Cabinet

Formosa

Memorandum by the Minister of State

The following is a statement on the present position in regard to Formosa. I should be glad to know whether the Cabinet approve the recommendations contained in paragraph 7.

Introduction

2. In his statement on Korea on 27th June President Truman declared that "the attack upon Korea makes it plain beyond all doubt that Communism has passed beyond the use of subversion to conquer independent nations and will now use armed invasion and war. It has defied the orders of the Security Council of the United Nations issued to preserve international peace. In these circumstances the occupation of Formosa by Communist forces would be a direct threat to the security of the Pacific area and to the United States forces performing their lawful and necessary functions in that area. Accordingly I have ordered the Seventh Fleet to prevent any attack on Formosa. As a corollary of this action I am calling upon the Chinese Government on Formosa to cease all air and sea operations against the mainland. The Seventh Fleet will see that this is done. The determination of the future status of Formosa must await the restoration of security in the Pacific, a peace settlement with Japan, or consideration by the United Nations."

Soviet and Chinese reactions to United States policy towards Formosa

3. Soviet reactions first appeared in the form of a leader in Pravda on 28th June and made the following main points. The action of the United States constituted "direct acts of aggression" against the Chinese and Korean Republics. There was no United Nations authority for the steps announced by President Truman. A provocative advance of troops of the puppet government of South Korea had led to the outbreak of military operations on the territory of Korea. No hint was given of Soviet intentions.

Chinese reactions were given in a declaration on Formosa by the Minister for Foreign Affairs, Chou En-lai, made in Peking on 28th June. The full text of this declaration is attached as Annex A. The main points were that the Central People's Government of China deemed that President Truman's declaration of 27th June and the actions of the United States Government constituted "armed aggression against Chinese territory and complete sabotage of the United Nations Charter". The fact that Formosa belonged to China could never be altered. The Chinese people would definitely be able to drive out the American aggressors and recover Formosa. The declaration went on to denounce American imperialism in Asia and appealed to the oppressed peoples of the world and particularly of the East to resist American imperialist aggression and to struggle for national independence. There was no reference in the Chinese declaration to British imperialism; nor was there any reference in it to Malaya, Hong Kong or to British action in support of South Korea.
His Majesty's Government's attitude on the status of Formosa

4. His Majesty's/Government's views on the status of Formosa were set out in the reply given by the Foreign Secretary on 15th February, 1950, to an enquiry by the Chief Justice, Hong Kong. This reply was as follows:

"In 1943 Formosa was part of the territory of the Japanese Empire and His Majesty's/Government consider that Formosa is still de jure part of that territory. On 1st December, 1943, at Cairo, President Roosevelt, Generalissimo Chiang Kai-shek and Prime Minister Churchill declared that all the territories that Japan had stolen from the Chinese, including Formosa, should be restored to the Republic of China. On 26th July, 1945, at Potsdam, the Heads of the Governments of the United States of America and the United Kingdom and the Republic of China reaffirmed that the "terms of the Cairo Declaration should be carried out". (The Potsdam Declaration was subsequently adhered to by the Soviet Union). On 25th October, 1945, as a result of an Order issued on the basis of consultation and agreement between the Allied Powers concerned, the Japanese Forces in Formosa surrendered to Chiang Kai-shek. Thereupon, with the consent of the Allied Powers, administration of Formosa was undertaken by the Government of the Republic of China. At present, the actual administration of the island is by Wu Kuo-cheng, who has not, so far as His Majesty's Government are aware, repudiated the superior authority of the Nationalist Government."

Implications of the United States policy towards Formosa

5. The far reaching implications of the new United States policy towards Formosa on our whole relations with China and on our own Far Eastern policy are being studied separately, and it would be premature to try to assess them on the information so far available. It is, however, necessary to consider immediately what policy line we should adopt if the question of our attitude towards United States policy in Formosa is raised in the debate on Korea in the House of Commons on Wednesday, 5th July, or subsequently in enquiries from the public or press.

From the Chinese reactions briefly outlined in paragraph 2 above it will be realised that whatever we say is likely to subject our present difficult relations with China to an even greater strain; particularly would this be the case if we support American action or now restate our view that Formosa is not Chinese territory. Similarly, whatever we say may have repercussions in the United States, where failure on our part to express clear support might well leave us open to the charge of "dragging our feet". It would therefore seem advisable to make no statement unless the question is raised in the course of the debate.

Recommendations

(i) No statement should be made unless the question of our attitude to the American action in Formosa, and whether we support it or not, is definitely raised in such a way as to render some answer unavoidable.

(ii) If, however, questions are raised (a) criticising American action in Formosa on legal grounds and (b) asking us whether we support it or not, and what our attitude etc. is, answers might be given on the following lines: -

(a) Criticism of United States action on legal grounds

One likely line of criticism runs as follows: "Formosa is Chinese territory. What right has the United States, when not
apparently requested to do so by any Chinese Government, to say that it is taking military command of affairs in Formosa, and that Formosa would be protected against any attack from the People's Government of China by the American Seventh Fleet?"

The best answer to this criticism would be: "Formosa is not at present a territory under the sovereignty of China. When the Second World War broke out it was part of the Japanese Empire. The Great Powers decided at Cairo on 1st December, 1943, that it should be taken from Japan and restored to China, but, from the legal point of view, the Japanese sovereignty over Formosa must be extinguished by a peace treaty or some similar instrument. It is true that, in anticipation of such a provision in the peace treaty, the Chinese Government were permitted or invited to assume administration of Formosa, and they did so. At present, however, they are in Formosa as an administering authority merely by the will of the Allies, and in matters relating to Japan, by Allied arrangements, the United States Government take the lead. Therefore the United States Government were not wrong when they said that the ultimate status of Formosa had to be determined by a peace treaty or, in times of crisis, indicating that they would exercise a certain supreme control so far as Formosa is concerned."

Another likely line of criticism is the following: "The United States purports to recognise the Nationalist Government as the de jure Government of China. But it has peremptorily ordered the Chinese Nationalist Government to cease all operations in the civil war which are conducted in its endeavour to recover Chinese territory for the benefit of the Government which the United States says is the de jure Government, and against authorities which, in the view of the United States are mere usurpers, not recognised by the United States as a government at all."

The answer to this question is difficult, because it is hard to reconcile this particular United States Order with the present United States recognition policy in China, and because it shows the United States treating the Chinese Nationalist Government practically as a puppet in their hands. The best answer might be that, apart from the fact that this particular United States order, which the Chinese Nationalists have accepted in principle, is very beneficial to British interests because it should put an end to attacks made on British ships, it can also be said that these Chinese operations were conducted from Formosa, which the Chinese Nationalists at present only hold as administrators at the invitation of the Allied Powers.

Whether His Majesty's Government support United States policy

An answer might be given that His Majesty's Government welcome United States policy in Formosa in as much as it means that all Nationalist sea and air operations directed against China from bases in Formosa are to cease. This decision should bring to an end hostilities which have involved a senseless loss in Chinese lives and property. It would also bring to an end the illegal Nationalist blockade of the China Coast and the mining of Chinese ports, which have caused loss of life and extensive damage to British mercantile and shipping interests. The early resumption of normal, peaceful trade with China should be facilitated as a result of the measures taken. In addition His Majesty's Government welcome this policy since what the United States are doing is to ensure that, pending the conclusion of a peace treaty with Japan, the final determination of Formosa will not be prejudged by force. Pending
the conclusion of such a treaty, it is necessary to take steps to ensure that its administration is carried on in peaceful and orderly fashion and to prevent, if at all possible, the extension of hostilities to Formosa. It is also necessary to ensure that forces based on Formosa shall not engage in wanton attacks on the mainland. The American declaration will, it is hoped, serve both objectives.

The following further question may arise:

(c) Whether our support of the United States policy regarding Formosa implies any change in His Majesty's Government's policy towards China?

The answer is "No". There has been no armed aggression against Formosa and Formosa is not at present part of China.

K. G. Y.

Foreign Office, S. W. 1.,

3RD JULY, 1950.
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ANNEX A

Translation of declaration issued on 28th June by Minister for Foreign Affairs of Chinese People's Republic

Truman, the President of the United States, after directing Syngman Rhee's puppet South Korean Government to stir up civil war in Korea issued a declaration on the 27th June, announcing that the American Government had decided to use armed force to prevent the liberation of our Formosa. The United States Seventh fleet has already received Truman's instructions to begin operation in Formosan waters.

I now declare on behalf of the Central People's Government of the People's Republic of China that the declaration made by Truman on the 27th June and the actions of the United States Navy constitute armed aggression against Chinese territory and complete sabotage of the United Nations Charter. This violent and predatory action on the part of the United States was not unexpected by the Chinese people but has merely increased their anger because the Chinese people have for a long time continuously exposed the conspiracy and plan of American imperialism to commit aggression against China and occupy the whole of Asia by force, and Truman's declaration has now merely made public this predetermined plan and put it into operation. In fact, the American Government's direction to the puppet forces of Syngman Rhee's Korea to attack the Korea Democratic People's Republic was a prearranged step on the part of the United States. Its object was to make a pretext for American aggression against Formosa, Korea, Vietnam and the Philippines. It is indeed a further action in interference by American imperialism in Asia.

I declare on behalf of the Central People's Government of the Chinese People's Republic that no matter what impending action may be taken by the American imperialists, the fact that Formosa belongs to China can never be altered, not only is this a historical fact but it has also been determined by the Cairo and Potsdam declarations and the situation after the Japanese surrender. The whole of the Chinese people will with one accord struggle to the end for the liberation of Formosa from the hands of the American aggressors. The Chinese people who were victorious over the Japanese imperialists and Chiang Kai-shek, the running dog of the American imperialists, will definitely be able victoriously to drive out the American aggressors, recover Formosa and all territory belonging to China.

The Central People's Government of the Chinese People's Republic calls upon all peoples of the world who love peace, justice and freedom, particularly the oppressed peoples and nations of the East to rise and struggle to stop this new aggression by American imperialism in the East. Providing we are not cowed, and resolutely mobilise the broad masses of the people to take part in the struggle against the warmakers, then this aggression can be completely defeated. The Chinese people express their sympathy and respect for the people of Korea, Vietnam, the Philippines and Japan who similarly suffer American aggression and similarly struggle against it, and are convinced that the oppressed peoples and nations of the East will be able finally to bury the violent and wicked American imperialist war-makers in the great and fierce flames of the struggle for national independence.
SECRET

NOTE
(C.P.(50) 157)

The attached is an additional memorandum for consideration under Item 2 of the agenda for the Cabinet's meeting on Tuesday, 4th July.

Cabinet Office, S.W.1,

3RD JULY, 1950.