

THE COLD WAR'S ODD COUPLE

THE UNINTENDED PARTNERSHIP BETWEEN
THE REPUBLIC OF CHINA AND THE UK,
1950-1958

STEVE TSANG

LIBRARY OF INTERNATIONAL
RELATIONS

23

I.B. TAURIS

THE COLD WAR'S ODD COUPLE

To William Morgan Man-yang

THE COLD WAR'S ODD COUPLE

*The Unintended Partnership between the
Republic of China and the UK, 1950–1958*

Steve Tsang

I.B. TAURIS

LONDON · NEW YORK

Published in 2006 by I.B.Tauris & Co Ltd
6 Salem Road, London W2 4BU
www.ibtauris.com

In the United States and in Canada
distributed by St Martin's Press
175 Fifth Avenue, New York NY 10010

Copyright © 2006 Steve Tsang

The right of Steve Tsang to be identified as the author of this work has been asserted by the author in accordance with the Copyright, Design and Patents Act 1988.

All rights reserved. Except for brief quotations in a review, this book, or any part thereof, may not be reproduced, stored in or introduced into a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of the publisher.

Library of International Relations 23

ISBN 1 85043 842 0
EAN 978 1 85043 842 7

A full CIP record for this book is available from the British Library
A full CIP record for this book is available from the Library of Congress

Library of Congress Catalog card: available

Typeset in Berkeley Oldstyle by Oxford Publishing Services, Oxford
Printed and bound in Great Britain by TJ International Ltd, Padstow,
Cornwall from Camera-ready copy edited and supplied by the author

Contents

Acronyms and Abbreviations	vii
Preface	ix
Introduction	xv
1. In the Context of the Cold War	1
<i>Dawn of a new age</i>	1
<i>The cold war in Asia</i>	5
<i>The UK's position</i>	9
<i>The ROC's place</i>	14
<i>China and the odd couple</i>	18
2. The ROC's Policy	27
<i>General foreign policy</i>	27
<i>Policy towards the United Kingdom</i>	30
<i>Apparatus for making policy and conducting relations</i>	37
<i>Survival in the cold war</i>	55
3. British Policy	58
<i>Britain's East Asian policy</i>	58
<i>Policy towards Taiwan</i>	61
<i>Apparatuses for policy making and conducting relations</i>	74
<i>From expediency to unintended partnership</i>	81
4. One China or Two?	83
<i>Solutions to Taiwan</i>	84
<i>Chinese representation at the UN</i>	99
<i>One China, two states</i>	108
5. Peace and Security	111
<i>A cause for war?</i>	111
<i>Origins of the first Taiwan Strait crisis, 1954–55</i>	115

<i>Operation Oracle</i>	121
<i>Second Taiwan Strait crisis, 1958</i>	139
<i>A precarious peace?</i>	148
6. Mutual Interests and Conflicts	152
<i>Mutual interests</i>	152
<i>Conflicts over the closure of Chinese ports</i>	155
<i>Neutrality of Hong Kong</i>	165
<i>Conflicts in perspective</i>	185
7. The Cold War's Odd Couple	187
<i>The making of an unintended partnership</i>	189
Notes	200
Bibliography	243
Index	259

Acronyms and Abbreviations

AHQ	Air Headquarters
ANZUS	Australia, New Zealand and the United States
CAB	Cabinet Papers
CCP	Chinese Communist Party
CIA	Central Intelligence Agency (USA)
CICFES	Commander-in-Chief, Far East Station
CID	Central Intelligence Department
CINCFE	Commander in Chief Far East
CinC	Commander in Chief
CINPAC	Commander in Pacific
CKS	Chiang Kai-shek
CO	Colonial Office
COS	Chiefs of Staff
CPV	Chinese People's Volunteers
CRO	Commonwealth Relations Office
DA	Department of Army
DDE	Dwight D. Eisenhower
DEB	Parliamentary Debates (Hansard)
DNI	Director Naval Intelligence
FECOM	Far Eastern Command
FE(O)C	Far Eastern (Official) Committee
FES	Far East Station
FO	Foreign Office
FRUS	Foreign Relations of the United States
GIO	government information office
HC	House of Commons
GHQ	general headquarters
HK	Hong Kong
HMS	Her Majesty's Ship
JCS	Joint Chief of Staff
KMT	Kuomintang
NATO	North Atlantic Treaty Organization

NIE	National Intelligence Estimate
NLO	Naval Liaison Officer
NSA	National Security Agency
NT\$	New Taiwan Dollar
NSC	National Security Council
OAG	officer administering the government
PLA	People's Liberation Army
PRC	People's Republic of China
PRM	People's Republic of Mongolia
ROC	Republic of China
SBCA	Sino-British Cultural Association
UK	United Kingdom
UN (O)	United Nations (Organization)
UNICEF	United Nations International Children's Emergency Fund (now United Nations Children's Fund)
USSR	Union of Soviet Socialist Republics

Preface

The end of the cold war in general failed to remove all the major confrontations that were part of its edifice. This was particularly apparent in East Asia where the existence of two Chinese and two Korean states provided continuity with the past. However, much has changed. The Korean states held their first ever summit in June 2000, though a formal end to the Korean War and division remains a matter for the future.

The two Chinese states have not made quite as much progress in putting behind them their suspended civil war. The danger of the situation across the Taiwan Strait deteriorating into an open confrontation remains real.

The People's Republic of China (PRC) is determined to resolve the 'Taiwan problem' under the 'one China principle', preferably by adopting in the not too distant future the idea known as 'one country, two systems', which has been applied in Hong Kong since 1997. In its efforts to tackle this 'Taiwan problem', Beijing has put its views and interests, as the Communist Party leadership defines them, first. In so doing it appears to have failed, like most scholars in an earlier period, to consider the dynamics of Taiwan's internal politics as a basic factor in determining the future of the people living there.

The future of Taiwan, or the Republic of China (ROC) as it is officially called, is not just a matter of great power politics or something that needs to be decided simply on the basis of Chinese irredentism. It also depends critically on what the people living there want and what they and their government are prepared to do about defining their own future.

Herein lies one of history's little ironies. The people and government in the ROC these days want international support to help them decide their future, whether it should be unification with the PRC, independence, or maintaining the status quo. The general

desire in the ROC at the moment is to keep things as they are. This is partly because its citizens are divided in what they want. Above all, it is because they do not really have a choice. For better or for worse, independence is out of the question unless the ROC is collectively prepared to face war with the PRC or, from Beijing's perspective, restart the Chinese civil war.

Taipei would not enjoy international support should its people and democratically elected government decide to choose independence. With the end of the cold war the international community is interested only in preventing a renewal of hostilities across the Taiwan Strait. It is emphatically against allowing the people of the ROC or Taiwan to exercise the right of self-determination should that lead to a full-scale military confrontation with the PRC.

This brings out an interesting contrast with the 1950s, the formative period of the cold war in Asia and the focus of this book. Back then, the United States (USA) would have welcomed and supported an independent Taiwan should it have resulted from a democratic referendum. And it would have enjoyed the backing and indeed active support of the United Kingdom (UK). The two powers would probably have sought and might even have secured a mandate from the United Nations (UN) to run such a referendum, and they would have provided the security necessary to guarantee an independent and democratic Taiwan should this have been the choice of the people there. Any permutation of such a scenario is now out of the question, not least because of Beijing's determination to use force and its ability to block it in the UN Security Council.

While Beijing would unquestionably have objected to it too in the 1950s, it is doubtful whether its objection would have been enough to stop the two leading Western powers at the height of the cold war. It may sound a little incredulous at first but the more immediate obstacle to such an option in the 1950s was the attitude and policy of the Kuomintang government in Taipei under Chiang Kai-shek. The recognition on the part of American and British policy makers that a democratic and independent government of Taiwan could only be 'imposed' and sustained against expected fierce resistance from Chiang, an American ally, and his half a million strong defence forces reduced this option to a purely academic one. But this does not mean they did not examine it as a policy option in the 1950s.

Whether or not the people of the ROC want independence, they certainly would like to have their existence as a state recognized and accepted in the international community. Since this is clearly a general desire in the ROC today, many there may see a missed opportunity in the 1950s. In those days, even short of turning itself into a democracy or asserting itself as a state independent of the PRC, the ROC would have enjoyed British support to keep its membership alive in the General Assembly at the UN if it had been willing to concede the Security Council seat to the PRC. Given the international situation at the time, a strong joint Anglo-American push would probably have gained wide support at the UN to deal with one of the anomalies, namely that of a small, relatively poor and underdeveloped state like the ROC occupying a permanent Security Council seat and enjoying the privilege of veto.

Although the PRC would almost certainly have rejected such an Anglo-American initiative at that time, the nature of Chinese membership and representation at the UN would have been changed if the ROC had merely kept a General Assembly seat and vacated the Chinese seat at the Security Council. If left to choose between staying outside the UN for ever or taking the Security Council seat but tolerating Taipei's presence at the General Assembly, the PRC would probably have joined the UN at some stage, perhaps with its displeasure over Taipei's representation clearly stated and its 'right' to recover Taiwan reserved. And Taipei would probably still have managed to maintain more of an international presence.

Was there really a missed opportunity in the 1950s to resolve, or at least to defuse, the Taiwan question? To answer this question it is not enough to focus, as most existing works do, on the relations and interactions of the primary actors in the Asian cold war, the United States, the PRC and the Soviet Union. Important players as they were, they were more concerned with the cold war confrontation than with finding a way of defusing the time bomb that was ticking away across the Taiwan Strait. It was the UK, in its wish to prevent a general war in Asia, that was most interested in defusing this time bomb.

It was this recognition of the real roles the UK and ROC played in the Asian cold war in the 1950s that led me to examine their relations in detail. They formed an odd couple at that time. Both

were declining powers and secondary partners in the alliances that were part of the cold war. However, both tried hard to assert themselves and leave their marks. They had different national interests and agendas but they both sought to influence the outcome of the Taiwan Strait crises provoked by the PRC. In the end the UK got itself into a *de facto* strategic partnership with the ROC during the second Strait crisis of 1958. The object of this volume is to provide a judicious account of how such a partnership was formed, even though it had never been the UK's intention.



In undertaking this project I am indebted to many friends and colleagues who have given time, advice and many different kinds of help generously. First and foremost I am grateful to my wife, Rhiannon, for her love, support and understanding while I indulged in the research and writing of this book. As its first reader in draft form she also gave me valuable food for thought.

I owe an intellectual debt to Graham Hutchings, Roger Louis, Ramon Myers and Allen Whiting who read the first draft in full and offered critical comments, and to those colleagues who discussed the different aspects of this project that were presented at conferences and seminars in Oxford, at the Australian National University, the National Taiwan University, Academia Sinica and at the School of Oriental and African Studies. While I have greatly benefited from their comments I am solely responsible for any mistakes remaining in the text.

The following friends and colleagues have proved particularly helpful with my research in Taiwan: Chan San-ching, Chu Hong-yuan, Chen Yung-fa, Fu Ying-chuan, Jason Hu, Bernard Joei, Lin Bih-jaw, Lu Fang-shang, Ma Ying-jeou, and Louis Wen-hua Tzen. Without the help of some of them I would never have been given access to the archives of the ROC Foreign Ministry and the Ministry of Defence. The archives concerned were not yet released but I was given access to those documents that I could identify on the basis of my independent research. Not every document I requested to see was, for understandable reasons, made available but most of my specific requests were granted. Access to archives not usually open to the public was very useful in supplementing the Chiang Kai-shek

papers now at the Academia Historica. For research into Chinese language sources in China, I also owe much to M Lu and David Tsui who helped me get hold of material that I would otherwise have missed. In a different though related way, Wang Hao deserves special thanks for sharing with me much of the research material he had collected for his thesis on British policy towards Taiwan in the 1950s. Robert Radtke also kindly helped to facilitate my research in the USA.

Keepers, archivists and librarians of the many major research collections have also helped me greatly in my research. They include those who assisted me or facilitated my work at the Public Record Office, the St Antony's College Library (Oxford), and the Institute for Chinese Studies Library (Oxford) in the UK; the Truman Library, the Eisenhower Library, the MacArthur Library, the Hoover Institution Library, the Seeley G. Mudd Library (Princeton), and the Butler Library (Columbia) in the USA; the Academia Historica, the National Library, the Sun Yat-sen Library, and the Institute for Modern History Library at Academia Sinica in Taipei.

Last, but emphatically not least, I am grateful to the Chiang Ching-kuo Foundation for its generous support without which the research for this book would have been much more difficult to conduct and the whole process would have taken much longer to complete. I would also like to thank the Truman Library for one of its grants that assisted my research there.

Notes on names and Romanization

Chinese is a difficult enough language to Romanize under any circumstances. It is made worse by the existence of two governments that follow different systems of transliteration. The general practice these days is to render Chinese names and terms in the *pinyin* system adopted by the PRC, though books on postwar Taiwan usually follow the ROC's practice of using the old Wade-Giles system. Since one of the two main focuses of this book is the ROC's foreign policy, I adhere to the Wade-Giles system as the starting point. However, I have decided not to use this uniformly merely for the sake of consistency. The subject of this study involves individuals and places in the PRC that are familiar to readers in *pinyin*. It is more sensible that their more usual form

should be used. On the issue of consistency one need only look at the subject matter to see how artificial it is to impose such a rule. If the Chinese cannot achieve unity let alone uniformity who am I, a mere historian, to pretend that uniformity exists by ignoring one or the other side?

The rule I have followed is to use *pinyin* for all individual and place names in the PRC and the Wade-Giles for the rest. For place names, such as some of the offshore islands that changed hands between the two Chinese states, *pinyin* will be used if they passed from PRC to ROC hands and the Wade-Giles system adopted if vice versa. To make it easier for readers not to become confused by this deliberately inconsistent approach, the other transliteration will be used in brackets the first time a name is mentioned. For personal and place names that have acquired wide currency in English usage, such as Chiang Kai-shek and Georgh Yeh or Quemoy and Matsu, their usual form will be used.

If the transliteration of the Chinese language is problematic the use of the name China itself also requires a brief explanation. China is used to refer to the country until 1949 since it was deemed to be a united country, though its full official name, the Republic of China, is also occasionally used where appropriate. As to events since the founding of the PRC on 1 October 1949, the PRC and the ROC will be used to refer to the two governments and states respectively. China is only used as a geographic name, in quotations or where the context should make it clear which state is meant.

Steve Tsang
October 2005

Introduction

Scholars tend to think of the decade of the cold war's decisive impact on East Asia in terms of the bilateral or trilateral relationship between the United States (USA), the People's Republic of China (PRC) and the Soviet bloc. From this perspective the United Kingdom is generally treated as yet another major player, whereas Taiwan, or to use its proper name the Republic of China (ROC), Korea, Indo-China and Malaya are viewed as mere pawns or venues in the contest for power. However understandable or justifiable such a starting point may be, a focus on US–PRC or US–PRC–Soviet relations tends to overlook what may appear to be secondary but were in fact vital relations in the Asian cold war. Such one-sided scholarly attention places inadequate weight on important issues and salient factors that significantly affected the Asian cold war. In this book I seek to redress at least part of that imbalance by looking at one of the most important of these relationships in the 1950s when the framework for the cold war was being established in East Asia.

By focusing on UK–ROC relations during the cold war, I show that while the USA and PRC largely defined the perimeter of the area in which the Asian cold war took place once the Korean War had catapulted a relatively sleepy, peripheral and underdeveloped East Asia to the top of the political agenda of the world's great powers, others, notably the UK and ROC, also played crucial roles in affecting its course. In an attempt to put the contributions and bilateral relations of the UK and ROC in perspective, I examine what factors determined their respective foreign and security policies on the one hand and look at how their own interactions influenced and in turn were affected by their relations with other key players, particularly the USA and PRC, on the other.

The active role the ROC played in this respect was important, but it has hitherto never been given due credit. In reality, the ROC was

more than a pawn in the US–PRC confrontation, and more even than just a particularly successful foreign manipulator of American goodwill in its fight against communism.¹ The ROC was a significant actor in its own right, not least in the two Taiwan Strait crises and in defining the terms of its continued existence in the international community. This became possible because the basic political reforms that Chiang Kai-shek and the Kuomintang introduced and led in the early 1950s fundamentally changed the political, economic, social and military situation in the ROC.

Though still dependent on the USA for its survival, Taiwan changed in this decade from being the last refuge for Chiang and the collapsing Kuomintang regime into a genuinely valued US ally strategically located at the front line against the perceived threat of worldwide communist expansionism. The ROC enjoyed strong US support because it was able to persuade the Americans that it was by then deserving of support. This was important in that it enabled the ROC to enlist US aid, against the better judgement of Dwight Eisenhower's administration, to defend Quemoy and Matsu – two groups of islands just off the coast of the Chinese mainland that were of no intrinsic strategic value to the USA. The ROC's success in carrying the USA with it with respect to these islands not only affected significantly how the cold war unfolded but also, as I explain in this book, critically helped to persuade the UK to form some kind of *de facto* strategic partnership with it in 1958.

This was an interesting turn of events, for the UK was the first major Western power to switch its recognition from the ROC to the PRC in January 1950. To make sense of such a change it is necessary to look into and understand both the nature of Anglo–American disagreements over East Asia and their 'special relationship'. As a declining power with primary interests outside East Asia, but a key player in the cold war, the UK had no wish to see events there diverting US resources and attention from Europe. It was therefore the UK more than any other power that tried hardest to find a way of neutralizing the Taiwan question.

As the most powerful country outside the Soviet bloc apart from the USA, the UK was also in a unique position in that it was able to maintain a consulate in Taiwan after having switched its recognition from the ROC to the PRC. For 20 years the UK was the only power to enjoy the privilege of having diplomatic ties with both the PRC

and ROC. The UK was therefore particularly well placed to deal with problems associated with the division of China in the context of the cold war.

The UK's policy on this issue was to try to drive a wedge between the Chinese communists and their Soviet comrades by promoting Titoism in the PRC. It took a long time for the results of this British policy to show. In the meanwhile, the UK continued to play a positive and active role. Thus, though it had few resources with which to back up its policy in East Asia, the UK tried to steer the USA towards handling the first Taiwan Strait crisis of 1954–55 in what it saw as the right way.

Until the Suez crisis of 1956, during which the lack of substance behind the façade of British power was exposed, the British treated their 'special relationship' in a way that suggested they felt confident enough to strive to apply their 'superior wisdom' gained from long experience of leadership in East Asia to guide their US ally towards making sound decisions. As I explain later, Suez put an end to all that. It turned cooperating with the USA into a pivotal factor for British foreign policy in East Asia. In other words, the 'special relationship' practically became a policy guideline for the British, requiring them to trim their strategies towards the two Chinese states to fit in with those of the USA. This was critical in turning the UK into an unwitting partner of the ROC in the Strait crisis of 1958.

The focus here on UK–ROC relations entails a careful scrutiny of Britain's policy on the PRC and an assessment of its success or failure. Although several books have been published over the last couple of decades on the various dimensions of Anglo–Chinese relations in the 1940s and 1950s, none satisfactorily explains why British policy was so unsuccessful.² The British failed essentially because the PRC under Mao Zedong tenaciously kept the diplomatic initiative in its own hands, and decided to conduct its relations with the Soviet Union and with the UK without regard to British enticements. The offer of British friendship was not taken seriously even though it could have offered the PRC a chance to divide the British from the Americans (examined in Chapter 1).

By 1958 British policy makers could not help but register the failure of their constructive engagement approach. This narrowed the gap that separated the UK from the USA over their policies

towards the PRC and made the idea of supporting the ROC unobjectionable to the UK.

Although the UK maintained a consulate and naval liaison officer in Tamsui (Tanshui) in Taiwan after formal diplomatic relations with the ROC ended in January 1950, the British emphatically did not intend this to produce a two China situation. In fact, the British were not particularly interested in the unification or division of China as such; their only concern was with the wider implications for regional peace and security. Bilateral relations between the UK and ROC continued over trade and conflicts, with some of the latter issues involving serious disputes. However, as I argue in this book, the cold war context in which they conducted their affairs was what mainly determined the nature of relations between the two countries.

The assessment in this book of how the UK and ROC ended up as unwitting partners in the second Taiwan Strait crisis casts light on relations between the two protagonists, on the application of the 'special relationship' between the UK and USA in the China region, and on the success or, rather, failure of the UK's policy of positive engagement with the PRC. I also look at British attempts to find a peaceful solution to the future of Taiwan and re-examine the origins and driving forces behind the two Taiwan Strait crises. Since the British Colony of Hong Kong was the most important factor in the bilateral relations between the UK and ROC and, indeed, between the UK and PRC, I also show how the British handled their colony's awkward position as an object of Chinese irredentism caught up in the politics of the Chinese civil war and of the cold war. To put the cold war in context it is necessary to start by looking briefly at the world situation at the end of the Second World War.

Chapter 1

In the Context of the Cold War

Since UK–ROC relations in the 1950s were set firmly in the context of the cold war, I start this chapter with a brief look at its emergence at the close of the Second World War and focus in particular on what the beginning of the cold war meant. I follow this with an examination of how the UK saw its own role in the cold war and where the ROC was placed in this global confrontation. I end with an analysis of how the failure of Britain's attempt to engage positively the communist PRC, which in British law replaced the ROC as the government of China in January 1950, impacted on the UK's relations with and policy towards the ROC.

Dawn of a new age

The end of the Second World War in 1945 marked the beginning of a new era. The scope, scale, intensity and destructiveness of that 'total war' not only surpassed any other in human history but also changed the great powers' attitude towards war in general, particularly one in Europe where most of their core interests lay and collided. The general feeling at the end of the war that this had been the war to end all wars was not new.¹ The same sentiment had been expressed at the end of the First World War less than three decades earlier. While the Second World War failed to end all wars – since then there have been numerous local armed conflicts – a world war has been avoided. This is also in part a result of the many key technological advances that were unleashed through the process of conducting a 'total war' in the 1940s.

Such advances ushered in the atomic age; they introduced

revolutionary changes to transport, communications and other technologies of war, and greatly reduced the effect of geographical distance on limiting the scale of the conflicts in which people could engage. Total war on a global scale with the potential to destroy human civilization became a possibility with the dropping of the atomic bomb on Hiroshima and a real danger after the Soviet Union tested its first atomic bomb in 1949. This threatening prospect took a quantum leap with the advent of thermonuclear weapons in 1954.²

Such technological progress also made possible the revival of ideological conflicts between totalitarian communism and democratic capitalism, temporarily put aside by the common struggle to destroy fascism. Indeed, the conflicts intensified after the Second World War and became global in scale. Thus, on the one hand, despite a widely shared desire for peace and for an effective world organization to resolve conflicts and prevent war, manifested above all in the founding of the United Nations, the world soon found itself locked in an intense standoff capable of triggering a worldwide conflict of mutually assured destruction. On the other hand, this terrifying prospect eventually forced world leaders to exercise sufficient self-control to pre-empt such a calamity³ – the two sides did go to the brink, most notably during the Cuban missile crisis of 1962, but they stopped there. In a nutshell, the cold war consisted of the intense competition between communism and ‘totalitarianism’ headed by the Soviet Union on the one side and capitalism and democracy led by the USA on the other.⁴

The benefits of hindsight following the collapse of communism in the winter of 1989 to 1990 and the end of the cold war has helped to put the development of this momentous and long standoff in its formative stage in better perspective. What one must also remember is that policy makers in the 1940s and 1950s did not share the same advantage. They did not, as they could not have, make policies on the basis of the reality but on that of their perceptions and assessments of the intentions of the other party.

The end of the Second World War and the beginning of the cold war was a period of considerable flux and instability. The policy makers of all the major powers had pressing and

conflicting demands. All the countries concerned, with the single exception of the USA (which escaped war damage to its mainland), had to demobilize the state and economy, which had been put on a war footing, as well as embark on national reconstruction and rehabilitation after the most destructive war in history. At the same time they had to deal with the power vacuum created by the defeat of the Axis powers and the end of various European empires. It meant facing up to a new danger of confrontation between the apparently rising communist power and the might of the capitalist Western powers. This confrontation threatened to usher in a new world war even more horrific than the one just ended.

This danger appeared on the horizon despite the wartime alliance between the Soviet Union, the USA and the UK. These great powers knew that a new age had dawned after the defeat of Germany and Japan, but they had little common understanding of what it would be like.⁵ Though exploring the prospects of joint collaboration, they all wanted things to go their own way and thus proceeded on the basis of mutual suspicion rather than understanding and trust. Old fashioned power politics and the advancement of national interest above all else remained as strongly entrenched in this new age as it had ever been before. The actual end of hostilities also 'removed the main incentive for cooperation and made all three less inclined to compromise'.⁶

As in the world of physics, where action and reaction are equal and opposite, the greater the effort either side of the ideological divide made in attempting to shape the postwar world, the stronger the reaction from the other. Mutual suspicions and rivalries fed on each other. They increasingly solidified into the American policy of containment and the formation of the North Atlantic Treaty Organization (NATO) by the Western powers. For its part, the Soviet Union organized the Warsaw Pact to match NATO. The arms race and other competitions and institutions that sprung up constituted the primary edifice of the cold war.

While the issue of war and peace had taken on a global dimension by 1945, the central focus of great power politics and the cold war remained Europe. It was there that the greatest prizes lay. It was also in Europe that the biggest power vacuum

existed, which attracted the attention of the three countries most responsible for destroying the Axis powers – the USA, the Soviet Union and the UK.

Although China was officially counted as the fourth great power and (together with France) shared the elevated position of the 'big three' in occupying a permanent seat at the UN's Security Council, it lacked the capability, international standing, logistics, influence and political will to shift world power attention away from Europe to Asia. In fact, at the time of the Japanese surrender China was a war-torn country with an economy in shreds and about to be engulfed in a horrendous civil war. US President Franklin D. Roosevelt might have envisaged China as one of the world's postwar policemen destined to fill the power vacuum left in Asia by the defeat of Japan, but it was in no shape to take on this role in the immediate postwar period.⁷

Europe remained the centre of gravity in the cold war, as it had been in great power politics before the Second World War. However, events in Asia and elsewhere had a significant impact on the global power play of the two Eurocentric camps, including bringing one or both sides to ponder seriously over the option of using atomic or nuclear weapons, which, as I explain later, happened during the Taiwan Strait crises.

The leading protagonists in the cold war were the USA and the Soviet Union, the two continental size powers with the greatest resources at their disposal. Though both were deemed to be superpowers with capabilities and resources that no other power could match, US might, particularly if measured overall and not purely in military terms, was in retrospect clearly superior to that of the Soviet Union throughout the cold war.

The USA was in reality the only superpower with global reach for a long time. But policy makers did not enjoy the benefit of hindsight and the picture was less clear in the midst of the cold war than it is now. The public concern in the USA in the 1950s that an unfavourable 'missile gap' existed between it and the Soviet Union after the latter launched the first man-made satellite, *Sputnik I*, in October 1957 when the USA in fact enjoyed a clear lead illustrates the mentality of the time.

The last of the 'big three' at the end of the Second World War, the UK, was in reality a declining power largely as a result of

national exhaustion following this and the First World War.⁸ It had neither the resources nor the capabilities to take on the Soviet military behemoth on its own in Europe, which clearly marked its inferior position in the power balance.⁹ However, it remained the most powerful country after the USA outside the Soviet bloc. In the 1940s the combined resources and indeed obligations of the British Empire and Commonwealth meant that the UK was a global power though it was not a superpower. This made an interesting contrast to the Soviet Union – a superpower with limited reach in global terms. Still enjoying the prestige inherited from the era of *Pax Britannica*, the UK was the USA's most important ally and a key player in the cold war with interests spanning across much of the globe in the 1950s.

The cold war in Asia

Although Asia shared many of the same problems and the need for rehabilitation and power politics that existed in Europe, the kind of cold war confrontation that led Winston Churchill to declare in Fulton, Missouri in March 1946 that an 'iron curtain' had descended across Europe was not the most important factor there in the years immediately following the end of the war. What mattered most in Asia was the confrontation between the nationalism unleashed by the Japanese defeat of the Western empires in the course of the war and the attempts by the European imperial powers to restore their prewar positions.¹⁰ Once the Japanese had successfully challenged the might of the European empires, the myth of the superiority of the West or of the white race was destroyed.¹¹

Nationalists in Southeast Asia, who were also often allied to (or were themselves) communists, rose up in most of the European imperial possessions. They struggled to force the Dutch out of the East Indies. They revolted against the French in Indo-China. And they put an enormous amount of pressure on the British in the Indian subcontinent and in Burma and Malaya. The primary challenge the Western imperial powers faced in this period was more an indigenous nationalist one than an international communist movement directed from Moscow. It was later, as the cold war increasingly took on a global nature, that some of these anti-imperial movements became integral parts of the cold war.

What would become a major focus of the cold war in Asia was the life and death struggle between the US-backed Kuomintang and the Soviet-supported Chinese Communist Party (CCP) in China. It was precariously suspended when both parties formed a united front to resist the Japanese invaders in 1937.¹² At the end of the Second World War the USA and UK saw this conflict primarily in terms of a vicious and long-standing civil war.

Chiang Kai-shek, China's wartime leader and head of the Kuomintang, was one of the first to see the Chinese civil war as an integral part of the worldwide conflict between communism and capitalism.¹³ To pre-empt the Soviet Union's support for the Chinese communists in the fight for the mastery of China, he formed an alliance with the Soviets and signed a treaty of friendship with them. In return, Chiang reluctantly agreed to grant the Soviets special privileges in northeast China, which tsarist Russia had enjoyed half a century earlier, and accepted the detachment of Outer Mongolia from China.¹⁴

In reality, Chiang had no choice.¹⁵ When this treaty was signed on 15 August 1945, the day after the Japanese agreed to surrender, the Soviet Red Army had already occupied most of the strategic places in Manchuria. Equally importantly, when US President Roosevelt and Soviet leader Joseph Stalin met earlier that year in Yalta, they had already come to a deal at China's expense as the price for inducing the Soviet Union to join the war against Japan.¹⁶ Chiang's repeated appeals to Roosevelt's successor, Harry Truman, failed to elicit positive American help during the Sino-Soviet negotiations held in Moscow.¹⁷ China was caught up in the tangle of superpower politics just as the superpowers were trying to work out the shape of the postwar world.

China thus occupied a special place in the cold war from its start. It was the country the USA had hoped would replace Japan as its key ally and that would fill the power vacuum the collapse of the Japanese empire had created. It was in the front line in the struggle between communism and capitalism in Asia because it was the most important country outside Europe in which the communists could make major gains. Yet, the two superpowers officially treated the struggle for pre-eminence between its communist and nationalist parties primarily as a civil war in

which they were supposed to remain neutral. This situation quickly changed.

By 'mid-1946 the leaders of both Great Powers viewed the civil war in China as linked to the Soviet–American conflict of interest in Europe ... and turned their rivalry in China into one of many arenas for the global conflict.'¹⁸ By then the Soviets had given the Chinese communists a considerable amount of help by transferring to them the weapons and other military hardware the Soviet Red Army had earlier captured from the 595,000-strong Japanese Kwantung Army in Manchuria.¹⁹

The USA, for its part, followed a policy that 'pursued a chimera: a united pro-American China governed by a coalition headed by Chiang ... which would both subordinate the CCP and preclude wider Russian intervention into China'.²⁰ The USA was becoming entangled in the quagmire of Chinese politics as, first through its ambassador Patrick Hurley and then through General of the Army George Marshall, it tried to mediate a peace between the CCP and the Kuomintang.²¹ Both attempts failed. In the Chinese civil war the USA made its first attempt to contain the spread of communism in Asia. This happened before 1947 when George Kennan, using a pseudonym, set out his ideas about a containment policy in a long telegram to the State Department and in an article in *Foreign Affairs*. The policy adopted was different from the one built on Kennan's ideas, which was pursued with almost religious zeal in the 1950s. Although China was caught up in the cold war very early on, it essentially remained outside the core conflicts until its domestic strife became fully entangled in the global confrontation following the outbreak of the Korean War.

If China was entangled in cold war politics early on, Korea was an integral part of it from the very beginning. As Bruce Cumings puts it, a 'quintessential cold war relationship marked Soviet–American interactions from day one in Korea, the only country in Asia where the United States confronted Soviet power directly after the end of the world war'.²² It started with the division of Korea into two parts by the 38th parallel. The Soviet Red Army occupied the north and American forces the south.

The war in Asia ended more abruptly than most had expected. When it happened on 14 August 1945 the Americans had insuf-

ficient forces in the region to fill the power vacuum in Korea. The Soviet Union, by contrast, had the Red Army on the offensive in Manchuria and it was quickly deployed to take over northern Korea.²³ The Soviet Union accepted the American proposal to divide Korea into two zones because it was in line with the thinking of Stalin who merely wanted to prevent any other power dominating Korea at that time.²⁴ Soon afterwards the Americans tried to turn Korea, or at least their zone of it, into a 'bulwark against communism'.²⁵ The Soviet Union, for its part, supported the consolidation of communist control in the north. It was therefore understandable that early Soviet-American cooperation in Korea quickly broke down.²⁶

Internal social and political ferment in the two parts of Korea in the next couple of years produced two different regimes.²⁷ The northern communist regime was tightly organized and strongly supported by its Soviet and Chinese comrades, which gave it considerable military superiority over its counterpart in the south. Although highly nationalistic it was a regime founded on outside support and, as such, the North Korean government under Kim Il Sung needed to have its nationalist credentials confirmed in action. Kim was in any event a devoted communist and a nationalist yearning to reunify the country. The South Korean government under Syngman Rhee, by comparison, was inefficient, weak and dependent on the USA for protection. However, it was equally powerfully inspired by nationalism and dedicated to unification by any means.²⁸

For their part, in their well intentioned attempt to influence the direction of development in South Korea, US policy makers were driven primarily by the feeling that 'control of Korea or a part of it was essential to Pacific security', which was allowed to take 'precedence over the desires of the Koreans'.²⁹ When the Truman Doctrine was announced in response to the British decision to withdraw from Greece in early 1947, even though Korea was not deemed strategically valuable in a general war, the USA incorporated the maintenance of its position in Korea into its new policy of containment.³⁰ Domestic forces for change in Korea and cold war politics had become intertwined: 'the superpowers had superimposed their rivalry upon a civil war that would have existed in any event.'³¹

The Korean War was a landmark event. It was the first big hot conflict in the cold war and it had a fundamental impact on it. Although the immediate causes of the war remain controversial, there is no doubt that it was the product of considerable miscalculation on the part of the key players – the leaders of the USA, the Soviet Union, the two Korean governments and the PRC.

When US Secretary of State Dean Acheson excluded Korea and Taiwan from the American defence perimeter in January 1950, he either gave the wrong signal to the communist leaders or was badly misunderstood.³² We now know that Stalin and Kim consulted Mao Zedong (Mao Tse-tung) of the PRC in the first half of 1950 before deciding that, provided the Soviet Union ‘could maintain the appearance of neutrality’,³³ an opportunity existed for the North Koreans to seize the southern part of the country without risking a general war with the USA. While Kim was keen to attack, Stalin and Mao only agreed to support him in May, when they considered the USA unlikely to interfere, though Mao never dismissed the possibility.³⁴

The communist leaders’ deliberations over Korea coincided with the presentation in the US government of an important document, NSC-68, containing a comprehensive analysis of American security objectives.³⁵ It was written on the assumption that the Soviet Union intended to dominate the world and argued that if the USA were to fail to counter such aggressive Soviet intentions, America’s allies would lose heart and drift towards dangerous neutrality.³⁶ The outbreak of the Korean War was thus immediately seen as a challenge to which the USA must respond with force.³⁷ It played a key part in persuading President Truman to accept this document as the basis of US policy and led to massively increased American military spending.³⁸

When the shooting war erupted in Korea, the cold war entered a new stage and took on a truly global character. This also, as I explain below, gave the Kuomintang-led ROC – by then having retreated to its island redoubt of Taiwan and one of the two key subjects of this study – the chance to save itself from a Chinese communist invasion.

The UK’s position

Paul Kennedy’s observation that the UK ‘had entered the Second

World War as an independent great power, but she no longer possessed that status when she emerged from it' is at the same time both astute and a little misleading.³⁹ It is apt because in 1945 the UK was in reality a medium size power with worldwide obligations that had seen 10 per cent of its prewar wealth destroyed at home, its exports reduced from £471 million in 1938 to £258 million, and its overseas capital assets of £1299 million liquidated.⁴⁰ It had also been reduced to the world's largest debtor country. It faced serious balance of payment crises and would have faced bankruptcy had it not had access to American aid.⁴¹ It is also a little misleading in that its leaders 'did not have any experience of playing outside the "first division" of nation-states, and many could not shake off the consciousness that Britain was still a great force in world affairs'.⁴²

Though the rest of the world did not challenge the UK's assumption that it remained in the top league as one of the 'big three',⁴³ some British policy makers recognized that the UK was lagging behind the two superpowers. For example, Alexander Cadogan, the permanent under-secretary at the Foreign Office, admitted in private that it would be more appropriate to describe them in terms of the big two and half.⁴⁴ Such a view was tempered by the, in retrospect, mistaken belief that the UK's weakness was simply caused by economic exhaustion and was temporary.⁴⁵ Foreign Secretary Ernest Bevin spoke for most of his colleagues across the political spectrum when he stated in the House of Commons that 'we regard ourselves as one of the Powers most vital to the peace of the world'.⁴⁶

The real weakness of the UK was not exposed until the debacle over the seizure of the Suez Canal in 1956. Until then the UK continued to play the role of a global power.⁴⁷ Gladwyn Jebb of the Foreign Office summed up the underlying attitude of the British towards the cold war when he said that 'the phrase "cold war" so far as we are concerned, really involves the whole question of the maintenance of the United Kingdom's position in the world, and can therefore in the long run be equated with our general foreign policy'.⁴⁸

With the effective collapse in 1945 of the Anglo-American-Soviet wartime alliance, the UK was in an important sense torn between the reality that its future and security were tied to