Structure and Perceptions: Explaining American Policy Toward China (1949-50)

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American policy toward China during the early Cold War has long been considered as a prime anomaly to balance of power theory. Many realists have argued that domestic forces caused a confrontational policy, overriding structural imperative to accommodate China to balance the stronger Soviet power in Asia. Refuting the domestic explanation, I argue that balance of power consideration primarily determined the U.S. policy. Under the powerful pressure of bipolar competition, the Truman administration persistently pursued a realist policy of forming an alliance with Communist China, or at least neutralizing it, through accommodation in order to balance the Soviet Union in Asia. This policy was based on the assessment of Soviet superiority in Asia. However, my analysis of the power structure shows that there was little structural incentive for China to cooperate with the United States against the Soviet Union because the latter was in a somewhat disadvantageous position globally and had limited offensive capabilities in Asia. Further, Chinese leaders perceived the United States as the superior power in bipolarity. Consequently, China formed an alliance with the Soviet Union to check the United States according to its own balance of power logic.

In light of a grand alliance formed against the Soviet power in Europe, the inimical relationship between the United States and China during the early Cold War period has presented an interesting puzzle for realists. The conventional wisdom held by many realists is that the United States should have pursued an alliance, or at least good relations, with China against the stronger

Wooseon Choi is a Visiting Assistant Professor in the Department of Political Science at the University of New Orleans.
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Soviet power in Asia as it did after 1972. They argue, however, that despite the structural imperative, the United States pursued a confrontational policy toward Communist China mainly due to domestic political pressures, causing an adversarial relationship with it.¹

I revisit this case. The aim of this article is to closely examine American policy toward China during 1949-50. In analyzing the effects of structural and domestic factors on policy outcome, I seek to answer the question of why the United States failed in forging cooperative relations with China against the Soviet Union.

Countering the domestic explanation, I argue that U.S. China policy was mainly driven by the bipolar competition with the Soviet Union. My study shows that from late 1949, the Truman administration persistently pursued a realist policy to make an alliance with China, or at least neutralize it, through accommodation despite strong domestic constraints. The policy was primarily aimed at improving the U.S. position relative to its archenemy. It was also based on the assessment that the greatest Soviet power in Asia would push China to the U.S. side in spite of their ideological differences. However, the power structure was not sufficiently determinate to dictate policy choices. The Soviet Union was somewhat weaker in global balance and had limited offensive capabilities in Asia. Despite some advantages, the United States was not in a clearly superior position vis-à-vis Soviet land power. In this structural condition, Chinese leaders perceived the United States as the superior power in bipolarity, emphasizing its advantages in economic and nuclear capabilities. Consequently, they decided to form an alliance with the Soviet Union to balance the United States, frustrating the American policy.

Theoretically, this case has long been considered a prime anomaly to balance of power theory in which domestic factors overrode structural factors in determining the policy outcome.² However, this hard case actually shows how powerfully international structure affects alliance policies of states in anarchy. Although domestic factors operated with strong force, they did not make causally significant effects on the basic direction of American policy. Under the structural pressure, the policy decisions of American and Chinese leaders were dominated by power calculations to improve national security.


However, this case also reveals that sometimes structures are not clear-cut and that structural theory has limitations in predicting specific policies in those conditions. Although both American and Chinese leaders were driven by balance of power logic in making their alliance policies, they adopted contradictory policies based on their differing assessments of the power structure. Thus my study suggests that in explaining specific policies and their outcomes in ambiguous structural conditions, we need to analyze power structures and policy makers’ perceptions of them.

Before proceeding to my explanation, I briefly present the domestic explanation, especially that of Thomas Christensen.

DOMESTIC EXPLANATION

Since Hans Morgenthau first expounded its basic logic, the domestic argument has been dominant in explaining American policy toward China during 1949–50. Its proponents start with the proposition that the Soviet Union was the greatest power in Asia after World War II. They view China’s fear of the Soviet power as overriding their ideological affinities. Thus an alliance with China was seen as the only sensible policy for the United States to maintain the balance of power in Asia. Despite the common power interests, however, they argue that the Truman administration pursued a hostile policy toward China mainly as the result of domestic politics. Consequently, the United States and China became enemies, giving the Soviet Union the great strategic gain of China as an ally.

Recently, Christensen presented a sophisticated and comprehensive version of the domestic argument. He assesses that, from a balance of power perspective, “the Cold War world was strikingly similar before and after 1972.” Thus he argues that “as a regional power, a weak but independent China should have sought American assistance in countering its powerful Soviet neighbor, as it did after 1972. At a minimum, China should have sought good relations with both superpowers, allowing them to compete for China’s allegiance.”

Christensen posits that in this structural condition, the rational choice of the United States was to improve relationship with China in order to counterbalance the Soviet Union. This was due to the fact that “a working relationship with Beijing could have been a major American security asset, as it

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3 Morgenthau argues that this US policy was the result of domestic pressures from the China bloc and anticommunist Republicans. Morgenthau, In Defense of the National Interest, 205–6, 324–35; “The United States and China,” in China in Crisis, vol. 2, ed., Tang Tsou (Chicago: University of Chicago Press, 1969), 101. Snyder maintains that the confrontational policy mainly resulted from the coalition logrolling of the Truman administration with Republican internationalists and Asia-first anticommunists to ensure congressional support for crucial European programs. Snyder, Myths of Empire, 258–62.

4 Christensen, Useful Adversaries, 5.
generally was after Nixon’s initial trip. Following the traditional view, however, he maintains that the Truman administration pursued a hostile China policy. Thus, facing this supposed anomaly to balance of power theory, he poses the theoretical question of why, if bipolarity and the common Soviet threat prescribed cooperation in 1972, they did not push leaders in a similar direction in the 1950s.

His answer is that the Truman administration had to pursue an overactive policy toward Communist China due to domestic constraints that were strengthened by the mobilization for a new grand strategy to contain the Soviet Union. After World War II, fiscal conservatism was prevalent among the public and both parties in the Congress. There was also a strong isolationist group in the Congress. Christensen argues that fiscal conservatives and isolationists formed a powerful coalition with the China bloc and linked China policy with the core European programs, advocating an active anti-communist policy in Asia. Their political goals were to oppose or reduce the European programs by making the administration, which had used anticommunism to sell the expensive programs, look weak on anticommunism. In these political circumstances, the national leaders feared that a conciliatory posture toward the Chinese Communists would weaken their mobilization for grand strategy. Thus Christensen argues that in order to ensure consensus on core European programs at each stage of the effort to get them passed in the Congress, the administration had to make major concessions by accepting the China programs against its will as the price of the European programs. The outcome of this policy process was the confrontational China policy.

The first major case of a series of concessions was the China Aid Act (CAA) in 1948. Christensen argues that from early 1947 on, the administration had been pursuing disengagement from the hopeless Kuomintang (KMT) for hard-headed realist reasons. On the other hand, the administration was facing the strong opposition of fiscal conservatives and isolationists to the European Recovery Program (ERP) in the Congress. In cooperation with the China bloc, they linked China aid with the ERP, exploiting the prevalent anticommunism. Christensen argues that because of the powerful political pressures, the Truman administration had to extend further aid to the KMT, reversing its

5 Ibid. As a strategic gain for the United States, Christensen notes that the military tensions on the Sino-Soviet border after the early 1970s pinned down a larger number of Soviet forces than the central European theater. He also opines that in the early Cold War period, the outcome of the realist policy of the United States would have been a working relationship with China, which could have weakened the Sino-Soviet alliance and helped avoid the escalation of the Korean War. See ibid., 138–40.

6 Ibid., 4.
7 Ibid., 69–76.
8 Ibid., 59–61, 66.
preferred China policy of disengagement in order to ensure majority support for the ERP.9

This pattern recurred during 1949–50. Christensen argues that although the Truman administration adopted a Titoist policy in NSC 41 in February 1949, it accepted the extension of the CAA in April 1949 in order to ensure the renewal of the ERP. Then, in the congressional debate on the Military Assistance Program (MAP), Senator William Knowland was able to gain the concession of $75 million in military aid for Chiang and Asia in general, after the alarming halving of the appropriations by the coalition of the China bloc and fiscal conservatives in the House.10 Even after Truman’s 5 January statement declaring that the United States would not provide military protection and military aid to Taiwan, the administration had to accept the Knowland-Smith amendment to extend the economic aid program to the National Government until June 1950 after the House had refused to pass the Korea Aid Act ($60 million) and linked Taiwan policy to it. Thus, according to Christensen, the Truman administration had to continue its support of the KMT.

He also argues that the United States twice lost the chance to establish diplomatic relations with the Chinese Communists. In July 1949, after contacting Huang Hua and Chen Mingshu on behalf of Mao, Truman, and Dean Acheson ordered Ambassador John Stuart not to visit Beijing to meet with Chinese leaders despite their invitation. Christensen argues that in the face of flagging public and congressional support for NATO and the Military Assistance Program, the administration could not blur its commitment to the programs, which had been justified by anticommunism, by abandoning the KMT and accommodating Communist China.11 He also argues that the best chance for recognition existed between December 1949 and January 1950, but the administration failed to extend recognition to Communist China because of the continuing pressure from the Congress against recognition and the increasing pressure for ERP funding reduction.12

Thus Christensen argues that domestic factors dominated the China policy of the Truman administration and produced an overactive policy. Consequently, the United States remained hostile to Communist China and committed to the KMT. The strengthened domestic constraints after the Korean War turned the policy to one of straightforward containment. Thus, for Christensen, domestic politics explains the failure of American policy toward China during the early Cold War period.

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9 Ibid., 61–65.
10 Ibid., 94–95.
11 Ibid., 84–85, 88.
12 Ibid., 100–4.
AMERICAN POLICY TOWARD CHINA: ALLIANCE THROUGH ACCOMMODATION

The fact of the matter is that the United States pursued alliance with China through accommodation from late 1949, having begun the process of disengaging from the KMT in early 1949. Before assessing how structural and domestic factors affected the policy outcome, we must examine briefly U.S. China policy before 1949, particularly the China Aid Act, as an important background study.

Origins of the China Aid Act

The United States decided to help the National Government of China with a substantially large aid program ($400 million) in April 1948. I argue that although U.S. leaders made some minor concessions for political considerations, their decision primarily resulted from their evaluation of national interests in the changing strategic situation.

Indeed, the Truman administration had been temporarily withholding assistance since late 1946 in order to press for domestic reform of the National Government pending the reorganization of the State Council and Executive Yuan. Despite some radical suggestions of complete disengagement, however, the Truman administration clearly maintained the policy of supporting the powerful and ideologically close Nationalist ally in the civil war.13

In mid-1947, alarmed by the gradually deteriorating military situation, George Marshall adopted a more positive policy.14 In late May, Truman and Marshall decided to immediately resume ammunition supply to the KMT. Then, with the approval of Truman on 8 July, Albert Wedemeyer surveyed the China situation and recommended military and economic aid to prevent further Communist expansion.

At the same time, the State Department and the National Advisory Council were studying the balance of payment problem of China. In mid-October, the State Department began to formulate the China aid program.15 In the joint congressional hearing for the Interim Aid Act on 10 November, Marshall

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13 Marshall stated in February 1947 that “the view of the Department, my own view and I believe the President’s view, is that at the appropriate time we should endeavor to arrange to give them some financial assistance, but when that time comes is another matter.” Senate Committee on Foreign Relations, Executive Sessions (Historical Series), vol. 1, 81st Cong., 1st and 2nd sess., 1976, 2. Also see Statement by the President, 18 December 1946, Official Files 150 (1945–46), box 757, Harry S. Truman Library (HSTL).
14 See Memorandum by the Director of the Office of Far Eastern Affairs (Vincent), 26 May 1947, Foreign Relations of the United States (FRUS) 1947, Vol. 7, 833–34; Memorandum by the Secretary of State to the Under Secretary of State (Lovett), 2 July 1947, ibid., 635.
15 Outline of Criticism of China Policy, 6 July 1949, RG 59, Records of the Office of Chinese Affairs (ROCA), C0012, reel 12, National Archives (NA); Memorandum from Charles C. Stelle to Butterworth, 17 October 1947, RG 59, State Department Central Files (SDCF), LM 185, reel 4, NA.
publicly announced that the China aid program was under preparation for early submission. During November 1947 to January 1948, various specific proposals were discussed in the State Department and other agencies. In January, they agreed on the proposal of $570 million in economic aid mainly to address the balance of payment problem. The administration finally submitted the aid program to the Congress on 18 February.

Although the situation in China became increasingly serious, Marshall and most policy makers believed that the United States still needed to provide assistance to the KMT as the more reliable and potentially viable ally. Indeed, despite the general trend of the Communist rise, the KMT still occupied all the major cities in Manchuria and most of north and central China as well as south China. Furthermore, the KMT forces maintained numerical superiority despite their diminished effectiveness. Thus, by providing some breathing space, U.S. leaders hoped to maintain the status quo in China with the vigorous efforts by the KMT and a favorable development of the situation.

Nonetheless, Marshall and other policy makers in the State Department did not want to involve the United States too deeply in the Chinese civil war in the deteriorating situation. As a result, they tried to avoid any irrevocable commitment to the KMT which might lead to underwriting it. This consideration produced the substantially large but limited economic aid program of the State Department. The State Department overrode the proposal of large-scale military and economic aid by the military, which had intended to maintain full U.S. support of the Nationalist ally in order to defeat the Communists.

In this regard, Christensen argues that to ensure the passage of the ERP, Senator Arthur Vandenberg extracted the China aid program from Marshall.

16 Marshall testified that “we have to have a concrete proposal for you and we have been trying to draw one since last May.” See Senate Committee on Foreign Relations, Hearings on Interim Aid for Europe, 80th Cong., 1st sess., 1947, 45.
17 Memorandum on Economic Aid Program for China by Assistant Chief of the Division of Investment and Economic Development (Melville H. Walker), 28 November 1947, FRUS 1948, Vol. 8, 442; Memorandum on China Aid to the Secretary of State by Deputy to the Assistant Secretary of State for Economic Affairs (Thorpe), 30 December 1947, ibid., 442; and Butterworth Memo to the Secretary of State, 24 January 1948, RG 59, SDCF, LM 185, reel 4, NA.
18 See House Committee on Foreign Affairs, Hearings on Emergency Foreign Aid, 80th Cong., 1st sess., 1947, 7, 14; Senate Committee on Armed Services and the Committee on Foreign Relations, Hearings on Military Situation in the Far East, 82nd Cong., 1st sess., 1975, 465.
19 See the telegrams from China posts in FRUS 1947, Vol. 7. By the end of 1947, the KMT had the numerical advantage over the Communists by 2,700,000 to 1,150,000.
20 Marshall remarked in a Senate hearing that “they might be able to stay the Communist march to the north of the Yangtze River and hold themselves certain point there; they might in Manchuria be able to, say, establish in effect a point of resistance with Mukden as the outlying post and going back to the ports . . . They have not lost Peiping, they have not lost Tientsin.” See Senate Committee on Foreign Relations, Hearings on the Foreign Relief Assistance Act of 1948, Held in Executive Session, 80th Cong., 2nd sess., 1973, 356–57.
against his will during the discussion on the Interim Aid Act in late 1947.\textsuperscript{22} Vandenberg certainly played an important role in the process of its legislation. However, the China Aid Act was not made against the will of the administration. As I have shown above, the intervention of Vandenberg was also made in the middle of the formulation of the aid program by the administration, which had sought the solution for some months in the changing situation in China.

Importantly, domestic political pressures on the China policy were weak until mid-1947, although some congressmen had begun to criticize the inactive China policy of the administration.\textsuperscript{23} The public opinion on the aid to China was not favorable, either.\textsuperscript{24} Only after the State Department began to study the China aid program in mid-1947 did the congressional pressure for a more active policy and aid program increase.

Nevertheless, as the Congress began to debate the ERP, political and ideological factors intervened with full force.\textsuperscript{25} For ideological or political reasons, many conservatives were inclined to advocate a more active China policy and more aggressive aid programs than the administration wanted to accept. In consequence, the small China bloc gained powerful allies from Republican conservatives.\textsuperscript{26}

Yet in the Senate, criticism on the China policy was relatively mild. The bipartisan coalition of Democrats and internationalist Republicans was strong enough to ensure the passage of the ERP.\textsuperscript{27} Republican conservatives did not seriously attack the administration’s China policy during this period.

Rather, it was from the House that strong pressure came for providing aid to China.\textsuperscript{28} After the administration submitted its proposal of a $570 million economic aid program for 15 months, the House Foreign Affairs Committee (HFAC) linked it to the ERP and despite the opposition of the administration

\textsuperscript{22} Christensen, \textit{Useful Adversaries}, 64–65.

\textsuperscript{23} See Bradford Westerfield, \textit{Foreign Policy and Party Politics: Pearl Harbor to Korea} (New Haven: Yale University Press, 1955), 246–47, 252; and Princeton Seminar, 22–23 July 1953, Acheson Papers, box 89, HSTL, 573. Also see Monthly Survey, RG 59, Records of Public Opinion Studies (Foster Papers), box 11, NA.

\textsuperscript{24} In a February 1947 NORC survey, 43 percent supported a large-scale loan to the National Government and 43 percent opposed it. See Monthly Survey, March 1947, ibid.

\textsuperscript{25} Public opinion did not impose strong constraints on the administration’s choices. In fact, public opinion regarding aid to China closely followed the position taken by the administration. A majority of 50–70 percent supported the ERP since July 1947. See Monthly Survey, Foster Papers, box 11, NA; Special Report of American Opinions, Foster Papers, box 33; U.S. Opinion on European Reconstruction, Foster Papers, box 50.

\textsuperscript{26} During this period, the only active members of the China bloc were Senator Styles Bridges and Representatives Walter Judd and John Vorys.

\textsuperscript{27} The Senate Foreign Relations Committee was filled with internationalists. Taft also deferred to the leadership of Vandenberg in foreign affairs. See David Kepley, \textit{The Collapse of the Middle Way: Senate Republicans and Bipartisan Foreign Policy, 1948–1953} (New York: Greenwood Press, 1988), 7, 12; and David Reinhard, \textit{The Republican Right Since 1945} (Lexington: University Press of Kentucky, 1983), 29, 33.

\textsuperscript{28} Republicans, mostly conservatives, were in the majority (13–11) in the House Foreign Affairs Committee.
inserted the $150 million military aid to China in the Greek-Turkish provision, including operational military advice in the field. Conscious of the considerable power of the House pro-KMT coalition and Styles Bridges, Vandenberg, and Tom Connally in the Senate Foreign Relations Committee (SFRC) accepted the military aid of $100 million in the name of a special grant in order to get the ERP through with its substance intact.29 However, in consultation with the administration, the SFRC fought back to delete the military aid from the Greek-Turkish provision in order to minimize the risk of direct involvement. In the final conference, the Senate overrode the House. In April, the Congress approved the CAA consisting of $338 million in economic aid and a $125 million special grant in a separate provision to be spent over 12 months.

Later in June, the House Appropriations Committee cut the appropriation to $400 million and again inserted $125 million military aid to the Turkish-Greek provision. The State Department and the SFRC pressed Bridges’ Senate Appropriations Committee and succeeded in making a separate provision for the special grant while accepting the amount of $400 million.

Certainly, powerful domestic forces strengthened the incentive of the administration for the China Aid Act in the process of its formulation and produced the special grant of $125 million. In the main, however, the CAA came about as the result of strategic decisions by national leaders. Furthermore, the administration and congressional supporters substantially succeeded in defending the program of limited aid without direct involvement, which they viewed as the best option for advancing national interests against the Soviet power in the existing conditions.

Disengagement from the KMT

Beginning in early 1949, the Truman administration pursued disengagement from the KMT. This policy resulted from the hopeless situation in China and the need to retain flexibility for future strategic maneuvers. Although there was strong domestic opposition, the administration maintained this policy.

The situation in China changed more rapidly than anyone had expected. After almost completely isolating the KMT forces in Manchurian cities and in the Beijing-Tianjin area, the Communists won stunning victories in three consecutive major battles in north China after September 1948. At this point, the balance was irreparably altered. From then on, the KMT forces made no further effective resistance. The Communists swept central China and crossed the Yangzi River in April 1949, sealing the fate of the National Government.

From the ensuing debate in late 1948, the policy of disengaging from the hopeless KMT emerged. The military pushed the proposal to support regional

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non-Communist forces after the collapse of the National Government. The NSC staff drafted a policy paper that mainly reflected the proposal. However, it was overridden by the position of Marshall and the State Department that the United States had to disengage from the KMT in order to retain maximum freedom of action in the extremely uncertain situation. Considering the hopeless situation in China, the State Department position was sensible. A strong consensus on disengagement was soon formed within the administration.

In early 1949, the Truman administration adopted the State Department proposal as the interim policy until it could decide on a new China policy. Based on the assessment of an eventual Communist victory, NSC 34/1 directed the United States to make “appropriate plans and timely preparations in order to exploit opportunities while maintaining flexibility and avoiding irrevocable commitments to any one course of action or to any one faction.”

Further, implying the possibility of Chinese Titoism, NSC 34/2 proposed that “while scrupulously avoiding the appearance of intervention, we should be alert to exploit through political and economic means any rifts between the Chinese Communists and the USSR and between the Stalinist and other elements in China.” The subsequently adopted NSC 41 on trade policy explicitly advocated the policy to exploit potential rifts between the Chinese Communists and the Soviet Union through normal trade relations.

Certainly, there was a strong trend toward a Titoist policy as the most promising future option, especially in the State Department. Until the final decision was reached in late 1949, however, the basic consensus in the Truman administration was the disengagement from the KMT in order to maintain freedom of action.

The process of disengagement was complex and gradual. During 1949, the administration continued to refuse the numerous requests of support from the KMT and withdrew its military mission from China in March. As before, the most powerful pressure came from congressional opponents.

In March, Senator Pat McCarran introduced a bill to provide a $1.5 billion loan to China, combined with operational military advice. Public and

\[\text{\footnotesize 30 NSC 22, “Possible Courses of Action for the U.S. with regard to the Critical Situation in China,” 26 July 1948, RG 59, Records of the Policy Planning Staff (PPS), box 13, NA; NSC 22/1, Memorandum by the Joint Chiefs of Staff to the Secretary of Defense (Forrestal), 5 August 1948, FRUS 1948, Vol. 8, 133–35.}
\[\text{\footnotesize 31 Draft Report by the National Security Council on United States Policy Toward China, 2 November 1948, ibid., 185–87.}
\[\text{\footnotesize 32 See Memorandum by the Director of the Office of Far Eastern Affairs (Butterworth) to the Acting Secretary of State, 3 November 1948, ibid., 187–89.}
\[\text{\footnotesize 33 NSC 34/1, “United States Policy toward China,” 11 January 1949, FRUS 1948, Vol. 9, 475.}
\[\text{\footnotesize 34 NSC 34/2, “U.S. Policy toward China,” 28 February 1949, ibid., 494–95.}
\[\text{\footnotesize 35 NSC 41, “United States Policy Regarding Trade with China,” 28 February 1949, ibid., 826–34.}
\[\text{\footnotesize 36 Truman, especially, did not make up his mind on the Titoist policy to draw Communist China away from the Soviet Union until November 1949, although he approved NSC 41 because an immediate decision on trade policy toward the Communist areas was needed.}
congressional reactions were cool toward the all-out aid proposal. After Acheson flatly rejected the bill, the SFRC shelved it.

Then, Senator Knowland, supported by Bridges and McCarran, called for the joint committee to investigate the administration’s China policy. This proposal, however, was also pigeonholed by the SFRC. The China bloc could not push its proposals through because the general mood in the Senate, especially in the SFRC, was negative toward the idea of providing any further aid to the hopeless National Government. Furthermore, despite prevalent anticommunist sentiments, the greater portion of the public also opposed aid to the National Government since early 1949.

Another major attempt to force China aid on the administration was made during the debate on the Military Assistance Program in August-September. In the House, John Davis Lodge introduced an amendment to provide military aid of $200 million to China. The HFAC rejected the amendment by 11–7. Then, in cooperation with Judd, Vorys, and Walter, he again introduced the amendment for a $100 million in military aid to China on the floor. It was turned down once again by a vote of 164–94. During the debate, the China bloc attempted to link the China aid to the controversial MAP with anticommunist arguments. However, different from the argument of Christensen, many fiscal conservatives opposed the China aid as well as expensive European programs. As a result, the China bloc could not form a strong coalition with them in the face of the firm opposition of the administration and its congressional supporters.

In the Senate, Knowland introduced an amendment for a $175 million contingency fund for China with other eleven senators. In hearings, Acheson revealed his willingness to accept the proposal only if it would be used for the Far East in general and was at the complete discretion of the President. Against the staunch campaign of Knowland for the China aid, Acheson and Connally, then the chairman of the SFRC, decided to kill the Knowland amendment. After securing the heavy majority support for the MAP, Connally introduced another amendment for a $75 million contingency fund to

37 Monthly Survey, March 1949, Foster Papers, box 12, NA.
38 See The Military Situation in the Far East, 1909. In the 81st Congress, Democrats were the majority in the Senate (54–42). In the SFRC, Democrats maintained the maximum majority of 8–5.
40 In the 81st Congress, Democrats became the majority (262–172) in the House. In the HFAC, the democrats were also the majority (15–11).
41 About 50 percent of the public supported the MAP from March to August 1949. See Special Report on American Opinion, 20 June 1949, 21 July 1949, and 29 March 1950, Foster Papers, box 33, NA.
42 In a 30 August subcommittee meeting, Tydings suggested to make a concession to Knowland for the maximum support of the Military Assistance Program, but under the leadership of Connally and Vandenberg, they decided to fight it out with Knowland. See Senate Committee on Foreign Relations and the Committee on Armed Services, Hearings on Military Assistant Program: 1949, Held in Executive Session, 81st Cong., 1st sess., 1974, 476.
be used for China and the Far East at the discretion of the President. The Connally amendment was adopted by the SFRC. Then, both Houses passed the bill for the unvoucheded contingency fund with the MAP. After Acheson decided not to consider any form of aid to non-Communist Chinese forces in October, the funds were used in the Southeast Asian countries against the subsequent proposal of the military to use it in Taiwan. Besides, in March 1949, the administration proposed to extend only the remaining portion ($57 million) of the economic aid program in the existing CAA until the end of the year without requesting a new appropriation. This proposal was made in part to avoid domestic and international blame for delivering the final blow to the dying National Government. In this particular case, however, the main reason was to obtain the funds for use in the event that an independent government was successfully established in Taiwan. Indeed, public and congressional support for the ERP was strong. Further, the SFRC members were mostly negative toward the extension of the CAA. Thus Acheson had to persuade the reluctant SFRC, emphasizing the Taiwan aspect of the program. In both Houses, the bill was passed in the midst of pro-KMT members protesting the inactive China policy.

As the situation in China became desperate, the military pushed to stop the shipment of military supplies under the $125 million special grant in spite of the reluctance of the State Department. The NSC decided to suspend the shipment on 4 February 1949. In a consultation meeting, however, congressional leaders persuaded Truman that “the blood must not be on our hands.” Truman and Acheson accepted their advice and continued to implement the special grant. The entire fund was disbursed and the program expired in April. Finally, Truman publicly announced the end of military aid to Taiwan in his statement of 5 January 1950.

In this regard, domestic arguments have exaggerated the significance of the continued CAA as reversing the policy direction to an overactive one. As seen above, however, the Truman administration successfully defended its policy against the attempts of congressional opponents to reverse it with

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43 For the plan of an independent Taiwan government, see footnote 53.
44 About 70 percent of the public supported the extension of the ERP. See Special Report on American Opinion, Foster Papers, box 33, NA. The Congress authorized the exact amount requested by the administration.
45 The Secretary of the State to the Ambassador in China (Stuart), 24 March 1949, FRUS 1949, Vol. 9, 304.
46 NSC 22/3, “The Current Position of the United States Respecting Aid to China,” 2 February 1949, ibid., 479–80; and Memorandum of the 33rd NSC Meeting, 4 February 1949, President’s Secretary’s Files (PSF), box 220, HSTL.
48 “United States Policy Toward Formosa,” 5 January 1950, The Department of State Bulletin (DSB) 22, no. 550: 79. The last shipment of a small amount of the already contracted materials ($6 million) was technically permitted.
large-scale aid programs. The administration willingly extended the existing economic aid program since it did not consider the extension as significant enough to incur political controversy. Indeed, since February 1949, only a minimal amount of the authorized funds was being used for humanitarian programs such as fertilizer import and rural reconstruction.49 Further, the U.S. government made efforts to minimize any adverse effects of the aid by reassuring the Chinese Communists through formal and informal channels.50 In particular, Truman’s 5 January statement had a significant effect with regard to the more sensitive issue of military aid. Consequently, Chinese Communists were aware of the clear direction of the U.S. policy to disengage from the KMT.51

Another increasingly important issue in the disengagement process was the denial of Taiwan from the Communists. As the situation in the mainland deteriorated, the interest of the U.S. government in Taiwan increased due to its geographic position and viable economy.

During early 1949, on the basis of the Joint Chiefs of Staff evaluation, the Truman administration tried to keep Taiwan from Communist domination through political and economic means.52 In February, the administration decided to establish an independent government in Taiwan through the support of the local leadership.53 To accomplish this, the administration detailed Livingston Merchant, then the counselor of the Embassy in China, to Taiwan to secretly contact Governor Chen Cheng to probe his commitment to reform and independence. In May, however, Merchant recommended abandoning the plan mainly because of Chiang Kai-shek’s firm control of Taiwan and Chen’s lack of will.54

This plan was based on the assumption that if the United States maintained a low profile, it could keep open the option of developing future relations with Communist China even after the establishment of an independent Taiwan government. Accordingly, while pursuing this plan, Acheson firmly opposed the JCS recommendation to dispatch a small fleet to Taiwan, arguing that such a strategically ineffectual measure would compromise “an emerging new U.S. position in China” resulting from Soviet imperialism by making U.S. intervention apparent.55

50 The Ambassador in China (Stuart) to the Secretary of State, 8 June 1949, FRUS 1949, Vol. 9, 753.
51 Memorandum of Conversation between Zhou and Henry Kissinger (Taiwan), 7 July 1971, Nixon Presidential Material Project (NPMP), NSC [files], FILE [for the President-China Materials], box 1032, 2, NA; and Remin Ribao, 29 June 1950, cited in Tsou, America’s Failure in China, 561.
53 NSC 37/1, “The Position of the United States with Respect to Formosa,” ibid., 270–75. See also NSC 37/5, “Supplementary Measures with Respect to Formosa,” 1 March 1949, FRUS, ibid., 290–92.
54 Consul at Taipei (Edgar) to the Secretary of State, 4 May 1949, FRUS 1949, Vol. 9, 326–27.
55 Statement by the Secretary of State at the 35th Meeting of the NSC, 3 March 1949, RG 59, PPS, box 13, NA.
After the failure of this first plan, the Office of Far Eastern Affairs and Dean Rusk proposed a UN solution for deciding the status of Taiwan. In July, Kennan proposed a plan to occupy Taiwan. Both proposals were rejected by Acheson because of the impracticability of the former under Chiang’s rule and the offensiveness of the latter plan.

As it became apparent that the political solutions were not feasible, Acheson began to reassess the Taiwan policy in August. The administration adopted NSC 37/8 as the new policy guide in October. Explicitly predicting the fall of Taiwan without U.S. intervention, it directed the United States to continue only its minimal economic aid program while opposing military intervention and expanded economic and military aid. This meant the outright abandonment of Taiwan as the last bastion of the National Government.

**Pursuit of Alliance with Communist China**

In late 1949, while disengaging from the KMT, the Truman administration decided to pursue the policy of forming an alliance with China, or at least neutralizing it, through accommodation. This Titoist policy was motivated by the bipolar competition with the Soviet Union and was based on the hard-nosed power calculations of American leaders. Primarily concerned with U.S. security, they defended this policy in the face of severe domestic pressures in order to improve the U.S.’s position in the bipolar competition.

The administration undertook preparatory work for this policy in trade and recognition during 1949. In March, the administration decided to allow normal trade with the Communist areas of China except for 1-A items of direct military use. This liberal trade policy was based on the assumption that it was essential for China to trade with the West because the Soviet Union could not substantially help China with its reconstruction and industrialization. By maintaining trade with China, the United States would show its ability to give economic benefits and to inflict restrictions if necessary. Thus NSC 41 posited that trade constituted the most powerful leverage for driving a wedge between China and the Soviet Union.

As early as March, Mao Zedong noticed this U.S. policy. He asserted the desirability of continuing to do business with the West while warning against too much dependence on the enemy. In mid-1949 the Chinese Communists expressed interest in trading with Japan and acquiring economic aid through

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57 NSC 41, “United States Policy Regarding Trade with China.” In contrast, the United States restricted extensive 1-B items as well as 1-A items in trade with the Soviet Union and its satellite states.
informal contacts. Throughout 1949, trade was maintained even though it was not active because of the port closure by the KMT.

On the other hand, the U.S. officials in China maintained contact with the Chinese Communists during this period. The embassy remained in Nanjing after the Communist occupation in April, signaling the U.S.'s interests in relations with Communist China. Informal contacts immediately ensued through various channels.

Importantly, from May to early July, Ambassador Stuart pursued preliminary discussions on recognition with Huang Hua, who was being directed by Mao, in order to understand the Chinese position. In the talks, the Chinese side clearly showed an interest in establishing diplomatic relations while insisting on the immediate severance of relations with the KMT and the abrogation of unequal treaties and agreements as its requirements. In contrast, Stuart presented conditions for recognition that included territorial control, popular acceptance, and the will to abide by international obligations. Further, he emphasized the fact that the central government had not even been established yet. From Stuart's tough stance, the Chinese understood that the United States was not eager to offer recognition as early as they wanted. However, even after he proclaimed alliance with the Soviet Union on 1 July, Mao continued to reassure the United States of his interest in diplomatic relations with it.

Around this time, Acheson and many officials in the State Department began to argue that recognition should not be long delayed, criticizing the argument overestimating its bargaining power. However, Acheson still expected to induce the Chinese Communists to more friendly attitudes toward the United States and to maintain advantages in the negotiation of treaties through the bargaining process of recognition. Thus, while publicly discussing the possibility of recognition, he continued to emphasize the observance of international obligations as its condition.

As the situation in China became clearer, Truman and Acheson began the process to formulate a new China policy in July 1949. They assigned the

59 The Consul General at Peiping (Clubb) to Secretary of State, 30 April 1949, _FRUS 1949_, Vol. 9, 976–77; The Ambassador in China (Stuart) to Secretary of State, 14 May 1949, _FRUS 1949_, Vol. 8, 745–47; and Memorandum by General Chen Ming-shu, Chairman of the Shanghai Board of the Kuomintang Revolutionary Committee, 10 July 1949, ibid., 771–79.

60 For contacts with Chinese leaders through other channels, see The Ambassador in China (Stuart) to the Secretary of State, 13 June 1949, _FRUS 1949_, Vol. 8, 756–57; Memorandum by General Chen Ming-shu, ibid.; The Consul General at Shanghai (McConaughy) to the Secretary of State, 21 January 1950, _FRUS 1950_, Vol. 6, 289–93; and The Secretary of State to the Consul General at Peiping, 22 March 1950, ibid., 321-22.

61 The Ambassador in China (Stuart) to Secretary of State, 8 June 1949, _FRUS 1949_, Vol. 8, 752–53; The Ambassador in China (Stuart) to Secretary of State, 26 July 1949, ibid., 801–2.

62 The Ambassador in China (Stuart) to the Secretary of State, 12 July 1949, ibid., 424; Memorandum by General Chen Ming-shu, ibid.

63 Memorandum of Conversation, by the Secretary of State, 17 September 1949, _FRUS 1949_, Vol. 9, 84; Memorandum by Charlton Ogburn, Jr. of the Bureau of Far Eastern Affairs, 2 November 1949, ibid., 161.
mission to Philip Jessup, Ambassador at Large. Despite the opposition of the military, they also published a white paper on China policy on 5 August to counter the criticism of their opponents and to lay the groundwork for future policy by demonstrating the futility of further support for the KMT.

The Jessup committee soon reached the conclusion that the Titoist policy of drawing the Chinese Communists away from the Soviets through accommodation was the best policy. Almost simultaneously, the Bureau of Far Eastern Affairs also reached the same conclusion. On the other hand, the Embassy and other posts in China had been reporting the prospect of Chinese Titoism based on information regarding increasing Chinese discontent with Soviet imperialism and economic difficulties.  

In mid-September, in a meeting to prepare for an upcoming conversation with British Foreign Minister Bevin, policy makers in the State Department drew important tentative conclusions on the necessity of recognition, the effectiveness of NSC 41, and non-intervention in Taiwan. In a subsequent conference held to hear the opinions of outside experts, most participants, including Marshall, favored an accommodation policy and urged early recognition and liberal trade.

Then, in a conference held in late October, a definite consensus on a new China policy was formed in the Department. They decided to adopt a policy of alliance through accommodation on the basis of their anticipation of “the possibility that great strains will develop between Peiping and Moscow.” Regarding recognition, it was agreed that the United States should “prepare for ultimate recognition of the Chinese Communist Government when it controls substantially all the territory of China and when it indicates willingness to meet its international obligations.” They also reaffirmed normal trade with Communist China and non-intervention in Taiwan.

The next step was to persuade President Truman. Indeed, even until early November, Truman was interested in supporting the remaining anti-communist forces in China. Acheson and the Jessup committee met with him on 17 November. The meeting was effective. In the following meeting

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65 Report by Charles W. Yost, Special Assistant to the Ambassador at Large (Jessup), 16 September 1949, FRUS 1949, Vol. 7, 1204–8.

66 Transcript, Round Table Discussion on American Policy toward China, 6–8 October 1949, Department of State.

67 Memorandum by Charlton Ogburn, Jr., 160–61.


69 Memorandum for the President, 19 November 1949, RG 59, SDCF, LM 185, reel 5, NA.

70 Regarding the meeting, Truman said that “he had gotten a new insight into the reasons for the Communist success in China, a better understanding of the whole situation, and found himself thinking...
with Truman, Acheson delineated the basic line of the new China policy as follows: “Broadly speaking, there were two objectives of policy: One might be to oppose the Communist regime, harass it, needle it, and if opportunity appeared to attempt to overthrow it. Another objective of policy would be to attempt to detach it from subservience to Moscow and over a period of time encourage those vigorous influences which might modify it.”\(^{71}\) Acheson said that the consultants were unanimous in their judgment that the second option of drawing China away from the Soviet Union through accommodation was the preferable one. Truman agreed. From that point on, he firmly supported the alliance policy.

After that, the debates on NSC 48 cleared up the opposing views within the administration. Following Secretary of Defense Louis Johnson’s suggestion, the NSC staff drafted a paper on Asia policy. Largely reflecting the view of the military, it proposed a hard-line containment policy including the measures of the buildup of military power around China, economic isolation, and non-recognition. This draft paper was severely criticized by the State Department, however.\(^{72}\) After that, it took up the paper as an opportunity for clarifying the new China policy. In November, the State Department extensively rewrote the conclusions according to its policy line.

The making of the new China policy was completed in late December when the NSC adopted NSC 48/2.\(^{73}\) It clearly established the policy line of alliance through accommodation by stipulating that “the United States should exploit, through appropriate political, psychological and economic means, any rifts between the Chinese Communists and the USSR and between the Stalinists and other elements in China, while scrupulously avoiding the appearance of intervention.” It reaffirmed the State Department position on recognition, trade, and Taiwan issues.

After formulating the policy, Truman and Acheson began the work of gaining the public support of the controversial policy. In late 1949, domestic pressure was mounting. The congressional opponents were concentrating their attack on the Taiwan issue in order to reverse the China policy of the administration.\(^{74}\) Further, Hoover and Taft joined the criticism and began to advocate naval protection of Taiwan in early January.

The administration felt compelled to stop the controversy and set the line straight for the sake of public support and clear policy. Truman declared

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\(^{71}\) Ibid.


\(^{74}\) In addition, the JCS proposed military aid and the dispatch of a survey mission to Taiwan in December. Truman and Acheson rejected the proposal. See Memorandum of Conversation, by Secretary of State, 29 December 1949, *FRUS 1949*, vol. 9, 463–67.
in his 5 January statement that Taiwan had practically been returned to China according to the Cairo declaration. He also stated that the United States was to stay out of the Chinese civil war and to provide no more military aid to Taiwan.\textsuperscript{75} Democrats unanimously supported this decision in caucus against the vociferous criticism of the pro-KMT members. The majority of the public and the press also supported the policy.\textsuperscript{76}

Then, Acheson made his hard-hitting speech on China policy in the National Press Club. After referring to the imperialist activities of the Soviet Union in China, he asserted that “we must not deflect from the Russians to ourselves the righteous anger, and the wrath, and the hatred of the Chinese people which must develop.” He also said that it was the greatest rule in formulating American policy toward Asia that the Soviet Union was the common enemy of China and the United States.\textsuperscript{77} Although controversial, this speech received a largely favorable reaction from the press as demonstrating a new realistic direction.

Until the outbreak of the Korean War, the Truman administration maintained its position on trade, recognition, and Taiwan despite the intensifying controversy. In March, Johnson proposed to extend the trade control applied to the Soviet Union to China. Although Acheson agreed to the formal extension, he succeeded in practically maintaining the existing trade policy by inserting an important provision that if there were other sources to supply China with the items under U.S. control, export of those items would be allowed.\textsuperscript{78}

Truman and Acheson were also cautiously maneuvering the recognition issue for its political sensitivity and for bargaining purposes. In June 1949, twenty-one Senators sent a letter opposing recognition to Truman. The strong pressure from the Congress continued. Although the press generally viewed eventual recognition as inevitable, the plurality of the public had

\footnotesize{\textsuperscript{75} Truman stated that the Economic Cooperation Act (ECA) program of the CAA would be continued. The State Department, which had been preparing for its extension, accepted the Senate bill to extend the economic aid program (planning to use up to $10 million of the total $104 million in Taiwan) to 30 June. On 19 January, the House unexpectedly turned down the small Korea Aid Act (KAA) of $60 million by a vote of 192 to 191. House Republicans led by Vorys could then make a counterattack on Truman’s 5 January statement by forming a coalition with Southern Democrats. In this situation, the administration decided to introduce the Senate bill to the House and attach it to the KAA. It passed the House. In May, according to the previous plan, the State Department again introduced the bill to extend the ECA fund until 30 June 1951 to use it in the general area of China. Different from the argument of Christensen, it was not the case that the administration was forced to reverse its China policy by overwhelming domestic forces linking it to the KAA. The extension of the small humanitarian ECA fund was the administration’s established policy. In this case, the already decided extension bill was attached to the KAA as a sop to buy some more votes in the House. Indeed, the KAA was not important enough for the administration to reverse its China policy.

\textsuperscript{76} See Special Report on American Opinion, 13 February 1950, Foster Papers, box 33, NA.


\textsuperscript{78} Memorandum on Secretary’s Meeting on China Trade Policy, 12 April 1950, RG 59, BOCA, C0012, reel 15, NA; and Memorandum of the 56th NSC Meeting, 5 May 1950, PSF, box 220, HSTL.}
been opposed to the recognition of Communist China since 1949. The offensive actions by the Chinese Communists further complicated matters. On 13 January, the Communists took over a part of the Consular compound in Beijing as an illegal possession based on an unequal treaty although the United States had warned that it would withdraw its diplomatic establishment in that event. In combination with domestic pressures, this situation caused national leaders to move cautiously. However, with the support of Democrats and Republican internationalists, the administration did not waver in its determination to accommodate China through recognition. Policy makers did not consider the public opposition as insurmountable because they saw it as ideologically motivated and not a considered opinion. There was no compelling strategic reason to hurry as well. Thus, while making efforts to lead public opinion, they expected that the impending fall of Taiwan would relieve the political pressures to some extent.

Another challenge to the existing China policy came from the efforts of John Foster Dulles and Rusk to change the hands-off Taiwan policy. They proposed the neutralization of Taiwan by the U.S. naval force. However, agreement among State Department officials boiled down to approaching Chiang to urge UN trusteeship. This recommendation was rejected by Acheson as before. In the press conference on 23 June, Acheson publicly reaffirmed non-intervention.

On the other hand, McCarthy began his attack on the China policy and the State Department in March. To counter this challenge, Truman and Acheson stepped up their efforts for bipartisan cooperation with Republican internationalists while clearing the charges through the Tydings’ subcommittee. The effects of McCarthyism on China policy were quite successfully contained.

Thus, until late June, Truman and Acheson successfully defended their policy, brushing aside the various domestic obstacles. The administration

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79 See H. S. Foster Memo, 7 June 1950, Foster Papers, box 33, NA.
80 American diplomats withdrew until April to avoid further accidents that would ruin the prospect of recognition.
82 Foster Memo to Fisher (FE), 7 July 1949, Foster Papers, box 35, NA; Special Report on American Opinion, 13 January 1950, ibid.
83 The fall of Taiwan by the end of 1950 was explicitly anticipated.
84 Extract from a Draft Memorandum by the Assistant Secretary of State for Far Eastern Affairs (Rusk) to the Secretary of State, 30 May 1950, *FRUS 1950*, Vol. 6, 349–51.
85 Memorandum by the Deputy Special Assistant for Intelligence (Howe) to W. Park Armstrong, Special Assistant to the Secretary of State for Intelligence and Research, 31 May 1950, ibid., 147–49.
continued to promote its policy, preparing the grounds for strategic cooperation with China.87

POWER STRUCTURE AND PERCEPTIONS

The alliance policy of the United States was based on balance of power logic. Acheson assessed that the “preponderant Soviet power in Asia” was the common threat to the United States and China.88 Further, he was certain that the powerful Soviet Union would attempt to obtain buffer zones along the border with China in order to ensure its security against future threats in Asia. Thus the power assessments along with some unfounded information on Soviet imperialism led Acheson and other policy makers to the conviction that the United States could make an alliance with China or at least neutralize it despite their ideological differences. However, American leaders made incorrect assessments and overestimated the chance for strategic cooperation with China, and China frustrated American policy by pursuing balancing against the United States on the basis of different structural assessments.

At the end of World War II, the international system was transformed into bipolarity. Yet during the late 1940s and 1950s the United States maintained a significant advantage in its relative power position on the basis of its strategic and economic capabilities at the global level. The economy of the Soviet Union was devastated during the war and recovered its prewar level only around 1949. In contrast, the American economy tripled during the War and produced over 40 percent of the world’s income in 1948.89 The consequence was at least a 3 to 1 advantage in potential power of the United States in 1950.90 In strategic balance, a clear advantage of the United States in number of nuclear weapons and its delivery capability was maintained during the early Cold War, although it decreased steadily.91 Despite those U.S. advantages, the Soviet Union succeeded in balancing U.S. power by spending

90 Mearsheimer, Tragedy of Great Power Politics, 74.
an extraordinary proportion of its income to maintain the large number of ground forces.\(^92\) Thus the global balance of power between the United States and the Soviet Union was roughly maintained.

In Europe, however, the Soviets’ main advantage in ground forces gave them an edge in this period. The Soviet Union concentrated its military capabilities in eastern Europe and western Russia to threaten the immediate conquest of western Europe as the main balancing force to U.S. power.\(^93\) Consequently, its greater and immediate threat of overwhelming conventional power frightened the western European powers into alliance with the United States to balance the stronger Soviet Union.

In Asia, the power structure was not determinate enough to dictate specific behaviors of states although the United States had some advantages over the Soviet Union. Bipolarity remained as its basic configuration. As a land power, the Soviets had some natural advantages in projecting its military power on the continent. However, compared to Europe, their offensive capabilities were limited in Asia. The Soviet ground forces were quantitatively weak. Only about fifteen understrength divisions were tenuously deployed along the 4,650 mile border in Asia.\(^94\) The Soviets also deployed a small number of Soviet strategic bombers to the Asian theater during this period.\(^95\) Further, the Soviet Far East, lacking a sufficient industrial base, was heavily dependent on supplies through the single-tracked railway from western Russia.

Meanwhile, strategic capabilities backed by greater economic capabilities gave the United States some advantages in the Asian theater.\(^96\) The geographical positions of American and Soviet forces, separated by sea, also gave advantages to U.S. power based on its superior air and naval power. However, the United States deployed a small number of ground forces because of the manpower shortage and the priority of Europe and thus had limited capabilities for conducting a large-scale land operation on the Asian continent.

\(^92\) In 1948, Soviet manpower strength was 2,874,000 including ground forces in contrast to about 1,500,000 of U.S. manpower. See Matthew Evangelista, “Stalin’s Postwar Army Reappraised,” *International Security* 7, no. 3 (1982/83): 286–87.

\(^93\) The Soviet Union deployed about 30 full strength divisions in eastern Europe backed by some 70 divisions in western Russia in the late 1940s. Ibid., 288, 300.


\(^96\) U.S. military leaders generally agreed on the air superiority of the United States in the Asian theater. See *The Military Situation in the Far East*, 7, 79, 1204, 1379, 1524.
To China, both the Soviet Union and the United States posed potentially serious threats with their distinct capabilities. The Soviet Union posed a more direct threat as a land power that shared a long border. Historically, they had long been enemies due to the power rivalry aggravated by the possibility of a land invasion. Changes in power relations made them bitter military foes since 1969.97 During the early Cold War period, however, the Soviet Union did not have a decisive advantage vis-à-vis China in the Asian theater despite its overall strong capability. Indeed, the quantitative weakness of its ground forces and the logistical problems made a sustained and large-scale offense difficult without extensive preparations, and China possessed a huge army to counter a limited land invasion from the Soviet Union.98

On the other hand, China was vulnerable to the far superior strategic capabilities of the United States. Sustained strategic bombing, including nuclear attacks by the United States, could inflict massive damage on China’s economic system and its capacity for regular military operations.99 Thus, although China was still largely an agricultural society, air and nuclear attacks combined with a naval blockade by the United States could pose a serious threat to China.100 However, a limited number of ground forces and geography made it difficult for the United States to conduct a large-scale land operation against China. Thus the distribution of power that existed in Asia was not determinate enough to force the alliance choice of China.

However, Chinese leaders perceived the United States as the clearly superior power, emphasizing its advantage in overall power potential and strategic capabilities. As early as 1946, Mao assessed that the international system had changed to bipolarity and that the United States had the superior position in it.101 Then, in 1958, he remarked that despite the advances of the Soviet Union, “a bourgeois monopoly still exists in the world. I am afraid that such a monopoly might be reckless of consequences and risk a war against us.”102 Later in his talks with Kissinger, Zhou also assessed that “after 25 years

97 In the late 1960s, the Soviet Union reached parity with the United States in overall military balance, especially in strategic balance. More importantly, the Soviets upset the regional balance to their advantage by building up their nuclear and conventional forces (from about 15 understrength divisions to 40 modernized divisions) on the border with China while U.S. power retreated from Asia.


99 See The Military Situation in the Far East, 1379. For a study of the contingency war plan with China, see CIA-SE 27, 29 May 1952, RG 263, CIA, NA; JCS 2118 series, RG 218, JCS, NA.


102 Cited in Zhang, Deterrence and Strategic Culture, 251.
it’s no longer possible for the U.S. to exercise a position of hegemony.”

In addition, despite the generally defensive purposes of the United States and the low priority of Asia in its grand strategy, the usual uncertainty of intention and the possibility of escalation of local conflicts were always looming in the calculations of Chinese leaders.

These perceptions of the power structure and the fear of U.S. power primarily motivated Chinese leaders to choose an alliance with the Soviet Union to balance U.S. power. In the face of intense bipolar competition, Chinese leaders wanted the help of a great power to improve its security against another great power which was perceived as more powerful and consequently more aggressive. Another possible option of neutrality was ruled out as too risky in the existing power structure. Chinese leaders made the major decisions regarding foreign policy after their victory at the Politburo meeting in January 1949 and the Second Plenary Session of the Seventh Central Committee in March.

Through the strategic debates in those meetings, Mao and other Chinese leaders chose an alliance with the Soviet Union to balance the United States as the main enemy while pursuing a limited accommodation with the United States through normal diplomatic and trade relations.

An important alternative explanation of the Chinese decision to ally with the Soviet Union against the United States is the ideological explanation. Many scholars have argued that the ideological bond between the two Communist powers rather than national interests was the main cause of the Sino-Soviet alliance in the early Cold War. They argue that Chinese Communists considered their revolution as part of the world revolution led by the Soviet Union. Despite some national differences, Chinese Communists had faithfully followed the lead of the Soviet Union according to proletarian internationalism since the 1920s. Thus it was natural for Communist China to unite with the leader of the Communist bloc against an imperialist state.

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103 Memorandum of Conversation between Zhou and Kissinger (Philosophy), 9 July 1971, NPMP, NSC, file, box 1032, 9, NA. Foreign Minister Chi also remarked in 1972 that in the post World War II period, due to the enormous expansion of American economic and nuclear strengths, "the US had 'indisputable superiority in strategic strength.'" However, he stated that the "President himself noted in the July 1971 Foreign Policy Report that the US was no longer in a position of 'complete predominance.'" Memorandum of Conversation between Rogers and Chi, 24 February 1972, NPMP, NSC, Henry A. Kissinger Office Files, Country Files-Far East, box 91, 2, NA.

104 See Zhang, Deterrence and Strategic Culture, 97.


Certainly, ideological factors significantly affected the Chinese choice of alliance. The causal effects of ideology on the Chinese policy should not be overstated, however. Even in this early period of revolutionary fervor, Chinese Communists developed their own distinct sense of realism to reconcile the strategic and ideological imperatives in international affairs. This realism was the natural outgrowth of their struggle for survival in the relentless power struggle. Mao and other Chinese leaders were also deeply motivated by nationalism, although as Marxists they pursued world revolution as their eventual goal. The Soviet Union continued to pursue a hard-nosed realist policy toward China based on its own national interests. Beginning in the late 1930s, Chinese Communists kept an independent line, although they tried to reconcile it with Soviet policy as much as possible.

Historical evidence shows that despite their ideological affinities, the relationship between the Chinese Communist Party (CCP) and the Soviet Union was strained before 1949. During the war against Japan, the Soviet Union assisted the National Government while avoiding commitments to the weaker CCP. The Soviets also pressed reluctant Chinese Communists to organizationally unite with the Nationalist forces and conduct more intense fighting against the Japanese mainly to prevent Japan from invading the Soviet Union. Chinese Communists pursued the united front strategy in accordance with national interests and Soviet advice. Despite Soviet pressure, however, they kept their independence and avoided major battles with the Japanese to preserve their forces. After the war, the Soviets followed a dual strategy. They helped Chinese Communists occupy most parts of Manchuria and provided military equipment captured from the Japanese primarily to strengthen the buffer against the United States. Chinese Communists fully exploited this opportunity to strengthen their position in Manchuria. On the other hand, the Soviet Union made a treaty with the National Government in 1945 at the expense of the CCP. In the treaty, the Soviets acquired privileges in Manchuria in exchange for their recognition of the National Government as the legitimate government of China. Further, although Mao had been preparing for a revolutionary war, the Soviets pressed the CCP to form a coalition government with the Nationalists in order to maintain the status quo based on the Yalta agreement. Mao grudgingly accepted this advice from the Soviets. Soon after the negotiations failed, however, he began to pursue his own strategy. The CCP and the Soviets continued their informal contacts. By late 1948, however, the Soviets did not make commitments to the CCP and formally supported the KMT which was viewed as stronger in the Chinese civil war.107

In late 1948, as the Communist victory became clear, the Soviet Union began to reconsider its China policy and both sides began to mend their relationship. In May 1949, Stalin finally accepted the visit of Liu Shaoqi. During Liu’s visit to the Soviet Union, Mao gave his 1 July speech stating that China should “lean to one side” rather than remain neutral between the two superpowers. After the establishment of the PRC, Mao visited the Soviet Union and formed an alliance with it in February 1950. Common ideological goals were important in facilitating the formation of this alliance but it was not sufficient to cause the military alliance. As Mao instructed Zhou regarding negotiations with the Soviets, their main goal was to secure a treaty— “the basic spirit of [which] should be to prevent Japan and its ally [the United States] from invading China.” The Soviets also wanted to improve its position relative to the United States in Asia through an alliance with China. Thus, despite their rocky relationship in the past, China and the Soviet Union formed an alliance primarily on the basis of their security considerations.

Some scholars argue that the Chinese leaders’ exaggerated perceptions of the U.S. threat resulted mainly from the ideological hostility between revolutionary China and the United States, which created a spiral of fear and suspicion. As Marxists, Chinese leaders viewed the United States as an inherently
aggressive imperialist power. Thus ideological hostility aggravated fear of the United States. Nonetheless, in making their policy toward the United States, Chinese leaders trained in the long civil war were realistic enough not to submit their immediate security concerns to ideological preferences. Indeed, despite a deeply rooted bias against capitalism, their ideological hostilities did not blind their judgment regarding their relationship with the United States. During World War II, Chinese Communists formed an alliance with the United States against Japan. Since 1949, while balancing the United States, they continued to pursue normal diplomatic and trade relations with it. Chinese leaders wanted to establish a new relationship on the basis of equality. Still, Mao conducted a realist policy toward the ideological foe in order to avoid isolation and reduce tension with it. There was no serious spiral of misperceptions and fear caused by ideology. Rather, as we have seen above, the Chinese leaders’ perception of the U.S. threat was largely shaped by their power calculations. Thus, although ideology made reinforcing effects, Chinese leaders chose to ally with the Soviet Union to balance the United States according to their own balance of power logic.

The United States and China pursued irreconcilable policies based on different assessments of power relations and national interests. The United States wanted to form an alliance with China, or at least neutralize it, in the competition with the Soviet Union. In the existing structural conditions, however, the United States did not have a good chance to form an alliance with China because the latter had little incentive to cooperate with the United States against the somewhat disadvantaged Soviet Union. Neutrality might have been a viable option for China. However, the Chinese perception of U.S. superiority in bipolarity and ideological hostility made even the possibility of a neutral China slim, putting aside an alliance with the United States. On the basis of their own power assessments, Chinese leaders decided to balance the United States although they clearly knew that it was attempting to draw

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113 For Mao’s principles of alliance which actually reflect balance of power logic, see Mao Zedong, “On Contradiction,” SWM 1, 316, 327, 333.
115 After signing the treaty, Zhou stated in a speech to cadres of foreign ministry that “the stronger the people’s strength becomes, the less possible that a new war will take place. In the final analysis, the international struggle reflects the balance of strength… The signing of the Sino-Soviet Treaty of Friendship, Alliance, and Mutual Assistance has placed the U.S. imperialists in a disadvantageous position.” Zhou Enlai, “On the International Situation and Our Diplomatic Affairs after the Signing of the Sino-Soviet Alliance,” 20 March 1950 in Chinese Communist Foreign Policy and the Cold War in Asia, eds. Zhang and Chen, 114–15.
them to its side through accommodation. China wanted only a limited accommodation with the United States to reduce tension with its powerful enemy and take economic advantages. However, the United States did not want only a limited accommodation because it would sacrifice its strategic interests without significantly weakening the hostile alliance. Indeed, limited accommodation was not the goal of the Truman administration. Yet even after the Sino-Soviet alliance treaty confirmed Chinese enmity against the United States, Acheson, who had long anticipated the early solidarity between China and the Soviet Union, was still convinced of the inevitable conflicts that would ensue between them. Thus he persisted in his line.

An unexpected event forced the United States to change its course, however. The North Korean surprise attack on 25 June compelled the Truman administration to promptly adopt measures to prevent the hostility from expanding. Thus Acheson recommended interposing the 7th Fleet in the Taiwan Straits for neutralization. The abandonment of Taiwan would invite the planned Communist attack, which meant the possibility of U.S. involvement in another war given the context of war contingency and the greatly aroused anticommunist sentiment.

Even at this point, however, Truman and Acheson did not abandon their policy. All positive actions toward Communist China had to be frozen at the war contingency. These moves were setbacks in their China policy. Nevertheless, they still believed in the great opportunity that would result from Sino-Soviet conflicts. Thus they made efforts to maintain freedom of action by minimizing their involvement in the Chinese civil war.

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116 Mao Zedong, "Report to the Second Session of the Seventh Central Committee of the Communist Party of China," 371. In a report to Stalin during his visit, Liu informed him that "they [Americans] are trying in every possible way to show that they seek rapprochement with the CCP and, simultaneously, are striving to lure the CCP onto the path of rapprochement with the imperialist state. We are clearly aware of these imperialist schemings, and we have sufficient experience in combating them." Then, he stated, "If imperialist countries adopt a policy of granting recognition to the new government in China, we will be ready then to establish diplomatic relations with these countries." "Liu Shaoqi's Report to the CPSU CC Politburo," 4 July 1949, in Brothers in Arms: The Rise and Fall of the Sino-Soviet Alliance, 1945–1963, ed. Odd Arne Westad (Washington, D.C. and Stanford: Woodrow Wilson Center Press and Stanford University Press, 1998), 308, 310–11. For the Chinese notice of continuous approaches by Americans including Jessup, see "Memorandum of Conversation of V.M. Molotov and A.Y. Vyshinski with the Chairman of the People's Central Government of the People's Republic of China, Mao Zedong," 17 January 1950, CWHPB 8/9: 235.

117 CIA, Review of the World Situation, 138. Also see Chang, Friends and Enemies, 40.

118 In a 29 March hearing before the SFRC, Acheson forcefully advocated the policy of alliance again. He stated, "[w]e think we have a great force operating with us . . . you get the advantage of the gravitation of the earth or the turning of the earth, whatever it is that is behind the force. That is, that the Chinese inevitably, we believe, will come into conflict with Moscow, because the very basic objectives of Moscow are hostile to the very basic objectives of China." CIA, Review of the World Situation, 273.

119 U.S. policy makers agreed on this strategic reason at the Blair House meeting. See Memorandum of Conversation by the Ambassador at Large (Jessup), 25 June 1950, FRUS 1950, Vol. 7, 158. Also see Harry S. Truman, Memoirs, Vol. II: Years of Trial and Hope (Garden City: Doubleday, 1956), 334.

120 Memorandum of Conversation by the Ambassador at Large (Jessup); The Secretary of State to the Embassy in China, 14 August 1950, FRUS 1950, Vol. 6, 438. Truman ordered MacArthur to withdraw
However, the U.S.'s crossing of the 38th parallel in Korea provoked the intervention of the Chinese Communists. After the direct military confrontation with Chinese forces, Truman and Acheson discarded alliance with China as an infeasible option for the foreseeable future and turned to practices of containment.\footnote{See United States Delegation Minutes of the Second Meeting of President Truman and Prime Minister Attlee, 5 December 1950, \textit{FRUS 1950}, Vol. 7, 1402; NSC 48/5, "United States Objectives, Policies, and Courses of Action in Asia," 17 May 1951, \textit{FRUS 1951}, Vol. 6, 33–39.}

**CONCLUSION**

The China policy of the Truman administration resulted mainly from balance of power calculations. In spite of severe domestic pressures, bipolar competition drove the United States to persistently pursue an alliance with China, which was viewed as the best option for improving its power position vis-à-vis the Soviet Union in Asia. In the existing power structure, however, China had little incentive to make an alliance with the United States against the Soviet Union. Chinese leaders' perceptions of the United States as the clearly superior power in bipolarity eliminated the possibility of their neutrality and made them choose an alliance with the Soviet Union in order to ensure its security against the United States.

After the Korean War, American policy makers realized that accommodation to make an alliance with China was an infeasible and costly option for the foreseeable future. Thus the United States adopted a containment policy mainly to reduce the relative power growth of China allied with the archenemy. China also kept balancing the U.S. power as an actual or potential ally of the Soviet Union. Consequently, the inimical relationship between them was maintained throughout the 1960s. However, in the late 1960s, the Soviet Union fundamentally upset the regional balance by building up its conventional and nuclear forces in Asia. This structural change created a strategic opportunity for the United States because it compelled China to seek an ally to check the strongest Soviet power in Asia. As a consequence, despite strong ideological and political constraints, the United States and China formed an alliance in 1972 in order to check the Soviet dominance in Asia.

Thus, different from the conventional wisdom, my study finds that throughout the Cold War, international structure had powerful effects on American policy toward China, overriding strong domestic forces. The relentless power competition in the self-help system made state leaders primarily consider national security and power relations in making their major alliance policies.

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\footnote{his message to the Veterans of Foreign War advocating an irrevocable commitment to the KMT. He also opposed the JCS proposal for preemptive bombing of Communist concentrations by the KMT.}