

July 15, 1949

**Memorandum from Mr. Fisher for Mr. Butterworth,
'Chiang-Quirino Proposal for Pacific Union'**

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FE - Mr. Butterworth

July 15, 1949

FE - Mr. Fisher

Chiang-Quirino Proposal for a Pacific Union

CHRONOLOGY AND DEVELOPMENTS

UP reports from Canton June 29 quoted Minister-without Portfolio Wu Tieh-cheng, a close follower of Chiang Kai-shek, as saying that an Asia-wide campaign against Communism would be launched at a conference of Asian countries at Baguio in August or September.

On June 30 President Quirino informed our Charge in Manila that the Chinese Minister to the Philippines, Chen Chih-ping, on June 29 told him Chiang Kai-shek wished to make an official visit to Quirino to discuss the role of the Philippines in present and prospective relations between China and "other nations of this area". Quirino said that he had replied that he would be willing to receive Chiang.

On July 4 Quirino made a speech in which he urged formation of a "Pacific Union"--"a real union of peoples around the Pacific on the basis of common counsel and assistance". This led General Romulo to telegraph a long memorandum to Quirino on July 7 analyzing the situation and making definite suggestions concerning the nature and method of organizing the proposed union. Romulo stressed the vital importance of Indian support and advised that Nehru be consulted preliminary to any other steps. He proposed that Korea, the Philippines, Thailand, New Zealand, Australia, India, Burma, Ceylon and Indonesia organize a political and economic union aimed at Russo-Chinese Communists while repudiating maintenance of European imperialism. Excluded, at first, would be the UK, France, the Netherlands, and the US. China is omitted from both his lists. Next step would be an offer of economic cooperation with the US under the Point IV program. After demonstration that there is a chance of limiting the spread of Communism, a collective appeal for US military aid could be considered. (See TAB "A").

On July 7 the Philippine Under Secretary for Foreign Affairs confirmed to Embassy Manila a press report from Seoul that President Rhee had transmitted a message to Quirino urging him to take the necessary initiative for a

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Authority NND 913309

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SECRET

-2-

Pacific pact bloc.

On July 8 Quirino informed our Charge that Chiang would arrive on July 10 for two days and wished to discuss both Sino-Philippine affairs and the relations of China and the Philippines with "other nations of this area". Chiang had suggested a joint statement upon Chiang's departure.

News reports from the Philippines quoted the Philippine Under Secretary for Foreign Affairs at about this time as saying that US leadership would be essential to any Pacific Union.

On July 10 Chiang and his party arrived and proceeded to Baguio where they met Quirino and his party. Chiang was accompanied by former Foreign Minister Wang Shih-chieh, former Vice Foreign Minister and former Mayor of Shanghai K. C. Wu, and a number of military and other assistants. Quirino's staff included Under Secretary for Foreign Affairs Neri, Chief of Staff Castaneda, Commander of Constabulary Ramos, Secretary of Finance Pedrosa, Secretary of the National Economic Council Dr. Amancio M. Dalisa, and Leonides G. Virata, Director of the Department of Research and Statistics of the Central Bank.

After the discussions on July 10 the following communique was issued:

"As the Generalissimo is visiting the Philippines unofficially, conversations with President Quirino during their first meeting have been devoted largely to mutual information regarding the situation in China and in the Philippines.

"In their exchange of views on the general situation in the Orient, they discussed on an exploratory level the subject of economic collaboration and general development of the countries of the Far East.

"They expressed common belief in the desirability of mutual understanding and the necessity of establishing stronger ties of friendship and good-will for the preservation of democracy in the Orient.

"The similarity of problems confronting each other-- how to provide the peoples of China and the Philippines with the greatest measure of prosperity and contentment

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SECRET

DECLASSIFIED

Authority NND 913309

SECRET

-3-

as the basic requirement of a life of peace--has made the President and the Generalissimo apparently fast and warm friends.

"They will continue their conversations tomorrow."

A UP dispatch from Baguio July 10 said in part: "Earlier, the President (Quirino) said the main point of the Pacific Union proposal was that of economic collaboration and that the US was reluctant to join because of the financial responsibility this would entail."

At the conclusion of discussions on July 11, the following communique was issued:

"During the past two days, we had a full exchange of views on matters concerning Sino-Filipino cooperation and the relations among all the Far Eastern countries. We both feel happy to state that throughout the meeting, the atmosphere was permeated with a spirit of frankness and harmony.

"In our discussions, we agreed that the relations between China and the Philippines should be further strengthened and that concrete and practical measures should immediately be taken by our respective governments for the promotion of a closer economic and cultural cooperation.

"We also had a full discussion on the imperative (need) of coordinated full development of the Far Eastern countries in order to insure their stability and security. In view of the lack of close collaboration among them in the past, and considering the gravity of the Communist menace which confronts 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 common threat.

"A preliminary conference of authorized representatives of those countries desiring to participate in the formation of this union should be convened at the earliest possible moment to devise concrete measures for its organization. It is our hope that other countries in Asia and the Pacific will eventually respond to the highest aims of the proposed union.

"General

SECRET

DECLASSIFIED

Authority NND 913309

SECRET
-4-

"General Chiang Kai-shek further stated: 'Although I have come to the Philippines upon the invitation of President Quirino to confer with him in my private capacity, I shall, as leader of the Kuomintang, undertake to advise and request the Chinese Government to give its full support and to take steps to implement the agreements as announced in the above joint statement.'"

On July 12 Chiang Kai-shek left the Philippines, returning to Taiwan. The same day a UP dispatch from Baguio quoted Quirino as saying that China and the Philippines were "not asking anything from the US". He added, "On the other hand, we are doing our bit here as our contribution to American preoccupation with regard to Communism." He said the Philippines and China "did not bother the US because it is the intention of these two Far Eastern countries to organize with whatever resources they have to stop communism as their contribution to the American campaign against Communism."

Embassy Manila was told by an AP correspondent on July 12 that Wang Shih-chieh and Under Secretary of Foreign Affairs Neri had worked out a set of principles expected to serve as the basis for the Pacific Union Pact.

On July 14 Quirino told our Charge in Manila that he and Chiang had agreed Quirino would take the lead in organization of the Union, that the Union was primarily not military but social and economic, that Romulo would be brought back to work out the details and sound out other countries, and that the US would be welcome if it decided to participate. Quirino displayed resentment against the US, some vanity that he is to "head a new union of states", and offered only vague suggestions as to how the Philippines might aid China economically. He suggested that the US is making a mistake in remaining so preoccupied with western Europe whereas the USSR is actively aiding its friends in the Far East.

U. S. ACTION

On March 23 Philippine Ambassador Elizalde called on the Director for Far Eastern Affairs, Mr. Butterworth, saying he had been instructed to ascertain US views on the possibility of a Pacific Pact along the lines of the North Atlantic Treaty, although he was unable to indicate that any thought had been given the matter in Manila other than

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DECLASSIFIED

Authority NND 913309

SECRET

-5-

to the name Pacific Pact. The unique character of the North Atlantic Treaty and the importance of existing bilateral arrangements between the US and the Philippines were called to his attention. He acknowledged the complexities with regard to China, Japan and Indonesia and vouchsafed he would inform Quirino it would not be wise to play up the idea of a Pacific Pact, which would not evoke favorable support from Washington.

On April 16 and on May 6 we instructed Embassy Manila to make certain Quirino was under no misapprehension that we were favorably disposed to the idea, as there had been indications Elizalde had not made this clear.

On May 18 the Secretary issued his statement on a Pacific Pact (Press Release 369).

On July 11, on being asked for reaction to press reports of the Chiang-Quirino communique of that date, the Department's spokesman made clear that the May 18 statement still stood, but added that "we have every sympathy with and interest in efforts of the peoples of the Pacific area to develop close cooperative relationships and to move toward common counsel and mutual assistance on the vital problems of the area." The spokesman tried to make clear that this view applied to Quirino's July 4 speech, not the July 11 communique. He added that regarding the latter we were "completely on the side-lines".

On July 11 President Rhee's special representative in the US, Dr. Cough, saw the Secretary and raised the question of the possibility of the United States' underwriting a Pacific Pact analogous to the North Atlantic Pact. The Secretary referred to his various public statements on the subject and pointed out that in brief the US did not at this time contemplate any further extension of the undertakings embodied in the North Atlantic Treaty.

On July 13, when asked whether we were any more amenable to a Pacific Pact than we were in May, the Secretary replied: "I think the attitude as stated by me in May still stands."

On July 13 the Voice of America, which had been instructed to play the stories straight, on the basis of official statements, was authorized to broadcast to the Far East the July 12 editorial of the Christian Science Monitor. (See TAB "B").

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DECLASSIFIED

Authority NND 913309

SECRET

-6-

FOREIGN REACTION AND CHINESE ACTIVITY

In reaction to the Chiang-Quirino communique, the UK Foreign Office indicated to the press that the question was primarily one for the countries directly concerned.

The French Diplomatic Counselor in Indochina indicated that while there had been some French sympathy with Quirino's earlier efforts for an anti-Communist front in south Asia, the appearance of Chiang Kai-shek changed the entire picture and worried him. He felt any French cooperation with the remnants of the Nationalist Government would be a direct invitation for a Chinese Communist attack on Indochina.

The Netherlands Foreign Office believes that while there is merit in the idea of association in the Pacific to oppose Communism, the fact that the initiative comes from China does not sugar well for its success.

Embassy Manila has learned from the Spanish Minister that the Chinese Minister has promised Chinese support for reversal of the UN stand on withdrawal of Ambassadors from Spain, apparently if Spain would adopt a friendly attitude toward the proposed Union. Embassy Manila comments this is evidence Chiang is going far afield in an effort to line up moral support.

The fact that the Peruvian Embassy here on July 14 asked where our Ambassador to China was and for copies of all official statements we had made recently on China suggests an awakening Peruvian interest in China that may be not unconnected with Chinese diplomatic activity.

ANALYSIS

Apart from 1948 Chinese semi-official suggestions for an anti-Communist alliance among China, Korea and Japan, the Pacific Pact concept appears to have been originally an instinctive "me too" reaction to announcement of the North Atlantic Treaty. Individual countries and leaders have then developed ideas about the nature of such a pact in terms of their own situations and pressing needs, with US moral and/or material support in each case being assumed as the eventual cornerstone of the structure.

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DECLASSIFIED

Authority NND 913309

SECRET

-7-

Korea, fearful of attack from Communist-dominated north Korea and seeking arms and a US military guarantee of its frontiers, has been most vociferous in advocating a pact with US participation. Direct appeals for large supplies of arms and a US military commitment having failed, Rhee is heartily endorsing the Chiang-Quirino move, presumably hoping to attain his goals indirectly.

Similarly Chiang Kai-shek doubtless discounts the possibility of his being able to secure a US military commitment and large supplies of arms directly. Like Rhee he probably believes the Philippines and other states in the proposed Pacific Union might be utilized as instruments to bring further pressure on the US for aid, most of which might be expected to accrue to China at present. Chiang and Rhee apparently desire that Quirino take the lead in "pulling their chestnuts from the fire", and Quirino seems to have responded to their flattery.

The views of the Philippine (and Australian) leaders are obviously colored by the domestic political requirements of imminent national elections. There is every indication Quirino has fallen in with Chiang's (and Rhee's) flattering suggestion that he take the lead, not only from genuine concern for Philippine security, but because his emergence as an Asian leader would improve his political prospects, and because of resentment of real or fancied slights by the US. Romulo's shrewd memorandum apparently reached him after he had made a commitment to Chiang. Romulo has advised us he has since told Quirino the maneuver was a blunder. According to Romulo, Quirino has responded by saying he wants Romulo to return, repair the damage and bail him out.

Determined opposition to the maintenance of "European imperialism" may be expected to emerge as an important factor in the attitudes of India, Indonesia, the Philippines and perhaps other countries, as Romulo points out.

Concern for their security in any global conflict is apparent in the attitudes of Australia, New Zealand, and the Philippines. Concern for immediate military assistance predominates with Rhee and Chiang.

Secretary Acheson's May 18 statement caused sharp changes in approach in most countries. Australia and New Zealand emphasized that consultation and planning was all they envisaged at present, acknowledging that the North Atlantic Treaty took precedence. Filipino and Korean

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SECRET

DECLASSIFIED

Authority NND 913309

SECRET

-8-

spokesmen began to stress that Asian nations must take the lead and organize on their own. Quirino and Romulo began to define the union they had in mind as being political, economic and cultural in nature, at least at first, where previously they had let it be assumed the mere words "Pacific Pact" meant primarily military alliance. Chinese newspapers and spokesmen simply decried America's "short-sighted" neglect of the problem of stopping Communism in Asia. The UK welcomed the US statement.

In effect Chiang and Rhee have succeeded in getting Quirino committed to a Pacific Union with themselves as charter members. Their inclusion will vitally affect the nature and aims of the proposed union. Chinese Nationalist membership saddles the union from the start with an almost hopeless cause and makes it more difficult for the US and possibly other western powers to give their support. It may also be expected to alienate other south Asian countries, particularly India. Thus the charter membership roster may be expected to inhibit the development of any alternative structure for a viable Asian union or association of non-Communist states, since India is essential to such a grouping.

SUGGESTIONS

The U.S. would welcome the development of an effective association of non-Communist countries in south and east Asia, which might develop into an active anti-Communist front. The January New Delhi conference and the Chiang-Quirino meeting are evidence that steps toward Asiatic cooperation will be taken with or without our support or advice. The Chiang-Quirino meeting suggests that a primary aim of this movement is to force our hand.

The Chiang-Quirino-Rhee basis for a Pacific Union does not seem to be the beginning of an effective structure, since Chiang's inclusion saddles the embryonic union with a military problem it cannot hope to solve, and will probably repel other countries essential to an effective association of non-Communist countries. The present maneuver, if it crystallizes, may well split Asian countries into non-Communist and anti-Communist segments, increasing the problems of Australia, New Zealand and the western powers.

Two more

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DECLASSIFIED

Authority NND 913309

SECRET

-9-

Two more promising approaches to the problem have already been made by Asians: 1) Nehru's somewhat vague suggestions for an Asian Union, and 2) Romulo's specific suggestions to Quirino in his telegraphed memorandum of July 7 (Tab "A").

Quirino has summoned Romulo to Manila, reportedly to help work out the details, to contact other countries and to make arrangements for the next formal conference which would presumably crystallize the proposed union. Romulo does not propose China as a charter member. These circumstances indicate there may be opportunity and time for intensive diplomatic and propaganda activity designed to help Quirino overcome what Romulo calls his "blunder". Our objective would seem to be to wean Quirino from the Chiang plan and influence him to espouse the "Philippine Plan" as outlined by Romulo. If Quirino would prolong the interval of diplomatic discussion and preparation before the second general conference, politely stalling Chiang, the problem of China's membership might resolve itself. It is possible that within a few months Nationalist China will either prove itself viable as a re-vitalized and able segment of China able to carry on resistance as a worthy partner in the enterprise, or will be so clearly doomed that the other necessary member countries will avoid entering a hopeless alliance. Publication of the White Paper will probably affect this aspect of the problem.

We have several useful avenues to Quirino: the Embassy, with Ambassador Cowen soon to return; Romulo himself, due to return next week; and Consul General Abbott in Saigon, a personal friend of Quirino who is going to Manila within a few days and expects to call on Quirino. The first step would appear to be to persuade Romulo to tell Quirino he has shown us his July 7 memorandum, and to report we had reacted most favorably. We should immediately send the full text of this memorandum to New Delhi and other key points. (INFOTEL outlining it already sent.)

Supplementary activity with Nehru, with the UK, the Netherlands, France, Korea, Australia and New Zealand would seem indicated. We should make it clear to all that we consider that the development of healthy and increasing economic and political ties between non-Communist countries in the area essential to the growth of a strong community of independent Asian and Pacific nations; that such an

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SECRET

DECLASSIFIED

Authority NND 913309

SECRET

-10-

association of Asian and Pacific nations offers the best means of protecting and advancing the interests of individual Asian and Pacific countries; that settlements in Indonesia and Indochina are essential first steps; that increased, mutually beneficial trade within the area, resulting from taking full advantage of the potentials of Japanese and Indian industry and the productive resources of the other countries, is another; and that in our view the movement and any structure which might be evolved must have inherent strength in Asia, and not appear to be an instrument designed primarily to extract and channel U.S. or other western aid.

As Romulo suggests, Nehru is the key. We should be most adroit. Perhaps we should not broach the subject to him at all, leaving that to Romulo and Quirino, but remaining ready to respond to any inquiries in the sense of the paragraph immediately above.

Our public information and propaganda policy will be most important. To avoid the "kiss of death" effect, it might prove best for us publicly to maintain our present public coolness to the whole idea, creating the impression of an Asiatic development real and hardy enough to start and grow despite our obtuse aloofness. Romulo, Nehru and Quirino might prefer this. On the other hand, or at the same time, we might well emphasize our interest in contributory developments, such as outlined above, without mentioning them as contributory toward a union.

Adroitly handled, we might find this whole development an added instrument of pressure for accomplishment of our specific aims in Indonesia, Indochina, Japanese-Asian trade, etc.

FE:PMFisher:cp

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Authority NND 913309

TELEGRAM TO QUIRINO FROM ROMULO
(Handed by Romulo to Ambassador Cowen)

7/7/49

Code

President Quirino

Manila (Philippines)

826 Secret. Having read excerpts from your recent address in the New York Times advocating Pacific Union, I wish to submit the following memorandum for your consideration:

The time has come when the people of Asia should begin taking steps in their own defense. It is obvious that the present American administration will give no support to those resisting Communism in China until the Chinese show some aptitude for that task. As in Iran in 1946, so in China in 1948: "No assistance without resistance." Until now, the various independent governments of Eastern Asia have been concentrating on the need of eliminating the remnants of European imperialism in our area rather than in stopping the growing Communistic imperialism of the Soviet Union.

It is said that since the United States, which alone could provide the military force to stop the Communists, is not now disposed to do that in Asia, nothing at all can be done. I do not share this view. I believe that in the next six months, during which it will probably become apparent how much resistance to Communism free China can provide, the free states of Southeast Asia could profitably take the following steps:

(1) Korea, the Philippines, Siam, New Zealand, Australia, India, Burma, Ceylon and Indonesia should organize themselves into a political and economic union. The purposes of this union should be public and its formation should be an act of solidarity against any encroachment on the freedom and independence of the signatory governments. It should be aimed at the Russo-Chinese Communists while at the same time repudiating the maintenance of European imperialism. For this latter reason, it would seem, at least in the first stage, that Britain, France, the Netherlands as well as the United States should be excluded from the pact.

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Authority NND 913309

-2-

(2) Once the union is proclaimed, the same governments could make a common offer of economic cooperation with the United States under the Truman Point-Four Program. The United States Government might be asked to send to that area an economic mission headed by a well-informed government official but including two or three outstanding American industrialists.

These two steps taken would, I think, change the political climate in all Eastern Asia. They would help destroy the notion that Communism is in any sense the "wave of the future" which must be accepted passively. They would show that the objections to Chinese Communism will by no means be an exclusive American worry or a strategem of the European colonial powers.

Finally, within perhaps a year after it had become apparent that there was some chance of limiting the spread of Communism from China to the rest of Southeast Asia by force, the nations signatory to the union could then consider whether it is to their best interests to appeal collectively to the United States for military assistance. It is possible that assistance might, in the meanwhile, have been given to the Chinese resistance group provided they show willingness and capacity to use it effectively.

Tentative moves have been made by the British Commonwealth members in the region to establish a security organization among themselves. Economically they are already bound together by imperial preference. Obviously this smaller unit must give way to a larger one if the idea of regional union is to prevail.

It is equally obvious that no such Asian group could get very far without the full support of the government of India. Recent internal political developments in India may have started to shake Nehru's former belief that India can by herself alone stand as a third force between the United States and Russia. Therefore, before any step is taken to form this union, I would recommend that you take up directly the whole question with Nehru as soon as possible and discuss all its implications.

Such concrete action on your part would remove the question from the realm of wishful thinking and pure

speculation.

DECLASSIFIED

Authority NND 913309

-3-

speculation. It would prove to the United States that an important development is afoot in Asia that it could not ignore, and your hand would be strengthened when you come to Washington as reported in the press and of which so far I have no official knowledge.

Romulo

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Authority NND 913309

July 12 Editorial in Christian Science Monitor

PACIFIC PARLEY

The Chiang-Quirino talks looking toward an anti-Communist Pacific front invite the good wishes though not the jubilant expectations of Americans. Any degree of understanding between anti-Communist elements in Asia is to be welcomed, though it must be carefully evaluated as a bid for American military support.

There has been much talk of a Pacific pact to match the Atlantic defense treaty. It may be thought that an agreement between the Philippines and the Chinese Nationalists, with the probable addition of South Korea, could serve as the nucleus of a larger international agreement. Yet it is improbable that a Pacific pact will develop in just this way.

The forthcoming White Paper on China which is being prepared in Washington should make clear why most students of the Far East put little faith in the "retired" president of Nationalist China as the leader of a new and enlarged crusade against communism. The reasons which have argued against America's underwriting of further military misadventures by the Nationalists are unlikely to be altered appreciably by any agreement Generalissimo Chiang may reach with Presidents Quirino and Rhee.

Other elements of more importance to a Pacific pact than the Chiang rump regime are a final Dutch-Indonesian agreement, the integration of Japanese economic recovery with Asian development as a whole, the continental leadership of Prime Minister Nehru and the effective cooperation of India with other members of the British Commonwealth, the economic strengthening of South Korea and the Philippines. So far as American policy can forward these ends, it should bend every effort to do so.

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Authority NND 913309

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