

## The roots of the Taiwan conflict

### Part Four: The China Lobby

By Melissa Harrison

For decades the island of Taiwan, situated about 160km off the southeastern coast of China, has been used by Anglo-American powers to agitate against the Chinese government. Parts 1-3 of this series, which appeared in the AAS of 2, 16 and 23 November 2022, documented the rise of Chiang Kai-shek, head of the Kuomintang Party (KMT) and the future leader of Taiwan, and his ultimate defeat by the Communist Party of China.

Despite significant military and economic support from the United States during the final years of the Chinese Civil War (1927-1949), the Kuomintang Party (KMT) was defeated by the Communist Party of China (CPC), which established the People's Republic of China (PRC) on 1 October 1949. The KMT's armies, secret police, and political establishment, including KMT leader Chiang Kai-shek, retreated to the island of Taiwan. Around the time the PRC was established, CPC intermediaries attempted to use diplomatic channels to discuss possible future relations with the USA. However, these efforts were rebuffed, as US Secretary of State Dean Acheson refused to make any gesture of rapprochement toward the CPC.

The White House and US State Department believed that, having failed to hold the Chinese mainland, the KMT would be unable to prevent a CPC invasion of Taiwan, which would result in certain victory over the KMT's ineffective military and corrupt regime. It was recognised by the US Joint Chiefs of Staff that any overt US military aid to Taiwan would be opposed by US allies. Consequently, the USA provided political and financial aid to the KMT during late 1949 and early 1950, but without much hope that this would prevent a CPC invasion. Privately, the US State Department had considered the possibility of replacing Chiang Kai-shek with a more democratic and effective leader, or promoting the establishment of a UN trusteeship over Taiwan. Secretary of State Dean Acheson suggested that the USA should foster an independence movement amongst native Taiwanese as a contingency, which could later be exploited to justify United Nations action on the future of Taiwan, with the aim of garnering international approval for US intervention on the island.<sup>1</sup>

However, it was extremely difficult for US policymakers to publicly abandon the KMT, because of the cult of personality which had been developed around Chiang Kai-shek in America. Chiang's heroic image, and the American public's strong support of his regime, had been skillfully cultivated by a group called the China Lobby.

#### The China Lobby

The China Lobby was an informal network of individuals and groups united by their aim to secure US support of Chiang Kai-shek. This network included agents of the KMT's vast US-based propaganda apparatus, KMT operatives, paid lobbyists, and pro-Chiang Americans.

The China Lobby was supported by Americans whose interests aligned in supporting Chiang's regime. This included businessmen and importers/exporters, who believed a Communist government threatened their access to China's vast market potential; political leaders who were ideologically aligned with anti-communist Chiang, or who found the China issue an effective political weapon; and members of the military establishment, who wished to maintain a

pro-American flank against Communist China. A particularly potent pro-Chiang force were American religious groups and the foreign mission field, who viewed Chiang, a Christian Methodist, as the personification of their hopes to convert all of China to Christianity. Chiang converted to Methodism in order to make a politically advantageous marriage to Soong Mei-ling in 1927. Soong Mei-ling (often referred to as Madam Chiang) was the daughter of the wealthy and powerful Soong family and sister-in-law of China's esteemed revolutionary leader and founder of the KMT, Sun Yat-sen.

The China Lobby pursued their pro-Chiang agenda through the publication of articles, pamphlets and books; the establishment of organisations which promoted pro-Chiang and anti-CPC policies; and extensive political lobbying. The 30 April 1950 *New York Times* acknowledged that it was "scarcely a secret" that Madam Chiang and other wealthy KMT-affiliated Chinese families had "quietly and actively worked at high [US] governmental levels on behalf of the Chinese Nationalists".

The China Lobby was led by an inner core of strongly pro-Chiang supporters, Chinese agents, and lobbyists, which provided direction for the larger China Lobby network. The development of this inner core can be traced back to 1940, when high-profile KMT officials arrived in Washington to lobby for US aid. This inner core of influential individuals included *Time*, *Life*, and *Fortune* magazine publisher Henry R. Luce; Congressman Walter H. Judd; lawyer and registered KMT agent William Goodwin; and wealthy businessman Alfred Kohlberg, who had made his fortune manufacturing and exporting textiles from China in the early 1920s. Another member of the China Lobby's inner core was aviator Claire L. Chennault, whom Chiang had appointed head of training and operations of the Chinese Air Force in 1940. Chennault served as commander of the "Flying Tigers" 1st American Volunteer Group, a squadron equipped by the USA which assisted China in fighting the Japanese invasion in 1941-42.

The support of the China Lobby's high-profile inner core was invaluable to the cultivation of Chiang's public image as a wise and enlightened Christian leader and gifted military commander. For example, Henry Luce, born in China to American missionaries, featured Chiang on the cover of *Time* magazine ten times between 1927 and 1955. Another key contributor was businessman Alfred Kohlberg, who deployed his fortune to fund publications and organisations which attacked Chiang's critics and promoted pro-KMT policies.

The China Lobby's efforts were intertwined with those of the KMT. Chiang Kai-shek's wife, Soong Mei-ling, was a familiar figure to the American public. Madam Chiang was educated in America in her youth, and during the 1930s travelled through the country raising funds and lobbying for the KMT. As a Christian, English-speaking, pro-American modern woman, Madam Chiang greatly appealed to the sympathies of the American public. The 25 October 2003 *New York Times* described the Chiangs' "relentless and sophisticated lobbying efforts" in Washington, where they "distributed uncounted millions through law firms and public relations companies" to promote pro-KMT agendas. During periods of critical importance to the KMT's interests, Madam Chiang personally directed the reorganisation and expansion of the China Lobby.

Between 1940 and the end of World War II, Chiang's regime received \$645 million in loans (about \$10 billion in today's terms) and \$825.7 million in Lend-Lease aid (about \$13 billion today) from the United States. Between the end

1. David Finkelstein, *Washington's Taiwan Dilemma, 1949-1950*, Naval Institute Press, 2014.

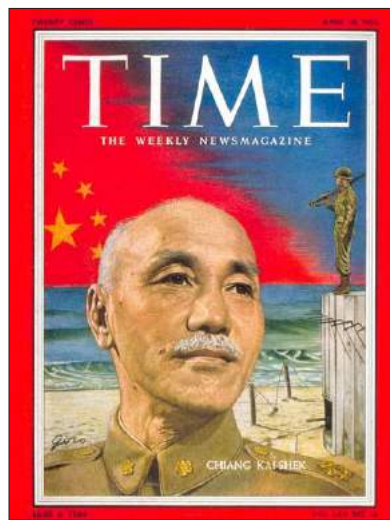
of WWII and 1949, the KMT received a further \$2 billion in cash (\$23.1 billion today). Much of these funds were never accounted for. In the late 1940s and early 1950s, there were repeated charges from American journalists that a significant portion of US aid was used to fund the KMT's China Lobby activities. The KMT's immense US-based propaganda apparatus included media organisations and news publications, extensive lobbying campaigns, and public relations firms which were contracted to promote the KMT's interests. Recognising that their material would be more effective if promoted through third parties, the KMT used friendly American sources to disseminate their propaganda.

Official US concern over the KMT's propaganda activities emerged in 1941. According to US Army historians, a myth about the extent of the KMT's military capabilities and its fight against the Japanese was pushed by an "ardent, articulate and adroit Sino-phile faction", with the evident aim of procuring arms from the US. The following year, this myth was confirmed by China-based US General Bruce Magruder, who informed the US War Department that Chinese and pro-Chinese American propagandists had portrayed a grossly misleading impression of the KMT's war effort.<sup>2</sup> Over subsequent years, there were numerous concerns raised over the KMT's propaganda and pressure tactics in American media and the political arena.

The China Lobby exploited key China-related events which had occurred before and during WWII, twisting them in order to accuse Chiang's critics of being pro-communist or traitors. The Marshall Mission, the USA's post-war endeavour to negotiate a CPC-KMT cease-fire agreement and transition to a coalition government (an initiative which ultimately failed), was one such target. The China Lobby accused US General George C. Marshall, the leader of the Marshall Mission, of promoting Communist aims, because he requested an embargo on US arms sales to the KMT during the negotiations. It was alleged that under Marshall's influence, the USA failed to supply Chiang with the arms he needed to fight the CPC. When Marshall was later appointed US Secretary of State, the China Lobby alleged that his State Department had sabotaged further US aid to Chiang, to the benefit of Communist China.

By early 1945, the China Lobby denounced all criticism of Chiang as cleverly concealed communist propaganda. Between 1945 and 1950, the China Lobby targeted individuals who dissented from a pro-Chiang narrative, denouncing any who attempted to present objective analysis as communist sympathisers, impugning their loyalty and motives. The China Lobby discredited the reputations of China specialists, research organisations, foreign service officials, and those responsible for China policy in the State Department. Others denounced as communist-affiliated included prominent journalist and author Edgar Snow, the first Western reporter to visit Communist-controlled regions in China in 1936. Snow had been invited to discuss Chinese politics with US President Franklin D. Roosevelt on several occasions. The China Lobby's vicious attacks on the US State Department's China policies and specialists began shortly after WWII. As the Lobby's political influence grew, the State Department was gradually purged of all who disagreed with the China Lobby's pro-Chiang agenda.

After the CPC victory in October 1949, the American public could not believe that the Chinese people freely



Chiang Kai Shek and his wife Madam Chiang were heavily promoted in the US media, especially in the pro-fascist Henry Luce's *Time* and *Life* magazines.

accepted a Communist government. Rather, it was believed that this must have been the creation of a conspiracy, coercion by the Soviet Union and sabotage by traitors in America. It was essential for the KMT to persuade Americans that Chiang's defeat was the fault of the USA, not the KMT. The China Lobby promoted the myth of the "loss of China"—that Chiang Kai-shek was defeated because of a betrayal by American foreign service officers, State Department officials and China experts—a myth which was widely accepted by the American public, media and political class. When the KMT was defeated and fled to Taiwan, the China Lobby launched a massive campaign to oppose recognition of the People's Republic of China, and to stress the strategic necessity of the USA's defence of Taiwan.

### The China Lobby and McCarthyism

In the late 1940s and early 1950s, the increasingly paranoid post-war political climate in America favoured the China Lobby's agenda. In a 12 March 1947 speech which launched the Cold War, known as the Truman Doctrine, US President Harry S Truman asked the US Congress to approve economic and military support to the government of Greece, aiding it against communist opposition forces in the Greek civil war. Nine days later, Truman enacted Executive Order 9385, under which all federal employees had to be investigated for possible disloyalty. This laid the groundwork for America's so-called "Red Scare", the period of intense public fear of communist infiltration and subversion, which reached a fever-pitch in the early 1950s. "Loyalty Review Boards" held highly publicised inquisitions, aimed at defaming their victims; for some targets, these hearings operated as a star chamber. The private sector followed suit, employing professionals such as ex-FBI officials to preside over loyalty review hearings. Wielding their power unchecked, bureaucrats in government agencies harassed and punished those whom they judged were pro-communist.

A Congressional committee, the House Un-American Activities Committee (HUAC), had for several years embarked on an anti-communist crusade, its influence soaring as the Cold War escalated. HUAC's sensational and often unsubstantiated allegations provided invaluable material for the China Lobby, which employed the tactic of naming an individual identified as pro-communist in HUAC hearings, as having responsibility for China policy. By 1948, the Republican Party's interests aligned with the China Lobby. US aid to Chiang, which was framed as supporting a moral crusade against communism in

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2. Charles Romanus, Riley Sunderland, *Stilwell's Mission to China*, United States Army Center of Military History, 1987

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Asia, was used as an effective political bludgeon—any Democrats opposed to sending further aid to the KMT were labelled communist sympathisers or a security risk.

After the CPC's victory in 1949, several Congressional committees investigated US policies in China, using the same witnesses and covering much the same topics. It was evident that these committees adhered to the China Lobby line; their questioning promoted a pro-Chiang narrative and disregarded any dissenting testimony. These Congressional inquiries were weaponised into a tool of slander and intimidation, and were successfully used to force public employees to resign by "exposé". Old "China hands" were particularly targeted. One committee successfully purged all foreign service officials who had correctly identified the weaknesses and corruption of the Kuomintang during the 1940s. Background material was supplied to these committees through KMT propagandists, and by KMT agents acting through American intermediaries. Like HUAC, these Congressional investigations generated enormous media publicity for several years, providing reams of material for the China Lobby's propaganda campaigns.

This was the atmosphere which prevailed prior to Republican Senator Joseph McCarthy's infamous 9 February 1950 speech, in which he sensationally claimed that he possessed a list of 205 State Department employees who were members of the Communist Party or spies. McCarthy's allegations were widely publicised in the media, catapulting him to stardom. For the next several years, McCarthy led a militant anti-communist witch hunt, alleging communist and Soviet spy infiltration of the US government and civil society. The issue of Communist China's victory over the KMT provided McCarthy with valuable material to support his claims. Overnight, McCarthy became an ardent supporter of Chiang Kai-shek; the 30 April 1950 *New York Times* described McCarthy as one of "the most effective pleaders for the Nationalist [KMT] cause".

China Lobby member and KMT propagandist, lawyer William Goodwin, bragged that his extensive lobbying of US Congressmen laid the groundwork for McCarthy's campaign, particularly for McCarthy's attacks against prominent China scholar Professor Owen Lattimore. McCarthy claimed Lattimore was the "principle architect" of the USA's allegedly pro-Communist China policy.

Many of McCarthy's attacks echoed the narratives of the China Lobby, and he adopted its targets. For example, McCarthy accused General George C. Marshall of sabotaging the KMT's war effort and thus effectively colluding with the enemy. China Lobby member Alfred Kohlberg assisted McCarthy with research and provided the Senator with material which was used in Congressional investigations, and for McCarthy's accusations on the Senate floor.

McCarthy's attacks against "China hands" were supported by forged intelligence reports, which had been manufactured by the KMT's intelligence agencies. These were leaked to McCarthy's informants, and to other sympathetic American recipients.<sup>3</sup>

The Federal Bureau of Investigations (FBI) also supplied McCarthy with material for his anti-communist crusade, including confidential FBI reports which were laundered through other sources. The FBI conducted background checks on hundreds of McCarthy's targets and supplied

speechwriters to McCarthy and his aides. FBI head J. Edgar Hoover, a personal friend of McCarthy's, assisted in appointing McCarthy's staff—at one point there were so many former FBI officials working for McCarthy that his office was nicknamed "the little FBI". The FBI also maintained a covert working relationship with members of HUAC. The FBI investigated HUAC's targets and supplied material and ex-communist witnesses for the Committee's inquisitions.<sup>4</sup>

### Chiang's regime saved by Korean War

Taiwan became a source of contention between the US State and Defence Departments. US Secretary of State Dean Acheson and Defence Secretary Louis Johnson shared a deep dislike of one another. Johnson won the support of the Republican Party, the China Lobby and the Kuomintang for his staunch support of the KMT, and he used the issue of Taiwan to undermine Acheson and agitate against the State Department's China policies.<sup>5</sup>

Chiang Kai-shek was also supported by factions of the American military leadership who, believing that war with the Soviet Union was imminent, wished to maintain a pro-American Taiwan as a base for potential future military operations. These activist military leaders promoted Chiang as a valuable ally, military genius and hero.

Nevertheless, on 5 January 1950, President Truman announced that the USA would not pursue a course which would lead to involvement in China's civil conflict. In dire news to the KMT, Truman stipulated that the US government would not provide military aid to the KMT's forces on Taiwan. However, six months later Chiang was saved, when Truman reversed course in response to the outbreak of the Korean War.

Shortly after WWII, the US and the Soviet Union occupied Korea in order to repatriate the defeated Japanese. A demarcation line was set up between Russian and American forces, which, as the Cold War escalated, divided Korea into the pro-communist North (supported by Moscow) and South Korea (supported by Washington). Both North and South Korea had frequently clashed militarily for several years after the war. On 26 June 1950, the United States presented a resolution to the United Nations Security Council which claimed that North Korea had aggressively attacked South Korea without provocation the day prior (notably, the USA's account of the matter was questioned by several member nations, given the long-standing history of conflict between the two sides). The USA swiftly committed its forces to aid South Korea, with other UN nations following suit, and the US Seventh Fleet was deployed into the Taiwan Strait to protect Taiwan.

The Korean War gave Chiang significant leverage over the United States, which the KMT used to great advantage. Maintaining a pro-American Taiwan to threaten the PRC's flank was intended to relieve pressure on UN forces in South Korea. Additionally, Taiwan became the main US base for intelligence collection and for waging covert war against mainland China during the Korean War.

Despite repeated warnings from CPC leadership, US and South Korean troops crossed into North Korea's territory and massed near China's border in October 1950. As a result, the CPC entered the Korean War the same month. The United States was now in direct conflict with the Chinese Communists, a boon for the KMT. Under these circumstances, recognition of the PRC would be forestalled, and increased US aid to Chiang was guaranteed.

3. Robert Newman, "Clandestine Chinese National Efforts To Punish Their American Detractors", *Diplomatic History*, Vol.7, No.3, Oxford University Press, 1983

4. Curt Gentry, *J. Edgar Hoover: the man and his secrets*, Plume, 1992

5. See note 1.

Toward the end of the Korean War, which was concluded via an armistice on 27 July 1953, there was growing pressure to admit the PRC as the UN member for China. This was fiercely opposed by the China Lobby, as it would end the legitimacy of Chiang's regime.

In mid-1953, the Committee for One Million Against the Admission of Communist China to the United Nations (COM), an organisation spearheaded by China Lobby member and former medical missionary to China, Congressman Walter H. Judd, was formed to campaign against UN recognition of the PRC. COM leaders included US Congressmen, and key members of the China Lobby were involved in its operations. COM staff stridently denied receiving financial support from the Kuomintang. However, personal letters between COM staff and KMT officials reveal that COM did solicit funding from the KMT for various projects, including for social and travel expenses, which were funnelled through front organisations.

At this time, both Houses of the US Congress were controlled by the Republican Party. The pro-Chiang Congressional bloc, which was strengthened by the increasing public acceptance of the China Lobby's arguments, could derail any of the Eisenhower Administration's policies, and thus dictated US China policy. Both Houses passed numerous resolutions after 1950 opposing the PRC's recognition by the UN; Congress opposed any policy which could enhance US- and CPC relations.

### Mutual Defence Treaty

After the end of the Korean War, CPC and KMT forces continued to clash over China's offshore islands. Chiang built up highly publicised defensive installations on the islands; committed acts of piracy (KMT forces captured a Polish freighter and a Russian tanker in waters off Taiwan); and escalated raids against the Chinese Mainland, which targeted inland cities and infrastructure. The CPC retaliated by building up their own infrastructure and bombing the offshore islands. The situation escalated dangerously. Chiang's agitating tactics seemed designed to provoke conflict between the PRC and the USA.

On 2 December 1954, a Mutual Defence Treaty was signed between the USA and Chiang's Republic of China (ROC), which guaranteed support to Taiwan in the event of an attack from the PRC. The Treaty was followed shortly thereafter by the January 1955 "Formosa Resolution", which authorised



US Senator Joseph McCarthy's (left) anti-communist witch hunt purged the genuine China experts from US government departments. Photo: Wikipedia

US President Eisenhower to deploy US forces in defence of Taiwan. An elated Chiang Kai-shek described the Treaty as a "marvellous achievement". Importantly, the Treaty legitimised the presence of US military bases, installations and forces on Taiwan. As a consequence of the Treaty, Chiang's future military capabilities were to become entirely defensive and restricted in scope by the US, which hoped to reign in Chiang and stabilise tensions in the Taiwan Strait. However, in subsequent years Chiang continued to plan attacks against the Chinese mainland. Chiang built up large numbers of troops on the offshore islands and refused the USA's requests to withdraw them. Many American leaders believed that Chiang was trying to draw the USA into a war with the PRC.

*Next—KMT and US intelligence agencies collaborate*

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## China Lobby attacks front-run by British intelligence

During World War II, US President Franklin D. Roosevelt and British Prime Minister Winston Churchill clashed over Britain's intent to continue its colonial domination. Instead, Roosevelt championed independence for former colonial nations, envisioning an industrialised China being the lynchpin for ending colonialism and supporting industrial development throughout all of Asia. US Vice President Henry Wallace was the main architect of this program for US-China collaboration on major infrastructure projects, which was titled *Our Job in the Pacific*.<sup>1</sup>

In 1943, British intelligence, which was engaged in extensive operations in the US at the time, including intrusive wire-tapping and clandestine funding of various media organisations, obtained a copy of Wallace's plan, which Churchill read with outrage. That same year, the British Security Co-ordination (BSC, a US-based British intelligence organisation) began spying on individuals involved in

Wallace's China project, and on those who accompanied Wallace on his 1944 mission to China to arrange matters. The BSC then supplied intelligence leads on these individuals to the FBI. Wallace's collaborators, who were spied on by the BSC, were also targeted by the China Lobby, and later by the anti-communist witch hunt of infamous Republican Senator Joseph McCarthy.

Wallace was replaced by Harry S Truman, who succeeded Roosevelt upon his untimely death shortly thereafter. Wallace became one of the China Lobby's targets, and was one of the subjects of the KMT's forged intelligence reports which were used to support McCarthy's anti-communist witch hunts. One forged document, which was amplified by China Lobby propagandists, claimed that while visiting China in 1944, Wallace held a "secret conference" with Lattimore, US General Joseph W. Stilwell, commander of the American forces in the China-Burma-India theatre during WWII, and foreign service officials (all China Lobby targets), allegedly to plan the downfall of the Kuomintang.

1. David Shavin, "When the United States Offered the 'Belt and Road' to China", *EIR*, 16 Aug. 2019.