

**November 13, 1952**

**Despatch No. 234 from American Embassy Taipei to the Department of State, 'Report on Foreign Relations at the Seventh National Congress of the Kuomintang'**

**Citation:**

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**Summary:**

The document provides a comprehensive overview of the Chinese Nationalist Government's foreign policy, emphasizing its alignment with anti-communist efforts globally. It discusses Sino-American cooperation, including military and economic aid, the establishment of diplomatic ties in Southeast Asia, and the challenges of maintaining consular services in regions recognizing the Chinese Communist regime. The document underscores the importance of China's role in the United Nations and its relations with countries like Japan, aiming to strengthen global alliances against communism.

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FOREIGN SERVICE DESPATCH

Action Assigned to

FROM : Amembassy, Taipei

TO : THE DEPARTMENT OF STATE, WASHINGTON, November 13, 1952

REF : Embassy Despatch 236, Nov. 14, Administrative Report of the A/CDC/MR  
7th National Congress of the Kuomintang.

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SUBJECT: Report on Foreign Relations at the Seventh National Congress of the Kuomintang.

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There is transmitted a translation of the report on foreign affairs submitted on October 15, 1952 to the Seventh National Congress of the Kuomintang by the Minister of Foreign Affairs, George K. C. YEH. The report, which was also given in substance to the Overseas Affairs Conference held in Taipei beginning October 21, 1952, was turned over to the reporting officer by a member of the Treaty Department of the Ministry of Foreign Affairs. It has not yet been released to the public.

In discussing the international situation in the past three years, the report has as its center of emphasis the improvement in the position of the Chinese Government. This improvement is accounted for by the growing realization on the part of the democratic nations, and in particular the United States, of the true nature of the communist menace, bringing them into closer accord with the position of the Chinese Government, and the improvements on Formosa itself which has increased the confidence of other nations in the ability of the Chinese Government to use properly such aid as is given.

The main body of the report, to which has been added an introduction and conclusion, is divided into five sections: China and the United Nations, Sino-American Relations, Sino-Japanese Relations, Chinese Relations with Pacific and S. E. Asian Countries, and Chinese Relations with other Countries. In the first section, the questions of China's representation, the Chinese Government's charges against Soviet Russia, and the Soviet accusation of U. S. invasion of Formosa are discussed in terms of the increasing support within the United Nations for the position of the Chinese Government. The Korean situation is reviewed, including the background of the neutralization policy and the question of sending Chinese National troops to Korea. The fundamental policy of the Chinese Government with respect to Korea is stated as:

"Our basic stand in the Korean problem is that, since the Chinese Communist regime was branded aggressor, the United Nations should suppress the aggression by all possible effective measures, and that we stand strongly against any political concession of the part of the United Nations other than a truce in exchange for communist agreement for suspension of the hostilities. Moreover, we strongly insist upon the UN policy of free repatriation of prisoners of war as now being followed in the truce talks."

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With regard to Sino-American relations, the report recounted the gradual improvement that has taken place since the arrival of Minister RANKIN in August, 1950. In addition to the Seventh Fleet in the Formosa straits, this improvement is measured in terms of the increasing amount of military and economic aid which has been extended to Formosa. As to Japan, a firm base for the improvement of Sino-Japanese relations was established with the conclusion of the bilateral peace Treaty. The treaty, according to the report, although not entirely satisfactory from the Chinese point of view, did conform to the three basic principles which the Chinese Government had laid down for concluding peace with Japan. The principles were:

- "1. The Chinese Government must insist on a position of equality with the other allies who were at war with Japan.
- "2. The bilateral treaty of peace between China and Japan must be substantially the same as the San Francisco Peace Treaty.
- "3. In concluding a bilateral treaty of peace with us, Japan must recognize our sovereign rights over the whole of China."

In Southeast Asia, the report states, China has maintained especially friendly relations with Korea, the Philippines, Thailand, and Indo-China. Close cooperation within the United Nations has also been practiced with South American and Middle and Near Eastern countries. With regard to the question of a Pacific pact, the report recounts the progress made since the visit of President CHIANG with Mr. QUIRINO at Baguio in July 1949. The Chinese position on the question of a pact is given as:

"Our basic attitude toward a Pacific union was made plain long ago by both the President and the Foreign Minister - that was the firm belief of the Chinese Government that any Pacific union must be achieved under the following two conditions: (1) the union must be based upon the collective security of the participating nations, and (2) the proposed alliance must be definitely and thoroughly anti-communist. . . . As we are all aware, the establishment in the Pacific of such a regional security system as the North Atlantic Pact is still premature. The Government will, however, carefully watch developments in the world and take appropriate steps in accordance with its established policy." (Comment: The prematureness of a Pacific pact at the present time as far as the Chinese are concerned is largely a result of the acceptance of the position of the United States, a realization that the pact they want is not possible without the United States playing a leading part, and a feeling that time is on their side in this matter. The advent of a Republican Administration and the possibility of a shift of emphasis in US policy towards the Far East may considerably advance the time when the Chinese feel that a Pacific Pact of the type they desire can be realized.)

The report concludes with the statement that the future goal of Chinese foreign policy would be that of the third of the four tasks ahead outlined by President CHIANG as Party Director-General at the opening meeting of the National Congress:

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"We must observe the development of the global anti-communist struggle in order to know our own position and responsibilities in the anti-communist camp of the democracies. We must strive to improve the general international situation so as to avert the catastrophe of a third world war by adapting our own anti-communist policies and actions to the development of the world situation."

At the 12th session of the National Congress held on October 19, a resolution was passed approving the report and praising the work of the Foreign Minister, members of the Ministry of Foreign Affairs, and Chinese delegates to the United Nations. Support for the anti-communist, resist-Russia policy announced by President Chiang as Party Director-General was pledged. The resolution concluded:

"Anti-communism is an international problem, hence the elevation of China's position at the United Nations is our major diplomatic task. Inasmuch as United States leadership is needed in the world-wide anti-communist front and as Sino-Japanese cooperation is necessary in the anti-communist, resist-Russia struggle in Asia, special attention should be given to our diplomatic relations with both the United States and Japan.

"With respect to our diplomacy, it is hoped that the various provisions under Foreign Affairs and Overseas Affairs outlined in the Platform of the Kuomintang be fully observed. Particular efforts should be made to disclose, from time to time, at the United Nations all the crimes and atrocities committed by the Chinese Communists and Soviet Russia, to strengthen the ties between China and all other anti-communist countries, to bring about closer solidarity and cooperation among anti-communist countries in the Pacific area, and to further strengthen our relations with all the Middle East, Near East, and Latin-American countries. Special attention should also be paid to our relations with France, as it is one of the five great powers, and with the Philippines and Thailand which are the only nations in Southeast Asia with which China maintains diplomatic relations. Our diplomatic and consular representation abroad should be promptly readjusted and strengthened. All the Kuomintang members participating in the Administration in Formosa and abroad should give greater attention to the 12,000,000 overseas Chinese scattered in the various foreign countries and, through closer contacts and cooperation, carry out our tasks in a democratic way, so that the mission of the anti-communist struggle and mainland recovery and rehabilitation may be accomplished at an early date."\*

Copy pouched to Hong Kong.

*[Signature]*  
K. L. Rankin

✓ *[Signature]*  
Enclosure: Report on Foreign Relations

\* Translated from The Record of the 7th National Congress of the Kuomintang issued to Party members. p.151.

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REPORT ON DIPLOMATIC AFFAIRS

submitted by George K. C. YEH, Minister of Foreign Affairs, to the  
Seventh National Congress of the Kuomintang, October 15, 1952

I

While Axis imperialism was eliminated with the end of World War II, what followed has not been peace but more violent and vicious Russian imperialism. As early as the last World War, Soviet Russia began to expand her territory and influence by annexing several smaller neighboring countries. Including the Czechoslovakia upheaval of June 7, 1948, Soviet Russia has actually seized nine countries in Europe, namely: Estonia, Latvia, Lithuania, Poland, Romania, Hungary, Bulgaria, Albania and Czechoslovakia, in addition to half of Austria and half of Germany. By the end of 1949, in the east, besides our Outer Mongolia, it had also placed half of Korea and the entire Chinese mainland under its control. Since World War II, Soviet Russia has expanded her territory by approximately 4,917,000 square miles and enslaved an additional 570 million people. Such an extensive expansion is unprecedented in human history.

All the free, democratic nations in the world have been constrained to heighten their vigilance in order to cope with such unrestrained large-scale Soviet expansion. First, twelve nations in the Atlantic region in March 1949 concluded the North Atlantic Pact, whereby a 20-year joint defense setup was established. In the winter of 1951, Turkey and Greece were invited to join, thus extending the sphere of the Pact to the eastern coast of the Mediterranean Sea. Later, on May 27 of this year, the European Community Defense Treaty was signed at Paris, thereby considerably strengthening the joint defense system covering the region north of the North Arctic Ocean and south of the Mediterranean Sea. In the Far East, the outbreak of the war caused by the invasion of the territory of the Republic of Korea by the North Korean Communists under Soviet instigation has forced the United Nations, with the support of the United States, to take determined action to check this aggression, thereby temporarily thwarting further Soviet expansion. As the hideous face of Soviet Russia has become more apparent, the United States has entered into separate joint defense pacts with Japan, the Philippines, and Australia and New Zealand. At the same time it has energetically extended military and economic aid to the Southeast Asian nations and Free China. It will therefore be seen that the United States is now building an anti-Communist, resist-Russian defense line simultaneously on both eastern and western fronts.

Unfortunately, although the conflict between the two world camps has become more apparent, there remains lack of unity and agreement within the Free World camp and, moreover, the United States dangerous "Europe-First" policy has not been abandoned completely. These shortcomings, if not corrected in time, will cause serious disaster to the Free World in the future.

Free China has experienced extreme difficulties and hardships during the last three years. It will be recalled that over two years ago our position at the United Nations was at stake and there prevailed only disappointment and

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disrespectful treatment with regard to foreign powers. Except for ourselves, who at that time stubbornly refused to admit our failures, no other people in the world believed that we had a future. In the past two years, through the hard efforts of our people on this island, as well as those abroad, we have now regained our standing and have made Free China the strongest and most powerful anti-communist bulwark in the Far East. Now we have an increasing number of friends and our position at the United Nations has become more stable. With unceasing united efforts throughout the country, it is believed that the future of our nation will be bright.

In reviewing the past in order to guide us in the future, I wish to report on our position and activities at the United Nations, Sino-American relations, Sino-Japanese relations, our relations with neighboring countries in the Pacific and Southeast Asia, as well as with all other nations, in recent years.

## II

### 1. CHINA AND THE UNITED NATIONS

#### A. China representation question

The so-called China representation question came up following the receipt by the Secretary General of the United Nations and the member nations of the Security Council of a circular telegram dated January 8, 1950, from the Chinese Communist regime in which request was made that it be permitted to take the place of the Chinese Nationalist representation at all organizations of the United Nations. Immediately thereafter at the 459th meeting of the Security Council, the Soviet delegation filed a proposal formally demanding the expulsion of the lawful Chinese representatives from that Council.

Since January 1950 Soviet Russia and her satellites have made continued attempts to oust our representatives from the United Nations organization and also from other international bodies and to place the puppet delegation of the Chinese Communists in our stead. During the past two years and ten months, the Soviet bloc filed a total of 109 demands against our representation. As a result of satisfactory steps taken by our Government and our representatives in the various organizations and committees, the Soviet intrigue has been successfully checked and the lawful position of the Republic of China with all the international organization has been safeguarded.

#### B. Charges against U.S.S.R.

After the conclusion of the "Sino-Soviet Friendship and Alliance Treaty" on August 14, 1945, not only had the Soviet Russian Government failed to observe its treaty obligations, but it had also directed and supported the Chinese Communists in staging rebellion. After V-J Day, Soviet Russia first took every measure to prevent our government from regaining our sovereignty in the Northeast and then extended extensive aid to the Chinese Communists to overthrow the Chinese Government. Soviet Russia's violation of the "Sino-Soviet Friendship and Alliance Treaty" was quite apparent.

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Under instructions of the Chinese Government, Dr. T. W. TSIANG, Chief Delegate to the United Nations, on September 27, 1949, formally instituted charges with the Secretariat of the United Nations against "Soviet Russia for violation of the 'Sino-Soviet Friendship and Alliance Treaty' of August 14, 1945, and for threatening China's political independence and territorial integrity and also peace in the Far East in contravention of the United Nations Charter". The case was put on the agenda of the General Assembly, but no result was reached when it was reviewed at the Fourth and Fifth sessions of the General Assembly.

When the Sixth UN General Assembly was in session at Paris on Nov. 6, 1951, the Chinese Government decided that it would press its charges against Soviet Russia further. Hence, in view of the fact that there had been no major change in the international situation since the Fifth General Assembly was held and as it remained doubtful whether our argument based solely on legal aspects of the case would enlist others' interests, it was decided that we should modify our tactics by concentrating the charges on Soviet crimes and intrigues, including atrocities committed by the Chinese Communists on the mainland, in order to enable the General Assembly to appreciate the violation by Soviet Russia of the Sino-Soviet Treaty of 1945, thereby paving the way for us to pursue the case further.

The case was reviewed by the first committee between Jan. 26, and 29. Our charges contained the following three salient points: (1) Soviet Russia was condemned for violation of the "Sino-Soviet Friendship and Alliance Treaty" of Aug. 14, 1945 (2) Soviet Russia was condemned in the first paragraph of the introductory remarks for violation of the United Nations Charter, and (3) Soviet Russia was charged in the third paragraph of the introductory remarks for obstructing, since Japan's surrender, the efforts of the Chinese Government to re-establish its national authority in the Northeast and for giving military and economic aid to the Chinese Communists against the Chinese National Government.

When the case was presented, Dr. Tsiang delivered a long speech of two hours' length in which he outlined in detail facts relating to Soviet aggression against China and also Chinese Communist attempted expansion being carried out under Soviet aegis. When our case was debated, those who addressed the meeting in strong support of our stand were representatives of the United States, Cuba and Peru. In their addresses both the British and French delegates warned Soviet Russia and the Chinese Communists against further aggression in Southeast Asia, or else strong action would be taken by the United Nations.

Later, the Thai delegate suggested that the words "has violated" in our charges be amended to "has failed to fulfill". In order to win the support of more nations and get quicker passage, our delegation decided to accept the amended bill as proposed by the Thai delegation.

On January 29, 1952, the first committee of the United Nations by a vote of 24 to 9 with 25 abstainees and two absentees, Nicaragua and the Union of South Africa, found Russia guilty of breaking the 1945 treaty with China. On February 1 the plenary session of the General Assembly by a vote of 25 to 9 with 24 abstainees and two absentees, Salvador and the Union of South Africa, passed the bill. Our charges against Soviet Russia were thus brought to a conclusion at the United Nations.

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The passage of this bill has considerably inspired the morale of armed forces and people here and abroad. The United Nations resolution formally denouncing Soviet Russia for its guilt in breaking the truce appears to be of historical significance. From the Government's point of view, it was not satisfied with the result of the case, but speaking from the standpoint of diplomatic strategy I would say that its passage constituted an effective weapon in our diplomatic warfare against Soviet Russia which should therefore be properly utilized. Since the passage of our charges against Soviet Russia, the Government has continued its efforts to collect materials with respect to crimes and atrocities committed by the Chinese Communists on the mainland for transmission to the Chinese Delegation to the United Nations and also to the Chinese Delegation to the Seventh UN General Assembly.

C. North Korean and Chinese Communist invasion of S. Korea

Another major event which came up before the United Nations since its establishment was North Korean and Chinese Communist aggression against the Republic of Korea.

Early in the morning on June 25, 1950, Northern Korean Communist troops, after undergoing Soviet training for a long time with Soviet arms and equipment, launched a general attack along the 38th Parallel against the Republic of Korea. The UN Security Council immediately adopted a resolution that such an aggression should be resisted through the immediate formation of a United Nations force. The bill received the full support of 53 of the 59 member nations of the United Nations Organization, those against being five nations of the Soviet bloc and Yugoslavia.

On June 29 Trygve LIE, Secretary General of the United Nations, in a telegram to the Chinese Ministry of Foreign Affairs transmitted the full text of the resolution adopted by the UN Security Council in which all member nations were asked to provide all necessary aid to the Republic of Korea to thwart the North Korean armed invasion. In his reply to the Secretary General, the Chinese Foreign Minister declared that the Chinese Government was willing and was taking all necessary steps to render all possible assistance to the Republic of Korea.

On the same day the UN Secretary General again telegraphed, requesting information as to the type and extent of assistance which we might be able to extend the Republic of Korea. In view of the seriousness of the Korean situation and common interests in the matter between China and the United States, it was deemed proper that we should first consult with the American Government respecting the nature and manner of our assistance. Under instructions of the Government, Dr. Wellington KOO, Chinese Ambassador to the United States, forwarded a memorandum to the American Government expressing the desire of the Chinese Government to send ground forces to Korea to fight against the Reds and requesting information as to the views of the American Government on the subject.

Under date of June 30, Ambassador Koo was directed to address another memorandum to the American Government setting forth the type and extent of assistance which we could extend the Republic of Korea. The salient points contained in the communication were as follows:

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- (1) One army of seasoned troops, numbering approximately 33,000 men, suitable for operations in plains and hilly terrain;
- (2) These troops to be supplied with the best equipment at China's disposal;
- (3) The provision of twenty C-46 planes for the transportation of Chinese troops, with air cover if necessary, and the provision of adequate naval escort if the troops were to be transported by sea;
- (4) The troops to be ready for embarkation in five days.

On July 1, the United States Government replied, in a memorandum, expressing "the United States Government's deep appreciation of this prompt and substantial demonstration of support for the United Nations by the Government of the Republic of China," and remarking that "in the light, however, of the threat of invasion of Taiwan by Communist forces from the mainland, it is the view of the Government of the United States of America that it would be desirable for representatives of General MacARTHUR's Headquarters to hold discussions with Chinese military authorities on Taiwan concerning plans for the defense of the island against invasion prior to any final decision on the wisdom of reducing the defense forces on Taiwan by transfer of troops to Korea." The matter of sending representatives from Tokyo would be arranged by SCAP with the military authorities in Taiwan, the note added.

On July 3 the Chinese Foreign Office notified the UN Secretary General of our negotiations with the American Government. As agreed with that Government, notes exchanged in the matter were released to the public. On the same day an account of the negotiations with the American Government was made known in a Foreign Minister's bulletin.

Since relations between China and Korea have always been cordial and as both maintain a common anti-Communist stand, immediately after the North Korean invasion President CHIANG addressed a telegraphic message of consolation to President Syngman RHEE of the Republic of Korea and at the same time the Chinese Government consulted with quarters concerned in the matter of rendering assistance to that Republic. Even though our offer of military assistance to the Republic of Korea failed to materialize for certain reasons, our determination to render assistance to friendly nations, to uphold justice and to present large quantities of supplies to the Korean people was deeply appreciated by the Government and people of the Republic of Korea.

After three months of fighting, the North Korean Communist troops were badly defeated and were forced by United Nations forces back to the Chinese-Korean border. Early in October of 1950 the Chinese Communist regime suddenly despatched troops to north Korea to join openly in the aggression and become an enemy of the UN forces. The mission of the United Nations in Korea was thus jeopardized and the Korean problem confronting the UN became more complicated.

In accordance with the proposal of the United States delegation, the UN General Assembly, at its Fifth Plenary Session held on February 2, 1951, passed

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a resolution branding the Chinese Communists as aggressors in Korean territory, and later on February 18 by a large majority vote it decided to enforce a military embargo against the Chinese Communists and North Korea. . . .

On June 23, 1951, through "The Price of Peace Series" forum broadcast sponsored by the UN, MALIK, Soviet delegate to the UN, suggested that truce talks should be conducted between the two sides engaged in the Korean war in order that both forces might be withdrawn from the 38 th parallel. The United Nations and democratic countries were then greatly touched by this suggestion. The UN Command and the joint command of North Korean and Chinese Communist forces almost immediately entered into talks -- the so-called Kaesong and later Panmunjom truce talks. The talks have been going on for over a year without result as the Chinese Communists, under directives of Soviet Russia, have persisted in their old tactics of fighting awhile, talking awhile.

Our basic stand on the Korean problem is that, since the Chinese Communist regime was branded the aggressor, the United Nations should suppress this aggression by every possible effective measure, and that we strongly oppose any political concession on the part of the United Nations other than a truce in exchange for Communist agreement to suspend hostilities. Moreover, we strongly insist upon the UN policy of free repatriation of prisoners of war, the policy now pursued in the truce talks.

D. Soviet accusation of "U.S. armed invasion of Taiwan"

Following the invasion into the territory of the Republic of Korea by North Korea on June 25, 1950, United States President TRUMAN issued a statement on the 27th announcing the neutralization of Formosa. On August 25, CHOU En-lai, Foreign Minister of the puppet Chinese Communist regime in Peiping, sent to the Secretary-General of the United Nations a telegram accusing the United States of armed invasion of Formosa. Soviet delegate Malik then submitted a proposal to the Security Council and the General Assembly asking for discussion of the so-called case of "armed invasion of Formosa by the U.S.". The Chief Delegate of the U. S. expressed agreement on the part of his country to an investigation on the spot or consideration by the Security Council of this issue.

As Chou En-lai had no legal right to speak and as the UN should not consider the case since the charges preferred against the U. S. in the telegram were entirely false, the Chinese Foreign Minister in a statement issued August 26 declared: "This latest attempt of Russia, through Chou En-lai's communication, is but a continuation of her vain intrigues. My Government remains the only legitimate Government of China. Any allegation by the puppet Communist regime in Peiping is devoid of legal force and therefore should not be given consideration by the U. N."

The case was first reviewed by the Security Council which, notwithstanding our firm opposition (through two vetos), approved inviting puppet Chinese communist representatives to attend the discussion. It was, however, quickly turned down by both the Security Council and the General Assembly.

Another case closely related to the charges against the U. S. for encroachment upon Formosa is the so-called "status of Formosa" problem.

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That Formosa belongs to us not only has legal and factual basis, but also after Japan's surrender no major power in the world has ever suggested that the island is not a part of our territory. Hence, as far as we are concerned, no question has ever existed. Following the outbreak of the aggressive war in Korea on June 25, 1950, in his statement of June 27 ordering the 7th Fleet to assist in the defense of Formosa, President Truman indicated that "The determination of the future status of Formosa must await the restoration of security in the Pacific, a peace settlement with Japan, or consideration by the United Nations". This case was subsequently brought up by the United States before the Fifth UN General Assembly.

On July 27, the American Embassy addressed<sup>a</sup> memorandum to the Chinese Government expressing the view that the future status of Formosa should be determined in the future by peaceful means. On the 28th, the Chinese Foreign Office in a memorandum to the American Embassy declared that "It is the understanding of the Chinese Government that the urgent American measure should in no way affect China's authority over Formosa, nor would it affect her policy of resistance against the aggression of international communism and the maintenance of the territorial integrity of China". On the same day, a public statement was issued by the Foreign Minister to that effect.

Under date of September 21, the United States Delegation to the 5th UN General Assembly in a memorandum to the Secretary General of the United Nations explained its reasons for including the Formosa question on the agenda. The most important part of the communication is quoted below:

"The Government of the United States has made it abundantly clear that the measures it has taken with respect to Formosa were without prejudice to the long-term political status of Formosa, and that the United States has no territorial ambitions and seeks no special position or privileges with respect to Formosa. The United States further believes that the future of Formosa and of the nearly 8,000,000 people living there should be settled by peaceful means in accordance with the Charter of the United Nations."

It was the opinion of the Foreign Ministry that, in order to safeguard our sovereignty and avoid jeopardizing the morale of the people and the armed forces, we must maintain our basic stand that Formosa, both legally and in fact, was Chinese territory and there was, therefore, no necessity to touch upon her status at the General Assembly. This position was firmly maintained by the Government without any concession.

Shortly afterwards, the question was included on the agenda and was referred to the first committee for examination. Its inclusion on the agenda was strongly opposed by our delegation and after its inclusion we tried our best to have the case dropped and, at least, to delay its discussion as long as possible. Through subsequent negotiations, the 5th UN General Assembly finally decided on February 7, 1951 to shelve the question indefinitely. When the 6th UN General Assembly met at Paris last winter, it was not included on the tentative agenda.

E. Other Chinese activities at the United Nations

In addition to the foregoing, we have actively participated in the various activities of the UN organizations and special committees, including various measures for international peace and security, such as disarmament and collective security measures. We have also fully cooperated with all other member nations in the UN economic, social, trusteeship, as well as in all other technical measures, thereby creating very favorable impression among all friendly powers. By a majority vote at the Sixth UN General Assembly held last winter, China was re-elected as member of the Economic and Social Council, and in the past year China's delegates were elected to serve on various commissions such as: Statistical, Population, Human Rights, Women's Status, Transport and Communications, etc., etc.

At the same time we have taken every opportunity at the UN General Assembly and at all other meetings to reveal Chinese Communist crimes and atrocities in order to dispel the illusions of the foreign powers who have maintained an appeasement policy towards the puppet communist regime. We have also made every endeavor to make known the various reconstruction works and the progress achieved in Free China in recent years so as to enhance others' understanding and faith and so that our friendship and cooperation with foreign powers may become farther consolidated.

When the question of land reform was discussed at the second committee of the Sixth UN General Assembly, the Chinese delegation pointed out that our land reform policy and program was being enforced with special emphasis and that the ultimate objective of our land reform is realization of "land to the tillers" policy.

## 2. SINO-AMERICAN RELATIONS

It will be recalled that when the Chinese Government first removed to Formosa, the United States maintained a Consulate General at Taipei until the arrival of American Charge Robert C. Strong on December 24, 1949, when an embassy was established. In January 1950 American roving ambassador JESSUP paid a visit to Formosa. Sino-American relations have gradually improved since the arrival on August 10, 1950, of Minister Karl L. RANKIN, the current Charge d'Affaires of the American Embassy.

### A. - U. S. Assistance in Formosa Defense

Following the outbreak of the Korean war on June 25, 1950, President Truman, in a statement issued on June 27, declared:

"The attack upon Korea makes it plain beyond all doubt that Communism has passed beyond the use of subversion to conquer independent nations and will now use armed invasion and war. It has defied the orders of the Security Council of the United Nations issued to preserve international peace and security. In these circumstances the occupation of Formosa by Communist forces would be a direct threat to the security of the Pacific area and to United States forces performing their lawful and necessary functions in that area.

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"Accordingly, I have ordered the Seventh Fleet to prevent any attack on Formosa. As a corollary of this action I am calling upon the Chinese Government in Formosa to cease all air and sea operations against the mainland. The Seventh Fleet will see that this is done."

On the same day the American Embassy in a memorandum notified us of the measures taken by the American President and requested our full cooperation.

In consideration of the urgency of the communication and the common interests involved in the proposal, the Chinese Government expressed agreement in principle. On June 28, the Chinese Foreign Minister issued a statement stating that the acceptance by the Chinese Government of the American proposal was prompted by the following considerations: (1) That the proposal should in no way alter the status of Formosa as envisaged in the Cairo Declaration, nor should it in any way affect China's authority over Formosa, (2) The emergency measures adopted by the United States should be able to eliminate the aggression and threats of International Communism within a reasonably short time, but should these measures prove to be inadequate, the Chinese Government, in conjunction with other governments concerned, would have to seek more effective measures to resist such aggression, and (3) In accepting the American proposal, the Chinese Government did not intend to depart from its policy of resistance against the aggression of International Communism and the maintenance of the territorial integrity of China. The policy of the maintenance of the territorial integrity of China presaged our counter-offensive against the mainland.

#### B. American Aid

Since after the outbreak of the Korean war, both the American Government and the American people have gradually gained a better understanding of the true character of the Chinese Communists and have also recognized the importance of Formosa in the Pacific. The great and remarkable progress made by our Government in recent years in military, political, economic, social and cultural fields have brought forth more active American aid to Free China.

Figures of American military and economic aid extended Free China since July 1, 1950 are given below:

During the 1951 fiscal year (July 1, 1950 - June 30, 1951), the sum of US\$40,000,000 was originally allotted and an additional sum of US\$16,000,000 was allotted towards the end of 1950. Later, the sum of US\$41,700,000 was granted by the American Government, half of the sum was for military needs but it was not to be included in the allotment for military aid. Total American economic aid to Free China during the 1951 fiscal year, therefore, totaled US\$97,700,000.

American military aid has been extended in two forms: one is military equipment and supplies and the other is the Military Advisory Assistance Group. Under the notes exchanged on Jan. 30 and Feb. 9, 1951, between the Chinese and American Governments, the latter agreed to supply certain military equipment for the defense of Formosa and to despatch the MAAG to Formosa to assist in the reorganization and training of the Chinese armed forces. The MAAG, headed by

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Major General William C. CHASE, began its functions in April, 1951. American military aid allotted to China in 1951 amounted to a total of US\$71,000,000.

With respect to military and economic aid during the 1952 fiscal year (July 1, 1951 - June 30, 1952), under the "Mutual Security Act of 1951" the Economic Cooperation Administration was superseded by the Mutual Security Administration which took over all the handling of American foreign aid. Under the new act, the President of the United States is empowered to alter the ratio of allocations to any country from the entire American economic aid allotment and also has the right to transfer funds from economic assistance to military aid to any country.

During the 1952 fiscal year economic aid for Asia and the Pacific area (including India, Pakistan, Afghanistan, Ceylon, Nepal, Thailand, Indonesia, Burma, the Philippines, Korea and Free China) totaled US\$237,155,866, of which China was allotted US\$81 million. Military aid for Asia and the Pacific area amounted to US\$535,250,000, of which Free China was granted US\$275,000,000.

As to American economic aid for the 1953 fiscal year (July 1, 1952 - June 30 1953), the allotment for Asia and the Pacific area amounts to US\$321,412,500, of which China is to get US\$115,000,000. Military aid for the same region totals US\$564,875,000; that for China is unknown as no announcement has yet been made by the U. S. Government. It is believed that it will not be less than in the 1952 fiscal year.

Since July 1, 1950, American appropriations allotted to Free China in economic assistance aggregated US\$293,700,000 and in military aid amounted approximately to US\$600,000,000.

There are two other things connected with Sino-American relations worthy of mention: one was Sino-American cooperation in sanctions against the Reds and the other was the exchange of notes between the two Governments regarding an agreement on insurance of American investments of private capital in Formosa.

By an overwhelming vote the Fifth UN General Assembly approved military sanctions against North Korea and Communist China. On October 26, 1951, President Truman signed the "Joint Defense, Mutual Aid Control Act of 1951" (also known as the Battle Act) providing an embargo on shipment of war weapons, equipment and supplies to any country that threatens the security of the United States, including Soviet Russia and her satellites. It was also provided that any country which fails to enforce the embargo would be denied American military, economic and financial aid. The cooperation rendered by China in this regard has been well appreciated by the U.S.

In executing the provisions of the Economic Cooperation Act, placing American investment under the guarantee of the Mutual Security Administration, the American Government suggested in May-June of this year that an agreement be concluded through the exchange of notes for the extension of the guarantee system to American investment in Taiwan. The proposal immediately met with the approval of the Chinese Government as it helps the economic development of Formosa. Notes were thus exchanged on June 25, 1952 between the Foreign

Minister and the then American Charge Howard P. JONES.

In short, as China and the U.S. take a common stand in the anti-communist cause, cooperation between the two states has gradually become closer and American assistance to China has become increasingly positive. The progress made in the various fields in Formosa has made Americans feel that American economic assistance has produced most satisfactory results. Consequently, the U. S. has shown greater interest in satisfying our needs and greater confidence in our utilization of American aid. We are, therefore, confident that the U.S. will extend us greater military and economic aid in days to come.

### 3. SINO-JAPANESE RELATIONS

#### Conclusion of Treaty of Peace

Following our exclusion from the signing of the multilateral peace treaty with Japan at San Francisco in September of last year, on the basis of the teachings of the late Dr. SUN Yat-sen that "the fates of China and Japan are inextricably interwoven" and the instructions of the President that "China's policy toward Japan should be one of reasonable generosity instead of one of reprisal", the Chinese Government laid down the following three basic principles:

1. The Chinese Government must insist on a position of equality with the other allies which were at war with Japan.
2. The bilateral treaty of peace between China and Japan must be substantially the same as the San Francisco Peace Treaty.
3. In concluding a bilateral treaty of peace with us, Japan must recognize our sovereign rights over the whole of China.

In his letter dated December 24, 1951, to State Department Adviser Mr. John Foster DULLES, Japanese Prime Minister Shigeru YOSHIDA made known the desire of the Japanese Government to conclude with us a treaty which would re-establish normal relations between the two governments in conformity with the principles set out in the multilateral treaty of peace. The text of the letter was released on Jan. 16, 1952.

In February this year, the Japanese Government appointed Isao KAWADA as its plenipotentiary to negotiate and conclude a treaty of peace with our plenipotentiary appointed on Feb. 15.

The Japanese delegation arrived here on Feb. 17. The two parties met at the first formal meeting on Feb. 20, at which Kawada was handed our draft of the treaty, on the basis of which subsequent talks were held. There were held altogether three formal meetings and eighteen informal meetings. On April 27, 1952, the two parties finally reached agreement for the conclusion of a Treaty of Peace between the Republic of China and Japan, a Protocol, two Notes exchanged and a set of Agreed Minutes, five documents in all, to which the delegates of the two parties affixed their signatures on April 28, 1952, at 3:00 p.m., at the Taipei Guest House.

The above-mentioned Treaty of Peace, together with the annexed documents, was approved by the Chinese Legislative Yuan on July 31, 1952, the Chinese ratification was signed by the President on August 2, and the instruments of ratification were exchanged between the two delegations at Taipei on August 5 when the Sino-Japanese Treaty of Peace became effective.

While the peace treaty we signed with Japan may not be totally satisfactory, in view of the fact that we waged war the longest and had the heaviest losses, it should be noted that the contents of the five documents were in full accord with the three principles laid down by the Chinese Government.

After the effectuation of the peace treaty, the Chinese Government immediately announced the abolition of its Military Mission in Japan and the establishment of an embassy at Tokyo and of a consulate general at Yokohama and another at Osaka and a consulate at Nagasaki. The Japanese Government announced the establishment of its embassy at Taipei taking the place of its Overseas Affairs Agency. All these offices have begun their functions. Diplomatic relations between the two countries should become closer following the restoration of normal relations. We have fully cooperated with Japan in all the international organizations in which she has participated and, in return, we have also received similar cooperation from Japan.

In the economic field, in recent years many Japanese people, particularly businessmen, foolishly hoped to re-establish normal trade relations with the puppet Chinese Communist regime but so far without satisfactory result. In view of the Japanese wavering attitude, our trade with Japan is a matter of great importance. In June 1950 China and Japan concluded a Formosa-Japan Trade Agreement and a Financial Agreement relating to such trade. Under the provisions of the two agreements, unless otherwise provided in another written document, the two agreements shall be terminated upon the effectuation of the peace treaty with Japan. If the interpretation is made in a broader sense, it would mean the San Francisco Peace Treaty. In order to avoid a trade deadlock, Chinese and Japanese trade representatives met at Tokyo on January 18, 1952 and reached on agreement that the validity of the original Agreements be extended until the conclusion of a new agreement. Notes were exchanged in this regard at Tokyo on April 24, 1952.

#### 4. CHINESE RELATIONS WITH PACIFIC AND S.E. ASIAN COUNTRIES

With the exception of India, Burma and Indonesia, which had recognized Communist China in order to seek their own security, most of the other nations in the Pacific and Southeast Asia have cooperated with us, especially Korea, the Philippines, Thailand and Indo-China as they are now in the same difficult position and taking the same stand in the anti-communist struggle, and have, therefore, maintained quite close cooperation with us at international gatherings. Both Australia and New Zealand still maintain very close diplomatic relations with us and in recent years, owing to the Mutual Defense Pact which they concluded with the U.S., our common stand in the anti-communist cause has become more concerted.

Special mention may be made here with respect to the general Pacific defense question.

The proposal of a Pacific joint defense goes back to July 1949, when President CHIANG visited Philippine President QUIRINO at Baguio. After their conference the two presidents issued a joint communique, part of which reads:

"In view of the lack of collaboration among the Far Eastern countries in the past and considering the gravity of the Communist menace which menaces their freedom and independence today, we deem it necessary that these countries should at once organize themselves into a union for the purpose of achieving solidarity and mutual assistance to contain and counteract that world menace."

It is quite apparent that the union proposed at the Baguio meeting was aimed at coping with the Communist menace.

Later, owing to various apprehensions on the part of the Philippine Government, the objectives clearly set forth in the joint communique quoted above seemed to have been lost sight of. In May 1950, however, the Chinese Government observed with regret that the Philippine Government, in making preparations for the Baguio conference of Southeast Asian nations, invited only non-Communist countries in Southeast Asia and appeared to have made the conference merely one for the purpose of discussing various aspects of political, cultural and economic cooperation without specifically making known the anti-communist objective. President Chiang immediately wrote to President Quirino stating that "unless the conference is fully guided by the objectives agreed to previously by them, China will not want to sponsor, or take part in, such a conference". The conference, as far as we could see, achieved practically nothing and our non-participation caused us no loss. Nevertheless, this development did not, by any means, reflect upon the friendly relations between China and the Philippines.

As the threat of International Communism has become more serious and communist aggression has become more apparent after the outbreak of the war in Korea, the suggestion of a joint Pacific defense was again brought up. When it was found that it would almost be impossible to institute a security setup similar to the North Atlantic Pact in the near future in the Pacific area as the interests of the various countries in the region are at great variance, the United States concluded individually on August 30 a Mutual Defense Pact with the Philippines, on September 1 a Mutual Security Pact with Australia and New Zealand, and on September 8 a Security Pact with Japan, thereby establishing the foundation for creating a more positive regional security setup in the Pacific area.

Our basic attitude toward a Pacific union was made plain long ago by both the President and the Foreign Minister. It has been the firm belief of the Chinese Government that any Pacific union must be formed under the following two conditions: (1) The union must be based on the collective security of participating nations and (2) The proposed alliance must be thoroughly anti-Communist. This basic policy was in full accord with the position taken by us regarding the Baguio conference.

As we are all aware, the establishment in the Pacific of such a regional security system as the North Atlantic Pact is really premature. The Government will, however, carefully watch developments in the world and take appropriate steps in accordance with its established policy.

#### 5. CHINESE RELATIONS WITH OTHER COUNTRIES

In addition to the several countries mentioned above, China has maintained cordial relations with many of the Latin-American and Middle and Near Eastern countries which have fully cooperated with us at the United Nations and other international organizations and given us strong support in time of need. On the other hand, we have also closely cooperated with the Middle and Near Eastern countries in their nationalist movements. In Europe, Spain resumed relations with us in June 1952.

With the exception of the Soviet bloc, we have maintained trade and relations other than political with several countries which have recognized the puppet communist regime. We have even permitted the British Consulate to continue its functions at Tamsui. The reasons for doing this are very simple. First, Formosa is an island, so that any act of reducing trade relations and communication lines would be tantamount to a self-imposed blockade. Second, politics, particularly foreign relations, are realistic; hence there must be no emotions or grievances in determining our policy. Third, most of these nations are anti-Communist or, at least, they do not belong to the Communist bloc. In order to weaken the strength of the enemy, we should make these countries our friends as, these countries are, in fact, not our enemies. This decision has brought satisfactory results in the last two years.

### III

The above fully explains the present international situation and developments in Free China's status and position in the world in the last few years.

It will be seen that realization on the part of the free world of the true menace of communism has been growing considerably and that an international anti-Communist group has gradually been brought into being. The formation of the Free World fundamentally differs from that of the communist world as the former is a structure of equality and freedom among independent nations while the latter represents that of a master-slave combination with Moscow serving as its center. Such a special characteristic of the Free World is a good point but it is also a weak point. It is up to the concerted efforts of all free human beings to decide how best to maintain the good points and how best to correct the defects. In this regard Free China should see clearly its responsibility.

It has become more apparent that the position of Free China has been stabilized and elevated and its strength has gradually become stronger. Our present situation remains difficult and our future still filled with hardships even though there have been great progress and improvement, compared with the situation two or three years ago.

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It will be recalled that within five months after our evacuation to Formosa, 22 nations extended recognition to the communist regime. However, since April 4, 1950, not a single nation has taken this wrong course and even those countries which recognized the puppet administration have gradually modified their attitude toward us.

I wish to add a few words here concerning the difficulties encountered by the Foreign Office in the protection of the Chinese abroad. Owing to recognition by a number of countries of the communist regime and the Government's retrenchment policy, there were abolished, one after another, a total of 13 Chinese embassies and legations, 43 consular offices, the Military Mission in Germany and the consular invoice department in Hong Kong. Twenty-three other consular offices were merged and a total of 502 staff members discharged. As a result, the Government has not been able to fulfill its duty in the protection of overseas Chinese in those countries which recognized the communist regime. After the abolition and amalgamation of various consular establishments, existing consular districts have been enlarged. With reduced staffs, these offices have, therefore, not been able properly and adequately to take care of our compatriots abroad. The several legations and embassies which also look after consular business have been placed in the same difficult position. Appropriate improvements will be made as the international situation and government financial power improve.

As to how we should exert our efforts, at the opening meeting of the present Congress the Director General outlined the four tasks that we must strive to accomplish. The third point reads "We must observe the development of the global anti-Communist struggle in order to know our own position and responsibilities in the anti-Communist camp of the democracies. We must strive to improve the general international situation so as to avert the catastrophes of a third world war by adapting our own anti-Communist policies and actions to the development of world situation." This is the goal of our efforts.

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(Note: The foregoing translation was made by Mr. Franklin J. C. LIU of the Embassy Staff.)

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