2-12.

⁴⁵ PRO, FO371/114983, Hermann letter to Eden, 2 Mar. 1955: Tamsui annual review for 1954.

⁴⁶ PRO, FO371/110234 FC1042/71, Dixon NY tel 1018, 15 Oct. 1954.

in 1955, they were anxious to let the US know that they were not pleased at the prospect.

In January 1955, the US administration was in the midst of negotiating with the Nationalist government to effect a withdrawal from a group of offshore islands, the Tachens. This necessitated action on the part of the Administration to allay any domestic fears that America was weakening its stance against Communist China. On 13 January Walter Robertson, assistant secretary of state for Far Eastern affairs, told an audience in Philadelphia that the US remained firmly opposed to the entry of the PRC into the UN. Citing their 'gangster role' in international affairs and the sentencing of Americans as spies, Robertson concluded that the Chinese communists were 'dedicated to the destruction of everything the United Nations stands for.' The Foreign Office was deeply disappointed by Dulles' endorsement of this speech to which Eden minuted that Robertson was a 'badman'.⁴⁷ Despite this, Eden held out the hope that depending, on the outcome of the offshore islands crisis, the situation might become fluid.⁴⁸

At the same time, Eisenhower assured congress that he would never abandon the Republic of China and announced his Formosa doctrine. In January 1955 Senator William F. Knowland, (R-California), dubbed the 'senator from Formosa', protested to Eisenhower about a possible UN trusteeship of Taiwan as a solution to the China problem. Eisenhower replied that 'the most we could have ever would be dual recognition of Nationalist China and Red China. At present neither side would accept

⁴⁷ PRO, FO371/115007 FC10345/2, Robertson Speech, 13 Jan. 1955 in Philadelphia; Sutherland minute, 24 Jan. 1955.

⁴⁸ PRO, FO371/115212 FC2251/7, Eden minute, 25 Jan. 1955.

it.⁴⁹ The most the US could envisage was to have both Chinas in the UN, a totally unrealistic prospect since this scenario predicated an acceptance of the existence of two Chinas, along the lines of two Germanies.

The British also were quite aware that the PRC would never accept or allow the formal creation of two Chinas. Sir Humphrey Trevelyan, British Charge d’Affaires in Peking, warned against a solution on the lines of two Chinas in the UN, or of the idea of a trusteeship of Taiwan.⁵⁰ Foreign Office officials accepted Trevelyan’s conclusions. Regarding the continued postponement of a decision to admit the PRC into the UN, one official wrote:

Our place is with the Americans. Our main concern must be to make American policy as acceptable as possible to the world at large even if we cannot make it acceptable to the Chinese Communists.

Crowe and Denis Allen agreed that ‘we must stick with the Americans’ but suggested the British role was to gently nudge the US gradually to change their position.⁵¹

Throughout 1955 the United States drew closer to acknowledging the existence of the Chinese People’s Government in Peking. But, the Conservative British government, now led by Anthony Eden, chafed at the realization that the lowering of tensions in the offshore islands, and the opening of talks between the US and PRC in Geneva, did not inspire the US seriously to re-evaluate its UN policy. The US was wary of the increase in Chou’s international prestige after his participation in the Afro-Asian Conference held at Bandung in April 1955. At a NATO ministerial meeting on

⁴⁹ EL, Ann Whitman Diary Series, Box 4: ACW Diary January 1955 (2), 26 Jan. 1955.

⁵⁰ PRO, FO371/115053 FC1041/921, Trevelyan to Macmillan, 24 May 1955.

⁵¹ Ibid, Walker minute, 1 July 1955; Crowe minute, 2 July 1955; and Allen minute, 2 July 1955.

10 May, Dulles said that the conference had checked the Chinese Communists' violent behaviour, and that a settlement might be reached if both sides agreed to renounce violence as a means to settle their claims, but he continued to defend Chiang who was 'at least resolute, loyal, and Christian.'⁵²

The British officials on the spot in Beijing and New York were the most anxious for change. From these cities often came exhortations that continued non-participation of the PRC in the UN was both dangerous to Sino-British relations and to the UN itself. In June 1955, Dixon suggested that he should start paving the way for a change of representation through public speeches.⁵³ The British Ambassador in Washington 'strongly opposed' such a move. Makins said that 'if we want to set the stage for this major development' Britain should 'build up American confidence in the United Nations.... to most Americans the UN is identified with the war in Korea and Korea spells frustration, impotence and irritation.'⁵⁴ Anthony Nutting, minister of state, incorporated these ideas in his minute to Foreign Minister Harold Macmillan. Nutting acknowledged that in the current international atmosphere of 'detente' the government would come under increasing pressure from the Labour party on this subject:

We thus look like being faced with the ugly choice of a breach with the United States or trouble in Parliament. Even if the latter were serious I still think the consequences of a breach with the United States would be immeasurably greater.

I suggest therefore that you [Macmillan] urge Dulles [at Geneva] to

⁵² PRO, FO371/115007 FC10345/12, Steel tel 94, 10 May 1955; and Steel tel 316S, 11 May 1955.

⁵³ PRO, FO371/115213 FC2251/23, Dixon letter, 7 June 1955.

⁵⁴ PRO, FO371/115212 FC2251/16, Makins tel 1343, 9 June 1955.

keep an open mind until September. If by then we still cannot persuade the Americans to change their minds about seating Peking, as I fear they may well be unprepared to do, I think all we can do is to agree to support them but make it clear that this will probably be the last time we can vote for the moratorium.⁵⁵

British officials accepted that the moratorium was the 'least satisfactory answer' and steps were taken to widen its appeal. Thus Dixon toned down his proposed speech. Nutting suggested the addition of a preamble to the moratorium resolution which might appeal to African and Asian countries who otherwise might find it difficult to continue to vote in favour of the moratorium following the success of Bandung - it could also be used to deflect criticism from the Labour party.⁵⁶ Harold Macmillan approved the suggestion that when the US made its approach to discuss the prospects for the moratorium that the UK delegation approve the old moratorium formula if the US did not accept the insertion of a preamble. He noted 'I should remind Dulles that if we continue to help him over China he must not let us down about Cyprus.'⁵⁷

The members of the British delegation in New York met with their American counterparts on 10 August for non-committal preliminary talks. The British preamble was coolly received. Although Wadsworth, a member of the American delegation, personally did not discount the psychological effect of a small drop in the vote in favour of the moratorium, he did not think the State Department would approve of any change in the moratorium itself, nor did he seek to drop the words: 'current year'

⁵⁵ PRO, FO371/115213 FC2251/23 Nutting minute, 10 June 1955.

⁵⁶ PRO, FO371/115213 FC2251/27 Crowe minute, 19 July 1955.

⁵⁷ PRO, FO371/115213 FC2251/29 Foreign Office minutes, including Macmillan's minute, 26 July 1955.

which the US had been anxious to do the previous year.⁵⁸ Ringwalt, an American embassy official, verified this assumption in talks with Crowe in London. He revealed that the State Department did not think that the old moratorium would lose many votes, and 'more important they are afraid that any change in the resolution might lead people to expect an imminent change in the United States attitude.'⁵⁹

When agreement was close, Eden became involved and delay was inevitable. Just as the Colonial Office telegrams were being sent to the Old Commonwealth explaining the British position in order to gain their approval (the Old Commonwealth was approached every year before Britain formally agreed to continue the moratorium), the telegrams came across Eden's desk. The prime minister was interested in improving Sino-British relations and realized that nothing was being done to advance the British position. Eden minuted, 'We can surely not be more purblind than this formula. We must show some advance on last year which represents reality.'⁶⁰ As a result, Macmillan minuted to the prime minister:

I have been wondering what to do about China's seat at this year's General Assembly. Last year the formula was postponed for the duration of the present session in the current year.

2. It seems that we have suggested an alternative formula. "The General Assembly decides the time is not yet come to consider".

3. As one unversed in these subtleties I see very little difference between the two.

4. Any way, the Americans do not like changing. The question presents itself as to how far we should have a row about about it. My feeling is that if we want to take a firm line, it would better to take it on a reality rather than on a verbal difference.

5. Finally, although I am not of course thinking of any crude policy of horse trading, I cannot forget that we shall have Cyprus later in the

⁵⁸ PRO, FO371/115213 FC2251/34, Crosthwaite letter to Allen, 20 Aug. 1955.

⁵⁹ PRO, FO371/115213 FC2251/35, Crowe minute, 18 Aug. 1955.

⁶⁰ PRO, FO371/115213 FC2251/41, Eden minute, 30 Aug. 1955.

year. Perhaps you will feel that I should put this problem to the Cabinet, but in any case I should be grateful for your advice.⁶¹

In his reply Eden acknowledged the lack of options:

There is no doubt that public opinion here would expect us to take some step towards China's membership and I think that they would be right in this. The United Nations Organization should be universal.

I agree that the two alternatives do not seem to differ greatly, although the US apparently think they do while the Australians and Canadians find our amendment a distinct improvement. I would think that this was a matter for a good talk with the Old Commonwealth Countries. Any position is more or less defensible as long as we stand with them. We should be censured if they were to support a more advanced formula and we were to hang back with the Americans. On the other hand we certainly do not want to rush ahead of Canada and Australia.⁶²

Meanwhile, Dixon reported that Lodge was getting impatient and suggested that if Britain hoped to obtain the maximum advantage with Cyprus, they should delay no further in telling the Americans that they will vote for the moratorium.⁶³ On 7 September, Sir Robert Scott was summoned to the State Department by Hoover, acting secretary of state, who, Scott reported, discussed the issue with 'unusual vehemence', stressing domestic political and public opinion against the PRC. In turn, Scott pointed out that his government felt just as strongly about Cyprus, reminding Hoover that they had 'appealed in the strongest terms for American support in avoiding such discussion' on Cyprus.⁶⁴

⁶¹ PRO, FO371/115213 FC2251/45, Mamillan minute PM/55/116 to Eden, 1 Sept. 1955.

⁶² PRO, FO371/115213 FC2251/45, Prime Minister's minute, M(E) 67/55, to Macmillan, 3 Sept. 1955.

⁶³ PRO, FO371/115213 FC2251/42, Dixon tel 690, 6 Sept. 1955.

⁶⁴ PRO, FO371/115213 FC2251/43, Scott tel 2120, 7 Sept. 1955.

With Eden's approval Macmillan decided to inform the US immediately, but wished to take this opportunity to stress his great reluctance in doing so. In instructions to Washington and New York, Macmillan stressed that it be made clear that it was only 'a sense of comradeship, not real agreement, that impels us.... The "moratorium" is becoming more and more embarrassing here and more and more difficult to defend ... [the Americans] should know that it is becoming doubtful if we can hold the line much longer.'⁶⁵

At the meeting in which the Americans were informed that after considerable hesitation and with reluctance Britain would agree to the moratorium resolution, Nutting gained the false impression that the US was heeding this warning.⁶⁶ Nutting reported that Lodge 'seemed very embarrassed' and 'seemed to read into our delay' that we might be reconsidering our position. Furthermore, Nutting said that, while he did not add to Lodge's anxieties, he did nothing to quieten them either. It would seem, however, that at some point he misinterpreted Lodge's remarks and recorded that Lodge had stated that a reduction in the favourable vote this:

[M]ight be no bad thing if it would educate more extreme American opinion by showing them that they were losing world support.... Other things being equal he expected to see Communist China in the United Nations in 1957. But meanwhile a lot of work would have to be done on American opinion.⁶⁷

In Lodge's personal view, Nutting reported, 'things happened very suddenly.' The US 'did not slide out of difficult decisions: they snapped out of them' and this would be what would happen with the China question. It was 'only a matter of time' before the

⁶⁵ PRO, FO371/115213 FC2251/43, Macmillan tel 4139, 8 Sept. 1955.

⁶⁶ FRUS, 1955-1957, XI, p. 302, Lodge tel 260, 10 Sept. 1955.

⁶⁷ PRO, FO371/115214 FC2251/50 Nutting to Kirkpatrick, 8 Sept. 1955.

US recognized the People's Republic and they entered the UN, and, in Lodge's view, 'it would happen very soon after the 1956 presidential election.'⁶⁸ Both Macmillan and Eden saw Nutting's reports which reinforced their belief that 1956 would be the final year that Britain would vote for the moratorium.

Lodge, a skilled politician and cold warrior, may have said this as a ploy. But in his own report to the State Department he said that he had made it quite 'clear that there was a definite relationship between the American attitude' and the PRC's behaviour and 'it was quite out of the question to expect any change of the American attitude in 1956.'⁶⁹ Lodge did not mention the future in his report, and other evidence suggests that he would not have been so sanguine at the PRC's entry into the UN as Nutting seemed to have perceived from Lodge's remarks.

As in 1954, there was an understanding on the Cyprus issue at the 1955 opening of the United Nations. As noted by a Foreign Office official, 'by referring to "comradeship" etc. when telling us [of the decision to vote with Britain on the Cyprus issue] Dulles made it clear that it was a quid pro quo for our attitude on China.'⁷⁰

Despite Britain's acquiescence there was increased ~~increased~~ determination that 1956 would be the last time they would vote with the Americans for the moratorium. Nutting's report was read in conjunction with Dulles's remarks to Eden at the 1955 Geneva Conference that 'if only the [Communist] Chinese would act reasonably for a year or two they would find the whole climate of world opinion changed and their

⁶⁸ PRO, FO371/115214 FC2251/50 Dixon letter to Kirkpatrick, 10 Sept. 1955.

⁶⁹ FRUS, 1955-1957, XI, p. 302.

⁷⁰ PRO, FO371/115214 FC2251/53, Sutherland minute, 19 Sept. 1955.

admission to the United Nations for instance would certainly take place.⁷¹ Denis Allen wrote to Dixon and Scott that British representatives in the US should work on the assumption that nothing can be changed before the 1957 Assembly. Scott, however, thought other countries such as Belgium, Canada and Australia might recognize the PRC. Thus in 1956 'the Americans might be brought to accept (with a very bad grace) the seating of Peking,' but he advised that 'the best plan is to lie low and let events take their course, leaving it to others to take the initiative and make the running.'⁷² Officials agreed with Scott's findings but noted that, in view of America's assistance with Cyprus, they would have great difficulty voting out of step with the US even if other countries recognized the PRC.⁷³

Eden's plan to improve Anglo-Chinese relations was not helped by this move and he sought other ways to woo the Chinese. In December 1955 Eden and Macmillan told the US that Britain would 'go it alone' and unilaterally remove the special restrictions on trade with the PRC. The problem of China was on the agenda for the Anglo-American talks in Washington in January 1956. Makins advised that Britain should not be misled by reports that American public opinion was moving towards acceptance of the existence of the PRC. The salient feature of these reports, Makins felt, was 'not that opinion is moving towards the policy favoured by HMG, but that it has moved so slowly.' Furthermore, he noted, neither the administration nor the public had yet considered the 'practical problems' that recognizing the PRC or having

⁷¹ PRO, FO371/114974 F1071/16, Eden Conversation with Dulles, Geneva, 22 July 1955.

⁷² PRO, FO371/115214 FC2251/54, Scott letter to Allen, 17 Sept. 1955.

⁷³ Ibid, Foreign Office minutes.

it enter the UN would create and how these changes would affect Taiwan's future.

Selwyn Lloyd, the new foreign secretary, agreed with these findings, noting:

Any modification of US policy must and can only be worked out by the Americans themselves, and external pressure if wrongly applied may only produce the wrong results. Nevertheless, we must make clear our views upon those aspects of their China policy where we believe action by the Americans would help them out of the impasse into which they have been driven.⁷⁴

In relation to more pressing problems, i.e. the offshore islands and the trade issue, Lloyd considered Chinese representation in the UN to be less urgent. Thus, although he would not force the issue, he wanted the Washington Embassy to maintain pressure on the Americans as the opportunity warranted.⁷⁵

1956 was a difficult year for the US. As noted in the previous chapter, Eden and Lloyd had served notice that Britain would 'go it alone' and unilaterally remove the special restrictions placed on trade with China. In addition, a report was being prepared to examine the effect of the 10th Session of the General Assembly on America's international position. The perception was that in 1955 there had been a loss in the prestige and reputation of American leadership. Continued American support of the Nationalist Chinese in the UN exacerbated the situation, particularly after Chiang Kai-shek ignored two personal appeals from Eisenhower not to veto the membership package that had been agreed with the Communist countries which would have allowed 18 countries, including 4 satellites and Outer Mongolia, to enter the UN

⁷⁴ PRO, FO371/120893 FC10345/4 Crowe minute 30 Dec. 1954 and Lloyd letter to Makins, 11 Jan. 1956.

⁷⁵ Ibid.

as new members.⁷⁶ The report looked at the problems in US policy toward the UN which was 'characterized as generally negative and aimed almost exclusively at warding off policies and programs we do not support.' Although a scrutiny of voting patterns on the moratorium in 1955 at 42-12-6 compared to 43-11-6 in 1954 and 44-11-2 in 1953 showed that there had been little slippage in the voting, it was acknowledged that Western countries were 'increasingly impatient with the test of Chinese representation the US applies to every issue, whatever its merits.' Although US policy-makers could not alter the policy, it was suggested that 'its underlying effect as a chronic irritant and factor for divisiveness' should be recognized.⁷⁷ After the Nationalist veto of the membership package, only sixteen new countries gained entry to the UN, (Japan and Outer Mongolia had been dropped), but it was feared that, as a result of the increased membership, there might be a drastic change in the moratorium vote in 1956.

During the Washington talks in January 1956, Eisenhower adopted a hard-line with Eden. Although the president expressed willingness to study changes in the list of goods embargoed to China, he stressed that any attempt to push for the entrance of Communist China into the UN 'would be catastrophic in this country' and, within thirty minutes of their entry, Congress would be calling for American withdrawal from the organization, perhaps even its removal from the United States.⁷⁸ He stated that

⁷⁶ FRUS, 1955-1957, XI, p. 388, Eisenhower to Chiang, 22 Nov. 1955 and p. 408-9, Eisenhower to Chiang, 28 Nov. 1955.

⁷⁷ FRUS, 1955-1957, XI, pp. 39-61, Draft Report Prepared by Lincoln Bloomfield, Special Assistant to the Assistant Secretary of State for International Organization Affairs, 'Evaluation of Role of US in 10th General Assembly.'

⁷⁸ EL, AWF, DDE Diaries, Box 12: Jan. '56 - Goodpaster, Memorandum of Conversation between Eisenhower, Dulles, Eden, Lloyd, et al, 31 Jan. 1956.

there was 'no hope of changing the feeling in the US and Congress in the proximate future.' Dulles took the opportunity to press for the extension of the moratorium procedure, not just for the 'current year' as was the custom, but to cover the entire 'session'. This was particularly important since the General Assembly would not open until November due to the American presidential elections. Dulles pointed out that the session would certainly continue into 1957 and, it was best to deal with the issue only once each year. Eden remained non-committal on all points, but promised to discuss the situation with the Cabinet. The prime minister made the point that 'the UN was a universal organization; you must have unpleasant people in it'; the PRC was really 'no worse than Russia.'⁷⁹

The Americans were generally pleased with the talks. Eisenhower told Dulles that 'on the whole it was [a] good meeting'. The 'British were prepared to be a little sticky on one or two points; but after President emphasized them, the British understood.' On the question of the PRC, Eisenhower said he 'had to ask them [British] to decide which is more valuable, friendship in this presentation.'⁸⁰ The American strategy was laid out in the brief for the Washington talks: to stress to Eden that Anglo-American cooperation was so important that the US simply 'assumes' Britain's continued cooperation.⁸¹

Dulles made it plain to Eden that he was determined that the moratorium would

⁷⁹ PRO, FO371/120935 FC1074/1, Record of Conversation, White House, 31 Jan. 1956.

⁸⁰ EL, AWF, DDE Diary Series, Box 12: Feb. '56 Phone Calls, Telephones Calls - Wednesday, 1 Feb. 1956.

⁸¹ EL, AWF, International Series, Box 20: Eden Visit January 30-February 1, 1956(3), Barnes memorandum for Goodpaster, 27 Jan. 1956.

extend to the entire 1956-7 session. On 1 February, Lodge advised Dulles that there was evidence that the British were working in New York to have the Assembly open in September rather than November since it would be easier to get Cabinet approval for the moratorium then. Lodge worried that implicit in the British position was the assumption that the moratorium should not extend beyond the calendar year 1956. According to Lodge, a moratorium that applied to the entire session that opened in November was necessary in order to avoid a bitter row on the Chinese question as well as Cyprus. If that happened, Lodge said, 'I would rather fight the substantive question here on the floor.' This implied that, if the British did not agree to the US arrangement, he was willing to have a divisive debate in the General Assembly on the question of Chinese representation.⁸² Dulles preferred to handle the issue without any 'horse-trading'.

The yearly ritual began at the end of June when the US made its approach to Britain. Instructions from the State Department to the London Embassy stressed that the initial inquiry 'should avoid appearance of concern at delay.' They were instructed to report whether the British were reluctant to extend the moratorium to the entire session or merely wanted to make a deal.⁸³ Winthrop Aldrich, American ambassador in London, reported that British ministers had not yet had time to discuss the issue and that, because it was a political problem, it could not be left to the Foreign Office to make a decision. The ambassador suggested some change to his instructions since open-ended inquiries tended to 'facilitate British injunction conditions.' He proposed that a more promising approach was, 'to imply that there can be little if any question

⁸² FRUS, 1955-1957, XI, p. 469.

⁸³ FRUS, 1955-1957, XI, p. 471.

of Brit[ain] going along with US in continuing moratorium given importance to Brit[ain] maintaining global US-UK solidarity,' and concentrate on discussing the appropriate tactics for successfully obtaining a moratorium covering a full session.⁸⁴

In July, Lodge reported that 'many among British and others' believe that the US 'can be forced into changing its position subsequent to elections.' Of course, ~~he~~ ^{Lodge} was the one who had given them this impression in the first place. Lodge suggested that Dulles approach Lloyd, but the secretary preferred Aldrich's plan, noting that the 'most effective tactic is to assume UK agreement and avoid impression undue concern.'⁸⁵

Britain continued to regard 1957 as the year of decision but, was still prepared to be awkward on the 1956 vote. On his return from Washington, Lloyd met with Nutting, Dixon and other important Foreign Office officials. In view of the firm stand the president had taken, 'it was agreed that ... there was no purpose in our pursuing the matter further with the Americans before the elections and that the less said about the matter the better.' Indeed, it was felt that, if the US asked Britain to 'work actively in favour of the moratorium.... we should probably have to do this.' It was agreed to delay giving this assurance even though the US would have gained the impression from the Washington talks that Britain 'would not allow this matter to disrupt our alliance.'⁸⁶

Foreign Office officials were reluctant to accept the inevitability of a

⁸⁴ FRUS, 1955-1957, XI, p. 472.

⁸⁵ FRUS, 1955-1957, XI, p. 473.

⁸⁶ PRO, FO371/121022 FC2251/7, Allen minute, 15 Feb. 1956.

continuation of the moratorium in 1956. Dixon suggested that the Nationalists might be unseated, thus making way for an interregnum in which the PRC would not immediately be seated and the China seat would remain vacant for a period.⁸⁷ From Peking, Con O'Neill, Trevelyan's successor as British ambassador, questioned the Foreign Office's assumption that an attempt to unseat the Nationalists would be unsuccessful. He pondered:

[I]s it impossible that they [US] would be prepared to accept with reasonably good grace, and without a degree of resentment which would do serious harm to Anglo-American relations, the democratic fate of being outvoted?⁸⁸

Officials back in London were fairly confident that O'Neill 'misjudged the temper of U.S. opinion on this question.'⁸⁹

When American officials met their British counterparts in London to begin preliminary talks, they adhered to the secretary of state's instructions that there should be no 'horse-trading'. With this in mind, Denis Allen asked Makins and Dixon to indicate their preference for Britain's two alternative courses: delay until the last minute before agreeing with the Americans in the hope of doing a deal; or, to agree immediately in order to secure cooperation on other issues. Allen and Makins preferred the latter, only Dixon wanted to wait.⁹⁰ Taking these responses into account, Crowe prepared a minute for ministers' consideration in which he argued that

⁸⁷ PRO, FO371/2251/17, Dixon letter 1 Mar. 1956.

⁸⁸ PRO, FO371/121022 FC2251/25, O'Neill letter to Allen, 16 Mar. 1955.

⁸⁹ Ibid, Murray minute, 4 May 1956.

⁹⁰ PRO, FO371/121023 FC2251/32, Allen letter to Makins, 2 June 1956; FC2251/35, Ramsbotham letter to Allen, 6 June 1956; and Crowe minute, 19 June 1956.

an early settlement was not necessarily in Britain's best interests. There were no direct UK interests involved that would 'justify the harm which we would do to our relations with the Americans.' Crowe recommended that Britain support a moratorium resolution to cover the entire session and that the US be informed immediately after the Commonwealth Prime Minister's Conference, while warning the US of the risks involved if the issue was not settled in 1957. This was agreed and Selwyn Lloyd proposed to put it to the Cabinet.⁹¹

Delay on the British side was inevitable given Eden and Lloyd's preoccupation with events in the Middle East. In the meantime, both houses of Congress unanimously passed a resolution against the PRC's admission into the UN, highlighting the strength of American public opinion. When it became clear that the British Cabinet would have to delay consideration of the issue, officials sought a way to inform the US of their decision. They did not wish to irritate the US by appearing to be trying to 'horse-trade'. It was suggested that, since Lloyd had already put a discussion paper to the Cabinet, Eden might go ahead. Caccia suggested that the US be informed informally until an official decision could be communicated.⁹² On 29 July Lloyd minuted 'I think that I must deal with this one way or the other this week,' but he later changed his mind. On 5 August he noted that his instinct was 'to wait and see how the U.S. behave over Suez.'⁹³ Kirkpatrick advised:

It is tempting to use this as a lever to bring the Americans up to scratch over Suez. But on reflection I recommend that you should take the Department's advice. My experience is that the Americans are a

⁹¹ PRO, FO371/121023 FC2251/40, Crowe minute, 19 June 1956.

⁹² PRO, FO371/121023 FC2251/60, FO minutes, 27 July 1956.

⁹³ Ibid, Lloyd minutes, 29 July 1956 and 5 Aug. 1956.

fundamentally generous people, who like to repay in kind. Consequently if we timed the communication to coincide roughly with the beginning of the Suez Conference, I think we should do better than if we waited. After all, the Americans know that in the last resort we shall not diverge from them this year over China.⁹⁴

Lloyd was convinced, but still needed to obtain Eden's approval. He minuted to the prime minister that, if Britain continued to delay, the Americans 'may conclude that we are doing so in order to bargain over Cyprus or Suez. This may well make them less, instead of more amenable.' He asked for approval to inform the US 'now' but Eden responded:

I do not see how we could support a moratorium resolution which would not be limited to the current year but which would be extended throughout the next session of the General Assembly. We do not even know what the policy of the next United States Administration may be. Your paper points out the dangers which may arise if this question if not settled in 1957. Surely we ought not at this stage to tie our hand now until late in that year.⁹⁵

Lloyd explained that the extension of the moratorium to the end of the session would not commit the UK indefinitely, merely until March.⁹⁶

On 29 August, ministers finally discussed the issue but, despite their decision, Lloyd refrained from informing the Americans. On 7 October Lloyd used the British vote as a bargaining counter with the Nationalist Chinese to obtain their favourable vote for the Anglo-French Suez resolution which he received.⁹⁷ The moratorium

⁹⁴ Ibid, Kirkpatrick minute, 7 Aug. 1956.

⁹⁵ PRO, FO371/121024 FC2251/61 Selwyn Lloyd minute, PM/56/165 to Eden, 8 Aug. 1956; Eden minute M179/56 to Lloyd, 9 Aug. 1956.

⁹⁶ PRO, FO371/121024 FC2251/62, Lloyd minute PM/56/177 to Eden, 27 Aug. 1956.

⁹⁷ Ibid, Graham minute, 30 Aug. 1956; FRUS, 1955-1957, Vol. XI, p. 475, Record of Conversation, Dulles, Lodge, Lloyd, et al, 7 Oct. 1956.

resolution passed 47-24-8; the first time that the psychologically important two-thirds majority was not achieved, but this was inevitable given the increase in UN membership.

Eden's talk of a new administration proved prophetic. Eisenhower was easily re-elected, but in the aftermath of Britain's invasion of Egypt and the Suez debacle, Eden was forced to resign, though ostensibly for health reasons. His successor Harold Macmillan did not have the same personal interest in the People's Republic of China as Eden, and was more concerned with re-building the Anglo-American relationship than correcting the ~~anomaly~~^{anomaly} of the PRC's outcast status. British policy towards China was to see important changes under Macmillan's stewardship.

Macmillan's policy towards China gradually evolved over the course of 1957. Increasingly, he made decisions without the foreknowledge of Foreign Office officials who continued to labour under the illusion that 1957 would be the year of decision. When the Cabinet made their decision on the moratorium vote in 1956, they included the proviso that the Americans should be warned that:

This is the last time we may be able to dispose of this problem in the Assembly without precipitating a major crisis. If it is not regulated at the 1957 session we may well have to face such a crisis. The Chinese Government is likely to make a determined effort to secure the seat and may well have the support of almost all the Asian members, most of the Arab states and some states in Western Europe, as well of course as the Communist bloc. There may not be sufficient votes to ensure the passing of a "moratorium" resolution. To try to use this device again might well lead to a split in the United Nations, which would be a serious setback not only for the United Nations but for the whole non-Communist world. We shall wish to give the whole non-Communist world with the Americans some course of action to avoid such a split. We fully understand the strength of their own feelings and we realise that it is difficult for them to take matters further this year. But we shall want to have a full discussion on the future handling of the

problems as soon as possible in 1957.⁹⁸

The intention was to have serious discussions along these lines as soon as the presidential elections were over. But Suez meant that the opportunity for this discussion never arose. As one official noted, 'Everyone is now waiting for everyone else.'⁹⁹ Crowe was more realistic, noting, 'It would be the height of frivolity' to support Communist China in its bid to enter the UN. He continued:

We may think that US policy on this issue is wrong and that we are right; but they do have a perfectly arguable case, any change of policy would face them with genuine difficulties and even we ourselves are not going to benefit by the access of prestige which their representation at the UN is going to give Peking.¹⁰⁰

Lord Reading confirmed that the climate had changed, 'when we are looking to America for help and America is looking to the U.N. as a vehicle of foreign policy, we should certainly be unwise to set about re-alienating American opinion and wrecking the U.N.'¹⁰¹

The experience of having the Americans lead the vote against Britain in the United Nations during Suez shook Macmillan. The new prime minister was anxious to restore the Anglo-American relationship to an even keel and he arranged to meet the President in Bermuda in March of 1957. The prime minister was frustrated with the United Nations and told a US Embassy official that the international body 'Has become a Frankenstein,'¹⁰² hinting that he would not be as difficult as his predecessor over

⁹⁸ PRO, FO371/121024 FC2251/72, Morland letter to O'Neill, 15 Oct. 1956.

⁹⁹ PRO, FO371/121025 FC2251/100, Symon minute, 14 Dec. 1956.

¹⁰⁰ PRO, FO371/120914 FC1043/71, Crowe minute, 3 Dec. 1956.

¹⁰¹ Ibid, Reading minute, 4 Dec. 1956.

¹⁰² USNA, 611.41/2-1257, Barbour London tel 4252, 12 Feb. 1957.

the issue of Chinese representation in the organization.

The Foreign Office still hoped to see the planned approach to the Americans carried to fruition. Peter Dalton, Crowe's successor as head of the Far Eastern Department, told an American embassy official that Macmillan himself had asked that the Chinese question be discussed at Bermuda. Although Dalton admitted that the Foreign Office did not know what the prime minister wished to discuss, he speculated that Macmillan would want to discuss the feasibility of continuing the moratorium. These comments were incorporated into the American briefs for the conference as what to expect from Great Britain:

[W]ith increased membership in GA, especially of Afro-Asian countries, it will be increasingly difficult to maintain moratorium. British fear that substantive debate on Chinese representation might be unavoidable at next GA and that such debate would be acrimonious and deeply divisive, setting bulk of Afro-Asian countries against USG and seriously damaging UN.¹⁰³

Oscar Morland, assistant under-secretary of state, believed that Macmillan's purpose was to explore American thinking on future China policy, particularly since it was the 'only issue in Far East on which UK and US hold seriously divergent views.' Like Dalton, Morland believed that the moratorium could not continue indefinitely.¹⁰⁴

From Washington Caccia cautioned that Dulles and the State Department were convinced that their China policy was correct. Regarding Eisenhower, he wrote:

When the President's moral sense is offended, as for instance in present case of Israeli refusal to withdraw, he is sometimes prepared to support action, i.e. sanctions, against the run of opinion in his own party. But this will not apply over China. Indeed, there is no evidence to show

¹⁰³ NA, 611.41/2-2757, Barbour London tel 4548, 27 Feb. 1957; EL, White House Central File, Subject Series, Box 9: Bermuda Meeting - March 21-23, 1957 [Folder for the President](4).

¹⁰⁴ NA, 611.41/3-657, Whitney London tel 4670, 6 Mar. 1957.

that he does not to some extent share the emotions of his party and of American experts on China who will remind him that China is still indicted by the United Nations as aggressor. The combination of legalism and moralism which are powerful factors in the make up of both Mr. Dulles and the President will, therefore, work against any change in the attitude of the Administration.... In other words, it is not reasonable to expect a change in American policies concerning China in the foreseeable future.¹⁰⁵

Although Caccia supported British plans to push for abolition of the special list of goods that were embargoed against the PRC but not against the Soviet Union, he estimated 'that it would need the active intervention of the President himself to persuade Congress to accept the entry of Red China into the United Nations without any reaction.'¹⁰⁶ Clearly, Britain would not succeed in changing the American position on both trade with China and the UN China seat at the same time.

Foreign Office officials were not happy with this scenario, but considered that time was on their side. These views were encapsulated in Dalton's brief:

We believe that Communist China's continued exclusion from what she, and a number of the uncommitted countries, regard as her rightful place as a Great Power in the United Nations, is one of the main props in her role of "injured innocent", and one reason why the United Nations as an organisation is unrealistic and therefore unsatisfactory. In particular her exclusion gives to the Afro-Asian and Communist blocs an invaluable weapon in their anti-Western armoury. Admittedly, if Peking is seated, Communist China will secure the veto power and there would be an increase in Communist voting strength, But we believe that China's very presence in the United Nations would, while removing one of her main appeals to other Asian countries, show her up in her true colours. We believe, therefore, that there is a positive advantage in allowing her into the United Nations.¹⁰⁷

Hoyer Millar approved the brief, but noted, 'I am rather doubtful whether anything

¹⁰⁵ PRO, FO371/127239 F1071/8, Caccia tel 459, 26 Feb. 1957.

¹⁰⁶ Ibid.

¹⁰⁷ PRO, FO371/127239 F1071/12, Dalton minute, 8 Mar. 1957, Brief for Bermuda Conference - China.

very much will emerge from the talks there as far as the Far East is concerned.¹⁰⁸

Although Macmillan and his foreign secretary accepted this thesis, the prime minister heeded Caccia's advice and laid emphasis on the abolition of the 'China differential' rather than the issue of Chinese representation in the UN.

The previous chapter highlights the relevant aspects of the Bermuda discussions and the linkage of the issue of Chinese representation in the United Nations to that of trade controls. As noted, these talks hailed a new era in Anglo-American cooperation in the Far East, nullifying Hoyer Millar's speculative remark that little would emerge from Bermuda.

The critical discussions took place on 22nd March, when Lloyd and Dulles discussed Chinese representation in the UN and the relaxation of East-West trade controls. Dulles was more concerned at the potential political advantage to the PRC rather than any economic gain, and informed Lloyd that:

[I]f it were clear economic shift would not presage political shift and if US and UK could move closer together in political shift and if US and UK could move closer together in political matters affecting Communist China, US Governments task would be made easier. Secretary noted that it would serve neither Western interests nor those of UN as a whole to have them as members.¹⁰⁹

The secretary noted that:

[T]he British have gone along with the moratorium thus far but that it has appeared to us [US] that they were doing so unwillingly. If their support could look more genuine it would help us with the economic

¹⁰⁸ Ibid, Hoyer Millar minute, 9 Mar. 1957.

¹⁰⁹ EL, White House Office, Office of the Staff Secretary, International Trips and Meetings, Box 2: Bermuda 1957 - Chronology, Friday March 22, 1957 (1); Bermuda tel 14, 22 Mar. 1957.

problem of the differential.¹¹⁰

Lloyd concurred, noting that the change in composition of UN membership (following the entry of 16 new members) had altered many UK views, including his own. Now that there was no longer a working western two-thirds majority in the UN, 'the Chinese Communist capacity for mischief would be even greater.' But 'many words would have to be eaten' if the British government publicly changed its stance on Chinese membership in the UN.¹¹¹ Both sides concurred that this agreement should be kept secret, and definitely not be mentioned in the communique. As noted in the previous chapter, neither government wished to be seen publicly as having struck a bargain.

Eisenhower and Dulles were both greatly pleased with the outcome of the conference. In a meeting with legislators, the President spoke warmly of his British counterparts and the trust that could be put in them. Dulles seconded these feelings, and informed the congressmen that, Britain's view of the role of the United Nations General Assembly was changing:

Because of the recent Suez experience, the British are not now so enthusiastic as in the earlier years about taking things to the General Assembly when the Security Council cannot act because of a great power veto.¹¹²

Dulles did not reveal the agreement, but merely noted that 'there seemed to be some greater understanding' in Britain of the American position towards China.¹¹³

¹¹⁰ EL, White House Office, Office of the Staff Secretary, International Trips and Meetings, Box 2: Bermuda 1957 - Chronology, Friday, March 22, 1957 (1), Memorandum of Conversation, Bermuda, 22 Mar. 1957, Dulles, Lloyd, et al.

¹¹¹ Ibid.

¹¹² EL, AWF, DDE Diary Series, Box 22: Mar. '57 Diary Staff Memos (1), Bipartisan Congressional Meeting, 25 Mar. 1957.

¹¹³ Ibid.

Directly following these talks, Macmillan met with the Canadians at Bermuda. Regarding Chinese membership in the UN, Macmillan maintained that, while 'the logical position was becoming increasingly absurd ... feeling in the United Kingdom, which had previously been strong, was now waning,' whereas, increased unemployment in Britain had heightened demand for trade with the PRC. Macmillan, however, maintained the position that the UK disagreed with the US, but was fairly revealing over the extent of his unofficial agreement with the US.¹¹⁴

The significance of the Bermuda agreement was not lost on the stunned Foreign Office officials. Dalton had arranged for the British Embassy in Washington to hold 'serious discussions' with State Department officials immediately following the conference but, as he noted, 'It appears from the records that we are pretty well committed to continuing to support a "moratorium."'¹¹⁵ Like many others, he failed to comprehend the significance of the Bermuda talks, and suggested that Britain not commit itself, until the US came through on trade. It was also noted by Mayall that Lloyd 'at Bermuda showed greater sympathy than before for the U.S. determination to keep the Communist Chinese out of the U.N.' and there was now little hope that the US would change its position.¹¹⁶ Although Lloyd claimed in Parliament that British policy towards China had not changed, the emphasis on cooperation with the US certainly altered the way it was promulgated. Certainly, the US was not as unsure whether Britain would vote in favour of the moratorium in 1957 as they had been in

¹¹⁴ FO371/127239 F1071/15, Record of Conversation between, Macmillan, Lloyd, St. Laurent, and Pearson, at Bermuda, 26 Mar. 1957.

¹¹⁵ PRO, FO371/127239 F1071/15, Dalton minute, 8 Apr. 1957.

¹¹⁶ PRO, FO371/127239 F1071/14, Mayall minute, 8 Apr. 1957.

previous years.

A review of developments on this issue from 1954 to the spring of 1957 reveals how the two countries managed to hold a common line despite serious policy disagreements. Throughout, US policy makers hoped to influence British policy, with the ultimate goal of achieving a change in Britain's recognition policy. Similarly, British Foreign Office officials expounded the virtue of non-cooperation with the US on the 'moratorium' in order to force the US to seriously re-evaluate and alter its policy. The annual exercise of gearing up for the opening of the General Assembly and the attendant preparation of lists projecting voting patterns on the issue of Chinese representation was drawn out from January to the autumn opening of the General Assembly. In the United Nations the US and UK easily worked together in areas of mutual interest, i.e. handling of Korean prisoners of war; and bargained over issues, such as Cyprus and Chinese representation, where each believed she could not afford to be defeated. Britain weighed its options, but invariably, was left with the 'least unsatisfactory' policy. In the atmosphere of the Cold War, the cost ^{of} ~~an open~~ disagreement between the two allies was too great to be contemplated, and much to the chagrin of the British, they had to compromise the most. Thus in the end, it was Britain and not the United States that was forced to compromise its policy. This issue will be dealt with the wider question of Anglo-American cooperation in the Far East in the following chapter.

CHAPTER 6

THE WASHINGTON TALKS OF 1957 AND THEIR AFTERMATH

In the years before Harold Macmillan became prime minister, the positions adopted by the United States and Great Britain towards China had seemed to be irreconcilable, but Eden's successor's decision to make Britain's relationship with the US the cornerstone of his foreign policy blurred the British position. As a consequence, Britain's policy towards the Far East in general, and China in particular, subtly shifted in order to bring it into line with that of the United States. As shown in chapters 4 and 5, the Bermuda Conference of March 1957 was a vital step in Macmillan's plan to rejuvenate the Anglo-American relationship. There he ^{hinted at} indicated his willingness to barter on the issues of strategic trade with China and the China seat in the UN: if the Americans conceded ground on trade Britain would, perhaps, yield on the UN. Although the United States permitted a relaxation of controls on strategic trade with Communist China, the Administration was determined to yield no further ground. Indeed, the successful linkage of these two issues inspired the Administration, particularly Dulles, to attempt to extract further British concessions at Washington in October 1957.

At home the American Administration was increasingly coming under attack for its rigid stance against Communist China. American newsmen were demanding the right to use their passports to travel to the PRC; there was pressure from the families of those Americans still imprisoned in China to visit the PRC; and growing concern that, since the PRC was not seated in the UN, it would not be a signatory to any future

disarmament treaties. The Sino-American ambassadorial talks in Geneva were bogged down in empty rhetoric. The US demanded not only the release of all Americans held in China but also a renunciation of the use of force by the communists as a means of solving the Taiwan problem. Only then could progress be made on other issues. Criticism was not widespread, but it was increasingly evident.

In addition, on 24 May the American Embassy in Taipei was ransacked by an angry mob of Chinese protesting the acquittal by an American military court of an American army sergeant who had killed a Chinese man. To the Nationalists this evoked memories of extraterritoriality and the unequal treaties. For their part, the Americans queried the delay of the Chinese authorities in their attempt to control the mob and suspected that it had been planned - perhaps even by the Generalissimo's son, Chiang Ching-Kuo, commander of the Kuo Min Tang(KMT) Youth Corps whose members reportedly incited the riot. This shocked the Americans who had just deployed dual-purpose Matador missiles on Taiwan and the Pescadores. Ultimately the riots served to hasten negotiations for a status of forces agreement and the incident was soon swept under the carpet, but the president was jolted. Eisenhower told Dulles, 'we must have a serious look at these Asiatic countries, and decide whether we can stay there. It does not seem wise, if they hate us so much.'¹

The Americans quickly tried to prevent further damage. Although Lloyd's announcement in Parliament on 30 May 1957 that Britain would no longer apply special restrictions on strategic trade with Communist China was made with Eisenhower's and his secretary of state's connivance, Dulles felt the need, for domestic

¹ FRUS, 1955-1957, III, p. 528, for documents on the riots see pp.526-7, 535-540, 542-543.

and international political reasons, to counter the impression that the West was perhaps going ‘soft’ on Chinese communism or was less committed to the Free Nations of Asia. On 28 June Dulles reiterated the American position on China in unequivocal terms in a major speech to the Lions International Club in San Francisco. The secretary did not rule out change in American policy and looked to the day when a united China and the US could resume their ‘long history of cooperative friendship’. In the meantime, the US would abstain ‘from any act to encourage the Chinese Communist regime, morally, politically, or materially.’ Diplomatic recognition, trade, or cultural relations with the US, Dulles argued, would only serve the communists internally, ‘the exact opposite of what we hope for.’ The Nationalists would, of course, continue to enjoy complete American support, particularly in the United Nations.²

The secretary wished to seem flexible whilst remaining unbending since he was addressing critics within as well as outside the State Department. Robert Bowie, the departing assistant secretary of state for policy planning, criticised Dulles’ speech which, in his judgement, suffered from the ‘same basic defect as the policy itself.’ Bowie did not suggest that the US recognize the PRC, but was concerned that America was expending its prestige and political resources on a hopeless cause. He espoused a ‘two China’ policy and envisioned an independent Taiwan coexisting in the UN and other world bodies with the PRC. As far as Bowie was concerned, the fact that neither the PRC nor Taiwan would accept such a situation was ‘an advantage, not a handicap’ since it gave the US time to disengage itself and establish a middle position.³ While

² FRUS, 1955-1957, III, pp. 558-566.

³ FRUS, 1955-1957, III, pp. 545-9.

Dulles rejected Bowie's premise that, because the US might fail, it should no longer try, even he wished to see the China problem normalized along the lines of other divided countries, if this could be achieved without undermining the Nationalists' position.

Britain's break with the US on the issue of strategic trade was cited by Bowie as one example of America's failure to isolate Communist China. Other countries were bound to follow the British lead. By making this speech, Dulles was making it clear that wavering allies should be on alert that America was not weakening its stand. While it was admitted that Dulles made a good case⁴, he could not disguise the fact that, so far as British officials were concerned, American policy seemed to be pedantic and moribund.

The Foreign Office took a diametrically opposite position. Officials argued that the best way to influence Chinese Communist behaviour positively was by granting diplomatic recognition, awarding the PRC the China seat in the UN, and engaging in cultural and trade exchanges. John Coulson, minister of the Washington Embassy, observed that the significance of Dulles' speech was not in its content, but rather the fact that he felt obliged to make it at all. In a blistering critique of Dulles Coulson charged that the secretary could not 'overcome the common American habit of equating the opinions of Chiang Kai-shek and Syngman Rhee with those of Asia.'⁵ Coulson erred by suggesting that Dulles' decision to allow the US press to travel to China would make it difficult to stand fast on other issues, particularly since the State

⁴ PRO, FO371/127289 FC10345/29, Mayall minute to Coulson Washington telegram, 3 July 1957.

⁵ PRO, FO371/127289 FC10345/40, Coulson Wash letter to Lloyd, 16 July 1957.

Department was deeply involved with plans to convert the British. Ironically, it would be Britain who would cease to hold its own position after October.

WASHINGTON TALKS OF OCTOBER 1957

Although it is not clear who suggested that discussions be held in Washington at the end of October, the talks were clearly conceived to help contain the political fallout after the launching of the Soviet Union's satellite Sputnik on 3 October. Dulles' brief for Eisenhower confirms the Administration's aim to cement the alliance in order to counter the Soviet threat:

The purpose of this conference is, in view of the growing crisis in allied relationships, to create a more effective community of effort in the free world. If we are successful in establishing a closer community of effort with the British, we and the British together, as the two countries which form the core of the free countries' defense alliances, should develop this strong sense of community with our allies. An important consequence of this action would be to replace our present alliances, which are based on a principle of mutual protection that is becoming obsolete and wasteful, with a new system of relationships founded on a strong sense of security in which defensive tasks for the area as a whole are distributed according to each country's capabilities. Another consequence may be the establishment of common machinery in the economic and psychological fields to deal effectively with Soviet economic and propaganda war fare. If at the close of this dramatic conference we can point to specific steps we have agreed to take toward achieving a true sense of community, our joint efforts should revive confidence in the determination of the United States and the United Kingdom to provide coordinated leadership for the free countries.⁶

Dulles noted that Britain hoped not only to gain access to American nuclear information and materials, (which the Administration was now more willing to share after Sputnik and was willing to lobby for the repeal of the McMahon Act by Congress), but also to restore 'British prestige by participating with the United States

⁶ EL, AWF, Dulles-Herter Series, Box 7: Dulles, John Foster, October 1957(1), Briefing papers submitted to Eisenhower by Dulles on 21 October 1957.

in joint direction of allied effort as they did during the war.' In order to achieve these objectives the US and UK would have to reconcile the substantial divergences between their respective foreign policies. One of the principal points of divergence was China.

On this subject Dulles noted:

We would like to have the British bring their policy towards Communist China into line with our own. This means, first, wholehearted agreement to deny it membership in the United Nations and, second, British agreement to break relations with Communist China as soon as it is politically feasible for them.⁷

In exchange for agreements on issues ranging from the maintenance of the British position in the Persian Gulf to a British promise not to obstruct progress towards a European common market, the US would be willing to: share nuclear information, provide uranium, perhaps provide IRBM's, and support Britain's idea of a Free Trade Area. The President approved plans for increased cooperation in the nuclear and defence field, but did not comment on Dulles's statement that 'Many Britishers now are coming to think that we are right in our policy of non-recognition' of China.⁸ There was every indication that Eisenhower and Dulles were willing, within certain parameters, to fulfill Macmillan's wish to restore friendly relations between the two countries.

In regard to China, Dulles was overly optimistic, although Macmillan and Lloyd were willing to meet him halfway in order to achieve their own goal: complete restoration of Anglo-American cooperation. On the first day of the talks Macmillan informed Dulles that his own view of the United Nations had altered since the increase

⁷ Ibid.

⁸ EL, AWF, DDE Diary Series, Box 27: October 1957 Staff Notes (1), Memorandum of Conference with the President, 22 Oct. 1957.

of United Nations membership and Suez.

[Macmillan] sometimes thought of trying to create a new organization which would in many respects be a substitute for the United Nations, leaving the United Nations somewhat in the titular role of the House of Lords.⁹

The prime minister's lowered expectations of the utility of the UN signalled his willingness to barter Britain's vote on the 'moratorium', (the procedure used at the opening of each General Assembly in order to avoid a debate on which China should retain the seat assigned to China). This attitude was greatly appreciated by Dulles.

Dulles desired a closer alignment of British policy with that of the US, not only publicly at the United Nations on the moratorium vote, but also, in the Foreign Office's internal debate, Britain should accept the merit of the American argument that the Chinese communist regime was not yet a 'peace-loving' nation deserving entry to the UN. In the Secretary's opinion Lloyd's formula for China was too narrow since it involved no such acceptance.¹⁰ Alluding to the earlier talks at Bermuda, Dulles told Macmillan that the Administration had been trying 'to accommodate itself to the UK trade views,' but 'that some accommodation was needed on the political side with the US views.'¹¹

In the end, Macmillan compromised by agreeing to disagree with the US on

⁹ EL, AWF, Dulles-Herter Series, Box 7: Dulles, John Foster, Oct. 1957 (1), Memorandum of Conversation between Macmillan, Lloyd and Dulles at the British Embassy, Washington, 23 Oct. 1957.

¹⁰ EL, Papers of John Foster Dulles, White House Memoranda Series, Box 5: Meetings with the President - 1957 (2), Memorandum of Conversation at White House, 25 Oct. 1957.

¹¹ EL, Papers of John Foster Dulles, White House Memoranda Series, Box 5: Meetings with the President - 1957 (2), Memorandum of dinner conversation between President, Macmillan, Lloyd and Dulles at White House, 23 Oct. 1957

China, but the prime minister's undertaking on the China seat in the UN made a mockery of Britain's own China policy. Without overtly changing British policy, Macmillan covertly shifted it and preferred that his manoeuvre should remain secret. He requested that the paragraph about China be placed in a separate and private memorandum rather than in the communique in order to avoid giving the impression at home that he had done some 'horse trading'.¹² 'Horse trading' had indeed taken place.

Macmillan's pleasure with the outcome of the talks was evident. The Cabinet approved his report on the signing of the 'declaration of common purpose', in effect, a declaration of 'interdependence', with the US. The Americans had agreed on the development of joint policy against Soviet encroachment, pooling of resources for new weapons and cooperation in atomic energy. Macmillan played down Britain's concessions to the Cabinet:

These understandings represented substantial and valuable concessions on the part of the United States Government. In return we had been asked to do no more than give a private undertaking that, while the present Government was in office, the United Kingdom would not, without agreement of the United States, press for a change in the representation of China in the United Nations. And the United States Government had agreed to make a joint study with us of the threat to Hong Kong and the steps which might be taken to meet it.¹³

In his report, Lloyd gave full credit to the prime minister whose personal friendship with the President facilitated the restoration of 'the special relationship with the United

¹² EL, AWF, International Series, Box 20: Macmillan, Oct. 23-25 1957 (3), Peacock Memorandum for S/S, 25 Oct. 1957: extract of the Secretary's memorandum of his conversation with Prime Minister Macmillan at the Secretary's residence and while riding together to the White House on Oct. 24, 1957.

¹³ PRO, CAB 128/31; C.C.(57) 25 Oct. 1958. In 1970, before the US recognized the PRC, Macmillan was requested by the Secretary of the Cabinet to remove the relevant passage for security reasons from Volume IV of his memoirs.

States which we had formerly enjoyed.'¹⁴

Trade was also discussed. Lloyd suggested to the Cabinet that, 'It might also be desirable to reconsider the question of voyage licensing and bunkering in connection with the strategic controls over trade with China.' Despite Britain's continued objections to American attempts to embargo the supply of copper wire to the Soviet Union, they had agreed to review the criteria on restrictions.¹⁵ Although the list of goods restricted to the People's Republic of China and North Korea had been brought in line with those restrictions that applied to trade with the Soviet bloc after the Bermuda Conference (see chapter 4), there was now concern about the criteria for the controls and the impact of economic warfare on friendly countries unable to dispose of their products because of these controls. Dulles told Macmillan that, while he now favoured countries trading with the Soviets to 'relieve us of the necessity for supporting their economies,' he thought that 'special machines' and raw materials (particularly copper wire which the Americans had been trying to re-embargo since it was decontrolled in 1954) should continue to be embargoed or closely scrutinized. The President concurred with Dulles' conclusions and a working group was set up to examine the problem.¹⁶ Indeed, the Washington Talks generated a plethora of working groups on a multitude of subjects.

Clearly, China and Hong Kong were not the most important issues discussed in these talks, but the Americans laid great stress on the need for agreement on issues

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ PRO, PREM 11/2529 East-West Trade Part V, Record of Conversation at White House, 25 October 1957, present: Macmillan, Lloyd, Dulles and Eisenhower.

related to the area. Eisenhower's own pleasure in the discussions on China and other issues was evident in his note to Macmillan:

For a number of years I have had, in one capacity or another, occasions to confer seriously with individuals or governments other than American. Never have I experienced any greater degree of satisfaction in such conferences than in talks with you. Always your approach to any difficult task seems to be based upon fact, logic, readiness to consider opposing viewpoints, and what seems to be a never failing friendliness.¹⁷

Eisenhower directed that various task forces be set up immediately and instructed all Cabinet officers to cooperate in the forthcoming talks 'in the spirit as well as the letter of the Anglo-American Declaration of Common Purpose'.¹⁸ The McMahon act was repealed the following year.

Thus Macmillan transformed Britain's active, and sometimes aggressive, policy to influence and change the American position on China to one of tacit support for the US. Foreign Office officials who were aware of this shift in policy were surprised and annoyed by this tendency. Dulles had presented Macmillan with a copy of his San Francisco speech during the talks. The required reply sparked fresh discussion of the allies' respective positions. Dalton preferred to present Dulles with a full exposition of British China policy:

[S]ince, if the latter receives no comments on his speech, he may draw the conclusion that we are not serious in our views and that we are perhaps prepared to accept, or at least to acquiesce in, the American thesis. For the same reason I do not think that we should end the letter in the way suggested by Mr. de Zulueta, viz. by admitting that there may be advantage at present in our pursuing one policy and the

¹⁷ EL, AWF, DDE Diary Series Box 29: DDE Dictations Dec. 1957, Memo to Dulles, 26 Dec. 1957, regarding letter to Macmillan. This part of the letter remained the same, but a section referring to concerting viewpoints to Indonesia was removed.

¹⁸ EL, Administration Series, Box 13: Dulles, Allen (2), Eisenhower letter to A. Dulles, 5 Nov. 1957. This same letter was sent to all Cabinet secretaries.

Americans pursuing another. ...he [Dulles] may too readily assume that we really agree with the Americans and can therefore be tagged along with them, and there is the danger that, if, in a year or so's time, circumstances have changed and we wish to put pressure on the Americans to change their policy, they may confront us with this letter as an argument for not doing so.¹⁹

The head of the Far Eastern Department cited recent evidence of America's tough line towards the PRC - US tactics to seat the Nationalist Chinese at the Red Cross Conference at New Delhi and their attempt to add a condemnation of the PRC into the Washington communique. Britain had argued somewhat successfully against these positions and Dalton did not wish to encourage the US into believing that the Foreign Office actually agreed with US policy. Morland and Hoyer Millar approved Dalton's draft, although they felt the reference to the United Nations should be removed, in case the Americans suspected Britain of attempting to back out of the undertaking given by Macmillan and Lloyd at Washington. In the end, the least provocative route was chosen and a simple thank you was sent.²⁰

THE ALLIES AND HONG KONG

The cost of the favourable vote on the UN moratorium resolution, and other British activities which resulted in accusations from the PRC that Britain was following a 'two China' policy, was often borne by the British Crown Colony of Hong Kong. While the Washington agreements promised greater security for the Crown Colony, now assured of American support, the declaration of common purpose and interdependence did not directly affect the governance of Hong Kong or its relations

¹⁹ PRO, FO371/127290 FC10345/60, Dalton minute 14 Nov. 1958.

²⁰ PRO, FO371/127290 FC10345/60, FO minutes, Nov. 1957

with the People's Republic. Britain hoped to retain the colony until 1997 and the Americans were eager to encourage Britain to keep Hong Kong in friendly hands; most importantly, the understanding on Hong Kong's defence did not require Britain to bend its will to that of the US (as was the case with the UN). Since Hong Kong was a traditional target for abuse by the PRC and Anglo-Chinese relations had been in the doldrums since Suez, the possibility of increased pressure on Hong Kong because of Britain's promise to continue to support the US on the UN moratorium vote, was negligible.²¹ Indeed, at Washington Dulles successfully exploited the problem of Hong Kong's defence by exchanging US support of the Colony for British support of American China policy.

Hong Kong's prospects were affected by the Cold War in ^{the} Far East. The Nationalist Government, while still based on China proper, never fully established control of the mainland and was too weak to press its case for Hong Kong's return. Although the American President, Franklin Roosevelt, considered that Hong Kong should be returned to China after World War II, Britain resumed her pre-war position in the colony. The advent of the communist government in Beijing and the establishment of the Chinese People's Government on 1 October 1949, however, heralded a new era. For the first time since Hong Kong had been ceded to the British there was a strong Chinese government across the border.

Britain's position in Hong Kong was reasonably secure as long as the Chinese Communists focused their attention on Taiwan. In 1955 (William) Denis Allen, assistant under-secretary of state, minuted, 'At the moment Formosa tends to keep pressure off Hong Kong. Once Formosa was no longer at stake we might well find the heat turned

²¹ PRO, FO371/133494 FC2251/19, Dalton minute 28 Aug. 1958.

on to ourselves.²² As shown in Chapters 2 and 3, during the 1954 Chinese offshore crisis Britain put a great deal of pressure on the American Administration to force the Republic of China's President, Chiang Kai-shek, to withdraw from all the offshore islands and concentrate on maintaining their power base on Taiwan and the Pescadores.

The Americans enjoyed referring to Hong Kong as Britain's 'offshore island'. When British pressure was particularly strong Eisenhower suggested to Dulles that he should ask Churchill, 'What position would you (Winston) expect us to take if Hong Kong were threatened?' but the British, he continued, did not fear this.²³ It was suggested that, if the Nationalists abandoned the offshore islands, there might transpire a joint Anglo-American pledge to protect Hong Kong and Taiwan from any attempt to alter their status by force of arms. The American ambassador to the Republic of China, Karl L. Rankin, who was very sympathetic to the Nationalist cause, wrote to Walter Robertson, assistant secretary of state for Far Eastern affairs and chief architect of US Far Eastern policy, that, while he was in favour of linkage, it should be under certain conditions: 'the United States scarcely would wish to commit itself to the defense of Britain's offshore islands immediately on top of acquiescing in the surrender of Free China's.'²⁴

The British resented any American attempts to compare the position of Hong Kong to that of the Nationalist-held offshore islands. The Foreign Office planned to

²² PRO, FO371/115054 FC1041/940, Allen minute on Long Term Solutions for Formosa, 10 June 1955.

²³ EL, AWF, DDE Diary Series, Box 9: Phones Calls - Jan.-July 1955 (3), Wednesday 16 Feb. 1955 Eisenhower to Dulles.

²⁴ NA, 794a.5/5-255, Rankin to Robertson, 2 May 1955.

inform Dulles that, so long as the US was ambiguous on the future of the offshore islands, Britain could not 'stand solid' with the US on Far Eastern issues. Any attempt by the American to counter attack with Hong Kong would be, according to the brief,

a false analogy: Hong Kong is a British territory by virtue of treaties which are internationally recognised. The island of Hong Kong was ceded to Britain by the Chinese in the Treaty of Nanking in 1842. Kowloon was ceded by the convention of Peking of 1860. The new territories were leased to the United Kingdom for 99 years under the Convention for the extension of Hong Kong signed at Peking in June 1898. Although they had made claims both to the leased territories and to Kowloon City the Chinese government have never raised the question of the status of Hong Kong as a whole.²⁵

Thus the British would argue that neither legally nor historically was there any similarity between Hong Kong and the Nationalist-held offshore islands. None of this means, however, that Britain did not assume that the United States would come to Britain's assistance if Hong Kong were attacked.

The Governor of Hong Kong, Sir Alexander Grantham, doubted that the PRC would move against either Hong Kong (or Macau) as long as Taiwan was an issue, or while they could create and magnify the dissension between the US and Britain. He expected Hong Kong to be preserved until 1997. It is significant to note, given his own government's determination to change America's non-recognition policy, that the Governor 'believed that the greater danger to Hong Kong would come if and when the

²⁵ PRO, FO371/115011 FC10345/91 FO minute for secretary of state, September 1955.

United States re-established relations with the Communist Mainland.²⁶

The threat of the People's Republic of China to Hong Kong was considered to be less a military threat and than one of subversion and sabotage. In 1953 the British Joint Intelligence Committee attempted to assess the defence problem to be faced if the PRC attacked. While the JIC did not ~~judge~~^{consider} the likelihood of an attack, they believed 'that the Chinese realize the likely political repercussions of an attack on Hong Kong and the probability of thereby precipitating a world war.'²⁷ Inherent in the study was an assumption of United Nations and American (and perhaps even Nationalist Chinese) intervention. The Americans considered, however, that Hong Kong's vulnerable position meant that any British military influence on the Hong Kong government's policy-making process was essentially a negative one: 'the relative weakness of the military forces in Hong Kong compels recommendations of moderation and caution in dealing with the Chinese Communists.'²⁸ Admiral Arthur Radford, US Navy, Commander in Chief, Pacific and chairman of the Joint Chiefs of Staff from August 1953, was a great supporter of Nationalist China's retention of the offshore islands. Radford felt that Hong Kong's military intelligence officers were too pessimistic in their judgement that Hong Kong was indefensible. He personally believed that with reasonable warning and depending on the availability of naval and airpower, Hong

²⁶ NA 746G. 022/3-2255, Drumright, Consul General Hong Kong to State Dept, 22 Mar. 1955, record of conversation with Grantham on 18 Mar. 1955.

²⁷ NA 746G.5/5-1453 Consul General Singapore to Dept. State, 14 May 1953: British Joint Intelligence Committee (FE) Report on Scale and Nature of a Communist Attack on Hong Kong, 28 April 1953.

²⁸ NA, 746G.52/9-2551, McConaughy, Consul General Hong Kong, to State Dept. 17 Aug. 1951.

Kong could be held with combined US and British forces.²⁹

Hong Kong was exposed to infiltration not only by the Chinese Communists, but also by the Chinese Nationalists. Hong Kong's government recognized neither regime, but considered the merits of recognizing a state of belligerency between the two Chinas, although this was unlikely due to political considerations. The Colony sought to maintain a neutral position, but incidents such as the blowing up of the Indian airline's ~~jet~~^{plane}, the 'Kashmir Princess', carrying Chinese officials and journalists to the Bandung conference in 1955, after a Nationalist Chinese sympathizer placed a bomb in the wing when it was serviced at Kai Tak airport, might encourage the PRC to move against Hong Kong. Chinese Nationalist military aircraft and ships often sought safe haven in Hong Kong which embarrassed the government and left it exposed to Chinese Communist taunts.³⁰ Prime Minister Anthony Eden dithered over the release of a Nationalist ~~Sabre~~^{jet} photo reconnaissance plane that had landed in Hong Kong on 31 January 1956 after experiencing engine trouble, because Eden, who was attempting to improve Sino-British relations, did not want to ~~alienate~~^{hurt} alienate the PRC by releasing the plane and its pilot who the communists wanted detained. In the end the plane (which was American-owned and leased to the Nationalists) was returned to the Nationalists, although this was not to be revealed in public, but the American ambassador in Taiwan made his irritation clear to the British consul in Tamsui, Albert Franklin, who reported to the Foreign Office:

I sensed the feeling that they think we become unduly nervous the moment the Chinese Communists call us to account. They tend to suspect an inclination to appease, and what they would consider as only

²⁹ NA, 746G.5/5-1453, McConaughy to Johnson, 30 June 1953.

³⁰ PRO, FO371/120939 FC1092/2 Crowe minute, 22 Feb. 1956.

half hearted opposition to Communism, particularly to Chinese Communism. Occasionally I suspect that at the back of their minds lies the idea that Hong Kong, almost as much as Formosa, really owes its safety to the Seventh Fleet and American preparedness to make it unmistakably clear that they are not prepared to stand for Chinese aggression.³¹

The Foreign Office's Far East department accepted this point: that Hong Kong owed its safety to the U.S. Seventh Fleet. Certainly American military presence in Hong Kong was viewed with benevolence. In April 1956 the Governor of Hong Kong suggested that the US Air Force should henceforth be charged fees for using Kai Tak Airport. This was greatly opposed by Foreign Office officials who noted 'there could well be circumstances in which the Hong Kong authorities would very much desire to benefit from the assistance of U.S. air power.' Mayall noted:

We are anxious to interest the Americans in the future of Hong Kong and to add these pin-prick irritants to U.S. military aircraft landing at Kai Tak airport would not be in harmony with this policy.³²

By 1956-7 Britain was beginning to reassess its defence commitments world wide. In February 1956 the British told the Americans that they were planning a reduction of their forces in Hong Kong by about half and would redeploy them in England; as long as present (relatively calm) conditions existed, the Hong Kong garrison would remain at reduced strength.³³ Hong Kong was not considered to be in immediate danger as long as the Taiwan issue continued to fester. In 1957 the British Commander-in-Chief, Far East Station, told Sir Alexander Grantham that the

³¹ PRO, FO371/120965 FC1382/51 Franklin to Crowe, 13 Mar. 1956.

³² PRO, FO371/120968 FC386/1, Murray minute 13 June 1956 and Mayall minute 14 June 1956.

³³ NA, 611.41/2-256, Memorandum of Conversation MacArthur, Caccia, et al, 2 Feb. 1956 and 746G.5/2-856, Memorandum of Conversation, Coulson, Graves, Robertson and Hodge, 8 Feb. 1956.

Admiralty planned to close all Naval establishments in Hong Kong and to withdraw ships based there. Grantham argued against such draconian cutbacks, which included the closing of the dockyard, not only because it would reduce Britain's stake in Hong Kong but also because it would endanger confidence in the colony's future, asserting:

- (a) Disappearance of all local Naval forces might well seriously prejudice any chance of H.M.G. discharging its responsibility of evacuating British women and children.
- (b) The Chinese could demonstrate whenever it suited them that we were defenceless on the sea by staging an incident; it might be most tempting to test our morale in this way without running any risks.
- (c) The effect on the Americans has also to be considered.³⁴

In response to the Governor's argument, it was suggested that at least one frigate and six inshore minesweepers be kept in Hong Kong and proposals for a Naval base at Hong Kong were approved.³⁵

No concrete commitment existed prior to the Washington agreement of 1957 that ^{ensured} insured automatic US assistance in defending Hong Kong in case of a Chinese Communist attack, but Britain assumed such support would be forthcoming. Such an assumption was not groundless given American defence commitments in the area. American diplomats in London were startled to hear Britain's Colonial Secretary, Lennox-Boyd, describe to other diplomats that any Chinese Communist attack would result in world war III since Britain would fight back with American assistance. (The British assumption that any attack on Hong Kong would result in world war three is most interesting given that government's stricture that the defence of Taiwan - and

³⁴ PRO, CO1030/808, Grantham to Sec. of State for Colonies, 26 Mar. 1957.

³⁵ PRO, CO1030, Minister of Defence's Tour of the Far East, 1957.

certainly the offshore islands - was not worth risking world war three). Most worrisome was the impression left by Lennox-Boyd that there was a concrete agreement in existence.³⁶ By the time of the Bermuda conference in March 1957 it was becoming clear that the Americans were interested in pursuing the idea.

Although the British appreciated American interest in the colony, they would probably have resented the policy planning behind it. After Suez the United States took advantage of Macmillan's attempts to rejuvenate the Anglo-American relationship to bring about wholehearted British acceptance of American policy towards Communist China. It was acknowledged that full realization of this policy might take a long time, however:

Trends and events themselves will probably cause the British to follow our lead more in Far Eastern affairs. Situations may arise where we can accelerate the process by assuming additional responsibilities for defending British interests in the Far East in return for their greater acceptance and support of U.S. policy toward Communist China.³⁷

As a corollary to this plan, the US was willing to review its defence commitment to Hong Kong and a review of NSC Action 256 of October 20, 1949, the only NSC document dealing specifically with Hong Kong, was proposed.³⁸ The record of the National Security Council meeting in which a new statement of policy was adopted (NSC 5717) reveals the President's irritation with the American government's responsibility for evacuating its people from danger spots. Doubts were expressed that Hong Kong was in danger of a sudden move by the communists since the PRC seemed

³⁶ NA, 611.46G/11-2656, American Embassy London to McConaughy, 26 Nov. 1956.

³⁷ NA, 611.41/4-557, Sebald to Reinhardt, 5 Apr. 1957.

³⁸ NA, 611.41/5-157, Robertson to Reinhardt, 1 May 1957.

to regard Hong Kong in British hands as an asset. It was further noted that, while the communists consistently maintained their right to take Hong Kong, there was no sign that they intended to do so.³⁹ Nevertheless the Administration worried that America's growing commitment in the region would over-extend military capabilities.

While Macmillan believed that the Communists might eventually take Hong Kong, it suited the PRC to allow it to be an outlet for trade.⁴⁰ This reflected an American National Intelligence Estimate from March 1957 which attempted to forecast trends in Communist China through 1961:

Communist China is committed to the ultimate incorporation of Hong Kong and Macao in its territory although this has not been stated as explicitly as in the case of Taiwan. However, for the period of this estimate the Chinese Communists will probably not attempt to seize these colonies by force. Non-Communist Hong Kong and Macao have a certain utility to Peiping as points of contact with the West; furthermore, Peiping probably believes that an attack on Hong Kong at least would involve hostilities with the UK and possibly with the US as well. Nevertheless, during the period of this estimate, Communist China will attempt to exploit frictions which arise over Hong Kong and Macao. Peiping will almost certainly continue unabated its campaign through outright subversion and 'peaceful penetration' to increase its political and economic influence in Hong Kong and Macao, to reduce the effectiveness of these areas as Western listening posts, and to undermine the resolve of the UK and Portugal to maintain their positions.⁴¹

Thus the defence agreement reached at Washington, culminating in the establishment of an Anglo-American working committee on Hong Kong, enhanced existing Anglo-American cooperation in the area and formalized plans that had previously merely been

³⁹ EL, AWF, NSC Series, Box 9: 334th Meeting of NSC, August 8, 1957, Memorandum dated 9 Aug. 1957.

⁴⁰ PRO, CO1030/595 Extract of Record of Discussion between UK prime minister and New Zealand prime minister, Wellington, 23 Jan. 1958.

⁴¹ FRUS, 1955-1957, III, 244, p. 510.

presumed.

INTERDEPENDENCE AND THE UN MORATORIUM VOTE

The declaration of ‘interdependence’ had phenomenal impact on British policy regarding the China seat in the United Nations. Although British policy-makers felt that policy had not changed in substance, since Britain had always voted in favour of the moratorium procedure anyway, it can be argued that, by giving the American Administration the assurance of their vote in advance, Macmillan shifted British tactics and that this unquestionably modified British policy. This robbed Britain of an important bargaining tool.

Macmillan’s assurance to Dulles that Britain would not change its moratorium vote resulted in a dramatic change in Foreign Office plans. In February 1957, Peter Dalton, head of the Far Eastern Department, instructed Arthur de la Mare, counsellor at the British Embassy in Washington, to prepare for frank discussions with the State Department regarding China. Although Dalton’s 19 February letter with the brief has not been publicly released, a letter from Denis Greenhill, the British counsellor in Singapore, to Frank Tomlinson, head of South-East Asian Department, sheds some light on the substance of the brief. Greenhill had originally considered asking the Joint Intelligence Committee (Far East) to do an assessment of the effect of United States recognition of the People’s Republic of China on South East Asia. He worried that Britain was planning to persuade the US to change its position on China and the UN without first calculating the possible effects of such success with the Americans on the British position in Hong Kong and South East Asia. Greenhill himself felt the issue was largely academic, but he had pinpointed the wider issue: was a change in

American policy really in Britain's interest?⁴²

The outcome of the Bermuda Conference reinforced the belief that such a study was useless. Not only did Eisenhower and Dulles maintain a firm stand on China, but Foreign Office officials were startled by Macmillan and Lloyd's softening on the British position. Alexander Mayall, assistant head of the Far Eastern Department, confirmed the view that the study 'would hardly be worthwhile' following discussions at Bermuda⁴³, noting:

Our own views about the recognition of China have not changed but the S of S at Bermuda showed greater sympathy than before for the U.S. determination to keep the Communist Chinese out of the U.N. I do not think that there is the slightest chance of the U.S. recognising the Peking Govt. in the near future...⁴⁴

Dalton agreed with these conclusions and confirmed that he had suggested 'no further action with the State Department on China for the time being.'⁴⁵ At the same time, however, Dalton felt that this option should be kept alive in case the US failed to give way on trade, but 'we would not wish definitely to commit ourselves at this stage since there might be developments between now and the opening of the next Assembly.'⁴⁶

This was merely the tip of the iceberg. An intense debate developed in the Foreign Office and its Embassies as to whether British policy had changed or merely

⁴² PRO, FO371/127239 F1071/14, Greenhill Singapore letter to Tomlinson, 20 Mar. 1957.

⁴³ PRO, FO371/127239 F1071/14, Duncan minute, 8 Apr. 1957.

⁴⁴ PRO, FO371/127239 F1071/14, Mayall minute, 8 Apr. 1957.

⁴⁵ PRO, FO371/127239 F1071/14, Dalton minute 24 Apr. 1957.

⁴⁶ PRO, FO371/127239 F1071/15, Records of Bermuda Conference, Dalton minute 8 Apr. 1957.

the tactics by which it was pursued. A letter from the British Ambassador in Washington, Sir Harold Caccia, sparked this debate. Oscar Morland, assistant under-secretary of state for the Far Eastern Department, was the first to attempt to analyze Caccia's question about 'the extent to which our policy on China really differs from the Americans,' pointing out that 'agreement with the Americans on policy elsewhere in the Far East and South-East Asia cannot be isolated from our divergent views on China.'⁴⁷ He cited Lloyd's statement in Parliament that British policy had not changed, but 'in this matter one had to take regard to the effects on the United Nations.... it might have the effect of reducing the present strength of the United Nations.' Morland reviewed British policy and concluded that Britain should not change its stance, noting our present policy is the right one:

[W]e should continue to uphold it in principle in discussion with the Americans, though it may be desirable for tactical reasons to give way for the moment over Chinese membership in the U.N. It would be unwise, however, to give the impression that we agree with the present American policy of isolating Communist China. In the long run the Americans are likely to change their minds, either owing to a general easing of tension (starting perhaps from the Chinese release of American prisoners) or to some change in the relations between Peking and Formosa, and we may be able to do something to accelerate the process. I do not advocate any hasty action, but I believe that we should suffer if we subordinated our policy towards China (and consequently our whole policy in the Far East and South-East Asia) to the short-term advantages of going along with the American point of view.⁴⁸

This important brief was further minuted by Sir Frederick Hoyer Millar, permanent under-secretary of state for foreign affairs, who agreed with Morland's premise that American non-recognition policy weakened 'our ability to counter the Communist

⁴⁷ PRO, FO371/127305 FC1051/13 Morland minute 7 June 1957.

⁴⁸ Ibid.

threat in the area'⁴⁹ since it was based on a fiction, but, in regard to the United Nations, he followed the line of Sir William Hayter, deputy under secretary, who thought it unwise to continue to sell Britain's support for the moratorium dearly:

[W]e should, I think, modify our previous attitude and admit that although the admission of China might be theoretically correct and the logical consequence of our own view on recognition, in practice it would in all probability do us more harm than good if it were to take place in the near future. That being so, we should not press the matter nor, when it comes to the time, object to a prolongation of the 'moratorium'. But, we should not give away our position in advance, but continue to keep our cards to our chest and, as Sir William Hayter says, sell our eventual support for the moratorium as dearly as we can.⁵⁰

At this point in the summer of 1957 when discussions were taking place on strategic trade with China, Lloyd noted that he would not mind Caccia 'making encouraging but uncommittting noises about the moratorium to the U.S. just at this moment of difficulty over China trade.'⁵¹

The debate was not over. Con O'Neill, British Charge d'Affaires in Peking, had lobbied since his arrival in the People's Republic against voting with the US on the moratorium, particularly as it strained his attempts to improve the Sino-British relationship. O'Neill was disturbed by the tenor of the Bermuda discussions in regard to the China seat in the UN, and hoped that the British position was still uncommitted. O'Neill strongly endorsed Chinese admission to the UN for two reasons: to relieve the communists of their propaganda ploy and to make them accountable to international standards on the world stage. He rightly feared that British policy was changing for

⁴⁹ Ibid.

⁵⁰ Ibid, Hayter minute, 10 May 1957 and Hoyer Millar minute, 16 May 1957.

⁵¹ Ibid, Lloyd minute, 17 May 1957.

the worse:

[W]hat does cause me fresh concern is the impression I get, not merely that we have failed to change American policy on this at all, but that we have decided to give up trying and have indeed to some extent changed our own policy, which I have always hitherto understood to be strongly in favour of the seating of the Chinese Government.⁵²

O'Neill went on to say that not only had Britain failed to budge the Americans but had decided to try no longer. Furthermore, he questioned if this was 'simply yet another consequence of Suez' or merely acceptance that the first step to settling the matter would have to be a settlement of Formosa.⁵³

British officials in Washington countered that they had also stressed the need for a change in US policy: a necessary prerequisite for China's admittance to the UN. Caccia believed that only British tactics had changed⁵⁴, but, like others, did not reflect on the impact that this change would ultimately have on policy. Caccia optimistically reported that the ending of the China trade 'differential' had brought 'into the open in this country a feeling of dissatisfaction about the administration's China policy.' Caccia did not feel Britain should attempt to exploit this trend: any change 'should appear to be a result of American thought and not of British pressure. The yeast is there and we should let it work.'⁵⁵

Morland concurred that 'it might well do us more harm than good if she [PRC]

⁵² PRO, FO371/127447 FC2251/15, O'Neill Peking letter to Morland, 22 May 1957.

⁵³ Ibid.

⁵⁴ PRO, FO371/127289 FC10345/28, Caccia to Morland, 13 June 1957.

⁵⁵ Ibid.

were admitted in the near future.⁵⁶ Thus it was decided to ‘agree to differ’ with the Americans and Britain would refrain from lobbying the US as originally planned. Again, Dalton noted, ‘it is more a shift of emphasis, or a change of tactics, than any radical change of policy.’⁵⁷

Despite this shift in tactics, Lloyd was skittish about confirming Britain’s vote on the moratorium for the opening of the 1957 General Assembly. Dealing with the British UN delegation’s request for instructions in July 1957 after discussions with the US representative to the UN, Henry Cabot Lodge, in which he claimed to have received indications that Britain would be willing to continue the moratorium, Dalton wrote that now that the China trade issue had been favourably disposed of there was no further reason to withhold Britain’s agreement to continue the moratorium for ‘bargaining purposes’. Related departments agreed that the US should be told, since, as Lodge had pointed out, the outcome of the vote would not significantly change if Britain abstained or opposed, but Lloyd delayed a formal reply to the US enquiry until 22 August to see if any other options became available.⁵⁸ Thus, the moratorium was again adopted in the General Assembly by 47 votes to 27 with 7 abstentions.

As shown earlier in this chapter, horse-trading votes in the UN for continued British acquiescence on the question of Chinese representation ended with Macmillan’s promise at Washington not to change the British vote. American attempts to

⁵⁶ PRO, FO371/127447 FC2251/15, Morland to Maby, Peking, 19 June 1957.

⁵⁷ Ibid.

⁵⁸ PRO, FO371/127447 FC2251/23, Dalton minute on Chinese representation in the UN and Lloyd’s minute, 22 July 1957. Also, FO371/127448 FC2251/32, Cabinet Steering Committee on International Organisations - General Assembly - Twelfth Session, draft by Mayall, 6 Sept. 1957. FRUS, 1955-1957, Vol. XI, Pages 502 to 505.

understand Britain's perception of the UN laid emphasis on Suez. The American Embassy in London reported:

British attitudes toward the UN have improved as the painful memories of Suez recede with time, but are still largely defensive. The British seek to leave this session of the Assembly [1957] as unscathed as possible, rather than using it as a means to attain positive objectives. The British believe that the UN often acts to weaken Commonwealth ties, and that while the Charter provides for overt aggression, little attention is paid to subversion and violations of international law short of armed violence, to which British interests are especially vulnerable.⁵⁹

Macmillan and Lloyd at Washington seemed to confirm this view with their tacit acceptance that the entry of the People's Republic would perhaps be harmful to the UN and their agreement not to change the British vote on the moratorium without prior consultations for the duration of the term of office. Indeed, Britain went so far as to counsel the new Canadian government, which was then considering the recognition of the People's Republic, against such an action at this time, on the grounds that 'It would merely be another feather in the communist cap and another boost to their prestige after the Sputnik,' as well as risking 'breaking asunder the United Nations.'⁶⁰

The signing of the declaration of common purpose did not still the internal Foreign Office debate. When the new British Charge d'Affaires, Duncan Wilson, arrived in Beijing, he renewed the argument common to his predecessors that Communist China was a danger to the Western position in the Far East because of her exclusion from the world stage. After Bandung, the PRC's appeal to the Afro-Asian

⁵⁹ EL, AWF, DDE Diary Series, Box 27: September 1957 - Toner Notes, Staff Notes 200, 25 Sept. 1957.

⁶⁰ PRO, FO371/127308 FC1062/1, Lloyd minute to Hoyer Millar, 28 Oct. 1957, re: talks in Canada held the previous week. The same type of presentation was prepared for the French, see FO371/133387 FC1051/41, Brief No. VII, Prime Minister's visit to Paris, June 29-30 1958.

bloc increased and was considered to be a 'leader of Asia'; her claims of injured innocence helped Peking to draw attention away from China's own behaviour. Wilson argued that the PRC should be granted entry into the UN, not only to deprive her of her main grievances against the Western powers but also to gain some diplomatic credit for it before it was brought about by a diplomatic defeat for the Western (American) position. By making moves on the political front, Wilson argued, Britain might expect fewer obstructions to increased Sino-British trade and fewer incidents in Hong Kong.⁶¹

Wilson's despatch was well received by Foreign Office officials. Rosamond Benson, a Whitehall official, agreed with Wilson's argument, but noted, 'Unfortunately our need of American cooperation in other more immediately dangerous parts of the world preclude us from pursuing this line for the time being.' The agreement made at Washington, Benson continued, did not preclude Britain from airing her views and she put forward for consideration 'whether we should not do some gentle prodding among our Commonwealth and Western European friends.'⁶² While respecting Wilson's wish that his despatch should not be circulated to Asian members of the Commonwealth, particularly India, officials in London were now anxious to let the Americans know that Britain, despite the declaration of common purpose, still disagreed with the US over China. Alexander Mayall, assistant head of the Far East Department, countered:

Our whole policy about Chinese representation in the U.N. is likely to cause us embarrassment in the next two years if discussion is provoked

⁶¹ PRO, FO371/127277 FC1023/17, Wilson Peking letter to Lloyd, 15 Nov. 1957.

⁶² Ibid, Benson minute, 9 Dec. 1957.

by the circulation of a despatch such as this.⁶³

Mayall had ambivalent feelings about presenting the despatch to the Americans since it was a valuable example of real British opinions on the subject 'in contrast to the posture which we adopted out of deference to American susceptibilities.' In the end it was left to the discretion of the Washington Embassy.

Between the 1957 opening of the General Assembly and the 1958 opening, foreign office officials speculated whether abstaining on the moratorium vote would contravene the 'understanding' between Lloyd and Dulles at Washington. It should be noted that, while Macmillan and Lloyd took scant notice of these proceedings, Whitehall officials' irritation with American foreign policy had significant repercussions for the way in which problems, such as tension in the Chinese offshore islands, would be handled. The impetus for these discussions were comments by Chou En-lai to the visiting minister of trade in which he stated his requirements for an improved Sino-British relationship. Arthur de la Mare warned from Washington that care should be taken: 'even when we are behaving, Walter Robertson is not beyond attempts to undermine us.' Referring back to Britain's successful manoeuvre that ended the China differential on trade, he wrote:

Our basic difference over the China question is an impediment to that policy of cooperation and interdependence, but so far we have managed to get along reasonably well by 'agreeing to differ.' But in fact, ... what we call 'agreeing to differ' means to the American Administration our acquiescence in their China policy. They accept that we should have a policy of our own as long as we do not pursue it.⁶⁴

Indeed, the moratorium arrangement, he continued, was the classic example of what

⁶³ Ibid, Mayall minute, 13 Dec. 1957.

⁶⁴ PRO, FO371/133494 FC2251/6, de la Mare Washington letter to Dalton, 24 Apr. 1958.

'agreement to differ' meant if it was to work. On the suggestion that Britain's China policy should be activated he wrote:

I myself wish very much that it could be activated, but it would I fear be a great mistake to think that we can do this and at the same time maintain the wide measure of cooperation in Asia generally which now goes on between the Americans and ourselves. While the present U.S. Administration lasts we simply cannot ride both these horses, for they are going in completely opposite directions.⁶⁵

In essence, any attempt to improve Anglo-Chinese relations by changing Britain's moratorium vote would give the Americans the impression that they had been double-crossed, thus precluding any change in the British vote.

Prior to the opening of the 1958 General Assembly British officials were scandalized when they were, for the first time, requested by the Americans not only to vote in favour of the moratorium procedure but also to lobby other countries. In the midst of the renewed tension in the offshore islands and the unpopularity of the Nationalists' position in the offshore islands, the US was expecting great difficulty in maintaining a positive vote. Although this request was quietly ignored when responding to the American request to vote favourably for the moratorium, it is certainly indicative of just how much the British position had altered. If it had become known to the PRC that the UK was now canvassing for support for the moratorium, Britain would have been further vilified for her insincerity and double-dealing. As Dixon noted, the increase of tensions in the offshore islands in 1958 strengthened both American and British hands in the General Assembly as this further example of the PRC's bellicose behaviour served to lessen the value of any change in Chinese

⁶⁵ Ibid.

representation to any country that was contemplating changing its vote.⁶⁶ On 23 September 1958 the moratorium resolution was again adopted.⁶⁷

THE ALLIES AND THE 'TWO CHINAS'

The proclamations of the Chinese Communists and the Chinese Nationalists converged at only one point: there was only one China. Whether a state recognized the People's Republic of China on the mainland or accepted the Nationalist government's claim to govern all of China from the island of Taiwan, ultimately it could not ignore the de facto existence of the other China. Although Britain recognized the PRC, it maintained a consulate at Tamsui in Taiwan; the US recognized only the Republic of China, but engaged in talks with the PRC at the ambassadorial level in Geneva. These extracurricular activities left both Britain and the United States open to charges by their respective Chinese associates that they followed a 'two China' policy.

Of the two countries, Britain was more guilty. Although ministers always denied the charge that they adhered to a two China policy, Britain maintained an embassy in Beijing, but had a consulate in Taiwan; publicly advocated the entry of the PRC into the UN, but voted with the US on the moratorium; promoted trade and cultural relations with Communist China, but also allowed trade, shipping and unofficial cultural exchanges with Taiwan. These charges hampered Britain's attempts to improve its relationship with the PRC. The United States, on the other hand, engaged in full diplomatic, military, trade and cultural relations with the Nationalist

⁶⁶ PRO, FO371/133494 FC2251/22, Dixon NY tel, 12 Sept. 1958.

⁶⁷ For full discussion of this issue see FO371/133494 FC2251/19 and FC2251/22.

government on Taiwan; it was illegal to travel with a US passport to the mainland or use American currency in any financial transaction with the PRC and a total ban on trade with the PRC was enforced. Despite the draconian measures employed by the US against the mainland government, the spectre of the Americans sitting down with the Chinese Communists at Geneva, even though it was only at ambassadorial level, aroused Nationalist suspicions that the US might succumb to the communist line. The Americans feared that, if the Nationalists felt their position was eroding, they would in a last chance bid attack the mainland. Thus neither the US nor Britain was free from these allegations.

Chou En-lai addressed the 'two Chinas' issue in November 1957. In response to an American attempt to seat the Chinese Nationalist delegation at the International Red Cross Conference in New Delhi when the PRC was already in attendance, the communist premier summoned Beijing's foreign diplomats for a discourse on the 'two China' fallacy. The Americans, he claimed, were trying to circumvent the impasse of their present position by pursuing a 'two China' policy, in the hope of easing America's eventual recognition of the PRC without destabilizing the Nationalists on Taiwan by securing wider recognition of the Nationalists. Neither China would accept this. Chou made it clear that the PRC would attend no conference where the Nationalists were present. The Ambassadorial talks in Geneva were also at an impasse, but Chou asserted that Peking would not 'lose patience' and would sit through 10 or 20 years of talks at Geneva without renouncing its right to use force against Taiwan while the US refused to withdraw its military. The US perceived this as a propaganda ploy to raise doubts of US constancy which might back-fire:

Peiping must recognize that widespread acceptance of its thesis might lead countries that regard the 'two Chinas' formula as a reasonable

solution to the China problem to place the onus for US-Communist China frictions more on Peiping and less on the US.⁶⁸

Certainly it was in American interests that international public opinion put the onus on the PRC.

Neither the US nor Britain could account for the PRC's claims that the US was planning to eventually recognize both the Communist and the Nationalist governments. As we saw in chapter 3, Dulles did not believe that he followed a British style 'two China' policy despite his attempts to normalize the situation along the lines of other divided countries, because he did not contemplate US recognition of the PRC in the immediate future. The State Department was pleased to be assigned such 'Machiavellian' intentions, but claimed to be quite innocent.⁶⁹ Just because the US acknowledged, unofficially, the PRC's existence, there was no sign that the US was thinking of changing its recognition policy. The Foreign Office thought that Chou's remarks⁷⁰ were prompted by the accumulated signs that the Taiwan government's ties with other governments, far from withering away, were strengthening with US support. (Taiwan was increasingly successful diplomatically, particularly in the Middle East where she had established ties with Iran, Jordan, and Saudi Arabia.) The longer the Taiwan government existed independently, the more difficult it would be for the PRC to press its claims to sovereignty. Chou was thus staving off acceptance by the international community of a divided China along the lines of a divided Germany.⁷⁰

A State Department paper entitled 'United States Policy toward China' (CA-

⁶⁸ FRUS, 1955-57, III, pp. 643-4; Britain's account at FO371/127290 FC10345/57, Wilson Peking tel, 16 Nov. 1957.

⁶⁹ PRO, FO371/127290 FC10345/62, de la Mare to Dalton, 26 Nov. 1957.

⁷⁰ PRO, FO371/127290 FC10345/62, Dalton to de la Mare, 8 Jan. 1958.

10548) sparked fresh discussions between the US and Britain on the future of the PRC and Taiwan. The British found the paper a 'considerable departure' in US policy thinking because it acknowledged the staying power of the communist regime on the mainland. The State Department hoped that, if the British thought the US had been hoping for a quick collapse, 'realization that we are thinking in long-range terms should result in increased British appreciation of our position.'⁷¹ While the British agreed with the aims of American policy, they still disagreed with the means, particularly the PRC's exclusion from the UN. The US, however, argued that they had already given too many concessions to the PRC, allowing the Chinese nationals in US jails to be questioned on whether or not they wished to be repatriated, etc., and that to give any further concessions would harm the Nationalists and America's other Far Eastern allies. The US acknowledged that it suffered from a 'lack of manoeuvrability', but the declaration of interdependence prevented Foreign Office officials from urging the US to drop its most unrealistic requirements: that the PRC must 'expiate' her crimes and announce a 'meaningful renunciation of force' over Formosa'. Britain would have to wait for the 'march of events' to change US views on Communist China.⁷² This did not mean, however, that Britain would not seek to expand its own contacts with the mainland.

Britain's overtures, however, were rebuffed by the PRC on the grounds of double-handedness. Following the abolition of the special embargo on strategic trade with China in early summer 1957, Britain decided to send a trade minister to Peking for informal discussions (despite fears of annoying the US or being snubbed by the

⁷¹ NA, 611.41/20-957, Clough to Robertson, 9 Oct. 1957.

⁷² PRO, FO371/133369 FC10345/4, Dalton to de la Mare, 28 Jan. 1958.

Chinese). The Chinese used the October visit of Frederick Erroll, parliamentary secretary at the Board of Trade, to review Sino-British relations. In an unexpected interview, Chou told the trade minister that British attempts to persuade the US to recognize the PRC as 'one of two Chinas' would be foiled and Sino-British relations would suffer. Chou noted that the UK was the only country in the embarrassing position of recognizing the PRC, but voting in favour of the moratorium; but ambassadors between the two countries could be exchanged once Britain changed its vote (and not necessarily when the PRC was admitted into the UN). Regarding Hong Kong, he complained of Nationalist activities in the colony, but went on to propose that a PRC representative be sent to the Colony and a through train from Canton be introduced. The premier spoke of peaceful co-existence, but warned that, although China wanted peaceful development, it was not afraid of war.⁷³ The talk was friendly and many in the Foreign Office were heartened by what Chou seemed to promise.

The trade minister's visit was not without success. The scope for increased trade was small, but not without hope. The Peking authorities normally concluded government-to-government trade agreements but, as noted by Lord Hood in Washington, even an unofficial trade agreement would be an irritant to Anglo-American relations 'of the kind which we are anxious to eliminate.'⁷⁴ Although the embargo enforced against trade with China was now the same as that applied to the Soviet bloc, the Chinese were annoyed that there was any embargo at all. Indeed, Chou used the reduction of tension over Formosa as a reason to eliminate the embargo

⁷³ PRO, FO371/127357 FC1151/143, Wilson Peking tel., 31 Oct. 1957.

⁷⁴ PRO, FO371/127358 FC1151/155, Hood to Morland, 1 Nov. 1957 and FC1151/146, Wilson Peking tel. 31 Oct. 1957.

completely. Interestingly, Chou spoke only of China and not of the Soviet bloc as a whole.⁷⁵ Britain's charge d'affaires in Peking was impressed with Chou's performance, noting that increasingly China identified itself with Afro-Asia rather than the Soviet Union. Chou had commented that the American 'occupation' of Taiwan need not affect the development of friendly relations between China and Britain so long as they refrained by word or deed from appearing to recognize Chiang Kai-shek's regime. This was seen as an attempt to split the two allies. Wilson noted, however, that this comment should be taken on board by those in the Foreign Office who had always believed that the Taiwan issue must be settled before the PRC could enter the UN.⁷⁶

Sino-British relations had deteriorated on the political side and improved on the commercial front. Containment of China was necessary but accommodation should be reached where possible 'provided that this did not involve giving way over any point of real importance to us.'⁷⁷ But as shown in the section on the United Nations, there was little Britain could do to accommodate the Chinese that would not be seen by the Americans to contravene the understandings reached at Washington.

It was generally agreed by British officials that they should be reasonable but firm, realistic but not provocative with the Chinese Communists. This was certainly the case in Hong Kong. British officials worried that as time went on and there was no improvement in Sino-British relations, the colony would increasingly be open to

⁷⁵ PRO, FO371/127358 FC1151/167, Wilson to Dalton, 7 Nov. 1957.

⁷⁶ Ibid and FO371/127277 FC1923/17, Wilson to Lloyd, 15 Nov. 1957.

⁷⁷ PRO, CO1030/559 synopsis of Scott's letter; CO1030/559 Wilson's brief for Eden Hall Conference, 5 Dec. 1957.

communist harassment. Hong Kong's government was willing to allow a through-train service from Canton, but discussions were stalled due to the PRC's refusal to recognise Hong Kong's right to control immigration. The Governor of Hong Kong feared that, if effective controls were not agreed, the population of the colony, traditionally a refuge for Chinese during times of crisis, would swell. Grantham was against the establishment of a Chinese representative in Hong Kong on the grounds that it would increase rather than decrease tension not only between the two governments but also in the Colony itself. A Chinese official on the governor's doorstep would be a nuisance, an irritant and possibly a trouble-maker.⁷⁸ Commenting on the argument that trade between the UK and China would increase if a representative were accepted, Grantham wrote:

It would be a strange irony if Great Britain, having acquired Hong Kong for the purpose of facilitating trade with China, were after all these years to begin the process of handing Hong Kong back in the hope that it might bring to British merchants a few extra contracts.⁷⁹

Wilson speculated that Chou's continued references to these proposals meant that the PRC, genuinely alarmed 'by the general evidence of revision of our defence arrangements in the area, have concluded that we are likely to enter into closer ties with the Americans in Hong Kong' and were thus anxious to show their good will toward the colony.⁸⁰ Another official offered that the PRC probably feared that the US was being given a greater say in Hong Kong affairs, but would 'genuinely like

⁷⁸ PRO, CO1030/598, Grantham to Lennox-Boyd, 16 Nov. 1957.

⁷⁹ PRO, CO1030/598, Grantham to Lennox-Boyd, 19 Nov. 1957.

⁸⁰ PRO, CO1030/595, Wilson Peking tel., 4 Feb. 1958.

Hong Kong to remain a British colony for the time being.⁸¹ Britain did not see such steps as necessary when they served only to placate the Chinese. Despite the increased attention given to various events in Hong Kong in Chinese propaganda and the increased number of complaints against the government in the time leading up to the 1958 offshore island crisis, there was little threat of imminent invasion.

Chou's remarks to Erroll were not allowed to go unchallenged. The Foreign Office was annoyed that the Chinese premier preferred to pass important complaints and information through ~~through~~ visitors and other nationals, bypassing Britain's charge d'affaires in Beijing and the PRC's representative in London, Huan Hsiang. The secretary of state summoned Hsiang on 27 February 1957 in order to set the record straight on Britain's China policy. Officials hoped that the discussion would not be entirely negative and that a desire would be expressed for improved relations, although it was acknowledged, that there was little chance of improvement since Britain could not budge on the UN issue.⁸² In the end, the talks had little effect, but both sides expressed the wish to peacefully co-exist.⁸³

The crux of the matter was that it was not in Britain's interest to meet the criteria necessary for improved Sino-British relations; Anglo-American relations took precedence. From Peking Wilson lamented the lost opportunity for improving the relationship and warned that the Chinese were in an impatient mood and losing

⁸¹ PRO, FO371/133385 FC1051/14, Benson minute to Wilson's telegram dated 4 Feb. 1958, 8 Feb. 1958.

⁸² PRO, FO371/133386 FC1051/22, Dalton minute, 26 Feb. 1957 and Brief, 26 Feb. 1957.

⁸³ PRO, FO371/133386 FC1051/28, record of Lloyd's interview with Chinese charge d'affaires, 27 Feb. 1957.

patience with the British.⁸⁴ The British representative was alarmed by the question that was being pondered by his colleagues: was it really in Britain's best interests for the Americans to recognize the PRC? He suggested:

If the Americans announce themselves willing to recognise Communist China and to see communist representatives admitted to the U.N. as sole representatives of China, but also state that the future of Taiwan would have to be settled in accordance with the wishes of its inhabitants under U.N. auspices, they would put themselves and the Western world in a very much more logical position without running any risk at present that the Chinese Communists would accept this proposition and that they would thus have to abandon Taiwan immediately themselves.⁸⁵

Wilson argued, following the lines of Britain's version of their officially non-existent 'two-China' policy, that this offered 'a logical way out of an extremely illogical position and the chance of making the best instead of the worst of two worlds.' Foreign Office officials had some sympathy for this view, but it was impractical at that time. Wilson underestimated the American relationship with the Nationalists. Rosamond Benson observed:

In any case the American position at present is perfectly logical - it is ours which is not - and there is really no need, from their point of view, to take a step which is not only dangerous but illogical, in order to make us feel better.⁸⁶

In conclusion, although it could be argued that American persistence in claiming that the Taiwan authorities governed all of mainland China was illogical (even absurd), the US was, at least, consistent in its application of this 'illogical' policy. Whereas Britain purportedly recognized the People's Republic, it conspired, for political reasons, to

⁸⁴ PRO, FO371/133387 FC1051/43, Wilson Peking tel., 11 July 1958.

⁸⁵ PRO, FO371/133369 FC10345, Wilson to Morland, 16 June 1958.

⁸⁶ PRO, FO371/133369 FC10345/22, Wilson to Morland, 18 June, 1958, Benson minute, 5 July 1958.

keep that government out of the United Nations - this was 'illogical'.

The China issue was so effectively neutralized by the Washington agreement that, when Macmillan and Eisenhower met in the summer of 1958, China was not even discussed. A Foreign Office despatch on Anglo-American relations estimated that China would not be a problem in the immediate future.⁸⁷ The American Embassy in London confirmed this view:

Apart from the problem of East-West trade controls, there is no reason to anticipate any changes in the present British Government's overall China policy which would create further strains to Anglo-American relations. The situation may well be different should the Labor Party come to power, however. Apart from this, we should continue to expect that the present Conservative Government will abide by the moratorium formula which prevents any consideration of seating Red China in the UN and which is similarly applied in other international meetings. Thus, as far as the immediate future is concerned, respective US and UK policies toward China are not expected to cause any real difficulties.⁸⁸

As will be seen in the following chapter, Macmillan justified this optimistic scenario by his handling of the British policy during the 1958 offshore island crisis.

The Washington agreements laid the basis for Anglo-American cooperation in the Far East. The understanding on China and the United Nations to a great extent emasculated British policy. While the decision to agree to disagree with the Americans should have left British diplomats free to pursue their own policy, this was not the case. The Washington understanding conclusively prevented any amelioration in Anglo-Chinese relations, since Britain's vote in the UN was the litmus test used by the PRC to measure the worthiness of its diplomatic ties. The United States was not

⁸⁷ NA, 611.41/2-758, London Foreign Service despatch to Wash, 7 Feb. 1958.

⁸⁸ NA, 611.41/2-758, Barbour to State Dept., 7 Feb. 1958.

sanguine about Britain's concessions and needed all the help they could get to maintain the Nationalist's international position. The United States considered Hong Kong to be as important an asset as Taiwan, and therefore, taking on defence responsibilities there was not a ^{considerable} burden. It would seem that as far as China and the Far East was concerned, the United States gained nearly everything that it could have wished from Macmillan at Washington.

CHAPTER 7

ANOTHER SHOWDOWN: THE ALLIES STAND TOGETHER

The resumption of hostilities in the area of the Chinese offshore islands in August 1958, after three years of relative calm, posed a threat not only to the fragile peace of the Cold War world but also to the Anglo-American relationship, newly repaired after Suez. As we have seen in the previous chapter, the Washington talks of 1957 resulted in a declaration of common purpose between the US and Britain. This declaration was an acknowledgement of the two countries' interdependence and had special relevance for their cooperation in the Far East, particularly China. This unprecedented harmony of approach was made possible by Macmillan's willingness to agree to differ with the Americans over China. Not surprisingly, in 1958 Macmillan's first priority was to protect and, when possible, enhance the 'special relationship' by deferring to the judgement of Eisenhower and his secretary of state, John Foster Dulles, who viewed these islands as a Berlin of the Far East: a place where a show of strength and resolve would make the enemy retreat.

A crisis in the Taiwan Straits was not an entirely unforeseen event. The end of the 1954-5 crisis was marked by the opening of discussions between the US and the PRC in Geneva, but the crux of the problem was left unresolved as the offshore islands remained under the control of the Nationalists and were not abandoned to the PRC, neutralized or placed under the authority of the United Nations. Thus the points of close contact, the island groups of Quemoy and Matsu and the nearby communist ports of Amoy and Foochow, remained susceptible to hostile fire at any time. This potentially explosive situation could be exploited by either China, both of which

refused neither to renounce the use of force in pursuit of their mutually hostile claims nor to permit the evolution of 'two Chinas', thereby posing a constant threat to world peace.

THE POSITION OF THE OFFSHORE ISLANDS, 1955-8

Although the US and Britain agreed that the Nationalists' position in the offshore islands was a barrier to stability in the Taiwan Straits, they disagreed on whether it was the main obstruction to the normalization of the China problem. Likewise, the Americans were concerned that the islands were being accorded by the British, and many other countries but, most importantly, by the Nationalists a significance in excess of their real value. If American and Nationalist prestige and power came to be closely identified with the retention of these islands, it could result in according them the symbolic status of Dien Bien Phu and curtail their manoeuvrability. As we have seen in chapter 3, in April 1955 Eisenhower and Dulles failed in their one and only serious attempt to convince Chiang to withdraw from their militarily indefensible position in the offshore islands. The US made this attempt in order to improve the defensibility of Taiwan and the Pescadores and the Nationalists standing in the international arena, not because they believed that the Nationalists' withdrawal would satisfy the aims of the People's Republic of China. With the exception of Taiwan and South Korea, no other country would support a general conflict between the PRC and the US over the offshore islands which were seen as 'one of the most serious impediments' to obtaining the support of friends and allies

for American Far Eastern policy.¹ The failure of the Radford-Robertson mission was often alluded to by Eisenhower and Dulles with regret as they implored the British to believe that they had done their best to secure a position which would gain wider international support for the Nationalist position on Taiwan.

In 1955 the British had ventured to look beyond an uneasy stale-mate in the Taiwan Straits to a wider settlement of the Taiwan problem. British officials reviewed five possible permanent solutions ranging from Taiwan's absorption into the PRC to the creation of 'two Chinas'. The latter option in the form of one China and one Taiwan was considered the most feasible by the Foreign Office but each of these solutions was predicated on the assumption that the offshore islands would already have been abandoned by the Nationalists.² The State Department was aware that the British believed that the evacuation of the islands was the key factor to a genuine relaxation of tension in the area³, but queried the validity of such an assumption. For their part the British were distressed by their own perception of the US position which to them seemed to fluctuate between a softening and a hardening of the Washington's attitude toward the PRC.⁴ When Prime Minister Anthony Eden met Eisenhower at Geneva in July 1955 he expressed his own irritation with the situation:

If I was Chou En-lai I should not wish to see the Americans out of Quemoy and Matsu. I should say to myself that as long as the Americans were there they were to some extent at my mercy I could put

¹ NA, 793.5/1-1555, progress report on US Policy toward Formosa and the Government of the Republic of China, 7 Feb. 1956.

² PRO, FO371/115054 FC1041/940, Allen minute, 10 June 1955.

³ NA, 793.00/6-1355, London to St Dept, 13 June 1955.

⁴ PRO, CAB128/29; C.M. (55), 30 June 1955 and FO371/114974 F1041/4, Allen minute 6 July 1955.

them in a dilemma at any time. If I take or threaten to take Quemoy and Matsu I know the Americans will have to come to the help of Chiang Kai-shek, in which event they would not be supported by world opinion, or they will have to leave him to his fate which would be a blow to their authority. Therefore, speaking from our point of view, it seemed to me that the United States would be much better placed in every way both locally and before world opinion if Chiang Kai-shek's forces were withdrawn from Quemoy and Matsu.⁵

The president agreed, assuring Eden that if a way could be found to 'put them under the sea he would gladly do so'. The Nationalists, however, had refused to reduce their forces to 'relatively weak outposts which could inflict loss on the enemy if attacked and could then have been withdrawn without disaster' to Chiang's prestige.⁶

At the president's suggestion Eden on 22 July met Dulles who, he was assured by Eisenhower, was much more concerned about this matter than the public thought. Dulles explained that if the offshore islands were attacked and the whole thing was over in a day or two the US would not intervene but that, if the Nationalists put up a protracted and 'gallant' resistance as the French had done at Dien Bien Phu, it was Dulles' belief that the US would intervene. Eden who had been favourably impressed with Eisenhower's outpost plan which he felt made political and military sense was not reassured by Dulles' explanation: world war seemed to hinge on the Nationalists' ability to hold out. Dulles 'begged' Eden to believe that the US had done all it could to get Chiang out of the offshore islands, but had been unable to sell the outpost plan to either the chiefs of staff or Chiang. In the meantime Dulles felt that 'we must carry

⁵ PRO, FO371/114974 F1071/12, Record of Conversation between Eden and Eisenhower at Geneva, 17 July 1955.

⁶ Ibid.

the baby along' and wait for time to solve the problem.⁷

In time the British came to acknowledge that it was fruitless to nag the Americans to produce a solution which they were unable to deliver. From Tamsui in Taiwan British charge d'affaires Hermann strongly recommended that the Foreign Office turn its attention to what he considered to be both more desirable and more feasible: the cessation of Nationalist attacks on the mainland. Hermann argued that he had formerly agreed that the US should insist that the Nationalists withdraw from the offshore islands:

[B]ut later I came seriously to doubt if any pressure which one can conceive of the Americans applying (barring that is to say, such extreme measures as threatening a total withholding of supplies) would succeed in forcing a Nationalist withdrawal. It is not only the Nationalists' face and morale which are involved.... Our own arguments in favour of abandoning the islands are based on a legalistic thesis which can only be acceptable to anyone who starts from the premise that the Communists are the lawful government of China. When talking to people who do not accept that, and who are unversed in British interpretations of International Law, I find it hard to argue, with any conviction, that a government which has lost most of its territory in a civil war is thereby under a moral obligation to surrender the rest.⁸

By writing this Hermann left himself open to the charge that he was merely a 'cave-dweller', an individual who had been in Taiwan too long and had succumbed to the Nationalist line. But his proposal that the Americans should be urged to seek a Nationalist renunciation of force, as they were doing with the PRC in Geneva was well received in London. Colin Crowe, head of the Far Eastern department, agreed that it was 'our own reluctant conclusion' that nothing could be done to persuade the Nationalists to withdraw, even a formal renunciation of force being virtually impossible

⁷ PRO, FO371/114974 F1071/16, Eden conversation with Dulles at Geneva, 22 July 1955.

⁸ PRO, FO371/115055 FC1041/978, Hermann to Crowe, 23 Sept. 1955.

to extract. Thus Eden agreed that, while the Americans should not be allowed to forget British concern over the offshore islands, emphasis should be placed on the cessation of hostile Nationalist activities such as attacks against the mainland and shipping and reconnaissance over-flights which otherwise might trigger another crisis.⁹

Between 1955 and 1958 the offshore islands were reinforced and further integrated into the defence of Taiwan. Indeed, the number of troops nearly doubled. This occurred in spite of Eisenhower's plan to reduce the offshore islands' 'frontline' status to that of 'outpost' by replacing troops with hardware. Clearly Chiang preferred to have more of both. This build-up can largely be attributed to the confusion and disagreement between US officials who did not understand, accept or enforce the president's outpost plan and acquiesced in the movement of Nationalist troops from Taiwan and the Pescadores to garrisons in the offshore islands.

The US derived authority to control the movement of Nationalist troops from the exchange of notes and the mutual defence treaty of 1954. In June 1955, however, Chiang overruled General Chase, chief of MAAG in Taiwan, and ordered an additional division of troops to reinforce Quemoy.¹⁰ The State Department informed the US ambassador in Taipei, Karl Rankin, that his indication to Chiang that the decision was the Nationalists' ultimate responsibility was regrettable.¹¹ Embassy officials responded that they would heed the department's instructions to refrain from any behaviour that would seem to prejudge the issue, but argued that Chase had based his objections on military considerations such as logistic support, and concluded that, since

⁹ Ibid and Crowe minute, 31 Oct. 1955.

¹⁰ NA, 794A.5/7-155, Robertson memorandum to Dulles, 1 July 1955.

¹¹ NA, 793.5/7-255, St Dept to Taipei, 2 July 1955.

the PRC would probably not attack Taiwan without first attacking the offshore islands, Taiwan's defense would not be harmed. A protest to the Nationalists on such a 'sensitive' issue not only might be ignored but was also unwarranted.¹² Although these objections were considered to be weak¹³, the joint chiefs of staff on the recommendation of Walter Robertson, the assistant secretary of state for Far Eastern affairs and chief architect of US China policy, and with Dulles' approval were directed only to consider whether the troop movements would 'constitute a substantial diminution of the defensibility of Taiwan and Penghu' and not whether it might result in the extension of America's military commitments. The JCS concluded that, although an additional Nationalist division would not 'substantially' increase the defensibility of Quemoy, the transfer would not 'substantially' reduce Taiwan's defensibility. It was thus recommended that there was no military basis for further representations to Chiang on this issue.¹⁴ The failure of the US to hold their ally to the exchanged notes proved to be a bad precedent and Nationalist troops continued to enter rather than leave the offshore islands.

The British were not pleased. In January 1956 the Foreign Office was 'surprised and disappointed' not only by the news that the garrisons in the offshore islands had increased by 7 divisions with 75,000 troops on Quemoy and 19,000 in the Matsus but also by the fact that they obtained this information from third parties (Canada and New Zealand) rather than from the US directly.¹⁵ The US was prepared

¹² NA, 793.5/7-655, Taipei to St Dept, 6 July 1955.

¹³ NA, 794A.5/7-855, McConaughy memorandum to Robertson, 8 July 1955.

¹⁴ NA, 793.5/8-355, Davis to Robertson, 3 Aug. 1955.

¹⁵ PRO, FO371/120912 FC1043/4, Crowe minute, 17 Jan. 1956.

to counter any queries on their prosecution of the Cold War in the Far East by arguing that, in view of the 'broad responsibilities' borne by the US military in the region, Britain, should 'give due weight' to American views 'as to the best means of dealing with the Chinese Communist military threat.'¹⁶ At the White House on 31 January 1956 Eisenhower ducked a discussion of the build-up by again referring to the failed Radford-Robertson mission when Eden expressed his concern that the offshore islands, far from being transformed into insignificant outposts, were being reinforced.¹⁷ Eden took heart from Eisenhower's expression of irritation with Chiang and seemed to accept that the troop reinforcements had taken place against American advice.¹⁸

There was in fact a division in thinking between the president and the people upon whom he relied to apply his policy. This had been evident in 1955 when Radford and Robertson had so easily given in to Chiang after he refused to withdraw without giving the outpost plan full consideration. The British embassy in Washington identified Robertson, Radford and Rankin, the 'cave-dweller element', to be the chief culprits responsible for building up America's commitment to the offshore islands.¹⁹ The new charge d'affaires in Tamsui, Franklin, who admittedly obtained most of his information from Rankin and other like-minded American officials, warned that the US was now committed to the defence of the islands which, he observed, had become a

¹⁶ EL, AWF, International Series, Box 20: Eden Visit January 30-February 1, 1956 (3), Barnes St Dept memorandum for Goodpaster, 27 Jan. 1956.

¹⁷ PRO, FO371/120935 FC1074/1, record of conversation at the White House, Washington, 31 Jan. 1956.

¹⁸ PRO, CAB128/30; C.M. (56) 9 Feb. 1956.

¹⁹ PRO, FO371/120913 FC1043/55, Murray minute, 10 May 1956 and FO371/120913 FC1043/48, Graves to Crowe, 14 May 1956.

'second Iwojima'. Furthermore, he cautioned, Britain must stop thinking of Taiwan merely as an American 'satellite'; the Nationalists were vigorous, resilient and independent.²⁰

If they had held out any hope at all, Whitehall officials now had to admit that there was no chance that the Nationalists might be forced to withdraw. 1956 was an election year and, as with so many issues related to China such as the UN China seat and strategic trade, the Americans were not expected to show any enthusiasm to make an 'all out effort' to get Chiang out of the islands.²¹ Then came Suez and the rise of Macmillan who did not distinguish himself by insisting on discussing thorny topics such as the offshore islands when he had nothing new to add. Thus in August 1958 the State Department confirmed what the British had long feared: that it was now 'scarcely practical politics'²² to abandon the offshore islands. The US faced the situation which the British had hoped they could avoid, 'of having either to desert the Nationalists or become actively involved' in the defence of the offshore islands.²³

The US and Nationalist Chinese relationship was far from harmonious. As long as the PRC and the Soviet Union remained friendly, however, Chiang was considered to be the best Chinese ally available. The distrust between the US and Taiwan was exacerbated by the growing divergence in their aims which, as noted by Walter McConaughy, director of the office of Chinese affairs, was rooted in the Nationalists'

²⁰ PRO, FO371/120913 FC1043/55, Franklin to Crowe, 18 Apr. 1956.

²¹ FO371/120912 FC1043/4, Allen minute, 18 Jan. 1956.

²² PRO, FO371/133551 FCN1271/25, Youde Washington letter to Dalton, 14 August 1958.

²³ Ibid.

ultimate goal of overthrowing the Chinese Communist regime by military force and the 'more limited, defensive' objectives of the US as set forth in the mutual defence treaty.²⁴ Eisenhower had started his first term with talk of rolling-back communism, but the Nationalists feared that he was beginning to lean toward 'co-existence' which Eisenhower defined as the 'absence of killing each other'²⁵. By 1955 the US and Nationalists disagreed over a wide gamut of issues: Chiang's veto of Outer Mongolia's admission to the United Nations; the Sino-American ambassadorial talks in Geneva; Nationalist attempts to use the reserve training program as a means to increase the size of Taiwan's standing forces; the build-up of the offshore islands; Nationalist attacks on shipping; the Nationalist budget etc.²⁶ By 1956 the US believed that the trend against Nationalist cooperation with the US was subsiding, but the points of disagreement remained and, after events in Hungary later that autumn, Chiang exhorted Eisenhower to return to 'liberation theology'. Tension culminated in the ransacking of the US Embassy in Taipei on 24 May 1957, but this incident was quickly swept aside.

Taiwan was seen by Washington to be an important link in its island-chain defence with a important role in the Cold War as a beacon of hope for Chinese on the mainland and overseas Chinese. Thus, although the Americans wanted to control Chiang and restrain him from provocative actions, they did not wish to crush his will to survive. The administration never found the right balance between stick and carrot.

²⁴ NA, FW611.93/10-2155, McConaughy memorandum to Robertson, 21 Nov. 1955.

²⁵ EL, Ann Whitman Diary Series, Box 4: January 26, 1955.

²⁶ *Ibid.*

As long as the Chinese Communists continued their build-up on the mainland, US officials, with some misgivings, hesitated from applying the full force of their authority.²⁷ The US continued to give aid and support to the Nationalist regime, but discouraged any belief that the US would support a military return to the mainland. Indeed, the Nationalists were not shown 'The Do and Don't List' that laid out guidelines for any action that could be initiated without US concurrence for fear that the Nationalists would find 'legal loopholes' for offensive action.²⁸ While the PRC's propaganda did not differentiate between a possible attack on the offshore islands and one on Taiwan and the Pescadores, Eisenhower, under the cover of the Formosa doctrine, kept his options open, leaving the world, and particularly the communists, to wonder whether the US would intervene in any future conflict over the offshore islands.

THE BREAKDOWN OF THE GENEVA TALKS

The Geneva talks between the ambassadors of the US and the PRC were supported by Britain and most of the world, but the Nationalists and certain of their American supporters wanted the talks to 'be allowed to die'.²⁹ As noted in chapter 3, as long as the talks continued, there was the belief that the Taiwan Straits would remain relatively calm. Although the talks were dead-locked on issues such as the

²⁷ NA, 793.5/6-2656, memorandum of conversation between Rankin and Yu Ta-wei, 26 June 1956 and 751G.00/9-556, Bennett memorandum to Waddell, 5 Sept. 1956.

²⁸ NA, 793.00/5-1656, Dulles memorandum to Eisenhower, 16 May 1956; 793.00/3-2157, Howe memorandum to the acting secretary, 21 Mar. 1957; and FRUS, 1955-1957, III, 301, p. 645.

²⁹ NA, 611.93/3-656, Drumright to McConaughy, 6 Mar. 1956 and 611.93/12-28-56, Rankin to St Dept, 28 Dec. 1956.

renunciation of force, the return of citizens, travel of PRC newsmen to the US, etc., Dulles was determined that the talks would continue so long as 'there was a net advantage to be gained from prolonging them.'³⁰

In late 1957 the future of the ambassadorial talks was under scrutiny. At that time only 6 Americans remained in PRC jails and Ambassador U. Alexis Johnson who had represented the US since the inception of the Geneva talks was scheduled to be rotated to another post. Robertson's hostility to the talks was evidenced by his attempt to replace Johnson with Rankin who had been in Taiwan over seven years. Rankin's recall had been recommended after an enquiry into the ransacking of the US embassy in Taipei. It was noted in the report that Rankin who was in Hong Kong without permission at the time of the riot shrugged off the incident as 'one of those things' and 'seemed to agree with the position of the President [Chiang] no matter what it happened to be.' Robertson was anxious that Rankin's (should ~~transfer~~) in no way reflect poorly on his 'outstanding' performance but cooler minds prevailed since, as Johnson pointed out, the PRC would be prejudiced by Rankin's close association with the Nationalists.³¹ Another choice was the US ambassador in Poland, Jacob Beam, but on 20 November Robertson proposed that the talks be downgraded by designating Edwin Martin, the first secretary in the US London embassy and former 'prisoner officer'. Dulles approved an exploration of this idea, but made it clear that it 'would be undesirable to break off' the talks.³²

On 12 December 1957 Johnson informed Wang Ping-nan, his Chinese counter-

³⁰ NA, 793.00/7-2756, Robertson to Rankin, 29 Aug. 1956.

³¹ FRUS, 1955-1957, III, 289, pp. 684-9 and footnotes 3 and 4; and 298, p. 641.

³² FRUS, 1955-1957, III, 296, p. 639 and footnote 2.

part, that he was to be transferred and replaced by Martin. The decision to lower the level of talks was taken despite protests from both Johnson and Martin that the PRC would: refuse to resume talks until an ambassador was appointed; appoint a lower-level official without any authority; or exploit the propaganda value of the exercise by calling for talks at the level of foreign minister. The US did not want to appear to be trying to end the talks and Johnson was instructed to adamantly insist that the US would continue the talks but could not appoint an ambassador at this time. It was hoped that Wang would perceive the connection between the administration's dissatisfaction with the 'meagre' results of the talks and its unwillingness to continue at the ambassadorial level. American officials had been emboldened by Chou's remarks in late November that the PRC was willing to patiently talk for 10 or 20 years and consequently felt confident that they could be stubborn and unbending without risking breaking off the talks. The PRC immediately suspected American motives and made known their dissatisfaction with the manoeuvre by categorically refusing to continue the talks at any other level.³³

In retrospect the American attempt to lower the level of the talks was an unnecessarily confrontational move. It resulted in a stand-off with neither side wanting to lose face. In the Cold War world where hostilities could escalate to unthinkable heights the US could not afford to be seen to flout the peace process recklessly, but the State Department still delayed in appointing a new ambassador. In January Robertson suggested that it would not be 'undesirable' if the talks were suspended for several months but, he acknowledged, they might become more difficult to resume if

³³ FRUS, 1955-1957, III, 304, pp. 657-9, and footnotes; and NA, 611.93/1-2058, Robertson to Dulles, 20 Jan. 1958.

the US stalled for more than two or three months.³⁴ In the meantime several candidates were considered, including Rankin who had been assigned to Belgrade in Yugoslavia.³⁵

The PRC put the US on the spot on 30 June by demanding that an ambassador be named within 15 days otherwise they would assume that the US had decided to break off the talks. Peking also increased its propaganda on the 'liberation' of Taiwan. The British regretted that the US had delayed so long since it would now appear to be acting under pressure, but made it clear that they wished to see the talks continue since the PRC would score a propaganda victory if the US were considered responsible for their breakdown.³⁶ Dulles refused to heed the PRC's 'ultimatum' although he revealed on 1st July that the US would appoint a new ambassador and was considering moving the talks to Warsaw (since both Beam and Wang were at that post). He waited until the 15-day deadline had expired before Wang was informed on 28 July of Beam's appointment. Despite the stridency of the PRC's propaganda in early August, the US sought to avoid giving the Chinese Communists the impression that the talks were a matter of 'great concern to us'. By 18 August, however, the tense situation in the Taiwan Straits caused a change in the American point of view and suddenly it became 'desirable' that the talks be 'renewed with minimum delay'.³⁷ Now it was the

³⁴ NA, 611.93/1-2058, Robertson to Dulles, 20 Jan. 1958.

³⁵ NA, 611.93/4-758, Robertson to Dulles, 7 Apr. 1958.

³⁶ NA, 611.93/1-2458, London to St Dept, 24 Jan. 1958; and 611.93/7-858, London to St Dept, 8 July 1958.

³⁷ NA, 611.93/7-158, Hong Kong to St Dept, 1 July 1958; 611.93/7-1858, London to St Dept, 18 July 1958; 611.93/8-658, St Dept to Warsaw, 8 Aug. 1958; 611.93/8-1858, St Dept to Warsaw, 20 Aug. 1955; and PRO, CAB129/94; C. (58) 192, 24 Sept. 1958.

Americans' turn to wait.

THE 1958 OFFSHORE ISLAND CRISIS

From 30 June onwards the tenor and tone of the PRC's propaganda against the US, Britain and their respective positions in Taiwan and Hong Kong increased. The situation deteriorated after the Anglo-American intervention into Jordan and Lebanon that summer. Although the PRC's propaganda linked the Middle East situation with the Taiwan problem, the US and Britain were uncertain whether the PRC's increased military activity in late July and early August was merely a display of its increased air strength or a preparation for attack. In fact, Nationalist agitation over the PRC's threats was initially written off by the US as an attempt 'to exploit the current tension' in the Middle East to acquire US military equipment.³⁸

On 23 August 1958, several weeks after the visit of the Soviet leader, Nikita Khrushchev, to the PRC the Chinese Communists began the heaviest bombardment of the offshore islands since 1955. Whether the Soviets restrained or encouraged their Chinese ally or were even consulted by them is debatable. Before it became evident that the PRC's pressure was serious, intelligence reports focused on the Middle East and Khrushchev's attempts to adjourn a five-power summit as the main topic of his discussions with Mao Tse-tung, the chairman of the PRC. Speculation that Khrushchev changed his position on the summit under pressure from the PRC was 'indignantly' denied by the Soviet leader who maintained that there was no split between himself

³⁸ PRO, FO371/133356 FC1023/17, Youde to Dalton, 1 Aug. 1958 and EL, AWF, DDE Diary Series, Box 35: August 1958 - Goodpaster Briefings, synopsis, 1 Aug. 1958.

and Mao.³⁹ In Khrushchev Remembers, the controversial memoir attributed to Khrushchev, there is no mention of the Middle East or summit conference.⁴⁰ In one of the first discussions on the 'heating up' around Taiwan, Dulles told the president that he believed that the PRC and the Soviets were 'probing us, to see whether Soviet possession of ballistic missiles is softening our resolve anywhere' but was 'confident that if it appeared that we were standing firm, then they would not take action that would risk precipitating a large-scale war.'⁴¹ It was noted by the British that the PRC required 'external tension' in order to maintain the 'crisis atmosphere needed in China itself for the suppression of "Rightists" and "revisionists" [after the Hundred Flowers campaign] and the "great leap forward" in industry and agriculture.'⁴² Interestingly, there is no indication that anyone believed that the PRC was acting to prevent the evolution of 'two Chinas', it was more likely that the PRC might be attempting to re-unify China. Confusion and speculation were rampant but it was clear that the PRC had set out on a path designed to show that it did not fear an American 'paper tiger'.

In 1958 the issues were similar but the manner in which the crisis was handled by the US and Britain was different from the earlier crisis. Whereas in 1954-5 Dulles' first move had been to take the issue to the UN with Britain's assistance, this time an

³⁹ EL, AWF, DDE Diary Series, Box 35: August 1958 - Goodpaster Briefings, Synopsis, 15 Aug. 1958 and Synopsis, 19 Aug. 1958.

⁴⁰ Khrushchev, N. Khrushchev Remembers: The Last Testament (London, 1974) pp.258-261.

⁴¹ EL, AWF, DDE Diary Series, Box 35: August 1958 - Staff Notes (2), memorandum of conversation with the president, 12 Aug. 1958 and Papers of John Foster Dulles, White House Memoranda Series, Box 7: White House - Meetings with the President July 1, 1958 - December 31, 1958 (8), Dulles memorandum of conversation with the president, 12 Aug. 1958.

⁴² PRO, CO1030/595/145A, Lloyd to Wilson, 23 Sept. 1958.

approach to the UN was a fall back position in a worst case scenario.⁴³ The US kept Britain informed and was willing to consider its suggestions but, due to the fact that there was no joint Anglo-American operation on the same scale, Britain did not have the same influence on American policy-makers. In 1958 the US needed a friend more than it needed a partner and, as will be seen, Macmillan was willing to fulfill that function.

Winning the battle for public opinion was without a doubt as important as maintaining the Nationalists' position in the offshore islands. This was where Britain could be of the greatest help. A survey of international support revealed the widespread view that 'the US had fallen into a pitfall of its own making.'⁴⁴ There could be no denying that the world feared American 'brinkmanship'. The London embassy reported that the US should expect 'very strong criticism' from the public, Labour and Liberal parties, and perhaps from some Conservatives, even if the US intervened with only conventional weapons, for getting involved in the 'wrong war' over the offshore islands which were considered to be part of the mainland. It was speculated that Macmillan would try to stand by the US, 'Britain's key ally', by condemning the use of force and urging immediate UN consideration but:

While Prime Minister believed to have keen appreciation of world situation and danger of Communist expansion anywhere, delicate British position in Hong Kong considerably ties hands of HMG re supporting US military action in area. Additional factor in reaction of some Tories, illogical though it may be, would be why should they stand by US now

⁴³ NA, 794A.5/8-2558, Bacon memorandum to Parsons, 25 Aug. 1958.

⁴⁴ NA, 793.00/10-1758, Cummings to under secretary regarding an intelligence note, 17 Oct. 1958.

after way we let them down two years ago over Suez.⁴⁵

This report, though largely accurate, over-played the role of Hong Kong in British policy making and underestimated the importance of the US to Macmillan. The administration must have been surprised, however, by the negative indicators of domestic public opinion. There was a furor when a Whitehall official revealed that mail was approximately 4 to 1 against US policy, 470 wanted the US to keep out of war and only 39 supported Eisenhower's position to defend the offshore islands.⁴⁶

Thus it was critical that the US gain public support for its position.

From the outset, Eisenhower and Dulles made it clear that the Nationalists would not be allowed to hinder American efforts to improve their respective public images. 'Sabre-rattling' by them or Americans stationed in Taiwan was not allowed.⁴⁷ It was crucial that the Nationalists refrain from activity that took attention away from the PRC's responsibility for the current hostilities. It was privately conceded that the Nationalists¹ bore a fair share of the blame for the present conditions. Although Dulles fervently believed that the offshore islands should not be evacuated, he believed that the Nationalists¹ use of them as bases for military and subversive activities was on shakier grounds in international law. It was Dulles' feeling that the US could not 'really expect the Communists to refrain from attacking

⁴⁵ EL, AWF, International Series, Box 10: Formosa (1958) (3), London to secretary of state, 29 Aug. 1958.

⁴⁶ EL, AWF, Dulles-Herter Series, Box 8: Dulles - October, 1958, Dulles note to president, 10 Oct. 1958 and AWF, International Series, Box 10: Formosa (1958) (1) letters and telegrams as of 9 Sept. 1958.

⁴⁷ NA, 611.93/9-458, St Dept to Taipei, 4 Sept. 1958

the islands if they were being used as bases for hostile activities against the mainland.⁴⁸ Everett Drumright, Rankin's successor in Taipei, had reported several months earlier that the US had not only retired from encouraging and supporting infiltration and build-up activities on the mainland but actively discouraged it⁴⁹ but, as evidence was to show, that did not mean that such activities ceased. The Americans, like the British, accepted that it would be easier to obtain a cessation of hostile Nationalist activities than to get them to withdraw, but it would still be difficult.

Adjectives such as 'cautious', 'non-provocative' and even 'conciliatory' accurately describe the American approach. Eisenhower was unwilling to make a swift decision on the application of the Formosa Doctrine. As he told the National Security Council on 14 August, the need for American military intervention to defend the offshore islands 'would have to be considered in the light of whether such a Communist Chinese attack on the offshore islands was a preliminary to an attack on Taiwan.'⁵⁰ The fact that the PRC did not distinguish in its propaganda between an attack on the offshore islands and the 'liberation' of Taiwan would help to justify American intervention if it was deemed necessary, but the president was clearly determined to avoid this eventuality.

The president was unwilling to enunciate the Formosa doctrine, but realized the usefulness of issuing some type of public warning to the PRC indicating his willingness to stand strong. Once hostilities were underway, the Nationalists and their

⁴⁸ NA, 611.93/9-858, memorandum of conversation, 8 Sept. 1958.

⁴⁹ NA, 611.93/4-358, Drumright to St Dept, 3 Apr. 1958.

⁵⁰ EL, AWF, NSC Series, Box 10: 376th Meeting of NSC, Aug. 14, 1958, memorandum of discussion, 15 Aug. 1958.

supporters attempted to link the offshore islands which were obliquely referred to in the Formosa Doctrine and were not formally guaranteed by the US along with Taiwan which the US was legally committed to defend under the terms of the mutual defence treaty of 1954. The Nationalists asked the US to issue a statement equating an attack by the PRC on the offshore islands 'to a Communist attack on Taiwan itself' in order to deter the PRC and to boost the morale of Nationalist troops.⁵¹ On 12 August Dulles made a similar suggestion to the president that, since the Nationalists had 'closely integrated' the offshore islands into the defense of Taiwan, he should consider an attack on them to constitute an attack on Formosa. The president refused, on the grounds that it would prejudge the application of the Formosa Doctrine, but indicated that Dulles might say something along those lines at a press conference.⁵² Any such statements, it was recommended, by Graham Parsons, deputy assistant of secretary of state for the Far East, should not be provocative or appear to be provocative:

They should be tailored to the situation and should not involve commitments that might turn out to have been unnecessary. They should build up a case for showing that the Chicom are the aggressors and that we are trying to keep the peace. However, it must also be made clear in our statements that stern measures may have to be taken by the U.S. to keep the peace, for which reason we are preparing for any eventuality.⁵³

Indeed draft statements, or any letters which were to be leaked, which appeared to commit the US, clearly define what actions might bring the US in or threaten atomic

⁵¹ Ibid and NA, 793.5/8-2158, Taipei to St Dept, 21 Aug. 1958.

⁵² EL, AWF, DDE Diary Series, Box 35: August 1958 - Staff Notes (2), memorandum of conversation with the president, 12 Aug. 1958.

⁵³ NA, 794A.5/8-2558, Parsons to acting secretary, 25 Aug. 1958.

weapons, were to be avoided.⁵⁴ When Dulles eventually made his statement on 4 September, he stressed that there was no reason why the Nationalists could not defend themselves.

The greatest challenge facing the US in the military field was the maintenance of the Nationalists' position in the offshore islands without American intervention which would not only be extremely unpopular but also dangerous. The ability of the Nationalists to provide their own defence was not a foregone conclusion. In a 1956 review, the competence of the Nationalists' navy and air force was questioned since neither by their 'record, tradition, and present attitudes' could they be considered 'altogether serviceable, trustworthy or self-sacrificing.' Despite the fact that the Nationalists subsequently received a great deal of guidance and training, they frequently stated that they could not hold the offshore islands alone but this was seen by many Americans to be a ploy designed to extend America's commitment to the islands.⁵⁵ In October 1957 Chiang revealed that, if the offshore islands were attacked, he would move all his troops there, leaving the US to defend Taiwan.⁵⁶ Indeed in 1958 there were indications that Chiang would put 'everything he has into saving the islands.'⁵⁷

Keeping the supply lines to the offshore islands open proved to be the key to

⁵⁴ Ibid.

⁵⁵ NA, 793.00/2-856, Comiskey to McConaughy, 8 Feb. 1956.

⁵⁶ FRUS, 1955-1957, III, 289, p. 627.

⁵⁷ EL, AWF, DDE Diary Series, Box 35: August 1958 - Staff Notes (2), memorandum of conversation with the president, 14 Aug. 1958.

handling the crisis in its first stage, harrassment and interdiction of the offshore islands.⁵⁸ The ability of the PRC to prosecute a war of attrition against the islands by using artillery and torpedo boats to inhibit the supply of the Nationalist-held offshore island groups and weaken the morale of the troops stationed there without even using their air power had been identified by US officials in 1956.⁵⁹ The problem of an interdiction or blockade was addressed on 14 August 1958 when General Twining, chairman of the JCS, suggested that if the 'Nationalists can handle a blockade we should go to their help.' The Nationalists, it was noted, would require a great deal more aid to accomplish this since, as Allen Dulles, director of the Central Intelligence Agency, predicted, the next development would be a PRC attack on 'provisioning ships' supplying the islands.⁶⁰ The JCS concurred that the supply lines to Quemoy could be kept open without the use of nuclear weapons, albeit with difficulty, whereas it was believed that Quemoy and Matsu could not be defended with conventional weapons.⁶¹ It was obvious that this avenue should be explored for as long as circumstances allowed, particularly since it seemed that the PRC were not inflicting as much damage, such as destroying Quemoy's airfield and port facilities, as they had the capability of doing now that they had occupied the airfields opposite the offshore islands which the Nationalists were threatening to bomb despite US opposition

⁵⁸ EL, AWF, DDE Diary Series, Box 35: August 1958 - Staff Notes (1), memorandum of conference with the president, 29 Aug. 1958.

⁵⁹ NA, 794A.5/1-2756, Comiskey to Clough, 27 Jan. 1956.

⁶⁰ EL, AWF, DDE Diary Series, Box 35: August 1958 - Staff Notes (2), Memorandum of Conference with the President, 14 Aug. 1958.

⁶¹ NA, 793.5/8-1858, Questions re Defense of Quemoy and Matsu, 14 Aug. 1958.

to such an operation. They appeared to be holding back.⁶²

The Nationalists strongly lobbied for assistance but the US remained wary. As was noted in a Navy memorandum:

Escort of GRC re-supply by any combination of U.S. Air or Sea Forces, no matter how minimal, would involve us beyond the point of merely providing a psychological impact. There is no degree to this type of operation any more than there is to the state of pregnancy. There is no such thing as being only 'a little pregnant.' You are either escorting or you are not. You may recall that President Roosevelt's instructions to the North Atlantic destroyers just prior to WW II to escort but not to take action unless directly attacked did not prevent our ships from being sunk.⁶³

When Chiang was informed of the actions the US was prepared to take to assist the Nationalists (although Drumright was instructed not to disclose that the US would only concern itself with Little and Big Quemoy and the five larger groups in the Matsu area⁶⁴) he asserted that his greatest fear was that the PRC would cut off the offshore islands. He therefore sought further American assurance that they would keep the lines of communication open.⁶⁵ In an important meeting on 29 August in which the US response in case of an all-out attack on the offshore islands or an extension of PRC operations to Taiwan was agreed, the decision was taken to support and protect Nationalist supply convoys while trying 'to stay out of the battle ourselves.' In the face of the Navy's continued objections and doubts whether Chiang's position was

⁶² NA, 793.5/8-2558, Memorandum on Defense of Off-shore Islands submitted by the Office of the Chief of Naval Operations, Admiral Stroh, 25 Aug. 1958 and 793.00/8-3058, Herter to Taipei, 5 Aug. 1958.

⁶³ Ibid.

⁶⁴ NA, 793.00/8-2558, Herter to Taipei, 25 Aug. 1958.

⁶⁵ EL, White House Office, Office of Staff Secretary, Subject Series, State Dept. Subseries, Box 3: State Department - 1958 (May-August) (6), Drumright to secretary of state, 26 Aug. 1958.

genuinely as weak as he claimed it to be and he was just trying to gain leverage with the US, it was agreed that escort and protection operations be authorized 'to the extent deemed militarily necessary and beyond Chinat capabilities, but confined to international waters (the 3-mile territorial limit).'⁶⁶

Once US escorting commenced on 7 September daily reports of the Nationalists' supply situation were used to judge the temperature of the crisis. Dulles believed that their public position was enhanced by the escort service. He observed that the basis for US intervention, 'and the domestic and foreign support for such intervention, would be far less if our action were taken only to break the interdiction.'⁶⁷ There were continued American doubts about their Chinese ally. The US suspected that the Nationalist Navy was not doing all that it could for itself and it was suggested that Chiang not be given a 'blank check regarding re-supply' in order to encourage him to use his own resources in order to defer and perhaps avoid more direct US involvement. Intelligence on the supply situation was critical to US planners yet the Nationalists did not furnish the information requested.⁶⁸ The problem of incorrect or inadequate information remained throughout the period of hostilities, but the US remained determined to limit their role and restrain the Nationalists from striking the mainland. Although the US wanted to help her ally, she expected to be treated as an ally and 'not just an unlimited source of power which GRC can draw on

⁶⁶ EL, AWF, DDE Diary Series, Box 35: August 1958 - Staff Notes (1), memorandum of conference with the president, 29 Aug. 1958.

⁶⁷ EL, AWF, International Series, Box 10: Formosa (1958) (2), memorandum of conversation with Dulles, 3 Sept. 1958.

⁶⁸ EL, AWF, International Series, Box 10: Formosa (1958) (2), memorandum of conversation with Dulles, 5 Sept. 1958.

without consultation with us.⁶⁹ Macmillan, who was not expected to give military assistance, was not consulted.

The opening stage of the crisis was a particularly dangerous juncture as each side was unsure of the other's intentions and mistakes and miscalculations could easily result in an escalation of hostilities. Before the resumption of the Sino-American ambassadorial talks, the US, anxious to utilize all channels, requested Britain's help in deciphering and interpreting the PRC's propaganda. On 28 August Peking radio broadcast a warning of imminent landings on Quemoy and called on Chiang's troops to surrender. That same day the State Department, which considered this development to be 'very disturbing' since it seemed to suggest that the communists might have decided 'to push things up to the hilt,' asked for an assessment from Britain's embassy in Peking. It was urgent that it be determined whether this was a statement of the PRC's intent or an example of psychological warfare.⁷⁰ The 28 August warning of imminent landing on Quemoy was not broadcast domestically and thus did not appear to presage an all-out attack. But this was to change.

Western observers were somewhat baffled by the mixed signals sent by the PRC regarding its intentions. The PRC allowed a short lull in hostilities from 4 September in order to give Chiang's army on Quemoy 'a chance for repentance' but shelling resumed on 8 September, hampering the unloading of supplies. Up until 6 September when Chou En-lai, the Chinese premier, announced in what was considered to be 'bellicose terms' that Peking was willing to resume the ambassadorial talks, the

⁶⁹ NA, 793.00/9-858, Burke to Taipei, 8 Sept. 1958.

⁷⁰ PRO, PREM2300, FO telebram to Wash, 28 Aug. 1958 and Hood telegram to FO, 28 Aug. 1958.

PRC's propaganda campaign had been directed primarily to the outside world. Chou's statement in which he also called for a mobilization of the population to meet the threat of American 'aggression' in the Taiwan Straits was given wide coverage in China, marking the beginning of an 'intensive' internal press campaign. The hostile statements and propaganda continued but, it was noted, the PRC seemed to be preparing the population to repel an invasion rather than to lead an attack.⁷¹ Eisenhower later wrote that it was only after the PRC announced its temporary cease fire in October that it became 'apparent that the Chinese Reds did not choose to precipitate a major war.'⁷² In the meantime, there was a great deal of uncertainty to be faced by the US, Britain and the world.

With ministers on vacation, Macmillan and his private secretaries were left to review the policy of 1954-5 and formulate Britain's response to the current situation. Despite Macmillan's concern that nuclear weapons would be used to repel an invasion by the PRC of the offshore islands, he gave the need for ~~a good~~ relationship with the Americans top priority. In his diary he wrote:

Our own view is that the Chinese (Communists) have an unanswerable case to the possession of these islands But if we abandon the Americans - morally I mean, they need no active support - it will be a great blow to the friendship and alliance which I have done so much to rebuild and strengthen.⁷³

It was important to both the US and Britain that they should not appear to be divided, but Macmillan went far beyond the support expected of a trusted ally. From the

⁷¹ PRO, CO1030/596/208, Colonial Office Memorandum on Formosa and the Offshore Islands, October 1958.

⁷² Eisenhower, D.D., The White House Years: Waging Peace, 1956-1961 (London, 1966) p. 303.

⁷³ Macmillan, p. 544

beginning the US was surprised by Britain's silence. After leaks to the press had been planted intimating that the US would intervene to defend the offshore islands, the Americans expected the British to question them on their activities and plans as they had done 'rather forcibly at the time of the Tachens.' A decision was made to deal with the problem before Macmillan initiated contact.⁷⁴

In the detailed instructions sent to Lord Hood at the Washington Embassy on 29 August it was acknowledged that the Nationalists for political and psychological reasons probably would not withdraw from the offshore islands. Acceptance of this fact marked an important shift in British thinking from the earlier crisis. A positive note was that the Nationalists were acting with restraint. It was speculated that Eisenhower could not yet say whether he would invoke the Formosa Doctrine since he probably did not yet know himself. The British assumed, however, that he would. If hostilities developed and the Americans intervened, the offshore islands might be held if the hostilities were localized. But if hostilities could not be localized, would intervention require conventional or nuclear weapons? An Admiralty representative in Washington had reported that the 7th Fleet had been given orders to 'go in and shoot' but use conventional weapons only. The Americans were not to be told that Britain assumed that they would intervene to defend the offshore islands and Hood was instructed to reiterate the view espoused by Winston Churchill in his private letter to Eisenhower in February 1955 that a war to keep the coastal islands for the Nationalists would be 'unpopular and difficult to defend here.'⁷⁵ From the outset the British

⁷⁴ NA, 793.00/8-2958, Howe memorandum to acting secretary, 29 Aug. 1958.

⁷⁵ PRO, PREM2300, FO telegram 6176 to Wash, 29 Aug. 1958. This document was not released in the Foreign Office files.

stressed the unpopularity of the issue as a means to show the US the importance of British support.

A review of possible action by Britain ruled out a direct appeal to China. Anglo-Chinese relations were at their lowest point since the Korean War, although trade relations continued in a rather desultory fashion.⁷⁶ It was noted that, despite statements by Eisenhower and Dulles intimating that they would intervene, the PRC seemed to be in an 'aggressive and arrogant mood' and was unlikely to be receptive to a British approach, especially since the British embassy in Peking had been subjected to days of unending demonstrations during the Jordan intervention. An approach by India was discussed, but she had little sympathy with the Nationalist cause and, like Britain, did not have good relations with China. The cooling of the previously warm relations between Delhi and Peking was a significant change since the 1954-5 crisis. Nehru took a walking trip to Bhutan in the midst of the crisis and indications were that India did not wish to get involved.⁷⁷ UN arbitration would be rejected by both the Nationalist and Communist Chinese. Indeed, when the Bandung countries attempted to discuss the matter in the UN, the PRC made it plain that they did not support such a move.⁷⁸ It was unknown whether the Soviet Union had concerted plans with the PRC, but the British believed 'that the Russians are more afraid of war than the Chinese and therefore likely to be more cautious.' But the

⁷⁶ NA, 611.93/7-858, London to Secretary of State, 8 July 1958 and PRO, FO371/133476, Wilson Peking telegram, 30 Sept. 1958.

⁷⁷ NA, 793.00/9-1258, London to Secretary of State, 12 Sept. 1958 and 793.00/9-2658, London to Secretary of State, 26 Sept. 1958.

⁷⁸ EL, AWF, NSC Series, Box 10: 382nd meeting of the NSC, Oct. 13, 1958, memorandum of meeting, dated 14 Oct. 1958.

Soviets could be expected to give the PRC propaganda support and aid under the Sino-Soviet treaty. It was determined that Britain's only viable option was to approach them.⁷⁹ Significantly, a joint Anglo-American approach was not contemplated.

The Foreign Office was divided regarding the Soviet approach. The British ambassador in Moscow reported that the tension in the islands probably suited the Soviets and doubted ~~that~~ whether ^{they} would prevent a Communist Chinese attempt to capture any of the islands if this did not mean world war. The ambassador favoured the approach only if he could unequivocally warn the Soviets that, in case of an all-out invasion, the Americans would definitely intervene. Con O'Neill, an assistant undersecretary and former British ambassador to Peking, objected that the American position could not be so fully revealed and feared the Chinese might believe that they had successfully split America from her allies. Sir William Hayter, deputy undersecretary of state and former British ambassador to Moscow, disagreed and recommended the approach to the prime minister. De Zulueta agreed with O'Neill, 'that it would do more harm than good to try to speak to the Soviets in present circumstances.'⁸⁰ Macmillan left the final decision on the efficacy of the proposed Soviet approach to Eisenhower.

Discussions with Christian Herter, the acting American secretary of state, confirmed British assumptions. Hood reported that the US would remain on the defensive and 'do their best to restrain the Nationalists,' leaving the ultimate decision on how and when the US might invoke the Formosa Doctrine until it was absolutely

⁷⁹ PRO, PREM11/2300 FO telegram 6177 to Washington, 29 Aug.1958; (held in FO371 at number FCN1193/55).

⁸⁰ PRO, PREM11/2300, de Zulueta minute, 2 Sept. 1958.

necessary. Herter favoured the British talking to the Soviets 'provided that we did not give the impression that we had been put up to it by the Americans.'⁸¹ For his part, Herter came away from the discussion with a clear sense of the unpopularity of the issue in Britain and the problems the British government would have in defending US military action.⁸²

While impressing on the US the unpopularity of its position, Macmillan provided a sympathetic ear. In a 3 September letter to the president he made it clear that, although he felt that the offshore islands should be abandoned, he would stand by the US:

My overriding concern is that our countries should not be divided or appear to be divided. Of course, the Chinese may be bluffing over the islands just as their revived propaganda about Hong Kong may be mere talks. All the same, I feel I may have to try to steer public opinion here at very short notice and, if the worst should happen, in critical circumstances.⁸³

Macmillan's expression of support came at a crucial time for the US administration. On 4 September the PRC added a new and dangerous element by announcing their claim to a 12-mile territorial water and airspace limit. The US, like Britain, recognized only a 3-mile limit. The PRC's claim further complicated the handling of the crisis, particularly since America's most visible form of intervention was the 'escorting' of Nationalist vessels supplying the offshore islands.⁸⁴ The British believed that the PRC's announcement had been timed to coincide with Britain's

⁸¹ PRO, FO371/133535 FCN1193/326, Dalton minute, 1 Sept. 1958.

⁸² NA, 793.00/8-3058, Record of Conversation between Herter, Hood, et al, 30 Aug. 1958.

⁸³ PRO, PREM11/2300 FO tel 6277 to Washington, 3 Sept. 1958.

⁸⁴ PRO, CAB128/94; C. (58), 24 Sept. 1958.

dispute with Iceland but it was also added to the war of nerves.

The announcement had potentially serious implications for Hong Kong, where it was seen as part of the PRC's campaign of pressure against the colony. A 12-mile limit would put restrictions on the entry and exit of war ships into Hong Kong. Although Hong Kong could be approached by sea and air without coming within 12 miles of the PRC, normal shipping routes did pass within the 12-mile zone. It was speculated that the PRC was trying to 'browbeat us into restricting the operations of naval vessels and aircraft' at a time when Britain might support the US in a major clash over the offshore islands, forcing Britain to keep its head down, but later there were suggestions that the PRC's provocations were designed to bring its influence to bear on the US (a forlorn hope as long as Macmillan was prime minister).⁸⁵ It also had significance for Hong Kong's fishermen since most of the fleet's catch came from within or near the 3-mile limit. The PRC's announcement was seen as another step in its attempt to gain control of the Hong Kong fleet and its catch.⁸⁶ In the end the British did not ask for a clarification from the PRC, choosing to proceed on the assumption that the proclamation did not apply to Hong Kong.⁸⁷ This avoided giving the Chinese Communists an opportunity to criticize the British.⁸⁸ The US was careful to stay outside the 3-mile limit whilst generally ignoring the 12-mile claim, but the PRC's broadcast of numbered protests against alleged American intrusions served to

⁸⁵ PRO, CO1030/595, Peking telegram, 6 Sept. 1958 and NA, 793.00/9-1158, Hong Kong to secretary of state, 11 Sept. 1958.

⁸⁶ PRO, FO371/133322 F1353/1, Ledward minute, 1 Dec. 1958.

⁸⁷ NA, 793.00/9-1158, Hong Kong to secretary of state, 11 Sept. 1958.

⁸⁸ PRO, CO1030/595/178, Hong Kong to Colonial Office, 7 Oct. 1958.

keep tensions simmering.

Replying on Eisenhower's behalf, Dulles gave Macmillan a detailed account of the American position, stressing the importance of public opinion. Dulles expressed the hope that Macmillan could steer British opinion 'so that if the worst should happen we could be together. Anything different would be a great catastrophe for both of us.' He claimed unanimity among the intelligence community, State Department and JCS regarding the seriousness of losing Quemoy through assault or surrender. Significantly the communists had not yet used their new airbases opposite the offshore islands for operations against Taiwan; it was unclear whether this was because they did not want hostilities to escalate or ~~if there would be~~ because they were holding them in readiness for a surprise attack. Regarding the use of nuclear weapons Dulles pointed out that US forces were spread too thin for comfort around the world; this would certainly be the case if nuclear weapons were not used:

There is also a question as to whether if we did intervene we could do so effectively without at least some use of atomic weapons; I do hope no more than small air bursts without fallout. This is of course an unpleasant prospect but one I think we must face up to because our entire military establishment assumes more and more that the use of nuclear weapons will become normal in the event of hostilities. If this is not to be the case, then we face a very grave situation indeed in the face of the massive manpower of the Sino-Soviet bloc.⁸⁹

Dulles highlighted one of the greatest challenges facing the US in this instance: public opinion. The administration was worried about the 'the apparent apathy or lack of information or understanding on the part of the United States public and allies and the world at large' of the threat of the communist strategy to divide the US from her allies.

In conclusion Dulles justified American policy with the 'domino theory':

⁸⁹ PRO, PREM11/2300, Dulles to Macmillan, 4 Sept. 1958.

We continue to believe that the firm position we are taking will in fact deter reckless Communist action. But we also recognize that Khrushchev and Mao Tse-tung can be reckless and may miscalculate, and that therefore our position does involve serious risks. But as we said in relation to the Near East situation, it is a case where while acting strongly involves serious risks, these risks seemed less serious than the risks of inaction.⁹⁰

Dulles also explained to Macmillan his provocative remarks made at a press conference that day at Newport in Rhode Island which, he claimed, were designed to serve as a warning to the PRC and had been made with Eisenhower's full approval after consultations. In his statement Dulles stressed that, while there was no evidence that the PRC planned to attack, if this happened the Nationalists could defend themselves with US logistical help. While maintaining Eisenhower's policy of ambiguity on the use of the Formosa Doctrine, he stated publicly for the first time that the administration had 'recognized that the securing and protecting of Quemoy and Matsu have increasingly become related to the defense of Taiwan.' In reference to the suspended ambassadorial talks, Dulles insisted that the US was not asking the PRC to abandon its claims 'however ill-founded we may deem them to be', but only to renounce the use of force. Dulles made it clear that the US did not want to intervene but would reconsider its position if the 'Chinese Communists, by their acts, leave us no choice but to react in defense of the principles to which all peace-loving Governments are dedicated.'⁹¹

A notable shift in the American position from the earlier crisis was evidenced by Dulles' seeming willingness to seek a long-term solution rather than just obtain international sanction for any action that the US deemed necessary to deal with the

⁹⁰ Ibid.

⁹¹ PRO, PREM11/2300, Wash tel 2433, Dulles statement, 4 Sept. 1958.

crisis. In a conversation with Hood, Dulles proposed such a solution. If the Chinese Communists would accept demilitarisation of the islands, Dulles thought the US could 'persuade Chiang to accept it and withdraw his troops', thus neutralizing what Hood described as 'hostages to fortune'.⁹² Despite the low chance of success, Macmillan immediately adopted this proposal as his own since, to him, demilitarization offered if not a solution at least a salve for public opinion.

On 5 September Macmillan wrote Dulles that the loss of the offshore islands by force could prove a 'Munich for the East'. By writing this Macmillan certainly went further than his predecessors who in the past had refrained from acknowledging that the loss of the offshore islands might in any way might harm the Western position. Stressing the lack of support for the US not only in Britain but also in the world at large, he concluded that demilitarization offered 'the only line of approach' that he could think of which might be a good public posture to counteract negative public opinion in the West. It was a good propaganda ploy whether the Chinese Communists accepted or not, concluding:

I can hardly believe that they [Soviets] and the Chinese have agreed to want a war. That would be contrary to the general Russian attitude. But, of course, they may think that they can frighten you out of it by the weakness of your allies. It is that that I am determined to avoid if I can.⁹³

Although Eisenhower and Dulles were heartened by his staunch support, the secretary felt that Macmillan's embellishment of the demilitarization idea went 'pretty

⁹² PRO, PREM11/2300, Hood tel 2434 to Macmillan, 5 Sept. 1958.

⁹³ PRO, PREM11/2300, Macmillan to Dulles, 5 Sept. 1958.

far' since he ignored the problem of restraining the Nationalists.⁹⁴ The idea was not without merit. The secretary agreed with Robertson who opposed demilitarization because it would leave the islands vulnerable to seizure by the communists that:

[T]he Communists would never agree to any de facto recognition of Nationalist jurisdiction over the islands in return for demilitarization. In his view this was precisely the reason why such an approach would provide us with a strong negotiating position. We would soon face a strong Communist effort at the United Nations to mobilize world opinion against us, and it was therefore necessary to give careful thought to our public posture. We should, of course, not give an inch on the basic principle involved, namely, rejection of the use of force to pursue territorial ambitions. However, the fact that his [Dulles'] slight mention of demilitarization to Lord Hood had been seized on so strongly by Macmillan in reinforcing the latter's argument that such an approach would make British support of the United States easier was an indication that the demilitarization concept might have some merit.⁹⁵

Eisenhower/ stressed in his reply to Macmillan on 6 September the unlikelihood of Chiang Kai-shek agreeing to demilitarization. Indeed, if coercive efforts were employed to force him to abandon a 'single foot of his defence perimeter', Chiang would reject it, implying that it 'would end his capacity to retain Formosa in friendly hands.' Eisenhower conceded that the position of the Nationalists was the 'one point which stubbornly stands in the way of what many would consider the reasonable solution.'⁹⁶ In conclusion, Eisenhower expressed the hope that the announced willingness of the PRC to resume the ambassadorial talks would defuse the crisis.

On 6 September when Chou En-lai announced that the PRC was willing to resume negotiations with the US, the White House immediately accepted. The

⁹⁴ NA, 794A.5/9-758, Telephone Conversation between Dulles and Parsons, 7 Sept. 1958.

⁹⁵ NA, 611.93/9-858, memorandum of conversation, 8 Sept. 1958.

⁹⁶ PRO, PREM11/2300, Eisenhower to Macmillan, 6 Sept. 1958.

administration had been determined to re-open their channel to the PRC during the crisis and had even considered an approach to the PRC through a third party, such as Britain.⁹⁷ The PRC did not have to initiate hostilities in order to bring the US back to the bargaining table since, as we have seen, they had been willing to appoint an ambassador before the outbreak of hostilities, but the crisis certainly affected American attitudes toward the talks. The restoration of this direct channel of communication did not mark the immediate end of the crisis, indeed, the threat of hostilities remained until some form of cease fire evolved. Khrushchev's letter of 7 September in conjunction with the timing of Chou's announcement led to speculation that the Chinese would attempt to raise the level of the talks to the level of foreign minister, which the US opposed. But Eisenhower insisted that the US should give a 'concrete and definite acceptance' of Chou's offer in order to gain the initiative in the matter.⁹⁸

There was a new flexibility in the American position. Eisenhower and Dulles seemed to show greater willingness to control hard-liners like Robertson, who believed that the PRC had been forced into this 'tactical shift' by the firm US-Nationalist stand. As Dulles noted, the PRC should not be allowed to seize territory by force:

However, their line that the offshore islands were a constant thorn in their side because of GRC use of them to blockade the po[r]ts of Amoy and Foochow and harrass the mainland was apt to have considerable appeal. He [Dulles] continued that world opinion would not be satisfied if we were to go back to the ambassadorial talks and merely replay an old record, asking the Chinese Communists to accept the formula of renunciation of force. We must get down to realities, though great care must be taken in view of our pledge not to discuss anything affecting

⁹⁷ 794A.5/8-3058, Parsons to acting secretary, 30 Aug. 1958.

⁹⁸ EL, AWF, DDE Diary Series, Box 36: Staff Notes - Sept. 1958, memorandum of conversation with the president, 6 Sept. 1958.

the interests of the GRC.⁹⁹

Not surprisingly the Nationalists viewed the resumption with the 'greatest aversion, apprehension and dismay.'¹⁰⁰ Such a reaction was expected since the US was aware that the Nationalists had not liked the talks but, as Dulles told Robertson, 'we had them to stop a war out there, and we cannot do other than welcome them now.' Robertson agreed that the US would not have any support anywhere if Chou's offer were ignored, but stressed that the Nationalists must be reassured.¹⁰¹

When the talks resumed in Warsaw on 15 September the main topic of conversation was the Taiwan Strait situation. The US wanted to use the talks to conclude not only a ceasefire but also a formula whereby a recurrence of the crisis would be avoided. In regard to the cease fire the PRC was not expected to give a formal pledge; an informal de facto cessation of hostilities would suffice.¹⁰² After the first meeting, Beam was still unable to discern whether the PRC was intent on 'liberating' the offshore islands regardless of US opposition, but was inclined to believe that the PRC desired to avoid going to the point of war with the US.¹⁰³

BRITISH POLICY: MACMILLAN VERSUS THE FOREIGN OFFICE

⁹⁹ NA, 611.93/9-858, memorandum of conversation, 8 Sept. 1958.

¹⁰⁰ NA, 611.93/9-1058, Taipei to Secretary of State, 10 Sept. 1958.

¹⁰¹ Papers of John Foster Dulles, Telephone Calls Series, Box 9: Memoranda of Tel Conv. - Gen, August 1, 1958 to October 31, 1958 (4), Dulles telephone call to Robertson, 6 September 1958.

¹⁰² NA, 611.93/1558, Parsons to Warsaw and Taipei, 16 Sept. 1958.

¹⁰³ NA, 611.93/9-1658, Warsaw to secretary of state, 16 Sept. 1958.

The resumption of talks between the PRC and US in Warsaw provided an opportunity for Britain to take stock and prepare for the next stage of the crisis. Macmillan's method of handling public opinion by publicly deprecating any attempt by the PRC to make territorial changes by force and supporting any American initiative to achieve peace evolved into a de facto British policy. As will be seen, this policy was hotly criticized by the Foreign Office because it allowed no criticism of the US either publicly or privately.¹⁰⁴

When formulating his policy, Macmillan was clearly influenced by his private secretary Philip de Zulueta. In a background paper for the Cabinet dated 6 September, de Zulueta assessed that Eisenhower's 'great mistake' had been the 'unleashing' or 'de-neutralization' of the Nationalist leader Chiang Kai-shek in 1953 when he declared that the 7th Fleet would no longer protect the mainland from a Nationalist attack, because it left the president open to Nationalist blackmail. De Zulueta suggested that Eisenhower had 'genuinely' tried to escape this situation, albeit without withdrawal from the islands. The British problem was that, although the US had often asked for ideas and help on tactics, the Foreign Office never had useful suggestions, since neither the Nationalists nor the Communists would compromise.¹⁰⁵ Lacking innovative *criticism of* suggestions, Macmillan sought to support US decisions and curtailed any hint of *f/US* policy by British officials.

Details of the new policy were restricted to a few officials and several British ambassadors, such as Duncan Wilson in Peking and Gladwyn Jebb in Paris,

¹⁰⁴ PRO, FO371/133539 FCN1193/437, Hoyer Millar letter to Jebb, Paris, 17 Sept. 1958.

¹⁰⁵ PRO, FO371/133532 FCN1193/275, de Zulueta minute to Macmillan, 6 Sept. 1958.

complained at the lack of information they were receiving. Jebb, chiding Sir Frederick Hoyer Millar, the permanent undersecretary of state, wrote:

I am only too willing to play the idiot boy on this matter, but I do think I could play this role even better if I knew what our real policy was.¹⁰⁶

On 17 September, Hoyer Millar explained the situation to Jebb warning him that the information should go no further:

Ministers are particularly anxious that nothing should come out in public that would suggest any split between the Americans and ourselves on this issue and wish great caution to be exercised even in any private exchanges with the Americans or the representatives of other governments.¹⁰⁷

Macmillan's policy of not criticizing American policy, either in public or in private, prevented a full exposition of the British views even in NATO deliberations. Sir Frank Roberts, with the UK NATO delegation in Paris, bitterly complained about the possible negative consequences:

I quite realise that we are able to convey our views to the Americans by channels more direct than NATO. But our NATO allies naturally judge our attitude on the basis of the line we take in the Council. There is therefore the danger of misunderstanding, which might be serious if we continue to keep quiet forever on a subject on which we are known to hold views divergent from those of the Americans.

I am not of course advocating that we should take the lead in open disagreement with the Americans, but there is, I submit, a half-way house between a policy of silence with its connotations of unwilling satellitism and one of leading the allies against the Americans.

To sum up, I think that from the NATO point of view, the policy prescribed is ineffective, dishonest, and undignified, and in no way conducive to the maintenance of British influence with our NATO

¹⁰⁶ PRO, FO371/133539 FCN1193/437, Jebb to Hoyer Millar, 12 Sept. 1958.

¹⁰⁷ PRO, FO371/133539 FNC1193/437, Hoyer Millar letter to Jebb 17 Sept. 1958.

Allies, including the Americans....¹⁰⁸

Roberts' objections were met in part by the statement of the American delegate to NATO that the US would value comments from their allies, either in the Council or privately. Following the Foreign Office's guidelines, Roberts defined the main issue as the use of force, on which Britain was in full agreement with the US.¹⁰⁹ Hoyer Millar reminded Roberts that emphasis should be laid 'on our desire for a reduction of tension, and for progress, if possible, towards some constructive solution, rather than on criticism of the Americans'.¹¹⁰ Oscar Morland, assistant undersecretary of state, concurred in this line, even though it involved 'a slight further relaxation from the rigid line prescribed by the Prime Minister earlier'.¹¹¹

Others in the Foreign Office were having difficulty complying with Macmillan's policy. On 8 September, Macmillan sent de Zulueta to see Peter Dalton, who had conducted a rather frank conversation with Francis Galbraith, first secretary of the American embassy,¹¹² to ensure that there was no misunderstanding of the prime minister's policy. De Zulueta left Dalton in no doubt of the prime minister's policy and its implications. Dalton recorded:

The Prime Minister's wish was that we should not criticise the Americans or hark back, for example, to the 1955 statements or make too much of the juridical position of the offshore islands or the mistake that had been made in letting the Nationalists put so many of their eggs

¹⁰⁸ PRO, FO371/133529 FCN1193/167, Roberts to Dalton, 12 Sept. 1958.

¹⁰⁹ PRO, FO371/133531 FCN1193/230, Roberts to FO, 18 Sept. 1958.

¹¹⁰ PRO, FO371/133531 FCN1193/234, Hoyer Millar to Roberts, Paris, 23 Sept. 1958.

¹¹¹ PRO, FO371/133531 FCN1193/234, Morland minute, 23 Sept. 1958.

¹¹² FO371/133528 FCN1193/122, Dalton minute, 8 Sept. 1958.

into the Quemoy basket. The important thing now was to stand by the Americans both in the interests of interdependence and in order not to give comfort and encouragement to our enemies and we should not appear even in private discussion to be sniping at the Americans over the rights and wrongs of the situation.

I said that I had entirely taken the Prime Minister's point I had thought that I was following too the general line desired when explaining our position to Mr. Galbraith of the American Embassy... and in the

instructions that I was proposing to send to our Delegation at NATO for the Council debate on the Far East ... viz: that they should stick in the debate to the official News Department line but that this need not preclude further discussion in private with either the American Delegation or, at their discretion, other delegations if they were specifically approached. With all respect, I thought that it would be very difficult, and not indeed desirable, that, when asked for an exchange of views by the Americans, or members of the Old Commonwealth or reliable members of NATO, we should simply take the line that the Americans were right and we must support them.¹¹³

Dalton asked for further assurance from the Prime Minister of his intention to maintain an uncompromising policy. De Zulueta, discussed this with Macmillan who agreed that there should be 'certain nuances in our approach in this matter according to the circumstances.'¹¹⁴

Other Whitehall officials took offence at the draft instructions to the British representative at NATO. Dalton felt the avoidance of 'any hint of criticism' of the Americans should be avoided, and Foreign Office officials drafted the more relaxed advice that the British Delegation 'should refrain from criticizing' the Americans. On 10 September Hoyer Millar discussed the matter with Lloyd who agreed that care should be taken to avoid public criticism, but thought that officials should try to

¹¹³ PRO, FO371/133529 FCN1193/173, Dalton minute, 9 Sept. 1958.

¹¹⁴ Ibid.

influence American officials privately.¹¹⁵ There could be no doubt that Macmillan was eager to present a united front. Further evidence of the strong pressure regarding the Matsu Quemoy crisis is revealed in remark by a Commonwealth Relations Office official to an American diplomat: 'You can be sure there will be no word of criticism from us. ...there are strongest injunctions I have ever known from Whitehall against anyone saying anything critical of US on this issue.'¹¹⁶ No official change in Macmillan's policy was authorized.

When the Sino-American ambassadorial talks resumed, O'Neill, representing the views of many in the Foreign Office, strongly urged a return to the policy of 1955, noting:

It is clear that American policy offers no satisfactory solution. At the worst, it could lead to war. At the best, it can scare the Chinese Communists into leaving the Coastal Islands alone. But such a success can be only temporary. So long as the Nationalists retain the Coastal Islands, the crisis is bound to go on arising from time to time in an acute form.

My own view is that our policy in 1955 was correct, and that we should act in the same way and whenever this question arises in the future; i.e. we should make it clear to the Americans that we cannot support them over the Coastal Islands and that we consider they should persuade the Chinese Nationalists to withdraw from them.

We have been reluctant to take this line in recent weeks because the feeling has been strong that we must maintain solidarity with the United States if we possibly can on all issues, even in cases where we believe their policy to be wrong. This is felt to be a kind of obligation on us deriving from the policy of interdependence. It seems to me that such an attitude over this particular question, is somewhat quixotic and not in our best interests, nor indeed in those of the Western world as a whole or the United States itself.

In taking a less firm line than we did in 1955 we have perhaps been

¹¹⁵ PRO, FO371/133529 FCN1193/173, Hoyer Millar minute, 10 Sept. 1958.

¹¹⁶ NA, 793.00/9-1958, London tel 1626, 19 Sept. 1958.

influenced partly by the feeling that our action could not affect developments much one way or the other, and that if America was going to get into a row in any case, which might spread to involve us, we might as well face this prospect in harmony with the Americans rather than in a state of dispute with them. But I think such a feeling under-estimates our power to influence American action in a somewhat marginal case such as this one.¹¹⁷

Although Hoyer Millar agreed 'generally' with O'Neill, he did not advocate a return to the policy of 1955 in his 9 September minute to Lloyd. However he did feel that more pressure should be applied to the Americans:

Our anxiety not to appear to be infringing the principles of 'inter-dependence' and our desire not to upset the Americans more than we can help ought not, I feel, to deter us from doing what we can to dissuade the Americans from pursuing a policy which we feel is bound to create grave difficulties for the Western Governments and put a very serious strain on Anglo-American relations.¹¹⁸

He suggested that Macmillan should write to either Eisenhower or Dulles to request them to do everything possible to 'find some way out of the present impasse'.

While Macmillan virtually ignored the advice of the Foreign Office, he did ask the British Chiefs of Staff to re-assess the value of Taiwan and the Pescadores. The conclusions of the COS followed the earlier findings from May 1955 that, but for the Cold War, Taiwan would have no strategic importance. In the cover letter to Macmillan the report was summarized:

In short, I think it can be said that Formosa is of little direct military value, and the West would probably have been better off if Chiang Kai Shek had never managed to hold on to it. On the other hand, if he were now pushed out of it by Communist China, the resulting loss of face for the West might well set off a chain reaction throughout South East Asia which would totally undermine the morale of the S.E.A.T.O. Alliance

¹¹⁷ PRO, FO371/133529 FCN1193/165, O'Neill minute, 9 Sept. 1958.

¹¹⁸ PRO, FO371/133529 FCN1193/165, Hoyer Millar minute, 9 Sept. 1958.

and sooner or later make our position in Malaya and Singapore untenable.¹¹⁹

The findings served to confirm Macmillan's presumption that support for the present US position could be maintained if it was handled properly.

DEMILITARIZATION AND A CEASE FIRE

In mid September the US was still in the quagmire. The escort system was not an immediate, complete success, the first sessions of the Warsaw talks did not inspire confidence in their future, and the US was still under pressure from public opinion. The US was willing to consider suggestions, particularly from Britain, due to their own doubts about the feasibility not only of a cease fire given the current attitude exhibited by the PRC but also of the Nationalists' acceptance of any demilitarization.

from vacation
After his return/ Lloyd closely adhered to Macmillan's supportive policy. This can be seen in ~~by~~ the wording of his 11 September letter to Dulles, 'Your troubles are our troubles.'¹²⁰ The letter crossed a message from Dulles who sought to temper British enthusiasm for the demilitarization proposal. He had warned Hood that he mentioned it 'very much on the spur of the moment, and had not yet had time to think it through.'¹²¹ The secretary was worried lest the British think that the proposal meant Chiang's withdrawal from the offshore islands. Such an idea did not take into account the difficulty of neutralizing the Nationalists without breaking their will to survive:

¹¹⁹ PRO, PREM11/2300, C.O.S. (58) 11 Sept. 1958 and cover letter to Macmillan, 11 Sept. 1958.

¹²⁰ PRO, FO371/133528 FCN1193/155, Lloyd to Dulles, 11 Sept. 1958.

¹²¹ PRO, PREM11/2300 Hood tel 2447 to Macmillan, 6 Sept. 1958.

It is easy for those who merely look at a map to come to conclusions about Quemoy and Matsu. But the Far East line is held, not by geography, but by human wills...¹²²

Dulles drew attention to Eisenhower's conciliatory statement of 11 September that 'there are measures that can be taken to assure that these offshore islands will not be a thorn in the side of peace'. He broadly hinted that certain measures, some form of demilitarization of the offshore islands, could be taken in event of a cease fire which, 'while not palatable to the Nationalists, could be made acceptable.'¹²³

In his broadcast of 11 September the president insisted that there should be no 'Far Eastern Munich' over Matsu and Quemoy. The president's message was couched in more moderate terms than Dulles's 4 September statement which it had first been suggested that the president should make, but which it had been decided to defer while they gauged public reaction to see if a further statement by the president was necessary.¹²⁴ On 11 September Eisenhower sought to reassure the public, pointing out that, while the ambassadorial talks were a possible solution to the problem, there were other avenues, such as the United Nations, to be explored if the talks were unsuccessful. Thus, although Dulles had made his statement with the president's approval, the public was left with the impression that Dulles, the cold warrior-diplomat, had been out of step with the president, the peace-keeper.

In fact, the only issue which created disagreement even remotely comparable

¹²² PRO, FO371/133529 FCN1193/156, Dulles to Macmillan, 12 Sept. 1958.

¹²³ Ibid.

¹²⁴ EL, Papers of John Foster Dulles, White House Memoranda Series, Box 7: White House - Meetings with the President July 1, 1958 - December 31, 1958 (7), memorandum of conversation at Newport with the President, 4 Sept. 1958 and Dulles memorandum of conversation with the president, 23 Aug. 1958.

to the dissension between the Foreign Office and Macmillan was the question of retaining the offshore islands. In a dramatic volte-face, on 11 September Neil McElroy, US secretary of defence, told the president that the JCS had changed their stand on this issue and were now more in line with the president's view which, Eisenhower confirmed, was the point on which he and Dulles disagreed. On 12 August the secretary of state had told Eisenhower that the islands had become so integrated with Taiwan that he 'doubted whether there could be an amputation without fatal consequences to Formosa itself.' While both agreed that this was not true from a military standpoint, Dulles countered that from a political and psychological standpoint it 'would be quite dangerous to sit by while the Chicom's took Quemoy and Matsu,' particularly if the communists were testing the resolution of the West.¹²⁵ The president had his doubts but recognized the 'difficulties', such as the Nationalists' hostility to withdrawal, and 'realized it is because of them that the Secretary of State tends to take a somewhat stiffer view than' himself. As the President told Dulles that:

On the one hand we must show both firmness and courage in our opposition to the use of aggressive force, combined with readiness to negotiate in a spirit of conciliation; on the other hand in the Taiwan Straits situation, we are committed, indeed over committed, to backing up Chiang Kai-shek in a policy of defending Quemoy and Matsu.¹²⁶

Nevertheless, while Eisenhower, and now McElroy and the JCS, felt that it was a 'military debit to hold' Matsu and Quemoy which was why he had tried not to appear intransigent on the issue in his statement, he was determined that there would be no

¹²⁵ EL, Papers of John Foster Dulles, White House Memoranda Series, Box 7: White House - Meetings with the President, July 1, 1958 - December 31, 1958, (8), Dulles memorandum of conversation with the president, 12 Aug. 1958.

¹²⁶ EL, Papers of John Foster Dulles, White House Memoranda Series, Box 7: White House - Meetings with the President, July 1, 1958 - December 31, 1958 (6), Memorandum of conversation with the president on 11 Sept. 1958.

withdrawal under fire.¹²⁷ Their short term goals were the same and the different point of view did not have a negative effect on the handling of the crisis. The difference in long range policy had repercussions for the handling of the Warsaw talks and what the US would expect of Chiang once hostilities had cooled down.

Certainly, the British appreciated Eisenhower's assertion that he wished to see the matter solved by negotiation.¹²⁸ Eisenhower's conciliatory tone justified the confidence that the prime minister placed in the Americans not to allow an escalation of hostilities. But criticism of US policy remained. While the Foreign Office supported Eisenhower's position against the use of force to change the status of the offshore islands, it did distinguish between the two questions of the use of force and the actual status of the islands.¹²⁹ Even conditional support such as this was welcome.

Macmillan authorized Lloyd to show Britain's support for the US not only in the UN but also with the Soviets, if Dulles and Lloyd agreed on an approach to Moscow. Macmillan correctly perceived that Eisenhower and Dulles felt that most of their allies had failed to stand by them publicly¹³⁰ and in a minute for Lloyd stressed the American sense of isolation, comparing it to Suez:

The American Government are clearly a little hurt with their allies. I

¹²⁷ EL, AWF, DDE Diary Series, Box 36: Staff Notes - Sept. 1958, memorandum of conversation with the president, 11 Sept. 1958.

¹²⁸ PRO, CO1030/596/208, Colonial Office memorandum, October 1958.

¹²⁹ NA, 793.00/9-1258, Cummings to acting secretary, re: Intelligence Note, 12 Sept. 1958.

¹³⁰ EL, Paper of John Foster Dulles, White House Memoranda Series, Box 7: White House - Meetings with the President, July 1, 1958 - December 31, 1958 (6), memorandum of conversation with the president, 11 Sept. 1958.

hope not with us. They have a feeling that they are being held up as aggressors when they are really the protectors of the free world. This might have very dangerous reactions in the future. The Foreign Secretary can put this right privately with Mr. Dulles and publicly by his speech in the Assembly.

The criticism of the administration inside America has probably increased the nervosity of the administration. They are really going through a kind of Suez, criticised at home and not supported abroad. We must do everything we can to give them a sense of comradeship....

But if the position can be held, there is a good deal to be said for going on just as we did in Berlin. Indeed there is a certain analogy because while it would have been thought provocative to force our way through by land, it was all right to go by air. In the same way, it will apparently be thought an aggression if the Americans attack the Chinese guns on the mainland but I think it would not be thought aggression to continue to convoy even beyond the 3 mile limit.¹³¹

Macmillan must have been feeling confident after his victory over Hugh Gaitskell, the leader of the Labour Party, in the media. After meeting with the prime minister the previous day, on 11 September Randolph Churchill, son of the former prime minister, published an article in the 'Evening Standard'. Much to Macmillan's annoyance Churchill wrote that even though some people felt that the US had let Britain down over Suez, 'We ain't going to let the United States down over Quemoy and Matsu.'¹³² The article added to fuel to speculation on the extent of Britain's commitments to the US which was countered by 10 Downing Street with the statement that Britain had no obligations in excess of those of any UN member.¹³³ The Opposition leader went on the attack about Britain's support of US policy. On 15

¹³¹ PRO, PREM11/2300, Prime Minister's Note on the Far Eastern Situation, 14 Sept. 1958.

¹³² PRO, PREM11/2300, quote from Evening Standard, 11 Sept. 1958, Birdsall minute, 11 Sept. 1958 and Macmillan minute to Churchill's telegram from Monaco, 12 Sept. 1958.

¹³³ NA, 793.00/9-1258, London to secretary of state, 12 Sept. 1958.

September Macmillan was alerted to the fact that a letter by Gaitskell would appear in the following day's paper. From Scotland Macmillan managed to get his reply to the 'Daily Mail' in time for the morning edition, successfully challenging the validity of Gaitskell's argument with his swift reply based on Britain's objection to the use of force to settle disputes. As one of his private secretaries noted, the press, including the opposition press, found his reply and the manner in which ^{it} was effected to be a 'tour de force.' Macmillan was indeed the 'talk of Fleet Street'¹³⁴ and had proved that he could handle British public opinion.

The US kept the British informed on their strategy and plans for handling the crisis, particularly the demilitarization plan. On 17 September, Dulles met Lloyd in New York, the first top-level meeting since the crisis began. Lloyd did not favour an approach to the Soviets, but later agreed to proceed since Dulles, incorrectly as it happened, thought the Soviets could be a restraining influence.¹³⁵ Further discussions on 19 September were more comprehensive. Dulles reported that the supply situation was better, allowing more time for discussions with the Chinese Communists. As Macmillan had done in 1955, Lloyd suggested direct talks between Chou and Dulles. Indeed, this was Lloyd's main contribution to the handling of the crisis. The secretary had at that time refused on the grounds that it would be worse for them to meet and reach no agreement than not to meet at all but claimed to keep an open mind on the possibility.¹³⁶ Dulles again resisted despite Lloyd's suggestion that the communists

¹³⁴ PRO, PREM11/2300, Birdsall minute, 16 Sept. 1958 and Wyndham minute, 16 Sept. 1958.

¹³⁵ PRO, FO371/133530 FCN1193/217, Lloyd to Macmillan, 16 Sept. 1958.

¹³⁶ PRO, FO371/115077 FC1091/81, record of conversation between Dulles and Macmillan, 13 Nov. 1955.

might be more conciliatory if the agreement were between Chou and Dulles rather than ambassadors. Instead, he discussed in detail his plan to eliminate Nationalist 'provocations' by reducing the offshore islands to 'fishing and grazing' grounds.¹³⁷

Reporting to Macmillan, Lloyd expressed great confidence in Dulles's actions and sympathy for the American dilemma. Dulles was 'doing his utmost to avoid a position in which the United States has to embark on hostilities with China' and was 'under no illusion about the virtual isolation of the United States on this issue.'

I am certain that our handling of the Americans so far has been right. If we had tried to lecture them about the rights and wrongs of their policy past and present, the effect would only have been to make them extremely resentful and less liable to take our advice. Indeed I think it would have changed the whole nature of our present relationship.¹³⁸

Macmillan vigorously agreed. He added the caveat that 'difficult decisions' would have to be made if the crisis worsened, but he was confident that the Americans had been handled correctly. The prime minister revealed his shrewd cunningness with his comment that 'the more isolated they [the US] feel, the more important our friendship will be to them now and in the future.'¹³⁹

On 21 September at Newport in Rhode Island Lloyd had an impromptu meeting with the President. Eisenhower expressed his gratitude to Lloyd for Britain's unwavering support, but remained ambiguous about contingency plans if the Warsaw talks broke down. Lloyd reported that Eisenhower:

[K]new that he had not got United States public opinion behind him in the way, for example, that he had had it over Lebanon. ... A democratic Government could not go to war without the support of the bulk of its

¹³⁷ PRO, FO371/133531 FCN1193/242, Lloyd to Macmillan, 19 Sept. 1958.

¹³⁸ PRO, FO371/133531 FCN1193/249, Lloyd to Macmillan, 19 Sept. 1958.

¹³⁹ PRO, FO371/133531 FCN1193/249, Macmillan to Lloyd, 21 Sept. 1958.

people.

... His own personal view was that it was out of the question to use nuclear weapons for a purely local tactical counter-battery task. If nuclear weapons were to be used, that should be for the 'the big thing'.

... 'When you use nuclear weapons you cross a completely different line'.¹⁴⁰

The British were reassured by the president's comments. Even Dulles was speaking in moderate terms. As he told Duncan Sandys, British minister of defence, the following day, while the US did not wish to be seen to have given way under pressure from the Chinese Communists, some form of demilitarization, acceptable to the Nationalist Chinese, might be created whereby 'without any formal agreement, the Chinese Communists would cease their hostile acts.' The US sought recognition from both Chinas of the principle that, as in the case of Berlin, force should not be used to resolve territorial disputes.¹⁴¹ It should be noted that West German officials did ^{not} care for Dulles' public comparisons of the offshore islands to Berlin fearing that it would harm their juridical position but, as they were assured, the US equated them as little 'islands of freedom' facing communist pressure.¹⁴²

As noted in chapters 2 and 3, the president's decision on the Formosa Doctrine rested on whether the PRC intended to capture the offshore islands or was planning an all-out attack on Taiwan. Thus it was vitally important that the US correctly discern the aims of the PRC and the Soviet Union. Both the US and Britain, however, had difficulty judging the Soviets' intentions. On 7 September Khrushchev in a letter to

¹⁴⁰ PRO, FO371/133532 FCN1193/250, NY tel 1071, Lloyd to Macmillan, 21 Sept. 1958.

¹⁴¹ NA, 611.41/9-2258, Record of Conversation between Dulles, Sandys, et al, 22 Sept. 1958.

¹⁴² NA, 793.00/10-158, memorandum of conversation, 1 Oct. 1958.

Eisenhower called for the withdrawal of all US forces from the Taiwan area, warning that 'an attack on China is an attack on the Soviet Union.' Eisenhower replied expressing his regret that the Soviet Union did not seem to be exerting a moderating influence and restraining its Chinese ally. The Soviet leader's second letter of 19 September was stiffer and contained a personal rebuke to Eisenhower who refused to accept it. The British saw this exchange as an attempt by the Soviets to exploit opposition to US policy within the US and among her allies. It was noted, however, that although Khrushchev mentioned the threat of nuclear retaliation, there was no repetition of the Soviet's readiness to give the PRC moral and national support.¹⁴³

The US could only believe that the main reason why the Soviets were not attempting to restrain their ally was because they did not fully comprehend the firm resolve and intent of the US to support and defend the Nationalists. Thus a British approach to the Soviets, despite its low chance for success, presented an important opportunity to impress upon the Soviets the seriousness of situation. On 23 September Lloyd met the Soviet foreign minister, Andrei Gromyko, in New York. Gromyko responded to Lloyd's warning with rhetoric, stating that it was 'inconceivable that the Soviet Union should bring any kind of pressure to bear on its Chinese ally in this matter,' as the 'crisis was exclusively the fault of the Americans.' The Soviet foreign minister did not answer Lloyd's question if Khrushchev had encouraged the PRC to renew hostilities during his visit to Peking. Lloyd reported, 'All I can say is that we had a long and closely argued talk, and that if he had been impressed by what I said

¹⁴³ PRO, PREM11/2300, McAlpine Moscow telegram, 20 Sept. 1958 on Khrushchev's letter of 9 Sept.

he would certainly not have shown it.¹⁴⁴

The intentions of the Chinese Communists and Soviets were still open to debate. Dulles now considered the Soviet's role in the affair to be 'dangerous'.¹⁴⁵ Oscar Morland, a Foreign Office under secretary, believed that there was a close Sino-Soviet understanding over Matsu and Quemoy. American intelligence confirmed Morland's observation that the Soviet Union had not instituted war preparations and that there was no popular apprehension in Moscow about war despite the Soviet's official belligerent tone. Therefore, Morland surmised, the PRC probably was not planning to press the crisis to the point of war with the US. But, whether the Soviets and Chinese had colluded or not, the West could not rule out an all-out attack since the PRC was to a 'degree uncontrollable and might miscalculate'.¹⁴⁶ Fortunately war or peace did not rest on the success of the Soviet approach; other options were available.

Despite conflicting and sometimes inaccurate information there was every indication that the PRC's war of nerves would continue unabated. On 18 September when the acting director of the CIA, General Cabell, reported to the NSC on developments the outlook did not look promising. Not only had the PRC rejected 'any idea of a cease-fire as a point to be negotiated' with the US at Warsaw but also their

¹⁴⁴ PRO, FO371/133532 FCN1193/278, Lloyd to Macmillan, 24 Sept. 1958.

¹⁴⁵ NA, 793.00/9-2458, Dulles to London, 25 Sept. 1955.

¹⁴⁶ NA, 793.00/9-2658, London to secretary of state, 26 Sept. 1958 and EL, AWF, NSC Series, Box 10: 380th Meeting of NSC, Sept. 25, 1958, Memorandum dated 25 Sept. 1958.

interdiction of the offshore islands was still 'highly effective'.¹⁴⁷ Subsequently, on 25 September the NSC was informed that 'there was no longer a safe spot on any of the Quemoy group.' Strong pressure was also being exerted on Hong Kong where it was feared that internal strife might break out as Communist and Nationalist Chinese sympathizers prepared to celebrate their respective national anniversaries on 1 and 10 October.¹⁴⁸ By 29 September, however, General Twining informed the president that the JCS believed that they had 'broken' the supply crisis in the offshore islands and were

'no longer so concerned about it.'¹⁴⁹ With the interdiction broken Eisenhower was ready to take on Chiang:

[S]omething must be done to make Chiang more flexible in his approach.... he did not like to wage a fight on the ground of someone else's choosing, and this is the case in Quemoy and Matsu where we are at a great disadvantage in terms of world opinion. On the other hand we have no choice but to take a firm stand in the present circumstances.¹⁵⁰

The president was concerned that two-thirds of the world and 50 percent of US opinion still opposed US actions.¹⁵¹ Indeed, public opinion did not improve until the first cease fire was in place. Eisenhower was developing a plan whereby Chiang would be

¹⁴⁷ EL, AWF, NSC Series, Box 10: 379th Meeting of NSC, September 18, 1958, Memorandum dated 18 Sept. 1958.

¹⁴⁸ EL, AWF, NSC Series, Box 10: 380th Meeting of the NSC, Sept. 25, 1958, memorandum dated 25 Sept. 1958.

¹⁴⁹ EL, AWF, DDE Diary Series, Box 36: Staff Notes - Sept. 1958, memorandum of conference between the president and Twining, 29 Sept. 1958.

¹⁵⁰ Ibid.

¹⁵¹ EL, Papers of John Foster Dulles, White House Memoranda Series, Box 7: White House - Meetings with the President July 1, 1958 - December 31, 1958 (6), memorandum of conversation with the president, 23 Sept. 1958.

offered amphibious material and training in order to be prepared for any weakening on the mainland and the Pentagon was instructed to find a way to get Chiang out of the islands. At the start of October, Dulles and Eisenhower both indicated publicly that if there were a cease fire there would be withdrawal of at least some troops from the offshore islands. Dulles' remarks, to his 'distress', were interpreted by the press as marking a significant change in his position. Thus it was necessary that the Nationalists be reassured, but Chiang had to appreciate the position of the US:

[W]e are up against the charge that we are being dragged into a world war by Chiang, that we have put the destinies of the American people at his disposal, and that we have no flexibility in our position because Chiang is stubborn and will not agree because he feels that his only real hope to precipitate world war.

We cannot continue our policy of close and sympathetic understanding and support of GRC unless we have some flexibility to dissipate this impression created by much of the press and shared by a considerable part of Congress, both Democratic and to some extent Republican, and also most of our allies.

I do not go one inch further in this matter than seems to be necessary in order to prevent our whole China policy from being swept overboard.¹⁵²

American irritation with Chiang was nearing an all-time high. Chiang, for his part, claimed to have no doubts about the determination of the US government but was troubled by American public opinion which it was feared 'may lead to adverse influence on our [US] leadership.'¹⁵³

The Warsaw talks were not expected to produce a solution to the crisis due to the fact that the American and Chinese Communist positions were 'too opposed for reconciliation.' The talks, however, served as a cover while tension eased and helped

¹⁵² NA, 611.93/10-158, Dulles to Drumright, 1 Oct. 1958.

¹⁵³ NA, 611.93/10-858, Taipei to secretary of state, 8 Oct. 1958.

the US in the area of public opinion.¹⁵⁴ Indications from Oscar Morland of the Foreign Office suggested British support for the US handling of the talks. He noted that the US, by firmly demanding a cease fire and resisting discussions of other matters, had left themselves latitude for a possible compromise on the offshore islands at a later time which the PRC could subsequently be able to represent as a 'victory' over the US.¹⁵⁵ This may have been an optimistic outlook, but clearly the US was willing to compromise. Ambassador Beam was instructed to suggest to Wang that 'if fighting died down they could expect de facto cessation of harassments from offshore islands and probably considerable troop reductions' but the Nationalists would not be asked to effect these changes 'until and unless' there was a 'clear demonstration' of the PRC's cessation of hostilities.¹⁵⁶ The PRC adamantly refused to discuss a cease fire or renunciation of force, insisting that only the withdrawal of US forces from Taiwan is the only solution to the dispute.¹⁵⁷ The PRC vehemently protested American intervention in the 'civil war' and sought to prevent the 'internationalization' of the dispute which might produce solutions, such as a 'two-Chinas' solution, which it summarily rejected.¹⁵⁸

The PRC's de facto cease fires of 6 and 12 October defused the situation and created an atmosphere whereby an approach to Chiang was possible. The US prepared

¹⁵⁴ NA, 793.00/9-2058, memorandum of conversation, 20 Sept. 1958.

¹⁵⁵ NA, 793.00/9-2658, London to secretary of state, 26 Sept. 1958.

¹⁵⁶ NA, 611.93/10-158, Herter to Warsaw, 3 Oct. 1958 and 611.93/10-458, St Dept to Taipei, 4 Oct. 1968.

¹⁵⁷ NA, 611.93/10-1158, Beam to secretary of state, 11 Oct. 1958.

¹⁵⁸ NA, 611.93/10-1358, Martin to Warsaw, 13 Oct. 1958.

another attempt to evacuate Chiang from the islands or demilitarize the islands.¹⁵⁹

On 5 October, immediately following the PRC's announcement indicating its willingness to cease shelling temporarily, American convoy escort activities were ordered to cease as the US did not wish to give the PRC an excuse for resuming hostilities, although the Nationalists were encouraged to take advantage of the lull and resupply as much as possible.¹⁶⁰ Chiang's initial refusal to acknowledge the PRC's broadcast by acting as though it did not exist did not bode well for Eisenhower's plans.¹⁶¹

The extension of the cease fire strengthened American resolve as it gave further proof that the PRC was not preparing a full scale attack at this time. The British were thinking along the same lines. Lloyd failed to contact Dulles through Caccia before Dulles' press conference that day and the first news from the conference gave the impression that Dulles had taken a completely opposite line. But the next day, 16 October, Dulles assured the British Ambassador, Sir Harold Caccia, that his remarks did not signal a change in US policy. Because he was going to Taiwan the following week, he considered it prudent not to give the impression of pressuring the Nationalists. In his talks with Chiang, he would discuss the level of forces in the offshore islands and seek 'to obtain an overall posture for the Chinese Nationalist

¹⁵⁹ In an interesting document listing the pros and cons of the demilitarization of the offshore islands (NA, 793.5/9-758, Green memorandum to Robertson, 7 Sept. 1958) it was noted that the US had come close to nuclear war this time, but one of the negatives was the fear of a 'general realization that the U.S. was frozen into inaction by its dependence on nuclear weapons which it dared not use.'

¹⁶⁰ NA, 793.00/10-558, Parsons to Taipei, 5 Oct. 1958 and 793.00/10658, CNO to secretary of state, 6 Oct. 1958.

¹⁶¹ NA, 793.00/10-658, COMUSTDC to secretary of state, 6 Oct. 1958.

Government which would improve its standing in the eyes of the free world and render it more likely to earn the support of the free nations.¹⁶²

As early as 16 September the president had suggested that the US needed a 'high-powered negotiator' in Taiwan. This led Herter, who had been reviewing the failed Radford-Robertson mission, to comment that 'history is repeating itself.'¹⁶³ This time, however, Dulles was chosen to present the American case to Chiang. One must wonder, given the fact that, in his heart, Dulles ardently believed that the Nationalists should not be forced to withdraw if it would hurt their position, if Eisenhower had chosen the right emissary or, indeed, if anyone other than the US president himself could succeed. As Dulles explained to his brother before leaving for his extended journey, he was going to Taiwan to impress upon Chiang the problems that the US and Taiwan faced in the world:

He has to pay more attention to helping us meet political problems in terms of recognitions and the UN etc. The situation has gotten to be one where without more cooperation on his part we cannot do the job all alone. The important thing is to create background. The Sec does not know what will come out of it - nothing immediate. He thinks it will have a value over the future weeks and months.¹⁶⁴

The president conceded that Dulles might at that time only be able to extract a expression of solidarity of the US and Republic of China under the mutual security treaty, since Chiang would only withdraw through persuasion rather than by pressure,

¹⁶² PRO, FO371/133541 FCN1193/455, Caccia to FO, 16 Oct. 1958.

¹⁶³ EL, Papers of John Foster Dulles, Telephone Call Series, Box 9: Memoranda of Tel. Conv. - Gen. August 1, 1958 - October 31, 1958, Dulles call to Herter, 16 Sept. 1958.

¹⁶⁴ Ibid, Dulles call from Allen Dulles, 17 Oct. 1958.

but stressed that 'peace' was his first priority.¹⁶⁵

When First Sea Lord, Lord Mountbatten, visited the President on 16 October, Eisenhower explained the package deal that was being prepared to encourage Chiang to withdraw:

The carrot would be that the United States should supply proper amphibious landing equipment to the Generalissimo in view of the fact that it would be militarily unsound to try to use the islands as jumping-off grounds for any leading operation on the China coast. The stick would be the flat statement that from now on the United States would give the Generalissimo no help over the islands except provision of facilities for the purposes of evacuation. It would also be made plain that the amphibious craft could never be used except as a result of a joint decision by the Americans and Chinese Nationalists, and that on the American side this would only be granted in the event of Communist regime in China crumbling.¹⁶⁶

En route to Taiwan, Dulles met with Lloyd at the Brize Norton Airfield in England on 19 October. The secretary of state who had preferred to meet with the 'No. 1 man' rather than just Lloyd¹⁶⁷ repeated Eisenhower's proposal and explained that he would seek to convince Chiang that it was not in his own best interests to keep large numbers of troops on the islands, to engage in commando raids on the mainland, or to enforce a blockade. Dulles, a deeply religious man, said:

After the death of Christ the early Christian Church had expected the Second Coming within a year or two. Chiang Kai-shek in the same sort of way had expected the Chinese Communists to collapse within a year

¹⁶⁵ EL, Papers of John Foster Dulles, White House Memoranda Series, Box 7: White House - Meetings with the President July 1, 1958 - December 31, 1958 (4), memorandum of conversation with the president, 14 Oct. 1958 and AWF, DDE Diary Series, Box 36: Staff Notes - October 1958, memorandum of conversation with the president, 13 Oct. 1958.

¹⁶⁶ PRO, FO371/133541 FCN1193/465, Caccia to Lloyd, 17 Oct. 1958.

¹⁶⁷ EL, Papers of John Foster Dulles, Telephone Calls Series, Box 9: Memoranda of Tel. Conv. - Gen. August 1, 1958 to October 31, 1958 (1), Dulles telephone call to Whitney, 16 Oct. 1958.

or two. It was now quite obvious that this would not happen and Chiang Kai-shek had got to adjust himself to a different situation.¹⁶⁸

Lloyd welcomed Dulles's plan, adding that it would help Britain if the US returned to its previous policy of distinguishing between Formosa and the offshore islands. Dulles warned, however, that, just as in the case of the failed Radford-Robertson trip in 1955, he was not going to Taiwan to issue an ultimatum or force the issue; much would depend on the Communist Chinese and the current state of hostilities.¹⁶⁹

Inconveniently, Chiang's hand was strengthened on the eve of Dulles' arrival in Formosa when the Communists cancelled the cease-fire, claiming that the US had violated its conditions. When the British later queried this incident they were informed in confidence that an American vessel had been in the vicinity, albeit 15 miles from Quemoy, engaging in the retrieval of a small supply craft which the US did not define as escort activity which went against the terms of the cease fire. This, it was speculated, was the basis for the PRC's charge.¹⁷⁰ Dulles delayed his departure for Taiwan on the grounds that the 'basic purpose of his mission is frustrated' by the outbreak of hostilities but these quickly lapsed and he proceeded.¹⁷¹ Although the secretary's task was an unenviable one with little chance of success, this fresh evidence of the communists' perfidy put Chiang in a better position to reject Dulles' proposals.

¹⁶⁸ PRO, FO371/133541 FCN1193/477, Record of Conversation between Lloyd and Dulles at Brize Norton Airfield, England, on 19 Oct. 1958.

¹⁶⁹ Ibid.

¹⁷⁰ NA, 793.00/10-2458, memorandum of conversation between Parsons and de la Mare, 24 Oct. 1958.

¹⁷¹ EL, Papers of John Foster Dulles, Telephone Calls Series, Box 9: Memoranda of Tel. conv. - Gen. August 1, 1958 to October 31, 1958 (1), Dulles call to Cumming, 20 Oct. 1958; Dulles call to Herter, 20 Oct. 1958; and Dulles call to president, 20 Oct. 1958.

Dulles' mission was not without success. Even though it had not been 'practical to bring about any immediate military changes because of the resumption of fighting', Dulles reported to Eisenhower that he thought that the groundwork had been laid with the Generalissimo's acceptance of the principle that there should be an 'appreciable reduction' of forces on Quemoy.¹⁷² Dulles had 'considerable difficulty in getting the "non-force" declaration' from Chiang which was his greatest accomplishment in that it served to improve the Nationalists' position in world opinion, 'at least stemming a tide which was running strongly against our common policies.'¹⁷³ Dulles concluded that he hoped Eisenhower's 'talks with the voters are more surely persuasive than my talks with the Generalissimo.'¹⁷⁴

The British charge d'affaires in Tamsui reported that the meeting between Dulles and Chiang had been somewhat 'acrimonious'. The important achievement of these talks had been Chiang's public renunciation of the use of force in recovering the mainland. The charge baldly reported that 'in return for an ambiguous promise' the US had 'publicly linked control of the islands with the defence of Formosa....'¹⁷⁵

Within 24 hours of his return to Washington Dulles briefed Caccia on his discussions, highlighting the renunciation of force statement. It was Dulles' belief that:

[T]he statement marks a basic change in the concept of what the real

¹⁷² EL, AWF, Dulles-Herter Series, Box 8: Dulles-October 1958, Dulte 7 from Taipei to the president, 23 Oct. 1958.

¹⁷³ EL, Papers of John Foster Dulles, White House Memoranda Series, Box 7: White House - Meetings with the President July 1, 1958 - December 31, 1958 (4), memorandum of conversation with the president, 25 Oct. 1958; and NA, 611.93/10-2958, Dulles letter to Chiang, 29 Oct. 1958.

¹⁷⁴ NA, 793.00/10-2158, Taihei Dulte 2 to the president, 21 Oct. 1958.

¹⁷⁵ PRO, FO371/133542 FCN1193/499, Veitch to FO, 24 Oct. 1958.

mission of the GRC is. This mission is to keep alive the spirit of resistance on the mainland through preservation of the cultural and spiritual values of China and not through military means.¹⁷⁶

The Chinese Communists had already announced the peculiar decision to shell the offshore islands on odd numbered days, allowing the Nationalist to re-supply. This confirmed to the Americans and the British that the Chinese Communists intended to continue to use Quemoy as a 'whipping boy', as Dulles described it. Caccia remarked that, 'if it suited the Chinese Communists so well to have Quemoy in pawn,' it would be best if the Nationalists withdrew. Dulles admitted that he had not pursued complete demilitarization with the Nationalists.¹⁷⁷

In his letter to Lloyd, Dulles maintained an upbeat assessment of his trip. US intelligence considered the revived shelling before his arrival in Taiwan as simple harassment. Dulles considered that the 'rather fantastic statement' of odd-day shelling confirmed 'our analysis of the Chinese Communist attitude as being essentially political and propaganda rather than military.'¹⁷⁸

Thus the tensions in the Taiwan Straits subsided and the world could breathe relatively easily again. Not only had a war between the US and the PRC been averted but also the world had not exploded in a nuclear burst. Public opinion was the prize in this crisis and the US was quite aware that its position and image would be irrevocably impaired if it used nuclear weapons. Indeed, both the US and Britain were ready to explore other diplomatic options. If the position in the offshore islands became untenable due to heavy shelling or inability to resupply, Hood was instructed

¹⁷⁶ NA, 611.93/10-2558, memorandum of conversation, 25 Oct. 1958.

¹⁷⁷ PRO, FO371/133543 FCN1193/508, Caccia to Lloyd, 25 Oct. 1958.

¹⁷⁸ PRO, FO371/133543 FCN1193/508, Dulles to Lloyd, 25 Oct. 1958.

by Macmillan and Lloyd to suggest evacuation of Quemoy and Matsu, since this would be less humiliating than bargaining with the Chinese.¹⁷⁹ Indications are, however, that the US never would have forced the Nationalists to retreat under fire.

The US embassy in London estimated that, in case of American intervention without nuclear weapons, Britain would publicly express solidarity with the US and condemn the PRC for using force to solve the controversy but, if nuclear weapons were used, Britain might find themselves in a 'reverse Suez' and exert heavy pressure to take the matter to the UN.¹⁸⁰ Similarly, the US had contingency plans to take the problem of the offshore islands to the United Nations before employing nuclear weapons. At different points the US considered an approach to the UN, with Britain's help, in order to inspire greater confidence in US actions from public opinion but each time the negatives outweighed the positives.¹⁸¹ As seen in chapter 2, ORACLE had been unsuccessful and indications were that the PRC, which had rejected the Bandung countries' attempt to take the problem to the UN, and the Nationalists would be no more amenable than before. Whether by luck, lack of intent by the PRC to prosecute hostilities to the bitter end or diplomatic skill, hostilities did not escalate to the point that such action was necessary.

THE AFTERMATH

The public reaction in Britain to the Taiwan Strait crisis had been 'surprisingly'

¹⁷⁹ PRO, FO371/133538 FCN1193/406, Dalton minute, 30 Sept. 1958.

¹⁸⁰ NA, 793.00/9-1058, Elbrick Memorandum to Dulles, 10 Sept. 1958.

¹⁸¹ NA, 793.00/8-2758, Hanes to acting secretary, 27 Aug. 1958, 794A.5/10-2458, Bacon memorandum to Robertson and Parsons, 24 Oct. 1958 and 611.93/10-158, Herter to Warsaw, 3 Oct. 1958.

mild'. Not surprisingly, Arthur de la Mare, counsellor at the British embassy in Washington, attributed this in a large part to Macmillan's 'skilful handling'.¹⁸² In Washington, however, some confusion remained over the official British view of American China and Far Eastern policy.

The State Department was surprised and pleased by indications that the British approved of American policy. After many years of disagreement on the manner in which the US prosecuted the Cold War in the Far East, Dulles must have been heartened to hear from Sir Robert Scott, the British commissioner-general for South-East Asia, that he saw 'no better policies for the Far East than those that we were pursuing'.¹⁸³ Scott spoke in much the same manner to Robertson who summarized his recent talks with the commissioner, as well as with de la Mare, and the discussions in the Anglo-American intelligence talks, in a memorandum to Dulles. Robertson reported that Scott 'saw no alternative to our present way of handling the issue' of the offshore islands: 'It was clear that your [Dulles's] visit set events in motion which are bringing the United States and the United Kingdom closer together in their attitudes on our China policy.' Scott spoke against US recognition of the PRC, stating that 'it would be a bad day for the world and the United Nations when they are seated.' De la Mare, who, Robertson stated, 'has been no friend of our China policy,' reportedly told an American official 'that there are now no significant differences' between Britain and the US on China policy. The new Dulles' policy of promoting Taiwan as

¹⁸² 793.00/1--2458, memorandum of conversation between de la Mare, Parsons and Bennett, 24 Oct. 1958.

¹⁸³ EL, Papers of John Foster Dulles, White House Memoranda Series, Box 7: White House - Meetings with the President July 1 1958 - December 31, 1958 (3), memorandum of conversation with the President, 18 Nov. 1958.

a peaceful 'model China' was paying dividends in terms of improved international public opinion and goodwill. In conclusion, the assistant secretary of state cited the statement made by Chen Yi, the PRC's foreign minister, on 1 November that Peking would not exchange a seat in the UN for Taiwan, rejecting the 'two Chinas' policy, as the explanation for the 'confusion and disorder' in the British position papers, as well as their passivity in intelligence level discussions.¹⁸⁴

Receiving a similar memorandum from Edwin Martin, director of Chinese affairs in the State Department, Francis Galbraith, First Secretary of the American Embassy, was quick to disagree with the supposition that the Foreign Office's view on the offshore island situation was 'much the same as our own.' Galbraith who was accustomed to dealing with the forthright Dalton suggested that the British government had avoided debating the issue in order to avoid disharmony, but 'it would be a mistake to take this reticence for evidence that the British see 'eye to eye' with us on the Far East.'¹⁸⁵

Galbraith altered this view following his discussion of Taiwan and its prospects with Oscar Morland, British assistant undersecretary of state and ambassador-designate to Japan. Morland's considered opinion was that American and British views did not diverge in regard to the Far East. Galbraith concluded that Morland's view probably represented those of Macmillan, whereas Dalton's was the one more widely held in the Foreign Office.¹⁸⁶

Martin picked up the thread of this debate in a return letter on 10 March 1959,

¹⁸⁴ NA, 611.41/11-2458, Robertson memorandum to Dulles, 24 Nov. 1958.

¹⁸⁵ NA, 611.41/1-2959, Galbraith letter to Martin, 12 Jan. 1959.

¹⁸⁶ NA, 611.41/1-1959, Galbraith letter to Martin, 19 Jan. 1959.

long after tensions had subsided. Martin admitted that perhaps the sentiment expressed in the original November memorandum had been too sweeping. State Department officials had been 'struck' by Scott's failure to propose any alternative course of action for handling the crisis. Unhappy though the British were about the situation, there was nothing else they could propose that the US do under the circumstances. Martin wrote:

This was heartening to us, both because the critics in this country have accused us of taking a stand on the offshore islands which was not supported by our British allies and because it indicated that the Foreign Office was aware that there was no possibility of making a deal with the Communists regarding the offshore islands.¹⁸⁷

Since that time, however, Caccia stated in the tripartite talks that, if a line could be drawn down the middle of the Straits, American and British policies could be ~~aligned~~, but Britain had no solution to offer.¹⁸⁸ All in all, this was a welcome relief to the US, who could assume that British criticism was not forthcoming.

A review of Sino-British relations since February 1958 has shown their steady deterioration. They stabilized at a 'level of frigid correctness' only after the PRC turned its attention to domestic affairs. In 1959 a suggestion that the Foreign Office should take the initiative to ~~draw~~ thaw Britain's relations with the PRC in order to show its willingness to 'co-exist' was shelved because of the PRC's actions in Tibet. It is questionable, however, how successful such an approach might have been since Britain's position on the issues which the PRC used to judge the worthiness of a diplomatic contact had not changed. The manner in which Macmillan handled the crisis, in keeping with the declaration of common purpose, made it unlikely that British policy would change while he was prime minister. Dalton concluded that the solution

¹⁸⁷ NA, 611.41/1-1959, Martin letter to Galbraith, 10 Mar. 1959.

¹⁸⁸ Ibid.

to the points of major difference between Britain and the People's Republic, Formosa and the China UN seat, 'depended almost entirely on an evolution in American policy, not on Chinese behaviour towards us and our relations with them.'¹⁸⁹ Obviously, British policy remained subjugated to that of the US.

During the period of tension in the Taiwan Straits, the PRC prosecuted a propaganda war against Hong Kong. The position of the colony was not a major factor in Macmillan's formulation of policy during the crisis, but Peking never threatened to 'liberate' the colony or showed aggressive intent. The governor of Hong Kong, Sir Robert Black, speculated that the purpose for the PRC's propaganda on matters ranging from American activities in the colony, actions or events that seemed to imply the existence of two Chinas, to education had been designed 'to keep the Hong Kong Government on the defensive' and to keep the British government 'from alienating China by the threats of political trouble over Hong Kong' which would be embarrassing 'to our position in the world as a whole.' Black cautioned that the PRC's hostility towards Hong Kong was a 'fact from which we can never escape'. The communists, however, would not move against the colony because it derived not only an economic advantage from the colony's financial facilities but also a political advantage 'from the difference between British and American policies towards China and the implications for the vulnerability of Hong Kong'. The main deterrent that ensured the colony's future, the governor maintained, was 'the thought that an attack upon Hong Kong might precipitate a war with the United States.'¹⁹⁰ It is interesting

¹⁸⁹ PRO, CO1030/596/122, Dalton minute, 9 Mar. 1959.

¹⁹⁰ PRO, CO1030/596 FED82/403/01, Black to secretary of state for the Colonies, 3 Mar. 1959, Hong Kong: Review of Developments During 1958.

to note, that Hong Kong, like Taiwan, relied on the US for its defence but, unlike Taiwan, its authorities did not wish to challenge the PRC and therefore followed a policy of firmness without provocation.¹⁹¹

Robert Scott's impressions from discussions with Britain's Asian Commonwealth and Colonial representatives in January 1959 validated the statements that he made in the US regarding Anglo-American cooperation in the Far Eastern Cold war. In his report on the Annual Singapore Conference he noted that all the delegates 'accepted the overriding importance of partnership with the United States. There was no need to debate it.' There was approval for Britain's handling of the crisis and, he continued, that it was accepted that from time to time the PRC will 'deliberately stage foreign policy crises to whip up the home front to cover further demands on the unfortunate Chinese people.... the Chinese are not always reasonable or well informed and that they may miscalculate the consequences of fomenting incidents with foreign powers.' It was suggested that the policy of containment would be more successful if pursued with less acrimony and more politeness, but that 'genuine and lasting agreement with communist China on the big things' were unattainable as long as China continued its present policies.¹⁹²

Chiang was clearly unhappy with the outcome of the 1958 crisis. After 1949 the Nationalists, from their precarious perch on their remaining offshore islands located within wading distance of the mainland, stared down the Communists in their bunkers on the beach. It was unbearably galling to Chiang that, under American pressure, he

¹⁹¹ PRO, CO1030/769/7, Brief for the secretary of state's meeting with the governor of Hong Kong on 25th November 1959.

¹⁹² PRO, CO1030/559 E/24, Scott to Macmillan, 18 Jan. 1959.

was the first to blink. The most important result of Dulles' trip to Taiwan was the securing of the stubborn Nationalist leader's agreement to renounce the use of force in prosecuting his claims to the mainland. Although this was mainly a propaganda ploy, it was a vitally important tool to have at that juncture in the Cold War in the Far East when public opinion increasingly doubted the wisdom of the American policy of non-recognition of, and verbal hostility toward, the PRC. Since 1955 the United Nations membership had expanded and the prospects for continued support of the moratorium procedure looked bleak; 1958 had been a difficult year and the Nationalists' position was expected to deteriorate with the future influx of newly independent Afro-Asian countries which had sympathy for the PRC's outcast status. Hence the US was anxious to make Taiwan into a 'showcase of Chinese Culture.'¹⁹³

There can be no doubt that the 1958 crisis marked an important step in the 'releashing' of Chiang. Almost before the ink was dry on the renunciation of force agreement, however, the Nationalists were trying to distance themselves from the document. When Yeh told the US press that reports that Taiwan had renounced the use of force were 'nonsense' the US was not pleased. Nationalist attempts to attribute this divergence of view to a difference in the Chinese and English translations, in addition to their claims that they had merely promised not to use force as the 'principal means' of achieving its 'sacred mission of restoring freedom to its people on the mainland' were frustrating to Dulles. Madame Chiang who was visiting Washington was warned that the Nationalists would destroy international support for Taiwan by discrediting the communique, but Chiang's letter of 5 November maintained that it was ~~his~~ his 'duty' to support anti-communist activities 'through all possible means.'

¹⁹³ NA, 794A.00/3-459, Robertson to acting secretary, 4 Mar. 1958.

Eisenhower sent an upbeat reply in which he focused on how well the communique had been received in world capitals. Regarding Chiang's 'duty' Eisenhower wrote that he assumed that these activities were within the bounds of the joint communique and other Sino-US understandings.¹⁹⁴ Despite these problems the US remained optimistic that the Nationalists would keep to their agreements but the US would have to keep a close watch.

The US was still determined that the offshore island garrisons would be reduced. On 17 November an agreement was signed by US Major General Doan, chief of MAAG Taiwan, and the Nationalist General 'Tiger' Wang, chief of staff of the Ministry of National Defence, which called for the redeployment from the offshore islands of 15,000 troops in exchange for the emplacement in their stead of additional American artillery including two 240 millimeter howitzers¹⁹⁵; this followed the lines of the president's 'outpost' idea that material replace men in order to make the possible loss of the offshore islands less detrimental to the overall defence of Taiwan and the Pescadores. The number of military actions that the Nationalists could take without prior consultation with the US dwindled. The Nationalists undoubtedly would have liked to return to the status quo ante when overflights of the mainland and interference with Communist shipping required no advance consultation with the United States'; but the State Department did not expect them to attempt to contravene these controls,

¹⁹⁴ NA, 793.00/10-3058, Osborne Taipei despatch, 30 Oct. 1958 and Huang letter to Drumright, 28 Oct. 1958; EL, Papers of John Foster Dulles, Telephone Calls Series, Box 9: Memoranda of Tel. conv. - Gen. August 1, 1958 to October 31, 1958 (1), Dulles telephone call to Robertson, 30 Oct. 1958; EL, AWF, International Series, Box 10: Formosa (China) 1958-61 (2), Chiang to Eisenhower, 5 Nov. 1958 and Eisenhower to Chiang, 14 Nov. 1958.

¹⁹⁵ NA, 793.5/1-859, Robertson memorandum to Dulles, 11 Dec. 1958.

despite their evident displeasure.¹⁹⁶

The basic source of disagreement between the US and Britain, Nationalist China's retention of the offshore islands, was left unresolved. As in the past, the US was unwilling to force Chiang to evacuate them and Britain no longer pressed the US to effect such a withdrawal. As evidenced by American attempts, first, to bring about the evacuation and destruction of the Tan islands (see map of Quemoy for two small islands marked 'Taitan') and, second, to enforce the Doan-Wang agreement, Chiang was determined to yield no further ground.

The Nationalist president invoked his own version of the 'domino theory' in relation to the offshore islands. In August 1958 the American administration concluded that the US would not assist in the defence of the Tan islands (Ta Tan and Ehr Tan) which had proved impossible to re-supply during the crisis. In January 1959 Robertson was requested to verify that George Yeh, the former Nationalist foreign minister and present ambassador to the US, had informed Chiang of the US military decision which had been based on the belief that the Tan islands were liabilities rather than assets and should be abandoned and destroyed.¹⁹⁷

On 29 January Yeh admitted that Chiang had 'not seen any wisdom in such a course'.¹⁹⁸ The US was determined that Chiang be aware that they considered the Tans to be in a separate category from Matsu and Quemoy, and further approaches to the Nationalists were approved. The administration did not wish to be subjected to

¹⁹⁶ Ibid.

¹⁹⁷ NA, 793.5/1-2759, Martin memorandum to Robertson, 27 Jan. 1959 and attached document CINCPAC to Taibei, 24 Jan. 1959.

¹⁹⁸ NA, 793.5/1-2959, memorandum of conversation, 29 Jan. 1959.

further Nationalist demands and indicated that they were not willing to 'negotiate' for the withdrawal of the Tans, but merely left the decision to the Chinese who were to be left in no doubt that the US definitely would not intervene in their defence.¹⁹⁹ Chiang remained resolute. On 21 February he informed the Drumright and visiting American military dignitaries that he could not comply with the request from Radford who, as Robertson noted, 'was opposed as anyone he knew to yielding a square inch of territory to the Communists'²⁰⁰, that the Tan islands, which were 'simply small rocks of no military value'²⁰¹, be destroyed. Chiang's focus was obviously much more narrow than the wider outlook that the US had to take not only in the Far East but also in the world and he justified his position on the grounds that any change would prove the end of his regime:

[V]oluntary withdrawal from Tans was even more unacceptable from political point of view abandonment of Tans would be regarded by GRC military and civilian population as indicating a less than full determination on part of GRC to defend Kinmen and Taiwan to last. Withdrawal would also have unsettling effect on mainland people who hope for liberation, as well as on overseas Chinese compatriots. Loss of Confidence in him and GRC could lead to incalculable and unacceptable risks.²⁰²

Referring back to the ill-fated Radford-Robertson mission of April 1955, Chiang made it clear that withdrawal was even more unacceptable now and Drumright recommended that the subject be dropped 'once and for all.'²⁰³ The most important element of this

¹⁹⁹ NA, 793.5/2-559, St Dept to Taipei, 5 Feb. 1959.

²⁰⁰ NA, 793.5/2-2459, memorandum of conversation, 24 Feb. 1959.

²⁰¹ Ibid.

²⁰² NA, 793.5/2-2159, Taipei to St Dept, 21 Feb. 1959.

²⁰³ Ibid.

is that it highlights America's reluctant acceptance of the Nationalists' view of the offshore islands which, with the exception of the Tan islands, under certain conditions would be defended by the US.

The Nationalists were prepared to be difficult over other matters as well. The 17 November agreement to reduce the number of soldiers in the offshore islands was made with the Nationalist president's knowledge and approval²⁰⁴, but the State Department was concerned by the mixed signals coming from their Chinese ally. On 3 March Yeh reported that the Quemoy garrison had been reduced by 10,000 men, but the US Embassy in Taipei countered that only '530 odd men' had been removed and there were suspicions that the garrison had actually been augmented rather than reduced.²⁰⁵ On 4 March Dalton indicated that the Foreign Office was disappointed and concerned not only by the fact that no reduction had taken place but also by Nationalist attempts to disprove the inference of the Dulles-Chiang communique of 23 October 1958 that there should be a 'deemphasis' on military approaches to the Taiwan Straits problem. Dalton concluded that whatever international support had been garnished for the Nationalists by the 'imaginary dividing line' that had been drawn between Taiwan and PRC would disappear if this became known.²⁰⁶ On 19 March Robertson confronted Yeh with the evidence of Taiwan's stalling tactics, stressing Eisenhower's own personal interest in the matter. While the US did not wish to weaken the Nationalists' over-all posture on the offshore islands, Robertson noted, the

²⁰⁴ NA, 793.5/1-859, Robertson memorandum to Dulles, 8 Jan. 1959.

²⁰⁵ NA, 793.5/3-559, St Dept to Taipei, 5 Mar. 1959 and 793.5/3-1059, Taipei to St Dept, 10 Mar. 1959.

²⁰⁶ NA, 793.00/3-459, London to secretary of state, 4 Mar. 1959.

US believed that the reduction was a positive step but, as long as the Chinese delayed, the US would not allow the 'new guns' which had already arrived in Taiwan to be deployed in Quemoy. Yeh protested that Chiang himself had assured him that the reduction would take place 'under the cover of the deployment of replacements' and argued that they had not realized that the US was working on a 30 June 1959 implementation date.²⁰⁷

On 21 March the US accepted a Nationalist schedule for the removal of 16,645 personnel which would leave the still large number of 67,000 and the new artillery was released to the Nationalists. It was stressed by the Taipei embassy, however, that there should be no public disclosure of this deployment which would have a negative psychological impact on Taiwan.²⁰⁸ Yeh told US officials on 26 March, 'There should be no doubt in the minds of the United States authorities that the GRC did not sincerely intend to carry out its undertaking' since any delay by the Nationalists had been due to problem of movement of armoured vehicles to Quemoy.

The Doan-Wang agreement was slowly implemented, but the Nationalists remained sceptical of any reduction of their strength particularly after the situation in Berlin worsened and the PRC moved into Tibet. In addition, they expected the PRC to again test American intentions after Dulles resigned on the grounds of ill-health in April, but this did not happen. The Chinese also disliked American attempts to trim the Nationalist army back down to 600,000 by retiring 70,000 of the older officers and men who had come with Chiang from the mainland in 1949. In July the new secretary

²⁰⁷ NA, 793.5/3-1959, memorandum of conversation between Roberton, Yeh and Lutkins, 19 Mar. 1959.

²⁰⁸ NA, 793.5/3-2359, Taipei to St Dept, 23 Mar. 1959.

of state, Christian Herter, told the press that America's commitment, from a 'legalistic and moral point of view', remained unchanged. He noted that only a small number of US observers were on Quemoy and Matsu, but merely acknowledged that there had been some 'thinning out' of Nationalist troops.²⁰⁹ The Formosa Doctrine remained in effect and, despite a few notable lapses in the odd-day shelling which continued until the 1990's, a de facto cease fire evolved marking an important step toward not only in the pacification of the Straits but also in the informal evolution of 'two Chinas'.

The Sino-American ambassadorial talks continued in Warsaw, but with little prospect for a break through. The PRC's accusations against the US of 'seeking the recognition of permanent division of China' were refuted by the Americans who argued that they simply agreed 'with the rest of civilized world that efforts reunite these countries must not be permitted threaten holocaust of general war.'²¹⁰ The US protested that the odd-day shelling was not a suitable basis even for an informal cease fire since it resulted in casualties among the offshore islands' civilian population. The PRC's unsubstantiated claim that the Nationalists had used poison gas shells during the crisis is indicative of the lingering hostile atmosphere.²¹¹

The role of the Soviet Union in the crisis was still unclear. In the memoirs attributed to Khrushchev he declared that the Soviets gave the PRC all the material support that was requested and made no attempt to restrain their 'Chinese comrades because we thought they were absolutely right in trying to unify all the territories of

²⁰⁹ NA, 793.5/7-959, St Dept to Taipei, 9 July 1959.

²¹⁰ NA, 611.93/12-1058, Herter to Warsaw, 9 Dec. 1958.

²¹¹ NA, 611.93/11-558, St Dept to Warsaw, 5 Nov. 1958.

China.' Khrushchev claimed to be perplexed when Mao, supposedly on the verge of victory after liberating one of the two offshore islands that were under attack, halted the offensive. When questioned, Mao is reported to have replied that he had only wanted to show the PRC's potential but did not want to liberate the offshore islands since they served to keep Chiang within their easy reach.²¹² Such an assertion would certainly fit in with the theory that the Chinese Communists were determined to prevent the evolution of two distinct Chinas which might have transpired if a clear distinction was made between the offshore islands and Taiwan. Certainly, the US based its policy planning on the assumption that the Soviets were backing the PRC in an attempt to liquidate the Nationalists.²¹³ It is hard to believe that the Soviets could be so sanguine about the prospect of war with the US, especially since there were already strains in the Sino-Soviet relationship.

A Sino-Soviet split had been the objective of American and British Far Eastern policy since the Korean War. The cracks in the communist camp, however, were not easily discernible during the crisis and, as we have seen, there was confusion over the Soviet role throughout. Even if there was a suspicion of discord, the US and Britain could not afford to risk basing policy on this assumption without leaving themselves exposed to the dangerous consequences of a miscalculation. Certainly the Soviets supported the PRC but, as with the US-Nationalist relationship, the durability of the relationship was not tested to the limit since hostilities did not escalate to the point of direct confrontation between the US and the PRC.

²¹² Khrushchev Remembers, pp. 261-3.

²¹³ EL, AWF, DDE Diary Series, Box 36: Staff Notes - Sept. 1958, summary dated 4 Sept. 1958.

In late October 1958 when the counsellor of the Soviet embassy, Ledovski, met Edward Youde of the British embassy in Washington they discussed not only the Taiwan Straits crisis but also the PRC's drive to create a commune system. The Soviets had tried this system and rejected it, but Ledovski did not criticize the PRC for breaking with the Soviet model, pointing out that the two countries 'shared the same aim but use different methods of achieving it.' As Youde shrewdly noted, this came 'dangerously close to the heretical theory of different roads to socialism.'²¹⁴ Allen Dulles reported to the National Security Council in late December that the PRC's commune system provided the US with a 'great psychological warfare opportunity'.²¹⁵ While Dulles noted that the Soviets disliked the commune system, it is not clear that he perceived the effectiveness of this issue to split the allies and did not just appreciate the worth of the forced collectivization of private property to the fomentation of rebellion by the mainland Chinese. The trend proved irreversible and relations between the two countries deteriorated.

In the 1950's the Cold War was seen as a contest for men's minds and souls, a battle between freedom and communism between two competing blocs, but in 1958 it was evident that the world feared the military manifestations of this normally bloodless conflict. In the nuclear age people worried that a peripheral problem, such as the offshore islands crisis, might trigger a nuclear holocaust. This concern was not alleviated after the publication of the Life article in January 1956 on Dulles' handling of Korea, Indo-China and the first offshore islands crisis. The very real fear that the

²¹⁴ NA, 793.00/10-2358, memorandum of conversation between Youde and Bennett, 23 Oct. 1958.

²¹⁵ EL, AWF, NSC Series, Box 10: 392nd Meeting of NSC, Dec. 23, 1958, memorandum of meeting.

US might again take the world to the 'brink' of war in order to maintain a stand against communism in the small, distant, disputed and militarily indefensible offshore islands, in conjunction with the uncertainty over the intentions of the People's Republic and their ally, the Soviet Union, resulted in disapproval of American policy by many of her allies but, as we have seen, not by Britain.

The declaration of interdependence of October 1957 was predicated on the need for a common front by the US and Britain in prosecuting the Cold War. Therefore, at a time when Macmillan seemed to believe that he could offer no constructive criticism or new suggestions, he chose to prove to the US the importance that he assigned to the Anglo-American alliance by accepting and supporting the US position both in public and in private during America's 'Suez'. While the confidence that Macmillan put in his friend and ally was not misplaced since the crisis ended without a war, it must be questioned if this was the best policy for Britain, certainly Foreign Office officials had doubts. After Suez Macmillan had virtually sacrificed Britain's independent policy towards China in order to regain Britain's previous standing with the US. As a result of the 1958 crisis Britain's policy towards China came that much closer to that of the US.

The US realized the unpopularity of its policy both at home and abroad and, therefore, accorded public opinion almost the same importance as the conflict itself. Indeed, after the tension in the offshore islands had abated, the US tried to impress upon the Nationalists that the political threat to their position was greater than the military threat. In the light of Chiang's refusal to withdraw or demilitarize the islands, the odd-day shelling continued for over three more decades as each China remained adamant in its refusal either to renounce its claims or to allow the evolution of 'two

Chinas.' The world's attention wandered to other trouble spots but could be returned to these tiny, insignificant islands at any time since the underlying causes for the hostilities were never resolved but merely faded away.

CHAPTER 8

CONCLUSION

In the limited space devoted to the problem of China in The 'Special Relationship': Anglo-American Relations Since 1945, Roderick MacFarquhar asserts that 'major tension between London and Washington over relations with China did not occur until the second offshore islands crisis in 1958.'¹ As we have seen, this could not be farther from the truth. China had been a particularly thorny problem since 1949 when the US continued to recognize the Nationalists and the British acknowledged the ascension of the Chinese Communist Party to the leadership of the new ~~established~~^{ly} People's Republic. In the post World War II world, however, such differences took on a new significance as potential hindrances to the joint prosecution of the Cold War in the Far East by Britain and the United States.

In the 1950's the Soviet Union and Communist China were perceived to be a communist monolith determined not only to expel all vestiges of Western power and influence from the Far East but also to bring about a split in the Western bloc, particularly between Britain and the US. Vice versa, the ultimate goal of American and British policy was to divide the Chinese from their Soviet ally, but they held widely divergent views on the correct method required to achieve this. Using the 'carrot and stick' technique as a point of reference, Britain argued that, by offering the PRC carrots, such as diplomatic recognition, a seat in the United Nations and trade, this would encourage differences with the alliance since the new Chinese regime would

¹ The 'Special Relationship': Anglo-American Relations Since 1945, W.R. Louis and H. Bull, eds. (Oxford; 1986) p. 316.

no longer be an outcast with only the Soviet Union and its bloc to turn to for trade and assistance. The Americans believed that using a stick and keeping the PRC isolated would not only foment unrest from within but also put pressure on the Sino-Soviet alliance. The PRC's entry into the Korean War in opposition to the United Nations forces provided the impetus for Anglo-American cooperation but, instead of striking a balance between these two extremes, the hard-line American view prevailed.

The application of an embargo on strategic trade with China and the continued retention of the China seat by the Nationalists was justified by Communist China's bellicose behaviour in Korea. When hostilities drew to a close in 1953, however, Britain planned to put the US on notice that she considered that these measures should be reviewed and revised. A rise in tensions in the Taiwan Straits followed closely on the heels of the conclusion of the 1954 Geneva Conference, providing fresh evidence that the PRC was not a 'peace-loving' nation. The new crisis strengthened the US administration's hand in resisting pressure for change. It is ironic that, while the US certainly did not want a hot war, it found the PRC's peace campaigns which were based on the 'Five Principles of Peaceful Co-existence' and the Bandung spirit to be equally as threatening to the 'Free World's' position after the evolution of an uneasy stale-mate in the Straits.

The offshore islands crisis of 1954-5 posed a serious challenge to the diplomatic versatility of the American secretary of state, John Foster Dulles, and his British counterpart, Anthony Eden. They were faced with the dual problem of preventing an escalation of hostilities which might otherwise result in nuclear war without publicly revealing, or exacerbating, the tensions that already existed between these two allies. These tensions were a direct manifestation of their divergent recognition policies and

resulted in the US giving economic, political, and military assistance to the Nationalists whilst the British sought to limit American commitments to a regime which, they believed, history had passed by.

In contrast to the United States which had the same ^{an} Republic/president, Dwight D. Eisenhower, and the same secretary of state between 1954 and 1958, the Conservative party remained in power during the same period in Britain but under the leadership of three different prime ministers and an equal number of foreign secretaries. This provides an interesting backdrop against which to study changes in policy.

The Eisenhower years are synonymous in the public consciousness with prosperity at home, almost an American 'golden age', but they are also linked with the Cold War and 'roll-back', 'massive retaliation' and particularly 'brinkmanship'. The public's confidence in Eisenhower's ability to maintain the position of the 'Free World' against communist encroachment is justified by the evidence presented that the president explored all avenues for peace and, whilst he was determined to maintain a firm stand against aggression, he was extremely reluctant to commit American forces to solve problems. Eisenhower and Dulles were resolute in their patronage and promotion of the Nationalist Chinese or 'Free China' on Taiwan which, it was believed, was a beacon of hope to the enslaved mainland Chinese and a focus of loyalty for overseas Chinese. Although they had problems with the Nationalists, Eisenhower and Dulles proved twice in this period that they were not willing to see their Chinese ally retreat from their internationally unpopular and militarily indefensible positions in the offshore islands under communist fire. Armed with the Formosa doctrine which allowed the president to intervene to defend the offshore

islands, if deemed necessary, Eisenhower judiciously held his hand, refusing to clarify his intentions, thus avoiding a situation where the US was backed into a situation where the US could not retreat without seriously harming its position in the Far East.

The president and Dulles were not as inflexible in their approach as it might have appeared at that time. They came to acknowledge the existence and durability of the PRC as evidenced in the Geneva and, later, the Warsaw talks between their ambassadors. They considered the problem to be parallel to the situation of other divided countries such as Germany; in this scenario, Matsu and Quemoy were the Berlin of the Far East, a place where ~~it~~ a show of strength and resolve would make the enemy back down. Neither China would renounce the use of force nor overtly accept the idea of 'two Chinas', thus Eisenhower and Dulles left it to time and distance to achieve a resolution to the insoluble and intractable problem of the existence of two competing Chinese regimes.

Whether the relationship was 'special' or 'not-so-special' the United States required Britain's continued friendship and support to maintain the Nationalists' international standing, particularly in the UN and in the enforcement of the embargo on strategic trade. It is indicative of Britain's importance to US policy-making that, at the outset of the 1954 crisis, Dulles turned to Britain first for help in seeking a solution in the UN. Although Britain acknowledged the importance of maintaining a common front, ~~it~~ had strong reservations of the correctness of American policy toward China. Winston Churchill took little interest in Chinese affairs and his attitude is exemplified in his comment that Britain should continue to support the US in keeping the PRC out of the UN since so much good will was generated in return for

so little. His foreign secretary and successor, Anthony Eden, had established a close relationship with the PRC's premier and foreign minister, Chou En-lai, at Geneva in 1954 and was determined to improve Sino-British relations which were seriously hindered by the PRC's claims that Britain was following a 'two China' policy, as it more or less did. Thus Eden sought to jolt the US out of its complacent assumption of Britain's continued cooperation by threatening non-cooperation with the US over issues such as the UN and the embargo in order to force the Americans to re-evaluate and change their China policy. Time and circumstances did not permit him fully to implement his plans, but he made headway on the issue of trade which was later built on by his successor, Harold Macmillan.

The contrast between the approaches of Eden and Macmillan to the China problem is highlighted in the very different tone and tenor of their meetings with Eisenhower and Dulles in Washington after becoming prime minister. In January 1956 Eden put the US on notice that Britain would 'go it alone' and relax the embargo on strategic trade with China, expressed dismay over the Nationalists' position in the offshore islands, and gave hints that Britain would change its vote on the moratorium in the UN. In October 1957 in the aftermath of Suez Macmillan went to Washington with the express intention of cementing the remaining cracks in the Anglo-American relationship which he had started to repair at Bermuda in March of that year. By signing the declaration of common purpose, Macmillan made the Anglo-American relationship the cornerstone of his foreign policy. Building on the understanding reached at Bermuda where the US had indicated that, if Britain were willing to give on political issues related to China, i.e. the UN moratorium vote, the US would acquiesce in Britain's relaxation of strategic trade with China, Macmillan promised in

Washington that Britain would not change its vote on the moratorium in the UN for the duration of the administration in exchange for American cooperation in areas which he considered to be of far more importance such as nuclear technology.

Macmillan's agreement to disagree with the US over China in actual practice meant that he ended any hope that Britain might pursue an independent China policy that would reflect her public position on the issue of Chinese recognition. By giving this assurance of Britain's position the US was able to maintain the fiction that the Nationalist government on Taiwan was the government of all of China with confidence that its British ally would not hinder their efforts. In a sense, it could be argued, that Macmillan's acquiescence on this issue was tantamount to collusion with the US on its China policy. Publicly, however, Macmillan maintained that the PRC was the one and only government of China, while he privately helped to undermine the PRC's position on the world stage. In 1960 when Britain was asked by the US to lobby newly independent African countries to ensure their positive vote on the UN moratorium, David Ormsby-Gore, minister of state, commented, 'Do they not yet understand that we regard their attitude to Peking as ostrich-like buffoonery?'² If the US had managed to forget or overlook this fact it was due not only to wishful thinking but also to Macmillan's previous agreement.

Not surprisingly Eden and Macmillan applied totally different approaches to the offshore islands crises. Whereas in 1954-5 the relationship was tense and sometimes distrustful, in 1958 tension was virtually non-existent between the US administration and Britain. Indeed this time the tension existed between Macmillan and the Foreign Office. In the first crisis Eden was supportive of the US but, at the same time,

² PRO, FO371/150420 FC1023/29, Ormsby Gore minute to Dalton, 5 July 1960.

maintained an independent approach, often exploring various initiatives without first informing or consulting Washington. Although the US and Britain worked together to bring the problem to the United Nations, Eden still sought to preserve its relationship with the PRC by insisting that Peking be invited to attend the UN deliberations and that Operation ORACLE not become simply a Cold War ^eReposte in which the PRC was blamed by the Nationalists for hostilities. Due to the importance accorded to Operation ORACLE by the US, he enjoyed greater influence on American policy than he otherwise might have done. This influence was at its peak in January 1955 when Eden warned the US that if it made a public commitment to defend the offshore islands he would stop cooperating on ORACLE. Such a public declaration would have hardened attitudes on all sides and, as the US came to agree, would have been a mistake. Perhaps the greatest difference in their approach was Eden's persistent attempts, even after the end of hostilities, to convince the US that Chiang must evacuate the offshore islands. In 1958 Macmillan took the attitude that, if the islands could be retained without US intervention, then the Nationalists should retain their control of them. The 1954-5 crisis passed without escalation but also without resolution, Britain and the US maintained their common front and Eden's independent initiatives were appreciated rather than disdained by the US administration. The problem was, as always, that neither China wanted the civil war to end unless it meant a clear-cut victory over the other.

In the chapter of his memoirs entitled 'Chinese puzzle', Macmillan waxed poetic about the island crises, likening them to Vesuvius:

After some months of anxiety the volcano which threatened to burst forth with devastating fury gradually ceased its activities and simmered slowly down into its normal condition of an occasional efflux of smoke

and a few ashes, in a petulant rather than a destructive mood.³

By this imagery Macmillan seemed to be highlighting the pointless futility of these perplexing exercises. Eisenhower himself described the 1958 crisis as a 'Gilbert and Sullivan war'.⁴ Macmillan realized that the US only required moral support rather than military aid from Britain and was thus willing to be generous. Lloyd was very much the junior partner; and D.R. Thorpe's description of Lloyd's 'difficult negotiations on such issues as the Formosan straits' as one of his 'notable achievements,'⁵ is a rather fantastic claim when one considers his subordinate role to Macmillan and Britain's deference to the US at the time.

Whereas in 1954-5, the British were enjoying a 'honeymoon' in their relations with the PRC, Macmillan had no leverage in his dealings with either the PRC or the ROC. Thus, jeopardizing the Anglo-American alliance for the dubious honour of scoring points with the Communist Chinese was simply not possible. Clearly ^{Macmillan} Britain did not have the same influence or impact on American policy during the second crisis as his predecessor. One of the major reasons for this is that there was no joint diplomatic effort in 1958 such as ORACLE. This meant that the US did not have to mould or amend its policy to suit British demands in order to gain her cooperation for continued action. American officials would have been pleased to entertain any British suggestions and were clearly surprised when none were forthcoming. But, circumstances being what they were, Macmillan chose to play the role of a close confidant, and publicly maintained a common stand with the US by deprecating the

³ Macmillan p. 51.

⁴ Eisenhower, p. 304

⁵ Thorpe, p.305

Chinese Communists' resort to the use of force in pursuing their aims, hoping that the Americans should long remember who had been their friend in their time of need.

Certainly the president appreciated the British prime minister who had resolved to stand with the US despite adverse British public opinion, strong opposition from the Labour party and questionable support within the Conservative party.⁶ When Macmillan proposed in January 1959 to visit the Soviet Union, the president and Dulles did not feel that they could say no, as they wished to do. If Macmillan considered this trip was necessary for domestic political reasons, they would not object. Eisenhower emphasised that 'Macmillan was the best friend in the Prime Minister spot we had had.'⁷ It would clearly be wrong to say that Eisenhower based this favourable observation on the basis of Macmillan's generous support in relation to China since there were other fields of interest and cooperation of much greater importance. At the same time, however, Macmillan's support of the US position was surely a welcome respite as it released pressure on the administration in at least one area when other hot spots in the world, such as Berlin, required joint Anglo-American attention.

At a time when the Sino-Soviet alliance was beginning to show cracks in 1958 the Anglo-American relationship had withstood the pressures and tensions of the on-again-off-again crises in the Chinese offshore islands. This was accomplished by compromise by both parties, but, as we have seen, more often than not, it was Britain who conceded the most. These concessions should not necessarily be seen as a sign of weakness on the part of either power but rather as an acknowledgment that it was

⁶ NA, 793.00/10-1758, Cummings to under secretary, regarding intelligence note, 17 Oct. 1958.

⁷ EL, AWF, DDE Diary Series, Box 38: Telephone Calls - Jan. 1959, Dulles to the President, 20 Jan. 1958 and 21 Jan. 1958.

in their own self interest to maintain a common position as far as possible in the Far Eastern Cold War.

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CORRIGENDA

p. 11 - 1.1: omit lines one and two
1.12: omit comma after 'regimes', 'resulting' should read 'resulted'
1.13: 'acknowledged' should 'acknowledging'

p. 11 - 1.15: omit line and insert 'In 1949 the Chinese Nationalists withdrew to the island province of Taiwan where...'

p. 14 - 1.1: 'Chinas' should be 'China's'
1.3: omit 's' from 'Americans'
1.17: add 's' to 'issue'

p. 16 - 1.1: replace 'China' with 'the United Nations'
1.7: omit 'what'
1.9: omit 'a'

p. 17 - 1.3: insert comma after 'that'
1.15: insert 'and' after 'British'

p. 25 - 1.2: omit 'in this'

p. 32 - 1.12: 'stopping' should be 'stop'

p. 39 - 1.7: insert comma after 'and'

p. 45 - 1.5: omit paragraph break

p. 51 - 1.2: should read as 'Dulles had fully expected the British to continue'

p. 56 - 1.7: omit the first 'of seeking to prevent war'

p. 57 - 1.18: insert 'guarantee' after 'American'

p. 72 - 1.22: insert 'the' after 'either'

p. 74 - 1.11: 'toelrance' should be 'tolerance'
1.14: 'allies' should read as 'ally'

p. 90 - 1.4: omit paragraph break

p. 93 - 1.2: replace 'was' with 'were'

p. 94 - 1.11: should read as 'problem then'

p. 99 - 1.5: omit 'l' from 'world'

p. 116 - 1.11: delete 'was'

p. 157 - 1.16: insert 'the' before President

p. 222 - 1.4: insert a return and spacing after 'analogy'

p. 224 - 1.15: omit 'all'

p. 226 - 1.21: replace 'describe to' with 'inform'

p. 231 - 1.8: omit the 's' from 'effects'
1.10; footnotes 82 and 83: 1957 should be '1958'

p. 251 - 1.14: replace 'their' with 'his'

p. 259 - l.16: add 'n' to 'with a'

p. 261 - l.13: should read as 'transfer should'

p. 265 - footnote 10: omit third 'm' from 'Remembmers'

p. 267 - l.5: replace 'a Whitehall official' with 'an American official'

p. 268 - l.18: replace 'enunciate' with 'activate'

p. 270 - l.12: semicolon should be a comma

p. 271 - l.15: replace 'were' with 'was'

p. 273 - l.3: end quotation after 'capabilities'

p. 275 - l.14: add space between 'a good'

p. 278 - l.6: should read as 'doubted whether they would'

p. 280 - l.1: omit 'was'

p. 281 - l.10: omit 'if there would be'

p. 283 - l.2: 'demilitarisation' should be spelled as 'demilitarization'

p. 287 - l.18: insert 'of criticism' after 'hint'

p. 295 - l.21: insert comma after 'Quemoy'

p. 298 - l.6: insert 'it' after 'which'

p. 305 - l.12: omit 'only'
l.13: replace 'is' with 'was'

p. 312 - l.19: add 'ly' to 'surprising'

p. 315 - l.12: -omit '1'

p. 321 - l.4: omit 'the'

p. 329 - l.7: add 'ly' to 'new'

p. 331 - l.4: add 'an' to 'Republic'

p. 336 - l.13: replace 'Britain' with 'Macmillan'