

IMPROVISING TRADECRAFT: THE EVOLVING U.S. INTELLIGENCE REGIME
AND THE CHINESE COMMUNIST PARTY IN THE 1940S

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ABSTRACT

Sara Bush Castro: Improvising Tradecraft: The Evolving U.S. Intelligence Regime and the Chinese Communist Party in the 1940s
(Under the direction of Michael Tsin)

The activities of U.S. intelligence officials in China's Communist base areas in the 1940s reveal that the underdevelopment of the U.S. national security bureaucracy before World War II impeded the ability of accurate and timely intelligence about the Chinese Communist Party (CCP) to reach U.S. policymakers. Structural deficiencies in U.S. intelligence practices affected U.S. foreign relations, including U.S.-China relations, in ways historians have failed to appreciate. Because widespread anti-Communist sentiment had significant consequences for postwar U.S. strategic behavior, historians of twentieth-century U.S.-China relations have generally assumed anti-Communism was the most important factor shaping U.S. intelligence about the CCP in the 1940s. Actually, inefficiency in the U.S. intelligence process as a result of inexperienced personnel, interagency friction, and abrupt expansion under the Truman administration were equally, if not more, influential on the content of U.S. intelligence on the CCP.

American intelligence collection about the CCP in the 1940s, particularly at Yan'an, where the United States maintained a delegation of intelligence personnel known as the "Dixie Mission," showcases inherent vulnerabilities in U.S. bureaucratic processes. Interagency rivalry, politicization, and logistical challenges regularly influenced the information that U.S. intelligence officers in Yan'an disseminated to policymakers. The activities of the Dixie Mission,

from the collection of information in the field to dissemination of reports in Washington D.C., illustrate the extreme malleability of procedural norms for intelligence operations during World War II in the absence of a cohesive U.S. intelligence regime. Based on intelligence successes in the European theater, the National Security Act of 1947 inadvertently preserved problems that U.S. intelligence officials encountered in China in the design of the postwar U.S. national security regime.

By illustrating the development of flawed bureaucratic procedures that were built into the postwar U.S. intelligence community, this study has implications for understanding the structural causes of so-called “intelligence failures” that have plagued the U.S. intelligence community since the late 1940s. It also helps correct a Eurocentric bias in the historiography of twentieth-century U.S. national security, which currently lacks empirical studies of intelligence collection in non-Western countries prior to the Cold War.

To Kenneth Morrison

ACKNOWLEDGEMENTS

While writing the first draft of *The Caine Mutiny*, a novel for which he received the Pulitzer Prize in 1951, acclaimed World War II fiction writer Herman Wouk described his daily writing experience as “trying to play a symphony on a solo piccolo.”¹ Wouk’s quote resonated with me as this project took form, while I attempted to draw order from an overwhelming pile of potentially relevant and frequently contradictory sources about the 1940s and do justice to protagonists that, in many cases, seemed long overdue. At these times in particular, I felt deep gratitude for the gift of an extensive support network that Wouk lacked.

I owe thanks first to the History Department at the University of North Carolina, Chapel Hill, which has supported me through a long degree program, giving me resources and opportunities to develop skills in both professional historical research and teaching. Within the History Department, my advisor, Michael Tsin, has accompanied me every step of the way, including when I made a sharp change in direction and chose to focus my efforts on U.S. national security history. I also could not have asked for a more skillful and inspiring dissertation committee to review my work, including (in alphabetical order) Joseph Caddell, Michael Hunt, Michelle King, and Wayne Lee. I am also grateful to Benjamin Waterhouse for his insightful commentary on my dissertation prospectus.

Beyond the advice I have received from faculty, I have also regularly benefitted from conversations with and critiques by my peers. Conversations and correspondence with my fellow

¹ Herman Wouk, preface to the 2003 edition, *The Caine Mutiny* (New York: Little Brown & Company, 2003).

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construed as asserting or implying U.S. Government authentication of information or Agency endorsement of the author's views.

I did not begin my degree program focused on U.S. intelligence history, and I credit two parties with convincing me I had an important contribution to make in this field. First, the Summer Institute of Conducting Archival Research at George Washington University opened my eyes to the fascinating materials available within U.S.-based and foreign archives on important topics in global security and Cold War studies. My conversations with instructors, guest speakers, and peers during the weeklong conference provided the motivation I needed to make the initial turn toward research on U.S. intelligence activity in China in the 1940s. Second, I credit the outstanding undergraduate students I have had the privilege of teaching in Chapel Hill, particularly those studying in the Curriculum on Peace, War, and Defense. Their insatiable curiosity about global security studies and persistent interest in my experiences working in international affairs and intelligence are completely infectious. Their perceptive comments and questions consistently motivate me to elevate my own scholarship.

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LIST OF ABBREVIATIONS

AGAS	Air Ground Service
AGFRTS	Air and Ground Forces Resources Technical Staff
CBI	China Burma India Theater
CCP	Chinese Communist Party
CIA	Central Intelligence Agency
CIG	Central Intelligence Group
COI	Coordinator of Information
CT	China Theater
FBI	Federal Bureau of Investigation
G-2	U.S. Army Military Intelligence Division (also MID)
G-3	U.S. Army Operations and Training Division
GMD	Guomindang, the Chinese Nationalist Party (also KMT)
IIC	Interdepartmental Intelligence Committee
JCS	Joint Chiefs of Staff
JICA	Joint Intelligence Collection Agency
KMT	Kuomintang, the Chinese Nationalist Party (also GMD)
MID	U.S. Army Military Intelligence Division, (also G-2)
MO	OSS Morale Operations branch
NKVD	<i>Narodnyi komissariat vnutrennikh del</i> (Soviet intelligence)
ONI	Office of Naval Intelligence
OSS	Office of Strategic Services
OWI	Office of War Information

R&A	OSS Research and Analysis branch
SACO	Sino-American Special Technical Cooperative Organization
SEAC	Southeast Asia Command
SI	OSS Secret Intelligence branch
SO	OSS Special Operations branch
SSU	Strategic Services Unit
X-2	OSS Counterespionage branch

INTRODUCTION

December 7, 1944. Exactly three years after Japan bombed the American naval installation at Pearl Harbor, U.S. Army Colonel David D. Barrett sat on a small U.S. military transport plane next to Zhou Enlai, Vice Chairman of the Central Military Commission of the Chinese Communist Party (CCP) and the key diplomatic spokesperson for his party. Barrett and Zhou had been in Chongqing to participate in a series of frustratingly unproductive meetings with Chinese central government officials and American diplomats regarding China's war effort and the ongoing domestic political conflict in China.¹ Japan occupied major cities in China's northeastern corridor, central China, and southern China throughout World War II. Pushed out of the traditional urban seats of power, the leaders of China's central government, most of whom identified with the Nationalist Party (Guomindang or GMD), reconstituted government offices in Chongqing, a city in China's southwestern Sichuan province.² Generalissimo Chiang Kai-shek served as China's head of state and leader of the central government, but the government's consolidation of political authority remained incomplete following the massive political reforms induced by China's national revolution of 1911. The Chinese Communist Party presented the most powerful opposition to the GMD's leadership, and despite their shared interest of defeating the Japanese, the two parties disagreed vehemently over their vision for China's post war political system.

¹ Further explanations of this complicated historical period follow on page 6 of this introduction and in Chapter 1.

² The Chinese for the Nationalist Party is sometimes Romanized as Kuomintang or KMT.

Following the unsatisfying talks, Zhou and Barrett had been attempting for more than a week to return to the CCP headquarters area at Yan'an in remote northern China, where Barrett headed a group of U.S. intelligence officials based there to observe the CCP leaders and collect intelligence on Japan.³ Several days in a row the plane had taken off but turned back when ice that had formed on the plane's propellers broke off in chunks, slamming the windshield and fuselage and spooking the American pilot, who claimed he had "already used up too many points flying around China."⁴

Improved weather had granted a promising start to the flight on December 7. Although their meetings in Chongqing had not gone particularly well, Barrett and Zhou were eager to reach Yan'an and regroup. Their good mood continued for the first two-thirds of the flight until Zhou glanced casually out the window. "Colonel" he said to Barrett, "it seems to me something is wrong. The terrain outside looks definitely unfamiliar to me, and we should be in Yen'an by now. I think we are flying west instead of north."⁵

This experience was undoubtedly terrifying to all aboard that plane. In 1944, few signs of modern technology and no airstrips existed west of Xi'an. The sparsely populated northwestern region of China featured deserts, mountains, and little anticipated help for any airplane attempting a crash landing or seeking to acquire fuel for a return trip to Chongqing. A lost American plane over north China would also have provided an extremely tempting target for

³ Today the most common Romanized spelling of 延安, the town where the CCP was based in the 1940s, is "Yan'an," which I will use except in quotes from older sources, which frequently refer to the same location as "Yenan."

⁴ Barrett described the details of this incident in his memoir, *Dixie Mission: The United States Army Observer Group in Yen'an, 1944*, (Berkeley, Calif.: Center for Chinese Studies, University of California, Berkeley, 1970), 69. All direct quotes related to this tale are Barrett's.

⁵ Barrett, *Dixie Mission*, 69.

Japanese anti-aircraft artillery, to which Barrett's plane could have easily fallen prey depending on where it veered off course. Recognizing these dangers, Barrett and Zhou convinced the pilot to make a 180-degree turn. Based on memory and landmarks, Zhou helped navigate the plane back to the tiny makeshift airstrip in Yan'an. Barrett later recalled that without Zhou's guidance, the plane likely would have run out of fuel and crash landed in "somewhere in the marches of Tibet."⁶

Given Zhou's role as a central player in Chinese politics until his death in 1976 and the surprisingly significant, if rarely recognized, role Barrett played in attempting to implement the U.S. policy toward China in World War II, the hypothetical ramifications if the American plane had failed to reach Yan'an can quickly hijack the imagination. But the worst-case scenario did not occur that day. Instead, this anecdote is simply a useful illustration of a pattern of behavior that characterized U.S. intelligence operations in China in the 1940s: venturing with confidence into largely unfamiliar and dauntingly complex territory, buoyed by determination that the high stakes of the war justified almost any means to help achieve an Allied win, yet ultimately reliant upon the support of their Chinese hosts.

Experiences of American intelligence officers and career diplomats working in China during World War II frequently revealed that the wartime strategic aspirations of the U.S. government in Asia exceeded the aptitudes and capabilities of its agencies at the time, particularly in the realm of efficient practices for the collection and dissemination of the strategic foreign intelligence required to implement expansive wartime U.S. foreign policy. Strategic intelligence collection targets non-public foreign information that other countries would not necessarily offer willingly or for free but that has significant—often existential—political and

⁶ Barrett, *Dixie Mission*, 69.

security implications for the state seeking it. Protectionist U.S. foreign policy of the 1930s and conservative ideas about diplomacy, sovereignty, and secrecy had prevented the U.S. government from developing more sophisticated administrative practices for collecting strategic foreign intelligence, providing it to policymakers, and sensitizing policymakers to its utilities and limitations.

The U.S. intelligence regime experienced growing pains in the 1940s

Many U.S. statesmen perceived the collection of such intelligence as unsavory work that risked betraying the trust of other countries to gain information that they deemed largely unnecessary to fulfill the relatively narrow foreign policy goals of the United States prior to World War II. Secretary of State Cordell Hull, the longest serving holder of that title, was famously quoted in the 1930s as saying “Gentlemen do not open other gentlemen’s mail” to summarize his position on espionage and the collection of secret foreign intelligence. Historians frequently use the quote to characterize the position of U.S. statesmen regarding strategic intelligence prior to 1942.⁷ U.S. policy toward China prior to the Pearl Harbor attack had rarely necessitated in-depth knowledge of Chinese domestic politics for most U.S. government officials, and the White House under Roosevelt had pursued such information occasionally, non-systematically, and out of the President’s personal sense of curiosity. More broadly, the U.S. foreign policy outlook in the 1930s disfavored the creation of a peacetime national intelligence regime for the United States; U.S. statesmen perceived foreign intelligence operations on a spectrum from ambivalence to hostility. This situation left U.S. officials working in China—and

⁷ For further on Hull’s statement, see John Ranelagh, *The Agency: the Rise and Decline of the CIA* (New York: Simon & Schuster, 1986), 27.

their sponsoring agencies—insufficiently prepared for the sudden change in their duties that the American entry into World War II necessitated.

The U.S. intelligence system in the early 1940s reflected the domestic policy focus of the Roosevelt administration and Congress in the 1930s. U.S. intelligence capabilities at the time suffered from severe decentralization as well as a lack of expertise and designated resources. American disinterest in intelligence activity in the 1930 was well known. With regard to the minimalist approach to intelligence infrastructure that the United States maintained during the interwar period, historian of U.S. intelligence Charles D. Ameringer quotes Italian dictator Benito Mussolini in the late 1930s, who said that the United States “must have” the best intelligence system in the world “for no one has ever been able to detect it.”⁸

Specific intelligence duties were delegated to agencies and organizations designed to perform other strategic, military, and foreign policy functions, such as the State Department, War Department, Army, and Navy. Although the United States had developed intelligence capabilities during World War I, the U.S. government only retained the cryptological services and a bare minimum of resources for espionage, counterespionage, and sabotage overseen by the Interdepartmental Intelligence Committee (IIC), comprised of the heads of the Federal Bureau of Investigation, G-2 and Office of Naval Intelligence (ONI).⁹ Few officials within these organizations performed intelligence functions as their full-time jobs, and none of the agencies specialized in the collection and dissemination of the strategic foreign intelligence that became vital to U.S. leaders in planning World War II and assuming new responsibilities for global

⁸ Charles D. Ameringer, *U.S. Foreign Intelligence: The Secret Side of American History* (Lexington, MA: Lexington Books, 1990), 113.

⁹ For further on the IIC, see Ameringer, *U.S. Foreign Intelligence*, 125.

security in the postwar environment. Furthermore, the agencies tasked with intelligence duties not only preferred to avoid communicating or cooperating with one another, but competition between them for scarce budgetary resources and influence with the White House contributed to incentives for rivalry between them, sometimes to the detriment of intelligence results.

U.S. officials dispatched to remote areas such as north China during World War II soon discovered another drawback of the immature U.S. intelligence regime: the lack of protocols, norms, or precedents for their activities within the U.S. government context led to disagreements, disorganization, and inefficiency not only between the agencies for which they worked but also within them. In particular, complications frequently arose when the interests and observations of those posted in field conditions clashed with the priorities and perceptions of colleagues, managers, and top leaders making decisions from less dangerous rear areas, such as Chongqing, Delhi, and Washington. In January 1945, an official from the Office of Strategic Services (OSS), the first U.S. agency dedicated to the collection of strategic intelligence, of which President Roosevelt had authorized the hasty establishment in 1942, succinctly described the state of American agencies collecting intelligence in China: “Their work is wholly uncoordinated and it is common knowledge that there is overlapping, duplication, confusion, and friction.”¹⁰ As the global war encouraged the U.S. leaders to assume new responsibilities for international security, the American national security regime shifted from an archaic set of military and diplomatic policy organizations to a loosely governed system staffed by experienced intelligence operatives willing to take great risks and participate in morally ambiguous political intervention on behalf

¹⁰ Memo from OSS Kunming to OSS Headquarters in Washington, January 15, 1944, U.S. National Archives and Records Administration (hereafter, NARA) Record Group (hereafter, RG) 226, Entry UD-UP 252, Container 31, Folder: Messages 201-E. A year prior to the official establishment of OSS in 1942, Roosevelt had designated General William Donovan to be Coordinator of Information (COI) with a small administrative staff to explore U.S. strategic intelligence collection. Also under Donovan’s leadership, the OSS replaced the COI, expanding and formalizing wartime intelligence functions the COI had conceptualized.

of the stated policy goals of the United States. But the transition was neither smooth nor simple, and, in some cases, controversies that surfaced in the process have become entrenched challenges for today's intelligence regime.

The politicized historiography of wartime U.S. intelligence activity in China

Deficiencies in strategic foreign intelligence necessary to America's strategy for fighting World War II often became apparent first to U.S. military leaders, who tended to pursue ad hoc intelligence collection missions in response to encountering specific intelligence requirements in the course of their duties. Such was the case in China, where General Joseph Stilwell, U.S. commander of the China-Burma-India Theater from 1941 to 1944, and American diplomats who had been detailed to his staff successfully lobbied the White House to sponsor a unique interagency intelligence group to make contact with CCP leaders. Stilwell's interest in the CCP developed out of his frustration and disappointment with the capabilities and attitudes he encountered through regular contact with the Chinese Central government, its leader Generalissimo Chiang Kai-shek, and the troops Chiang led. Curious about both the rumors of CCP successes in guerrilla tactics against the Japanese troops in north China and the intensity of the rivalry between the Communists and Chiang's Nationalist Party, Stilwell and his aides conceptualized the controversial intelligence-gathering mission to help inform U.S. leaders who saw China as a vital bulwark against Japanese expansion in territory and resources.

The U.S. Army Observer Mission to Yan'an included intelligence officials from several U.S. agencies under the leadership of Colonel Barrett. The group was tasked with assessing the military and political capabilities of the Chinese Communists and securely reporting the sensitive information back to U.S. diplomatic and military leaders in Chongqing and Washington. U.S. officials nicknamed the Observer Group the "Dixie Mission" because it placed American

officials in Chinese “rebel” territory close to the Japanese battle lines. The group aimed to meet the Chinese Communist leaders, collect strategic foreign intelligence about both the CCP and the Japanese in north China, and help determine what role Communist forces might play in efforts to defeat Japan.¹¹ The Dixie Mission members were among the first U.S. government officials to have face-to-face contact with CCP leaders. In the first year of the Dixie Mission’s existence, its participants frequently produced candid assessments of CCP capabilities and interests, often reporting impressions that were charitable, if not favorable, in tone. Lacking specific precedents and the type of oversight regulations for U.S. intelligence practices that evolved over the latter half of the twentieth century, the initial Dixie Mission participants also became heavily involved in plans to cooperate with and support the CCP guerrillas in fighting the Japanese in north China, mostly with poor coordination between U.S. government agencies. The controversy that erupted within the U.S. diplomatic and military leadership and with the U.S. government’s main designated ally in China, Generalissimo Chiang Kai-shek, over the actions of the U.S. intelligence officials in Yan’an in their relationship with CCP leaders significantly affected U.S. intelligence practices in China in the 1940s and influenced U.S.-China relations in ways that scholars and observers have been debating since 1945.

Indeed, previous studies of the Dixie Mission have focused almost exclusively on evaluating its role in U.S.-China relations and the outcome of the Chinese civil war that ended in 1949 with the establishment of the People’s Republic under Communist leadership. The

¹¹ The details of Roosevelt’s decision to create the Dixie Mission are documented in official correspondence that the U.S. Department of State released in *Foreign Relations of the United States [FRUS], Diplomatic Papers, China 1944*, 6-7 and 299-400. Historian Michael Schaller has also described Roosevelt’s negotiations with General Chiang Kai-shek who the U.S. government recognized as China’s official leader and with whom the U.S. government had established a wartime alliance. Chiang viewed the CCP as political competition and preferred to deny the Communists access to foreign officials. See *The U.S. Crusade in China, 1938-1945* (New York: Columbia University, 1979), 147-175.

Communist rise to power in China met with such outrage in Washington that it spurred a debate that historian Maochun Yu has aptly described as “partisan and bitter,” with historical analysis of U.S. intervention in China in World War II morphing into “a smoke-ridden political battleground” particularly focused on evaluating the attitude of Dixie Mission participants toward Communist ideology.¹² In part because so few Americans or Europeans had interacted with CCP members prior to that party’s rise to power, policymakers, journalists, and scholars in the 1950s and 1960s frequently linked the activities of the Dixie Mission with the American “loss of China” to the Communists.¹³ In this view, which historian Barbara Tuchman later called “one of the most damaging campaigns of vilification in recent public life,” the participants of the Dixie Mission were both culpable for not using their expertise to make U.S.-led negotiations more successful and disloyal to American-style liberalism for their charitable views of CCP capabilities.¹⁴ In other words, American policy in China might have successfully ushered a friendly and capitalist liberal republican government into power if the Dixie Mission personnel had not worked against their own government’s interests.¹⁵ The loyalty to the United States of

¹² Maochun Yu, *OSS in China Prelude to Cold War* (Annapolis, MD: Naval Institute Press, 1996), xii.

¹³ Regardless of their startling degree of politicization, several studies published in the 1950s and 1960s about the U.S. intervention in China in the 1940s remain useful to today’s scholars for their ability to accurately preserve historical details due to their contemporary nature. For example, studies such as Herbert Feis’s Pulitzer-prize winning book, *The China Tangle: The American Effort in China from Pearl Harbor to the Marshall Mission* (Princeton, NJ: Princeton University Press, 1953), and the studies Charles Romanus and Riley Sunderland published about General Stilwell’s actions in China (see for example, Charles F. Romanus and Riley Sunderland, *United States Army in World War II: China, Burma, India Theater* (Washington, D.C.: Office of Chief of Army, U.S. Defense Department, 1953) remain in some ways the definitive texts for establishing the timeline of events in U.S.-China relations in World War II.

¹⁴ Barbara Tuchman, *Stillwell and the American Experience in China, 1911-1945* (New York: The MacMillan Company, 1970), xii.

¹⁵ The anti-communist intellectual atmosphere of the 1950s and 1960s was in many cases discouraging to scholars attempting to pursue studies that could be perceived to portray Chinese Communism in a positive or complimentary manner, which complicated initial efforts at objective study of CCP ideology, goals, and intentions. Conversely, the foreign policy interests and anti-communist agenda of the United States government and, to some extent, Western European leaders in this period probably encouraged the study of contemporary Chinese politics as a means of contextualizing and advancing anti-communist foreign policy goals. Examples of such studies include Benjamin I.

several key Dixie participants came under scrutiny, and a few endured very serious career and personal setbacks as a result of their activities in Yan'an.¹⁶

A new wave of academic interest in re-evaluating the role of the Dixie Mission in U.S.-China relations developed in the 1970s as a result of a confluence of factors, including the declassification of the U.S. government documents from the OSS and the staff officers of the China-Burma-India (CBI) Theater in World War II, public debate over the U.S. actions in Vietnam and the implications of the Truman Doctrine, and rising and unprecedented public awareness of U.S. intelligence activities that had previously been kept secret from the public.¹⁷ At the same time, the aging and retirement of many American participants in World War II in China encouraged a period of their public reflection in the form of published memoirs, interviews, and articles.¹⁸ Based on the new government sources and the memoirs from participants, new studies emerged suggesting that instead of the loss of China, the actions of the

Schwartz, *Chinese Communism and the Rise of Mao* (Cambridge: Harvard University Press, 1951), and Stuart R Schram, *Mao Tse-tung*, (Baltimore, Md.: Penguin Books, 1967). For further on the sources and effects of politicization on Cold War-era studies of the early PRC as well as the changes in the past two decades that have increased scholarly interest in early PRC history, see Julia Strauss, "Introduction: In Search of PRC History," *The China Quarterly* 188 (December 2006), 856-7.

¹⁶ John S. Service, a Foreign Service officer who served in the Dixie Mission, was arrested for allegedly leaking sensitive government files to a liberal publication in 1945. He spent most of the following decade trying to clear his name (and the charges were eventually dropped). John Davies, another Foreign Service officer who served General Stilwell on a special detail helping to conceive and organize the Dixie Mission, faced nine loyalty investigations between 1948 and 1954. He eventually left public service and opened a furniture business in Peru, too frustrated to remain in the United States for years.

¹⁷ President Harry Truman in March 1947 delivered a speech promising the nations of the world protection from authoritarian, particularly Communist, forces. The policy became known as the Truman Doctrine. For further official details on the Truman Doctrine, see U.S. Department of State, "The Truman Doctrine," online at <https://history.state.gov/milestones/1945-1952/truman-doctrine>. Details about the intelligence activities of the United States between 1941 and 1970 began to reach the public throughout the 1970s through a series of leaks and journalistic exposés.

¹⁸ Relevant memoirs, either autobiographical or ghost-written, published in this period include, among others, Barrett, *Dixie Mission*; John S. Service, with Joseph E. Esherick, ed., *Lost Chance in China: The World War II Despatches of John S. Service* (New York: Random House, 1974); and Ivan D. Yeaton, *Memoirs of Ivan D. Yeaton* (Stanford, CA: Hoover Institution, 1976). Memoirs and biographies continued to appear throughout the 1980s and 1990s.

Dixie Mission represented a “lost *chance* in China” whereby U.S. statesmen squandered opportunities for engagement with the CCP in lieu of an exclusive partnership with the corrupt and dysfunctional (but non-Communist) government led by Chiang Kai-shek.¹⁹ Debate over the hypothetical scenarios simmered into the 1980s as the United States normalized its relations with the People’s Republic and Beijing kicked off its period of post-Mao Zedong reform and opening up under Deng Xiaoping.

The reforms in China prompted the third phase of historiography about the Dixie Mission. Increased—though hardly complete—access to Chinese government documents as well as increasing access to relevant Soviet documents generated an explosion of interest and new scholarship about Chinese leadership politics and foreign policy in the 1940s. In the 1990s, historians in China and abroad used newly available Chinese sources to deny that the United States possessed the agency necessary to shape the course of Chinese politics as previous scholars had suggested. Historians and political scientists throughout the past 25 years have explored emerging sources for the study of Chinese leadership intentions during and after World War II and have largely put to rest the “lost chance in China” debate.

Historians versed in Chinese sources, such as Chen Jian and Michael Sheng, have argued convincingly that by the mid-1940s, CCP leaders would not have entertained any serious diplomatic accommodations with the United States for domestic political and ideological reasons. Chen argued in 1997 that “Contrary to the assumption of the advocates of the “lost chance” thesis, Chinese materials now available demonstrate that in 1949-50, Mao Zedong and

¹⁹ Barbara Tuchman’s *Stilwell and the American Experience in China, 1911-1945* (1970) is one of the most emblematic studies to raise the question of a “lost chance in China” for the U.S. In her detailed analytic biography of Stilwell, Tuchman re-examined Stilwell’s role in World War II and argued that Stilwell’s harsh critique of Chiang Kai-shek was a wake-up call that Washington ignored at its peril. Another significant book frequently associated with this argument is E.J. Kahn, *The China Hands: America’s Foreign Service Officers and What Befell Them* (New York: Viking Press, 1976).

the CCP leadership were unwilling to pursue Western recognition, let alone to establish diplomatic relations with Western countries.”²⁰ Chen’s article was a more forceful articulation of suggestions by Michael Sheng that CCP ideology in the 1940s allowed for some flexibility to achieve short-term goals, but the CCP’s anti-imperialist long-term agenda would have ultimately prevented a U.S.-CCP partnership in 1949. Chen and Sheng separately refer to the idea of a squandered diplomatic opportunity as a “myth,” both arrogant and “American centered.”²¹ The welcome addition of the CCP leaders’ perspectives into the debate over the implications of American actions in China in the 1940s is compelling. The body of research that has subsequently analyzed the foreign policy attitudes of the CCP leaders has resolved and redirected the questions animating initial research on the Dixie Mission, all but neutralizing old arguments about hypotheticals that captivated scholars in the twentieth century.

Moving beyond the “Lost Chance in China”: Dixie Mission as U.S. intelligence history

Recognizing the potential relevance of the Dixie Mission example for U.S. intelligence history, this study attempts to move beyond the Dixie Mission’s politicized historiography to examine the case through a completely new line of inquiry: analyzing the intelligence activities of U.S. officials in Yan’an as a uniquely instructive example of U.S. intelligence capabilities and practices during World War II. Previous scholarly debates about the implications of the Dixie Mission have prioritized analysis of anti-communism as an influence on American strategic behavior. Consequently, historians have generally assumed that anti-communism was the most

²⁰ Chen Jian, “The Myth of America’s “Lost Chance” in China: A Chinese Perspective in Light of New Evidence,” (*Diplomatic History*, 21:1, Winter 1997, 77-86).

²¹ Chen Jian, “The Myth of America’s “Lost Chance in China,” 77. Michael M. Sheng, “Chinese Communist Policy Toward the United States and the Myth of the “Lost chance” 1948-1950,” *Modern Asian Studies*, 28:3 (July 1994), 475-502.

important factor shaping U.S. intelligence about the CCP in the 1940s. Unfortunately, this approach oversimplifies the evolution of attitudes about communism among American strategic decision makers and overstates the influence of anti-communism in U.S. China policy prior to the late 1940s.

In fact, evidence from the Dixie Mission demonstrates that inefficiency and unprofessionalism in the U.S. intelligence process as a result of inexperienced personnel, interagency friction, policymakers unaccustomed to handling strategic intelligence, and dramatic and abrupt expansion of the American national security regime under the Truman administration were equally important, if not more influential, than anti-communism in determining what information top U.S. leaders received about China's Communists throughout World War II. Moreover, the details of the Dixie Mission point to the serious, long-term implications of the asymmetry between what top U.S. diplomatic and military leaders were asking intelligence officials to do and what services the rudimentary U.S. intelligence bureaucracy was capable of providing.

Thus, this study aims to place the history of U.S. intelligence activities in Chinese Communist areas during World War II, and specifically the Dixie Mission, into a broader context of U.S. strategic and national security history. Understanding the extent to which the United States lacked the intelligence capabilities that its strategic and foreign policy goals required in World War II has significant implications for illuminating the creation of the postwar U.S. national security regime, including inherent challenges and structural weaknesses that endured into the Cold War.

Few examples of U.S. field operations anywhere in the world have yielded nearly as many declassified operational communications as the Dixie Mission. The controversy

surrounding the Dixie Mission as early as 1945 and questions about the ideological loyalty of its participants to the United States led policymakers, journalists, and scholars throughout the twentieth century to lobby successfully for the declassification and release of volumes of documentary material about its activities.²² The Dixie Mission included the participation of virtually every U.S. agency involved in intelligence activity at the time. Thus, the declassified documents offer a rare opportunity to compare the reactions of each agency to events and to the activities of other agencies as well as to review how and to what extent the agencies communicated with each other. As these official documents surfaced, those implicated in the documents often produced their own explanations and recorded their memories in the form of memoirs, personal letters, and interviews.²³ All these materials form the rich and extensive source base undergirding this project.

The documents demonstrate how bad habits and poor practices developed in an ad hoc fashion to meet the specific intelligence needs generated by the strategic interests of World War II hardened into influential administrative norms. Competition between U.S. agencies and the improvisational spirit of World War II intelligence set a dangerous precedent for foreign intelligence activity that blurred the lines between intelligence collection and covert action or

²² The U.S. government has declassified almost all papers associated with the OSS and the China Burma India Campaign. Classified materials specific to the Dixie Mission case were also declassified and published by the U.S. government in *China White Paper: U.S. Relations with China, with special relations to 1944-1949* (Washington DC: Government Printing Office, 1949), which was intended to support hearings regarding the “loss” of China and failure of U.S. China policy, and *The Amerasia Papers: A Clue to the Catastrophe of China* (Washington DC: Government Printing Office, 1970), which was prepared as part of investigations into the activities of John S. Service and other U.S. Foreign Service Officers who were suspected of leaking sensitive official information.

²³ In addition to a long list of published memoirs by individuals involved in the U.S. observer group at Yan’an, many personal letters between Dixie Mission participants that circulated in the 1970s and 1980s have been preserved in archival collections of their papers, particularly those held at Bancroft Library, University of California, Berkeley and the Hoover Institution at Stanford University. The letters often offer more candid analysis and opinions than the contemporary official records, but they also introduce the historian’s challenge of analyzing memory—a very imperfect source of historical information.

other forms of black operations and operated with limited and dysfunctional oversight. That these activities were performed in the service of a war that America won and from which America emerged into a permanently altered global security environment convinced some policymakers to preserve the wartime precedent beyond the 1940s and into the Cold War. The norms proved difficult to dissolve when the Truman administration attempted to evolve the U.S. national security regime to a form appropriate to the responsibilities the United States had assumed in the changed global security environment of the post-World War II era. Moving from focused military objectives on two fronts in World War II to the diffuse, global conduct of containment involved a major shift complicated by the tenacity of wartime procedural paradigms for intelligence activity.

Therefore, the Dixie Mission can provide a particularly instructive example for current interdisciplinary research about intrinsic administrative weaknesses in the U.S. intelligence bureaucracy and the ability of the national security regime to reform to accommodate changing threats.²⁴ The challenges that global terrorism has presented for national intelligence regimes in the past two decades, as exhibited by the failure of the U.S. national security regime to prevent terrorist attacks in the first decade of this century has inspired new interest in studies of intelligence bureaucracy. This wave of new scholarship has provoked heated debates about the function and efficiency of U.S. intelligence agencies and the appropriate public expectations of these organizations.

Political scientist Amy Zegart has developed a model that links the key findings of decades of research on organizational theory and bureaucratic behavior to what she terms the

²⁴ The term “intelligence bureaucracy” refers to the administrative elements that comprise the 16 current U.S. intelligence agencies. “National security regime” is a broader term that encompasses the intelligence agency leadership as well as executive branch decision makers and other U.S. officials with responsibility for strategic decision making, such as top military leaders, senior White House aides, and the National Security Council.

“adaptation failure” of the U.S. intelligence community that resulted in its deficiencies in counterterrorism prior to the terrorist attacks in the United States on September 11, 2001. Zegart argues that bureaucracies are naturally resistant to change, particularly from within; serious reform of intelligence agencies requires an impossible degree of selfless sacrifice on the part of policymakers; and the fragmented and competitive structure of the government itself works against its evolution.²⁵ Zegart claims that “all organizations become more resistant to change as routines, norms, and relationships become firmly established,” and that intelligence agencies, similar to all U.S. government agencies, are “not built to change with the times.”²⁶ Instead, effective change must originate externally, which the American political system generally prevents. Consequently, she concludes that “organizational adaptation almost always meets with defeat, becomes watered down, or is postponed until the next crisis erupts.”²⁷

Zegart’s research generated considerable debate and her main critics, including former National Intelligence Officer Paul Pillar, have attacked her model for demanding an unattainable perfectionism from CIA and other U.S. intelligence agencies and for basing too much of her analysis on the proceedings of post hoc committees gathered to address intelligence failures. Pillar specifically rejects Zegart’s “extremely heavy reliance on postmortem inquiries, especially the 9/11 commission report,” which he suggests led her to misinterpret the U.S. intelligence

²⁵ Amy Zegart, “September 11 and the Adaptation Failure of U.S. Agencies,” *International Security* 29:4 (Spring 2005), 79-80. In this article, Zegart succinctly summarized the main components of her research and the resulting model. She has provided more thorough explanations in her books, particularly *Spying Blind: The CIA, the FBI, and the Origins of 9/11* (Princeton, NJ: Princeton University Press: 2007) and to a lesser extent in *Flawed by Design: The Evolution of the CIA, JCS, and NSC* (Stanford, CA: Stanford University Press, 1999) and *Eyes on Spies: Congress and the United States Intelligence Community* (Stanford, CA: Hoover Institution Press, 2011).

²⁶ Zegart, “September 11 and the Adaptation Failure of U.S. Agencies,” 96 and 100.

²⁷ Zegart, “September 11 and the Adaptation Failure of U.S. Agencies,” 100.

community's pre-9/11 assessments of the jihadist threat.²⁸ While this critique is well articulated and valid, it risks underestimating the implications of the structural constraints that Zegart has identified, which may be more apparent through other empirical examples. The unique historical case of the Dixie Mission can thus contribute to the debate on institutional reform within the U.S. intelligence community by providing one such example. In fact, the Dixie Mission example suggests that the organizational weaknesses Zegart notes may have originated far earlier than her research specifies, with implications that are potentially more extensive than she anticipated.

U.S. intelligence activities in north China in the 1940s as institutional failure

Because field intelligence operations, particularly in World War II, were interagency missions, they often operated as a microcosm of bureaucratic relationships playing out on a greater scale in Washington. Structural deficiencies in the process of U.S. intelligence collection affected U.S. foreign relations and security in the 1940s, including U.S.-China relations, in ways scholars are only beginning to appreciate. It is possible not only to trace the development of the institutional norms and cultures that Zegart identifies in the improvisational intelligence operations of World War II but also to elaborate on the effects of adaptation failures. Similar to U.S. intelligence agencies since the end of the Cold War particularly since 9/11, U.S. agencies with intelligence responsibilities were asked to reform themselves in the 1940s. In particular, the Dixie Mission case emphasizes the diplomatic and strategic consequences—some positive and most negative—of relying so heavily on military intelligence officials in wartime to design and administer strategic intelligence collection operations. Thus, this project argues for a convergence between two lines of inquiry, each extensive but both largely separate in the past:

²⁸ Paul R. Pillar, "Intelligence Design? The Unending Saga of Intelligence Reform," *Foreign Affairs* 87:2 (Mar-Apr 2008), 142.

the exploration of the origins of the U.S. intelligence regime and historical analysis of the role of U.S. intelligence on the CCP in the failed U.S. foreign policy toward China in the 1940s.

Linking analysis of the intelligence practices applied during the Dixie Mission in China to current debates in twentieth century U.S. intelligence history helps to correct a Eurocentric bias in the qualitative empirical examples available to security studies researchers such as Zegart from the standard canon of academic studies about the postwar origins of the present U.S. intelligence regime.²⁹ Historians and political scientists have examined such important issues as the division of labor on intelligence issues between various civilian and military branches of the government, the role and evolution of congressional oversight on U.S. intelligence activity, the institutional history of U.S. covert military activity, and the links between intelligence and academia.³⁰ Studies of this topic have tended to take a predominately top-down approach, focusing on changes that took place within institutions in Washington DC and the actions and

²⁹ The most frequently cited works on the history of the OSS and the origins of the national security regime, particularly the CIA, include Arthur B. Darling, *The Central Intelligence Agency: An Instrument of Government, to 1950* (University Park, PA: Pennsylvania State University Press, 1990)—technically the “official” published CIA history; Michael Hogan, *A Cross of Iron: Harry S. Truman and the Origins of the National Security State, 1945-1954*, (Cambridge: Cambridge University Press, 1998); Melvyn Leffler, *A Preponderance of Power: National Security, the Truman Administration, and the Cold War* (Stanford, CA: Stanford University Press, 1992); Bradley Smith, *The Shadow Warriors: O.S.S. and the Origins of the C.I.A.* (New York: Basic Books, 1983); Richard Harris Smith, *OSS: The Secret History of America's First Central Intelligence Agency* (Berkeley: University of California Press, 1972); Thomas F. Troy, *Donovan and the CIA: A History of the Establishment of the Central Intelligence Agency* (Frederick, MD: University Publications of America, Inc., 1981).

³⁰ A few of the most significant studies that have shaped our understanding of the origins and specific structure of the U.S. national security regime since World War II include George Chalou, ed. *The Secret War: The Office of Strategic Services in World War II* (Washington, DC: National Archives and Records Administration, 1992); Rhodri Jeffreys-Jones, *The CIA and American Democracy*. (New Haven: Yale University Press, 1989); Barry Katz, *Foreign Intelligence: Research and Analysis in the Office of Strategic Services, 1942-1945*, (Cambridge: Harvard University Press, 1989); John M. Oseth, *Regulating U.S. Intelligence Operations*, (Lexington, KY: University of Kentucky Press, 1985); John Ranelagh, *The Agency: The Rise and Decline of the CIA*, (New York: Simon and Schuster, 1987); and Douglas T. Stuart, *Creating the National Security State: A History of the Law that Transformed America*, (Princeton, NJ: Princeton University Press, 2008). For further examples of important studies in intelligence history, see the full bibliography at the end of this study.

interests of principal American leaders and policymakers, rather than focusing on intelligence activities that occurred overseas.

Sensitivities preventing the release of American national security information created persistent practical barriers for scholars attempting to explore the history of contemporary U.S. intelligence and delayed the historiographic development of this field. As intelligence historian Michael Warner suggests, “Telling the story of intelligence feels odd because it is a story that desperately did not want to be told. Over the last century, thousands of people have worked to ensure that secret operations and findings would stay secret.”³¹ Nonetheless, historians and security studies scholars have long debated to what extent precedents established by OSS in the early 1940s influenced the development of American intelligence activities in the late 1940s and after.³² Reconsidered from today’s perspective, studies in the 1950s and 1960s of OSS suffered because the documents of that agency remained classified until the 1970s and into the 1980s.³³ The declassification and public release of official OSS records in the late 1970s and early 1980s occurred when U.S. intelligence activities were facing tremendous scrutiny by the American public and intellectuals. The trauma of the intensifying war in Vietnam coupled with the *New York Times*’ leak in 1971 of the “Pentagon Papers”—a detailed collection of government

³¹ Michael Warner *The Rise and Fall of Intelligence: An International Security History* (Washington DC: Georgetown University Press, 2014), 3.

³² President Harry Truman officially dissolved the OSS in September 1945, breaking up the short-lived agency by functional office and assigning its duties to other civilian and military agencies until the CIA was established in 1947.

³³ According to historian Barry Katz, when Truman terminated the OSS in 1945, its records were divided between the Departments of State and War. The State Department received the files from the Research and Analysis division, which were transferred to the National Archives in 1946, but not declassified and made accessible to the public until 1975 (when Congress passed the Freedom of Information Act—FOIA). The majority of the OSS files, including those on intelligence collection and covert action, were transferred to the War Department’s Strategic Services Unit. CIA began to declassify those files in 1980. For further information on sources about the OSS and intelligence in the 1940s, see Barry M. Katz, *Foreign Intelligence: Research and Analysis in the Office of Strategic Services, 1942-1945* (Cambridge, MA: Harvard University Press, 1989), 200.

documents that indicated President Johnson had deceived the American public and Congress about the realities of the situation in Vietnam—kindled widespread distrust of the executive branch and intelligence activities.³⁴ Evidence that emerged throughout the 1970s of covert postwar American military interventions that the CIA planned and executed internationally, such as those in Cuba, Guatemala, Greece, Iran, and Indonesia, caused many scholars in this period to question the institutional evolution of American national security behavior. Several sought answers in then newly released OSS files.³⁵

Questions about the design and evolution of U.S. intelligence bureaucracy have continued to animate scholars through the end of the Cold War and into the first decades of the twenty-first century, which brought existential questions about how intelligence regimes practiced at facing-down state-based threats could be retooled to focus on non-state actors that threatened U.S. interests. However, most historians who have done so have tended to fall back on one of two approaches to their empirical research, narrowing their focus to examples only in the U.S. domestic administrative environment or relying on predominately European examples. Although eliminating international examples may allow for deeper consideration of administrative issues within national security, this approach is problematic because intelligence operations, by nature, are internationally focused.³⁶ Similarly, analysis developed exclusively on

³⁴ The Pentagon Papers case drastically affected the ability of scholars to study postwar U.S. national security activity. The *New York Times* began publishing the Pentagon Papers on June 13, 1971. Throughout June 1971, the U.S. government tried to prevent the further publication of the documents, but the Supreme Court overruled their attempts and allowed for the public release of the materials in a landmark decision on June 30, 1971. For further information on the history of the Pentagon Papers, see “Times Topics: Pentagon Papers” *nytimes.com*, http://topics.nytimes.com/top/reference/timestopics/subjects/p/pentagon_papers/index.html?scp=1-spot&sq=pentagon%20papers&st=cse and “Pentagon Papers,” *National Archives* website: <http://www.archives.gov/research/pentagon-papers/>.

³⁵ See, for example, William R. Corson, *The Armies of Ignorance: The Rise of the American Intelligence Empire* (New York: Dial, 1977) or John Ranelagh, *The Agency: The Rise and Decline of the CIA*, (New York: Simon and Schuster, 1987).

³⁶ One of the most important recent examples of this type of study are Sarah-Jane Corke, *US Covert Operations and Cold War Strategy: Truman, Secret Warfare and the CIA, 1947-53* (London and New York: Routledge, 2008).

intelligence examples drawn from the European theater of battle can result in skewed assessments of U.S. capabilities and outcomes because, despite formidable challenges, U.S. intelligence missions in Europe tended to achieve more of their goals than in more remote locations such as China, whether through personnel skill, serendipity, or some combination of such factors.³⁷

Failure to include examples of intelligence operations from places such as China in analysis of U.S. intelligence activity in the 1940s leaves the field vulnerable to reproducing a teleological version of national security history often sanctioned by the U.S. government whereby the establishment of the CIA represented the relatively smooth and organic transformation of OSS wartime success into the Cold War intelligence service the U.S. required.³⁸ Most studies prior to 2000 that addressed postwar U.S. intelligence activities beyond Western Europe focused either on covert action and intervention or on World War II cryptology and the origins of U.S. technical intelligence infrastructure. Valuable studies such as Laurence S. Witner's book about American intervention in Greece and studies of U.S. intelligence operations in Guatemala by Richard H. Immerman and Piero Gleijeses concentrated on analyzing the evolution of covert action as a tool for U.S. foreign policy and strategic power projection rather than understanding the role of intelligence operations abroad in the evolution of U.S. intelligence

³⁷ A particularly troubling trend in recent studies of U.S. intelligence history in the late 1940s and 1950s is rising interest in Allen Dulles, John Foster Dulles, and other national security decision makers and early CIA leaders whose success in European operations led to influential positions in Truman's and Eisenhower's national security regime. See for example, Douglas Waller, *Disciples: The World War II Missions of CIA Directors who fought for Wild Bill Donovan: Allen Dulles, Richard Helms, William Colby, William Casey* (New York: Simon & Schuster, 2015) and Stephen Kinzer, *The Brothers: John Foster Dulles, Allen Dulles, and their Secret World War* (New York: Time Books/Henry Hold and Company, 2013).

³⁸ For examples of this line of analysis, see Arthur B. Darling, *The Central Intelligence Agency: An Instrument of Government, to 1950* (University Park, PA: Pennsylvania State University Press, 1990) and Thomas F. Troy, *Donovan and the CIA: A History of the Establishment of the Central Intelligence Agency* (Frederick, MD: University Publications of America, Inc., 1981).

bureaucracy as my study of the Dixie Mission seeks to do.³⁹ Similarly, although many of the studies of World War II code breaking analyze examples from the Pacific War, they tended to address questions about the justification for massive Cold War investments in technical collection infrastructure and evaluating the use of cryptological capabilities for strategic purposes.⁴⁰

Although scholarship on the 1940s origins of the U.S. national security regime is well-developed, historians are only beginning to apply valuable new tools for international and cultural history to these questions, and the literature notably lacks research on the relationships between U.S. intelligence officials operating in non-Western countries prior to the Cold War and other U.S. officials, including lateral colleagues in base areas and senior U.S. decisionmakers. Scholars in the past two decades who have investigated the activities of U.S. intelligence officers in foreign countries during and immediately after World War II have generally used their empirical research to answer questions other than those about the bureaucratic development of the U.S. national security regime. The few studies that have investigated the activities of U.S. intelligence officers in foreign countries beyond Europe in the 1940s have frequently focused on placing U.S. intelligence operations in a broader context of academic debates about Western imperialism and postwar decolonization, particularly as these issues affected the origins of the Cold War. The best example of this type of analysis is *Intelligence and the War Against Japan: Britain, American, and the Politics of Secret Service* (2000) in which historian Richard J. Aldrich

³⁹ Lawrence S. Wittner, *American Intervention in Greece, 1943-1949* (New York: Columbia University Press, 1982); Richard H. Immerman, *The CIA in Guatemala: The Foreign Policy of Intervention*. (Austin: University of Texas Press, 1982); and Piero Gleijeses, *Shattered Hope: The Guatemalan Revolution and the United States, 1944-1954* (Princeton, NJ: Princeton University Press, 1991).

⁴⁰ For example, see John Prados, *Combined Fleet Decoded: The Secret History of American Intelligence and the Japanese Navy in World War II* (New York: Random House, 1995) and Edward J. Drea, *MacArthur's ULTRA: Codebreaking and the War against Japan, 1942-1945* (Lawrence, KS: University Press of Kansas, 1992).

compares the respective attitudes of British and American policymakers toward imperialism and decolonialism and how these views directly shaped Allied intelligence operations in Asia during War II, particularly in China.⁴¹ Although this line of inquiry is fascinating and significant, it is so far largely unconnected to the major academic debates about the origins of administrative vulnerabilities to intelligence failures that are motivating security studies scholars such as Amy Zegart, Richard Betts, and Paul Pillar. An important new trend in qualitative empirical studies of U.S. intelligence operations in non-Western countries in the 1940s is the impulse to connect this historical analysis to current issues in intelligence reform and foreign policy. For example, Hugh Wilford's groundbreaking recent study of the CIA's first Arabists, *America's Great Game: The CIA's Secret Arabists and the Shaping of the Modern Middle East*, systematically examines the genealogy of U.S. intelligence officials' perceptions toward the Middle East, starting with positive, if patronizing, views in World War II and morphing into today's counterterrorism efforts.⁴²

Other studies that address U.S. intelligence personnel in China in the 1940s have tended to focus specifically on one branch of government, aiming to determine the role of the organization's intelligence activities in China in U.S.-China relations or the specific history of the respective organizations rather than taking a more holistic view of bureaucratic behavior required to tie the empirical example of China into current debates in the broader field of twentieth century U.S. intelligence history. The most comprehensive among these studies, by far,

⁴¹ Richard J. Aldrich, *Intelligence and the War Against Japan: Britain, America, and the Politics of Secret Service* (Cambridge: Cambridge University Press, 2000). NB: Aldrich uses the term "secret service" not in reference to the U.S. executive branch agency but as a catch-all term to include all intelligence operations, whether collection-focused or covert actions.

⁴² Hugh Wilford, *America's Great Game: The CIA's Secret Arabists and the Shaping of the Modern Middle East* (New York: Basic Books, 2013).

is Maochun Yu's *OSS in China: Prelude to Cold War* (1996).⁴³ Yu's book is the first serious scholarly effort to disentangle the deeply politicized and contradictory historical records about OSS operations in China, a challenge he shouldered based on his startling realization that "nearly fifty years after the demise of OSS, not a single manuscript length OSS/China history has been written based on original archives."⁴⁴ Similar to Yu's research in her focus on a single U.S. agency, Hannah Gurman has recently studied the role of China-based career diplomats in the U.S. State Department in debates within the U.S. government about Communism and loyalty.⁴⁵ My research builds on these studies to analyze how intelligence officials in different agencies cooperated or competed during U.S. intelligence activities in the Communist areas of China in the 1940s. As a result, this study forms a bridge between research on the history of U.S.-China relations in World War II and U.S. intelligence history, particularly with regard to key questions in the institutional and administrative history of the U.S. national security regime created by the Truman Administration in the aftermath of World War II.

Theory and Method

Historical analysis of how U.S. intelligence officials responded to the CCP in the 1940s can reveal the genealogy of lasting bureaucratic norms that influenced U.S. strategic culture and the development of its intelligence community. Such research facilitates drawing broader conclusions about the role of U.S. officials stationed abroad in shaping America's post-World War II strategic environment and the origins of the intelligence community that became so

⁴³ Yu, *OSS in China*.

⁴⁴ Yu, *OSS in China*, xv.

⁴⁵ See for example, Hannah Gurman, "'Learn to Write Well': The China Hands and the Communist-ification of Diplomatic Reporting," *Journal of Contemporary History*, 45(2): 2010, 430-453.

important to U.S. strategic policy during the Cold War. Better understanding of the complex process by which the individuals in the U.S. government collected, analyzed, and used information to inform foreign policy in the 1940s can illuminate the history of procedural sources of “intelligence failures” that became more frequent for the U.S. government in the second half of the twentieth century and evaluate whether the concept of adaptation failure, as identified by Amy Zegart, could be a phenomenon that is culturally intrinsic to the U.S. intelligence community.

In deconstructing the process by which U.S. officials collected information on and interacted with CCP leaders in the 1940s, I have relied on theoretical assumptions about the influence of culture on strategic decisionmaking informed by the work of cultural historians and qualitative social scientists, particularly since the 1990s. This study thus joins the growing body of interdisciplinary scholarship that challenges the framework of structural realism for analyzing international relations. In this view, realism, which holds that states operate strictly based on their interest in gaining and keeping power, is insufficient as an explanation for strategic behavior because it assumes that states’ interests are obvious, rational, and agreed upon by all actors.⁴⁶ The cultural approach to international relations does not necessarily deny the logic of realism, but it complicates and modifies the basic concept by arguing that the process by which the people who act on behalf of state governments determine their values and interests is itself contingent on a variety of conscious and subconscious factors, particularly culture. Moreover, culture itself takes more than one form, and multiple cultures (i.e., national, strategic, institutional) may influence the actions of individual U.S. officials.

⁴⁶ Alistair Iain Johnston, *Cultural Realism: Strategic Culture and Grand Strategy in Chinese History* (Princeton: Princeton University Press, 1995), ix.

Scholars frequently lament the difficulty of defining the term culture because the concept is abstract, pervasive, and varies across methodological disciplines within the humanities and social sciences.⁴⁷ Clifford Geertz, an anthropologist known for his studies of human behavior through the lens of culture, defined the concept as a “system of inherited conceptions expressed in symbolic forms by means of which men communicate, perpetuate and develop their knowledge about and attitudes towards life.”⁴⁸ Expanding it to cover the behavior of women as well, Geertz’s definition generally captures the assumptions about culture shaping my research design. Historian Alistair Johnston further specified that culture “consists of shared decision rules, recipes, standard operating procedures, and decision routines that impose a degree of order” upon individuals.⁴⁹

It is important to note that the definitions from Geertz and Johnston can apply to virtually any defined group of people, whether the group is large, such as an ethnicity, or small, such as an office or team. However, since the concept of culture always refers to a set of collective assumptions shared across a group of individuals, it is equally important to emphasize, as Johnston has done that “cultural patterns and behavioral patterns are not the same thing.”⁵⁰ Culture may influence and serve as a guide to behavior, but it alone does not determine individual behavior. Moreover, individuals may operate under the influence of multiple “cultures” when they make decisions, meaning that understanding how individuals prioritize

⁴⁷ Alistair Johnston, author of *Cultural Realism*, one of the most influential books on strategic culture, memorably described the realm of cultural analysis as “a conceptual and methodological morass where definitions of culture are as numerous as the researchers of culture,” before spending several pages determining his working definition. *Cultural Realism*, 33.

⁴⁸ Clifford Geertz, *The Interpretation of Cultures* (New York: Basic Books, 1973), 89.

⁴⁹ Johnston, 35.

⁵⁰ Johnston, 35.

cultural influences will potentially reveal considerable insight into collective decisionmaking processes, such as those required for international relations.

The concept of culture, broadly defined, operates in my project on two distinct, but overlapping levels: the level of strategic culture and the level of institutional or organizational culture.⁵¹ Consistent with the use of the term in studies by Johnston and others, strategic culture in this study refers to collective influences that exist at the level of state decisionmaking (i.e., the U.S. president or executive branch secretaries), and institutional culture to refer to collective influences within groups, teams, organizations, or bureaucracies. My research recognizes that political actors in China and in the United States labored under the influence of distinct strategic cultures in the 1940s, informed by their respective domestic and foreign interests, and that these cultures shaped their perceptions of one another as well as their bilateral diplomatic relationship.

In addition to the influence of U.S. strategic culture, U.S. officials charged with collecting intelligence on the CCP in the 1940s contended with multiple—sometimes competing—and shifting institutional cultures based on the organizations to which they were tied. For example, Colonel Barrett, first head of the Dixie Mission, was connected to the broad U.S. diplomatic mission in China, the U.S. Army, the Army's G-2 intelligence division, the Dixie Mission, and General Stilwell's personal cohort network—all institutions that developed their own norms, procedures, and values that could influence the actions and loyalty of constituent individuals. Social scientists have found that just as shared beliefs and norms operate at the level of civilizations, cultures can also develop within smaller groups of people bound together by the common interest of their circumstances or a shared mission, such as is the case

⁵¹ Some sources also refer to "institutional culture" as "organizational culture" or "bureaucratic culture."

within government agencies or political parties.⁵² Research on organizational theory and institutional culture originally developed based on corporate interest in scientific improvements to business leadership, but scholars have gradually found that the implications of the findings extend into other forms of organizations beyond business, particularly to government bureaucracies. In particular, Morton H. Halperin and Priscilla A. Clapp have demonstrated that in the case of government offices or agencies, vested interests in authority and budgetary resources can shape institutional culture and put agencies in direct competition and decrease efficiency.⁵³ Although the research of Halperin and Clapp did not focus specifically on intelligence agencies, their findings that institutional culture can affect strategic decision making argues for the relevance of historical analysis of institutional culture of early U.S. intelligence organizations to ongoing debates about intelligence reform and the evolution of the postwar U.S. national security regime.

Understanding how institutional and strategic culture interacted during World War II to create norms that were codified in the National Security Act of 1947, which created the so-called “U.S. intelligence community” as the intelligence agencies are collectively known today, is a primary objective of this study. Thus, documents produced by U.S. intelligence officials while serving in China during World War II become particularly interesting in terms of the intersection of strategic and institutional culture and its effects on foreign relations, especially the records of the Dixie Mission members, who simultaneously influenced and were influenced by several

⁵² Many volumes have been written to identify and describe the characteristics of institutional culture. In terms of national security and foreign relations institutional culture, useful sources include Morton H. Halperin and Priscilla A. Clapp, eds. *Bureaucratic Politics and Foreign Policy, Second Edition*, (Washington, DC: Brookings Institution, 2006) and Gareth Morgan, *Images of Organization*, (Thousand Oaks, CA: Sage Publications, 2006). For studies of organizations in general and corporate culture, see Ralph H. Kilmann, Mary J. Saxton et al, eds., *Gaining Control of the Corporate Culture*, (San Francisco: Jossey-Bass Publishers, 1985).

⁵³ Halperin and Clapp, 9-61.

institutional cultures. This study takes advantage of the vast collection of declassified official documents and preserved personal papers of participants in the Dixie Mission and their chief correspondents within the U.S. government bureaucracy (both lateral colleagues and superiors) to analyze the bureaucratic procedures applied and improvised to meet the demands for strategic intelligence on and potential covert engagement with the CCP in the 1940s.

This study traces the evolution of U.S. intelligence practices in Communist areas in China during World War II by comparing the official documentary records of the intelligence officials from various U.S. organizations who comprised the Dixie Mission. Analyzing the differences in the way each organization reacts to and discusses various issues in intelligence practice that arise from this specific mission yields important insight into the evolution of the institutional cultures of the agencies involved and the bureaucratic norms they developed collectively to meet the intelligence demands placed upon them by the White House and strategic decision makers. The inclusion in my research of personal papers of Dixie Mission participants, some contemporary and others in the form of later memoirs and interviews, as well as primary and secondary source research on the attitudes of the CCP leaders who interacted with U.S. officials in China during this period helps further contextualize the development of U.S. intelligence practices in China. The results have important implications for understanding how practices that U.S. intelligence officials developed and perfected during World War II shaped the formal establishment of the postwar U.S. intelligence regime.

Organization of this study

The study is divided into four chronological chapters plus a conclusion. Chapter 1 argues that prior to WWII, the U.S. had not developed administrative structures to support the collection and dissemination of foreign intelligence sufficiently sophisticated to cope with its interests in

China, particularly as those interests expanded following the Pearl Harbor attack. Chapter 1 addresses the time period leading up to the dispatch of the Dixie Mission, including U.S.-China relations prior to and immediately after the Pearl Harbor attack and includes an overview of the U.S. intelligence capabilities and administration prior to World War II. This chapter demonstrates how U.S. military engagement with the Chinese central government under the leadership of Chiang Kai-shek, which occurred as a result of the U.S. alliance with China in fighting the Japanese, encouraged General Joseph Stilwell and other U.S. officials in China of the need for U.S. intelligence officers to interact directly with the leaders of the CCP. Stilwell's efforts led to the establishment of the Dixie Mission in July 1944.

Chapter 2 traces the arrival of the Dixie Mission in Yan'an and its first few months in operation—a period when the group probably had the most potential for successfully achieving its intelligence objectives. As an ad hoc response to the realization by policymakers that their significant intelligence gap on the CCP was affecting U.S. interests in China and the overall strategic interests of the United States in the war against Japan, the Dixie Mission possessed many characteristics that should have helped it achieve its goals, but external factors meant slow progress. Moreover, the mission suffered from a lack of clear boundaries between activities designed to collect intelligence information and operational activities designed to intervene directly in the military outcome of the war.

In the absence of any real norms or precedents for their situation with regard to intelligence activities, Dixie Mission members interpreted contradictory orders and ambiguous interagency oversight as a mandate to find ways to cooperate with and support the CCP role in fighting the Japanese. Chapter 3 explores the extent to which this approach raised the expectations of the Dixie Mission's CCP hosts regarding the support they might receive from the

United States and encouraged the Dixie Mission participants to take actions toward cooperating with CCP forces that angered senior U.S. leaders and alienated Chinese leaders in the CCP and GMD, resulting in lasting effects on U.S.-China relations. Chapter 3 analyzes the impact of personnel changes among high-level U.S. leaders in China, such as Stilwell and Gauss, from September 1944 to the explosion of anger in the U.S. Embassy over the Dixie Mission's role in plans to fund or supply the CCP guerrillas in January 1945.

The fourth chapter reflects upon the final stage of the Dixie Mission from January 1945 to the departure of the last American plane from Yan'an in March 1947 as U.S.-China relations deteriorate under the guidance of Ambassador Patrick Hurley, General Albert Wedemeyer, General George Marshall, and President Truman. Even when they demonstrated the potential for providing information that could be vital to U.S. interests in China, the Dixie Mission participants experienced severe constraints on their ability to continue collecting and disseminating important information from Yan'an and north China because their actions with regard to supporting the military activities of the CCP had been so controversial and so threatening to higher level U.S. leaders in China. The particularities of the Dixie Mission situation also made it easy for policymakers in the Truman Administration who were designing the postwar U.S. intelligence regime to disregard the Mission's experience as an instance of alarming Communist sympathy within the U.S. government ranks instead of perceiving it as a cautionary tale of the risks of combining intelligence collection with covert military operations. Nonetheless, the top U.S. leaders maintained the American presence at Yan'an as an outlet for observation of increasingly tense relations with the CCP leaders and for military and political liaison activity with the CCP.

Finally, a brief concluding chapter integrates the study's findings into an analysis of the process by which the National Security Act of 1947 was conceptualized and enacted, establishing the Central Intelligence Agency. The case of American intelligence collection about the CCP in the 1940s showcases vulnerabilities inherent in the bureaucratic process of the U.S. national security regime by 1950, including some that were inadvertently preserved in the design of the national security regime formally established by the National Security Act of 1947 based on intelligence successes in the European theater. By illustrating the development of flawed bureaucratic procedures that were built into the postwar U.S. national security regime, this study has implications for understanding the structural causes of so-called "intelligence failures" that have plagued the U.S. intelligence community since the late 1940s.

CHAPTER ONE: Old-Fashioned Intelligence Practices Meet Modern Warfare in China

“We, the unwilling, led by the unknowing, are doing the impossible for the ungrateful. We have done so much for so long with so little, we are now qualified to do anything with nothing.” — Verses found in the official files of a U.S. military intelligence officer, undated file circa World War II.¹

Although clearly intended as a joke, the verse quoted above could have described the work of far too many U.S. intelligence officials during World War II. Between 1940 and 1950, officials in America’s military and diplomatic organizations tasked with intelligence duties personally experienced the brunt of the growing pains as U.S. intelligence capabilities expanded. Today several important components comprise the so-called U.S. intelligence community: a variety of government agencies focused on national security, several of which are largely independent from the budgetary concerns of the military or civilian executive branch departments and concentrated solely on intelligence; a system of norms and regulations that govern interagency coordination and communication; and a cadre of expert personnel. When the Japanese bombed Pearl Harbor in 1941, none of these components were operational in their present form. U.S. policymakers tasked with finding ways to cooperate with China in the fight against the Japanese experienced the shortcomings of the U.S. national security regime particularly intensely.

¹ From the Harry S. Truman Presidential Library, Papers of Forrest McCluney, Box 8: Printed Materials, Folder 7. The folder holding the poem is labeled “Army Chair Force song,” applying a euphemistic joke term for the U.S. officials who served as intelligence officers for the Army Air Force during World War II.

As policymakers at the highest levels of the American government attempted to negotiate a division of labor and appropriate roles and functions for intelligence officers in the early 1940s, they frequently made choices that instigated unproductive competition or duplication between offices and personnel and sidelined the expertise of officials who had been posted in China for decades. The decentralized structure of the U.S. national security bureaucracy limited opportunities for the community of Americans stationed in China to offer objective advice as Washington DC-based policymakers created agreements with the Chinese during and after World War II, including some agreements that complicated operations in support of U.S. interests in China.² As this and later chapters together will demonstrate, the lack of sufficient infrastructure for collecting and internalizing foreign intelligence information had significant implications for the ability of American leaders to craft U.S. foreign policy toward China in the 1940s. The inability for top policymakers to receive and absorb timely and objective intelligence information about China's domestic politics affected U.S. strategic decisions about Asia, potentially prolonging unproductive policies.

Well before the Pearl Harbor attack, the need for intelligence on China was particularly dire as U.S. policy in East Asia shifted over the 1930s from an isolationist policy to financial and material support for China through the Lend-Lease program and finally to actual military aid by 1941. The entire policy shift was orchestrated by top U.S. policymakers who had little first-hand knowledge of Chinese politics and who were relying on what advice they could glean from a small, insular cadre of American experts who had spent years in China. As of 1941, few

² For example, see the detailed explanation of the process by which U.S. officials negotiated a treaty for intelligence operations in China in the early 1940s in Maochun Yu, *OSS in China: Prelude to Cold War* (Annapolis, MD: Naval Institute Press, 1996), 77-170.

normalized communication channels existed between the principals and the mid-level bureaucrats responsible for monitoring developments in China that affected U.S. interests.

Lack of centralized U.S. intelligence prior to the Second World War

Prior to the bombing of Pearl Harbor and the official U.S. entrance into World War II, the U.S. government had no independent agency dedicated to the collection and dissemination of strategic foreign intelligence, and many policymakers had opposed the creation of one. As the Japanese occupation of China and the spread of European fascism challenged U.S. foreign policy decision makers throughout the late 1930s, American intelligence collection and analysis were performed by various agencies within the U.S. executive branch, namely the State and War Departments, the Army, and the Navy.³ The United States also relied heavily on intelligence shared by the British, who had developed a modern national intelligence capability. U.S. leaders had been reluctant to foster American intelligence capabilities due to a long history of concern that support for “shadow warfare,” as strategic foreign intelligence was often called, would present a conflict of interest with liberal values and protections of civil liberties. The U.S. government in the 1930s lacked both any close counterpart to its current intelligence community and a discrete legal framework providing oversight and institutional boundaries.

Within the dozen government agencies that had responsibility or need for foreign intelligence, offices, branches, or in some cases, individuals, were tasked with the collection of

³ The best summaries of U.S. intelligence practices prior to World War II appear in studies seeking to explain how World War II forced changes on the process, and particularly in studies of the creation of the OSS. The key studies on this topic include Bradley F. Smith, *The Shadow Warriors: O.S.S. and the Origins of the C.I.A.* (New York: Basic Books, 1983) and R. Harris Smith, *OSS: The Secret History of America's First Central Intelligence Agency* (Berkeley, CA: University of California Press, 1972). Both historians based these respective studies on some of the first documents about the creation of the OSS and CIA to be declassified and they remain the most important baseline explanations of these events that offer explanations of the systems OSS replaced. Studies that describe the epic debates about national security bureaucracy that occurred in the 1940s also illuminate the pre-war U.S. intelligence regime (or lack thereof). For instance, see Jeffrey Dowart, *Eberstadt and Forrestal: A National Security Partnership, 1909-1949* (College Station, TX: Texas A&M University Press, 1991).

information in the field and its dissemination within the government ranks, typically as one duty among their broader job descriptions. For example, the State Department's diplomats posted to embassies and consulates throughout the world would compose reports based on local contacts they met and news they overheard. They cabled reports back to the department headquarters. Senior State Department officials occasionally distilled important reports and shared them with the White House. Similarly, the Army, Navy, and War Department would dispatch military attachés to help staff U.S. embassies and consulates, making contact with local counterparts, monitoring situations that could affect the security of U.S. interests abroad, and composing reports on their observations for colleagues and superiors at their respective headquarters. The Army and Navy both maintained branches focused on intelligence, in the form of the Military Intelligence Division (MID) or G-2 and the Office of Naval Intelligence (ONI), respectively. These branches were focused on the type of intelligence the Army and Navy needed most, which tended to be tactical and operational intelligence rather than strategic intelligence.⁴ Peripheral to its main criminal justice responsibilities, the Federal Bureau of Investigation (FBI) maintained a branch responsible for domestic intelligence.

The role of U.S. military attachés in intelligence collection in 1930s China

Understanding the role and situation of military attachés in China in the 1930s is particularly important for understanding the history of U.S. intelligence collection in China in the 1940s, so much of which occurred at the direction of the Army's G-2 and the Navy's ONI or by

⁴ Tactical and operational intelligence focuses on issues important to the successful use of military force including intelligence regarding geography, weather conditions, appropriate military targets, and the strength and capabilities of opponents. Strategic intelligence typically refers to non-public foreign information that influences geopolitics and foreign policy, such as leadership intentions, political stability, economic affairs, and social issues within a foreign country. For current basic definitions of foreign intelligence, Jeffrey T. Richelson, *The U.S. Intelligence Community*, 6th Edition, (Boulder, CO: Westview Press, 2012), 1-14.

personnel who had formerly been employed by those offices prior to being transferred or loaned to the Office of Strategic Services (OSS) during World War II. The attaché's duties and functions changed surprisingly little over the course of the twentieth century. By definition, a military attaché is a military officer posted abroad and based in the embassy of his or her sponsoring country to serve as an overt intelligence officer, making contact with local counterparts, tracking intentions and resources of the host country and informing his or her sponsoring government about information learned that could have strategic significance. The attaché typically relies on all available sources, including reports and gossip from contacts in the host country, observations of host country events and exercises, review of host country mass media, and any other relevant information that can be collected. In the 1930s, U.S. attachés in China reported information through Army, Navy, and War Department channels via the communications systems available at the U.S. Embassy (i.e., mostly via diplomatic mail pouch physically transported by official couriers).

Consistent with its inward-focused foreign policy and general lack of interest in comprehensive foreign intelligence collection, the U.S. government did not send its first attachés abroad until 1894, to Japan and Mexico, respectively.⁵ The practice slowly expanded, and by the beginning of World War I, 23 army and 8 naval attachés were posted to U.S. embassies around the world—a significant increase by percentage but still a small global footprint. In the 1920s and 1930s, the attaché position tended to be held by officers of Lieutenant Colonel or Colonel rank. The position lacked prestige and rarely led to promotions, particularly for those who served in posts beyond Europe. According to historian John Hart, who recorded the memoirs of the first

⁵ For further on the traditional role of the U.S. military attaché and the history of the position, see Alfred Vagts, *The Military Attaché* (Princeton, NJ: Princeton University Press, 1967).

commanding officer of the U.S. Observer Mission to Yan'an, Colonel David D. Barrett, prior to World War II, serving as an attaché “was commonly viewed as an escape from the army, and many in the army believed people to be chosen for it based on their good looks and social graces.”⁶ In the first few decades of the twentieth century, Asian posts were among the few that did not require applicants to be independently wealthy because the cost of living was sufficiently low that officers could live on their salaries.⁷

Deficiencies in intelligence data and procedures become apparent

Although U.S. diplomats and attachés were reporting non-public information about foreign affairs to their sponsoring agencies within the executive branch that could be used for strategic planning, few regularized direct channels existed to convey the information to the White House or other relevant principals or agencies. Beyond the conversations that occurred at the White House, such as in cabinet meetings or informal meetings convened by the President, his aides, or his top officials, norms for communication between U.S. government agencies on matters of strategic intelligence and national security were often highly personalized (depending on the leadership at the time), malleable, and at times either caustic or nonexistent. Rather than collaborating on intelligence matters, the government agencies who were performing ad hoc intelligence-gathering duties tended to see each other as competition. Although U.S. foreign policy, defense, and military officials were ostensibly working toward the same goal of protecting American domestic and foreign interests, they also operated out of a sense of loyalty

⁶ John N. Hart, *The Making of an Army “Old China Hand”: A Memoir of Colonel David D. Barrett* (Berkeley, CA: University of California, Berkeley Institute of East Asian Studies, Center for China Studies, 1985), 4.

⁷ Hart, *The Making of an Army “Old China Hand,”* 5.

to and pride in their own agencies and offices that was reinforced by the eternal competition for budgetary resources that exists within all bureaucratic governments.⁸

Although developing a collaborative modern national intelligence regime had not been a priority for top U.S. officials in the early twentieth century, executive branch departments and the military branches had recognized the value of developing personnel with the expertise required to understand foreign affairs. Relatively few American officials in the 1930s focused full-time on the collection, processing, or analysis of strategic foreign intelligence, but many officials had developed extensive skills in these areas as the world changed in the early decades of the twentieth century. For example, the second chapter of this study describes the network of U.S. officials who served in China in the 1920s and 1930s in the military and diplomatic positions. Although they represented the U.S. government's policies and cultural values of the time, they also developed considerable expertise in Chinese language, culture, and politics. Many of them had also lived in China as children of missionary parents. Similar small networks of American experts also existed in other parts of the non-Western world, such as the Middle East and Latin America.⁹

By the late 1930s and early 1940s, the changing global security environment had convinced some U.S. policymakers of the necessity to develop a more robust capacity for the collection and dissemination of strategic foreign intelligence, potentially including the creation of a new a strategic intelligence organization, but the politics and bureaucratic infighting that creating the new systems entailed frequently thwarted efforts to include expertise in field

⁸ Conflicts between the Army and Navy were particularly legendary. For further details, see Jeffrey Dowart, *Eberstadt and Forrestal*.

⁹ For a detailed study of American officials' interest in and expertise on the Middle East prior to World War II, see "Part I: Pre-game, 1916-1947" in Hugh Wilford, *America's Great Game: The CIA's Secret Arabists and the Shaping of the Modern Middle East* (New York, Basic Books, 2013).

operations and intelligence that already existed in the burgeoning U.S. intelligence community. Meanwhile, the quickly changing global security landscape required new participation from top U.S. leaders in strategic decisions about unfamiliar far-flung regions where U.S. interests were expanding, such as the Middle East and East Asia. The United States thus faced strategic problems related to intelligence gaps worldwide. World War II, and the Pearl Harbor bombing in particular, highlighted the inadequacy and inefficiency of the U.S. intelligence practices of the 1930s, in which no officials pursued intelligence as a full-time job and agencies and organizations routinely failed to communicate necessary intelligence information to each other in a timely manner (if they communicated at all).¹⁰

The challenge of Roosevelt's personalized leadership style

Compounding the problem of systemic intelligence gaps facing the United States on the brink of World War II, President Franklin Delano Roosevelt's leadership style and highly personalized approach to foreign affairs did not facilitate the creation of a cooperative and symbiotic U.S. intelligence bureaucracy. In the absence of a designated intelligence service and distrustful of status quo executive branch organizations, particularly the State Department, Roosevelt tended to bypass advice from within his bureaucracy and rely instead on a few key advisors and personal contacts. He regularly appointed such individuals to serve as his personal representatives or liaisons, bypassing the executive branch organizational protocols.¹¹ This type

¹⁰ William R. Corson wrote one of the most effective and detailed analyses of Pearl Harbor as an example of an early U.S. intelligence gap that led to a significant and dramatic intelligence failure. See William R. Corson, *The Armies of Ignorance: The Rise of the American Intelligence Empire* (New York: The Dial Press, 1977), 150-165.

¹¹ The characteristics of Roosevelt's leadership style are well known and well studied. Joseph E. Persico's *Roosevelt's Secret War* (New York: Random House, 2001) is an excellent detailed study of the effects of Roosevelt's leadership on U.S. intelligence practices during his presidency. Christopher Andrew covers some of the same ground more succinctly in his chapter on Roosevelt in his book, *For the President's Eyes Only: Secret Intelligence and the American Presidency from Washington to Bush* (New York: HarperCollins, 1995). For discussion of Roosevelt's leadership style as it pertained to China, see Michael Schaller, *The U.S. Crusade in China, 1938-1945* (New York: Columbia University Press, 1977), 99, and Robert Messer, "Roosevelt, Truman, and China:

of personalized approach to leadership has strengths and weaknesses. The main strengths are often speed and decisiveness in statecraft—two characteristics that were associated with FDR, to be sure. However, the value placed on high-profile outsiders to perform tasks for which those within government bureaucracies have been developing expertise through years of work can also be demoralizing for the workforce. Moreover, this leadership style can encourage excessive competition within the bureaucracy for the President’s attention, and because interagency communication is not necessarily valued under this type of leadership, duplication of efforts is common.

These drawbacks can have significant negative effects on intelligence work because the leader may not be receiving all the relevant information, and other decision makers who have a stake in statecraft may not be aware of all the information that the top leader knows. Bradley F. Smith cited this phenomenon as one reason FDR particularly enjoyed using emissaries. According to Smith, “In both domestic and foreign affairs, Roosevelt delighted in skirting regular channels and establishing himself as the only person who had *all* the information on a given issue.”¹² Biographers and historians have long recognized a tendency toward a personalized approach to leadership in FDR’s actions and have noted its downsides. According to E. J. Kahn, Jr. writing in the 1970s about American bureaucrats in China in the 1940s, Roosevelt’s intention in sending his special emissaries to deal with difficult foreign affairs situations that emerged was “presumably to cut through red tape” but the ersatz ambassadors typically “ended up ensnarling all existing lines of communication.”¹³

An Overview,” in Harry Harding and Yuan Ming, eds. *Sino-American Relations, 1945-1955: A Joint Reassessment of a Critical Decade* (Wilmington, DE: SR Books, 1989), 64-66.

¹² Bradley Smith, *The Shadow Warriors*, 27.

¹³ E.J. Kahn, Jr., *The China Hands: America’s Foreign Service Officers and What Befell Them* (New York: Viking Press, 1975), 89.

One notable special emissary dispatched by FDR who assumed an important role in the Roosevelt administration as well as the history of U.S. intelligence was General William Donovan. Nicknamed “Wild Bill,” Donovan was a decorated general in the U.S. Army whom Roosevelt had designated as a special emissary to Great Britain and the Mediterranean region in 1940 and early 1941 to observe the political and security situation there, confer with counterparts regarding events, and report back to the White House with recommendations for actions the United States should take.¹⁴ FDR and Donovan were former classmates when both studied at Columbia Law School.¹⁵ However, they were not known to be friends, and they represented slightly different cohorts in the American political landscape. Donovan was an Irish Catholic Republican who had made a fortune as a corporate lawyer on Wall Street before joining the Army to contribute to the U.S. efforts in World War I.¹⁶ Donovan also had political ambitions and had achieved a notable career in state politics in the Republican Party in his native New York as well as a position as assistant attorney general under Calvin Coolidge.¹⁷ FDR’s choice of Donovan for the emissary work in Europe was ultimately political, after Donovan’s name was suggested for the task by FDR’s new Secretary of the Navy, Frank Knox, who was also a Republican. FDR chose to work with Donovan to appease the new Navy Secretary.¹⁸ Donovan’s

¹⁴ Yu, *OSS in China*, 8.

¹⁵ Bradley Smith, *The Shadow Warriors*, 31.

¹⁶ R. Harris Smith, *O.S.S.: The Secret History of America’s First Central Intelligence Agency*, 1. See also the more recent biographical profile of Donovan in Louis Menand, “Wild Thing: Did the O.S.S. help win the war against Hitler?” *The New Yorker*, March 14, 2011, 69.

¹⁷ Bradley Smith, *The Shadow Warriors*, 30; Menand, “Wild Thing,” 69.

¹⁸ Bradley Smith, *The Shadow Warriors*, 31.

observations and recommendations encouraged the United States to provide aid to Britain, which ultimately helped the American ally withstand the first volleys of the blitzkrieg in August 1940.

Donovan's conversations in London with various intelligence officers and policymakers convinced him that the U.S. plan to rely on Great Britain for its strategic intelligence on events in Europe was completely inadequate. Although it is now clear that the British probably exaggerated their threat assessments to encourage the flow of much needed U.S. aid, Donovan quickly and accurately determined that Hitler was a much more significant threat than most in the American government realized. He also assessed that relying on the British to independently gather all the necessary intelligence and share it with the United States was a risky proposition. In a memo to FDR on June 10, 1941, Donovan wrote "Although we are facing imminent peril, we are lacking an effective service for analyzing, comprehending, and appraising such information as we might obtain (or in some cases have obtained), relative to the intention of political enemies...Even if we participate to no greater extent than we do now, it is essential that we set up a central enemy intelligence organization."¹⁹ Based on Donovan's assessments, FDR asked Donovan to develop a plan for a sophisticated new wartime intelligence service for the United States. The new agency would be modeled on the British example, such as the UK's Secret Intelligence Service (SIS or MI6) and their Special Operations Executive, but it would serve American interests.

On July 11, 1941, Roosevelt created the first U.S. strategic foreign intelligence organization since the Revolutionary War, known as the Coordinator of Information (COI), and he placed General Donovan in charge of it. The COI was a direct precursor to the more famous

¹⁹ Letter from William Donovan to Franklin D. Roosevelt, June 10, 1941, Franklin Delano Roosevelt Presidential Library, President's Official Files, File 150: China, Box 2, Folder: China 1941-42.

OSS. Notably, FDR made this decision without any formal review process or consultation with those already responsible for intelligence duties within the government. Historian Maochun Yu, author of the most comprehensive history of OSS activities in China, has suggested that this example of FDR's unilateral and personalized decision-making style had far-reaching consequences for the development of U.S. intelligence practices.²⁰ Consistent with Yu's assertions, subsequent chapters in this study will offer further detailed empirical evidence that the creation of COI and its successor independent intelligence agencies alienated expert individuals and circumvented norms of effective status quo U.S. intelligence practices while codifying several of the unproductive characteristics of pre-World War II American intelligence activity, such as interagency competition. This phenomenon was particularly pronounced in the U.S. intelligence efforts in the 1940s vis-à-vis the Chinese Communist Party (CCP).

The COI operated for less than a year before its duties were split into two separate agencies: the Office of War Information (OWI) and the Office of Strategic Services (OSS) in June 1942. OWI officially handled public diplomacy for the United States, known in some circles as "white" propaganda. These activities were made separate and distinct from other more covert forms of "black" propaganda that the OSS was assigned to handle, along with a variety of other activities involved in the collection, processing, and dissemination of strategic foreign intelligence deemed necessary for supporting the U.S. national security and war efforts. Specifically, FDR tasked OSS to collect and analyze strategic information the military required for fighting the war and to conduct special operations that were not assigned to other agencies. Donovan became the first director of the OSS. The divisions of labor between it and the military were somewhat murky and became frequent matters of contention.

²⁰ Yu, *OSS in China*, 5-6.

Donovan believed that the American government bureaucracy lacked talent, speed, and creativity. He sought to correct the problem by hiring a collection of diverse experts and empowering them to enact their creative ideas for winning the war. Many OSS personnel were civilians. In fact, one of Donovan's most celebrated ideas to improve U.S. intelligence collection was to involve new blood in government work, and he famously raided the Ivy League and the top Wall Street firms to staff his new agency. In addition to many borrowed military officers, the OSS workforce included actors, lawyers, professors, and socialites that Donovan recruited to do whatever unconventional tasks were necessary to win the war. Donovan once described the OSS as "an unusual experiment" designed "to determine whether a group of Americans constituting a cross-section of racial origins, abilities, temperaments, and talents could meet and risk an encounter with the long-established and well-trained enemy organizations."²¹

Donovan's work force initially included around 600 people, but the OSS had ballooned to include approximately 13,000 men and women at its peak size in late 1944. The personnel pool included many officers who came from academia and returned to university campuses after the war, such as William L. Langer, who served as the head of the OSS Research and Analysis (R&A) branch and later became President of Harvard University. OSS officers went on to luminary careers in other fields as well. Notable OSS veterans include Supreme Court Justice Arthur Goldberg, diplomat and the first African-American Nobel Peace Prize recipient Ralph Bunche, film director John Ford, and Boston Red Sox player Moe Berg. Most relevant to this study, Julia Child served as a capable and valued OSS file clerk in the China Burma India (CBI) Theater of Battle, prior to gaining notoriety as a television chef and cookbook author in the

²¹ Charles Pinck, "Remembering the work of the OSS," *The Hill* blog, December 16, 2013, accessed on December 1, 2014.

1960s. Donovan envisioned his nimble new organization as supplanting and replacing some of the diplomatic and military personnel who were performing strategic intelligence activity within a calcified and old-fashioned bureaucracy.

The “China hands”

When it came to U.S. intelligence on China in the 1940s, Donovan’s goal of infusing the status quo with fresh personnel was overly simplistic and undervalued the skills of the individuals who had been serving the U.S. government in China throughout the first half of the twentieth century. Prior to the creation of the COI, U.S. personnel based in China comprised a small, close-knit cohort of capable experts. Journalists and scholars alike have often referred to the cadre of U.S. officials based in China in the late 1930s and early 1940s who had cultivated knowledge of Chinese language, culture, and politics prior to World War II collectively as “the China hands.” The term “China hand,” a loose translation of a similar Chinese term, was coined much earlier in Sino-American relations as a pejorative way to denote Americans who had learned limited amounts of Chinese language and customs to exploit the Chinese for business purposes.²² As American interests in China increased in the 1930s and 1940s, observers in the West adopted the term to distinguish Americans who had knowledge of Chinese language and culture from the multitudes who did not.

By the mid-1940s, U.S. policymakers used the term China hands to refer specifically to U.S. military and diplomatic officials representing the U.S. government in China who had knowledge of Chinese language and culture. These China hands were mostly low and mid-level

²² R. Harris Smith briefly explains the etymology of the term “China hands” in his excellent chapter on the OSS in China. See R. Harris Smith, *OSS: The Secret History*, 252. For further on the activities of Americans in China in the nineteenth century, see James C. Thomson, Jr. et al., *Sentimental Imperialists: The American Experience in East Asia* (New York: Harper and Row, 1981).

officials with few normalized channels for reporting information directly up the policymaking hierarchy to the White House and Cabinet-level. The historiography of U.S.-China relations has alternately romanticized and vilified them over the years. Some American political observers and historians in the postwar period have applied the China hand label in a derogatory sense because the advice expert U.S. officials in China provided in the mid- to late 1940s was controversial, particularly when it came to charitable views of Chinese Communists or negative views of Chinese Nationalists.

Understanding who the so-called China hands were and the role they played in U.S. operations in China is crucial to understanding the early history of U.S. intelligence collection on the CCP and how operations to that end both influenced and were influenced by the development of the modern U.S. national intelligence regime in the 1940s. Empirical examination of the activities of the China hands who had specific intelligence responsibilities related to the CCP in the 1940s suggests that the cohort was not nearly as influential or effective at shaping U.S. policy on China as either their detractors or supporters among historians and politicians have argued. In fact, the China hands' inability to influence policy and vulnerability to cognitive analytic biases such as groupthink demonstrates intrinsic problems in the way in which the United States was pursuing intelligence reform throughout the 1940s. This argument is fully consistent with the view held by both historical opponents and proponents of the China hands that officials were a small cohort of professionals who had much in common, including the shared experience of being Americans living and working in China—not a particularly easy lifestyle choice at the time.

The China hands of World War II are notable for their sense of informal group cohesion and their collective dedication to their professional responsibility to use their expertise to serve

U.S. interests, even in the face of discouraging political pressure. According to veteran *New Yorker* columnist E.J. Kahn who wrote a book attempting to restore some prestige to the historical reputation of the China hands:

“There was no single star, no [George] Kennan, among them; they considered themselves, and probably were, a collective elite, with a shared pride comparable to that often found among United States Marines, and a shared élan stemming from their shared concern for intellectual inquiry, from their deep immersion into and understanding of Chinese ethnocentricity, and from the peculiar challenge of the problems that faced them in their work. And further, they had in common a shared awareness of how challenging it had been merely to get where they were; it was generally conceded that it took a minimum of about ten years in China before anyone could rightly be termed, in the non pejorative sense, an Old China Hand.”²³

Although this quote displays a slightly exaggerated sense of admiration for the officials, the archival records, including personal papers of China hands and their families as well as the official government documents that they and their Washington-based colleagues produced, are largely consistent with Kahn’s basic view. Generally speaking, U.S. officials working in China before 1940 knew each other and formed a fairly small expatriate community in a few of China’s large cities. Some officials formed lifelong friendships. Collections of their personal papers reveal decades of voluminous correspondence between John Service, John Davies, Frank “Pinky Dorn,” Raymond Ludden, David Barrett, and others. Alongside reports culled from their work in China and legal documents tracing their persecution in the 1950s, the personal papers also preserve a lifetime of each others’ wedding invitations, birth announcements, holiday cards and finally programs and speech notes from funerals attended.²⁴

²³ Kahn, *The China Hands*, 35.

²⁴ The voluminous papers of Foreign Service officer John S. Service, who served in the U.S. Observer Mission to Yan’an from its beginning in July 1944 until December 1944, contain years of ephemera such as holiday cards, exotic post cards, and family wedding invitations from other Observer Mission participants and supervisors such as John Davies, Joseph Stilwell, David Barrett, Frank “Pinky” Dorn, and John Emmerson. Some of the more interesting examples include handpainted Chinese-style cards sent to Service in the 1980s by Joseph Stilwell’s daughter who became an artist; folders of regular correspondence between Service, Davies, Barrett, Dorn, and others

Beyond the importance of their relationships with each other, the China hands had extensive knowledge about China and various experiential ties to Chinese culture that undoubtedly influenced their behavior in their jobs, in both positive and negative ways. Several of the U.S. officials who were dubbed “China hands” in the 1940s had childhood and family ties to China. For example, Foreign Service officer John S. Service worked as a diplomat in China for nearly a decade before his assignment as the senior political observer in the Dixie Mission. Service was born in China to American missionary parents who directed the Chengdu branch of the YMCA.²⁵ He spoke several dialects of Chinese and had spent most of his life in China by the time the Japanese bombed Pearl Harbor. Foreign Service officers serving in China were “special among specialists” and China was “the only spot on Earth where career diplomats were not normally assigned to consulates unless they spoke the local language,” according to Kahn.²⁶

Other China hands in the 1940s had developed their expertise through military service. A sizable cohort of U.S. military attachés to China in the 1930s and 1940s had served in the 15th U.S. Infantry Regiment, which was based in Tianjin, China from 1912 to 1938. In 1927, Colonel Barrett, who later became the first commanding officer of the Dixie Mission in Yan’an, had served in the 15th. At the time, the executive officer of the unit was George Marshall, then a Lt. Colonel. The 15th’s Second Battalion was commanded by Joseph W. Stilwell, then a Major.

in the 1970s and 1980s as many of the men wrote memoirs of their time in the 1940s; and a program from the funeral of John Emmerson, folded to fit a man’s suit jacket pocket, suggesting that Service filed it after attending Emmerson’s memorial service in 1993—nearly five decades after the two men served together in Yan’an. Many additional examples are available in the Papers of John S. Service, Bancroft Library, University of California at Berkeley as well as the personal papers of Barrett, Dorn, Peterkin, Stilwell, Emmerson, and others housed at the Hoover Institution Archives, Stanford University, Stanford, CA.

²⁵ Kahn, *The China Hands*, 58-64.

²⁶ Kahn, *The China Hands*, 35.

Marshall, Stilwell, and Barrett would later play highly visible and significant roles in advising and implementing U.S. strategic policy in China in the 1940s.²⁷

The existence of the China hands cohort did not overcome the fact that intelligence had no natural place in the established workflow of statecraft in the early 1940s. No matter what their reports said, the China hands found it extremely difficult to penetrate the Washington bureaucracy or reach those in President Roosevelt's administration who were in a position to shape China policy. In a telling example, even reports from General Stilwell often went unread, though Stilwell had served as attaché in China and wrote reports detailing the intentions of the Japanese in the 1930s that assessed the level of threat to U.S. interests to be serious. In his book about the CBI campaign, Frank Dorn, who served as aide-de-camp to General Stilwell for many years, recorded Stilwell's reaction in early 1942 to a conversation with a G-2 staff officer in a meeting in Washington DC. According to Dorn, the officer said, "You know, General Stilwell, we're just getting around to studying your reports on China. How right you were in your conclusions." Dorn writes, "The general turned to me with a sigh: "My God, Dorn, some of those reports are *six* years old. No wonder we're in this mess now."²⁸

The gradual shift in U.S. policy toward support of China

In the decade preceding the Japanese attack on Pearl Harbor, a dramatic shift occurred in U.S. policymakers' attitudes toward strategic interests in East Asia that indicated the increasing need for the United States to develop modern national intelligence practices. Prior to the Japanese attack in 1941, the U.S. government observed Japan's aggression in China with

²⁷ See Hart, *The Making of an Army "Old China Hand,"* Chapter 1. For further on the 15th Infantry, see Charles G. Finney, *The Old China Hands* (New York: Doubleday, 1961), a partially fictionalized account of the activities of the 15th, which includes comprehensive rosters for the division.

²⁸ Frank Dorn, *Walkout With Stilwell in Burma*, paperback edition (New York: Pyramid Books, 1973), 29.

sympathy and concern, but the dominant tendency in American foreign policy of the 1930s ruled out military intervention. Japan's initial invasion of northern China in 1931 occurred when the intensifying Great Depression preoccupied U.S. officials. The Hoover-Stimson Doctrine in January 1932 clarified that the United States would not recognize any territory that Japan or other aggressors seized, particularly in Manchuria, but then-President Hoover failed to support Stimson's efforts to back U.S. opposition to Japanese aggression with military force—a policy that changed little until the 1940s.²⁹

President Franklin Roosevelt and his advisors concluded that the United States was not responsible for the security of China, particularly during such an extensive domestic economic crisis that had global implications. Thus, the United States did not commit troops or resources at the time to aid China.³⁰ U.S. State Department officials based in China and Washington continued to closely monitor Sino-Japanese relations in the mid-1930s, but the United States maintained a consistent policy toward China without any major developments for the next five years until Japanese aggression in China increased dramatically in 1937.

On July 7, 1937, a Japanese military maneuver at Marco Polo Bridge near a major railway serving Beijing sparked a clash between Japanese and Chinese troops. Although diplomatic negotiations attempted to resolve the situation without resorting to further military action, the incident significantly escalated tensions between China and Japan and thus attracted

²⁹ After the Japanese largely ignored the declaration of the Hoover-Stimson Doctrine, Stimson appealed to Congress to put pressure on Tokyo through treaty arrangements designed to keep trade in China open to all foreign powers—the so-called Open Door Policy—that had been in place for several decades. If Japan failed to honor the terms of the Open Door treaty, Stimson threatened to violate a separate treaty with Japan that limited the construction of U.S. warships, basically introducing the possibility of a future U.S. fleet intervening in Manchuria. Stimson's efforts with Congress might have progressed, but President Hoover, who preferred not to involve the United States in Asian wars, refused to cooperate. For further on U.S. foreign policy in Northeast Asia in the 1930s and the Stimson-Truman Doctrine, see Walter LaFeber, *The American Age: U.S. Foreign Policy at Home and Abroad, 1750 to the Present*, Second Edition (New York: W.W. Norton & Company, 1994), 355-360.

³⁰ Schaller, *The U.S. Crusade in China, 1938-1945*, 6-7.

international diplomatic attention, particularly from the U.S. government.³¹ As American and other foreign diplomats in China and Japan worked throughout early July 1937 to mediate an agreement between the two Asian nations that could defuse the mounting hostility, Chinese Nationalist Party leader and Chinese President Chiang Kai-shek consolidated his best German-trained troops near Shanghai in eastern China for a major offensive. Officials at the U.S. embassy in Nanjing—the Chinese capital city at the time—were aware of Chiang’s plans, having received reports from local informers and press correspondents.³² U.S. officials recognized that China stood on the brink of full-scale war with Japan.

Nonetheless, Secretary of State Cordell Hull definitively reiterated the American policy of noninterference in a press statement delivered on July 16. Hull recognized that there “can be no serious hostilities anywhere in the world which will not one way or another affect interests or rights or obligations of this country,” but emphasized the U.S. commitment to “revitalizing and strengthening” international law, meaning that it would not intervene beyond diplomatic efforts in international conflicts between sovereign states such as China and Japan.³³ The United States simply lacked the political will at that point in time to ally with China against the Japanese. Given that most American people had only an abstract understanding of China’s political situation and the nature of its conflict with Japan, the public initially put little pressure on the

³¹ In her monograph, *Stilwell and the American Experience in China, 1911-45* (New York: MacMillan, 1970), Barbara W. Tuchman described the observations and reactions to the Marco Polo Bridge incident of American military officials who were serving in the U.S. Embassy as attachés, some of whom later served as field officers in the Army Observer mission upon which this dissertation focuses. See pp. 165-70.

³² Councilor of Embassy in China Peck to Secretary of State, July 12, 1937, U.S. Department of State, *Foreign Relations of the United States (hereafter, FRUS), Diplomatic Papers, 1937: The Far East*, (Washington, D.C.: Government Printing Office), 138-9.

³³ “Statement by the Secretary of State,” July 16, 1937, *FRUS: The Far East, 1937*, 699-700.

government to intervene. Meanwhile, some U.S. diplomatic officials in the 1930s viewed Japan—despite its flaws—as the best hope of becoming a “stabilizing influence” for the region.³⁴

U.S. perceives a threat to its interests in Asia from Japan

From 1938 to 1940, American officials gradually began to take a more favorable view of supporting China as they observed Japanese behavior and reassessed Japan’s intentions. Several factors encouraged American political will to shift toward a new China policy. First, emerging reports of the atrocities in Nanjing and other Chinese cities disgusted Americans and stoked public sympathy for China. Second, the violence of the Japanese occupation began to impinge directly on short and long-term U.S. interests in the region. U.S. China policy in the 1930s focused on protecting American businesses operating there. To that end, small numbers of U.S. Navy ships and U.S. Marines had long patrolled certain Chinese rivers and harbors to ensure the security of American merchant vessels. In December 1937, Japanese forces attacked and sunk the U.S. Navy gunboat *Panay*, which was guarding merchant vessels on the Yangtze River. Japan’s destruction of the *Panay* in central China made a particularly strong impression on U.S. government officials.

However, the U.S. government’s initial reaction to the *Panay* incident was restrained. Although American diplomats immediately doubted whether the incident was accidental as Japanese diplomats claimed, U.S. officials chose to resolve the issue diplomatically, rather than responding with force. Furthermore, the United States withdrew other navy gunboats operating in the area to avoid additional conflicts.³⁵ As time passed, U.S. officials began to view the

³⁴ Michael Schaller, *The U.S. Crusade in China, 1938-1945*, 14-5.

³⁵ U.S. State Department records describe the efforts of American diplomats to determine if the sinking of the *Panay* was deliberate as well as the eventual diplomatic response. U.S. Department of State, *FRUS: The Far East, 1937*, 488-506.

sinking of the Panay as both deliberate and one of a growing number of examples demonstrating Japan's vision of a Pan-Asian empire—an empire that did not include the influence of the United States or the “Open Door” trade privileges in China to which the United States had become accustomed.³⁶

Throughout 1938, U.S. officials in the State, Treasury, and War Departments and the various military branch offices expressed increasing concern about Japanese actions in China, but they could not agree on the best course of action. Treasury Secretary Henry Morgenthau developed a controversial proposal to provide economic aid to Chiang Kai-shek's troops in 1938, which set off considerable bureaucratic bickering.³⁷ Officials from the State and War Departments and the military were unsure that economic aid would help the Chinese forces, and some officials had already started questioning Chiang's military and governance practices—skepticism that would only increase with time. Conversely, Morgenthau was concerned about the rising threat to global economic security that he perceived from Nazi and Japanese ambitions if the Japanese were able to dominate China.

Against this divisive backdrop, the combination of two external factors finally determined the outcome of debates over U.S. China policy. First, the Japanese released a declaration in November 1938 specifying a “new order” for East Asia that would render the

³⁶ Late in the 19th century, U.S. diplomats and statesmen had negotiated treaties guaranteeing the U.S. most favored nation status and privileges of extraterritoriality in China's interior, essentially ensuring that U.S. businesses would have an “open door” to China, as the policy became known. For further on the Open Door Policy or the reasons why the last Chinese emperors found it advantageous, see LaFeber, *The American Age*, 103 and Warren I. Cohen, *America's Response to China: A History of Sino-American Relations*, Fifth Edition (New York: Columbia University, 2010), 11, 71.

³⁷ This paragraph briefly summarizes a much more detailed account of the controversy that Michael Schaller meticulously researched in the National Archives in Washington, D.C. and the Franklin D. Roosevelt Presidential Library in Hyde Park, NY. See Schaller, *The U.S. Crusade in China, 1938-1945*, 17-38.

Open Door policy moot.³⁸ This declaration, taken together with the growing body of reporting from American diplomats and military attachés in Asia in the late 1930s and early 1940s, informed a consensus among U.S. officials who did not always agree on Asia policy that Japan's ambitions were a serious threat to the future of U.S. and European interests in East Asia. This realization elevated support for China to a top priority of U.S. policy in Asia. Second, officials throughout the U.S. government became aware that the Chinese were receiving Soviet aid. Concern emerged within the U.S. government that such aid would shift Chinese loyalties toward the Soviets.³⁹

From 1939 to 1941, these realizations had increasing influence over the willingness of the United States to provide economic aid to China, which it did via Chiang's Nationalist Party-led government. The United States had delivered a cache of military equipment and supplies worth \$45 million to Chiang Kai-shek's troops in fall 1941.⁴⁰ By December 1941, China was regularly receiving supplies and weapons as part of the Lend-Lease policy, General Claire Chennault was commanding a unit of airmen—the Flying Tigers—making initial air assaults on behalf of the Chinese, and American military advisors were beginning to assist Chinese forces.⁴¹

³⁸ Statement by the Japanese government, November 3, 1938, *FRUS, Japan 1931-1941* (Volume I), (Washington, D.C.: Government Printing Office, 1943), 477.

³⁹ Although Chinese connections with the Soviets were one factor in U.S. decision making about China policy in 1938 and 1939, Soviet aid to the Chinese temporarily ended in 1939 due to Stalin's signing of a non-aggression pact with Hitler. Because Japan was part of the Axis powers, the Soviet Union had agreed not to interfere in Japan's actions in China. See Yu, *OSS in China*, Ch. 2.

⁴⁰ Rana Mitter, *Forgotten Ally: China's World War II, 1937-1944* (Boston: Houghton Mifflin Harcourt, 2013), 235.

⁴¹ Chennault became Chiang Kai-shek's air force advisor in 1937 after resigning from the U.S. Army in the belief that helping Chiang through his volunteer air force would keep the United States out of the war in China. R. Harris Smith, *OSS: The Secret History*, 243.

Initial U.S. WWII strategy in China

By the beginning of 1942, the decade of transformation in U.S. policy in China from isolation to use of force was complete. The Japanese surprise attack on Pearl Harbor in 1941 removed the remaining hesitance on the part of the U.S. government about aligning with the Chinese forces to fight Japan. However, because the war in Europe required so many American troops and resources, U.S. officials were still reluctant to deploy extensive American ground forces to China, preferring to provide support to Chinese forces in the form of training, funding, weapons, and air support. U.S. foreign policy advisors began seeking opportunities to cooperate with counterparts in the coalition army commanded by Chiang Kai-shek. Although U.S. diplomats in China throughout the 1930s had collected reports and examples of Chiang's corruption and doubts had already surfaced in bureaucratic channels about his priorities and authority, U.S. strategic interests in China initially superseded these reservations.

The U.S. government tasked numerous officials to focus intently on pursuing U.S. strategic goals in Asia in the 1930s and early 1940s, even after Pearl Harbor, but U.S. concerns in Asia unquestionably took second place to activities on the European front. British and American leaders articulated this fact particularly succinctly at the Arcadia Conference in 1942, when Allied forces summarized their grand strategy for the war as "Europe First, Asia Second."⁴² The Allies counted on the Chinese forces to resist the Japanese until the war in Europe was complete, at which point they would discuss increasing U.S. and British support and intervention in China.⁴³

⁴² See Maochun Yu, *The Dragon's War: Allied Operations and the Fate of China, 1937-1947* (Annapolis, Md.: Naval Institute Press, 2006, Chapter 5.

⁴³ Herbert Feis, *The China Tangle: The American Effort in China from Pearl Harbor to the Marshall Mission* (Princeton, NJ: Princeton University Press, 1953), 13.

U.S. officials also perceived China as part of a broad campaign to encircle the Japanese forces, strangling their ability to expand further. U.S. war planners feared that if Japanese occupiers successfully overwhelmed or co-opted Chinese forces, it would severely damage the U.S. ability to bring its forces to bear in other parts of the war. Moreover, the complete defeat of China by Japan would free the 600,000 Japanese troops fighting there to pursue Allied targets elsewhere.⁴⁴ The Allies' grand strategy envisioned a "cordon of defense" with one "anchor" in Australia and the other in India and Myanmar; American airpower and Chinese forces would expel the Japanese military from China while European allies protected India, Australia, and those parts of Southeast Asia not under Japanese control.⁴⁵ Allied leaders strategized that assisting the Chinese in mounting a strong, continuous defensive position would weaken Japanese forces overall.

Beyond the immediate interests related to the shared Chinese and American goal of defeating the Japanese, U.S. officials also determined that assisting China served specific long-term U.S. foreign policy interests. The United States wanted a stable, productive China that could continue to be a lucrative trade partner and provide a capitalist buffer zone between the Soviet Union and Southeast Asia. American corporations, including some with ties to the Roosevelt family and other American elites, took an interest in China as a potential market. According to historian Robert L. Messer, "Whenever the subject of China arose, Roosevelt reference his family history in the China trade including how his maternal grandfather Warren Delano made millions "helping civilize the country with railroads, steamships, and telegraph

⁴⁴ Mitter, *Forgotten Ally* (Boston: Houghton Mifflin Harcourt, 2013), 244.

⁴⁵ Feis, *The China Tangle*, 14.

lines.”⁴⁶ Throughout the nineteenth and early twentieth centuries, when considering China, most Americans had reactions similar to Roosevelt’s: when they thought of China at all, they considered it to be one big potential market, both for American products and American religious and political thought. This assumption consistently influenced U.S. policy toward China in the 1930s and early 1940s, even though the Chinese markets are only now beginning to meet the potential consumer demand most American corporations imagined.⁴⁷

A second long-term interest of the United States in China that intensified as World War II progressed was American concern over the Sino-Soviet relationship. The long-term American vision for China to become a source of economic and political stability in Asia that the United States could lean upon would not be possible if China became part of, or closely aligned with, the Soviet Union, an increasing fear for U.S. officials in the 1930s and 1940s. China’s two most significant vulnerabilities to the Soviet Union that U.S. officials identified in the early 1940s were the possibility of the Soviet invasion of Japanese-held territory in northern China and the continuation or escalation of Soviet engagement in Chinese politics.⁴⁸ As World War II continued, U.S. policymakers became more concerned about the potential for partnership between the Soviet Union and CCP than about Soviet aid to the Nationalist Party. However, it is important to note the extent of Soviet aid and military support that both the Nationalists and the CCP received after the collapse of the Qing dynasty in China’s 1911 national political

⁴⁶ Robert L. Messer, “Roosevelt, Truman, and China: An Overview,” 63.

⁴⁷ For further on commercial interests as a factor in U.S.-China relations in the past two centuries, see Robert G. Sutter, *U.S.-Chinese Relations: Perilous Past, Pragmatic Present* (Lanham, CO: Rowman and Littlefield, 2010), 17-38; James C. Thomas Jr., Peter W. Stanley, and John Curtis Perry, *Sentimental Imperialists: The American Experience in East Asia* (New York: Harper & Row, 1981), 31-44; John King Fairbank, *The United States and China*, Fourth Ed. (Cambridge, Mass.: Harvard University Press, 1981), 314-335.

⁴⁸ Yu, *The Dragon’s War*, 10.

revolution. The Soviet Union had exerted influence in Chinese politics throughout the 1920s and 1930s, hoping China would become a Soviet ally, if not another Communist state.⁴⁹

Starting in the 1920s, the Soviet Union provided financial and advisory support not only to China's Communist Party but also to the Nationalist party, which had originally been founded by Sun Yatsen with the goal of transforming post-imperial China into a modern nation-state. Soviet leaders determined that encouraging China's political transition toward nationhood was a sound first step toward fostering the possibility of socialism there.⁵⁰ To this end, the Soviet Union in the 1920s provided the Nationalist Party with funding to develop and train a modern, professionalized military at the Whampoa Military Academy, which Chiang Kai-shek led prior to succeeding Sun Yatsen as head of the Nationalist Party.⁵¹ The Nationalist continued receiving Soviet military aid until 1927, when Chiang supervised a brutal crackdown on the Chinese Communists.

The Soviet Union did not agree to continue providing aid to the Nationalist-led government of China until 1937, after the CCP and the Nationalists reunited in a fragile United Front against Japan.⁵² According to statistics compiled from Russian and Chinese sources by historian Maochun Yu, by the end of 1941, the Soviets had provided China with almost 1,000

⁴⁹ Yu, *The Dragon's War*, 10.

⁵⁰ The outcome of the Chinese Revolution achieved such importance in the Soviet Union that the Soviets provided aid to both the fledgling CCP and the Guomintang as part of the Communist International (i.e., Comintern) anti-imperialist mission for the global spread of Communism. For further on Soviet influence in Chinese politics in the 1920s, see Guillermaz, 67-69.

⁵¹ Yu, *The Dragon's War*, 10.

⁵² The term "united front" emerged from Marxist and Leninist theories of communist revolution that suggested communists should form partnerships with other segments of society when it was necessary for the survival of the movement, even if doing so slightly delayed the socialist revolution. In the Chinese context, the term has generally been used to denote multiparty cooperation in twentieth-century politics, even after the CCP achieved a monopoly on state political power after 1949.

aircraft; 10,000 machine guns; 50,000 rifles; 2,000 trucks; and loans totaling \$250 million.⁵³ More significantly, Stalin recognized that a major weakness in China's war effort against the Japanese was the lack of industrial capacity that prevented it from making its own weapons, armor, and ammunition. Thus, Stalin began a program in 1937 to build manufacturing facilities for combat aircraft in China using Soviet-supplied engine blocks, and he instigated the development of oil fields in China to help fuel China's industrialization.⁵⁴ To the extent that U.S. officials became aware of these aid programs at the time, they became a lingering source of concern in the context of U.S. policy toward China.

The Pearl Harbor attack eliminated remaining inertia about the United States entering World War II, and U.S. officials began to implement an official alliance with China against the Japanese in the first months of 1942.

The U.S. struggle to collect wartime intelligence in China

As U.S. policy in East Asia made the shift from isolationism to an alliance with China, the need for strategic intelligence on China and Japan intensified. Despite the policymakers' increasing interest in improving intelligence collection in East Asia, the changes made to the administrative process of intelligence collection initially did little to solve the problem of increasing the flow of information to those who needed it. Instead, most reforms served to exacerbate turf wars that had been brewing between old and new agencies competing for intelligence opportunities, budgetary resources, and Roosevelt's attention. The competition between agencies over who would collect intelligence in China and how absorbed attention of the bureaucratic managers in Washington that might otherwise have been spent determining how

⁵³ Yu, *The Dragon's War*, 13.

⁵⁴ Yu, *The Dragon's War*, 16.

to effectively utilize the expertise that existing personnel based in the region had developed about China and Japan. Instead, the interagency bickering had the effect of sidelining many talented U.S. government experts on China, limiting the free exchange of the intelligence that was collected, and irritating those in the Chinese central government who could have shared some of the necessary strategic and tactical information on Japanese activities that the United States desired.

Due to the rapid change in U.S. strategic priorities in East Asia, China quickly became an important battleground in the friction within the executive branch agencies and U.S. military about intelligence reform in 1941. Historian Maochun Yu has argued persuasively that U.S. intelligence actions in China precipitated some of the most important and intense interagency conflicts of the World War II era, which had pivotal implications for the U.S. intelligence reforms that occurred throughout the 1940s and ultimately established today's U.S. intelligence community. Yu demonstrates that Roosevelt's creation of the COI and OSS was the catalyst for a new, intense struggle for bureaucratic power and relevance within executive branch agencies, emphasizing "the very first battleground was over control of intelligence gathering in China."⁵⁵

In a revealing example of the competitive behavior to which Yu is referring, on the same day that Roosevelt established the COI (July 11, 1941), the G-2 under George Marshall officially established an American military intelligence mission in China. Known as the Magruder mission, after Brigadier General John Magruder who was chosen to lead it, the mission was a deliberate attempt to pre-empt COI intelligence operations in China using Army personnel. Brigadier General Sherman Miles, head of the G-2 and known rival of General Donovan, told Magruder the purpose of his mission was to "advise the Chinese government in all military matters,

⁵⁵ Yu, *OSS in China*, 7.

particularly in the use of Lease Lend credits or Lease Lend material which they may receive from us,” and “keep the Chinese Government informed as to such military plans or progress made here as we may want them to have” such that “when we get into this war actively, the mission will be the liaison for strategic planning and cooperation with our ally, China.”⁵⁶

Magruder arrived in China in October, 1941, and began serving as the official U.S. intelligence liaison with the Nationalist-led Chinese government, a role in which he remained until he was supplanted by General Joseph Stilwell in 1942.⁵⁷ Magruder, an Army intelligence officer who spoke Chinese and had served several tours in China including a stint as attaché (1926-1930), made contacts with Chiang Kai-shek and China’s notorious and powerful intelligence director Tai Li.⁵⁸ Both the Navy’s ONI and the nascent COI requested the ability to post personnel to the Magruder mission, but G-2 headquarters denied these requests. The Chinese government’s first U.S. intelligence contacts were Army G-2 intelligence officers. Magruder began dispatching a daily intelligence summary on December 13, 1941, only days after the beginning of the U.S. Pacific War.⁵⁹

Effective foreign intelligence operations typically require the support and resources provided by intelligence liaison relationships. Cut off from such relationships in China by the Army, Donovan and ONI leaders both sought other opportunities to get a foothold in China intelligence collection in 1941. Initial COI operations in East Asia flopped spectacularly,

⁵⁶ Yu, *OSS in China*, 8.

⁵⁷ Incidentally, Magruder was so angered at his poor treatment when General George Marshall decided to unify command of all U.S. intelligence and military operations in China under Stilwell in March 1942 that he quit the Army and began working for the G-2’s major rival, Bill Donovan. For further on Magruder, see Yu, *OSS in China*, 27-29.

⁵⁸ Tai Li’s official title was Director of the Bureau of Investigation and Statistics. The Bureau was the KMT’s intelligence arm.

⁵⁹ Yu, *OSS in China*, 8-9.

alienating both General MacArthur in the Pacific and officials in the State Department, such as Stanley Hornbeck, State's chief policy advisor on East Asia at the time, and Ambassador Clarence Gauss, who served in the U.S. Embassy in China (then located in China's wartime capital of Chongqing).⁶⁰

Understanding the general importance of China, and specifically southwest China, to the U.S. supply chain in the Pacific War is important to understanding the history of U.S. intelligence operations in Communist areas because the CCP operated in many of the areas in western China that were considered "behind Japanese lines" and critical to the operation of the United States supply chain. Collecting weather intelligence and monitoring these areas to protect the U.S. supplies and information became an important intelligence task as the war progressed. With Japanese forces dominating the major land routes to China through Southeast Asia until 1944, U.S. airpower became the best way to transport aid and resources into China. Over the course of the war, U.S. planes carried an enormous amount of equipment to China from India in a route to which Allied officials referred as "The Hump," due to the tall mountains on the China-Burma border that U.S. planes had to cross. The delivery of the peak tonnage over the Hump took place between 1943 and 1944.⁶¹ After 1944, the opening of the Ledo Road connected older roads through Burma to create the route that became known as the Stilwell Road to China.⁶² Both routes allowed the United States to transport materiel and intelligence in and out of China.

⁶⁰ General MacArthur had been opposed to the creation of OSS and he banned them from operating in the South Pacific region under his command. R. Harris Smith, *OSS: The Secret History*, 250-1.

⁶¹ John D. Plating, *The Hump: America's Strategy for Keeping China in World War II* (College Station, TX: Texas A&M University Press, 2011), 5-12.

⁶² Plating, *The Hump*, 2.

In the interagency turf wars that occurred in the early 1940s over who would collect intelligence in China and how, OSS and ONI became unlikely allies, and they tended to seek connections with Nationalist officials such as Tai Li to focus on technical intelligence collection, such as radio. General Chennault and the Army Air Force intelligence officers, who valued technical intelligence collection, were supportive of the Navy and OSS intelligence plans believing they would yield tactical information about the Japanese positions that would be useful for bombings and Hump missions. Conversely, officials from the Army and State Department opposed the OSS/ONI willingness to ingratiate themselves with the Nationalist Party leadership. Although they were hardly friends with each other, General Stilwell and Ambassador Gauss opposed the OSS and ONI officers more than they despised each other, and they often teamed up to undermine or supersede OSS/ONI intelligence plans in China. In 1942, Donovan faced “rapidly rising hostility toward COI from the State Department and the army theater commander in China,” according to Yu.⁶³ At the beginning of 1942, the United States was facing a new war in East Asia in partnership with an unfamiliar ally in the form of Chiang Kai-shek and supported by a national intelligence community that was undersized and unprepared for the task it faced.

Implementing U.S. Pacific War Strategy with China

Based on short- and long-term American strategic interests in China during World War II as described above, the United States took two key steps between 1941 and 1944 to support China’s fight against Japan and ensure that China stayed in the war while the Allies continued to focus on Europe. First, the United States continued delivering substantial American aid to China, in the form of money, goods, and training. Second, the U.S. partnered with Generalissimo

⁶³ Yu, *OSS in China*, 61-62.

Chiang Kai-shek, the chairman of the Nationalist Party who was recognized by most of the world as China's President and head of state at the time.

The official entry of the United States into the Pacific War in December 1941 opened the door for a larger and more sustained aid relationship with China. Chiang Kai-shek asked for a \$500 million loan from the United States to help his troops continue fighting to repel the Japanese advance into Chinese territory.⁶⁴ After some debate and misgivings by the Secretaries of Treasury and State, who feared—with some valid justification—that corruption of the Nationalist regime would siphon off meaningful percentages of the aid dollars, Congress approved a \$500 million aid package for China's Nationalist-led government in March 1942.⁶⁵ The aid package was substantial, to be sure, but the money was only a tiny fraction of the global Lend-Lease disbursements received by other allies, such as Great Britain. Between 1941 and 1945, aid to China comprised an average of 2 percent of the total U.S. Lend-Lease budget. Consistent with the stated U.S. priorities and interests in the global war, the aid distributed to China in 1941 represented about 1.5 percent of the money distributed globally.⁶⁶

Roosevelt partners with Chiang Kai-shek

Although the United States had some qualms about Chiang Kai-shek's intentions and encountered many frustrations and difficulties with him during their alliance in 1940s, the initial decision for the United States to partner with Chiang was fairly obvious. Chiang appealed to Roosevelt and other U.S. policymakers who were seeking an appropriate counterpart for

⁶⁴ Mitter, *Forgotten Ally*, 244-5.

⁶⁵ *FRUS, 1942, China*, 13, 46, 458, and 461-2.

⁶⁶ Specific aid percentages from Mitter, *Forgotten Ally*, 244-245. See also Lloyd E. Eastman, "Nationalist China during the Sino-Japanese War, 1937-1944," in Eastman et al., *The Nationalist Era in China, 1927-1949* (Cambridge, 1991), 145.

themselves in a traditional diplomatic paradigm in which top leaders and monarchs engaged in personalized negotiations on behalf of their nation-states that followed the norms of polite interpersonal relations in Western high society.

Moreover, Chiang and his family went to considerable lengths to encourage a personalized diplomatic relationship with the Roosevelt administration and to lobby for their cause in Washington DC. Chiang and his wife, Song Meiling, who was also known simply as Madame Chiang, appealed to American politicians in the 1930s and 1940s. Madame Chiang, a Christian who spoke English, having been educated in the United States, was the sister-in-law of Sun Yatsen. Chiang's brother-in-law, T.V. Song, headed the front company in the United States that used Lend Lease funds to purchase military supplies on behalf of China. Song recruited high-ranking bureaucrats and elite businessmen, whom he paid well, to help his company and encourage American policymakers to support the Chinese cause, and the Nationalist Party in particular.⁶⁷ Personal experiences with Chiang and his extended family as well as the image the Nationalist leaders cultivated with Americans made strong impressions on U.S. policymakers all the way up to the White House. FDR based his respect for Chiang in part on an exaggerated view of the Generalissimo's accomplishments. Roosevelt once explained to General George Marshall that he admired Chiang's ability to unify China under his leadership and establish "in a very short time throughout China what it took us [the United States] a couple of centuries to attain."⁶⁸

Roosevelt's description of early twentieth-century Chinese politics was charitable (if not downright "fictional" as Foreign Service officer John Davies described it in his memoirs).⁶⁹ It

⁶⁷ Kenneth E. Shewmaker, *Americans and Chinese Communists, 1927-1945: A Persuading Encounter* (Ithaca, NY: Cornell University Press, 1971), 54-55.

⁶⁸ John Paton Davies, *China Hand: An Autobiography* (Philadelphia, PA: University of Pennsylvania Press, 2012), 105.

⁶⁹ Davies, *China Hand*, 105.

was true, however, that few viable alternative Chinese partners for the United States existed in the 1940s beyond Chiang Kai-shek. By 1941, the Nationalists under Chiang's leadership had emerged as the political leaders of China, even if they had not completely consolidated power over China before the Japanese invasion. Chiang's position as head of the Nationalist Party provided a solid foundation for his claim to authority over the entire mainland. The Nationalists had inherited and gained control of the levers of political power in China left behind by the collapsed Qing regime and China's 1911 political revolution. To the extent that basic central government services such as taxation, maintenance of infrastructure, administration of basic public education, and the cultivation of a national civic sensibility were occurring in China during the initial decades of the twentieth century, the Nationalist government was responsible. The Nationalist government had been controlling most major cities in China, including political and commercial urban capitals on China's north and eastern corridors, whereas opposition forces, to the extent that they existed, tended to exert power only in hinterlands, far from railroads, ports, and urban infrastructure that were important resources that the Chinese and Japanese were struggling over.⁷⁰

The most powerful opposing minority party in China that had not been co-opted or absorbed by the Nationalist government was the CCP, which made an unlikely initial ally for the United States and not only due to their Communist ideology. The CCP had been severely weakened when Chiang had identified it as a threat to his party's political power in the 1920s. Chiang and the Nationalists had invested massive amounts of energy and resources into

⁷⁰ It is worth noting that in addition to facing threats from local warlords and the CCP, Chiang also had rivals for power *within* the Nationalist Party itself who sought foreign support in the late 1930s to establish a new Nationalist government, but ultimately failed. For further on Chiang Kai-shek's intraparty rivalry with Wang Jingwei, see Mitter, *Forgotten Ally*, Chapter 12.

persecuting the CCP throughout the late 1920s and 1930s, and their efforts had been highly effective in limiting its membership and political authority in the 1930s. By 1941, the CCP had approximately one million members, many of who were isolated into the CCP headquarters base camp at Yan'an in rural Shaanxi province or operating in decentralized guerrilla units to fight the Japanese from behind the battle lines. In addition to the economic and geographic constraints inherent to being based at Yan'an, the Nationalist Army had encircled the CCP base area, limiting the ability of individuals such as foreign correspondents or American government officials to have contact with the CCP leaders throughout the late 1930s and early 1940s.⁷¹

For his part, Chiang probably viewed partnering with the United States as a necessary evil that both enhanced his personal prestige and credibility, potentially bringing China's voice into global diplomatic forums, and reinforced the U.S. intentions to continue financial and materiel aid on which his troops had come to rely. After more than a decade of armed conflict, with Japan and rivals in China, Chiang's resources were depleted, making him eager to recruit allies in the West, despite the potential harms of teaming up with world powers that many in China saw as perpetrators of the humiliation that was one factor motivating China's revolution and shaping domestic politics in the early decades of the twentieth century. Both the United States and the British agreed to help China. Neither arrangement was perfect, but Chiang preferred the Americans to the British, whose global footprint came into conflict with the anti-imperialist agenda of the Chinese revolution. In terms of understanding the U.S.-China alliance from Chiang's perspective, historian Rana Mitter has noted that the two sides looked at China's

⁷¹ CCP membership was recorded at 800,000 people in 1940 and 1.2 million by 1945, according to statistics cited by Guillerma in *A History of the Chinese Communist Party, 1921-1949*, 361. Rana Mitter cites similar statistics in *Forgotten Ally*, adding that the CCP commanded up to 900,000 regular troops in 1944 plus some militia forces. See Mitter, *Forgotten Ally*, 347.

role in the fight against the Japanese through “almost entirely different lenses.” Whereas the United States and the British viewed China as a weakened nation in need of rescuing support, the Chinese saw themselves as “the first and most consistent foe of Axis aggression” that “deserved to be treated as an equal power.”⁷² This mismatch in perspectives underscored much of the friction that surfaced in the relationship throughout the 1940s.

For the United States, and particularly for General George Marshall, partnering with Chiang Kai-shek to fight the Japanese meant finding ways to support Chinese troops without deploying large numbers of U.S. troops to participate in the fighting. U.S. commanders were firmly against the idea of sending Western troops to fight the Japanese in China out of concern that it would detract from their primary focus, which was fighting in Europe. In her seminal book on Stilwell and the American alliance with China, Tuchman explained:

“The hope of a strong China as one of the four cornerstones of the postwar peace had formed Roosevelt’s policy from the beginning and dictated the effort to sustain China through the war. Military strategy ran parallel. It intended that China’s manpower, not America’s should fight on the mainland; it needed China’s territory as a base of present air, and future ground, operations; above all, it depended on China’s continued resistance to hold down a million Japanese troops on the mainland. Otherwise they might be released against the American’s perilous progress from island to island across the Pacific.”⁷³

Nonetheless, Marshall thought it prudent to make a dramatic gesture that would demonstrate the extent to which the United States stood in solidarity with the Chinese against Japan’s invasion. Rather than issuing Chiang a blank check for U.S. military aid, Marshall believed Roosevelt should make America’s help contingent upon Chiang’s acceptance of U.S. military advisors. Upon Marshall’s recommendation, FDR persuaded Chiang to allow him to

⁷² Mitter, *Forgotten Ally*, 243-244.

⁷³ Tuchman, *Stilwell and the American Experience in China*, 2.

appoint an American to serve as Chiang's official chief of staff, advising the generalissimo on strategy, troop training, logistics, and resource allocation.⁷⁴ President Roosevelt negotiated an agreement between China, Britain, and the United States in early 1942 that kept Chiang Kai-shek in charge of China's war efforts but also agreed to assign him an American aide to assist with decision making and logistics.⁷⁵

Stilwell in charge

In March 1942, Joseph Wallace Stilwell, then age 60 and newly promoted to the rank of Lieutenant General, arrived in Chongqing to take the position and serve simultaneously as the commander of the U.S. CBI theater. Stilwell had graduated from the United States Military Academy at West Point in 1904 and started his military career serving as an intelligence officer in World War I. Stilwell was distinguished among U.S. military officers for his knowledge of Chinese, which he studied for many years while serving in the 15th Infantry regiment in the 1920s and as U.S. military attaché in China from 1935 to 1938. In the latter position in particular, Stilwell had observed the intensifying Japanese aggression in China.⁷⁶

Stilwell was a divisive figure, loyal colleagues and subordinates admired him as ardently as rivals despised him. Historian Rana Mitter takes a critical view of Stilwell, arguing that he “had a particular way of viewing the world, and anything that ran counter to the assumptions that shaped that view was dismissed as irrelevant, or worse, maliciously intended to undermine him,”

⁷⁴ Mitter, *Forgotten Ally*, 250-251.

⁷⁵ See *FRUS, 1942, China*, 1-10.

⁷⁶ Stilwell is the subject of numerous biographies. Barbara Tuchman's *Stilwell and the American Experience in China, 1911-1945* is still considered the seminal study of Stilwell's life and role in the U.S.-China alliance during World War II. Part I focuses on Stilwell's life prior to World War II.

which “suggested severe limitations on his skills as a military commander.”⁷⁷ Foreign Service officer John Paton Davies, Jr., who worked closely with Stilwell during the war and who counted himself among Stilwell’s supporters suggested that “Stilwell’s unwillingness to dissemble, to conceal his low opinion of pomposity, hypocrisy, and the sacrifice of military considerations to political expediency aroused the resentment of those he held in contempt.”⁷⁸ Stilwell’s lifelong tendency to speak his mind in an acerbic and direct fashion when teaching cadets at West Point following World War I earned him the nickname “Vinegar Joe,” which stuck with him throughout his career, as did his sharp tongue.⁷⁹ However, Stilwell’s sharp and succinct style of speech was not a reflection of his lack of intellect or education. Davies emphasized that Stilwell “was often an abusive vulgarian in his speech and writing. And yet—he was also a man who had a discriminating command of the English language and who possessed refined perceptions and tastes.”⁸⁰ The combination of refinement and vulgarity Stilwell exhibited is apparent from his personal motto, in Latin, as recorded by Tuchman: “*Illegitimi non carborundum*, which he translated as “Don’t let the bastards grind you down.”⁸¹

Stilwell’s orders in 1942 were to design and lead reforms of the Chinese forces that would make them effective in battle against the Japanese army. Knowing the air route over the Himalayas into China from India was precarious and expensive, Stilwell’s strategy focused on securing a land-based route for supplies through Southeast Asia. To accomplish his aims,

⁷⁷ Mitter, *Forgotten Ally*, 256.

⁷⁸ Davies, *China Hand*, 100.

⁷⁹ Tuchman, *Stilwell and the American Experience in China, 1911-45*, 123-143.

⁸⁰ Davies, *China Hand*, 99.

⁸¹ Tuchman, *Stilwell and the American Experience in China, 1911-45*, 4.

Stilwell needed to “enable the Chinese ground forces to fight efficiently; to so train, arm, and equip the Chinese soldier, and assure his pay, food, and medical care, as to create an effective military arm.”⁸² General Marshall had placed Stilwell in charge of American forces in China and Southeast Asia, but he also specified that “General Stilwell himself will always be under the command of the Generalissimo,” ultimately placing Stilwell in a difficult position to accomplish his task in China.⁸³ The relationship between Stilwell and Chiang began cordially, with mutual respect exhibited, but Chiang was careful to demonstrate his authority to Stilwell. As Mitter explained, “Chiang was content to allow the Americans the gesture of appointing Stilwell to show the closeness between the U.S. and China, but he had no intention of actually ceding command to a Westerner.”⁸⁴

Within days of Stilwell’s arrival in Chongqing in March 1942, the first COI officer dispatched to collect intelligence in China also arrived. COI had sent Esson Gale to recruit Korean exiles living in Chongqing to participate in the collection of secret intelligence and sabotage throughout East Asia in a plan modeled after standard British intelligence practices at the time. Gale, chairman of the Department of Far Eastern Studies at the University of California at Berkley prior to joining COI, was part of Donovan’s R&A branch and had no previous intelligence experience.⁸⁵ Gale’s orders were to work circumvent State Department and G-2 personnel already operating in the region and to work directly with the British intelligence officers based at the British Embassy in Chongqing. The plan reflected COI’s lack of awareness

⁸² Tuchman, *Stilwell and the American Experience in China, 1911-45*, 3.

⁸³ Memo from Marshall to Magruder, February 6, 1942, quoted in Mitter, *Forgotten Ally*, 250.

⁸⁴ Mitter, *Forgotten Ally*, 253.

⁸⁵ A brief version of Gale’s career biography can be found in his obituary, “Esson M. Gale, Expert on Far East,” *New York Times*, May 16, 1964.

of the situation in China, where seasoned G-2 officials and Foreign Service officers had cultivated their own social networks and norms and where Chiang Kai-shek and his intelligence director Tai Li harbored deep distrust for the British diplomats and intelligence officers. Upon arrival in Chongqing, Gale demonstrated poor discretion, flaunting his connections to the British intelligence officers and establishing an office for himself at the Jialing Hotel in Chongqing, where most foreign correspondents and other foreign observers stayed in Chongqing. Word of Gale's intentions quickly spread, stirring vehement reactions from U.S. and Chinese officials alike.⁸⁶ Chinese intelligence director Tai Li was among the most infuriated. The episode was one among many catalysts that prompted Tai Li to require the British intelligence officers to leave Chongqing. By April, the Gale mission was also scuttled. Having attempted and failed to establish intelligence operations in China unilaterally and facing the loss of British officers who could mentor his newly recruited personnel, Donovan had little choice but to partner with Stilwell.

The Problem of the Fragile United Front

Although in the early stages of the war, President Roosevelt was convinced that the measures the United States took would help achieve the main objectives of the United States, many within the U.S. government did not share the President's optimism on the alliance with China. What historian Michael Schaller called "centers of opposition" developed vis-à-vis Roosevelt's wartime China policy within the U.S. Departments of War, State, Treasury, and Navy as well as the new OSS.⁸⁷ As Schaller explained: "The most significant contradictions and strains in China policy developed between the President and his aides, who in Washington took a

⁸⁶ For a comprehensive assessment of the Gale mission and its repercussions, see Yu, *OSS in China*, 14-22.

⁸⁷ Michael Schaller, *The U.S. Crusade in China, 1938-1945*, 99.

broad, long-term view of events, and the military and diplomatic officers stationed in China, who faced the realities of the political and military battlefield.⁸⁸

As the war intensified in China, the U.S. officials in China who understood China's domestic political context soon faced the arduous task of explaining to colleagues and superiors in Washington who had little familiarity with China, including President Roosevelt, that enmity between the Nationalists and CCP was more extensive and more significant to anti-Japanese war efforts that the United States had factored into its plans. In the early months of 1941, to the extent that they were familiar with Chinese politics, many U.S. officials involved in war planning found the idea of Nationalist and CCP forces cooperating to defeat the Japanese to be both plausible and sensible, but it soon became clear that the fundamental enmity between the two parties was affecting Chinese strategic decision making. Although they initially underestimated and misunderstood the depth of the Nationalist-CCP conflict, U.S. officials soon found themselves in the middle of the decades-old unresolved debate between the Nationalists and CCP on the appropriate form a post-dynastic Chinese state should take.

Political debates in China that were erupting into violent conflict throughout the 1930s and 1940s had their roots in early twentieth-century events. Following the collapse of the Qing Dynasty—China's last dynasty—in the revolution of 1911, Sun Yatsen founded China's Nationalist Party, the Kuomintang, of which Chiang Kai-shek eventually became top leader. Sun's top priority was to develop a political system that enabled China to modernize. He encouraged Chinese people to view themselves as citizens of a Chinese nation and urged them to embrace international ideas.⁸⁹ Although they agreed with the basic principles of the 1911

⁸⁸ Michael Schaller, *The U.S. Crusade in China, 1938-1945*, 99-100.

⁸⁹ For further on the political, social, and cultural history of Sun Yatsen's reforms see, for example, Lucian Bianco, *Origins of the Chinese Revolution, 1915-1949*, (Stanford, Calif.: Stanford University Press, 1971); John Fitzgerald,

revolution, the Chinese political parties and movements that had emerged by the time Sun died in 1925 responded to Sun's mandate for China to modernize with a variety of political ideologies, including anarchism and communism.

The Nationalist Party, the Guomindang (GMD) or Kuomintang (KMT) in Chinese, established the Republic of China based on a modified version of liberalism.⁹⁰ The Republic's leaders inherited some of the administrative vestiges of late Qing imperial bureaucracy, which, though crumbling, included traditional levers of state power such as conventional military forces and a dysfunctional system for collecting taxes from China's populous but poor countryside via a network of local officials. Dominance of these traditional measures of political power offered the Nationalists legitimacy with some elements of the Chinese population, but most experts now argue that the party's popularity was uneven, transitory, and far from consolidated statewide.⁹¹ Chiang faced significant opposition to unifying China under one Republican government throughout the 1920s from various local warlords who had accumulated political and military power in the waning days of the Qing dynasty. Chiang's authority was strongest in the urban

Awakening China: Politics, Culture, and Class in the Nationalist Revolution (Stanford, Calif.: Stanford University Press, 1996); and Henrietta Harrison, *The Making of the Republican Citizen: Political Ceremonies and Symbols in China, 1911-1929* (Oxford: Oxford University Press, 2000).

⁹⁰ Guomindang is the spelling for the party's name using the Pinyin system of Romanizing Chinese characters, which is the system recognized today by the People's Republic of China. Older sources, including many referenced in this dissertation, and sources from Taiwan spell the party's name "Kuomintang" (KMT). The Chinese characters, and the pronunciation of the party's name, are the same using both spellings.

⁹¹ Among the historians best known for critical views of Chiang Kai-shek, Lloyd E. Eastman has been particularly influential. His essay on the Nationalists in Lloyd Eastman, et al. eds. *The Nationalist Era in China, 1927-1949* (Cambridge: Cambridge University Press, 1991) provides a detailed overview of his assessment of Nationalist weaknesses that hastened the party's defeat in the Chinese civil war of 1945-1949. However, the historiography on this issue is voluminous other recent works that illuminate the Nationalist role in the outcome of the civil war include Mitter, *Forgotten Allies*, and Odd Arne Westad's *Decisive Encounters: The Chinese Civil War, 1946-1950* (Stanford, CA: Stanford University Press, 2003).

areas, particularly in the eastern portions of China—the same areas that Japan sought to occupy in the 1930s.

Conversely, the CCP had struggled to recruit broad support for their socialist ideology in urban areas from the time of the party's founding in 1921 until it established its base at Yan'an in 1935. In the first several years after its founding, the CCP was an extremely decentralized group that consisted mostly of Chinese intellectuals from a spectrum of philosophical persuasions, including anarchists, who had a variety of creative visions for how the Chinese people should take responsibility for their own governance, and other radicals who espoused several competing interpretations of Marxist-Leninism.⁹² The early CCP leaders envisioned themselves potentially coexisting with other Chinese political parties in a coalition government, which they gradually hoped to steer toward socialist policy. They maintained the expectation of a multiparty coalition governing China until well into their 1945-1949 civil war with the Nationalists, and preserved the impulse in the constitution of the People's Republic of China.⁹³

In the first few years after the CCP's foundation, Chiang Kai-shek and other Nationalist leaders did not consider the Communists to be a serious threat because they assessed the CCP to be merely a small and disorganized collection of intellectuals—initial impressions that were somewhat warranted at the time. In his landmark study of the CCP organizational history from 1920 to 1927, Hans Van de Ven assessed that the early CCP leaders disagreed on how best to

⁹² For further on the intellectual and ideological history of the CCP, see Arif Dirlik, *The Origins of Chinese Communism* (New York: Oxford University Press, 1989).

⁹³ An English translation of the full text of the constitution of the People's Republic of China can be found online at http://www.npc.gov.cn/englishnpc/Constitution/node_2825.htm. Chapter III, Section 1 specifies the role and responsibilities of the National People's Congress, technically a multi-party system of governance although the Chinese Communist Party has maintained an effective monopoly on state power since forming the nation in 1949.

apply the principles of communism in the Chinese context.⁹⁴ In particular, they debated the necessity of the proletariat as a catalyst for a Chinese Communist revolution because China's population was mostly agrarian, in contrast to the urban workers who had supported Russia's Bolshevik revolution. At the heart of this debate was a question of mobilizing urban versus rural revolution. The Leninist model of socialist revolution required urban workers to form the proletariat that led the revolution. In this model, the Communist Party would serve as a guide for the urban workers in organized protest, using violence if necessary, maintaining a close relationship between political and military activity.⁹⁵ This ideal appeared highly impractical in China, where the CCP met with little success organizing and coordinating labor movements in major cities because factories tended to be run by powerful foreign capitalists who made formidable opponents for the inexperienced Chinese Communists and the predominately non-partisan populations of Chinese urban workers.⁹⁶

By the mid-1920s, having suffered the violent repression of several labor uprisings at the hand of the Nationalist-led government that sought to maintain order in China's cities and retain foreign direct investment in China's urban factories, the CCP began to shift their efforts to mobilizing peasants. This policy change was still a matter of considerable disagreement within

⁹⁴ Hans J. Van de Ven, *From Friend to Comrade: The Founding of the Chinese Communist Party 1920-1927* (Berkeley: University of California Press, 1991).

⁹⁵ For a definitive work on the Leninist model of revolution and its application in China that has stood the test of time, see Stephen F. Cohen, *Bukharin and the Bolshevik Revolution: A Political Biography 1888-1938* (New York: Knopf, 1973). Bruce Elleman has recently re-examined the role of the Soviet Comintern in 1920s China in *Moscow and the Emergence of Communist Power in China, 1925-30: The Nanchang Uprising and the Birth of the Red Army* (London: Routledge, 2009).

⁹⁶ For further on the CCP involvement with urban labor protests, see any of several volumes by Elizabeth Perry, especially *Patrolling the Revolution: Worker Militias, Citizenship, and the Modern Chinese State* (Lanham, CO: Rowman and Littlefield, 2006) or Stephen A. Smith, *Like Cattle and Horses: Nationalist and Labor in Shanghai, 1895-1927* (Durham, NC: Duke University Press, 2002). Michael Tsing has also compared the role of social class in the political motives of the KMT and CCP in Canton in *Nation, Governance, and Modernity in China, Canton 1900-1927* (Stanford, Calif.: Stanford University Press, 1999).

the party in the mid-1920s. By 1927, as the Nationalists' increasing power threatened CCP goals, most CCP leaders had moved their attention away from the question of if the party should mobilize peasants to the question of how to go about it, but these issues continued to produce friction between party leaders well into the 1930s.

With these internal ideological conflicts as a backdrop, foremost among the external factors exacerbating the CCP's struggle for political survival by mid-1927 was the deterioration of the alliance that the Soviet Comintern had encouraged the CCP to negotiate with the Chinese Nationalist Party in 1923—referred to in the CCP's official historiography as “the first United Front.” At the time, the Nationalists needed resources to continue wresting control of governance in China away from local warlords and unifying it under one national government. The Nationalist Party agreed to cooperate with the Communists in exchange for much needed Soviet aid.⁹⁷ Although the Soviets ultimately sought to assist China in transitioning to a socialist regime, preferably under the leadership of the CCP, they saw the unification of China under one political administration as a key step toward this goal.⁹⁸ With Soviet support, a small number of early CCP members served in Nationalist military units when they embarked upon the Northern Expedition unification campaign in 1926.⁹⁹ The Expedition intended to unify China by force

⁹⁷ Zhu De, “From the Nanchang Uprising to Going up the Jinggang Mountain [memoir],” Xinhua News Service, July 31, 1982. Translated by the Foreign Broadcast Information Service, August 3, 1982. For further reasons why alliance with the CCP was advantageous for the Nationalists, see Edward L. Dreyer, *China at War 1901-1949* (London: Longman, 1995), 117-123.

⁹⁸ Cohen, *Bukharin and the Bolshevik Revolution: A Political Biography 1888-1938*, 258-261.

⁹⁹ It bears recognition that individuals' self-identification with political parties in China at this time was somewhat murky, probably due to the newness of the Chinese republic and the social chaos of the warlord period. Several of the CCP's most famous early military leaders had been active Guomindang members before committing to the CCP cause or in some cases prior to the founding of the CCP in 1921. These individuals often had access to training at the Whampoa Military Academy before the Northern Expedition. For further information on the background of early CCP military leaders, see William W. Whitson, *The Chinese High Command: A History of Communist Military Politics, 1927-71* (New York: Praeger, 1973).

when necessary. In the meantime, the CCP followed a policy of “opportunism” or seizing serendipitous opportunities that arose to advance socialist goals by providing aid and political education to the Chinese population.¹⁰⁰ Prior to 1927, the CCP had not planned to use independent military force to bring about their rise to power.¹⁰¹ Instead, they intended to leverage their cooperation in the Northern Expedition to increase their political power.

With Comintern and CCP help, the Nationalists had garnered considerable political strength by 1927, successfully defeating or assimilating several regional warlords. Early successes in this campaign disrupted the internal politics of the Nationalist Party by making the alliance with the CCP less desirable.¹⁰² CCP activities to educate the Chinese population about socialism and stir up interest in CCP land reform policies also began to irritate Nationalist leaders. Debate over the arrangement and other leadership conflicts culminated in the Nationalist party’s division into two factions in April 1927. The faction that soon became dominant, under the leadership of Chiang Kai-shek, not only sought to end the alliance with the CCP, but also attempted to eliminate the CCP entirely through a violent attack on Communists in Shanghai on April 12. Chiang’s campaign killed or wounded many CCP members and forced others into hiding in Shanghai and elsewhere in eastern China. So ended the First United Front.

CCP members regrouped, militarized, and began attempting attacks on the Nationalists. At first they tried to foment uprisings in urban areas, such as the uprising at Nanchang that occurred on August 1, 1927, which the CCP today remembers as the founding event of its armed

¹⁰⁰ Jacques Guillermaz, *A History of the Chinese Communist Party 1921-1949*, trans. Anne Destenay (New York: Random House, 1972), 72.

¹⁰¹ Whitson, *The Chinese High Command*, 26.

¹⁰² In many cases, the Guomindang defeat of warlords was more “apparent than real,” as many warlords compromised with Chiang Kai-shek, according to Dreyer, *China at War*, 117.

forces. When several similar uprisings failed to gain traction in 1927 and 1928, the remaining party members retreated to base areas they established in rural southeastern China. From 1927 to 1933, the CCP developed several independent “soviets”—self-contained base camps run on a socialist governance model.¹⁰³ Some historians have suggested that the survival of these CCP bases was less a factor of their success as an experiment in socialist governance and more reflective of Chiang’s distraction by the combination of mop-up exercises still going on against warlords and Japan’s 1931 invasion.¹⁰⁴

Regardless of the other military demands placed upon him, Chiang made five attempts to encircle and destroy the CCP. The final and most successful attempt by Chiang to destroy the CCP base areas was a brutal crackdown launched in 1933 that made remaining in south China untenable for many of the surviving members of the CCP. In 1934, as many as 200,000 members of the CCP’s Red Army set out on the Long March—a notorious retreat of the main contingent of the CCP’s army from southeastern China on a journey of 8,000 miles through southern China and up through its center to Yan’an.¹⁰⁵

The CCP forces consisted of several decentralized armies at this point, and in 1935, the main Red Army arrived in Yan’an, the town in rural northwest China where the members of the U.S. Army Observer Mission would meet them almost a decade later. Several smaller armies

¹⁰³ Two sources are particularly useful for understanding the fate of the CCP’s soviets: Jacques Guillermaz, *A History of the Chinese Communist Party, 1921-1949*, and Gregor Benton, *Mountain Fires: The Red Army’s Three-Year War in South China, 1934-1938* (Berkeley: University of California Press, 1992).

¹⁰⁴ Edward L Dreyer, *China at War, 1901-1949* (London, New York: Longman, 1995), Ch. 5.

¹⁰⁵ Estimated numbers of participants in the Long March and various engagements of the early CCP-KMT conflict are nearly impossible to verify. The difficulty of finding legitimate sources may be one reason for the reluctance of scholars to study the Long March and the relative paucity of secondary sources about it. The figure of 200,000 initial participants and other quantitative facts about the trek cited here come from a study aimed at popular audiences: Sun Shuyun, *The Long March: The True History of Communist China’s Founding Myth* (New York: Doubleday, 2006), 1-4.

loyal to the party took different routes than the main Chinese Red Army contingent, and thus arrived in Yan'an as late as 1936. CCP leaders had no destination in mind at the outset, but simply kept going until they found a place where they could successfully defend themselves from Chiang Kai-shek; the place happened to be Yan'an. Along the way, many of the initial participants either deserted or succumbed to the extreme nature of the grueling trek, which the main contingent completed in just over one year. Others lost their lives in battle with troops loyal to Chiang Kai-shek.

By all accounts, Yan'an in 1935 was not a particularly nice place. The town is located in one of the poorest areas of central China. Frequent droughts ruled out most lucrative agriculture in the dusty brown countryside of Shaanxi Province, and there was little infrastructure when the CCP arrived there in October 1935.¹⁰⁶ Fewer than 50,000 Red Army troops had survived the Long March to settle in Yan'an and recuperate alongside the CCP leadership.¹⁰⁷ After 1935, the CCP remained in the area until the late 1940s. They immediately began planning how to mobilize the Chinese public to support their cause and fight Japanese aggression where they could. The CCP leaders publicized their eagerness to form a new united front with the Nationalists against the Japanese throughout 1935 and 1936.¹⁰⁸

Although the conflict that set off full-scale war between the Chinese and Japanese did not occur until 1937, throughout the 1930s, Japanese attacks had been gradually escalating to the point where they had prevented Chiang Kai-shek from continuing to attack the CCP after its arrival in Yan'an until late in 1936. By December 1936, Chiang traveled to Xi'an, the major city

¹⁰⁶ Guillermaz, *A History of the Chinese Communist Party*, 267.

¹⁰⁷ Guillermaz, *A History of the Chinese Communist Party*, 270.

¹⁰⁸ Guillermaz, *A History of the Chinese Communist Party*, 278.

closest to Yan'an, to meet with a local warlord who was aligned with the Nationalist Party but was trying to persuade Chiang to cooperate with the CCP to conserve resources and combine efforts against the Japanese. The warlord unexpectedly betrayed Chiang, enabling the CCP to surround the room where the Nationalist Party leader was staying. After Chiang injured his spine attempting escape out a window in his pajamas, Chiang's CCP captors managed to detain him, surprising and humiliating him. For several days while the episode unfolded, it appeared to outside observers that Chiang's captors might, in fact, intend to execute him—a prospect that caused great fear on the part of the American government.¹⁰⁹ Ultimately, the Soviet Comintern advisors to the CCP encouraged the Communists not to harm Chiang, which they argued would actually weaken China's fight against Japan. Instead, the CCP released him on the condition of his commitment to end the undeclared civil war against the CCP and work with them to fight the Japanese occupation.¹¹⁰ This so-called "Xi'an Incident" was the basis of the new anti-Japanese CCP-GMD United Front—a shaky foundation to be sure.

The second so-called United Front between the CCP and Nationalists was largely a matter of convenience and survival for the two parties involved and was less genuine than the first had been. Colonel Barrett, who served as an army intelligence officer and attaché in China for years before he became the first head of the U.S. Army Observer Mission to the CCP base in Yan'an where he had regular personal contact with the CCP's top leadership noted that the specific terms of the United Front arrangement were never written down, as far as U.S. intelligence officers (and their CCP contacts) knew. According to Barrett, "In general, both sides

¹⁰⁹ For further details on the Xi'an Incident as recorded by U.S. diplomats in China at the time, see *FRUS, 1936 (Volume IV)*, 414-58.

¹¹⁰ Schaller, *The U.S. Crusade in China*, 10-12.

agreed to put aside, temporarily at least, their differences in order to concentrate on resistance to Japan, in which the Communists were willing to recognize Chiang Kai-shek as their leader.”¹¹¹ The National Government forces absorbed three Communist divisions (approximately 45,000 troops) into what became known as the Eighth Route Army, under the command of Chiang Kai-shek. As Barrett explained, “This arrangement left large numbers of Communist forces still unrecognized and receiving no support from the National Government. On their own, however, the Communists still continued to maintain and expand these forces as the opportunity arose.”¹¹² The ability of the Communists to continue developing their military skills and strength with so few resources at their disposal was the quality that attracted the interest of some U.S. officials in the 1940s, as later chapters will attest.

Early Setbacks in the China-Burma India Campaign

Few top-level U.S. officials fully recognized the deficiency in the U.S. government’s understanding of and connections with the CCP as critical to strategic planning of American intervention in China until Stilwell’s military operations with the Chinese were well underway. By the summer of 1942, the United States had committed substantial economic resources and personnel to assisting the Chinese in the China-Burma-India Campaign (hereafter, CBI), but the results were a major disappointment. Stilwell and the American forces were encountering two primary problems in cooperating with their Chinese Nationalist allies: Chinese troops and their leadership tended to shy away from battle and refused to take offensive positions against the Japanese, and Chiang Kai-shek proved himself to be a recalcitrant partner for Stilwell as the

¹¹¹ David D. Barrett, *Dixie Mission: The United States Army Observer Group in Yenan, 1944* (Berkeley, CA: University of California, Berkeley, Center for Chinese Studies, 1970) 19.

¹¹² Barrett, *Dixie Mission*, 19.

latter began to doubt the Chinese war fighting capabilities and commitment to the cause and raise questions about the personal corruption of the Generalissimo.

Stilwell's concern that Chinese ground troops would not engage the enemy was well known and shared by many other informed observers. Stilwell diagnosed the problem with achieving his mission of preparing Chinese troops to fight was not with the troops but with their leadership, all the way up to the Generalissimo himself. Barrett quoted Stilwell as saying, "The Chinese soldier is excellent material, wasted and betrayed by stupid leadership."¹¹³ Stilwell had clashed with Chiang over the retreat of Chinese troops from a battle with the Japanese over one of the major supply lines through Indochina that would allow whichever army controlling it to transport materiel and personnel to the front lines.

Stilwell wanted the Chinese to stand and fight, despite being outnumbered, while Chiang thought retreat was the wiser course of action. The issue was the first major disagreement between Stilwell and the Generalissimo. According to Mitter, it "set the tone, only a few months into the global war, for a shared Western understanding of the Chinese war effort. Western officers (primarily Americans, and Stilwell above all) were seen as making an ever more futile effort to motivate China to fight—against the wishes of a corrupt and unwilling leader, Chiang Kai-shek. Chiang understood this very well."¹¹⁴ Concerned about the lack of progress the U.S. CBI mission was making in training and motivating the Chinese troops, Davies wrote a detailed report on his observations in China and dispatched back to colleagues at the State Department in 1943. He wrote, "It would be naive in the extreme to suggest that all he [Stilwell] has to do to make China an aggressive factor in the war against Japan is to place lend-lease arms in Chinese

¹¹³ Hart, *The Making of an Army "Old China Hand,"* 32.

¹¹⁴ Mitter, *Forgotten Ally*, 260.

hands and in consultation with the Generalissimo issue orders for the attack.” In fact, Davies explained, Stilwell’s only options were to “argue, plead and bargain” with the Generalissimo.¹¹⁵

In a remarkable example of the downsides to his personalized approach to diplomacy, Roosevelt initially trusted his own impressions and conversations with Chiang and his family over the opinions of his advisors and subordinates, even if the latter had extensive expertise on the issues. Roosevelt learned of Stilwell’s carrot-and-stick approach to dealing with Chiang and became angry. According to Davies, the president informed Marshall in 1943 that when it came to working with Chiang, “stern bargaining was “exactly the wrong approach in dealing with Generalissimo Chiang.” This was because, being a Chinese, the Gimo could not be expected “to use the same methods that we do.” Davies and other “China hands” at the time bristled at this perception because, as Davies explained, “The fact of the matter, of course, was that being a Chinese, Chiang was from childhood habituated to bargaining—and maintained himself in such power as he possessed domestically through bargaining.”¹¹⁶ When it came to motivating Chiang, Stilwell’s options were limited.

Meanwhile, as the war intensified, U.S. officials were recognizing the inadequacy of the intelligence they were receiving. U.S. officials tasked with intelligence collection in China felt pressure to rectify the problem quickly not only because the information was essential to fighting the Pacific War but also because the organization that successfully collected actionable intelligence in China would have an edge over all the rest in the ongoing competition over intelligence responsibilities, resources and staff in Washington DC.

¹¹⁵ Davies, *China Hand*, 104.

¹¹⁶ Davies, *China Hand*, 105.

Donovan's early operations in China suffered from several key problems that made it difficult for COI operations to achieve their aims. First, Donovan faced difficulties recruiting a solid staff of Americans who had deep expertise on China but who were not already part of other government agencies. In European operations, American scholars of European history and culture had served an important role in advising the plans for intelligence activity and in processing and analyzing the information collected. As Yu noted, "In the case of China, however, there was no developed scholarship sophisticated enough to forge an integrated and holistic strategic evaluation for Donovan's agency."¹¹⁷ Second, philosophically, Donovan and Roosevelt had imagined the COI to base its norms and procedures on the British example. This approach had negative effects in China, where British intelligence officers were having extremely limited success penetrating the fog of Chinese politics and the British were disliked and distrusted by Chiang Kai-shek and the rest of the deeply anti-imperialist-leaning Nationalist Party. Modeling their tactics upon British intelligence methods and teaming up with British intelligence officers in China was a mistake for Donovan's personnel.¹¹⁸ Indeed, in 1942, Nationalist Party intelligence director Tai Li had expelled all British intelligence officers from China upon learning that they were coordinating elaborate intelligence operations within China without his knowledge or consent.

After learning of several attempts by OSS officers to follow in the British footsteps and organize intelligence operations completely independently of their Chinese hosts, Tai Li firmly required an agreement from the United States to share plans and responsibilities for intelligence

¹¹⁷ Yu, *OSS in China*, 18.

¹¹⁸ For further on the problems of the links between COI/OSS and British intelligence, see R. Harris Smith, *OSS: Secret History*, 250.

operations in China. Via formal treaty signed in July 1943, Roosevelt and Chiang negotiated the creation of the Sino-American Special Technical Cooperative Organization, known as SACO. The SACO Treaty between the U.S. and Chinese governments, prevented intelligence collection by U.S. officials in China without the awareness and express permission of Chiang Kai-shek. This agreement restrained the ability of most U.S. government agencies, particularly the OSS, to collect the information needed to inform strategy for defeating Japan in China.

The treaty terms specified that an American military official would be appointed coordinate intelligence efforts in the East Asian region. Stilwell, who viewed the SACO document as limiting the opportunities for the United States to achieve its goals in China, strategically ceded the appointed position to OSS and ONI. Admiral Milton Miles, a Naval Academy graduate who had a China background from his service patrolling the Yangtze River from 1922-1927, assumed the role of intelligence coordinator for SACO. Miles worked closely with Tai Li to implement joint “guerrilla training, espionage, sabotage, and radio interception,” with the Chinese supplying “manpower and facilities,” while arms and equipment would come from the United States.¹¹⁹

Recognizing the intrinsic drawbacks to requiring Tai Li’s approval for all intelligence work, Donovan and Stilwell attempted to develop legal ways to work around SACO. Significantly, Stilwell granted Miles the responsibility for overseeing the actions of OSS in China. Miles held deep distrust for U.S. officials who had previous experience in China and insisted that these “old China hands” be banned from participating in OSS activities in China and SACO. Miles’ opinion on the matter was influential in some circles in Washington DC, almost certainly to the detriment of the U.S. intelligence objectives in China at the time. Although many

¹¹⁹ R. Harris Smith, *OSS: Secret History*, 252.

China experts on his staff opposed the SACO agreement, Donovan favored maintaining it because he thought it gave his agency a window of opportunity in China that otherwise would be closed due to the administrative power of his rival agencies. According to Yu:

“thanks to the murky command structure set up by Stilwell and Miles, Donovan was able to maneuver between SACO and the army for survival and expansion. Although OSS would try to break away from Miles’s control, Donovan never wanted to leave the SACO structure entirely, for it was a perfect umbrella protecting OSS from the army’s encroachment. Yet when SACO became too stifling to Donovan, he could easily claim his allegiance to the theater commander.”¹²⁰

Stilwell also found ways to work around SACO and obtain the intelligence he needed without Tai Li’s interference. Stilwell typically relied upon John Davies, who Ambassador Gauss had loaned to Stilwell’s CBI command staff. Davies was born in China and raised in Chengdu, Sichuan. The son of a Baptist missionary who was fluent in several dialects of Chinese and educated mostly at American-run schools in China, Davies joined the U.S. Foreign Service in 1931, where he served various U.S. outposts in China prior to World War II.¹²¹

As the war progressed, it became more difficult for Stilwell and other U.S. officials to cooperate with Chiang Kai-shek and effectively implement the elements of the broader U.S. Pacific War strategy in the CBI Theater. By 1943 and 1944, American diplomats and attachés in Asia were suggesting that friction between the CCP and the Nationalist Party was distracting Chinese attention and resources away from the Japanese target. Many U.S. officials believed that Chiang hoped to rely on American air power to win the war and was behaving in ways that would conserve his own military resources. They claimed that he effectively intended to wait out

¹²⁰ Yu, *OSS in China*, 98.

¹²¹ For further on John Davies, see his autobiographical works *China Hand* (2012) and *Dragon by the Tail: American, British, Japanese, and Russian Encounters with China and One Another* (New York: W.W. Norton & Co., 1972) or Kuhn, *The China Hands*, 56.

the end of the war against the Japanese so that he could use his forces and materiel to fight the civil war that he felt was inevitable with the CCP over which party would ultimately control China.¹²²

U.S. officials in China reported numerous examples of such thinking to their counterparts in Washington. In one example, U.S. Embassy officials reported information that a Nationalist Party blockade preventing visitors to Yan'an in the winter of 1943-44 had tied up 400,000 of Chiang's best troops.¹²³ In a telegram sent a few weeks later in January 1944, U.S. Ambassador to China Clarence C. Gauss described the problem explicitly: "The presence of Chinese Communist forces in north China, whose positions are expanded as the Central Government abandons them, constitutes a barrier to Central Government penetration northward; and the Chungking [Nationalist] forces are unwilling to use their scanty military resources against the Japanese when they feel the Communist problem still exists, many military and civil officials stating that the Japanese are the secondary enemy and the Communists the primary one."¹²⁴ In light of such examples, the U.S. foreign policy advisors observing Nationalist-led conventional Chinese forces were reluctantly calling leadership attention to the KMT's problems maintaining political authority. Some became curious about the activities of the CCP guerrillas, who were running successful operations against the Japanese, though they were outnumbered and operating with almost no resources.

¹²² Mitter summarizes the American skepticism about Chiang Kai-shek's commitment to the war effort, *Forgotten Allies*, 325-334.

¹²³ "Memorandum by the Second Secretary of Embassy in China (Davies) regarding Observers' Mission to North China" *FRUS, Diplomatic Papers, China, 1944*, 305-6.

¹²⁴ Ambassador in China (Gauss) to the Secretary of State, *FRUS, China, 1944*, 6-7.

The U.S. intelligence gap on the CCP

Learning about the CCP prior to 1944 was no easy enterprise for U.S. officials in any agency prior to the dispatch of the Dixie Mission in 1944. As a result of the Generalissimo's tight blockade around the CCP base area, the Communist lands were "largely a terra incognita" for foreigners, according to David Barrett.¹²⁵ From 1937 to 1944, the U.S. government lacked any regular, reliable official contact with the CCP. Foreign Service Officers based in China relied mostly on secondhand information they learned from local contacts to inform their assessments.¹²⁶ In the United States before 1945, "when most people thought of China, they thought of Generalissimo Chiang Kai-shek, his attractive wife, and the Flying Tigers."¹²⁷ Davies expressed similar sentiments in correspondence with FDR's aid Harry Hopkins in 1943: "The Generalissimo is probably the only Chinese who shares the popular American misconception that Chiang Kai-shek is China."¹²⁸ Except for the close circle of experts in the U.S. Departments of State and War and the U.S. military who followed China for a living, most American officials in the 1930s and 1940s, like most of the American public, found that understanding the intricacies of Chinese domestic political conflicts was simply beyond their scope of interest or familiarity.

Prior to 1943, most U.S. officials either lacked interest in engaging the CCP or found it too difficult for several formidable reasons. First, as previously explained, the United States, and most of the rest of the world, recognized Chiang Kai-shek as the leader of China. Moreover, the CCP was a small party that did not appear to outside observers to present a serious political

¹²⁵ Barrett, *Dixie Mission*, 19.

¹²⁶ Shewmaker, *Americans and Chinese Communists, 1927-1945*, 1-4. See also Feis, *The China Tangle*, 157-165.

¹²⁷ Shewmaker, *Americans and Chinese Communists, 1927-1945*, 6.

¹²⁸ Letter from John Davies to Harry Hopkins, quoted in Kahn, *The China Hands*, 102.

threat to their Nationalist opponents. Nationalist efforts to combat the CCP had been highly effective, particularly in the CCP's early years, when the Communists attempted to base their movement upon strategies that had worked in the Soviet Union, which required fomenting rebellion among China's urban working population. Urban workers were a much smaller fraction of the total politicized population of China than Russian urban workers had comprised prior to the Soviet revolution. Furthermore, Chiang Kai-shek and the Nationalists had consolidated political power in the cities where they were fighting the CCP. By the time the initial CCP leaders collectively recognized that their urban strategy was failing, Chiang and the Nationalists had decimated the Communist Party and pushed the remainder into small communes in China's southeast. Chiang's final assault to wipe out the communes in 1935 prompted the famous Long March, whereby the remaining CCP members who were sufficiently dedicated to their cause moved, often on foot, 6,000 miles to their base area at Yan'an.

The Americans who were able to interact with the CCP in the 1930s were mostly journalists. Shewmaker and others have written about the tendency of American journalists in China in the mid-1930s who sought out the CCP to be left-leaning and possessed of a romanticized image of the Communist cause, which they then transmitted back to the United States in their reporting. This bias had the dual effect of attracting limited curiosity and sympathy from American readers and encouraging U.S. officials to avoid taking many of the reports seriously. For example, Earl Browder, Anna Louise Strong, and Vincent Sheehan were all American journalists who individually visited Chinese Communists—often at great personal risk—in the mid-1930s and wrote books about their experiences for American audiences.¹²⁹

¹²⁹ For more on the impact of these journalists, see Shewmaker, *Americans and Chinese Communists, 1927-1945*, 13-19.

Rather than convey descriptive details about the Chinese Communists or their base camp, the books by these journalists focused on the nobility of the Chinese Communist cause and how it extended the project of the Comintern. The accounts were often sympathetic to the Communists to the point of appearing to be propaganda. The lack of any alternate information emerging about the CCP to corroborate or contradict the tone of these reports made it easier for many U.S. officials to dismiss the CCP's importance within Chinese domestic politics, thus underestimating the implications of partisan conflict for the anti-Japanese war.

From 1936 to 1938, the CCP maintained a poorly publicized policy of welcoming foreign visitors, at least those brave and fortunate enough to evade the Nationalist efforts to isolate the CCP base areas. Few foreigners took up the CCP invitation. Among those who visited in that period, two people were extremely important for the future of U.S. relations with the CCP because their reporting began to alert both American officials and the American public to their ignorance about Chinese Communism and hinted that learning more about the CCP might prove useful to crafting East Asia policy that preserved U.S. interests. The first such visitor to the CCP base area, Edgar Snow, was important for producing reporting on the CCP that reached mainstream American audiences. Snow and his wife Helen Foster Snow (who published her own observations under the pseudonym Nym Wales) visited the CCP's top leaders beginning in 1936. Many Americans learned for the first time about Chinese Communism by seeing Snow's photo-essays in *Life* magazine.¹³⁰ Snow followed the magazine articles a few months later with the publication of his book, *Red Star Over China*, which describes his conversations with Mao Zedong.

¹³⁰ Edgar Snow, "First Pictures of China's Roving Communists," *Life*, II (January 25, 1937), 9-15; "An Army of Fighting Chinese Communists Takes Possession of China's Northwest," *Life*, II (February 1, 1937), 42-45.

Red Star Over China appeared only a short time after the dramatic events in Nanjing took place in December 1937, when American public interest in China's political situation was gradually increasing. In the book, as he did in the *Life* articles, Snow portrays the CCP leaders as brave and committed nationalists, willing to endure tremendous personal strain on behalf of their country but who also happened to adhere to socialist ideology. Consider the following quote Snow collected, which he attributed to Mao:

“For a people being deprived of its national freedom, the revolutionary task is not immediate Socialism, but the struggle for independence. We cannot even discuss Communism if we are robbed of a country in which to practice it.”¹³¹

Comments such as this appealed to American values and willingness to root for those who they perceived to be underdogs. Although the sympathetic impulse would not last, Snow's work gave many Americans a positive first impression of the Chinese Communist movement. The work of Snow and other journalists had broad public exposure and probably helped shape the first impressions of many U.S. government bureaucrats regarding the CCP. However, journalism was no substitute for actual intelligence reporting. Intelligence reporting on the CCP in the late 1930s was rare and subject to the same decentralized and informal procedural norms as all U.S. strategic intelligence at the time.

In the absence of a more formalized process for intelligence dissemination, one of Roosevelt's main sources of information on the CCP was Evans Fordyce Carlson, a U.S. Marine who had visited Yan'an in the late 1930s. He received much less popular attention than Snow, but his reports of meetings with CCP members found an influential audience within the U.S. government and the White House. Carlson was a U.S. Marine who served as a language and intelligence officer in Shanghai in the mid-1930s, and he became the first American military

¹³¹ Edgar Snow, *Red Star Over China* (New York: Garden City Publishing Company, 1938), 455.

observer to study the CCP's Red Army in 1937.¹³² Inspired by reading a manuscript version of *Red Star Over China*, Carlson became interested in visiting the Red Army leaders to learn about how the Japanese were defending against the CCP's guerrilla war tactics.¹³³ Carlson negotiated with Mao, Chiang, and the U.S. government to make the visit happen, and he arrived in Shaanxi in November 1937.

Carlson was a charismatic, scholarly, and very religious person who identified with the egalitarian aspects of the socialist ideology explained to him by the CCP leaders he met. He found his CCP hosts to be cordial, and he soon became friends with General Zhu De, the commander in chief of the Red Army. The CCP made an extremely positive impression on Carlson and he conveyed his praise in many detailed reports about what he observed and learned during his visit that he transmitted back to audiences in the U.S. government and later published them in various media.

Rather than reaching the White House, Carlson's observations might have easily fallen in the morass of U.S. government documents streaming into the Washington bureaucracies if it were not for one serendipitous fact: Carlson had served for a brief time in 1935 as second-in-command of President Roosevelt's military guard at Warm Springs, Georgia.¹³⁴ Roosevelt took

¹³² Interestingly, Carlson is also credited with introducing a Chinese phrase bastardized as "gung ho" into the American lexicon as a U.S. Marine battle cry. Carlson is more well known for introducing an organizational structure and training methods he observed in use by a squad in the CCP's Eighth Route Army to the Marine Raider Battalion that he commanded during World War II; the system was adopted by other battalions and became a standard operating procedure for Marine units for decades. See Hart, *The Making of an Army "Old China Hand,"* 25.

¹³³ Evans Fordyce Carlson, *Twin Stars of China* (New York: Dodd, Mead, & Company, 1940), 33-58; Michael Blankfort, *The Big Yankee: The Life of Carlson of the Raiders* (Boston: Little, Brown, and Company, 1947) 188-194. Blankfort served under Carlson in the Marines and his biography of his former commander is somewhat hagiographic in tone, but useful for its well-sourced details.

¹³⁴ Shewmaker, *Americans and Chinese Communists, 1927-1945*, 102. "Carlson on Himself" Notes from Helen Foster Snow's interviews with Carlson for a potential biography, in Hugh Deane, ed. *Evans F. Carlson on China at War, 1937-1941* (New York: China and Us Publications, 1993), 7.

an interest in Carlson's China experiences. Prior to Carlson's departure for China in July 1937, he met with Roosevelt, and the President requested that Carlson personally write him to inform him about Carlson's observations of the CCP; Roosevelt also asked that the correspondence be kept confidential, which it was.¹³⁵ Roosevelt apparently read the letters closely and used them to inform his own impressions of Chinese domestic politics.¹³⁶ It is impossible to know for sure, but Carlson's positive portrayal of the CCP appears to have influenced Roosevelt's receptivity to the idea of the Dixie Mission when his advisors began proposing it in 1943.

After Carlson's visit to Yan'an, U.S. government officials had only brief and sporadic visits with CCP officials, and few desired increased contact until the CBI Campaign was underway. At that point, determined to deepen American understanding of China's domestic political landscape as a means of furthering the U.S. strategy against Japan, U.S. officials in China such as John Davies became more interested in making contact with the CCP in 1942 and 1943. By this time, several of the factors that had prevented the U.S. from seeking more regular contact with and information about the CCP had changed. U.S. officials became aware that CCP guerrilla units deep in China were having success defeating Japanese units and seriously disrupting Japanese supply chains whereas many of the Nationalist-led conventional and guerrilla military engagements were less successful. As John Service noted, "whether one liked the Communists or not they were doing a better job than the Kuomintang."¹³⁷ For U.S. officials,

¹³⁵ Shewmaker, *Americans and Chinese Communists, 1927-1945*, 102-3 and n.53-56. Much of the correspondence between Roosevelt and Carlson has been preserved in the Franklin D. Roosevelt Library in Hyde Park, New York. Selections have also been duplicated in Hugh Dean, ed. *Evans F. Carlson on China at War*.

¹³⁶ The President discussed reading the letters with then Secretary of the Interior Harold L. Ickes. See Harold L. Ickes, *The Secret Diary of Harold L. Ickes: The Inside Struggle, 1936-1939, Vol. 2* (New York: Simon and Schuster, 1954), 327-328.

¹³⁷ Kahn, *The China Hands*, 101.

successfully defeating Japan took top priority and superseded their misgivings about Chinese Communist ideology and the CCP's ultimate political goals for China. Learning more about the CCP and the Communist leaders' intentions also was becoming essential to understanding Chiang Kai-shek's behavior and priorities.

A contingent of officials within the U.S. Embassy began advocating sending staff to Yan'an. Although many of the "China hands" supported the idea, counterparts in Washington, particularly those with little expertise on China, opposed any American engagement with Communists.¹³⁸ According to Barrett, "What deeply concerned Americans was the feeling that China's effort, and the war effort in general, would benefit if all of China's strength could be directed against the Japanese, instead of a part of it being devoted to containing, and sometimes fighting, the Chinese Communists."¹³⁹ The first memo to General Donovan suggesting that a U.S. mission to the CCP base area would be helpful was written by Foreign Service officer John Service in January 1943. In his memo, Service suggested that the United States send one or two Foreign Service officers with expertise on China to "combine moderately long-term residence at Yen'an or its vicinity with fairly extensive travel in the guerrilla area."¹⁴⁰ Distracted by the Casablanca Conference and dubious of Service's recommendation, Washington officials ignored the memo.

¹³⁸ Esherick, Joseph W. ed. *Lost Chance in China: The World War II Despatches of John S. Service* (New York: Random House, 1974), xiv-xvi.

¹³⁹ Barrett, *Dixie Mission*, 22.

¹⁴⁰ Kahn, *The China Hands*, 88.

Embassy staff sent several similar memos throughout 1943 and into early 1944 and almost all of them received no response.¹⁴¹ Finally, in early 1944, one memo stirred action. Davies, who served as a political officer in the U.S. Embassy in China starting in February 1942, and who worked as political advisor to Stilwell at that time, also became a particularly strong advocate of the need for U.S. officials to begin collecting their own intelligence about the Chinese Communists. In December 1943, Davies wrote a memo to Stilwell and the Department of State identifying several reasons for U.S. observers to visit Yan'an.¹⁴² Davies's memo reminded his superiors that Carlson was the only U.S. official to visit the CCP base, but the Communists had extended an open invitation to American observers. However, Davies anticipated the invitation could expire, particularly if the CCP's lack of contact with the United States led them to become more dependent on the Soviet Union. Recognizing that most U.S. intelligence on the CCP was second-hand or worse, Davies then wrote:

“In Communist China there is: (1) a base of military operations in an near Japan's largest military concentration and second largest industrial base, (2) perhaps the most abundant supply of intelligence on the Japanese enemy available to us anywhere, (3) the most cohesive, disciplined and aggressively anti-Japanese regime in China, (4) the greatest single challenge in China to the Chiang Kai-shek government, (5) the area which Russia will enter if it attacks Japan, and (6) the foundation for a rapprochement between a new China and the Soviet Union.”¹⁴³

¹⁴¹ Many of these memos are reproduced in “Political Conditions in China; United States Army Observer Section Sent to Communist Territory; United States Interest and Concern Regarding Kuomintang-Communist Relations and Negotiations,” *FRUS, Diplomatic Papers, China, 1944*, 299-400.

¹⁴² “Memorandum by the Second Secretary of Embassy in China (Davies) regarding Observers' Mission to North China” *FRUS, Diplomatic Papers, China, 1944*, 305-6.

¹⁴³ “Memorandum by the Second Secretary of Embassy in China (Davies) regarding Observers' Mission to North China” *FRUS, Diplomatic Papers, China, 1944*, 305-6.

On this basis, he advocated that the U.S. government negotiate with Chiang Kai-shek to send a group of American military and political observers to meet the Chinese Communists at Yan'an and report back regarding their capabilities.

According to Davies's posthumous memoir, he deliberately kept his January 1944 memo brief so that it could easily be shown to President Roosevelt.¹⁴⁴ He also attached a draft of correspondence that he recommended the White House send directly to Chiang Kai-shek. This approach finally penetrated the Washington foreign policy bureaucracy. Roosevelt did see Davies' memo and within days he set in motion negotiations with a very reluctant Chiang Kai-shek to allow the American observers' visit. Chiang Kai-shek, who strongly opposed U.S. contact with his CCP opponents, prevented the mission by withholding his approval of the required personnel transfers that would have to occur in China. It would take several more months before Chiang agreed (or, as Davies put it, consent "was extracted" from Chiang during the visit of U.S. Vice President Wallace to China in June and July 1944, where he and Chiang met face-to-face).¹⁴⁵ According to OSS official Charles Stelle who was one of the first participants in the U.S. Army Observers Mission to Yan'an, FDR sent a letter for Chiang that Wallace hand delivered, requesting a military mission "in such terms that the Generalissimo found it impolite to refuse."¹⁴⁶ By late July 1944, the first members of the U.S. Army Observers Mission were on their way to Yan'an.

The summer of 1944 marked a turning point in the U.S. engagement in China for several reasons. The summer began as the tide was turning in the war in Europe, opening the door for the

¹⁴⁴ Davies, *China Hand*, 214.

¹⁴⁵ Davies, *China Hand*, 214.

¹⁴⁶ "Interim Report on Mission to Yenan" from Charles Stelle to Joseph Spencer, October 27, 1944. U.S. National Archives and Records Administration (NARA) RG226 (OSS Files), Entry NM-54 53, Box 4 OSS Correspondence with Outposts, 1942-1946.

president and U.S. policymakers in Washington to begin focusing more on the Pacific War. Meanwhile, U.S. officials who had been focused on China and the CBI Theater since the Pearl Harbor attacks were becoming frustrated. Officials such as U.S. Ambassador to China Clarence Gauss, General Stilwell, and John Davies recognized that their plans and strategies were failing and they lacked the necessary intelligence to determine and implement policy adjustments that might alter the outcomes of their actions. Reforms to U.S. intelligence practices designed to help the war effort, particularly the creation of the OSS and its early missions, had proven successful in Europe but had been embarrassing failures in China. Admitting the intelligence gap on the Chinese Communist efforts was an essential first step toward recalculating how China could effectively fit in with U.S. plans to defeat the Japanese in Asia, but the question remained whether the U.S. intelligence bureaucracy in 1944 could adapt to fill the gap in time.

CHAPTER TWO: **Struggling to gain a foothold under the best circumstances**

“We are mighty glad to be here, at last” — First words of U.S. Army Colonel David D. Barrett to Chinese Communist leaders gathered to greet the first U.S. plane to arrive in Yan’an, China in 1944.¹

It was not a long flight from the U.S. airbase in Xi’an, where the Americans briefly stopped, north to Yan’an, the town in Shaanxi Province’s dusty loess hills where the leaders of the Chinese Communist Party (CCP) had established their headquarters. Prior to the afternoon of July 22, 1944, however, no U.S. military plane had ever made the trip, and the route put the Army Air Force C-47 and its escort of three smaller fighter planes at risk of attack by Japanese enemies.² As the plane approached its destination, pilot Captain Jack Champion carefully scanned the arid landscape for landmarks to guide the plane to the rudimentary airfield the Standard Oil Company had left behind before the CCP had completed its Long March and adopted the area as its base in the 1930s.

Champion soon caught a clear view of the prominent pagoda that stood on a hilltop near the airfield. Far below, a crowd had gathered to welcome the plane. Without a control tower to assist the plane in landing, bystanders signaled to Champion where to land. All ten passengers

¹ Israel Epstein, *Unfinished Revolution in China*, (Boston, MA: Little, Brown and Company, 1947), 406-407.

² David D. Barrett, *Dixie Mission: The United States Army Observer Group in Yen-an, 1944* (Berkeley, CA: University of California, Berkeley, 1970), 13-14 and Memo, “Transmitting General Report on U.S. Army Observer Section at Yen-an (marked SECRET),” August 25, 1944, U.S. National Archives and Records Administration (hereafter, NARA) Record Group (hereafter, RG) 319: Records of the Army Staff, Assistant Chief of Staff (G-2) Intelligence, Reports and Messages, 1918-1951, Box 717.

aboard the C-47 had fastened their seat belts. It was too late to back out now. Once on the ground, those on board the plane would be the first American officials to stay at the CCP base. Champion had directed his passengers to don parachutes in case the Japanese forces knew of their flight plan and intended to shoot them down.

The C-47's landing gear touched down on the dusty ground. After a perfect landing, the plane was in the process of rolling to a stop when the passengers felt it lurch sharply to the left. They immediately heard an extremely loud blow, like a sledgehammer, to the outside of the pilot's cockpit.

The Americans scrambled out of the plane to discover that the landing gear on the plane's left side had fallen into a cavity that ultimately proved to be an old grave. Captain Champion had not expected to find such an unusual obstacle located on a space used as an airfield, and it had been hidden from view before impact. The wheel's collapse into the hollow grave had caused a propeller to hit the ground hard and bend back, slicing up through the skin of the plane's fuselage and causing the loud sound the group had heard. The incoming propeller had gashed the pilot's arm and narrowly missed injuring him more seriously—potentially fatally. The CCP's honor guard, assembled to greet the American guests, stared in stunned silence as the first members of the controversial U.S. Army Observer Group, referred to by the Americans informally as the “Dixie Mission” because it operated in rebel territory, surveyed the damage to their only means of transportation home.

Under other circumstances, an arrival with one wheel in a grave might have appeared inauspicious—a bad omen for the start of a diplomatic relationship. However, the permutations of war and politics that had led these Americans and their Chinese hosts to meet had evidently hardened them to such trivial impressions, and once all parties were declared safe and relatively

uninjured, the incident caused only mild embarrassment on both sides. This inelegant beginning to the official relationship between U.S. government personnel and CCP leaders could serve as a metaphor for the tone of relations between the individual American observers and their CCP hosts that persisted for the first few months of the Dixie Mission as both sides attempted to form a cordial and productive relationship in the face of a variety of negative external influences that seemed to be trying to prevent it. Despite the positive and resigned attitude of the highly capable participants on both sides, the results of the Observer Group's initial weeks in Yan'an reveal that even the best efforts of the highly-qualified original Dixie participants were insufficient to achieve the group's goals. Extremely difficult operating conditions in the Yan'an area coupled with the consequences of the general immaturity of U.S. intelligence collection practices impeded the collection and dissemination of timely intelligence information from the time the American officials arrived in Yan'an.

The Dixie Mission enjoyed its best possible chances for fulfilling its intelligence collection requirements in the period from its arrival in July to around the time that General Joseph Stilwell was recalled from China in October 1944. In this initial period, the Mission enjoyed several advantages that did not last through the years that the U.S. government maintained a presence in Yan'an.³ First, an interagency network of dedicated individuals within the government, including General Stilwell and John Davies, had lobbied for the creation of the observer group in Yan'an and continued to support it and participate in it. The network of Americans initially assigned to the Dixie Mission included several individuals who had close personal relationships that preceded the mission, sometimes by decades, and enhanced their willingness to bridge institutional gaps when they became obstacles. Moreover, the composition

³ The last American officials left Yan'an in March 1947.

of the Dixie Mission was unique because it combined civilian and military officials from different organizations tasked with intelligence-related duties.

Second, the personnel originally dispatched to staff the Dixie Mission had considerable linguistic and cultural expertise about China, as did a few of their colleagues based in the U.S. Embassy in China, the China-Burma-India (CBI) theater headquarters offices in Asia, and executive branch offices in Washington D.C. who served both as managers of the Dixie Mission intelligence collection process and consumers of its results.⁴ In addition to helping establish their credibility with their Chinese Communist Party hosts, the collective expertise of the first Dixie participants gave them an advantage in quickly ascertaining the situation of the CCP, corroborating their observations, and attempting to explain their findings to their audience of U.S. policymakers and military leadership.

Third, the importance of the war mission fostered incentives for cooperation between the CCP and the U.S. officials as well as between officials from U.S. agencies that normally had incentives to compete. The shared strategic goal of defeating the Japanese and ending the Japanese occupation of China also gave the United States government and Chinese Communist Party common ground and deemphasized their substantial ideological differences. Finally, the CCP leadership genuinely appreciated the recognition and maintained an open, optimistic attitude about U.S.-China relations at the time. Over the term of the mission, each of these advantages either disappeared or severely deteriorated.

⁴ The CBI campaign headquarters was based in New Delhi, India. The main offices for the theater's China branch were located near the Chinese government offices and U.S. Embassy compound in Chongqing, China. Other significant CBI base offices in China that housed American intelligence personnel in 1944 were located in Kunming, Chengdu, and Xi'an.

Despite their advantages, the first Dixie Mission participants found progress to be painstakingly slow and wracked with administrative and physical challenges that they could not entirely overcome. Difficult living conditions at Yan'an and bad weather stalled momentum on initial operations. Geographic and logistical concerns due to Yan'an's remote location slowed communications on which field intelligence collectors typically rely, and the delays significantly affected the Americans' success with intelligence operations. The extent to which interagency communications within the U.S. government and practices for the collection and dissemination of foreign intelligence lacked maturity compounded the Dixie Mission's early challenges.

The historical record for the first months of the Dixie Mission reveals a variety of attempts by U.S. personnel to collaborate with each other and their CCP hosts to create novel approaches to intelligence collection and embrace the most updated technological means of intelligence collection possible at the time despite their remote locale and challenging conditions. The Dixie Mission's original members labored under the pressure of several competing priorities. First, they had a mandate to appease their various managers, who were intent on carving out jurisdiction for their respective organizations in the developing U.S. intelligence community. They also needed to make progress on the missions assigned to them by their sponsoring organizations, which was necessary for their individual future career prospects. Finally, maintaining cordial and collegial relationships with each other was essential both for making progress on the larger mission of the U.S. government in China and as a matter of survival in their situation far from American support and supply chains. Based on the initial Dixie Mission participants' field reports and later writings, several interagency squabbles carried over from their respective organizations emerged among the initial Dixie Mission participants in their early weeks in Yan'an. The conflicts were not necessarily universal, permanent, or

personal, and many of the men appear to have bonded over the difficulty of their objectives and the remote conditions in which they lived.⁵

Dixie Mission participants encountered some of the most overwhelming challenges to their progress when they began to present plans to and request resources from U.S. counterparts beyond Yan'an. By the end of the Mission's first few weeks, the feasibility of Dixie's assigned tasks came into sharper focus. Reports describe Dixie's OSS and military intelligence officers gathering what intelligence they could about both the Japanese and the CCP leaders, establishing a radio base, learning about guerrilla paramilitary operations, collecting and disseminating weather information when their radio capabilities permitted, and assisting downed allied airmen in China. Similarly, the Mission's political officers began churning out reports about the substance of their conversations with CCP leaders. The early reports reflected optimism about the opportunities to complete the Dixie Mission's assigned tasks and assessment of the great potential for intelligence collection the area holds for U.S. officers, but the enthusiasm waned as the officers in the field began to receive responses and contradictory guidance from headquarters-based American counterparts and superiors.

Translating initial orders into action

As events leading up to the creation of the American Observer Group in Yan'an reveal, the United States entered an alliance with China during World War II reluctantly and with considerable naiveté about key aspects of Chinese domestic politics. The creation of the Dixie Mission responded to a growing dissatisfaction among U.S. officials involved in U.S.-China relations during the war with their relationship with their primary counterpart, Generalissimo

⁵ The use of the term "men" in this manuscript is historically accurate; no American women were ever posted to the Dixie Mission.

Chiang Kai-shek. Chief among these officials were General Joseph Stilwell and his close aides, such as loaned Foreign Service officer John Paton Davies, who often receives credit for designing the Dixie Mission and lobbying for its establishment despite vehement opposition from U.S. allies in Chiang's Chinese government.⁶ Based on U.S. concerns about the lack of detailed knowledge about the capabilities of troops fighting the Japanese in Communist-held areas in north China, the most important goal of the mission to Yan'an was to determine the appropriate role—if any—for the CCP in the collective Allied plan to defeat the Japanese. Nonetheless, official documents are fairly ambiguous about how Dixie personnel were expected to accomplish their aims.

Initial Dixie Mission Commanding Officer Colonel David D. Barrett received orders dated July 21, 1944 in the form of a laundry list of intelligence topics that bureaucrats and policymakers expected Barrett and his mission to collect. The list included the enemy order of battle for land and air; information on the “strength, composition, disposition, equipment, training and combat efficiency of the Communist forces”; utilization and expansion of Communist intelligence organizations in enemy and occupied territory; a complete directory of Communist officials; locations of enemy air fields and air defense in North China as well as maps displaying the current areas under Communist control; target and weather intelligence; information about bomb damage; economic intelligence; naval intelligence (although Yan'an was nowhere near an ocean); and an assessment of both the potential contribution of the

⁶ For further on Davies' role in establishing the Dixie Mission, see Maochun Yu, *OSS in China: Prelude to Cold War* (Annapolis, MD: First Naval Institute Press, 1996), 167.

Communists to the war effort. The orders specified that Barrett should determine the “most effective means of assisting the Communists to increase the value of their war effort.”⁷

Information about the Chinese Communists themselves would be considered strategic foreign intelligence reporting to the policymakers who comprised the Dixie Mission’s audience within the U.S. bureaucracy, and such information was intended to be gathered fairly overtly by the participants of the Dixie Mission who were living in the Communist headquarters area, traveling to CCP base areas, interviewing CCP leaders, and observing CCP missions.⁸ One other motive behind the Dixie Mission not mentioned in the orders was tapping into the CCP’s intelligence on Chiang Kai-shek’s forces. U.S. military leaders tasked with planning war efforts in cooperation with Chinese troops reportedly found it extremely difficult to obtain information on troop strength of the Chinese forces from their supposed ally, Chiang Kai-shek. The OSS, in particular, sought contact with the CCP in hope of negotiating some intelligence sharing opportunities that could provide the U.S. generals with the information on Chiang’s troops that they desired.⁹

As a forward-deployed, interagency intelligence mission, the U.S. Army Observer Mission in Yan’an (the official name for the Dixie Mission) was among the first of its kind that the U.S. government established. The Dixie Mission followed a pattern similar to other

⁷ Order of battle is a term commonly used by military leaders, intelligence officers, and policymakers to refer to the organization, structure, and strength of a military force. Depending on the military force being analyzed, order of battle may include information such as leadership hierarchies, troop counts, base locations, and details about the quantity and capability of weapons.

⁸ Covert intelligence operations are those for which the sponsoring party can plausibly deny its involvement. Clandestine operations are those that are kept secret. Overt intelligence activities typically involve overseas liaison relationships between representatives of government agencies with responsibility for national security, such as military attachés and diplomats, who use their positions at embassies and consulates to meet with foreign counterparts and collect information that may not be available outside the host country.

⁹ Yu, *OSS in China*, 158.

American liaison groups that the U.S. Army Ground Forces positioned throughout China in the early 1940s. The groups were a response to American foreign policy in China, particularly prior to 1941, which focused on supporting Chinese resistance of Japanese aggression without deploying large numbers of American troops to perform combat missions. Colonel Henry M. Spengler published an article in *Military Review* in 1947 meant to educate broader military audiences about American actions in China so lessons learned could be applied in future wars.¹⁰ According to Spengler, American military leaders and policymakers determined that the Chinese Army needed to receive support in the form of American military equipment, which required American personnel on hand in China “so that training (particularly in American weapons), and combat and logistic operations might be continuously supervised and observed, and advice given to the [Chinese] unit commanders.”¹¹ American military personnel were available in China only to act as advisors. As a rule, the groups were comprised of approximately 25 American officers and soldiers, including a commanding officer, representatives from various relevant military divisions, a group medical officer, clerks, and radio operators. The Dixie Mission mirrored the composition of such Army observer groups in China; however, in addition to including representatives from relevant divisions of the U.S. Army, such as the Army Air Corps Weather division and Air Ground Aid Service (AGAS), it also included representatives of American intelligence organizations, such as undercover OSS personnel.

The design and marketing of the Dixie Mission as a type of U.S. Army liaison mission with which the Nationalist-dominated Chinese bureaucracy of 1944 was familiar did not render it more palatable to Chiang Kai-shek or his intelligence chief Tai Li. The latter served as head

¹⁰ The United States Army frequently applied the model in early Cold War engagements, particularly in Vietnam.

¹¹ Colonel Henry M. Spengler, “American Liaison Groups,” *Military Review* 27 (1947): 61.

administrator of the SACO joint intelligence agreement between the United States and China regarding America's wartime intelligence activities in China, which resisted all contact between American intelligence personnel and Chinese Communist leaders and guerillas. Establishing the Dixie Mission under Army auspices and following the model of other liaison missions that had supported Chinese Army efforts and provided aid in the form of equipment and expertise probably appeared to Chiang as though Stilwell was thumbing his nose at the SACO agreement. Such behavior would have been consistent with Stilwell's stubborn personality and the fact that Army rivals from the Office of Naval Intelligence (ONI) and OSS's Donovan had negotiated SACO. Moreover, the Nationalist leaders were loath to see American support, in the form of even the smallest recognition let alone equipment or funding, directed toward their Communist foes. However, given the direct intervention of President Roosevelt and Vice President Wallace in insisting that Chiang allow the mission to Yan'an to proceed, Chiang had little leeway to balk.¹² Establishing the Dixie Mission under Army auspices may have allowed the Chinese government to save face publicly by obscuring the mission's intelligence purposes and deemphasizing the degree to which the mission served to circumvent the SACO agreement, though it is highly likely that Chiang and Tai Li had full awareness of U.S. plans and actions at Yan'an through their own extremely capable intelligence practices.

Similar to many subsequent U.S. field intelligence operations, the Dixie Mission was designed to perform a variety of operational activities in order to achieve its intelligence-gathering goals. Early Dixie participants pursued various activities considered the staples of overt intelligence collection: observing and talking with CCP leaders; gathering foreign language

¹² Historian Maochun Yu described the disagreement between Chiang Kai-shek and the U.S. government on the establishment of U.S. contact with Chinese Communist troops as "legendary." Yu, *OSS in China*, 160.

newspapers, pamphlets, and propaganda; debriefing captured Japanese soldiers; and examining and copying documentary materials that the CCP had seized from the Japanese. In addition to operations surrounding the physical collection of intelligence that comprised Dixie's core goal, the group members anticipated the need to increase technical capabilities in the CCP areas to enable the extraction and dissemination of intelligence information after it was collected. For example, the first Dixie participants were required to assess existing CCP radio capabilities, determine what equipment was needed, procure and install the equipment, and train either American or Chinese personnel (or both) to operate the new equipment. The Dixie Mission would also perform such strategic activities as helping to support and debrief Allied pilots who had been shot down in China and rescued by the CCP and assisting the CCP with developing propaganda aimed at the Japanese. Those who conceptualized the Dixie Mission also expected Yan'an to become an important outpost for gathering and disseminating weather information on such issues as cloud cover, temperatures and barometer readings that influenced the planning of military operations in China, from aerial bombing and target scouting in areas occupied by Japan to logistical missions designed to move personnel, supplies, or communications throughout the theater of battle.¹³

Expert personnel assembled for the Dixie Mission

Problems the Dixie Mission encountered completing their orders from July to October 1944 rarely reflected a lack of skilled staff. On the contrary, the U.S. personnel who comprised the initial participants in the Dixie Mission boasted the most expertise on Chinese culture, language, politics, and history of any Americans who cycled through the Mission's staff during

¹³ For further details on the strategic significance of weather information from China for the long-term planning of attacks during World War II, see Yu, *OSS in China*, 53.

the three years that it was operational in Yan'an. Many of them also had experience in military and political intelligence roles in field conditions in China. Rather than partisan politics and ideological concerns about Communism affecting staffing decisions as occurred in the later months of the mission, Davies and Stilwell selected the U.S. personnel initially posted to Yan'an based on their language ability and level of understanding of China in addition to their functional skills as intelligence collectors. Considered by many to be a "China hand" himself, General Stilwell had placed a high value on area expertise, particularly for intelligence officers serving in the China theater.¹⁴

Many officials who met this qualification had already worked with Stilwell in China during the war or prior to it—a reality that reflects both the small number of American officials working on China in the 1930s and 1940s and Stilwell's tendency to sponsor a cohort of capable protégés serving as his subordinates. Many had previously worked with each other, sometimes for many years. As such, the group included a small collection of dedicated and professional "China hands" (as they were known by others in the government) who formed credible contacts for CCP leaders. By selecting officials for Yan'an who did not require Chinese translators, CBI Theater commanders also sought to avoid the need for Chiang Kai-shek's "liaison officers" to accompany the mission as translators. Their initial communications convey an eagerness and earnestness of purpose that did not persist within the mission as it progressed beyond 1945.

As in other military outposts, particularly those in remote areas such as Yan'an, Dixie's American personnel answered to a commanding officer, a U.S. Army officer who served as head

¹⁴ Stilwell required the Dixie Mission be staffed by American personnel "whom the Communists would respect and who could speak Chinese well," according to John N. Hart, *The Making of an Army "Old China Hand": A Memoir of Colonel David D. Barrett* (Berkeley, CA: University of California, Berkeley Institute of East Asian Studies, 1985), 37.

of the mission. The Dixie Mission's commanding officer was typically a colonel with a career background in the G-2 or elsewhere in the Army General Staff. The commanding officer set the tone for the unit. He held responsibility for approving all major operational plans that affected Dixie personnel and the overall objectives of the mission. He was also responsible for implementing the standard operating procedures and basic rules of the unit as well as assigning certain basic responsibilities and dispersing certain resources among the personnel. For example, the commanding officer and his staff would determine housing assignments and how office space and operational equipment would be used.

The officer chosen as the Dixie Mission's first commander, Army Colonel Barrett, had the right combination of language ability, credibility with Chinese counterparts, and the right connections and credentials within Army intelligence channels, particularly with Stilwell. Barrett was 52 years old when he arrived in Yan'an to head the observer mission in 1944, and the majority of his 27-year career in the U.S. Army up to that point had been spent in China.¹⁵ Barrett had served in the attaché's office in the U.S. Embassy in China throughout the 1930s. He had first served under Stilwell in Tianjin at the headquarters of the 15th Infantry Regiment where George Marshall, then a Lt. Colonel was the executive officer.¹⁶ After officer training in Georgia, Barrett served in Tianjin as the regimental intelligence staff officer (S-2) for the 15th from 1931-1934.¹⁷

Barrett's career progression was somewhat unique compared to other army attachés and intelligence officers in the 1930s. Unlike Stilwell, Marshall, and many of their peers, Barrett's

¹⁵ John K. Fairbank, "Preface David D. Barrett, *Dixie Mission: The United States Army Observer Group in Yen'an, 1944* (Berkeley, CA: University of California, Berkeley, 1970), 8.

¹⁶ John N. Hart, *The Making of an Army "Old China Hand,"* 9.

¹⁷ John N. Hart, *The Making of an Army "Old China Hand,"* 13.

path to the officer role did not begin at West Point. He left a position teaching high school in his home state of Colorado to join the Army during World War I.¹⁸ Throughout the 1930s, Barrett was a part of the group of close-knit American experts on China who worked in the U.S. government either as military officials or diplomats. These individuals had been responsible for most intelligence collection on China and some policy advising prior to World War II as well as the establishment of the OSS.

Barrett's experience in Tianjin began a career-long connection with both China and Stilwell for Barrett, who served again under Vinegar Joe as deputy attaché in Beijing during the Japanese invasion of China.¹⁹ In that position, Barrett became well known among elite China watchers in the West for his role in observing and documenting the Marco Polo Bridge incident, in which violence between Japan and China sharply escalated outside Beijing on July 7, 1937.²⁰ He officially became U.S. attaché to China in 1942 and served in that capacity until fall 1943. By then, Barrett's former boss Stilwell had a much more important role as head of the American military command in China.

Consistent with the G-2's basic initial criteria for Dixie Mission personnel, Barrett was fluent in Chinese, which he learned when he joined the army. Both Barrett and Stilwell had learned Chinese in the Military Intelligence Division training program. Barrett started studying in Beijing in 1924, so he had accrued two decades of experience and practice with the language

¹⁸ E.J. Kahn, Jr. *The China Hands: America's Foreign Service Officers and What Befell Them* (New York: Viking, 1975), 75.

¹⁹ Future general Maxwell Taylor also served as junior officer (while a captain) in the U.S. attaché's office with Barrett, where he reportedly enjoyed a good working relationship with Stilwell and earned his superior's respect. Hart, *The Making of an Army "Old China Hand,"* 22.

²⁰ Hart, *The Making of an Army "Old China Hand,"* 21.

by the time he relocated to Yan'an to head the Dixie Mission.²¹ When asked about the value of learning Chinese for his career, Barrett once said “no man can study the Chinese language and learn it...without at the same time coming to understand the Chinese.”²² Barrett had learned Chinese from Manchu elites who had relocated to northern California after the Chinese revolution and sought work as language tutors. The tutors used Chinese literary and strategic classics to teach Barrett, exposing him to the canon of great Chinese literature and philosophy.

Throughout his career in China, Barrett's ability to comprehend these classical Chinese materials and recall them in appropriate settings during conversations and correspondence in China earned him credibility with and respect from Chinese counterparts, who recognized him as a well-educated intellectual. According to John Hart, who wrote a biography of Barrett based on extensive interviews and correspondence with his subject, “many years later Chinese who had known Barrett would still instantly identify him as ‘that foreigner who could quote from the Chinese classics.’”²³ The deep understanding of the security issues and politics of China in the early decades of the twentieth century that Barrett had cultivated while in frequent contact with North China warlords during his work in the attaché's office added to his credibility with Chinese counterparts.²⁴

Barrett often described feeling a special personal connection to China. He talked about hoping that he could become a general and then retire from the Army, spending the rest of his

²¹ Hart, *The Making of an Army “Old China Hand,”* 2-3.

²² Hart, *The Making of an Army “Old China Hand,”* 6.

²³ Hart, *The Making of an Army “Old China Hand,”* 8.

²⁴ Hart, *The Making of an Army “Old China Hand,”* 10. For further on Barrett's experience meeting with warlords, David D. Barrett, “Soldiers of Misfortune,” *Society of American Military Engineers* 357 (Jan-Feb 1962).

life in China.²⁵ Little in Barrett's life tied him to living in the United States. Barrett's American wife died in 1939 in Beijing where they were living, and he never remarried.²⁶ Journalist Theodore White, who traveled extensively in China in the 1930s and 1940s once described Barrett as "the very prototype of a regular Army colonel whose personality was adorned by a warm humanity and an overwhelmingly infectious humor."²⁷ White describes a notable quality Barrett possessed that made him particularly valuable to Stilwell as the initial Dixie Mission Commanding Officer:

"The Communists loved him; his round jokes in flawless and fluent Chinese destroyed much of their imaginary picture of calculating American imperialism. Barrett's reports on the Communists were honest, hardheaded military assessments; a soldier himself, he recognized the Communists as effective fighting men; sound allies against a common enemy. They felt his respect and reciprocated it."²⁸

As the commanding officer of a forward-deployed mission, Barrett was the Dixie Mission's ultimate authority in the field, but he answered to a variety of other managers and superiors beyond Yan'an. When the Dixie Mission launched in July 1944, Barrett served under such officers as Colonel Joseph Dickey, head of the Army's G-2 contingent at CBI Headquarters in Chongqing, and both Barrett and Dickey answered to General Stilwell, the commanding officer of the CBI Theater.

Subordinate to Barrett, the initial roster of the Dixie Mission contained a diverse collection of officials from numerous agencies of the American government intended to meet the

²⁵ E.J. Kahn, *The China Hands: America's Foreign Service Officers and What Befell Them*. (New York: Viking Press, 1975), 75.

²⁶ Hart, *The Making of an Army "Old China Hand,"* 28.

²⁷ Hart, *The Making of an Army "Old China Hand,"* 43-44.

²⁸ Hart, *The Making of an Army "Old China Hand,"* 43-44. For further, see Theodore H. White and Annalee Jacoby, *Thunder Out of China* (New York: William Sloane Associates, 1946).

challenge of satisfying the demands placed on the mission and also because no intelligence organization wanted to miss out on the opportunity to have personnel at Yan'an or be forced to receive their intelligence second-hand from a rival organization. As of August 1944, the Dixie Mission included 18 officials from 5 U.S. government agencies.²⁹ Dixie's initial personnel were mostly military officers. Commanding officer Colonel Barrett represented the Army and, more specifically, the G-2 intelligence division of the Army. Other Army personnel present included two officers and a non-commissioned officer (NCO) from the Army Air Corps—two infantry officers, and an officer from the Army Medical Corps. One navy intelligence officer was also part of Dixie's original contingent.

The OSS had a fairly significant presence in the initial Dixie Mission personnel with five of the first 18 Dixie Mission participants working for OSS under various military covers, including the Air and Ground Forces Resources and Technical Staff (AGFRTS) and Army Signal Corps.³⁰ The OSS contingent included Captain Charles Stelle, from the Research and Analysis (R&A) branch, and Captain John Colling, from the Secret Intelligence (SI) branch, who reportedly arrived “with a big package of R&D toys” to facilitate cutting-edge technical collection from the field location.³¹ The other three OSS officials on the first plane to Yan'an were radio operators sent to install and operate sensitive radio equipment and potentially help train CCP counterparts on how to work the equipment themselves. OSS officer Major Ray

²⁹ Additional planes carrying personnel and supplies sporadically traveled from Xi'an to Yan'an when weather and logistics permitted in 1944.

³⁰ For further on the OSS use of cover in China, see Memo, Joseph Spencer to William Langer, August 1, 1944, NARA RG 226, Entry NM-54 53, Box 4.

³¹ Spencer to Langer, August 1, 1944.

Cromley, who specialized in collecting and analyzing enemy order of battle intelligence, also arrived on one of the first several planes to Dixie.

Civilians who were initially part of the Dixie Mission included John S. Service and Raymond P. Ludden, from the State Department, and Japanese-American George I. Nakamura, who was appointed by the G-2 to serve as a Japanese language officer, assisting in developing the Japanese order of battle, according to Stelle's detailed reports.³² These men all served under Dixie's commanding officer, but they also answered to the various other organizations that had loaned them to the mission.

Positive first impressions

Reports of the first interactions between the original Dixie Mission personnel and the CCP leadership at Yan'an unanimously describe warm reactions on both sides and some surprise on the part of the Americans at the cordial reception they received. Barrett and Service met directly with CCP Chairman Mao Zedong, General Zhou Enlai, Chief of Staff of the CCP Army (then the 18th Group Army) Ye Jianying, and CCP General Zhu De upon arrival and developed a plan for working together to accomplish the Dixie Mission orders. The Americans promised training in intelligence practices, the use of sophisticated radio and weather equipment, and potentially expanded military support in exchange for CCP cooperation with their efforts.

The first task of the Dixie personnel was to become acquainted with the CCP. The CCP leaders apparently relished providing assistance. On the evening of Dixie's arrival, the CCP leaders hosted the delegation at a dinner and social gathering whose guests included the wives and children of the CCP leadership as well as foreign journalists and experts who were visiting

³² Memo, Charles Stelle to Joseph Spencer, "Interim Report on Mission to Yen'an," October 27, 1944. NARA RG 226, Entry NM-54 53, Box 4.

Yan'an. Following standard CCP protocol for hosting such dignitaries, the CCP hosts seated Barrett between Mao Zedong and General Zhu De.³³ As the highest-ranking representative of the U.S. diplomatic mission to China, John Service was seated to Mao's other side. The honor of this treatment did not pass unnoticed by the Americans, who had attended many Chinese banquets in their careers in China. Service described Mao's sense of humor being on display at the dinner during various personal remarks the CCP leader made to Service over dinner. Service interpreted Mao's attitude toward the Americans as one of genuine enthusiasm, and he recorded Mao's questions about the relationship of the U.S. State Department with the Yan'an mission, specifically inquiring if the United States might consider establishing a consulate at Yan'an and voicing concern that American recognition of the CCP would end with the war against Japan, leaving the CCP vulnerable to Guomindang (GMD) attacks and civil war.³⁴

The first day of the mission also included more serious meetings. According to the first official report Colonel Barrett made after his arrival in Yan'an, the CCP leaders learned for the first time of the Dixie Mission's intention to "investigate the needs of the Communist forces in arms and equipment" from Barrett and Service in meetings on the day the Americans arrived. Prior correspondence between CCP leaders and their Chinese Army (Nationalist Party) contacts had led them to believe the purposes of the mission were exclusively "air-ground aid and the collection of enemy intelligence."³⁵ Although Barrett repeatedly emphasized in early meetings with Zhou Enlai and Ye Jianying that he could make no definite commitments that any American

³³ Hart, *The Making of an Old China Hand*, 44-45. See also John Service, Memo of conversation with Mao Tse-tung, July 27, 1944, University of California, Berkeley, Bancroft Library, John S. Service Papers, Carton 2, Folder 3.

³⁴ John Service, Memo of conversation with Mao Tse-tung, July 27, 1944, University of California, Berkeley, Bancroft Library, John S. Service Papers, Carton 2, Folder 3.

³⁵ "Transmitting General Report on U.S. Army Observer Section at Yen'an," August 24, 1944.

materiel aid would be supplied, the CCP leaders were reportedly delighted to discover that the American observers even intended to submit recommendations on the CCP needs. The CCP leaders' positive response was reflected in a written memorandum to Barrett from CCP General Zhu De on July 25, 1944 advising Barrett (and the U.S. government) of the CCP's intention to fully cooperate with the American intelligence efforts in Yan'an and describing his orders to subordinates to brief their American counterparts on the relevant subjects on which they were already well informed and begin working together to learn about additional areas of strategic interest.³⁶ The CCP leaders specifically agreed to work with the Americans on the following topics: weather; target analysis; enemy and puppet order of battle; air intelligence; communications; medicine and surgery problems; use and expansion of Communist Intelligence Net; Air Ground Air Service; naval intelligence and the organization, training, and equipment of Communist Chinese forces. No end date for the Dixie Mission had been set, and based on his meetings in the first week, Barrett recommended that the delegation remain in Yan'an at least through August 1944.³⁷

In separate communications that occurred in OSS channels, OSS's Charles Stelle confirmed Barrett's assessment that the Communist leaders appeared extremely eager to answer the Americans' questions. According to Stelle, the CCP leaders' "efforts to put their best foot forward, and our desire to avoid the duplications inherent in numerous individual interviews resulted in a somewhat formal and time consuming "indoctrination." For a period of several weeks the major part of our time was taken up by what amounted to a series of lectures, with

³⁶ Letter from Gen. Zhu De to Col David D. Barrett, July 25, 1944, Reproduced in "Transmitting General Report on U.S. Army Observer Section at Yen'an," August 25, 1944.

³⁷ The U.S. government's mission to Yan'an continued to operate until 1947.

interpreters, by a succession of Communist leaders.” The Americans heard from such CCP dignitaries as the General Ye Jianying and Peng Dehuai, then the vice commander of the CCP troops. Representative leaders from various CCP base areas established behind Japanese lines each described the history of their area as well as the political, economic, and military challenges the each base faced.³⁸

Although the Americans tended to have different views about how to best work with the CCP to achieve their operational goals in Yan’an, often depending on their respective sponsoring organizations, separate reports from the initial Dixie crew in this period reveal a broad consensus about the CCP capabilities and challenges. Notably, the reports universally express a positive view of the CCP activities in the fight against the Japanese and reveal respect—if begrudging—for the CCP’s unique guerrilla capabilities. Barrett’s first report, submitted a few days after the team’s arrival in Yan’an, reflects cautious optimism for the mission based on his positive impression of its Chinese hosts. He wrote, “To sum up, both military and civil officials are apparently doing everything in their power to cooperate with and assist the section. In this they are displaying a degree of initiative and planning ability, which I have never before encountered in China. From present indications, the Section should be able to accomplish results commensurate with the effort which has been expended in getting it despatched to Yen-an.”³⁹

Initial reports of the various Dixie Mission members also describe satisfaction with their verification of information that the CCP initially shared. Stelle declared the CCP leaders to be “convincing” and emphasized, “according to all the independent checks we have been able to

³⁸ Stelle to Spencer, “Interim Report on Mission to Yen-an,” October 27, 1944.

³⁹ “Transmitting General Report on U.S. Army Observer Section at Yen-an,” August 25, 1944.

secure, they avoided exaggeration of their capabilities and accomplishments.”⁴⁰ OSS officers used the opinions of several independent foreign observers of the CCP to corroborate the intelligence received from CCP leaders and counterparts. These observers included an American pilot who had been shot down in Shanxi province and received aid from the CCP guerrillas. Because the pilot had passed through several base areas, he was in a position to verify details provided to the Dixie Mission by the CCP regarding base area staff organization and basic positions in the countryside. Two other groups of American airmen who were rescued by the CCP in other areas were able to confirm, and even extend, the territory held by the CCP guerrillas on a map. The Dixie Mission members also conferred regularly with Michael Lindsay, a British scholar who moved to Yan’an in 1944 to learn about the CCP and help with China’s war efforts against the Japanese.⁴¹ Stelle described Lindsay as a “relatively objective observer” despite “his long connection with the Communists.”⁴² The observations of the Dixie Mission members were also generally consistent with information from the few other Americans who had been operating in rural north China in 1944 and who had been in any position to observe CCP actions and report on them to the OSS and G-2 in Chongqing. Stelle and the OSS officers in Dixie were sufficiently confident in their corroboration of CCP information to recommend that the mission to Yan’an be made a permanent outpost for intelligence collection in China.

⁴⁰ Stelle to Spencer, “Interim Report on Mission to Yen’an,” October 27, 1944.

⁴¹ Lindsay had helped the CCP design and construct their first radio capabilities at Yan’an, about which the Dixie Mission observers were very curious. For further about Lindsay and his Chinese wife Hsiao Li, see Kenneth E. Shewmaker, *Americans and Chinese Communists, 1927-1945: A Persuading Encounter* (Ithaca, NY: Cornell University Press, 1971), 130.

⁴² Stelle to Spencer, “Interim Report on Mission to Yen’an,” October 27, 1944.

Progress stymied by physical conditions and bureaucratic snafus

The first few months of the Dixie Mission emphasize an aspect of intelligence operations that historians often find easy to overlook: mundane logistical aspects of field conditions can significantly affect progress on intelligence collection. Performing intelligence missions in field conditions in World War II, such as those encountered in rural north China in 1944, often required personnel to spend considerable time on logistical issues, down to such banal matters as acquiring typewriters, carbon paper, and envelopes, which generally had to be flown over the Himalayan “Hump” from India to Xi’an and then into Yan’an by the 14th Air Force (under the leadership of Claire Chennault, rival and nemesis of Joseph Stilwell).⁴³ Personnel had to dispatch any intelligence reports or material produced either via encoded radio transmissions, which were often reserved for brief and urgent messages, or physically transport the material to Rear Echelon base areas of the CBI leadership via the Hump mission planes before slowly proceeding to Washington DC via plane or ship.⁴⁴

Living conditions at Yan’an were challenging and put the Americans in close quarters with one another. By American standards, Yan’an was not a particularly pleasant place to live. Hot in the summer, cold and snowy in the winter, and muddy all spring and fall, Yan’an’s climate seemed miserable most of the time.⁴⁵ The Dixie Mission established its quarters

⁴³ The realities of these logistical issues for the Dixie Mission also had a negative effect on the preservation of materials from the field station at Yan’an. Americans at Yan’an made kept most official records there on the thinnest possible onion-skin paper, which maximized the air deliveries, but has not aged well in the National Archives. Many documents from the field in Dixie are now in terrible and sometimes illegible condition, if their transport from the base and subsequent preservation was even possible.

⁴⁴ The term “forward echelon” refers to advanced elements of military forces, such as those considered to be on the front lines, whereas “rear echelon” denotes units deliberately located away from the fighting. Rear echelon units are typically headquarters offices and units devoted to support and planning. In the China-Burma-India Theater in 1944, the United States considered Yan’an a forward area and established both the China headquarters for the Theater and the U.S. Embassy in Chongqing, where Chiang Kai-shek had located the government of China.

⁴⁵ In an October 5 letter to John Davies, who was planning a trip to Yan’an, John Service cautioned that he should “bring bedding and plenty of warm clothes — it is cold as hell!” Personal letter from John Service to John Davies

approximately a half-mile from the city in caves dug out of a mud hillside—the most common type of housing in the area, where wood was scarce.⁴⁶ Residents of the caves had no indoor plumbing or mechanical heat. Stewards provided potable boiled water in thermal bottles for washing and tea, and each cave room had a brazier to hold hot coals for heating, which emitted dangerous carbon monoxide fumes from which the Dixie medic, Melvin Casberg, reportedly had to rescue Barrett, Service, and Davies more than once. CCP canteens provided simple Chinese fare at mealtimes, with dinners followed by watermelon, tea, and cigarettes. American personnel posted to the Dixie Mission complained about these conditions regularly in their personal correspondence.

Due to the nature of its forward-deployed field position in a remote area, officers posted to the Dixie Mission also assumed a wide variety of responsibilities, including some that their typical job duties did not include, such as secretarial and administrative work. The Dixie Mission never included women, much to the frustration of Dixie personnel, who had come to rely heavily on particular female secretaries and administrative clerks to assist with managing the extensive paperwork and specialized filing systems required in intelligence collection. OSS officer Ray Cromley sent several impassioned memos to his superiors in 1944 specifically requesting the assistance of his favorite female secretary. Cromley's memo in late July noted that both the Red Cross and the British Army had female staff in the field, specifically emphasizing that the British secretaries were “of the clinging vine type who are not used to roughing it,” presumably unlike more adventurous American women. Cromley declared the lack of female secretaries to be “a

regarding Dixie Mission, October 5, 1944, Bancroft Library, University of California at Berkeley, John S. Service Collection, Carton 2: Folder 51: John Davies.

⁴⁶ Carole J. Carter, *Mission to Yenan: American Liaison with the Chinese Communists, 1944-1947* (Lexington, KY: University Press of Kentucky, 1997), 36-38. Interview with Sidney Rittenberg, February 2013.

matter of saving men's lives and winning the war more quickly."⁴⁷ Cromley's request reflects sentiments shared by several other initial Dixie participants, but CBI and OSS superiors rejected all the requests out of a theater-wide rule that had been made forbidding women in areas deemed to be dangerous combat zones, which included all of mainland China.⁴⁸

OSS officers based at China theater headquarters in Chongqing echoed the concerns of Dixie Mission members such as Cromley about the absence of female file clerks and secretaries. Joseph Spencer, who served as the main representative for OSS R&A at CBI Headquarters in New Delhi in 1944 expressed these sentiments in a cable he sent in November 1944 to William Langer, OSS R&A branch chief in Washington. Spencer explained for the record that the "clerk problem here in China is very bad," and that R&A personnel in the field were being pressed into service to perform administrative jobs with intelligence processing that were not a typical part of their job descriptions. According to Spencer, the extra work kept those officers from focusing on their actual jobs, which included such duties as developing and training human assets in the field, debriefing field contacts, and writing up reports based on raw intelligence information the field base collected through various means.⁴⁹ Although Spencer was known by colleagues to be a pessimist, his outlook for the arrival of the mostly female administrative workforce was particularly grim: "I do not look for a full clearance on the problem of women coming to China

⁴⁷ "Cromley report on "Personnel Needed for China Order of Battle Work," July 31, 1944, NARA RG 226, Entry 148, Box 7, Folder 103: Dixie.

⁴⁸ According to Maochun Yu, General Stilwell and Ambassador Gauss vehemently opposed the use of American female secretaries and clerks in China during World War II. Yu, *OSS in China*, 170.

⁴⁹ Memo, Joseph Spencer to William Langer, "RE: OSS China," November 19, 1944, NARA RG 226, Entry NM-5453, Box 4.

in the very near future, so long as the Japanese land drive in Kwangsi keeps moving along. There is still too much uncertainty in the whole thing.”⁵⁰

Spencer’s predictions proved accurate—no female employees of any branch of the U.S. government were ever deployed to Dixie, even after the Japanese surrender. The policy remained in place not only despite the protests of Dixie’s male officers who needed their administrative staffs, but also despite the regular presence at the Yan’an base over the years of numerous female foreign correspondents including American journalists Agnes Smedley and Anna Louise Strong, not to mention the wives and families of the CCP leadership. It is impossible to tell for certain how requiring Dixie personnel, who had no particular clerical expertise, to serve as their own secretaries and clerks for the entire three years the mission was operating may have affected the amount of information the unit could collect, record, and disseminate, but it is easy to imagine that the absence of capable clerical professionals with expertise in intelligence filing systems had a negative effect on the Mission’s productivity.

Dixie’s location had negative effects far beyond the availability of clerical personnel. The schedule called for weekly planes ferrying personnel, mail, and supplies, but weather and other hazards, some of them bureaucratic, often prevented the planes’ arrival in Yan’an, not only impeding the delivery of supplies and official correspondence that enabled Dixie’s intelligence activities but also delaying letters to and from home and much appreciated care packages. Delayed or canceled flights not only meant the lack of much-needed supplies and personnel but also significant interruptions in communications and the flow of intelligence. Most sensitive correspondence and collected intelligence, often in the form of captured foreign documents or

⁵⁰ Spencer’s pessimism mentioned in a memo from William Langer to Burton Fahs, November 21, 1944, NARA RG 226, Entry NM-5453, Box 4.

print media, had to be flown out of Dixie via American planes, particularly prior to the installation of sufficient radio equipment for the volume of intelligence activity. Even after the Mission improved radio capabilities from Yan'an, U.S. intelligence officials favored hard copy materials because it was easier to protect sensitive information in physical form and because a much greater volume of intelligence material could be conveyed via documents or microfilm.

Delays related to disorganization, unprofessionalism, and inefficiency within the U.S. government regularly stalled Dixie's progress. In one important example, correspondence in August 1944 between OSS officials based in China and Washington DC describes strained relations between the G-2, which ran the Dixie Mission, and the 14th Air Force, based at Xi'an.⁵¹ Friction between General Stilwell, commander of ground troops in China, and the leader of the 14th Air Force, Claire Chennault, a strong-willed general who curried favor with Chiang Kai-shek, over the best way for the United States to support China had apparently trickled down to influence cooperation between Army and Army Air Force duties. Further complicating matters, the OSS officers included in the initial Dixie roster technically served under the administrative control of AGFRTS, part of the 14th Air Force, but they also answered to the Commanding Officer of Dixie, who was part of the Army's G-2.⁵² The 14th Air Force base at Xi'an was a necessary stop for the transport of American supplies and people to Yan'an. After the first plane to Yan'an in July, Army flights were supposed to travel the route from Xi'an to Yan'an to drop off supplies and personnel and pick up correspondence and intelligence documents.⁵³ However,

⁵¹ Reporting to OSS R&A Division Chief Langer about the situation in Yan'an, Chongqing-based OSS R&A officer Joseph Spencer wrote, "The second plane did not make it as scheduled. Forward Esh. is not on too good terms with 14th AF and has not many planes at its disposal. What the later contacts will be I do not know." "Memo from Spencer to Langer re: Dixie Mission" August 1, 1944, NARA RG 226, Entry NM-54 53, Box 4.

⁵² Yu, *OSS in China*, 169.

⁵³ Interview with Sidney Rittenberg, February 2013.

in the face of limited planes and resources available at Xi'an, the Dixie Mission ranked low among the 14th Air Force priorities in 1944. For the first few months, the Americans in Yan'an consequently suffered numerous repercussions in efficiency.

Evidence also suggests that even when Dixie reports emerged from the field conditions and into the hands of U.S. officials operating out of the China-Burma-India (CBI) headquarters offices and the U.S. Embassy in China, the reports still often took considerable time to circulate to and around Washington DC, particularly between agencies. For example, despite the high interest in Washington in the Dixie Mission and the CCP and despite the fact that the President and Vice President themselves had to personally intervene to sponsor the mission, Secretary of State Cordell Hull did not receive a copy of Barrett's initial report—dated July 27, 1944—until almost a full month later on August 25.⁵⁴ Secretary Hull received earlier reporting about conditions at Yan'an from State Department personnel including John Service, Ray Ludden, and John Davies, but Barrett's report was particularly important because he served as the commanding officer and was responsible for meeting most frequently with the highest CCP leaders including Mao Zedong, Zhou Enlai, Ye Jianying, and Zhu De.

Interpersonal conflicts a minor influence

In such remote conditions, the Americans had incentives to foster cordial relations between themselves and with their Chinese hosts. Although individual agencies represented at Yan'an each had their own pet projects to pursue, the participants in the mission frequently collaborated with each other and with Chinese counterparts. In its first few months, the Dixie

⁵⁴ The Secretary of State received Barrett's report about his first week in Yan'an one month after Barrett wrote it. Barrett's final report arrived at the Secretary of State's office as an enclosure to a memorandum by U.S. Ambassador to China Gauss. "Transmitting General Report on U.S. Army Observer Section at Yen'an 8-25-44 (SECRET)," NARA RG 319, Box 717.

Mission experienced personnel clashes and conflicts typical of any group of people in stressful conditions and simultaneously engaged in both a common purpose and a competition for limited resources. Official records provide only occasional hints at conflicts that arose between participants in the initial months of Dixie, and specific references to problems or hard feelings rarely surface outside of personal correspondence between Americans formerly stationed at Yan'an, sometimes not for years or decades later. Nonetheless, the conflicts recorded or alluded to in official reports from Yan'an at the time, personal letters of the participants at the time, and memoirs of the participants written later demonstrate that personal conflicts at the beginning of the mission were more infrequent than might have been expected for the unusual circumstances of their situation.

When interpersonal problems did arise in Dixie's first months, the protocols of leadership in conflict with the principles of secrecy and the desire for competition between the various organizations represented tended to exacerbate them. Because the mission existed under Army G-2 auspices, its Army Commanding Officer oversaw all communications to and from the post and held the ultimate responsibility for avoiding legal, diplomatic, or political debacles the mission's activities could create and for deconflicting situations where duplication of efforts might occur or where a lack of clarity in jurisdiction existed between Dixie's members. Participants in Dixie from military or Foreign Service backgrounds would have found the concept of order of command and channels of communication that ran through Barrett familiar and clear, but the OSS officers in Dixie frequently misunderstood or to some extent bristled at the idea of Army oversight on their work in north China. OSS China managers recognized from the outset the implications of having staff serve underneath an Army command. In early August 1944, Joseph Spencer, OSS China officer based at CBI Headquarters in New Delhi explained to

the head of R&A division in Washington that results from Dixie “may take some time for us to receive” because communications all rested in Barrett’s hands, and Barrett presumably had a promotion at stake in the results of the Dixie Mission, which might make him more inclined to run a tight ship at Yan’an.⁵⁵ According to Spencer, OSS had left relations with Barrett entirely in the hands of Charles Stelle in Yan’an.

Stelle reportedly experienced friction with the G-2 over communication out of Dixie in the first few months on the job. He explained to OSS managers in October 1944 that the problems that he encountered encouraged him to travel to Kunming to secure radio equipment when he could have delegated the trip to a colleague because he wanted a chance to write a candid report of the activity at Yan’an without G-2 oversight, which he described as the problem of “channels.”⁵⁶ As Stelle explained to Spencer, regular channels of communication for Dixie went via Barrett through the G-2 and Colonel Dickey, based at the CBI China Headquarters in Chongqing. From there, the G-2 would ferry information onward throughout the U.S. government organizations to which Dixie personnel had directed it. Stelle reported that he had not completely understood the seriousness of the channels of communication and had inadvertently breached the system by addressing a package full of duplicates of Chinese Communist publications OSS officers in Yan’an had gathered directly to OSS officers in Chongqing.

The incident ended up earning Stelle only minor reprimands, but served as a warning to Stelle and his managers that “This mission is obviously an important one and Theater HQ as a

⁵⁵ Memo from Spencer to Langer, August 1, 1944, NARA RG226, Entry NM-54 53, Box 4.

⁵⁶ Stelle to Spencer, “Interim Report on Mission to Yenan,” October 27, 1944, NARA RG226, Entry NM-54 53, Box 4.

present constituted at least, is going to hang onto direct control.” Stelle noted that OSS must respect the boundaries set forth by the G-2 until OSS had a more established and secure presence in Yan’an, explaining, “It will probably pay for us to hew fairly close to this line until we have convinced G-2 that we are not going to run away with their baby.”⁵⁷ Along similar lines, in an October letter to OSS’s head of SI branch operations in China John Coughlin Stelle summarized an attitude with which many of the non-Army participants in Dixie probably would have agreed:

“It is my honest belief that we will get much further, much faster, not only in getting intelligence for war purposes, but also in promoting the interests of our own organization by a program of sincere collaboration in the Dixie Mission rather than by premature attempts to establish an independent operation. I believe that eventually the operation will be of such size that we will automatically be granted a considerable degree of autonomy--but I think we should let that take care of itself as the operation develops.”⁵⁸

Despite the many incentives that existed for the initial Dixie Mission members to cooperate, discord occasionally surfaced. G-2 and State Department officials who had followed political and military developments in China for years before the war often harbored resentment toward OSS officials in China who were assuming duties formerly in the realm of the army and diplomatic corps and frequently making clumsy efforts to expand U.S. intelligence collection efforts in China. In the case of the relationship between Service and Stelle, personality clashes exacerbated matters. In a personal letter to fellow diplomat John Davies describing conditions at Yan’an in early October 1944, Service described Stelle as the “most useless and lazy bastard that God ever created.”⁵⁹ Stelle’s behavior in late September may have fed Service’s perceptions of

⁵⁷ Stelle to Spencer, “Interim Report on Mission to Yen’an,” October 27, 1944, NARA RG226, Entry NM-54 53, Box 4.

⁵⁸ Memo from Stelle to Coughlin regarding the Dixie Mission, October 1944 (Stelle’s record copy, no more specific date given), NARA RG 226, Entry 148, Box 7: Folder 103: Dixie.

⁵⁹ Personal letter from John Service to John Davies regarding Dixie Mission, October 5, 1944, Bancroft Library, University of California at Berkeley, John S. Service Collection, Carton 2: Folder 51: John Davies. Similar to

OSS personnel. Stelle's reports describe his frustration at trying to work within the strict pecking order of an Army-run mission, and communications between Stelle and his OSS superiors in rear areas allude to—but never specify—a domestic personal problem of Stelle's that affected his work.⁶⁰ No evidence has surfaced that Service's poor opinion of Stelle ever had direct and measurable influence on Dixie operations, a fact which speaks to the differences in tone of the Dixie Mission's first few months, when it was run by a fairly tight-knit network of China experts and the later years of the mission when expertise and enthusiasm of its personnel waned considerably.

A slow start in fall 1944

Adding to logistical and administrative challenges the initial Dixie crew faced, the weather in north China in 1944 also proved unsupportive of the Dixie Mission's early plans. Until well into fall 1944, wet and muddy weather conditions prevented American excursions into the remote areas of poor infrastructure beyond Yan'an where many CCP guerrillas were operating, which frustrated the eager Dixie participants and stymied their efforts to observe CCP field intelligence practices or the Japanese front lines first hand.⁶¹ Instead of undertaking field trips in August and September following the series of indoctrination lectures by the CCP, the Dixie participants paired up with CCP counterparts to form small committees where the Americans could learn more about the specific military and political intelligence capabilities at Yan'an. Committees formed on topics such as air intelligence, order of battle, communications,

Americans serving overseas in any official capacity on behalf of the U.S. government, Dixie Mission members wrote both official and personal letters. Official communications were subject to review by superiors and could contain sensitive information. Personal letters could not contain sensitive details about operations or plans.

⁶⁰ Memo from Spencer to Langer regarding OSS in China, November 19, 1944, NARA RG226 NM 54 53, Box 4.

⁶¹ "Transmitting General Report on U.S. Army Observer Section at Yenan," August 24, 1944.

and pilot rescue. The progress during this phase was reportedly disappointingly slow to the Americans, but Barrett and the CCP leaders had formed the committees deliberately to avoid duplication and encourage efficiency—⁶²legitimate concerns given the interagency composition of the mission.

The committee work offered the American officials a specific “warts-and-all” understanding of the possibilities for meeting the goals of their mission at Yan’an. Despite the positive outlook the initial Dixie Mission members reported with regard to the intelligence potential of a base at Yan’an, a consensus similarly emerges from their reports about the differences between the intelligence that interested American military leaders and policymakers and the intelligence that the CCP was already collecting. Dixie members identified several unique characteristics of the CCP base areas as a field for intelligence collection that influenced how they planned operations in CCP areas and how their plans were initially implemented.

First, Dixie members became aware that the CCP controlled pockets of rural land throughout the Japanese-held areas in north China. Because the base areas were geographically separated and Japanese controlled transportation and communication lines often ran between the areas, each base tended to operate with considerable autonomy. In describing this situation, OSS officer Stelle emphasized the Dixie Mission’s ample evidence that the CCP headquarters at Yan’an controlled the base areas through party ideology and through the army’s organization, and “there is no question that its orders are obeyed” by the base areas.⁶³ However, the decentralized nature of the CCP activities had precluded the development of the kind of staff organization that could serve as a direct counterpart to U.S. officials interested in intelligence

⁶² Stelle to Spencer, “Interim Report on Mission to Yen’an,” October 27, 1944.

⁶³ Stelle to Spencer, “Interim Report on Mission to Yen’an,” October 27, 1944.

sharing. In fact, as Stelle noted, Yan'an's intelligence interests had been focused on political news and anecdotes that could either be used to plan CCP force movements or in psychological operations of various types. In other words, in contrast to the American officials, whose intelligence requirements were broad and sought to connect Japanese movements and capabilities in North China with the larger Allied strategy in the broader China-Burma-India and Pacific War campaigns, circumstances often forced CCP guerrillas to focus on more localized and tactical intelligence.

The Dixie members assessed the CCP's intelligence capabilities to be strategically focused on supporting specific Communist guerrilla operations rather than any broader regional, global or more abstract political goals. OSS officers Stelle and Colling noted the relative sophistication of the CCP efforts to collect intelligence on the Japanese order of battle and capabilities, which directly affected how the guerrillas would design their operations. As Stelle explained, "as guerrilla fighters, they have not had to concern themselves with air strength, airfields and their defenses, naval and shipping movements, production and movement of strategic materials, or the locations of military and industrial installations."⁶⁴ Although the CCP's focus on order of battle intelligence was a logical and strategic decision for the CCP given their overall situation and capabilities, it also meant that the CCP cadres were unfamiliar with many types of intelligence important to the Allied war planners and U.S. policymakers at the time, such as air, naval, and economic intelligence. The Dixie Mission members would need to sensitize the guerrillas to the relevance of this information, persuade them of the benefits of cooperation, and train them in collection methods if the U.S. government expected such information to be collected from Yan'an.

⁶⁴ Stelle to Spencer, "Interim Report on Mission to Yen'an," October 27, 1944.

A third initial limitation on the intelligence capabilities of the CCP at Yan'an that the Dixie Mission members noticed was the Communists' weak communication system. Many reports from the Dixie Mission members in the operation's first months describe the poor state of the CCP radio equipment, the lack of skilled operators and regularized schedules for operation, and the risk that increasing the flow of information over the geographically wide spread radio network would overtax and collapse the rudimentary system. Replacing and augmenting the CCP's communication capabilities quickly became a top priority of the Dixie Mission in 1944, and the issue of providing the CCP with radio technology, equipment, and expertise became one of the most significant issues shaping the outcome of the mission throughout its existence.

Yan'an radio capabilities: A joint effort

In the first few months of the Dixie Mission, American personnel posted to the Yan'an cooperated as well as they could in developing radio capabilities sufficient in functionality to support all other new intelligence collection activity. By the end of their first two weeks in Yan'an, most of the initial Dixie members had noted the deficiency of the CCP radio equipment and procedures, and their initial reports unanimously emphasized the importance of developing sufficiently sophisticated and powerful radio capabilities at Yan'an. In most cases, the success of other operations from Yan'an hinged upon radio capabilities. The remoteness of Yan'an and northern China from Allied base areas heightened the need for radio communications that could speed communication over long distances and minimize personnel travel through dangerous enemy areas. CCP guerrillas operating close to or behind the Japanese lines would utilize the radio network to report information from their respective positions, particularly weather information and news of Americans who had been shot down in north China. OSS plans also intended to rely on guerrillas using the radio network from remote areas to help administer

programs of intelligence agents throughout the region and to report updates to the order of battle for Japanese troops based on their observations from positions near Japanese troops.

OSS officers in Yan'an initially took the lead on acquiring the right equipment and training local personnel to use it. Among all U.S. organizations with intelligence duties during WWII, the OSS operated with access to the most notoriously substantial and forthcoming budgetary resources secured by Donovan's force of personality and personal relationship with President Roosevelt. Thus, the Dixie Mission personnel all looked to its OSS officers to see the Mission through resource shortages, including the issue of radio technology. Throughout the Dixie Mission, they used the codename YENSIG to refer to radio operations in Yan'an.

The first American plane to Yan'an included OSS personnel trained in radio operations and carrying equipment the unit needed to begin establishing communications.⁶⁵ OSS officer Charles Stelle traveled to Kunming in October 1944 with the overt purpose of retrieving additional radio equipment designated for Dixie and cooperating with personnel from the Chengdu-based Tenth Weather Squadron to transport it to Yan'an.⁶⁶ Stelle successfully ferried some of the necessary components to Yan'an, but as of November, Yan'an was still waiting on hand-powered generators that could adapt the radio units to the lack of infrastructure in and around Yan'an, according to Stelle's correspondence with his OSS managers.⁶⁷ This detail might seem minor—a line in a memo in a stack of other memos on the desk of a busy OSS bureaucrat—but without these generator units, any information that the CCP guerrillas and Americans meeting them in the field were risking their lives to collect could not be reported in a

⁶⁵ Memo to Langer, Fahs from Spencer, August 1, 1944, NARA RG 226 Entry NM-5453, Box 4.

⁶⁶ Memo from Charles Stelle to Joseph Spencer, "Interim Report on Mission to Yen'an," October 27, 1944.

⁶⁷ Memo from Stelle to Coughlin re: Affairs in Dixie, November 22, 1944, NARA RG 226, Entry 148, Box 7, Folder 104: Dixie Intel Reports.

timely manner to the central leadership of the CCP, Chinese, or American militaries. In effect, the lack of a functional radio network would render much of the urgent intelligence collection activity from Yan'an irrelevant or obsolete before it could be reported.

Acquiring the initial equipment for the radio base was only the beginning of the project. Establishing communications that could facilitate the Dixie Mission's intelligence goals also required distributing basic radio and weather equipment throughout the CCP guerrillas' area of operations and training them how to use it. Within days of Stelle's departure for Kunming in October 1944, a party of American observers and CCP guides led on the American side by Foreign Service officer Raymond Ludden set out on a study tour of north China. The trip aimed to assess CCP military and intelligence capabilities and to equip guerrillas operating at and behind the Japanese lines to collect and report weather information. The Americans also brought along basic medical supplies to encourage goodwill and help the CCP guerrillas provide aid to downed American soldiers.⁶⁸ The most vital and timely tasks that the Americans asked the CCP guerrillas to help perform required radio. Unfortunately, the guerrillas in remote areas would not immediately benefit from the additional equipment that Stelle acquired: the study-tour from Yan'an did not return until February 1945.

The training programs also encountered unexpected obstacles. In addition to the technical training on how to operate American radio equipment and weather monitoring instruments, Dixie Mission personnel had to explain the context of how the information would be used. Although the CCP had advanced intelligence capabilities in some respects, collecting meteorological intelligence was all new. In his memoir, Barrett recalled one amusing miscommunication soon after the first radios and other equipment had been installed for a trial run at a CCP base area

⁶⁸ Kahn, *China Hands*, 127.

outside Yan'an. Barrett wrote, "Along with radios, there had been sent out forms to be followed in submitting weather reports. Under one heading, types of clouds, such as "cumulus," "cirrus," and so on, were to be noted. In describing the clouds, this particular message read, "Not many, and yet not few (*buduo ye bushao*)."⁶⁹

Although the Americans assisted the CCP personnel in substantially improving radio capabilities in 1944, the capabilities lagged far behind the needed capacity for the volume of work being performed from Yan'an. Desperation and frustration feature strongly in a memo that the OSS radio technician sent his managers in Chongqing in late November requesting additional radio resources. The technician, Anton Remenih, noted that communicating via radio with Chongqing was becoming more difficult, and Dixie personnel could only perform about half of scheduled radio contacts as planned. Even when Yan'an could make contact, "efficient and rapid transfer of traffic from Yen'an is almost invariably very difficult because of consistently heavy interference and high noise level in Chongqing"—a situation that only more powerful radio equipment was likely to resolve. According to Remenih, the situation meant that some communications, including messages containing important weather intelligence, stalled for as long as 36 hours before personnel at Yan'an could send them.⁷⁰

The challenge of developing effective radio capabilities sufficient to accomplish Dixie's mission illustrates how basic administrative and logistical issues had drastic effects on the intelligence capabilities of the United States in field conditions during World War II. Factors that past historians have used to explain the failure of the Dixie Mission to achieve its purposes, such

⁶⁹ Barrett, *The Dixie Mission*, 35.

⁷⁰ Remenih to Chongqing, "Need for increased radio power at Yen'an," November 28, 1944, NARA RG 226, Entry 148, Box 7, Folder 103 "Dixie."

as ideological differences between the American personnel and CCP counterparts or diplomatic and strategic disagreements between Chiang Kai-shek and General Stilwell, had comparatively little influence on the procurement, distribution, and operation of appropriate radio equipment for the American outpost at Yan'an. Moreover, U.S. military leaders and policymakers could not even blame other agencies for the problem—all organizations participating in Dixie agreed on the need for radio capabilities at Yan'an, and developing the radio capacity was one issue on which the Dixie personnel continuously cooperated. Rather, the failure of the initial Dixie Mission personnel to quickly establish radio capabilities necessary to achieve their intelligence mission reflects administrative and physical conditions that U.S. government simply had not yet prepared to handle.

Army personnel as capable intelligence collectors

The Army personnel posted to Yan'an demonstrated their expertise in operating in China and in performing the collection of logistical military intelligence. Between July and October, 1944, these projects included installing equipment and establishing protocols to gather weather intelligence from Yan'an and the surrounding areas and working with the Chinese Communist guerrillas to aid and rescue downed Allied airmen in or near Communist-held areas in China.

The Dixie Mission's determination to successfully establish new protocols for the collection of weather information from Yan'an was consistent with the great demand for weather intelligence from allied military officers operating in East Asia during World War II. Weather information was useful to military officers attempting to plan aerial bombings, troop deployments, and logistical transport during the war and for trying to anticipate the Japanese enemy's actions to accomplish the same goals. Extreme weather events as well as simple cloud cover significantly affected military logistics in the 1940s. As early as 1937, only limited

weather intelligence for central and northern China was available to allied military planners because the occupying Japanese troops had forced many American and European observers to leave China or flee to far flung cities such as Chongqing.⁷¹ According to historian Carolle Carter, who wrote a detailed account of life at Yan'an for the Dixie Mission members based on interviews with many of the American participants in the 1970s and 1980s, weather information from Yan'an specifically was useful to the U.S. Army's Twentieth Bomber Command because its pilots began long-distance bombing runs from Chengdu (in southwest China) all the way to Japan in June, 1944. The Twentieth Bomber Command also frequently ferried fuel from the CBI base in India that served as its headquarters to Chengdu to support the bombing missions.

Weather information from Yan'an about conditions in central and northern China was vital to these operations. Because CCP guerrillas operated in small groups, often behind the Japanese lines in occupied areas to which Allied troops had no access, the Dixie Mission was in a unique position to provide weather intelligence of the utmost importance to CBI logistical planning.⁷² In June 1944, OSS staff in China even recommended General Donovan use the issue of providing support for the Twentieth Bomber Command to help lobby the White House and cabinet-level leaders for the creation of the Dixie Mission, with the assumption that "secondary opportunities" for intelligence collection would exist for OSS once the outpost in Yan'an was established.⁷³

In the China-Burma-India campaign, the U.S. Army's Tenth Weather Squadron was responsible for collecting and disseminating all relevant weather information throughout the

⁷¹ Yu, *OSS in China*, 53.

⁷² Carter, *Mission to Yanan*, 85.

⁷³ "Memo from Spencer to Langer re: Dixie Mission," June 4, 1944, NARA RG226: Entry NM-54, Box 4.

battle theater. The Squadron posted a steady stream of personnel to Dixie, including Major Charles Dole, who was dispatched with the first group of American officials to Yan'an and served there throughout the second half of 1944. Personnel from the Tenth Weather Squadron spent much of their time in Yan'an in 1944 assessing what equipment was needed to collect the necessary data, installing equipment, taking measurements and readings, and beginning to train Chinese Communist guerrillas who operated behind the Japanese front lines to record weather assessments and transmit their observations via radio at designated times. According to Carter, prior to the arrival of the Dixie Mission, the CCP had not organized a systematic program for acquiring and transmitting weather information, but the CCP fighters were eager to be trained and contribute information.⁷⁴ Major Dole and several other Army Air Corps personnel who comprised the initial Dixie Mission roster began working with CCP counterparts to boost weather intelligence soon after the team's arrival in July 1944.

In addition to building systems for collecting weather data, initial Dixie Mission members worked with their CCP hosts during their first few months in Yan'an to rescue, assist, and debrief Allied airmen who had been shot down or captured by the Japanese in north and central China. The necessity of this mission intensified as the American long-distance bombing runs over China to Japanese-held areas increased in 1944 and 1945. Moreover, Carter noted that the Army began introducing the B-29 aircraft for these missions because they carried very large bomb loads, but the planes had serious problems that made them particularly susceptible to accidents and crashes.⁷⁵ The Air Ground Aid Service (AGAS), the army organization responsible

⁷⁴ Carter, *Mission to Yen-an*, 82-83.

⁷⁵ Carter explained that when the B-29 planes took off fully loaded, the pilots said they "considered taking off to be more dangerous than facing flak or enemy fighters." Carter, *Mission to Yen-an*, 74.

for the rescue of downed American airmen, had assigned Lt. Henry C. Whittlesey to the initial crew of Dixie. Whittlesey, in cooperation with the Mission's medical officer Melvin Casberg, was among the first of the initial Dixie contingent to venture into CCP guerrilla base areas beyond Yan'an when the weather cleared in fall 1944 as he sought to work with the CCP members to provide aid to rescue Americans who were behind the Japanese lines.

The CCP guerrillas were reportedly eager for information on how they could best support Americans in distress with whom they came into contact.⁷⁶ Former Dixie Mission members told Carter in interviews that AGAS officers posted to Yan'an sought information from the CCP guerrillas about the potential for escape from and evasion of Japanese troops so that they could inform the U.S. Army Air Corps fliers who were engaged in the bombing runs.⁷⁷ The Army began instructing those involved in missions over north China to seek help from the CCP guerrillas if they were in distress. On the CCP side, Ye Jianying appointed a special committee of CCP members to cooperate with the AGAS mission and determine how the CCP and Dixie Mission members could best cooperate to facilitate rescue missions.

Americans who had escaped or evaded Japanese capture in China served as an important source of intelligence for the Americans and CCP alike. Once rescued, all American evacuees that the CCP had helped went first to Yan'an, where they were debriefed, before the Americans stationed there arranged safe passage for them back to a rear base area. As intelligence officers, the Dixie Mission members were in an excellent position to gain valuable information from these individuals because they had already identified the gaps in American intelligence knowledge

⁷⁶ Nationalist Party guerrillas operating behind Japanese lines in central China had also voluntarily helped Americans when they were shot down. According to Carter, "The Nationalist and the Communists cooperated with the Americans in these rescues, but they did not cooperate with each other." Carter, *Mission to Yen'an*, 75.

⁷⁷ Carter, *Mission to Yen'an*, 75.

about the Japanese capabilities and they also had the means of communicating information gathered back to CBI Headquarters colleagues where it was applied in planning future missions and preparing American personnel for long-range bombing missions. Other aspects of the American intelligence dissemination process, such as the processing and sharing of strategic and political intelligence, were slow and dysfunctional, as will be explained below, but the G-2 officers posted in Yan'an and their management chain reportedly made use of AGAS information efficiently to protect American personnel as much as possible.

Debriefing the escapees also yielded interesting candid intelligence about life in the CCP guerrilla areas. In one fascinating example, the initial Dixie participants interviewed First Lieutenant J. P. Baglio, who was rescued by CCP guerrillas in June 1944 and handed over to American counterparts at Yan'an for evacuation in July. John Service drilled Baglio for examples of the extent of banditry in the areas controlled by the CCP People's Militia so the Americans could compare the bandit situation in north China with the rife and serious banditry problems that they had observed in areas held by Nationalist guerrillas elsewhere in China. To the great surprise of the Dixie members, Baglio had not observed or heard about any examples of bandits. Moreover, he reported that all the guerrillas he encountered appeared so dedicated to participating in war efforts that he could not imagine them having the time to participate in nefarious activities. Baglio's report fed the positive initial impressions that Dixie's political officers had formed of the CCP members, particularly compared to their experiences observing GMD troops.⁷⁸

⁷⁸ Baglio's report and Service's comments appear in full in Service, Report No. 23, Sept. 6, 1944, U.S. Senate, *Amerasia Papers: A Clue*, 1:842-44.

All parties recognized the great danger of the AGAS work. Indeed, Whittlesey became the only member of the Dixie Mission killed in action when Japanese snipers shot and killed him early in 1945, and he posthumously received the Distinguished Service Cross for his valor in assisting fellow soldiers in distress.⁷⁹ Given the dangers of the rescue work, Whittlesey (and his AGAS replacements), Casberg, and OSS officer Cromley repeatedly requested medical supplies and gifts to offer the CCP guerrillas to continue building their goodwill and eagerness to participate.⁸⁰ Unfortunately, these supplies were not forthcoming.

Army officials posted to Yan'an in 1944 made an undisputed substantial contribution to establishing the area as an effective base for U.S. efforts to collect logistic and operational intelligence that directly supported U.S. military efforts in the Pacific War. However, in the pursuit of increasing access to strategic and political foreign intelligence in China, the Dixie Army officials' superiors and managers in counterpart U.S. government organizations, particularly the OSS, tended to take for granted the efficiency with which these individuals accomplished these missions under conditions that were challenging at best.

Japanese POWs at Yan'an and American psychological warfare efforts

Americans in Yan'an in late 1944 found it extremely valuable to make contact with Japanese POWs that the CCP guerrillas had captured and were holding in Yan'an for two reasons. First, the Japanese POWs could be debriefed to inform psychological operations that the U.S. Office of War Information (OWI) sought to develop to encourage Japanese individuals to

⁷⁹ For further on Whittlesey's death, see Barrett, *Dixie Mission*, 81. Information on Whittlesey's service medal is available via *Military Times* online at <http://valor.militarytimes.com/recipient.php?recipientid=33262>. Accessed on July 10, 2015.

⁸⁰ For example, see Cromley's Memo "Small Medical Kits Designed as Gifts for Chinese Army Units," August 1, 1944, RG226: Entry 148: OSS Field Station Files, Box 7, Folder 103: Dixie.

surrender. Second, observing the Chinese Communists' treatment of and attitudes about the captured Japanese soldiers yielded valuable intelligence about the practices and style of the Communists themselves.

OWI was an agency formed around the same time as OSS and tasked with performing so-called "white" intelligence operations, including overt psychological operations, propaganda, and activities that would now be called public diplomacy. It did not send any personnel with the initial members of the Dixie Mission.⁸¹ Upon learning of the presence of Japanese POWs at Yan'an and the potential ability to interview them, OWI dispatched F. McCracken Fisher, a OWI officer and "China hand" who was based at Chongqing, on a two-week trip to Yan'an in September 1944 to study the psychological warfare efforts of the CCP's Eighth Route Army "to determine what could be learned from their experience and methods that could be used in our American psychological warfare effort against the Japanese, and to establish a source and channels for information about the Japanese army and conditions within Japan."⁸²

Fisher reported that the CCP had achieved considerable successes in psychological warfare, which he attributed to several characteristics of the Communists' approach and methods. He noted that the CCP leaders had a clear understanding of the nature of the war and their goals toward Japan and that they imparted this understanding to their troops, educating them thoroughly and "instilling the proper attitude toward the enemy." Moreover, the CCP leaders had enlisted the captured or surrendered Japanese troops based at Yan'an in developing

⁸¹ OSS handled the opposite of the "white" operations assigned to OWI: "Black" operations including covert plans of subversion, assassination, and the development of secret foreign agents. For further, see Bradley F. Smith, *The Shadow Warriors: O.S.S. and the Origins of the CIA* (New York: Basic Books, 1983), 117-121.

⁸² F. McCracken Fisher "Memo on Yen'an Reports Series," October 16, 1944, NARA, RG 165: Records of the War Department General and Special Staffs, NM-84 Entry 79, Box 2602, Reports #4-18. For further on Fisher's background, see Stephen R. MacKinnon and Oris Friesen, *China Reporting: An Oral History of American Journalism in the 1930's and 1940's* (Berkeley, CA: University of California Press, 1987).

the psychological operations themselves, federating them into an organization they called the Japanese People's Emancipation League. Fisher also noted that the location of the Japanese troops in China at fixed garrison locations also populated by puppet Chinese troops and Chinese peasants made the garrisons easy targets for highly mobile CCP guerrillas on psychological warfare missions. Lastly, Fisher's reports emphasized both the willingness of the CCP counterparts at Yan'an to share information with the Americans and the fact that they had important information to share about the "internal conditions of the Japanese Army in North China, especially as they affect the life and thinking of the ordinary soldier" as well as various captured Japanese documents, ranging from Japanese publications to actual Japanese military intelligence reports.⁸³

On the basis of Fisher's reports, OWI dispatched its officer John K. Emmerson to become a part of the Dixie Mission in late October 1944. Originally from Colorado, Emmerson had joined the Foreign Service after earning a Master's degree at New York University. The State Department assigned him to Japan in September 1935, where he served until October 1941.⁸⁴ His experience in Japan had allowed him to learn Japanese, which helped him communicate with the Japanese troops at Yan'an. After leaving Japan, Emmerson had be detailed to General Stilwell and worked with an OWI team in North Burma. Emmerson arrived at Yan'an for the first time on October 22, 1944 along with Koji Ariyoshi, a Japanese man who was working with OWI whom Emmerson arranged to bring to Yan'an to assist in psychological warfare efforts.⁸⁵

⁸³ F. McCracken Fisher "Memo on Yenan Reports Series," October 16, 1944.

⁸⁴ E.J. Kahn, Jr., *The China Hands*, 42.

⁸⁵ Carter, *Mission to Yenan*, 65. According to Carter, Emmerson and Koji Ariyoshi traveled on the same plane as John Davies and Theodore H. White, the famous *Time* magazine correspondent.

Reports by Fisher and Emmerson reflected unexpected positive impressions of CCP activities. Both Fisher and Emmerson expressed surprise at the cordial treatment the CCP guerrillas afforded to captured Japanese troops and believed that the CCP efforts in this regard aided the Communist psychological operations and propaganda efforts directed at the Japanese. For example, in memos describing his observations at Yan'an, Fisher explained "Every Japanese prisoner is regarded, first, as a potential worker or medium for psychological warfare, and second, as a potential instrument for the overthrow of the militarist government of Japan and the establishment of a people's government on democratic lines." Fisher assesses the CCP approach to captured enemy soldiers to be unorthodox, but highly effective. He quotes one American fighter pilot to whom the CCP had provided aid, affording him a chance to see the Communist POW policy in practice as remarking that the CCP guerrillas treat the Japanese troops "as if they loved them. I can't understand it—but it certainly does work."⁸⁶ Fisher and Emmerson both expressed the view that the United States could learn about effective psychological warfare from the CCP. The work that they began at Yan'an early in the Dixie Mission proceeded for the rest of the war with Japan.

State Department political reports and the problem of audience

Similar to OWI's Fisher and Emmerson, who worked specifically on CCP psychological warfare efforts and Japanese POWs, the State Department officials posted to Dixie to collect political observations reported surprise at their positive reactions to the CCP leaders and the Communist modes of operation on display in Yan'an. The initial months of the Dixie Mission represented a time when political officers from the State Department delivered their most candid

⁸⁶ "Yenan Report #11: Treatment of Prisoners of War by Eighth Route Army," October 23, 1944 NARA RG165: Records of the War Department General and Special Staffs, NM-84 Entry 79, Box 2602.

assessments of the Communist activities in China, including some views that appeared charitable and later attracted scrutiny from critics of Communism in the United States. In retrospect, historical records reveal Foreign Service officers John Service and Ray Ludden excelled at performing their assignment of observing the CCP leadership and reporting their findings back to the U.S. government, even if they made the mistake of being overly trusting that recipients of their reporting within U.S. policymakers and military leadership circles unaccustomed to such intelligence would be an informed and open-minded audience.

During his time in Yan'an, Ludden released far fewer reports than Service, perhaps because he spent much of his time on a field trip visiting the CCP guerrillas.⁸⁷ Similar to many of the Dixie participants, Ludden had worked in China before the war and served under Stilwell during the war prior to his assignment to Yan'an. A Massachusetts native, he had attended college at Georgetown University and joined the FBI, where he had some intelligence training before he joined the Foreign Service. He completed his first diplomatic service in Japanese-occupied Manchuria.⁸⁸ Ludden's main interest in Yan'an became testing the CCP's descriptions of their operations behind the Japanese lines, which appeared too good to be true to Ludden and many of the other initial Dixie participants. Ludden said the purpose of his participation in the extended field trip to visit guerrillas was to determine if CCP operations "worked as they said it was working, and we found that it did."⁸⁹

⁸⁷ Ludden's participation in a multi-agency delegation exploring North China with CCP escorts occurred from October 1944 to February 1945. Kahn describes the field trip in greater detail. Kahn, *China Hands*, 127.

⁸⁸ Ludden later told journalist E.J. Kahn that he permanently stopped wearing hats during his post in Manchuria because the Japanese occupiers there required Chinese people to remove their hats as a sign of deference to them. Kahn, *China Hands*, 36.

⁸⁹ Kahn, *China Hands*, 127.

Initial reports from Foreign Service officer John Service describe his determination not to fall under what he refers to as “the spell of the Chinese Communists” which he had heard about from numerous American and European visitors to Yan’an before arriving there himself. Service reports that even the American observers who were most dubious of the Communists and their intentions shared a similar feeling: “that we have come into a different country and are meeting a different people [compared to the Nationalist Party members].”⁹⁰ Service’s report details numerous ways that the CCP members in Yan’an seem different from the Chinese Army personnel in Chongqing including their simple clothing and lifestyle; the lack of bodyguards, fancy uniforms, and badges, and the overall “absence of show and formality, both in speech and action.” Service’s final observations are particularly prescient of events to come in the later 1940s:

“I think now that further study and observation will confirm what is seen at Yen-an is a well-integrated movement, with a political and economic program, which it is successfully carrying out under competent leaders. And that while the Kuomintang has lost its early revolutionary character and with that loss disintegrated, the Communist Party, because of the struggle it has had to continue, has kept its revolutionary character, but has grown to a healthy and moderate maturity. One cannot help coming to feel that this movement is strong and successful, and that it has such drive behind it and has tied itself so closely to the people that it will not easily be killed.”⁹¹

The positive tone of Service’s initial reports continued throughout his official correspondence dispatched in August and September. For example, in a report from September 4, 1944, Service wrote, “The general impression one gets of the Chinese Communist leaders is that they are a unified group of vigorous, mature, and practical men, unselfishly devoted to high

⁹⁰ John Service, “First Information Impressions of the North Shensi Communist Base,” July 28, 1944, reproduced in *Lost Chance in China: The World War II Despatches of John S. Service*, Joseph W. Esherick, ed. (New York: Random House, 1974), 178-182.

⁹¹ John Service, “First Information Impressions of the North Shensi Communist Base,” July 28, 1944, *Lost Chance in China*, 178-182.

principles, and having great ability and strong qualities of leadership.”⁹² A stream of Service’s reporting that later generated significant controversy appeared in late August. On August 27, Service dispatched a report summarizing a six-hour personal meeting he had with Mao Zedong at the CCP leaders’ invitation. Service describes Mao’s concerns about the vulnerability of Chinese democracy in the event that a civil war follows the defeat of Japan. Service conveys Mao’s request that the U.S. government support the creation of “a new national government” in China by “calling a conference of all leading political groups in China.”⁹³ Mao’s request probably brought to life the greatest fears of Chiang Kai-shek when he failed to stop the United States from deploying an official delegation to Yan’an, and it raised issues that could seriously threaten the alliance between the U.S. government and China’s globally recognized national government under Chiang Kai-shek’s leadership. Service sent his report to the State Department through CBI Headquarters and the Embassy in China. In his posthumously published memoir of his time working in Asia, Davies succinctly summarizes its initial effect: “Washington did not deign to respond to Mao.”⁹⁴

Service’s candor in his reports from Yan’an reflected pre-World War II institutional norms within the State Department that allowed Foreign Service officers considerable leeway in their opinions and fulfillment of their duties. Davies’ memoir describes an atmosphere in which the Foreign Service officer was seen as “a man of honor and that in his relations with the public and his colleagues he would so conduct himself.” Accordingly, the Foreign Service proceeded “untormented by anxious preoccupation with security and discipline,” a state of affairs which

⁹² John Service, “General Impression of the Chinese Communist Leaders,” September 4, 1944, *Lost Chance in China*, 198.

⁹³ John Service, “Interview with Mao Tse-tung,” August 27, 1944, *Lost Chance in China*, 292-294.

⁹⁴ Davies, *China Hand*, 217.

resulted in a close-knit network of Foreign Service officers which featured “tolerance of considerable nonconformity and even eccentricity.”⁹⁵ Davies describes the Foreign Service as a small and personalized organization, suggesting that most Foreign Service officers did not anticipate the unique political challenges of interagency work and the expansion of their intelligence collection duties during the war. Davies’ implication is entirely consistent with the behavior and attitudes of John Service preserved in the historical record.

OSS disorganization stalls strategic intelligence efforts in China

OSS officials posted to Dixie and their managers recognized the potential for important intelligence collection from the Yan’an base, but they found that capitalizing on this potential would be an extremely difficult and time-consuming mission. Reports from Dixie’s five initial OSS officers follow a general pattern: an enthusiastic officer in the field attempts to wade through the various turf wars in the field to design and propose a bold plan for the collection of strategic intelligence about the Japanese war efforts, frequently one that inadvertently conflicts with U.S. military or diplomatic interests in the area. First-line managers initially respond to the plan with optimism and support, which soon gives way to some mix of risk-aversion, simple bureaucratic inertia, and disagreements in headquarters offices over jurisdiction, scope, and vision. The problems at the management level are sufficiently serious to prevent the release of resources and necessary approvals to the officers in Yan’an. The initial stages of this pattern were on display in the first few months of the Dixie Mission for projects designed to respond to some of OSS’s top priorities for their work in China: developing a network of human

⁹⁵ Davies, *China Hand*, 19-20.

intelligence assets in north China and gathering the intelligence necessary to produce and maintain a complete order of battle for the Japanese troops.

Although Dixie's OSS officers did not find developing Yan'an's radio base to be an easy undertaking, that project may have seemed simple compared to the operations they attempted for developing human intelligence assets and collecting order of battle information. Under pressure from managers who had been determined throughout the early 1940s to develop effective human intelligence assets in China, the OSS officers in Dixie developed plans to establish a Yan'an-based network of Chinese and Korean intelligence assets and operators in Northeast China and beyond. In World War II's European theater of battle, recruited OSS assets often participated in clandestine war efforts beyond the simple collection and reporting of non-public information. OSS handlers tasked assets to engage in enemy sabotage and demolition operations, capture enemy documents, and other similarly dangerous activities behind enemy lines. In an attempt to establish such assets in China, Dixie Mission OSS officers Charles Stelle and John Colling sought to develop teams of agents behind the Japanese lines in Northeast China.

Despite their extensive experience living in and studying China, Stelle and Colling found developing the OSS program for human assets in northern China, which they code-named "APPLE," to be an extremely challenging affair. The senior of the two OSS officers, Charles Stelle, had expertise on China but little operational experience. Stelle represented OSS R&A Division and participated in the Dixie Mission in the capacity of a targeting analyst.⁹⁶ As such, he investigated and analyzed potential intelligence opportunities in the field, reporting back to headquarters about them, and helping with logistical issues to implement plans in the field. Stelle

⁹⁶ Memo, Charles Stelle to Joseph Spencer, "Interim Report on Mission to Yen'an" from Charles Stelle to Joseph Spencer, October 27, 1944.

himself repeatedly mentioned that his skills were not relevant to the needs of and opportunities available at Yan'an. Stelle's intelligence skills and expertise were more analytical than operational. As an expert linguist in Chinese and Japanese, Stelle had served as the chief representative of OSS's R&A division in Chongqing in early 1944, and his experience working closely with AGFRTS at that time had secured his selection to join the Dixie Mission in July 1944.⁹⁷ Prior to serving in China, Stelle had served as one of three deputy heads of the OSS R&A Branch's Far East Division in Washington DC.⁹⁸

The more junior officer of the two, John Colling, had some training and experience participating in—not necessarily designing—intelligence collection operations, but with that experience reportedly came arrogance that made it difficult for him to curry favor with colleagues from whom he required help. Colling was the son of Army Captain William Colling, who had served in the 15th Infantry in Tianjin, the company of “old China hands” that also had included George Marshall, Joseph Stilwell, and David Barrett. William Colling and his wife had remained in Tianjin after his retirement in 1929 and raised their three sons in China.⁹⁹ John Colling had joined the Army after Pearl Harbor and having requested assignment in CBI, ended up supporting guerrilla operations in Burma under General Stilwell before his assignment to Dixie.

⁹⁷ Memo from Joseph Spencer to Langer, Fahs regarding Dixie Mission (then codenamed Palisade in OSS communications), July 7, 1944, NARA RG226 Entry NM-54 53, Box 4., Memo from Coughlin to Dickey, May 18, 1944, NARA RG226, Entry 148, Box 7, Folder 103.

⁹⁸ Barry Katz, *Foreign Intelligence: Research and Analysis in the Office of Strategic Services, 1942-1945* (Cambridge, MA: Harvard University Press, 1989), 23.

⁹⁹ John Colling, *The Spirit of Yanan: A Wartime Chapter of Sino-American Friendship* (Beijing: Foreign Languages Press, 2004), xxvii.

The first reports by Stelle and Colling from Yan'an to OSS managers in Chongqing regarding the APPLE program recommended teaming up with CCP guerrillas and some Japanese Communist POWs to begin collecting intelligence in Northeast China, a strategic area that had had previously been completely inaccessible to American intelligence collectors. Many of the Japanese POWs being held at Yan'an were members of the Japanese Communist Party, and had chosen to defect to the CCP side while in residence there. One of these, Okano Susumu, head of the Japanese Communist Party, expressed willingness to send U.S. agents to Manchuria, Korea, and Japan to engage in psychological warfare efforts and sabotage similar to OSS foreign asset operations occurring in Europe.¹⁰⁰ Colling and Stelle reportedly found Okano's offer both credible and exciting. The operation to train and dispatch Chinese agents in Northeast China and beyond became a significant source of communication and debate between OSS Headquarters, various field-based OSS branch offices, and the OSS officers based at the Yan'an outpost in fall 1944. In an August 1944 report addressed to OSS managers serving in New Delhi, Chongqing, and Kunming from August 1944, Colling enthusiastically claimed "We are sure that the only limits on the cooperation we can secure from the local Chinese authorities and on the results that can be attained will be the amount of personnel and equipment that we are prepared to invest and able to transport."¹⁰¹ To support the establishment of the Apple project, in August 1944, Stelle and Colling underscored Cromley's requests for radio equipment to be used in the initial training of Chinese agents as well as additional personnel who could train Chinese agents in demolitions,

¹⁰⁰ For further on Okano, see Yu, *OSS in China*, 168.

¹⁰¹ Memo, "Stelle and Colling to Hall and Peers regarding possible OSS operations from Yen'an as a base," August 7, 1944, NARA RG226, Entry 148, Box 7, Folder 103: Dixie.

radio, and general intelligence techniques.¹⁰² They also planned a trip to forward areas deep in the northern Chinese countryside with their Chinese counterparts in early September 1944.

Some aspects of the plan by Stelle and Colling reflected their naiveté about operational concerns in China, and some circumspection on the part of OSS managers in response was probably warranted. Reflecting the much greater awareness of the security realities of performing intelligence operations in China, Dixie commanding officer offered some necessary guidance in a direct but extremely cordial cover letter to the OSS managers that departed Dixie with correspondence from Stelle and Colling about their plans in early August.¹⁰³ Barrett declared himself to be “very much in favor of doing everything we possibly can along the lines of training Chinese personnel in the work in which Stelle and Colling are interested” but described two concerns. The first concerned approval for the plan from Stilwell’s headquarters and others in Chongqing, ensuring that it did not come into conflict with political concerns surrounding SACO and other agreements between the United States and the Chinese government. Second, Barrett urged awareness that the Japanese would quickly become aware of virtually any American presence in the CCP-controlled areas of China. He cautioned that “If the Japs thought the presence of the Americans was hurting, or could hurt them, they might begin active offensive operations against the area concerned.” Despite these cautionary notes, Barrett’s tone is hardly dismissive. On the contrary, he refers to the OSS opportunities to work with the CCP in China “almost unlimited” and offers to help OSS managers and personnel in Yan’an however he can.

¹⁰² Memo, “Stelle and Colling to Hall and Peers regarding possible OSS operations from Yen’an as a base,” August 7, 1944.

¹⁰³ Letter from David Barrett to Colonel Hall, August 7, 1944, NARA RG 226, Entry 148, Box 7, Folder 103: Dixie.

Deputy Director of OSS China Robert Hall, an immediate supervisor of Stelle and Colling who was based in Kunming, initially reacted to the APPLE plan with optimism and some ambiguity. His response was to “neither approve or disapprove” the project. He wrote, “The idea is magnificent and we will go all the way as soon as the road is clear. It is the greatest idea in Cathay, if the necessary courage and imagination can be mustered to put it through,” but also noted that he needed more details on financial and equipment requirements.¹⁰⁴ Hall proceeded to describe the politics of negotiating the plan. “As Colonel Barrett points out, the question as to how far headquarters is willing to go is not clear. On the other hand, this is just the kind of project Oboe Sugar Sugar [NB: telegrams, cables, and radio dispatches in World War II referred to “OSS” as “Oboe Sugar Sugar”] was created to do. I am hoping we will be allowed to undertake it, even if it means a slight exposure of the neck.”¹⁰⁵

Hall’s measured enthusiasm may have simply been his way of managing morale for the Dixie officers because Hall’s communications with other managers reflected less hope for the success of the operation. Hall forwarded the details of the Apple project as outlined by Stelle and Colling as well as Cromley’s order of battle plans to the Chief of Secret Intelligence at the OSS’s Far East Desk in Washington DC. Hall’s cover letter explains the potential of the projects and their consistency with the overall mission of the OSS. However, despite Hall’s assurances of his support to his colleagues in the field at Yan’an, Hall’s memo to Washington DC expresses numerous qualms. Hall explains that “these projects will not develop as rapidly as our young men imagine.” The majority of Hall’s memo highlights many of the political problems that the

¹⁰⁴ Memo from Hall to Barrett for Colling and Stelle, August 24, 1944, NARA RG226, Entry 148, Box 7 Folder 103: Dixie.

¹⁰⁵ Memo from Hall to Barrett for Colling and Stelle, August 24, 1944.

mission could raise, chief among them ruffling the feathers of Chiang Kai-shek and the KMT. He notes that the KMT-led Chinese central government is sensitive “to the American press and to various other American expressions of dissatisfaction as to the Chinese Communist situation” and questions how far both the KMT and the Army officers at CBI headquarters are willing to go in cooperating with the CCP, particularly given the sensitivities of the SACO arrangement.¹⁰⁶

Hall’s true attitude about APPLE was not conveyed to Cromley and Stelle until a longer memo Hall sent to the field dated August 27—the day after his dispatch to Washington on the matter. Hall’s enthusiastic tone toward the Dixie officers had shifted to one of greater risk aversion and less support. In the August 27 memo, Hall first told Cromley “you are getting a good deal accomplished and have put forth some excellent ideas. Fine going,” and then said “Probably because you have been so constantly on the go since your arrival in China, it has been impossible for you to get the overall picture and the many patches of thin ice upon which you are compelled to operate.”¹⁰⁷ Hall warned Cromley that taking autonomous actions not approved by OSS planners and managers in Washington could land him in serious trouble and suggested that Cromley discuss the “history and present position” of OSS in China, noting that “I realize that I probably sound overly cautious and conservative to you, but if so, I have come to be that way by the hard school. We are getting forward, and I am not anxious to lose our gains.”¹⁰⁸ With this response, Stelle and Colling had their first glimpse at the challenges they would encounter

¹⁰⁶ Memo, Hall to OSS on Dixie Mission and two proposed projects, August 26, 1944, NARA RG226, Entry 148, Box 7, Folder 103: Dixie.

¹⁰⁷ Memo to Cromley from Hall regarding matters OB [Order of Battle], China, and Cromley, August 27, 1944, NARA RG 226, Entry 148, Box 7, Folder 103: Dixie.

¹⁰⁸ Memo to Cromley from Hall regarding matters OB, China, and Cromley, August 27, 1944.

obtaining management support for their plans. Discussion over if, how, and under what conditions APPLE could proceed continued to occur well into 1945.

As Stelle and Colling worked to put the APPLE operation in motion, OSS officer Major Ray Cromley had slightly greater success on his plan for collecting intelligence for the OSS order of battle on the Japanese military as well as a similar order of battle for the CCP forces. OSS had also tasked Cromley with building a school to train Chinese intelligence officers and POW interrogators.¹⁰⁹ Cromley was chosen for the Dixie Mission due to his expertise in order of battle work and his excellent reputation within the G-2. Prior to World War II, Cromley had been a journalist, working for several years as the Wall Street Journal's Tokyo correspondent. When war broke out, the Japanese arrested and convicted Cromley for distributing information "detrimental to the national defense of Japan." He was imprisoned in Japan for several months before being repatriated in a prisoner exchange. Upon his return to the United States, he quickly joined the Army and was assigned to work in the G-2.¹¹⁰ Cromley's experience moving between Army and OSS posts was typical of many Americans involved in intelligence positions during World War II. When posted to Dixie, Cromley was technically an officer of the OSS, but while with Dixie he was covered first by AGFRTS and later by the G-2 itself. Cromley was sent to the OSS post from his previous position in the G-2 specifically to work in the China Theater on order of battle intelligence.¹¹¹ When he arrived in Chongqing in May 1944, OSS China officials

¹⁰⁹ Ray Cromley, "Yenan as the Major Order of Battle China Base of Operations," July 30, 1944, NARA RG 226, Entry 148, Box 7, Folder 103: Dixie.

¹¹⁰ Memo for Coughlin regarding Cromley order of battle expertise, April 1, 1944, NARA RG 226: OSS Files, Entry 148: OSS Field Station Files, Chungking, Box 7, Folder 103: Dixie.

¹¹¹ Memo for Coughlin regarding Cromley order of battle expertise, April 1, 1944.

assigned him to the AGFRTS personnel.¹¹² He was under that cover for his first few weeks in Yan'an, before plans changed because AGFRTS decided it was not interested in his intelligence and was nervous about potential political blowback from American operations in forward areas deep in China.¹¹³ In the fall of 1944, Cromley's cover shifted back to the G-2.

Cromley's initial assessment of the potential for collecting order of battle information from Yan'an was extremely optimistic. In his first report to the OSS officers based in CBI Headquarters, Cromley described access to Japanese and Chinese publications, captured documents, prisoners of war who could be debriefed, and captured weapons and equipment. He emphasized the access of Chinese Communist guerrillas to Japanese occupied areas claiming "There is virtually no spot in Japanese-occupied China in which the Yen'an armies do not have permanent agents or guerrilla troops. Because of their continual skirmishing with the Japanese, they are an excellent source of prisoners of war and captured documents. All they need is training in what Order of Battle information to collect and how to collect it."¹¹⁴

Cromley was generally impressed with the Chinese guerrillas he met at Yan'an and remarked on their eagerness for training in intelligence methods and their willingness to help obtain the information that Cromley requested. He reported that the CCP officers based at Yan'an had sent via radio Cromley's intelligence requirements to guerrillas at the front lines, and they were already collecting captured documents and using Cromley's questions in debriefing POWs as of the late July, 1944, only weeks after Dixie's arrival. Cromley's CCP contacts in

¹¹² Letter from Coughlin to Joe Dickey, May 18, 1944, NARA RG 226: OSS Files, Entry 148: OSS Field Station Files, Chungking, Box 7, Folder 103: Dixie.

¹¹³ Memo to Barrett for Cromley from Hall, August 26, 1944, NARA RG 226: OSS Files, Entry 148: OSS Field Station Files, Chungking, Box 7, Folder 103: Dixie.

¹¹⁴ Ray Cromley, "Yenan as the Major Order of Battle China Base of Operations," July 30, 1944.

Yan'an had also sifted through their files to provide him with useful materials they had already collected, and they brought him to a cave full of captured Japanese weapons, and they helped him copy the guns' markings.¹¹⁵ Cromley reported that he had secured from the Chinese information "so secret that even the G-2 in Chungking had previously gotten it neither from the Chinese nor from Washington (because top secret)."¹¹⁶

Cromley was one of the first Dixie OSS officers to express specific requirements in terms of equipment and personnel for improved radio support in Yan'an. In addition to specific radio technology and staff who could help support its installation and operation from Yan'an, Cromley also requested the establishment of a well-equipped microfilm station to facilitate the passage of intelligence across Japanese lines, which typically was conducted by small groups of guerrillas on horseback. These men had to be selective about paper copies of publications and reports they carried, which were conspicuous for their bulk, but they could easily carry hundreds of microfilmed documents in a small space without detection.¹¹⁷ Documents on microfilm were also significantly easier to transport back to OSS field offices away from the front lines and to counterparts in Washington DC, particularly because most communication emerging from Yan'an was traveling via radio or airplane.

Cromley was adamant that it was vital to collect order of battle intelligence in the field, as he was doing, rather than from a safer headquarters office, as was the custom. Cromley wrote, "After three months in China, I am convinced that work can be accomplished only in the field and only by continuous work in the field." To this end, he recommended that the United States

¹¹⁵ Ray Cromley, "Yenan as the Major Order of Battle China Base of Operations," July 30, 1944.

¹¹⁶ Cromley report on "Personnel Needed for China Order of Battle Work," July 31, 1944 NARA RG 226: OSS Files, Entry 148: OSS Field Station Files, Chungking, Box 7, Folder 103: Dixie.

¹¹⁷ Ray Cromley, "Yenan as the Major Order of Battle China Base of Operations," July 30, 1944.

form small teams, mostly staffed by trained Chinese guerrillas, who could travel around China to perform the necessary intelligence duties.¹¹⁸

The initial efforts of OSS in Yan'an achieved no more success than any of the other efforts that OSS had sponsored in China in the early 1940s. OSS officers learned that China represented an extremely difficult environment for intelligence operations. The intricacies of competition between more experienced and capable American counterparts from the Army and State Department as well as the diplomatic issues at stake for attempting any intelligence collection operations without the full awareness and cooperation of Chiang Kai-shek and Tai Li further stalled OSS efforts, including those during the Dixie Mission. Cromley's progress on building the order of battle moved at a slightly faster pace than plans for the APPLE operation, but both operations remained mired in the planning stages well into fall 1944.

Interagency cooperation easier in the field than at home

Although the Dixie Mission arguably experienced its most cohesive and productive period from July to October 1944, those providing management and logistical support to the mission from American base areas regularly encountered bureaucratic and administrative challenges, within and between their representative organizations. These problems were particularly evident in OSS correspondence—unsurprising given the organizational age of OSS and the level of controversy surrounding it as General Donovan attempted to carve out a place for it from the jurisdictions and budgets of other U.S. government organizations. OSS managers in field offices in China served multiple audiences. They communicated intelligence requirements and managed operations in the field, offering feedback and guidance directly to

¹¹⁸ Cromley report on "Personnel Needed for China Order of Battle Work," July 31, 1944 RG 226: OSS Files, Entry 148: OSS Field Station Files, Chungking, Box 7, Folder 103: Dixie.

subordinates based at Yan'an, and they also faced the challenge of managing the expectations of those in Washington D.C., including lateral colleagues as well as more senior intelligence officials and policymakers. The challenges of managing field operations from long distances surface in correspondence between OSS order of battle expert Cromley and his SI Branch handlers Hall and Coughlin. Cromley describes feeling "baffled" at the various conflicting orders he receives at OSS priorities and hinting at the political equities involved in his behavior without providing specific guidance on expected actions or behaviors in the field. Cromley wrote, "I am anxious to do the right thing, but I can only do the right thing if I have the situation explained to me."¹¹⁹ Coughlin and Hall likely found it extremely difficult to explain all the sensitive bureaucratic politics and diplomatic negotiations influencing OSS activities, particularly in short communications that would hardly be private as they moved through G-2 communication channels on their way to Yan'an.

In some cases, explaining how intelligence collection worked in the field to superiors and those in Washington exceeded the challenges of supporting the staff coping with field conditions themselves. For instance, in an October 1944 memo to R&A Branch Director William Langer, Joseph Spencer, who was serving as the Acting Chief for SI branch in the China-Burma-India theater at the time, veered into a somewhat flippant response as he attempted to respond to Langer's query about why SI Branch was "both slow and not too successful at setting up agent nets throughout the whole of the Far East." Spencer explained, "SI does not have scads of agents at every crossroad to secure information on specific economic questions for R&A Washington." Spencer hints at the planned OSS mission codenamed APPLE that would train

¹¹⁹ Memo from Cromley to Hall and Coughlin in response to Hall's August 27 letter, September 18, 1944, NARA RG 226, Entry 148, Box 7, Folder 103: Dixie.

Chinese and Korean agents to collect intelligence throughout Northeast Asia upon request from the U.S. government, but he cautions that intelligence collection on demand is never easy or fast:

“You make elaborate preparations for an agent net, you provide radios, special equipment, special training (and R&A provides some briefing), the agent goes out and you do not hear from him. Was he caught? Was he watched so closely he had to lie still? Is his radio broken? How long do you wait before you start again? I assure you, it is not like putting a nickel in a jukebox. As for Washington R&A allowing a time sequence between the asking of a question and getting an answer, I would say that a conservative guess would be to place that interval at 4 months. It might be 2, but it could be 6. Certain kinds of operations are much more rapid in accomplishment than others. Where we have an excellent agent set up already operating, we could probably get information in brief form for radio communication back to Washington in 3 weeks. But this would be a rare occurrence.”¹²⁰

Spencer provides a similar description of how R&A branch officers in China attempt to fulfill requests from OSS headquarters. Upon receiving a question from OSS in Washington, OSS R&A officers in China would first draft a short memo to an OSS SI officer in China who could review materials available and task out the question to SI colleagues, but he cautioned that “under SACO it is doubtful whether we will get much of an answer.”¹²¹ The R&A officer could use other spokes of his network in the field, but these typically result in the request passing through multiple time-consuming relays before reaching a destination where the information might reside, and in many cases the requested information was still unavailable or unknown. He ends the description saying, “OSS is a bit undeveloped yet throughout the whole of the Far East. It will both take more time and more personnel for us to achieve a smooth efficient organization. We are still trying.”¹²²

¹²⁰ Memo from Spencer to Langer, October 31, 1944, NARA 1944.10.31 Memo to Langer from Spencer, RG226 Entry NM-54 53, Box 4.

¹²¹ Memo from Spencer to Langer, October 31, 1944.

¹²² Memo from Spencer to Langer, October 31, 1944.

Communication problems between those requesting intelligence from headquarters offices and those providing it from the field were not at all exclusive to OSS. In his October 5 personal letter to John Davies, John Service apologized for an intelligence mix-up over a typographical error that is almost comical. According to Service, Davies' request for information on "factions" (as in political factions) of the CCP Army reached Yan'an as "functions," presumably "after 16 paraphrasings" as it passed through the various channels of communications, Service wrote.¹²³ Because the request seemed military in nature, Service passed it to Barrett, who reportedly "hit the roof" at receipt of such a broad request, and queried Chongqing to determine its meaning. They assigned him to complete the request, which resulted in a largely unnecessary extensive report on CCP Army "functions" and a severe delay in providing Davies the intelligence on factions that he had actually requested.

Intelligence from Dixie was not necessarily circulating between agencies either. According to a candid description of dissemination practices by OSS's Stelle, Service's political reports—which addressed some of the most important political questions Dixie had been established to answer—experienced a slow, narrow, and dysfunctional distribution process within the U.S. government's China experts. According to Stelle, only Stilwell's office received the reports. Temporarily free of Army oversight on his communications while on his short trip to Kunming, Stelle complained to his superiors that "There is no point in Jack continuing his former practice of giving me unofficial copies, since in the first place the general community style of living we enjoy at Yen'an isn't too conducive to doing things unbeknownst to the powers that be, and in the second place there is no way for me to get them out without their going through

¹²³ Personal letter from John Service to John Davies regarding Dixie Mission, October 5, 1944, Bancroft Library, University of California at Berkeley, John S. Service Collection, Carton 2: Folder 51: John Davies.

G-2.”¹²⁴ To circumvent what Stelle repeatedly referred to as “the problem of channels,” he suggested OSS officials in CBI offices access Service’s reports via Davies and then disseminate them secretly through OSS channels back to OSS officers serving in Kunming who needed the information. According to Stelle, the G2 had also failed to deliver copies of Cromley’s initial order of battle reports to OSS officials in Kunming, who obviously had a need and use for them. In both cases, Stelle specified that he doubted the slights were deliberate or political, but rather due to the volume of Dixie’s reporting coupled with the “limitations of staff and inefficiency in the G-2” that created “a first-class bottleneck” in G-2 offices in Chongqing.¹²⁵

Once Dixie Mission proposals and reports left Yan’an for higher levels of management within the sponsoring U.S. government agencies, a spirit of cooperation that existed in the field tended to rapidly disintegrate, reducing the overall efficacy of the mission in achieving its purposes. The early experiences of the U.S. Observer Group at Yan’an offer both negative and positive examples of how relationships between intelligence personnel in the field and their colleagues and superiors at headquarters offices mattered to the effective collection of foreign intelligence in World War II. Relationships between U.S. officials in China and those based in the United States were key in determining the administration of the war efforts and ultimately their outcomes. The potential pitfalls of administrative dysfunction within the emerging U.S. intelligence community only became more apparent as events in China moved further away from the strategic goals and interests of the United States and as the American national security bureaucracy expanded in the late 1940s. These implications probably were not obvious to the

¹²⁴ Memo, Charles Stelle to Joseph Spencer, “Interim Report on Mission to Yen’an” from Charles Stelle to Joseph Spencer, October 27, 1944.

¹²⁵ Memo, Charles Stelle to Joseph Spencer, “Interim Report on Mission to Yen’an” from Charles Stelle to Joseph Spencer, October 27, 1944.

Americans whose plane landed in Yan'an July 22, 1944 as they embarked on an exploration of their new temporary home with the CCP, but Dixie participants certainly had less doubt about this reality after the removal of General Stilwell from his role in China on October 19, 1944.

Intelligence mission to CCP's Chin-Ch'a-Chi Base Area

General Stilwell asked Barrett in early fall 1944 to assemble a small group of U.S. officials to make a thorough inspection tour of the main CCP guerrilla base in an area known as Chin-Ch'a-Chi. In an interview in 1982, Major Wilbur "Pete" Peterkin, who was Barrett's executive officer in the Dixie Mission, described "being volunteered" on September 26 by Barrett as the head of the delegation tasked with making the trek to the region's capital headquarters at Fuping in Shaanxi province, from which the group would launch observation missions behind the Japanese lines with the CCP guerrillas as their guides. Barrett asked Peterkin and his group "gather intelligence on the Japanese and set up weather stations and air rescue bases for downed American airmen."¹²⁶ Several other Dixie Mission personnel accompanied Peterkin on the assignment, including the State Department's Ray Ludden; Captain Brooke Dolan, Captain Paul Domke, Lieutenant Henry Whittlesey, and Sergeant Walter Gress from the Army; and Lieutenant Simon H. Hitch, the sole representative of the U.S. Navy assigned to the Dixie Mission.¹²⁷ The group embarked by mule on October 6, 1944 and did not return until January 23, 1945—effectively missing the time of greatest transition and upheaval for the rest of

¹²⁶ Military historian William Head wrote biography of Peterkin heavily influenced by Peterkin's own published memoirs and extensive interviews with Peterkin that Head conducted in June 1982. Head quoted Peterkin describing his Fuping mission orders in William P. Head, *Yenan! Colonel Wilbur Peterkin and the American Military Mission to the Chinese Communists, 1944-1945* (Chapel Hill, NC: Documentary Publications, 1987), 60.

¹²⁷ Head lists the entire Fuping trip roster in *Yenan!*, 60.

the Dixie Mission in Yan'an given their limited means of communication with the Yan'an base while traveling.

Unlike many other U.S. officials who comprised the Dixie Mission, particularly in leadership roles, Peterkin had not made his career in the military or Foreign Service prior to the war. Peterkin's preparation for leading the group had been accumulated almost entirely on the job, while serving as Barrett's deputy in Yan'an and in his position immediately preceding his orders to Yan'an, where he served with Barrett in Guilin. Prior to the war, Peterkin had worked as a high school teacher and principal in a Seattle suburb. Peterkin hailed from a working-class family in Clinton, Iowa, and had put himself through college at the University of Oregon by working odd jobs to save up tuition money. He had graduated and started his teaching career in 1931 at age 27.¹²⁸ In the summer of 1941, Peterkin was called into active duty in the 15th Infantry, and he was attending infantry school at Fort Benning, Georgia when the Pearl Harbor attack occurred. Given his background in education, Peterkin spent the first part of the war as a trainer at Fort Benning before being sent to officer school in April 1943.¹²⁹ In the fall of 1943, Peterkin shipped out to China, where he served as a trainer for Chinese troops in the large American-run base area in Guilin, where he met Barrett, who was also working there at the time. Barrett was helping Stilwell and Davies assemble appropriate personnel for the initial Dixie Mission roster in the spring of 1944, when the Japanese troops began to approach and threaten Guilin. Recognizing Peterkin's abilities as a trainer and aware that part of the Dixie Mission duties might be to train CCP troops, Barrett tapped Peterkin to join him on the trip to Yan'an.

¹²⁸ Head, *Yenan!*, 3.

¹²⁹ Head, *Yenan!*, 37, 43.

Both Barrett and Peterkin had already rotated to Chongqing in preparation for the Yan'an mission when Guilin fell to the Japanese in late June 1944.¹³⁰

Peterkin had served in Yan'an almost as long as Barrett, and his duties included the day-to-day staff administrative work for the mission as well as various training and observation duties Barrett assigned him. Peterkin had joined the Dixie Mission on August 7, 1944 when the second plane full of Americans reached Yan'an. As is frequently the case in military networks, the ages of the Dixie Mission members paralleled their respective ranks. Peterkin was 41 years old when he joined the Dixie Mission, close in age to Service and Davies, who were both in their late 30s, and younger than Barrett, who was 52 in 1944. Peterkin frequently gave talks and lectures to the CCP military leaders at Yan'an to help compare notes with them on how they were fighting the Japanese. His audiences often included such influential generals as Zhu De, Peng Dehuai, Ye Jianying, He Long, and Chen Yi. He also made frequent trips into the countryside around the Yan'an base area, such as one trip to Naniwan, 40 miles from Yan'an, where he watched a brigade of CCP soldiers build a new base.¹³¹ Experiences working closely with the CCP generals and his successful completion of several observation missions may have bolstered Barrett's confidence in sending Peterkin on the Fuping trip.

The trip to Fuping afforded Peterkin and his colleagues a completely unprecedented view of the activities in Communist-held north China, but their travels were neither smooth nor comfortable. Peterkin and his group ultimately traveled around 1,200 miles, "entirely by mule or on foot."¹³² From October 6 until November 10, the group of Americans traveled from one

¹³⁰ Head, *Yenan!*, 42.

¹³¹ Head, *Yenan!*, 53.

¹³² Head, *Yenan!*, 60.

guerrilla hamlet to another as they slowly made their way to Fuping, where they were issued the “blue gray insulated pants and jacket, as well as a goatskin coat” that the guerrillas typically wore and gave them Chinese-style haircuts in an effort to disguise them as they began venturing closer to the Japanese-occupied areas.¹³³ The Americans slept and ate alongside CCP hosts, experiencing the basic living conditions of people in the Chinese countryside at the time, which typically included no plumbing, heating, home electricity and a diet of rice with occasional supplementary vegetables. Along the entire route, CCP guerrillas escorted the American delegation in groups that Peterkin said numbered between small squads of 6 or 7 troops to an entire 1,500-man brigade at one point.¹³⁴

Several remarkable intelligence accomplishments emerged from the Fuping mission. The Americans happened to be at Fuping in November 1944 when CCP guerrilla troops brought in from the field a six-man American flight crew from a B-29 that the Japanese had downed over north China. The presence of Dixie Mission personnel at Fuping at that point facilitated the rapid debriefing of the American airmen, which Peterkin claimed yielded extremely rare and valuable intelligence on Japanese capabilities and positions in Manchuria.¹³⁵ In addition, Peterkin and his American crew cooperate with their CCP hosts to collect intelligence on Japanese positions in the vicinity. The information that the CCP guerrillas provided enabled the Americans to produce highly detailed maps of the respective areas that the Japanese and the guerrillas held.¹³⁶ The maps were a completely unique intelligence source for the United States at the time. Military

¹³³ Head, *Yenan!*, 77.

¹³⁴ Head, *Yenan!*, 74.

¹³⁵ Head, *Yenan!*, 77.

¹³⁶ NARA has preserved boxes of these maps. For example, see NARA, RG 226, Entry 148, Box 7.

contacts between the United States and GMD guerrilla troops had charted out some other areas in eastern and northern China that happened to be under GMD control, but Peterkin's Fuping delegation yielded the first tangible cartographic material documenting CCP and Japanese positions in terrain that U.S. troops might have to briefly help control or occupy if north China needed to later serve as a launching position for a final assault on the Japanese islands themselves at the end of the war.

Along those lines, the Fuping mission also allowed Peterkin and the other American officials to investigate and report on the potential capabilities of the CCP troops for helping to support a U.S. military presence in north China if it was warranted later on in the war. Peterkin agreed with the CCP leadership's assessment that with even a minimal amount of U.S. aid in the form of explosives, Communist troops "could effectively tie up all [Japanese] railroad traffic for two or three weeks," which would help provide cover for American forces who might be planning an attack on the Japanese islands. Inspection of the railroads and tunnels near the military bases that the Japanese troops had established in the Chin-Ch'a-Chin base area bolstered Peterkin's confidence in the assessments of CCP capabilities.¹³⁷ However, such inspection of the Japanese areas proved to be quite dangerous work, and the Americans ultimately had to retreat back to Fuping after December 12 when the Japanese apparently learned of their presence in the region and began displaying posters offering a reward of \$5,000 in gold for Peterkin himself, dead or alive. According to Peterkin, the group waited at Fuping until late December for the return of Lieutenant Whittlesey, whom Peterkin claimed had teamed up with some CCP contacts

¹³⁷ Peterkin discovered that the CCP guerrillas had built miles of tunnels secretly connecting buildings and villages, where CCP troops could move or hide without detection. The tunnel system undoubtedly helped the CCP troops in the civil war with the GMD.

and ventured out on an independent mission while Peterkin was away from Fuping inspecting the Japanese-held Beijing-Hankow Railroad.

Peterkin and the rest of the delegation were restless, as their situation grew more dangerous the more awareness of their presence the Japanese had, and their presence was also beginning to risk the safety of their hosts. Moreover, the winter weather had intensified and was threatening to severely compromise their planned land-based return to Yan'an. By December 29, Peterkin said the Americans "could wait no longer" and departed Fuping for Yan'an, which they reached on January 23, 1945, trusting that the CCP guerrillas hosting their mission would facilitate Whittlesey's passage back to the Yan'an Headquarters when possible. Peterkin and the other Dixie Mission participants learned of Whittlesey's death via a special message from an extremely apologetic General Ye Jianying on February 4.¹³⁸ Whittlesey and a CCP guerrilla who was serving as his guide had been shot and killed by a Japanese sniper in a town where fighting had occurred but that reportedly had been cleared. Whittlesey and the CCP counterpart had gone to the town to attempt to collect intelligence. Whittlesey's death had a profound effect on the morale of the remaining Dixie participants.

Conclusion: Stilwell departs

In early October, conflict between Chiang Kai-shek and Stilwell over how to mount the most effective military campaign to end the Japanese occupation of China and expansion throughout Asia came to a head. President Roosevelt, convinced that irreconcilable differences between the two stubborn military leaders would prevent any further progress on American goals

¹³⁸ Head, *Yenan!*, 82-84.

in the relationship, acquiesced to demands for Stilwell's removal that the Generalissimo had been making for months.

Stilwell's sudden and secretive departure from China by October 20, before most journalists had learned of and begun to publicize his recall, precipitated a chain-reaction of personnel shifts within the CBI leadership that had direct and lasting effects on the American Observer Group in Yan'an. Stilwell's replacement, Lieutenant General Albert Wedemeyer, who had little linguistic or cultural expertise on China, initially took a greater interest than Stilwell had in the plans of OSS China, including various operational plans based out of Yan'an. Changes to high-level U.S. personnel in China in the fall of 1944 extended to the Embassy as well. Frustrated by the direction of U.S.-China relations and sidelined by the White House, U.S. Ambassador to China resigned his post in November 1944.¹³⁹ Within days, President Roosevelt filled the opening in Chongqing with his long-time friend Patrick J. Hurley—a bold personality who had been serving as the President's personal representative in China and who incited strong, mostly negative, responses from the other American government officials working in China at the time. Separate from but simultaneous to the tumult over U.S. diplomatic personnel transitions in China, Secretary of State Cordell Hull became ill and ultimately resigned in late November 1944. Although President Roosevelt had restrained Hull's influence throughout World War II, Hull's indelible mark on the administrative culture of the State Department as its head from 1933 to 1944 meant that his exit left the organization reeling. A significant portion of the U.S. diplomatic corps in 1944 had never served another secretary.

¹³⁹ "Clarence Edward Gauss (1186-1960)," website, Office of the Historian, U.S. Department of State, (<https://history.state.gov/departmenthistory/people/gauss-clarence-edward>) accessed November 11, 2015.

As badly as Chiang Kai-shek might have desired it, discontinuation of the intelligence activities in Yan'an was not among the changes that resulted from Stilwell's replacement. Instead, the mission to Yan'an limped along, attempting to implement its vague operational orders in the face of these dramatic changes in leadership and the resulting philosophical shifts regarding American interests and strategy in China. By the beginning of November 1944, the relatively new U.S. Observer Mission in Yan'an had transformed into a jaded unit of political survivors struggling to anticipate the next external shocks that might affect its future. Although the initial few months of the U.S. Army Observer Group's presence in Yan'an fomented a spirit of cooperation and aura of optimism about the potential for an intelligence windfall, the fall of 1944 delivered an undeniable reality check for all Dixie Mission participants and their supporting colleagues in Chongqing and Washington.

CHAPTER THREE:

After Stilwell: The Pillars of Support for the Dixie Mission Erode

Without General Stilwell as both consumer and patron for the American intelligence efforts at Yan'an, communications between the Dixie Mission participants and the senior U.S. military and diplomatic leaders in China deteriorated significantly, jeopardizing U.S.-China policy and the war effort. By late 1944, U.S. officials based at Yan'an found it difficult to convey their analysis and observations of the Communist activities in north China to the new ambassador and theater commander, neither of whom had any significant expertise about China. Conversely, the Dixie Mission's remote location, ambiguous orders, and improvised procedures for intelligence operations and analysis encouraged American officials at Yan'an to engage in activities that exceeded their mandate as intelligence officers and falsely raised the expectations of their CCP hosts about the potential direction of U.S.-China relations.

Between October 1944 and March 1945, these trends coalesced into an intense conflict over whether and to what extent the U.S. should provide tangible military support to CCP guerrillas who were achieving success in the fight against Japan in northern China. Chiang Kai-shek, still the main U.S. diplomatic counterpart and ally in China, firmly and vehemently opposed all plans to provide support to the CCP troops, regardless of the agreement he had made to work with the CCP to oppose Japan in an ersatz united front. Roosevelt's new hand-picked Ambassador to China, Patrick Hurley, who both represented and heavily influenced Roosevelt's views on China policy in late 1944, argued that withholding materiel support from the Chinese Communists would force them to negotiate an agreement with the Nationalist Party-led Chinese

government. U.S. diplomats, and intelligence officers in China, including those in Yan'an, fundamentally disagreed with Hurley's stance, arguing that domestic political conflict in China was inevitable and Hurley's policy of withholding support for the CCP would drive the Communists to seek aid from the Soviet Union to protect themselves from Chiang Kai-shek.

Participants in the U.S. Observer Group at Yan'an found themselves at the center of the conflict. The Group's initial orders to determine the CCP capabilities and evaluate if and how the United States could involve CCP fighters in the war effort had required them to establish relationships with the CCP leaders. Although their core mission focused on the collection of information, which was intended to be disseminated to higher levels of decision making that could synthesize the intelligence into a broader diplomatic and strategic context, the military and paramilitary nature of the organizations staffing the U.S. Army Observer Group to Yan'an encouraged the participants to seek ways to launch operations that would further the war effort. Positive impressions of the CCP leaders in their first few months in Yan'an and their discovery that the CCP guerrillas were achieving some significant military successes against the Japanese contributed to the interest of American intelligence officials at Yan'an in aiding their CCP hosts, which the Dixie Mission participants universally supported in late 1944. Given their interest in furthering the military's aims in the China Theater, Army representatives supported offering small arms and other supportive equipment to the guerrilla fighters, rationalizing that because the guerrillas were achieving measurable military successes against the Japanese occupiers with so few resources, additional support should multiply their success. OSS officers, unsurprisingly, viewed the situation from a more strategic perspective and anticipated using military aid as an incentive to encourage the CCP leaders to cooperate with a vast spy network the agency envisioned establishing throughout north China and the Korean Peninsula.

In general, the Dixie Mission participants perceived the loss of Stilwell's patronage as a significant setback for U.S.-China relations and for their own intelligence work in support of the war effort, particularly those serving in the Army's G-2 or those from the State Department whom Stilwell had detailed to serve CBI, such as John Service and Ray Ludden. Many officials connected to the G-2 intelligence division of the Army's General Staff in China had personal ties to Stilwell, and after his recall they could no longer rely upon his support for their work with the CCP. Their affiliation with Stilwell also cast a shadow over their reputations with both the Chinese Nationalists and the growing numbers of other American officials assigned to work in China who were not affiliated with Stilwell. The State Department ultimately recalled its officers that Stilwell had assigned to Yan'an with no plans to replace them, and they had all departed to Washington or other diplomatic assignments by the time FDR passed away in April 1945. Their departure left the Dixie Mission without their expertise in reporting about Chinese political affairs and their channels for its dissemination. OSS officers in Yan'an, such as Charles Stelle, rushed to expand their operations in north China and fill the void in reporting sensitive assessments about the Chinese Communist Party left when the State Department recalled its personnel from the Dixie Mission, with fairly limited success.

By the spring of 1945, the conflict over arming the CCP pitted Roosevelt's personalized form of diplomacy, whereby the President empowered his trusted contacts to engage in high-level foreign policy decisions regardless of their area expertise, against the expert cohort of American diplomatic and military officials in China, who labored in an antiquated bureaucracy designed to address the much more limited pre-war foreign policy and intelligence needs of the United States. When a variety of political and personal factors led to the rejection of all the Dixie Mission plans and recommendations for supporting China's Communist guerrillas, protests from

officials serving in Yan'an and other mid-level officials in Chongqing precipitated drastic personnel changes in the Observer Group and a significant change in tone that inhibited the expansion of intelligence operations in north China for the remainder of the time that Americans served in Yan'an.

Plans for U.S. Intelligence Reorganization Underway in Washington

As the members of the Dixie Mission attempted to weather the changes to their leadership and personnel in China, top civilian and military leaders in Washington DC began to propose their own plans for how the U.S. government should manage the collection and dissemination of intelligence once World War II ended, given the changed global security environment. The State Department submitted the first proposals for intelligence organization to the White House in August 1944. Proposals recommending that the State Department serve as the central coordinator of postwar intelligence circulated in Washington DC throughout September and October.¹

After the State Department initiated debate of the issue, OSS began drafting proposals of its own. Donovan had argued for the creation of a stand-alone strategic intelligence agency for wartime and peacetime since the Coordinator of Information office had been established in 1941, and the proposals he made to the White House in late October and November 1944 simply extended and specified these plans. Donovan distinguished his proposals from those of the State Department by recommending the creation of an independent agency that put supervision of the U.S. intelligence activities directly under the president, rather than running it through the diplomatic and military executive branch departments first.²

¹ Bradley F. Smith, *The Shadow Warriors: O.S.S. and the Origins of the C.I.A.* (New York: Basic Books, 1983), 396.

² Bradley Smith, *The Shadow Warriors*, 396-397.

The flurry of debate and proposals for the reorganization of U.S. intelligence duties at this time reflects several priorities of the top U.S. leaders at the time. Policymaker interest in postwar intelligence demonstrated awareness among the American leadership both that the national security interests and obligations of the United States had changed and that pre-war intelligence processes were inadequate for the tasks the United States now faced in the global security environment. The leaders of individual agencies also wanted a postwar intelligence plan that preserved resources and powers that they already considered to be their agencies' responsibility, and in many cases, they sought to expand the power and influence of their own agencies. In the face of disagreements over best practices in the intelligence process and having experienced frustrations in acquiring helpful and timely foreign intelligence through the American government throughout the war, heads of the U.S. civilian and military national security organizations displayed little trust that counterpart agencies could collect and disseminate foreign intelligence effectively.

Given these assumptions, competition for influence and resources seemed inevitable. The new intelligence agency that Donovan proposed would retain the functions that had become most positively identified with OSS, including branches on Special Operations (SO); Secret Intelligence (SI); the X-2 branch, which handled covert action, Morale Operations (MO), which handled propaganda; and the Research and Analysis (R&A) branch. The proposed peacetime strategic intelligence agency would focus on the collection of sensitive strategic foreign intelligence information relevant to U.S. national security and interests. A key component of Donovan's proposals included making the new agency the center hub within the U.S. government for coordinating the intelligence activities of other U.S. government agencies,

exclusively retaining the right to perform intelligence analysis “synthesis, and dissemination within the government.”³

Unsurprisingly, the other agencies with vested budgetary and procedural interests in intelligence work perceived Donovan’s proposal as an attack on their interests. Throughout the early 1940s, the leaders of the Army and Navy attempted to develop and deploy a unified bureaucracy for communications and logistics specific to wartime military intelligence collection called the Joint Intelligence Collection Agency (JICA). Army and Navy officials in charge of JICA agreed on opposition to the proposals by the State Department and Donovan alike, but they struggled to form their own alternative plan. This outcome was hardly surprising given JICA’s reputation for duplicating efforts, slowing the release of intelligence, and generally adding a layer of intractable bureaucracy on top of the archaic methods of military intelligence in operation in 1943 and 1944.) Bradley Smith summarized the overall effect of Donovan’s proposals in achieving Donovan’s own goal of establishing a new peacetime intelligence agency with himself as head as “an unmitigated disaster,” but Smith argues persuasively that Donovan’s proposals, along with those of the State Department, succeeded in accelerating the debate over the long-term future of intelligence activities in the U.S. bureaucracy. As Smith explained, “every agency of the regular government was compelled to clarify its position and confront more directly the shortcomings of the prevailing intelligence system.”⁴

Roosevelt allowed the debate between his subordinate executives to unfold until he finally entered the fray in mid-January 1945, recognizing that the war, and particularly the Pearl

³ Donovan to Franklin Delano Roosevelt memo, Subject File, Box 167, President's Secretary's File, Franklin D Roosevelt Presidential Library.

⁴ Bradley Smith, *The Shadow Warriors*, 397.

Harbor attack, had demonstrated the need for intelligence reform. Roosevelt argued for the consolidation of duties for foreign intelligence between the State Department, War Department, and Department of the Navy, but rather than specifying how to resolve the conflict, he called on their leaders to negotiate a solution. Roosevelt's response placed the status quo national security organizations at the center, largely ignoring Donovan's plea for a new independent agency and dismissing outright the need for including commercial and economic intelligence along with diplomatic, political, and military topics that formed the mainstay of traditional U.S. strategic intelligence.

Although these debates occurred at a high level in Washington DC, and they do not make specific reference to the Dixie Mission, the activities of those in forward-deployed field intelligence missions such as Dixie were closely related to proposals for postwar intelligence reforms. Moreover, the leaders of the organizations involved had the interagency competition in mind as they made decisions regarding intelligence operations around the world—examples from which could help or hurt their organization's status in the struggle for influence. The Dixie Mission had always been a provocative project responsible for collecting and disseminating information that had the potential to stoke sensitive political controversies within the U.S. government as well as the potential to gather uniquely useful strategic information that could both hasten the end of the war with Japan and facilitate the establishment of a stable China to serve as a strategic partner for the United States in the postwar period.

Bureaucratic growing pains within the nascent U.S. intelligence community as the requirements of World War II expanded its mandate were beginning to have transformative effects on the execution of intelligence operations in and around Yan'an and the reception of reports generated by the work of the Dixie Mission participants. In the 1930s and 1940s,

penetrating the foreign policy discourse occurring within the U.S. government generally required at least one of the following forms of status: influence from personal rank or title; influence by virtue of a close personal connection to an influential top leader; or, in certain cases, status resulting from one's position in an accepted and respected bureaucratic process, such as the military, an executive branch organization, or Congress. President Roosevelt demonstrated a widely recognized preference for the first two forms of status and a begrudging acceptance of the last. The fact that fairly low-level American officials comprised the U.S. Observer Group in Yan'an throughout its tenure combined with the ad hoc and unprecedented nature of the Dixie Mission's administrative organization placed American officials posted at Yan'an at a distinct disadvantage in terms of communicating their observations of the CCP to the top leaders in Washington, particularly given Roosevelt's highly personalized foreign policy leadership style.

In the midst of so many obstacles, the individual American officials posted at Yan'an from October 1944 to March 1945 collected a surprising amount of important non-public strategic information about the CCP and about the Japanese that has been preserved in the historical records, though it had little influence on policy at the time. Dixie Mission members who teamed with CCP counterparts to pursue field trips in the north China countryside and develop radio capabilities in the Communist areas drafted a series of reports impressive in quality and quantity during this period.⁵ Had these American officials served an experienced and professionalized American intelligence community, the reports may have influenced U.S. China policy. However, the immaturity of the dissemination channels for foreign intelligence within the U.S. bureaucracy in World War II coupled with the level of distraction that personnel changes

⁵ Records of the official communications of the Americans at Yan'an in this period show a steady stream of intelligence reports ranging from topics such as the demolition capabilities of the CCP and the orders of battle of the Japanese troops operating in north China to political assessments of the CCP plans and intentions.

and diplomatic negotiations caused for American officials in Chongqing and Washington prevented the intelligence reports from influencing the policy discourse.

Negative and positive procedural lessons learned from the experience of the U.S. Army Observer Group in Yan'an would serve as evidence and leverage in the debate over the future of America's postwar national security regime. Conversely, the outcome of the debate in Washington could have a significant influence on the longevity and future functions of the American outpost in Yan'an, where American officials maintained direct personal contact with the leaders of the most powerful political opposition to the internationally recognized leadership of China's government. With these larger organizational debates in the backdrop, the participants in the Dixie Mission and their supporting colleagues and managers attempted to provide the services requested of them, even as the requests and level of interest their audience exhibited changed significantly by April 1945.

Big changes at the top: Fallout from Stilwell's departure

Upon their arrival in July 1944, participants in the U.S. Army Observer Group in Yan'an and their managers exhibited considerable confidence regarding the potential for unique and useful intelligence collection from Yan'an. These initial assessments relied on the continuation of several key conditions that were facilitating the group's activities, including the presence of a powerful network of likeminded expert personnel that spanned several government organizations; a broad interagency mandate to succeed in their intelligence collection mission for the sake of the war; initial receptivity of the CCP leaders, who had little experience with Americans and were eager to reap recognition and tangible rewards from the relationship; the broad commitment of President Roosevelt to support the Chinese fight against Japan; and the nominal stated commitment of both CCP and Nationalist Chinese leaders to cooperate,

presenting an ersatz united front in the fight against the Japanese. By the end of 1944, these conditions were all deteriorating significantly, and the Observer Group experienced a rapid major shift in circumstances underpinning its early progress. In the period between General Stilwell's departure in October 1944 and the death of President Roosevelt in April 1945, Dixie Mission participants weathered shifts in their leadership and personnel that, combined with the bureaucratic and logistical constraints present since their arrival at Yan'an, significantly influenced both their effectiveness and morale.

When disagreements between Chiang Kai-shek and General Stilwell boiled over in September 1944 and resulted in Stilwell's removal from China, the change triggered a series of personnel shifts and policy revisions that severely tested the American officials serving at the CCP base area. Stilwell's replacement and the reorganization of the leadership structure of the China-Burma-India Theater set in motion a volatile transition period in the U.S. war effort in China that had a well-documented lasting impact on U.S.-China relations.⁶ The activities of the U.S. government in the Communist area became a key focal point for controversy between top U.S. leaders at this time, which severely affected the ability of those Americans serving at Yan'an to perform their jobs. Beyond simply hampering the collection and dissemination of vital intelligence from the CCP-held areas in China, the administrative chaos resulted in permanent negative career outcomes for several of the Dixie Mission participants at the time.

General Stilwell had played a major role in supporting the efforts of the U.S. Observer Mission in Yan'an and in resisting the bureaucratic elements in the United States and China that

⁶ Barbara Tuchman's *Stilwell and the American Experience in China, 1911-1945* (New York: MacMillan 1970), remains one of the most comprehensive and definitive historical assessments of Stilwell's role in the Pacific War in particular. For balanced and up-to-date historical analysis of U.S.-China relations in World War II at the top leadership level, see Rana Mitter, *Forgotten Ally: China's World War II, 1937-1945* (Boston: Houghton Mifflin Harcourt, 2013) and Warren I Cohen, *America's Response to China: A History of Sino-American Relations, Fifth Edition* (New York: Columbia University Press, 2010), particularly 159-165.

opposed the group's creation or, in Donovan's case, its Army leadership. The network of capable, motivated, and like-minded American China experts that Stilwell had developed from his protégés and carefully selected subordinates had been instrumental in launching the Dixie Mission and establishing constructive, cordial initial relations with the CCP between July and October 1944. Stilwell's removal from his position as the sponsor of these efforts represented a major blow to the momentum and morale of those Americans serving in Yan'an. Stilwell's departure called into question the group's future, and subsequent leadership changes among the American contingent in China worsened the outlook for its continuation and productivity. The manner by which the president had removed Stilwell reportedly troubled many of the American officials working in China, who began to worry about the course that Roosevelt was setting for U.S.-China relations because the move suggested that Washington had failed to absorb critiques about the Chinese government that Stilwell and his subordinates had worked to convey throughout 1943 and 1944.

In fact, Roosevelt had heard—and he shared—many of the concerns about Chiang Kai-shek's practices, but from his perspective, Stilwell's behavior and attitude was beginning to threaten American relations with Chiang's government, which Roosevelt believed would ultimately undermine U.S. interests in Asia and the U.S. war effort. Despite its many problems, Roosevelt and others argued that Chiang's government still presented the most legitimate and capable ally for the United States in China, and even given the relative power and advantages of the United States in the relationship, Roosevelt calculated that the United States could ill afford to alienate Chiang. Moreover, mediating bickering between Stilwell and Chiang had become a serious distraction that was absorbing attention that the White House could not spare as the United States fought the war on two fronts and as Roosevelt approached the election for his

fourth term in office. In September and October 1944, Roosevelt became convinced that fundamental disagreements between Chiang Kai-shek and Joseph Stilwell about several key aspects of the strategy for fighting the Japanese had become irreconcilable.

Stilwell's approach to the war in China, which had been at the heart of a major disagreement between the Stilwell and Chiang for months, involved training Chinese troops in American infantry methods and leading them to secure the main transportation routes from India to China—a dangerous and grueling project. Stilwell perceived that because Chiang sought to avoid risking his troops and equipment, he wanted Americans to do the fighting instead so he could preserve his resources for the civil war in China that seemed likely to follow an Allied defeat of Japan. By 1943, Stilwell and his subordinates had poor impressions of the Chinese troops and military leaders serving under Chiang, and these views intensified throughout 1943 and 1944. The frustration that Stilwell and his immediate subordinates felt working with Chiang and his forces became one factor influencing their interest in learning more about the Chinese Communists that drove the establishment of the Yan'an Observer Group.

Chiang's view of China's role in the war against Japan differed significantly from Stilwell's and caused the Chinese leader to repeatedly question Stilwell's strategy and motives. Chiang and his troops had been fighting one opponent or another for most of the twentieth century, and they had been fighting the Japanese specifically since the 1930s, with little help from Western allies. Decades of fighting, as well as the demoralizing occupation of China that forced Chiang to reconstitute his government in Chongqing, a furnace of a city in the rural backwater of southwest China, had left the Chinese leaders and troops depleted and jaded. In a highly effective summary of the Chinese government perceptions in World War II, historian Rana Mitter describes Chiang's view of China "as the first and most consistent foe of Axis

aggression.” According to Mitter, Chiang’s and many in the Chinese elite perceived that China’s perseverance, even in the complete absence of foreign assistance, entitled it to Western support and treatment as an equal power.⁷

Moreover, the high number of Chinese military casualties potentially required to pursue Stilwell’s plans concerned Chiang, who remained distrustful of Stilwell and most other Western officials throughout the war. He suspected that Stilwell and other Western military commanders valued Chinese lives less than the lives of their own troops, and he doubted that Stilwell would pursue the same dangerous land-based strategy if he were commanding U.S. ground troops to participate in the battles. Chiang questioned why the United States, with all its resources and technology, would not make greater use of aerial campaigns in China, which he believed would achieve some of the same military purposes with a much lower cost of life. Chiang saw the Pearl Harbor attack as an opportunity to finally entice the United States and other Western powers to provide the resources and capabilities that they should have shared with China much earlier, before the Japanese had become such a strong global threat.⁸ Chiang’s pleas for the United States to provide American ground troops, planes, heavy artillery, and training in air warfare that Stilwell deemed unnecessary for the strategy being applied fed Stilwell’s perceptions that Chiang lacked seriousness about defeating the Japanese and was merely preparing for the coming domestic political showdown.

Beyond their strategic disagreements, Chiang and Stilwell each had strong, stubborn personalities and frequently clashed over issues of personal pride, which probably contributed most to bringing the conflict between them to its finale as Roosevelt became frustrated with them

⁷ Mitter, *Forgotten Ally*, 243-244.

⁸ Mitter, *Forgotten Ally*, 242.

both in October 1944. By the end of the summer of 1944, the threat Japan presented to China had intensified. U.S.-operated base areas at Kunming and Guilin, key elements in the Allied supply chain through China, became vulnerable and Japanese bombing attacks on the seat of the Chinese government in Chongqing had increased. Sensing urgency, the U.S. military establishment in CBI began pressuring Roosevelt to intervene in their relationship with Chiang and his troops, which Stilwell and the U.S. military leaders believed were not nearly meeting their full fighting potential and were beginning to jeopardize U.S. efforts to help stop the progress of Japanese military aggression in China. After weeks of increasingly tense dialogue and correspondence between Stilwell, Chiang, officials in the Chinese government and diplomatic establishment, Marshall, and Roosevelt, the situation came to a head on September 16, 1944, when Roosevelt issued a stern and condescending ultimatum to Chiang via a letter that General Marshall and his staff drafted and Roosevelt signed. The letter requested that Chiang place Stilwell in full command of all China's troops or risk losing U.S. support—an ultimately toothless threat because the U.S. had no intention of abandoning China.

Chiang had opposed this suggestion for several reasons, particularly his concern of the domestic political implications of Stilwell's intention to fully incorporate Chinese Communist soldiers into the broader Chinese armed forces, which Chiang believed would weaken his authority and legitimacy, potentially upsetting the domestic political balance of power and threatening chances for a unified China. However, by the time FDR's letter reached China, Chiang sensed that he was running out of options and had already decided to acquiesce to most of the president's demands. Despite being informed of Chiang's intentions, Stilwell insisted on delivering the letter from Marshall to Chiang in person in a move that appeared humiliating and spiteful to Chiang. The Generalissimo responded with extreme outrage, requesting Stilwell's

immediate removal. The incident, which highlights the willingness of both Chiang and Stilwell to become intractable to the point of childishness in negotiations with each other, served as the last straw for Roosevelt, who initiated Stilwell's recall without delay.⁹

Stilwell's abrupt removal from his position precipitated a numerous significant changes to the U.S. war effort in the CBI Theater that were implemented starting in late October 1944. The theater command split into three distinct sections—instead of China, Burma, India (CBI) Theater under the command of General Stilwell, the activities of U.S. forces in East Asia divided into a China theater, under the command of Lieutenant General Albert Wedemeyer; a Southeast Asia theater, under command of Lieutenant General Raymond Wheeler; and an India-Burma theater under Lieutenant General Daniel I. Sultan, the latter two of which both fell under the South East Asia Command (SEAC).¹⁰ Many U.S. military leaders had argued for this change throughout 1943 and early 1944, and it met with substantial support from Americans serving in China, particularly for its ability to streamline communication channels. Stilwell reportedly left China in a hurry and with a good deal of bitterness, not staying to brief his successor Wedemeyer or taking time to leave him any particular advice for filling his new role as Chiang's main counterpart in the U.S. military. As Tuchman explained, Marshall ordered Stilwell to depart China within 48 hours and in secret, fearing that Stilwell, never one to hold his tongue, would say something that would incite the further deterioration of relations with China or that might inhibit the ability of Marshall to find Stilwell, his protégé and long-time friend, an appropriate subsequent assignment.¹¹ Stilwell and Chiang reportedly did bid each other a shallow and cordial

⁹ Diplomatic events in China in the days leading up to Stilwell's removal have been a subject of historical inquiry for decades. For a succinct recent assessment, see Mitter, *Forgotten Ally*, 335-343.

¹⁰ Woodburn S. Kirby, *The War Against Japan, Volume III: The Decisive Battles* (London: H. M. Stationery Office, 1961), 117-119. See also: Tuchman, *Stilwell and the American Experience in China*, 502.

¹¹ Tuchman, *Stilwell and the American Experience in China*, 502-503.

farewell. According to Tuchman, Stilwell's final words to the Generalissimo were a popular Chinese proverb, *Zuihou shengli* ("For the Final Victory!").¹²

Wedemeyer on the scene

Lieutenant General Albert C. Wedemeyer represented a consensus choice for Stilwell's replacement—an amiable and articulate officer who knew “how to work with everyone.”¹³ Wedemeyer's salient characteristics when promoted to command the China Theater included youth—47 years old compared to Stilwell, who was 61 that year—and an ambitious, egotistical persona. Youth and capability may have helped mitigate the effect of Wedemeyer's reputation for arrogance among both the Chinese leadership and the senior U.S. diplomatic and military officials in China who all supported his selection as Stilwell's replacement.¹⁴ Wedemeyer had some credibility with the Army China hands because he had served under Stilwell and Marshall in the 15th Infantry in Tianjin from 1930 to 1932, but he was not considered part of the Stilwell network within the Army. Shortly after serving in China, Wedemeyer had pursued advanced officer training at Leavenworth and had studied the General Staff work of the Nazi regime at the German War College from 1936 to 1938, an experience that by his own account heavily influenced his rigid commitment to staff protocols and deep respect for the chain of command,

¹² Tuchman, *Stilwell and the American Experience in China, 1911-1945*, 504.

¹³ Tuchman, *Stilwell and the American Experience in China, 1911-1945*, 429 quoting Joseph Alsop, who was a famous American foreign correspondent who served in the U.S. Navy during World War II. He was posted to Kunming, where he worked as an assistant to General Chennault in 1944.

¹⁴ Tuchman, *Stilwell and the American Experience in China*, 465. Key supporters on the U.S. side included General Chennault, Vice President Wallace, and Ambassador Gauss. In fact, many of Wedemeyer's supporters had lobbied President Roosevelt to replace Stilwell with Wedemeyer as early as Vice President Wallace's trip to China in June 1944, but General Marshall prevented it before tension between Stilwell and Chiang finally boiled over at the end of the summer. □

though he distanced himself from the regime's ideology.¹⁵ After his return from Germany, Wedemeyer served in the War Department Planning Division until after the Pearl Harbor attack. He was then assigned to head American efforts in the SEAC Theater.

Wedemeyer's distance from Stilwell and lack of familiarity with Chinese domestic politics may have appealed to Chiang Kai-shek and his close advisors, who believed that Wedemeyer's naiveté could make him more malleable and acceptant of their recommendations. Wedemeyer showed Chiang much greater personal deference than Stilwell had, particularly on intelligence matters within China's territorial boundaries, but Chiang's optimism about a significant strategic shift once Stilwell was gone proved baseless. Wedemeyer's commitment to continue many of Stilwell's policies, particularly the tight control of U.S. Lend-Lease supplies to China, angered the Chinese leader. Chiang accused the United States of using its aid to China's military to convince the soldiers to worship foreigners, undermining his leadership over his own troops.¹⁶ Chiang and his aides were more satisfied with the other major personnel change that occurred in the fall of 1944: the replacement of U.S. Ambassador to China Clarence E. Gauss with Roosevelt's longtime friend Patrick Hurley. The Americans participating the Dixie Mission and their CCP counterparts were significantly less pleased with Hurley's appointment.

Wedemeyer despaired at the lack of coordination between the various U.S. intelligence organizations vying for influence in China. In an effort to disentangle intelligence activities occurring in his theater of battle, Wedemeyer sought to consolidate control over all China intelligence in one officer. Wedemeyer offered the position to Colonel Richard Heppner, an OSS

¹⁵ Wedemeyer claimed in his biography that he adamantly opposed the Nazi's fascist ambitions but appreciated their highly organized military bureaucracy. Albert C. Wedemeyer, *Wedemeyer Reports!* (New York: Henry Holt & Company, 1958), 50.

¹⁶ Mitter, *Forgotten Ally*, 346-347.

officer who had been serving in the China Theater since the beginning of the war in the first week of November. Heppner would not have been Donovan's first choice for the position, but OSS China was reeling from a humiliating late October diplomatic incident in which a senior OSS officer in Chongqing had gone on a drunken tirade at a party held by China's central government, during which the officer publicly insulted Chiang Kai-shek and his wife.¹⁷ The incident so angered the Chinese government that Chiang's intelligence chief Tai Li considered refusing to allow any future OSS operations. Wedemeyer intervened and suggested that Heppner could perform the OSS position in a way the Chinese would find acceptable and also bring the various American intelligence officers in China to heel.

Heppner agreed to take the position Wedemeyer offered him only with several significant conditions that, as Maochun Yu described them, "would grant virtual independence to OSS/China, away from OSS Headquarters." Heppner would answer directly to Wedemeyer, all OSS supplies would be routed through India and not China (making them separate from other U.S. military supplies and thus secret to the Chinese government), and that 300 American "commando units" be provisioned for China.¹⁸ Furthermore, Heppner would staff his office in Chongqing with subordinates that he trusted, which meant even more personnel shifts among the American government presence in China in November 1944. Heppner's deputy officer and every OSS branch officer serving OSS China in Chongqing as of late November 1944 were brand new.

¹⁷ Maochun Yu devoted a chapter of his comprehensive monograph *OSS in China: Prelude to Cold War* (Annapolis, MD: Naval Institute Press, 1996) to describing the full details and consequences of the so-called "Miller incident." See pages 172-182.

¹⁸ For the full details of Heppner's conditions, see the undated memo titled "Reorganization of OSS Under Colonel Richard P. Heppner," NARA RG 226, Entry 154, Box 170, Folder 2941. Yu also describes the context of Heppner's promotion in *OSS in China*, 180-182.

Replacement of Ambassador Gauss

A veteran diplomat who received his first diplomatic appointment in 1906, Clarence Gauss had spent most of his career representing the United States in China in various diplomatic positions. His calm and thoughtful demeanor and his frank assessments of foreign affairs earned Gauss the nickname “the Honest Buddha,” and he lived up to the quiet, earnest reputation that the name implied to the very end of his tenure as the head of the U.S. diplomatic presence in China.¹⁹ President Roosevelt appointed Gauss to be U.S. ambassador to China in 1941, but the president varied between an attitude of ambivalence to Gauss and episodes of quietly researching more politically expedient replacements for him.²⁰

Both Gauss and the President had raised the possibility of Gauss resigning his position numerous times between 1941 and 1944. However, Roosevelt’s interest in appointing a new ambassador failed to reach a boiling point until Stilwell’s conflict with Chiang Kai-shek necessitated change to U.S. personnel in China. On November 14, 1944, Gauss officially quit the position and requested reassignment elsewhere in the diplomatic service. Gauss resigned of his own volition, but Roosevelt did not protest his action. Despite the fact that Gauss and Stilwell regularly experienced professional disagreements and did not particularly like each other, Gauss expressed grave concerns over the treatment of Stilwell and the direction of U.S.-China relations in 1944 as among his reasons for resigning.²¹

In the days before his resignation, Gauss expressed particular pessimism about the future of negotiations between Chiang Kai-shek and the CCP. Gauss succinctly articulated his

¹⁹ E.J. Kahn, Jr., *The China Hands: America’s Foreign Service Officers and What Befell Them* (New York: Viking Press, 1975), 64-65.

²⁰ Yu, *OSS in China*, 64-65.

²¹ Yu, *OSS in China*, 62.

assessment of the situation in a cable to the Secretary of State on November 4, 1944, writing, “Almost all moves these days, political or military, of Chiang and his mediocrally minded cohorts revolve around the pressing problem of maintaining themselves in power, and under these circumstances there is little if any possibility of achieving a reasonable or realistic settlement of either the Communist or the other difficulties which are more and more besetting Chiang's regime as the weeks go by.”²² Many American officials who had served in China through the early 1940s agreed completely with Gauss.

Gauss had offered little support to the OSS or plans to expand U.S. intelligence activities in China. Through back channels, he had reportedly protested the first awkward operations of OSS in China in 1942, and he closely supervised John King Fairbank, one of Donovan's first and most capable intelligence officers focused on China who was assigned to the U.S. Embassy undercover in 1942.²³ The tepid reaction of Gauss to the dispatch of the Yan'an Observer group in 1944 did not present an obstacle, per se, but Gauss provided no help either. Despite his ambivalence about the mission to Yan'an, Gauss reportedly had great respect for and supported Jack Service, with whom he had cooperated in the Foreign Service in various capacities over several decades.

Despite the fact that he lacked the depth of linguistic and cultural expertise on China that many of his subordinates achieved, Gauss enjoyed a generally positive reputation with the close-knit group of American officials who worked in China in the 1930s and 1940s. In his memoirs, David Barrett described his perceptions of Gauss, formed while Barrett served under him as

²² Telegram from Gauss to Secretary of State, November 4, 1944, *Foreign Relations of the United States (FRUS), Diplomatic Papers*, China, 1944, 665.

²³ Yu, *OSS in China*, 62.

military attaché in the U.S. Embassy in China: “Mr. Gauss did not speak Chinese, and in some ways he may have regarded the Chinese more from the viewpoint of a treaty port businessman than a “China hand.” He certainly did not have a missionary outlook.”²⁴ Despite his inability to speak Chinese, Gauss was “scrupulously fair” in all dealings with Chinese people, according to Barrett, who added that he “could not have asked to serve under a kinder, fairer, or more considerate chief of mission.”

Days after Gauss officially resigned in November 1944, President Roosevelt quickly filled the vacancy in the U.S. Embassy in Chongqing with his long-time friend and political crony Patrick J. Hurley, whose official appointment to the position the White House announced on November 17. Although the effects of this decision did not manifest immediately, the selection of Hurley for the position ultimately had a dramatic impact on the relationship between the U.S. government and the CCP that Dixie Mission officials had been working to foster. Compared to Gauss, Hurley was less ambivalent about the CCP and less informed—a difference that had significant repercussions for the Dixie Mission and for American foreign policy in China in 1945. Moreover, the transition between these two ambassadors is emblematic of trends in the formulation and implementation of U.S. foreign policy that had far-reaching consequences for the development of the nascent U.S. intelligence community, which was an immature arm of the American national security regime at this point.

The transition from Gauss to Hurley as U.S. ambassador in China is representative of the major shifts underway in the United States foreign policy apparatus during World War II under Roosevelt’s leadership. Gauss symbolized the traditional cohort of well-educated and articulate

²⁴ David D. Barrett, *Dixie Mission: The United States Army Observer Group in Yen-an, 1944* (Berkeley, CA: University of California Press, 1979), 27.

but reserved and non-interventionist American public servants who joined the U.S. Foreign Service in the 1920s and 1930s. Although Gauss maintained a distance from Chinese culture, never even learning the language to any level of fluency despite spending most of his diplomatic career assigned to Chinese cities, he did attempt to serve as an objective observer of Chinese affairs and an effective representative of U.S interests there. Patrick Hurley brought a much different background to the position, directly reflective of Roosevelt's leadership style and the expansion of U.S. strategic interests as the United States began to play a more important role in global security during World War II. Rather than perceiving himself as part of an elite network of public servants representing American interests abroad, Hurley formed his attitudes about his position in China based on his history as a seasoned Washington insider and through his role as FDR's appointed personal emissary to Chiang Kai-shek starting in 1943. For Hurley, as for Roosevelt, diplomacy and foreign affairs required highly personalized engagement, private communication channels, and one-on-one relationships. Neither Hurley nor Roosevelt exhibited much respect for the role of professionalized bureaucratic administrative processes in international relations.

An Oklahoma native, Hurley had emerged from humble beginnings in a large Irish Catholic family supported by his father's work as a rancher and coal miner to become an influential and wealthy attorney for the burgeoning oil industry in his home state. His successful legal career not only made Hurley a young millionaire but also launched him onto a political trajectory when he accepted an appointment as the federal legal representative to the Choctaw tribe, which had been relocated to reservation space in Oklahoma. Hurley worked for the Taft

and Wilson administrations in this capacity.²⁵ Hurley never held an elected political office, but his connections in politics and with the Republican Party in Oklahoma eventually led to his appointment to serve as Undersecretary of War at the beginning of Herbert Hoover's term in office. The death of Hoover's appointed War Secretary only days later led to Hurley's sudden and unexpected promotion to Secretary. That position opened the door to Hurley's lasting political influence, both in the Herbert Hoover administration and with Franklin Roosevelt.

A staunch Republican, Hurley might have seemed an unlikely friend for FDR, but Hurley's ability to form personal relationships superseded his commitment to partisan politics throughout his career and his deep admiration for Theodore Roosevelt and the era of progressive reform had shaped Hurley's views in a way that Franklin Roosevelt apparently found sufficiently palatable. Hurley's biographer described him as "an opportunist" and "an accommodator of people in high position, especially of presidents." According to Buhite, "While he served his country ably in various capacities, some of them requiring considerable sacrifice on his part, his life and work may best be understood in terms of the promotion, for some explicable and some inexplicable reasons, of Hurley—his wealth, influence, and prestige."²⁶ Hurley cultivated a special relationship with FDR throughout the 1930s, and by the 1940s, their relationship was sufficiently intimate that when Hurley had prostate surgery in June 1943, Hurley's doctor called the White House to offer his assessment of the patient, including specific details of the surgery.²⁷

²⁵ Russell D. Buhite, *Patrick J. Hurley and Americana Foreign Policy* (Ithaca, NY: Cornell University Press, 1973), 18. Buhite wrote the first unauthorized scholarly biography of Hurley, which is still the most authoritative objective account of Hurley's life.

²⁶ Buhite, *Patrick J. Hurley and Americana Foreign Policy*, xi.

²⁷ According to a telephone message President Roosevelt received on June 19, 1943, Dr. Hugh Young called the White House on that day to inform the President that Hurley's operation the previous day had successfully removed a benign enlargement the size of a tangerine from Hurley's prostate. Hurley was reportedly "full of pep and ginger" and was expected to make a full recovery. "Memo for the President," June 19, 1943, Franklin Delano Roosevelt Presidential Library, President's Secretaries' Files, Subject Files, Box 138: Harry Hopkins to Hyde Park, Folder: Hurley, Patrick.

Hurley must have made a good recovery because no other references to his health appear in the historical records from 1943, when President Roosevelt asked Hurley to serve as a “personal international emissary” to China.²⁸

Although several presidential administrations had dispatched Hurley as a negotiator on behalf of the U.S. government in special diplomatic engagements in the Philippines and the Middle East, foreign travel and international exposure seemingly reinforced Hurley’s narrow Western-centric world view rather than expanding his ability to communicate across cultural boundaries.²⁹ In one famous gaffe, Hurley publically referred to Chiang Kai-shek’s wife, whose full name was Meiling Soong Chiang, as “Madame Shek,” never realizing or recognizing his mistake in assuming that Chinese names adhered to the same principles as Western names.³⁰ Similar to Gauss, Hurley lacked specific expertise about China, but he also lacked the humility and sense of fairness with which Gauss reputedly approached conversations with his Chinese counterparts.

In many ways, Gauss represented the highly organized and gentlemanly status quo system for diplomacy that had worked well for the United States when it defined its role and interests in the international setting much more narrowly. Roosevelt observed that this network of urbane diplomats was too antiquated to cope with the expansion of strategic priorities that had followed from the global events of the late 1930s and early 1940s. Whereas Truman would later

²⁸ Letter from President Roosevelt to Patrick Hurley officially designating Patrick Hurley as his personal representative to Generalissimo Chiang Kai-shek, August, 18, 1944, Franklin Delano Roosevelt Presidential Library, President’s Secretaries’ Files, Subject Files, Box 138, Folder: Hurley, Patrick.

²⁹ Hurley served as secretary of war under President Herbert Hoover from 1929 to 1933. In 1941, Hurley had participated in negotiations in the Philippines over American troops being held by the Japanese on the Bataan Peninsula. On behalf of President Roosevelt, Hurley also traveled to New Zealand, the Soviet Union, Iran, and Afghanistan in 1942 and 1943.

³⁰ Buhite, *Patrick J. Hurley and American Foreign Policy*, 148.

undertake massive reforms to the system to adapt the organization to the post-Pearl Harbor needs of the United States, FDR's personality led him to approach this deficiency by simply working around the antiquated system and appointing people he thought he could trust to perform the necessary tasks in an ad hoc fashion. This technique worked better in some cases than in others, and history has revealed that the U.S. diplomatic experience in China in the 1940s was not among the success stories in terms of the ability of U.S. diplomats to understand Chinese domestic politics or exert influence on Chinese actors in preservation of long-term U.S foreign policy interests.

In stark contrast to Gauss, Hurley bonded with Roosevelt over their shared position that personal relationships often mattered more than ideology in diplomacy. Hurley's biographer Buhite specifically noted this similarity between Hurley and Roosevelt. Buhite wrote of Hurley, "In his association with foreign statesmen later in his career, [Hurley] seems to have believed that handshakes, smiles, anecdote swapping and other forms of personal camaraderie would sweep away divisive and long-standing issues; in this sense he resembled Franklin Roosevelt."³¹ In service of this notion, Hurley could reportedly be extremely charming and had a tendency to communicate with a sense of familiarity that caused many to remark on his ability to make a good impression, at least with other Americans he met.

Evidence of Roosevelt sidelining traditional diplomatic channels in the relationship with China surfaces with regularity starting early in World War II, and FDR made no secret of his willingness to bypass the State Department and Gauss in particular. FDR began considering replacing Gauss with a political choice he could trust as early as November 1942, when he had his aides draft multiple lists of possible candidates for the ambassadorship in Chongqing. The

³¹ Buhite, *Patrick J. Hurley and American Foreign Policy*, 27.

aides at that time attempted to persuade State Department East Asia specialist Stanley Hornbeck to take the position, but Hornbeck had reservations, particularly about undercutting his colleague Gauss, and FDR moved on.³² Months later in October 1943, Roosevelt continued to consider a transition. The president sent a memo asking trusted State Department Undersecretary Ed Stettinius, whom Roosevelt later appointed Secretary of State, to quietly research Gauss' standing in China and whether his replacement would be prudent. Regarding the U.S. Ambassador position in Chongqing, Roosevelt wrote, "I do not believe that it is necessary to send a career diplomat there."³³ Roosevelt himself corresponded directly with Chiang Kai-shek throughout the early 1940s, and throughout World War II, the president bent the traditional rules of diplomatic representation by frequently relying on a combination of personal contact with Chiang Kai-shek and those in his immediate inner circle and selecting special personal emissaries to meet with Chiang on his behalf.

Roosevelt did not add Hurley to his list of contenders to replace Gauss until late in the conflict between Stilwell and Chiang, though Hurley had been in China as a special envoy. The Pearl Harbor attack had spurred Hurley to approach George Marshall about serving the war effort in a military capacity. Hurley had remained in the army reserves after a short and not very illustrious military career in the army during World War I. Marshall, reportedly less than excited about finding a position for an aging friend of the president with no particular military capabilities in his serious war effort, rejected Hurley's appeal. When Hurley asked Roosevelt to intervene and overturn Marshall's decision, Roosevelt vowed instead to find an appropriate

³² Handwritten notes and lists of potential candidates for China ambassador, November 30, 1942, Franklin Delano Roosevelt Library, President's Official Files, Box 3: China, Folder: China endorsements.

³³ Memo to Stettinius regarding FDR's attitude about Gauss, China Ambassadorship, October 22, 1943. Franklin Delano Roosevelt Library, President's Secretary's File, Departmental Files, Box 71: State Department, Apr - Dec 1941 through 1945, Folder: July - Dec 1943.

alternate assignment for Hurley—a task that Roosevelt pursued throughout the early 1940s. FDR first attempted to send Hurley to negotiate war efforts with the Saudis, but advisers in the War Department saw too many potential conflicts of interest and suggested that Hurley instead be sent to China, where friction between Stilwell and Chiang Kai-shek threatened war efforts as early as 1942.³⁴

When Patrick Hurley became Roosevelt's most important special emissary in China, his arrival sidelined Gauss. In his memoirs, Barrett—a keen observer of matters of diplomatic protocol and administrative norms in both the U.S. and Chinese governments—noted the breach in protocol and its implications. In particular, Barrett pointed to FDR's decision not to invite Gauss to be present at the meetings between Chiang Kai-shek and Vice President Wallace in June 1944, in which Wallace pushed for, and ultimately obtained Chiang's acquiescence to, American plans to send an observer delegation to the CCP base in Yan'an. According to Barrett, Gauss endured this humiliating snub although other American officials of "much less importance" did attend the meetings. Barrett describes the situation as "an example of 'representation by special emissary' at its worst," and explains that because Gauss had a responsibility to maintain U.S. relations with the Chinese government on a "continuous, not just a 'here today and gone tomorrow' basis," his absence from the meetings would "unavoidably operate to make his task in China more difficult."³⁵

Hurley was sent to China in this unique capacity to meet with Chiang Kai-shek in advance of the Cairo Conference of November 1943. The conference, which historian Rana Mitter has described as the "the only major conference of the war that attempted to make a

³⁴ Buhite, *Patrick J. Hurley and American Foreign Policy*, 147-148.

³⁵ David D. Barrett, *Dixie Mission*, 27.

comprehensive settlement of the Sino-Japanese conflict,” and at which Chiang would see President Roosevelt, would be in an important event for Chiang, who was pressing for a private audience with Joseph Stalin in Teheran.³⁶ Chiang feared that Russia intended to “communize” all of China and annex portions of it.³⁷ Historians of the Cold War era, who ultimately viewed Hurley as one of the greatest American opponents of communism in China, might be surprised to realize that Hurley spent a significant portion of his first meeting with Chiang Kai-shek convincing the Generalissimo that Stalin had renounced “world conquest as a fundamental policy of communism” and, in Hurley’s opinion, “Russia was no long subsidizing or directing communist activities in other nations.”³⁸

Although Hurley’s commentary about Stalin proved unconvincing to Chiang, the Chinese leader perceived Hurley’s arrival as an effort by Roosevelt to ensure the Chinese leader fully understood the position that Roosevelt intended to take in discussions with Churchill and Stalin. For Hurley’s part, although he lacked specific expertise on Chinese politics, he emerged from meetings with Chiang in agreement with General Stilwell and other American officials in China regarding Chiang’s motives. Hurley informed President Roosevelt that “it is advisable to consider with some skepticism the Chinese capacity, or readiness, to contribute materially to offensive warfare” and similarly advisable to “give consideration to the relative importance

³⁶ Mitter, *Forgotten Ally*, 306.

³⁷ Memo to FDR from Patrick Hurley regarding meetings with Chiang Kai-shek, November 20, 1943, Franklin Delano Roosevelt Presidential Library, President’s Secretaries’ Files, Subject Files, Box 138, Folder: Hurley, Patrick.

³⁸ Memo to Franklin Delano Roosevelt from Patrick Hurley regarding meetings with Chiang Kai-shek, November 20, 1943.

placed by the Chinese Central Government upon conserving its strength for the maintenance of its postwar internal supremacy as against the more immediate objective of defeating Japan.”³⁹

As Chiang’s relationship with General Stilwell gradually became more strained in 1943 and early 1944, Chiang’s willingness to work with Hurley improved.⁴⁰ Hurley enjoyed working with Chiang and asked to be made Ambassador, a request that FDR had probably decided to honor as early as August 1944.⁴¹ Hurley’s vantage point on the situation between Stilwell and Chiang hastened the end of the former official’s career in China. In a memo to Roosevelt on October 9, 1944, only a few days before Stilwell’s dismissal, Hurley described Stilwell and Chiang as “fundamentally incompatible.”⁴² Based on this assessment, Hurley advised FDR: “Today you are confronted with a choice between Chiang Kai-shek and Stilwell.”⁴³ FDR, judging the Generalissimo to be more vital to the U.S. interest in China, followed Hurley’s recommendation and recalled Stilwell. Roosevelt continued to follow most of Roosevelt’s suggestions about China until the president’s death in April 1945. Thus, Roosevelt’s appointment of Hurley had significant and lasting effects on the ability of the Dixie Mission participants to perform their intelligence duties.

³⁹ Memo to FDR from Patrick Hurley regarding meetings with Chiang Kai-shek, November 20, 1943.

⁴⁰ Mitter, *Forgotten Ally*, 335-345.

⁴¹ Memos regarding the special missions to China by Major General Patrick J. Hurley and Mr. Donald M. Nelson as Personal Representatives of President Roosevelt, especially memos between the Undersecretary of State (Stettinius) to the Secretary, *FRUS, Diplomatic Papers. China, 1944*, 247-248.

⁴² *FRUS, Diplomatic Papers. China, 1944*, 247-248.

⁴³ *FRUS, Diplomatic Papers. China, 1944*, 247-248.

“The Hurley Burley”

The new U.S. Ambassador to China changed the tone of relations between the United States and the Chinese leaders, and the effects of his vision and personal style on the American relationship with the Chinese Communists permanently altered the composition, activities, and effectiveness of the U.S. Army Observer Mission at Yan'an. Patrick Hurley made an entrance on the delicate political landscape in China that David Barrett's nephew, historian John Hart, likened to the level of “devastation of a tornado from his native Oklahoma.” Hurley's verbose and boisterous approach to diplomacy was about as foreign as possible compared to the standard demure disposition that most Chinese statesmen at the time exhibited. Hurley's biographer, historian Russell Buhite, described Hurley as “mercurial-tempered”—a seemingly apt assessment given that the Ambassador “roared commands; he hurled profane charges; and he threatened to fire his ablest people.”⁴⁴ U.S. officials who met with Hurley universally described his affinity for hearing himself talk and his tendency to monopolize meetings with rambling and disorganized monologues. Former Ambassador Gauss told Hart in a letter in 1960 that behind his back, Gauss and others in the U.S. Embassy facetiously referred to Hurley's brash and garrulous style as the “Hurley Burley.”⁴⁵

Beyond simply serving as a divisive figure in the history of U.S.-China relations, Hurley attracted vehement negative reactions from many U.S. officials with whom he had contact during his time in China, not to mention the even stronger disapproval he garnered from the CCP leaders he met in 1944 and 1945. Mao Zedong and Zhou Enlai were said to have referred to

⁴⁴ Buhite, *Patrick J. Hurley and American Foreign Policy*, 191.

⁴⁵ John N. Hart, *The Making of an Army “Old China Hand”: A Memoir of Colonel David D. Barrett* (Berkeley, CA: University of California, Berkeley Institute of East Asian Studies, Center for China Studies, 1985), 45.

Hurley as “the clown” from as early as their first meeting with him in November 1944.⁴⁶ One of the few people to make positive comments about Hurley in this period was Chiang Kai-shek, who wrote to Roosevelt that Hurley had Chiang’s “complete confidence” and praising Hurley’s “rare knowledge of human nature.”⁴⁷

To say that Hurley was unpopular among American officials in China in 1944 and 1945 profoundly understates the intensity of contemporary accounts and remembrances of the officials, which contain a litany of derogatory comments on Hurley’s behavior and attitude. Indeed, positive impressions of Roosevelt’s chosen ambassador in this period are rare and difficult to find. Far more common in correspondence between lower-level U.S. government officials in China are comments such as this one from an OSS CBI manager posted in India: “People are generally at a loss to discover those qualities which have made him such a great favorite with the president.”⁴⁸ Years later, negative perceptions of Hurley had only intensified for those who had encountered him in China. For example, in a letter to Senator J. William Fulbright in 1972, the normally amiable and genteel Jack Service wrote, “Hurley in my opinion was a stuffed shirt and phony, of limited mentality, and in some ways as vicious as a rattlesnake. At the time he came to Yenan, he had already begun to show symptoms of senility. Why President Roosevelt ever chose him for such an important mission, I have never been able to understand.”⁴⁹

⁴⁶ Kahn, *The China Hands*, 122.

⁴⁷ Memo from Hurley to Roosevelt including Chiang Kai-shek’s response to Roosevelt’s requests, October 10, 1944, *FRUS, Diplomatic Papers. China, 1944*, 170.

⁴⁸ OSS Memo to R&A Division head Langer in Washington from Rosamond Frame, CBI OSS R&A Director based in Delhi, December 29, 1944, NARA RG 226, Entry NM 54 53: OSS Correspondence with Outposts, 1942-1946, Box 4.

⁴⁹ Copy of Letter from John Service to Sen. J. William Fulbright forwarded to David Barrett, January 28, 1972, Papers of John S Service, University of California at Berkeley, Bancroft Library, Carton 2, Folder 35: David Barrett.

A complete newcomer to China with no previous knowledge of Chinese politics, Hurley did not share the skepticism Gauss and Stilwell had expressed about Chiang Kai-shek's intentions and capabilities. Although they did not have what could be considered a friendship, Gauss and Stilwell agreed upon growing suspicion of Chiang Kai-shek in 1944 based on their dealings with him, and both Gauss and Stilwell recognized the CCP as serious challengers for political power in China. Conversely, Hurley viewed the Generalissimo with the highest possible respect and an almost uncritical eye. Hurley's close personal relationship, and considerable time spent dining and conversing, with Chiang made it difficult for Hurley to learn objectively about the full scope of challenges in the Chinese political scene or appreciate the depth of enmity between the Nationalists and the Communists. Moreover, a visit with then Soviet Foreign Minister Vyacheslav Molotov during a brief trip to Moscow Hurley completed in 1944 while en route to China made an indelible impression on Hurley's perception of the Chinese Communist Party.⁵⁰ Hurley frequently reported using Molotov's assurances that the CCP did not conform to the true definition of a Communist Party and thus had little hope of bringing about socialist revolution in China in his attempts to reassure Chiang Kai-shek regarding CCP capabilities and intentions.⁵¹

Similar to his friend and patron, President Roosevelt, Patrick Hurley displayed little respect for American officials stationed in China, including those in military positions as well as

⁵⁰ For further on Hurley's visit with Molotov, see Michael Schaller, *The U.S. Crusade in China, 1938-1945* (New York: Columbia University Press, 1979), 178-179.

⁵¹ For example, see Hurley's letter to President Roosevelt and Chief of Staff Marshall, September 7, 1944, *FRUS, Diplomatic Papers. China, 1944*, 154. It is worth noting that although Hurley later became associated with a staunch anti-communist ideological position, evidence hinting at this position is largely absent from contemporary reports of Hurley's actions and statements early in his time in China. Rather, the historical records suggest that Hurley's anti-communist attitudes on display in the 1950s were a result of his disappointment and frustration after failing to sufficiently persuade the CCP leaders of his credibility as a mediator in their conflict with the Nationalists.

those in diplomatic positions who were technically his subordinates. Hurley rarely shared any information with his Embassy staff about his negotiations with either the Chinese Communists or the Generalissimo, preferring to bypass State Department channels and communicate only with President Roosevelt. The Embassy staff responded to this treatment by referring to Hurley behind his back as “Colonel Blimp” and other derogatory names. When U.S. diplomatic officials finally began to complain to the White House through back channels about this arrangement, Hurley accused the embassy staff in China of disloyalty and ignorance regarding U.S. interests in China.⁵² Hurley’s behavior and attitude did not earn him the trust or support of his diplomatic staff, who presumably could have been an asset in the negotiations between the Nationalists and Communists that he attempted to undertake. In some cases, Hurley’s disrespect for other Americans working in the China Theater degenerated into actual arguments. According to Hurley’s biographer, at a cocktail party in Chongqing, the Ambassador once engaged General Wedemeyer’s Chief of Staff Robert McClure in an argument so heated that Hurley ultimately challenged McClure to a fist fight in front of a full complement of Chinese diplomatic and military counterparts. Other American officials interrupted the argument before it could escalate further, but the situation cast the American delegation in a bad light vis-à-vis their Chinese allies.⁵³

Hurley’s negotiations with the CCP

The tumult that Hurley caused among the American officials serving in Chongqing quickly spread to Yan’an beginning with Hurley’s first visit to the CCP base on November 7, 1944, during which he began negotiating the CCP role in a coalition government for China. As

⁵² Buhite, *Patrick J. Hurley and American Foreign Policy*, 190.

⁵³ Buhite, *Patrick J. Hurley and American Foreign Policy*, 190; Wedemeyer, *Wedemeyer Reports*, 318.

Roosevelt's friend and special appointee, Hurley's opinions on China policy were congruent with the President's, and he had considerable influence in the Oval Office. Hurley traveled to Yan'an prepared to represent Roosevelt's specific interest in finding a way to maintain a stable China as a bulwark against the expansion of Japanese territory, which he believed was essential to winning the war and future global security.⁵⁴ Based on reports he had received from Stilwell and others during the first years of the war, Roosevelt had determined that a politically unified and stable China could best achieve this goal, but he (or more likely, Hurley) may not have fully understood the intensity of the domestic political conflict brewing in China at the time. Although the events of 1944 had clearly shaken Roosevelt's confidence in Chiang, the president continued to argue that China's best chance of political unification involved forming some sort of democratic coalition government under the leadership of Chiang Kai-shek, whom he assessed to be the most competent leader in China and the one most likely to be accepted by other world leaders. Roosevelt concluded that the greatest potential threats to a unified democratic government in China would be a Communist civil war victory, which he feared not for specific ideological reasons as Truman would, but because he believed the Communists were not strong enough to hold the country together, and the threat of Soviet intervention. Thus, in cooperation with Hurley, from October 1944 until his death in April 1945 aimed to prevent Soviet aid to the CCP and force the latter party into negotiations with the Nationalists—a China policy to which historian Michael Schaller referred as “flawed in both conception and execution.”⁵⁵ In service of

⁵⁴ Since many relevant official documents were declassified in the 1970s, historians have achieved a broad consensus on Roosevelt's views and interests at this point in the war. For example, see Warren I. Cohen, *America's Response to China: A History of Sino-American Relations, Fifth Edition* (New York: Columbia University Press, 2010), 159-165 and Michael Schaller, *The U.S. Crusade in China*, 177-178.

⁵⁵ Schaller, *The U.S. Crusade in China*, 177.

this policy, Hurley undertook the chore of mediating the conflict between Chiang Kai-shek and the CCP, beginning with a visit to the CCP base.

Hurley's sudden decision to undertake an unannounced and unplanned inspection tour and to meet the Chinese Communist leaders for himself surprised both American and CCP officials at Yan'an, who scrambled to accommodate him when he emerged from the regular weekly plane to Yan'an. The CCP leaders had extended repeated invitations to Hurley beginning in September 1944. A few days after arriving for his first and only visit to Yan'an, John Davies had also urged Hurley to tour Yan'an and meet the Communist leaders in a telegram delivered October 27, but the Ambassador had ignored all of them lest he be seen by the American public as undermining America's main ally in China, Chiang, by recognizing the CCP leaders with his presence, particularly prior to election day in the United States.⁵⁶ Consistent with his personal style, Hurley reportedly startled Zhou Enlai, who was present to meet the plane with Dixie's Col. Barrett, when he emerged from the plane wearing an army uniform emblazoned with what Barrett joked—to Hurley's displeasure—was “every American campaign ribbon but Shay's Rebellion.”⁵⁷ Hurley's appearance presented an ostentatious display for which the awkwardness was only magnified by Hurley's minimal and brief battlefield experience, particularly given his audience of battle-hardened CCP hosts, who had spent most of the previous two decades engaged in guerrilla warfare, living in caves, and proceeding by foot across the Chinese countryside the Long March. Hurley compounded the effect of his arrival by standing in front of

⁵⁶ Telegram from Davies to Hurley, *FRUS, Diplomatic Papers, China, 1944*, 659.

⁵⁷ Schaller, *The U.S. Crusade in China*, 195.

the CCP honor guard hastily assembled to greet him and emitting a startling Choctaw Indian battle cry at the top of his lungs, in homage to his home state of Oklahoma.⁵⁸

Although initially impressed at Hurley's determination to visit Yan'an, a fairly dangerous act at the time given the escalation of Japanese bombings, the CCP leaders reportedly were not particularly amused at Hurley's bizarre debut appearance. Hurley's dramatic entrance gave the Americans living at Yan'an a small taste of the embarrassment they would regularly experience when observing Hurley's interactions with the Chinese Communists. The combination of Hurley's lack of respect for subordinate American officials in China, his seemingly shallow understanding of the domestic conflict in China, and his slightly obnoxious personality ultimately did little to endear Hurley to the American officials at Yan'an. However, these traits were not on full display during Hurley's first visit to the CCP, which set a deceptively cordial tone that the CCP leaders later said they found confusing.

While in Yan'an, Hurley met with Mao Zedong to present a set of terms he had drafted for an agreement between the CCP and Guomindang (GMD) over the future of China's government. Any other time, John Service would have assisted in meetings between an American diplomatic visitor and the CCP, but Service had made a temporary trip to Washington and was gone from Yan'an in November. The duty to help translate and manage the meetings between Hurley and Mao fell to David Barrett, which according to Hart, put Barrett in the "untenable position of acting as a go-between for the emotional, egotistic, and, in this setting, inept and incompetent Hurley with the shrewd, calculating man who over the previous two decades had managed to overcome all this rivals within the Chinese Communist Party, as well as

⁵⁸ Mitter, *Forgotten Ally*, 348.

the opposition of Stalin and the Comintern, to emerge as the sole leader of the Chinese Communist movement. It was truly no contest.”⁵⁹

In reports on the first meetings between Hurley and Mao, Barrett described Hurley as bending over backward to appeal to the CCP leader and find terms on which Mao could agree. Hurley originally asked Mao to agree to allow China’s National Government army, under the leadership of Chiang Kai-shek, to assume command over all the Communist forces in exchange for a CCP seat on the National Military Council, which Chiang Kai-shek chaired. Mao rejected these terms, articulating in great detail why the CCP did not trust Chiang and arguing that a seat on the National Military Council meant nothing to the CCP leaders as many of the council’s current members “were denied all knowledge of its actions” and “the whole body had not met for some time.”⁶⁰ Upon hearing Mao’s reasons for rejecting Hurley’s proposed terms, Hurley surprised Barrett and Mao by asking Mao to propose alternate terms that the CCP could find easier to accept.

After conferring overnight with his comrades, Mao presented the CCP proposals to Hurley the next morning, and Hurley reportedly further stunned Barrett by suggesting that Hurley review the terms with an eye toward making them even more favorable to the CCP. Describing the November meetings in his memoirs, Barrett wrote, “Up to this point it seemed to me General Hurley had handled his side of the negotiations with considerable skill...But when the General offered to amend the terms in a way to make them “go farther—in other words, to be more favorable to the Communists—I thought he had definitely got off the rails...In truth, if I had not been present that day, I would have found it difficult to believe General Hurley would

⁵⁹ Hart, *The Making of an Army* “Old China Hand,” 49.

⁶⁰ Barrett, *Dixie Mission*, 66.

have acted the way he did.”⁶¹ The revised list of terms that the CCP leaders suggested and Hurley augmented on November 9 in Yan’an became known as the Communist Five Points proposal. Before departing for Chongqing, Hurley surprised Barrett a third time by suggesting that Hurley and Mao both sign the Five Points proposal to indicate that both parties considered the terms “fair and just,” which they did, and Mao retained the signed copy.

Upon Hurley’s return to Chongqing, Hurley brought the Five Points to Chiang Kai-shek, who flatly refused to entertain any form of agreement with the CCP unless the GMD gained full control of all Communist military forces. In mid-November, the National Government produced a counter proposal that removed most of the concessions to the CCP and added a concluding clause that gave the National Government full control of the military situation in China, effectively precluding the agreement from conveying terms the CCP could possibly accept: “subject only to the specific needs of security in the effective prosecution of the war against Japan.”⁶² Despite all his assurances to the CCP of his interest in serving as a neutral mediator, Hurley ultimately sided with the Nationalists and backed Chiang’s demands.⁶³ Hurley asked Barrett to take the revised terms back to Mao and do his best to persuade the CCP leaders to accept them. According to Barrett, “The session with the two Communist leaders was an experience I shall never forget.” Given his lack of authority for official communications directly with Ambassador Hurley, Barrett recorded his experience in an immediate note to Wedemeyer, his superior officer.⁶⁴ According to Barrett, “Chairman Mao’s attitude throughout the interview

⁶¹ Barrett, *Dixie Mission*, 62.

⁶² Barrett, *Dixie Mission*, 68.

⁶³ For further on the negotiations that Hurley mediated, see Cohen, *America’s Response to China*, 159-165 and Schaller, *The U.S. Crusade in China*, 194-196.

⁶⁴ For the full text of Barrett’s memo to Wedemeyer, see *FRUS, Diplomatic Papers, China, 1944*, 727.

was recalcitrant in the extreme. He was not discourteous to me, but several times he flew into a violent rage. He kept shouting, over and over again, “We will not yield any further!” “that turtle’s egg, Chiang!”...I left the interview feeling that I had talked in vain to two clever, ruthless, and determined leaders who felt absolutely sure of the strength of their position.”⁶⁵

Mao and Zhou argued that the terms presented would mean submitting their troops completely to the control of Chiang Kai-shek and placing the CCP completely “at his mercy,” which was unacceptable to the Communists. The CCP leaders expressed confusion at the U.S. position in the conflict, particularly at Hurley’s behavior in drafting the proposed agreement in Yan’an, certifying his belief in its fairness, and then presenting a revised version that offered “absolutely no guarantee of our safety.” According to Barrett, the CCP leaders said, “We cannot trust the good faith of the Generalissimo, and no one who has studied impartially the history of the relations of the Kuomintang and the Chinese Communist Party could reasonably expect us to have any confidence in him.”⁶⁶ Mao expressed to Barrett a threat to show the copy of the Five Points that Hurley had signed to the press. Although Barrett deliberately did not include Mao’s threat in his written report, he verbally explained the terms when meeting with Hurley and Wedemeyer in Chongqing when he returned from Yan’an.⁶⁷ Of Hurley’s reaction at this point in the meeting, Barrett later wrote, “I was afraid for a moment he might burst a blood vessel. “The mother——!” he yelled, using an expression now in rather common use but seldom heard at the time. “He tricked meh!” At this point, I ventured to remind the general I was not Mao Tse-tung.”⁶⁸ Thus, December 1944 marked both a low point in Hurley’s effort to mediate a

⁶⁵ Barrett, *Dixie Mission*, 74.

⁶⁶ Barrett, *Dixie Mission*, 71.

⁶⁷ Barrett, *Dixie Mission*, 75.

⁶⁸ Barrett, *Dixie Mission*, 75.

settlement in China's domestic conflict and the beginning of major transformation in the role of the Dixie Mission in U.S. intelligence and U.S.-China relations.

CCP-American relations and the question of military aid

Further complicating Hurley's efforts to encourage Chiang Kai-shek and Mao to form a stable coalition, the disorganized and competitive nature of U.S. intelligence practices at the time and the presence of the Dixie Mission at Yan'an had an important side effect that American strategic planners had not anticipated: raising the expectations of the CCP leaders regarding what their party might gain from a productive working relationship with the United States. Hurley and FDR—rather naively—envisioned a U.S. policy stance that would make the CCP leaders feel that cooperation with the National Government was their best chance for obtaining continued U.S. support that would both preserve the CCP in some form in China's postwar republic and allow the CCP guerrilla fighters to continue fighting the Japanese. In fact, although they made clear that they welcomed any help the United States wanted to offer them, the CCP leaders never viewed U.S. support as vital to their cause or their survival.⁶⁹ Furthermore, as events unfolded in 1944, the presence of the American delegation at Yan'an and the intense commitment to

⁶⁹ The U.S. government's declassification of the OSS papers and additional materials about the Dixie Mission in the 1970s precipitated a vitriolic and deeply politicized debate over the origins and effects of U.S. anti-Communism in China. At the heart of the debate, historians asked if the United States had squandered an opportunity for bilateral engagement with the CCP that could have prevented enmity between the United States and the People's Republic during the Cold War and potentially mitigated some of the more gruesome results of the mass campaigns China's totalitarian regime sponsored in the 1950s and 1960s. This argument, frequently known as the "Lost Chance in China" argument, largely spun itself out in the 1990s as historians gained greater access to the writings of Chinese leaders themselves, exposing the argument as an example of U.S.-centric diplomatic thinking. For further on the historiography of the "Lost Chance" argument and the CCP leaders' attitudes about foreign policy in the 1940s see Chen Jian, "The Myth of America's 'Lost Chance' in China: A Chinese Perspective in Light of New Evidence," *Diplomatic History*, 21: 1 (Winter 1997), 77-86 and Niu Jun, *From Yan'an to the World: The Origin and Development of Chinese Communist Foreign Policy*, Trans. by Stephen I. Levine (Norwalk, CT: Eastbridge Books, 2005).

defeating Japan that the United States and China shared may have given the CCP leaders reason to hope that they could gain U.S. aid and support regardless of the status of negotiations.

The asymmetry in rank between the Chinese Communists and the Americans assigned to the Yan'an station ultimately contributed to inflated perceptions of potential outcomes on both sides. The CCP leaders, seasoned political and military operators who nonetheless had relatively limited experience interacting with senior U.S. officials, viewed the effort that the United States expended to sponsor the delegation in Yan'an as a sign of serious American interest in the Communist military capabilities on which the CCP could capitalize. Historian Niu Jun, who has analyzed early Chinese Communist foreign policy behavior based on available CCP records argues based on Mao's speeches and writings in the 1940s that the diplomatic and military actions of the United States in China in 1944 encouraged optimism among the CCP leadership sufficient to "change their tactics in dealing with the Guomindang from self-defense to taking the offensive, and from seeking a partial solution to the problems to demanding the reorganization of the Nationalist government."⁷⁰ Although CCP leaders sought opportunities to collaborate with the United States, they also repeatedly expressed their lack of dependence on American aid. Soon after the U.S. Observer Mission arrived in Yan'an, the CCP leaders began expressing their interest in training, equipment, and funding from the United States to continue their efforts to wage guerrilla warfare at and behind the Japanese front lines in northern China.

The initial Dixie Mission participants all expressed interest in and support for these proposals, but the OSS officers at Yan'an appeared particularly receptive to these possibilities and had the greatest access to potential pools of aid and equipment. For example, as of

⁷⁰ Niu Jun, *From Yan'an to the World: The Origin and Development of Chinese Communist Foreign Policy*, Trans. by Stephen I. Levine (Norwalk, CT: Eastbridge Books, 2005), 160.

September 1944, the OSS officers at Dixie and the CCP leaders were engaged in developing proposals for the radio development project codenamed YENSIG, which planned to supply the CCP guerrillas with sophisticated radio equipment to connect communications across all 14 discontinuous Communist-held base areas in northern China.⁷¹ The OSS officers had also started to develop specific plans to develop intelligence agents and assets throughout northern China through the program they code-named APPLE, which became known as the North China Intelligence Project in 1945. The Communists would likely have no other opportunities to access such technology at the time without U.S. generosity.

Despite their interest in YENSIG and other plans that American intelligence officials had underway at Yan'an to bolster the CCP fighting capacity, Mao and the other CCP leaders regularly clarified what they were and were not willing to offer in return for U.S. help, and Dixie Mission participants regularly recorded these comments and communicated them back to their U.S. headquarters offices in Chongqing, Delhi, and Washington. It appeared to the CCP leaders that the United States needed the CCP guerrillas at least as much if not more than the CCP needed help from the United States. Mao Zedong and Zhou Enlai delivered some of the clearest statements to this effect in their response to the National Government's proposal countering the Communists' Five Points in December 1944. Mao and Zhou specifically told Barrett, "We have fought the Japanese for seven years without any outside help, and we will keep on fighting them no matter what happens," and "If the United States abandons us, we shall be very sorry, but it will make no difference in our good feeling toward you."⁷² To further clarify their perspective, the leaders continued, "We have welcomed the United States Army Observer Section, and we

⁷¹ Yu, *OSS in China*, 167.

⁷² *FRUS, Diplomatic Papers, China, 1944*, 730.

have done our best to cooperate with it. If the Section stays, we shall be glad; if it goes, we shall be sorry. If it goes and later returns, we will welcome it back again. If the United States does not give us one rifle or one round of ammunition, we shall still continue to fight the Japanese and we shall still be friends of the United States.” These statements echoed the comments the CCP leaders had been making to the Dixie Mission participants since their arrival at Yan’an in July.

The Dixie Mission personnel inadvertently bolstered the optimism of the CCP regarding the potential for U.S. aid through their own narrow and sheltered vision of the scope of the U.S. war and the role of the CCP in it. The remote location of Yan’an and the difficulties and dangers that came with traveling placed severe limitations on the communications of Dixie Mission participants. Brief and cryptic official radio communications paired with the official mail and letters from home that came via the weekly planes, when the planes could travel, hardly offered them an updated and comprehensive view of the global war being waged. More importantly, their location encouraged American officials in Yan’an to perceive themselves to be among the only U.S. government personnel with access to their privileged perspective on the war, and they operated in an interagency mission that frequently stretched—if not exceeded—the boundaries of the ambiguous and inadequate status quo protocols for oversight of intelligence activity. At the same time, they knew their work played a role in the bureaucratic struggle for control of postwar strategic intelligence capabilities that was playing out through U.S. intelligence operations being planned and executed throughout the world in 1944.

Donovan and his subordinate OSS managers were particularly keen on achieving dramatic operational intelligence successes in China through Yan’an-based activities and cooperation with the CCP. By October 31, 1944, when Donovan visited China for talks with U.S. and Chinese personnel, OSS officers were participating in three different projects in China:

cooperating with Chinese government officials in Chongqing on intelligence work sanctioned by SACO, cooperating with the 14th Air Force in Kunming under the cover of the AGFRTS organization, and at Yan'an in the Dixie observer group.⁷³ Almost all American officials in China believed SACO to be a huge policy failure that served only to constrain U.S. intelligence operations in China according to the whims of the Nationalist Party. Similarly, OSS officers operating out of Kunming gained little traction for their operations. The 14th Air Force, under the direction of General Chennault, an unquestioning supporter of Chiang Kai-shek, experienced regular and heavy contact with various Chinese Army and National Government components who reported all OSS actions back to Chongqing, which effectively blew the AGFRTS cover that OSS had previously enjoyed and brought any future OSS operational plans from that base under the SACO umbrella. Of the three outposts, the Dixie Mission showed the greatest potential by far for the type of cutting-edge intelligence work that Donovan sought to use as examples that could help him persuade Roosevelt and others in Washington of the need for a independent peacetime strategic intelligence organization in the United States after the war's end. The fact that Chiang Kai-shek and the National Government had no jurisdiction over U.S. intelligence operations in Communist-held areas to which the CCP leaders agreed joined the long list of conflicts between the GMD and CCP at the time. Not only did OSS face the least amount of foreign government restrictions on their operations at Yan'an, but the CCP also offered guerrilla capabilities and unique access to Japanese vulnerabilities that would highlight activities that Donovan viewed as the potential strengths of OSS and its potential successor organization for which he was lobbying.

⁷³ Yu, *OSS in China*, 170.

In late 1944, the combination of Wedemeyer and Hurley serving at the top of the chain of command for U.S. strategic actions in China inspired a great deal of optimism among OSS officers. Hurley and Donovan, both staunch Republicans, had formed a lasting friendship when both served the Hoover administration. Under Donovan's leadership, the OSS had developed a reputation as a "Republican establishment, filled with the upper crust of American society," according to historian Maochun Yu, which initially appealed to Hurley as did the mission and approach of the new organization. Hurley reportedly said "OSS rates #1 in my opinion" and of Donovan, he opined, "I am behind him from Hell to Harrisburg."⁷⁴ Hurley displayed no such affection for army intelligence, based on negative opinions the ambassador had formed during his term as War Secretary. He believed OSS would fully replace the G-2 after World War II ended.⁷⁵ Hurley's affinity for OSS did not liberate the organization from the challenges it faced for operations in China in 1944 and 1945, particularly when it came to Yan'an and intelligence activity in north China.

OSS officials in China also had a positive initial view of General Wedemeyer. OSS had assessed that Stilwell's disagreements with ONI officials in Chongqing, who were responsible for the creation of the deplorable and restrictive SACO agreement, had also consequently constrained the ability of OSS officers to operate in the China Theater.⁷⁶ More than Stilwell, Wedemeyer had been supportive of expanding U.S. efforts to collect strategic intelligence in China throughout the war, and had been particularly vocal in complaining to General Donovan about the lack of "reliable information on the structure, conditions, and quality of the Chinese

⁷⁴ Yu, *OSS in China*, 178.

⁷⁵ Yu, *OSS in China*, 194.

⁷⁶ Yu, *OSS in China*, 172.

Army” in late 1943.⁷⁷ Joseph Spencer, the main official representing OSS R&A in Delhi, doubted the Army would plan any active operations during or immediately after the transition period, opening a gap in the field that OSS could fill. Spencer speculated that this change could significantly increase the influence of OSS in China, both in terms of operations run by the SI branch and the role that R&A branch would have in supporting operations and processing the information that intelligence collection activities produced.⁷⁸

The clash in expectations between Hurley, Wedemeyer, Chiang Kai-shek, and the CCP leaders coalesced in the issue of potential U.S. military support for CCP guerrillas—a conflict in which the Dixie Mission found itself at the center between November 1944 and March 1945. The recommendation for the United States to provide military support for the CCP fighters was among the few issues on which the American officials at Yan’an achieved a consensus across all agency boundaries, though they disagreed on how to provide the support, to what extent the United States should aid the Communist fighters, and which agency would take the credit. Service, Davies, and Stelle all believed U.S.-mediated negotiations between the GMD and CCP were doomed to fail and the U.S. support for the CCP was the only way to keep the party from turning to the Soviets for aid to defend themselves from the Japanese. Barrett most likely agreed, but because the topic exceeded what he considered to be the bounds of his job description as military intelligence officer and commanding officer of the Observer Group, he was cautious not to specify his personal views on the topic in official documents.⁷⁹ In one of

⁷⁷ Memo from William Donovan to OSS Chiefs of CBI and SEAC Missions, December 16, 1943, NARA RG226 Entry 110: Field Intelligence Reports, Box 51, Folder 510.

⁷⁸ Memo, Spencer to Langer regarding the organization of CBI and return of Stilwell,” October 31, 1944, NARA, RG226 Entry NM-54 53, Box 4.

⁷⁹ Throughout his memoir, *Dixie Mission*, Barrett frequently describes his commitment to the parameters for his behavior in Yan’an set by his military capacity and his deliberate effort to avoid engaging in political analysis.

many reports John Davies cranked out during his visit to Yan'an from October 22 to November 8, he wrote:

“The United States is the greatest hope and the greatest fear of the Chinese Communists. They recognize that if they receive American aid, even if only on an equal basis with Chiang, they can quickly establish control over most if not all of China, perhaps without civil war... We are the greatest fear of the Communists because the more aid we give Chiang exclusively the greater the likelihood of his precipitating civil war and the more protracted and costly will be the Communist unification of China... If we continue to reject them and support an unreconstructed China, they see us as becoming their enemy. But they would prefer to be friends.”⁸⁰

Stelle's opinions focused less on the politics of arming the CCP and more on the potential results. In a status report to John Coughlin, who had become the OSS head for the India-Burma Theater after Stilwell's recall precipitated reorganization, Stelle wrote, “Observations in the field confirm previous believes that the potential of these people for large scale demolitions is practically unlimited. If the negotiations in Chungking make it possible for us to bring in explosives and gadgets, I don't think there is any doubt that we could build up one of the biggest and most effective SO [Special Operations] jobs of this war. If the negotiations break down and official OK is lacking for supplies being brought up here, there may still be the possibility of a fairly large scale "clandestine" SO operation.”⁸¹ Stelle's hint at clandestine or covert plans to arm the CCP through OSS later became a considerable controversy.

Barrett's personal papers may have revealed more insight into his policy views at the time, but most papers he had kept from the 1940s burned in a fire set by his daughter after the two had a disagreement in the early 1960s.

⁸⁰ Davies, “The Chinese Communists and the Great Powers,” November 7, 1944, RG 226, Entry 148, Box 7, Folder 104.

⁸¹ Memo to Col. Coughlin from Stelle regarding affairs in Dixie Mission, November 22, 1944, NARA RG 226 Entry 148, Box 7, Folder 104.

Although the plans to provide aid to the CCP consistently failed to achieve traction in Washington, the Dixie Mission officials, convinced the Communists were capable of achieving gains in the fight against the Japanese, regularly suggested ways that the U.S. government could assist the guerrillas, which they argued would serve both the strategic interests of the United States and the near- and long-term intelligence collection interests of the respective sponsoring organizations of the Yan'an Observer Group participants. From his perspective as a military intelligence official, Dixie Commanding Officer Barrett repeatedly suggested giving the CCP guerrillas some form of tangible military support that would enhance their effectiveness and encourage their cooperation with U.S. efforts. In fact, one of his first reports to Stilwell about the Communists had made a cautious recommendation about providing small arms, such as handguns. In the report, Barrett conveyed his firm belief that the CCP and the United States were fighting the same enemy—Japan—and the CCP soldiers' commitment to the cause made them “worthy” of U.S. aid in the form of “ammunition, weapons, pack artillery, and signal equipment” that “would bring immediate results” and if it did not, “we would have lost very little.”⁸²

Reflecting awareness of how his report was likely to be received, Barrett added some important caveats. He recognized the logistical limitations of the U.S. observers at Yan'an compared to the urgency of the war effort and suggested that the military aid be provided right away, rather than waiting “until we have sent out observers to cover areas from which reports cannot be received for a long time.” Seemingly anticipating surprise at this suggestion, Barrett noted that he has “long regarded with a jaundiced eye the reports of the many foreigners who have gone all out in the support of the Chinese Communists” and his belief that his “sales resistance to any cause in China is as high as that of any observer who wishes to be fair minded.”

⁸² Hart, *The Making of an Army* “Old China Hand,” 42.

Barrett explained that despite his awareness of weaknesses in the CCP military organization and staff work and what he calls “how masterfully the Chinese can present a cause when they really put their hearts into it,” he was still convinced of the CCP guerrillas’ entitlement to a limited amount of U.S. military aid. Barrett later wrote that his recommendations at the time were “carefully considered” in light of the opposition they would raise from the National Government. Barrett believed the possibility that the CCP fighters might eventually use the weapons against the National troops “would have to be accepted as a calculated risk.”⁸³

At the end of September 1944, a few weeks before Stilwell’s recall, Barrett reiterated his positive assessment of CCP efforts fighting the Japanese. He wrote: “To sum up, I am convinced that the Communist forces can be of immediate assistance to the Allied war effort in China, and that this assistance can save American lives, and speed up the ultimate victory. The amount of use which can be made of the Communist forces will in general be in direct proportion to the assistance which we can give them in arms, equipment and training.”⁸⁴ By the time General Wedemeyer took control of the China Theater for the United States, the Yan’an observers had succeeded in traveling to some of the far-flung areas where CCP guerrillas operated. These first-hand observations only fortified Barrett’s resolve to help the CCP troops, and in late November he specifically recommended that the United States should help arm a CCP guerrilla force of up to 5,000 fighters.⁸⁵ Around the same time, OSS’s John Colling, an expert in sabotage operations and demolition, had been talk with guerrillas from the CCP’s 18th Group Army about their demolition capabilities, and he had been offering various demonstrations of the equipment and

⁸³ Barrett, *Dixie Mission*, 91.

⁸⁴ Hart, *The Making of an Army “Old China Hand,”* 42.

⁸⁵ Hart, *The Making of an Army “Old China Hand,”* 53.

techniques on which the U.S. military relied. On November 18, Colling wrote General Wedemeyer to advise that his CCP military contacts could easily be trained to use American demolition techniques and put them to good use against Japanese targets in north China. He recommended that demolition equipment be provided to the 18th Group Army to assist in their extensive efforts to disrupt Japanese communications.⁸⁶

The most controversial plan for cooperation between the CCP and the U.S. military involved discussions that occurred between November 1944 and January 1945. On several occasions in this time period, CCP leaders discussed with American officials the possibility of the Chinese Communists providing logistical support for the landing of a U.S. airborne division in north China, potentially on the Shandong peninsula, from which the United States could mount an invasion of the Japanese islands that almost everyone at the time believed would be necessary to end the war. According to reports from John Davies, the idea for the plan originated with the CCP leaders, particularly Zhou Enlai, who invited Barrett and Davies to a meeting with General Ye in Yan'an on November 3, where the CCP leaders explained the concept to the American officials.⁸⁷ Davies, never a permanent member of the Dixie Mission, although heavily involved in its planning and establishment and closely following its progress, made his sole visit to Yan'an from October 22 to November 8, 1944. The trip had been hastily arranged prior to Stilwell's departure to ensure that Davies would have a chance to investigate Yan'an and meet the CCP leaders himself in case Stilwell's successors ended the mission or ended Davies'

⁸⁶ Memo from Colling to Wedemeyer, November 18, 1944, NARA RG 226, Entry 148, Box 7, Folder 104: Dixie Intelligence Reports.

⁸⁷ Davies Memo regarding "Chinese Communist Preliminary Estimate of Cooperation Which They Could Offer a Hypothetical American Landing at Lienyunkang," November 3, 1944, NARA RG 493, Box 7, Folder "Radios-Eyes Only— Communists, Wires. For a detailed explanation of the development of the Dixie Mission's discussion with the CCP leaders of a potential invasion of Japan, see Maochun Yu, *OSS in China*, 183-185.

association with it (which, ironically, is what happened in 1945, probably due to Davies' actions during his Yan'an visit). For their part, the idea of assisting the United States while it prepared for the final invasion of Japan would have provided a clever—and perhaps irresistible to the United States—solution to some of the biggest challenges facing the CCP in its relations with the United States and the National Government, namely, how to entice the United States to provide materiel support and recognition for the part CCP troops were playing in fighting the Japanese.

Given the potential of such a plan to upset Chiang Kai-shek and derail diplomatic efforts the United States had underway with the Chinese central government, Davies recommended that the OSS secretly pursue the possible arrangements without allowing the Chinese government to discover the plans yet. Donovan supported the idea, which he believed would support the months-long effort by OSS to develop intelligence assets in Japanese-occupied northeast China, including a plan that Donovan had personally requested R&A division staff based in Delhi to devise, which became known as the North China Intelligence Project. Evolved from the APPLE project that initial Dixie participants had proposed in their first few weeks at Yan'an, the new North China Intelligence Project sought to train Allied agents in Yan'an and send them behind the Japanese lines into north China, Manchuria, and the Korean peninsula, similar to OSS operations that were being conducted successfully in Europe. Donovan intended to discuss all the plans for U.S. involvement in north China with various U.S. and Chinese officials during his late December visit.

With the green light from Donovan and Davies, the responsibility for working with the CCP to cooperate in north China fell to Wedemeyer's newly appointed "China intelligence czar," director of OSS China Colonel Richard Heppner. Faced with the urgency of Donovan's planned December 26 arrival in China during which the OSS Director might wish to discuss plans for

operations in north China, Heppner quickly tasked one of his new subordinates, Colonel Willis Bird, who served as deputy chief for the OSS office in China under Heppner, to take the lead in pursuing Zhou Enlai's idea for landing U.S. paratroopers in Shandong and other unconventional warfare operations run by OSS in the area. On December 14, 1944, Barrett escorted Bird to Yan'an for talks with the senior CCP leadership. Bird's trip occurred with the blessing of General McClure, Wedemeyer's deputy. At the time, Wedemeyer was away from Chongqing, and he later claimed no advance knowledge of McClure's intentions.⁸⁸ The objective of Barrett and Bird on this particular trip was to discuss with the CCP leaders the possibility of American troops landing in northeast China, but long eager to find a way to penetrate the Japanese territory in China's northeast with its own intelligence agents and assets, OSS also had its eyes on developing intelligence operations at the same time. From a military perspective, the discussions of a Shandong landing for U.S. troops represented sound strategic planning based on the information available to those at the level of Wedemeyer and McClure in January 1945. The development of the nuclear weapons that ultimately helped hasten the end of the war with Japan was a closely held secret, not something the U.S. military leadership in China nor the Chinese Communist Party leaders could have anticipated or might have predicted. From the information they had, envisioning that the United States might require a Normandy-style attack on Japan to bring about the end of the war was logical, and such action would require considerable advance planning, but its precise timing was unknown and contingent upon a series of events in Europe and the Pacific. Thus, the CCP's idea about offering Shandong and the U.S. officials' enthusiasm

⁸⁸ Historical records are quite murky on whether Wedemeyer knew the trip would take place, but McClure kept the trip a secret from Hurley. Bird and Barrett claimed that McClure gave the impression that he had cleared the trip with Wedemeyer, but Wedemeyer denied approving the meetings when controversy erupted. For further on the controversy over the meetings, see Maochun Yu, *OSS in China*, 185-187; Barrett, *Dixie Mission*, 77; Schaller, *The U.S. Crusade in China*, 195-206; and Buhite, *Patrick Hurley and American Foreign Policy*, 190-191.

for it at the time seemed fairly consistent with the types of activities the Yan'an Observer Group had been established to develop. But the political timing for the plan's development was terrible, and OSS plans to combine the landing agreement with a laundry list of other intelligence operations added to the problems. Given the heightened expectations of the CCP leaders previously described and the difficulty that U.S. diplomats in China, including Hurley, were encountering in November and December 1944 with enacting the unification plan for China that Hurley and Roosevelt had cooked up, the political and diplomatic context for plans of this nature may have been more volatile than the Army officials in China realized.

Unsurprisingly, the initial conversations between Col. Bird and the CCP leaders about the possible collaboration in attacking Japan from north China were enthusiastic. Bird reported that he participated in five hours of meetings with General Zhu De, head of the CCP forces, and Ye Jianying, the Chief of Staff to draft the following list of recommendations (as Bird described them in internal communication channels using informal language) that the U.S. Army officials would bring back to Chongqing, intending to seek approval for the plans from the Chinese government and the United States leadership:

- "If the government approves, the following is tentative agreement:
- a. destroying Jap communications, airfields and blockhouses, and to generally raise hell and run.
 - b. To fully equip units assisting and protecting our men in sabotage work.
 - c. Points of attack to be selected in general by Wedemeyer. Details to be worked out in co-operation with Communists in that territory.
 - d. To provide compete equipment for up to twenty-five thousand guerrillas except food and clothing.
 - e. Set up school to instruct in use of American arms, demolitions, communications, etc.
 - f. Set up intelligence radio network in co-operation with 18th Route Army.
 - g. To supply at least one hundred thousand Woolworth one shot pistols for Peoples Militia.
 - h. to receive complete co-operation of their army of six hundred fifty thousand and Peoples Militia of two and half million when strategic use required by Wedemeyer."

At the end of the meeting, General Zhu reportedly finished the discussion by conveying positive feelings toward the United States, using nearly identical language to that of Mao and Zhou quoted in December 1944: “the General stated regardless of whether we gave them one rifle or one round of ammunition or not, the people of North China looked upon the United States as their best friend, and General Wedemeyer as their Commander-in-chief, and would follow his military orders if he chose to give them.”

Discussion of Bird’s poorly kept secret plans emerged in Chongqing mid-January, and the topic surfaced in part at the instigation of the Communists. The main concern of the CCP leaders after meeting with Bird was the potential for the plan to be approved by senior U.S. leaders and executed. They had no expectation that Chiang would agree to U.S. support for Communist efforts, which would be required under the terms of SACO, and they doubted that the United States would go behind Chiang’s back, blatantly violating SACO, to support them. To encourage the plan’s acceptance, Zhou Enlai offered to travel to Washington and made attempts to secure his own meeting at the White House. As rumors of Zhou’s request began to swirl in Chongqing, specific reports of Bird’s secret plans also began to leak out of the OSS and Army G-2 channels, probably through the U.S. Navy intelligence officials, who had endured a troubled and competitive relationship with their Army and OSS counterparts in China since 1942. The leaked reports lead Ambassador Hurley to learn of the Bird/Barrett Yan’an trip for the first time in January 1945, and his anger reportedly reached depths that his staff at the Embassy had not previously thought possible.

Hurley informed Roosevelt about what he had learned in an explosive January 14 memo. Hurley strongly urged Roosevelt to refuse any attempts by the CCP leaders to communicate with him directly. Hurley believed that the legitimacy and optimism the CCP leaders would gain from

any contact with the U.S. President would undermine Hurley's ability to bring about the policy on which he and the President had agreed, which involved enticing the CCP leaders to negotiate with Chiang Kai-shek. Hurley's memo also asked Roosevelt not to inform anyone in the State Department about his recommendations because Hurley doubted their loyalty. Hurley's comments were sufficiently consistent with Roosevelt's existing attitude about both the State Department and U.S.-China relations that the Ambassador succeeded in preventing the CCP from gaining any access to the President before his death a few months later.

Hurley's January 14 memo to the White House unsurprisingly precipitated demands from the White House and General Marshall for Wedemeyer's immediate explanation. General Wedemeyer at first attempted to play down the seriousness of the plans that Bird and Barrett had discussed, but when these efforts failed to defuse the situation, Wedemeyer ultimately blamed the actions on the OSS and the pressure OSS officials in China had felt to prepare for Donovan's planned visit to China. This approach, along with considerable contrition and deference throughout the remainder of the war, allowed Wedemeyer to patch up a working relationship with Hurley, but it cost him in terms of a loss of respect and trust from OSS and serious concessions he was required to make in the administration and function of the Dixie Mission, beginning with the replacement of Colonel Barrett.⁸⁹ Marshall had nominated Barrett for a promotion to lieutenant general in November 1944, but the promotion was ultimately and permanently withheld. Barrett was old friends with his replacement, DePass, from the time when both of them had served with Stilwell, Marshall, and many other U.S. Army "China" hands as part of the 15th Regiment in Tianjin. However, DePass also had cultivated a reputation among the

⁸⁹ Colonel Morris DePass replaced Barrett in early January 1945. DePass's brief tenure as commanding officer of the Dixie Mission is discussed further in the next chapter.

diplomatic community in China as a friend of the Chinese Central government intelligence officers in 1943 and 1944, which set him quite apart from Barrett in terms of his administration of the Dixie Mission.⁹⁰

At the same time, Hurley officially ended the connection of the Foreign Service with the Dixie Mission. He sent Davies back to Washington and had him permanently transferred out of China. John Service made a final trip to Yan'an in March 1945, and after that became embroiled in a controversy over accusations that sympathy for the CCP had caused him to deliberately leak sensitive official files to the liberal media in the United States. Ray Ludden, the third Foreign Service officer who had served Stilwell and been assigned to Yan'an returned stateside a bit later than his colleagues due to his involvement in a lengthy study tour of the guerrilla activities in northern China, near an area called Fuping. Gone from Yan'an for most of the period from October 1944 to February 1945, Ludden did not return to Washington DC until later in the spring of 1945.

Conclusion

Thus, the first quarter of 1945 marked a major transition point in the tone, composition, and behavior of the American officials stationed at Yan'an. In terms of their primary mission to collect useful strategic intelligence and convey it to the U.S. government, the U.S. Observer Group in Yan'an faced two clear difficulties in late 1944. First, the main consumers of their messages had little experience with Chinese domestic politics or with the new methods of intelligence collection they were employing. They could not expect a sophisticated and receptive audience for their reporting. Second, their location in a remote field area with extremely limited

⁹⁰ Schaller, *The U.S. Crusade in China*, 226-228.

means of communication with the rest of the government (and indeed, with the rest of the world), facilitated their development of a myopic perspective on the topics they were studying and intensified the inherent tensions between officers in the field and their counterparts and superiors located in rear, headquarters areas. These two characteristics encouraged the original Dixie Mission participants to independently exceed the bounds of their vague mandate by engaging directly in operational plans with and support for the CCP that were kept secret from and not condoned by top U.S. executive branch officials such as Hurley and Wedemeyer who had greater influence with the President. Consequently, by early 1945, senior policymakers had severely restricted the activities and influence of the Yan'an outpost.

Considering the Dixie Mission as an example of U.S. efforts to collect vital strategic foreign intelligence during World War II reveals the extreme lack of coordination experienced by the U.S. government, which exacted very high costs. Disagreements between officials operating in the field and those at headquarters over policy or officials with specific area expertise and training versus the more generalized knowledge typically required of senior leaders are hardly rare or surprising. This aspect of the Dixie Mission case is both memorable and instructive for several of its specific characteristics. The intensity of the conflict and its consequences were reflective of the immaturity of the government processes that would have been necessary to process such disagreement more constructively and at reduced cost to the U.S. government in terms of its foreign policy and personnel. That the incident involved officials from so many government agencies—including some very new organizations—working together in an ad hoc capacity combined with the high stakes of the war and Roosevelt's disregard for regularized processes of foreign and strategic policy in lieu of more personalized protocols resulted in a perfect storm of a situation when it came time for the U.S. government to determine

its China policy. The fact that the minority opposition party in China espoused a communist ideology further intensified the controversy, not only in the 1940s but in years to come.

CHAPTER FOUR:

Mission Creep: The Yan'an Section's Journey from Intelligence Collection to Military Liaison

“With the relief of General Stilwell the importance of the Dixie Mission became limited to: (1) the dissemination of weather reports; (2) the collection of Order of Battle information; (3) liaison with the Communist headquarters; and (4) the forwarding of twenty-five rescued fliers brought in by the Communists.” -- Col. Wilbur “Pete” Peterkin, member of the Dixie Mission from July 1944 to July 1945 and commanding officer of the group from February to July 1945.¹

When then Army Major Wilbur “Pete” Peterkin returned to Yan’an in January 1945 from the inspection tour of nearly four months that had taken him behind the Japanese lines in northern China, he found that the Dixie Mission had experienced significant change.

Not only had major transitions occurred in the composition of the top American diplomatic leadership and the administrative organization of the U.S. military effort in China during his time away, but the response to Dixie Mission’s involvement in plans to aid and cooperate with the Chinese Communist Party (CCP) in 1945 had also permanently altered the character of U.S. intelligence activities in north China. Dixie Mission participants had taken much of the blame when disagreements within the U.S. government over the direction of America’s policy toward the CCP devolved into a personalized power struggle between the U.S. Ambassador, career diplomats, and intelligence officials in the Army and OSS. In 1945, the departure of the Foreign Service officers from Yan’an all but eliminated the dissemination of

¹ Wilbur J. Peterkin, *Inside China, 1943-1945: An Eyewitness Account of America's Mission in Yen'an* (Baltimore, MD: Gateway Press, 1992), 118.

political assessments of the CCP from U.S. government communication channels. Meanwhile, the Army shifted gears and significantly amplified efforts to collect information on weather and monitor military activity in north China. The latter was useful military intelligence work but broke no new ground in terms of strategic intelligence support for the policy that the United States was struggling to implement in China.

In addition to other personnel changes in the works at Yan'an that would remove most of the initial participants from the area by March 1945, Peterkin found that the Army Observer Group's initial Commanding Officer, Colonel David Barrett, had been moved to a different position in Chongqing in December 1944.² Instead of serving under Barrett, who had handpicked Peterkin to assist with administrative duties and training programs at the Yan'an outpost after the two had worked together in Guilin in 1943, Peterkin would now serve as executive officer to Colonel Morris DePass, who had been hastily appointed to take charge of American affairs in Yan'an in January 1945 (and who lasted in Yan'an less than a month).

Between December 1944 and the departure of the last American plane from Yan'an in March 1947, the main objectives of the Dixie Mission shifted from prioritizing the collection of intelligence about the CCP, including a focus on understanding CCP leadership intentions and political objectives, to a more traditional military intelligence relationship in which U.S. personnel shared logistical military information with the CCP leaders and provided basic administrative support and operational security for ongoing diplomatic negotiations to resolve China's domestic political conflict.

² In December 1944, Barrett became Chief of Staff of the China Combat Command, a new Army-run organization in Chongqing directed by General McClure.

Yan'an's strategic location and access to those with knowledge of the CCP-held and Japanese-held areas in north China meant that despite the potential political ramifications of having lower-level U.S. officials interact directly with the CCP leadership, the U.S. government still valued the unique intelligence information available through the Yan'an base about the weather over China and order of battle for the Japanese and Communist armies. Unfortunately, U.S. intelligence collectors in fall 1944 had made a slow start in establishing the necessary infrastructure to efficiently extract the required strategic information from north China and distribute it to the rest of the U.S. government. Thus, when U.S. leaders in China placed new bureaucratic constraints on the officials in Yan'an after January 1945, the post-Barrett Dixie Mission personnel had little momentum to build upon.

Meanwhile, despite tremendous initial excitement about the potential for intelligence collection in north China, OSS China officials came to terms with bureaucratic limitations for their ambitions in China and shifted their operational focus away from Yan'an to Guomindang (GMD)-held areas. The persistent focus of U.S. China policy on somehow peacefully uniting China's domestic political opponents under a U.S.-friendly coalition government led by Chiang Kai-shek preserved the desirability of an open liaison channel to CCP leaders through Yan'an. Thus, the U.S. Observer Group at Yan'an unexpectedly outlasted both World War II and the OSS.³

Spring 1945: A turning point for U.S. intelligence operations in Yan'an

The spring of 1945 marked a key turning point for the Dixie Mission in several respects, leading to constraints upon or the elimination of some U.S. intelligence activities and the

³ President Truman dissolved the OSS by executive order effective October 1, 1945.

expansion of other operations from January 1945 until the final American officials left Yan'an in March 1947. U.S. Ambassador to China Patrick Hurley had an undeniable influence on the activities of the Dixie Mission in the final months of World War II. Hurley's anger over the Dixie Mission's efforts to arrange cooperative military agreements with the CCP in late 1944 and General Wedemeyer's contrition over not preventing his subordinates from taking such actions resulted in severe limitations on the types of intelligence U.S. officials in north China collected on the CCP itself in 1945 and 1946, when the information might have helped influence failing U.S. efforts to help mediate China's post-World War II civil war. As President Roosevelt's friend and special representative in China, Hurley wielded influence that U.S. career diplomats and military intelligence officials serving in China at the time believed exceeded his understanding of Chinese domestic politics by a wide margin. However, little information in opposition to assessments was able to reach Washington.

In the face of Hurley's explosive anger over OSS and G-2 actions in December 1944, involvement of Dixie Mission officials in plans for covert military operations in cooperation with the CCP terminated swiftly and completely by February 1945. To help smooth interagency relations between Hurley and the Army, General Wedemeyer released a sternly worded statement in January 1945 regarding Army support for U.S. policy in China, which was briefed to all U.S. Army personnel in China, including and especially those at Yan'an to whom it was particularly directed.⁴ Wedemeyer's statement reminded all Army subordinates that they were in China "to implement the policy of the United States, not to formulate or discuss that policy," and that U.S. policy specified "wholehearted cooperation with the present Chinese National

⁴ Wedemeyer statement regarding support of U.S. policy in China, January 30, 1945, National Archives and Records Administration (NARA) Record Group (RG) 493: U.S. Forces in the CBI Theaters of Operations, Entry UD-UP 635: Yenan Liaison Group, Box 143.

Government headed by Generalissimo Chiang Kai-shek.”⁵ Rather than leaving these initial statements to interpretation, Wedemeyer then spelled out his meaning in terms that required no sophisticated analysis:

“Officers in China Theater will not assist, negotiate or collaborate in any way with Chinese political parties, activities or persons not specifically authorized by the Commanding General, U.S. Forces, China Theater. This includes discussing hypothetical aid or employment of US resources to assist any effort of an unapproved political party, activity or persons. This also forbids rendering local assistance or making loans or gifts of arms, ammunition or other military materiel or equipment to such groups, activities or persons by an individual or organization of the United States Forces in the China Theater.”⁶

No subsequent historical records make reference to the participation of Army personnel in Yan’an in talks regarding significant tangible support from the United States to the CCP.

Events of late 1944 in Yan’an also affected U.S. diplomatic officials in China, sharply limiting the scope of political assessments and candid reports about Chinese domestic topics that reached higher levels of the U.S. government. In early 1945, State Department personnel serving in China, particularly those at Yan’an, experienced considerable upheaval, some of which they brought upon themselves after disagreements between the Foreign Service officers in China and Ambassador Hurley reached their peak in February 1945. Friction between Hurley and the Foreign Service officers serving in Yan’an helped contribute to conflict between the new ambassador and his staff in Chongqing. In his fury over the actions of General McClure and the Dixie Mission participants in meetings with the CCP leaders about potential U.S. support for CCP military efforts, Hurley ordered the withdrawal of all State Department officials from involvement with the U.S. outpost at Yan’an. Hurley had ensured that Foreign Service officers

⁵ Wedemeyer statement, January 30, 1945.

⁶ Wedemeyer statement, January 30, 1945.

who had been participating in or assisting the Dixie Mission received assignments to other posts within the State Department. John Service, Ray Ludden, and John Emmerson continued working on China-related issues from Chongqing and Washington in spring 1945. Service even made a final temporary visit to Yan'an in March 1945. Hurley's inability to overcome his anger and disappointment with what he perceived to be the disloyalty and insubordination of John Davies meant permanent assignment away from China affairs for Davies.

Although Davies had never been officially assigned to the Dixie Mission, he had in many ways orchestrated the group's establishment and vehemently defended its work to others within the U.S. government beyond officials serving in China. A highly articulate and influential senior Foreign Service officer, Davies vocally disagreed with Hurley's China policy throughout late 1944 and into early 1945. In a position that far outranked Davies and enjoying extensive personal influence with President Roosevelt, Hurley requested Davies' relocation outside the China Theater. State Department officials, including Secretary of State Edward Stettinius, who had held his title an even shorter time than Hurley, acquiesced.⁷

Foreseeing a falling out with Hurley, Davies had started searching for a position outside China in fall 1944 after Stilwell's recall. In his memoirs, Davies claims he wanted "a transfer to the embassy in Moscow from which to observe the Soviet entry into the war against Japan, Soviet relations with the Chinese Communists, and Moscow's approach to the Chinese civil war, which I believed would follow on the heels of Japan's defeat."⁸ Davies' queries sent to secure

⁷ President Roosevelt had appointed Hurley to be U.S. Ambassador to China November 17, 1944, and he appointed Stettinius to replace Cordell Hull as Secretary of State December 1, 1944.

⁸ John Paton Davies, *China Hand: An Autobiography* (Philadelphia, PA: University of Pennsylvania Press, 2012), 210.

himself a new job landed him a position at the U.S. Embassy in Moscow, where he worked with George Kennan, observing and assessing the start of the Cold War.⁹

Hurley and Wedemeyer cooperated to reassign the other diplomats involved with Dixie starting in early 1945. On January 7, 1945, General Wedemeyer received a telegram marked secret from the Secretary of State ordering the “release of any or all Foreign Service officers” detailed to the Army’s China Theater Headquarters, specifically John Davies.¹⁰ Hurley had insisted that State Department headquarters issue the order to Wedemeyer, but ambiguity within the telegram suggests that support for Hurley’s personnel decisions was not unanimous in Washington. Specifically, after issuing the order for the release of the Foreign Service officers from General Staff work, the telegram states, “Secretary of State indicates Embassy staff in Chungking can assist you there although he believes it advantageous to have Foreign Service officers in Communist Area at Yen’an.”¹¹ The telegram then offers the continued work of Ray Ludden as a political advisor to the military intelligence officers. Ludden continued his career with the Foreign Service focused on China and East Asia, in 1945 and after, but he never returned to the Dixie Mission staff. The American group at Yan’an never again had permanent State Department representation after March 1945.

⁹ Davies departed for Moscow in the first week of February 1945 according to a telegram he sent John Service via G-2 channels on January 30, 1945. See NARA RG 493: U.S. Forces in CBI Theaters of Operations, China Theater, General Staff, G-2 Intelligence Section, Entry UD-UP 252, Box 30.

¹⁰ Secretary of State to Wedemeyer, January 7, 1945, NARA RG 493: U.S. Forces in CBI Theaters of Operations, China Theater, General Staff, G-2 Intelligence Section, Entry UD-UP 252, Box 30.

¹¹ Secretary of State to Wedemeyer, January 7, 1945, NARA RG 493: U.S. Forces in CBI Theaters of Operations, China Theater, General Staff, G-2 Intelligence Section, Entry UD-UP 252, Box 30.

Embassy staff mutiny and Hurley cracks down

Further reducing the potential for the U.S. intelligence officers in Yan'an to collect and disseminate useful political intelligence on the CCP, tensions between Hurley and his embassy staff in Chongqing continued to mount from December 1944 to the spring of 1945. At this time, more China hands serving under Hurley began to express doubts about his policy and political assessments, and Hurley became defensive and paranoid about their loyalty. Many career diplomats who comprised the staff of the U.S. Embassy to China objected to Hurley's close and unquestioning relations with Chiang Kai-shek and his assessments about the capabilities and interests of the CCP leaders. The combination of Hurley's arrogant and not particularly erudite style of leadership and communication with his ignorance of and disinterest in Chinese history and culture provoked severe distrust and disagreement from Hurley's diplomatic staff. Many of the Foreign Service officers assigned to the Embassy agreed with John Davies and John Service that Hurley's policy of withholding U.S. aid from the CCP to drive them to the negotiating table would backfire and encourage the CCP leaders to pursue assistance from the Soviet Union.¹² Behind his back, the diplomats criticized Hurley's position, which they believed was not sufficiently neutral to preserve the potential for U.S. mediation efforts to successfully assist political actors in China with forming a true coalition government—the ultimate goal of U.S. policy in China in the 1940s.

Knowing that they disagreed with him and aware that many Embassy staffers shared the views of the U.S. officials in Yan'an who had angered him, Hurley became distrustful of his staff and deeply concerned about the potential for them to undermine his policies. Hurley reportedly

¹² For further on Hurley's disagreements with the career diplomats who staffed the U.S. Embassy in Chongqing in early 1945, see Warren I Cohen, *America's Response to China: A History of Sino-American Relations, Fifth Edition* (New York: Columbia University Press, 2010), 159-165.

forbid embassy staff from sending critical messages to Washington. He demanded to review all messages to Washington before they left Chongqing so he could scrub them for material that he thought could humiliate him with the White House or threaten his policy direction.¹³

This level of personalized micromanagement significantly slowed the pace of work at the U.S. Embassy, but it also terrified Hurley's staff into submission. In one frequently cited and extreme example, Foreign Service officer Arthur Ringwalt, a career Foreign Service officer who served in the U.S. Embassy in China in 1945, claimed that Hurley threatened him with a gun over a critical report Ringwalt had submitted to Washington through internal State Department channels that might have cast a shadow on elements of Hurley's policy. According to Ringwalt's account, Hurley reportedly brandished a pistol while informing Ringwalt "he had killed men for less than this." Ringwalt never discovered whether the pistol had been loaded, but he claimed he also never wrote another derogatory word while serving Hurley. Ringwalt's specific anecdote is impossible to corroborate, but historical records of the Embassy, such as those compiled in the State Department's *Foreign Relations of the United States* volumes on China in this period, reveal a significant change in tone. Before Hurley's arrival, Embassy political officers such as Service and Davies frequently published warts-and-all accounts of Chinese politics, including candid assessments of Chiang Kai-shek and his domestic policies. Reports that reached Washington from the Embassy political officers in Chongqing in 1945 tend to adhere to much more banal topics, such as reports of inflation in the Chinese countryside with detailed lists relating the prices of groceries.

¹³ For the full anecdote in Ringwalt's own words, see Michael Schaller, *The U.S. Crusade in China, 1938-1945* (New York: Columbia University Press, 1977), 208.

With little evidence offered for weaknesses in the China policy he and Hurley had designed, President Roosevelt continued and fortified his policies in negotiations with other Allied leaders in the months before his death. Unlike U.S. policy toward European allies, Roosevelt's condescending approach to China policy focused almost exclusively on near- and long-term U.S. interests, often with little regard for how China itself might fare. As historian Warren Cohen succinctly described the situation, "Roosevelt's East Asian policies gave Americans no cause for grievance—and the Chinese no cause for gratitude."¹⁴ Roosevelt's behavior at the Yalta Conference provided further evidence of his attitude. Without Chinese voices or input, Roosevelt, Churchill, and Stalin negotiated agreements designed to entice Soviet participation in the war against Japan that would significantly affect Chinese sovereignty and territory, particularly in Manchuria.¹⁵ Hurley and Wedemeyer traveled to Washington DC for talks with Roosevelt and other top U.S. leaders about policy implementation in early March 1945.

Taking advantage of Hurley's absence from China, the staff of the U.S. Embassy in Chongqing prepared a report explaining their view of the problems with Hurley's China policy and making alternate recommendations. The diplomats argued that as a result of U.S. policy and other events in China, circumstances "have combined to increase greatly Chiang's feeling of strength and have resulted in unrealistic optimism on his part and lack of willingness to make any compromise."¹⁶ Furthermore, because the CCP determined the United States to be definitely

¹⁴ Warren I. Cohen, *America's Response to China: A History of Sino-American Relations*, 5th Ed. (New York: Columbia University, 2010), 147.

¹⁵ Cohen, *America's Response to China*, 157-158. For a brief summary of the Yalta Conference from the U.S. perspective, see also official statement of the U.S. Department of State Historian, online at <https://history.state.gov/milestones/1937-1945/yalta-conf> (accessed October 14, 2015).

¹⁶ Memo from Charge in China (Atcheson) to the Secretary of State, Chungking, February 28, 1945, *Foreign Relations of the United States (FRUS): Diplomatic Papers, 1945, The Far East, China*, 242.

“committed to the support of Chiang alone, and that we will not force Chiang's hand in order to be able to aid or cooperate with them,” CCP leaders were taking steps for "self-protection" that would move China closer to civil war.¹⁷ They claimed that without a drastic change in U.S. policy, “chaos in China will be inevitable and the probable outbreak of disastrous civil conflict will be accelerated,” which would be dangerous to American interests both “from a military standpoint” and “from a long-range point of view.”¹⁸ Finally, the diplomats suggested that the January controversy over initial plans to support the CCP military efforts had resulted in clarity over particular elements of U.S. China policy:

“The Generalissimo and his Government will not at this time on their own initiative take any forward step which will mean loss of face, prestige or personal power. The Communists will not, without guarantees in which they have confidence, take any forward step which will involve dispersion and eventual elimination of their forces upon which their present strength and future political existence depend.”¹⁹

The document explains that the diplomats timed its release to take advantage of the presence of both Wedemeyer and Hurley in Washington, which could provide “a favorable opportunity for discussion” of U.S. relations with the political parties in China and plans to aid the CCP guerrillas.²⁰ The authors also clarified that the document represented the consensus of all the diplomats in Chongqing and Wedemeyer’s Chief of Staff.

The report arrived in Washington on February 28, 1945, just before Hurley himself arrived. Unsurprisingly, Hurley perceived the document as a mutinous personal attack on his

¹⁷ Memo from Charge in China, February 28, 1945, *FRUS, Diplomatic Papers, 1945, The Far East, China*, 243.

¹⁸ Memo from Charge in China, February 28, 1945, *FRUS, Diplomatic Papers, 1945, The Far East, China*, 243.

¹⁹ Memo from Charge in China, February 28, 1945, *FRUS, Diplomatic Papers, 1945, The Far East, China*, 245.

²⁰ Memo from Charge in China, February 28, 1945, *FRUS, Diplomatic Papers, 1945, The Far East, China*, 244.

leadership. Its wide distribution around Washington deeply embarrassed Hurley and led to what historian Warren Cohen has aptly called a showdown between Hurley and his staff.²¹ After lengthy discussions of the matter at the State and War Departments, Roosevelt finally sided firmly with his friend, Ambassador Hurley. Thus, the CCP would receive no assistance from the United States unless Chiang approved it, and U.S. policy in China aimed only to “sustain and reform” Chiang’s regime.²²

Upon his return to Chongqing, Hurley initiated significant changes to the personnel at the Embassy and their relationships with other U.S. government organizations operating in China, effectively silencing dissent from his subordinates until he resigned as ambassador in November 1945. Until that point, Hurley’s draconian censorship and loyalty exercises in the embassy combined with the example of what happened to Service and Davies—two career diplomats whom peers viewed as coming under attack simply for doing their jobs—strongly discouraged other Foreign Service officers to report information about the CCP that could in any way be perceived as charitable. Detailed sensitive political analysis on the CCP not provided through Chinese central government or GMD sources ceased to be broadly available to U.S. foreign policy decisionmakers in 1945 and 1946. Few reports about Chinese Communists or the plans and intentions of the CCP appear in the official State Department records at this time, even though from April 23 to June 11, 1945 the CCP leaders in Yan’an held their Seventh Party Congress, which historians today consider to be among the most important conferences in CCP history.

²¹ Cohen, *America’s Response to China*, 160.

²² Cohen, *America’s Response to China*, 160.

U.S. collection of political intelligence on the CCP wanes

The loss of participation of U.S. diplomats in the Dixie Mission significantly impaired the Mission's ability to meet the goals initially set for it when Stilwell and Davies had perceived a U.S. intelligence gap about Chinese domestic politics in 1942 and 1943. When considering the fate of the Dixie Mission in early 1945, as well as U.S.-China policy more generally in this period, it is important to note that the State Department at the time was tasked with fulfilling a unique role within the U.S. government executive branch for providing political assessments and intelligence reporting on social, economic, and political topics. U.S. diplomats in the 1940s did not frequently use the term "intelligence" to describe the products of their work, but the information meets the basic definitions of intelligence used today: U.S. diplomats collected information not generally available to the public about foreign affairs that was relevant to the policy interests of the United States. At Yan'an, political assessments about the CCP and official discussions with the CCP leaders of a specifically political nature on behalf of the U.S. government had been the sole responsibility of the Foreign Service officers, particularly John Service. U.S. diplomats not serving in Yan'an had much less contact with CCP leaders, particularly outside of formal meeting and negotiation settings.

Other agencies with personnel operating in China did not generally engage in the production of political assessments. Intrinsic competition for resources and influence between U.S. agencies responsible for foreign policy and strategic issues had resulted in strict divisions of labor between diplomats and attaches prior to World War II, and some of these bureaucratic protocols are so deeply entrenched that they remain in place today. The traditional division of labor between U.S. agencies complicated efforts at adaptation to improve upon American efforts to collect strategic foreign intelligence in China during the war, even when new agencies were created to assist. As explained in greater detail in Chapter One, Roosevelt established the OSS in

part because the combined efforts of the State Department and military intelligence organizations were failing to meet the more sophisticated intelligence demands that World War II had presented for the United States. However, OSS officials found it extremely difficult to break through established administrative norms and formal intelligence agreements such as SACO to begin effective political intelligence reporting from China during the war.²³

Thus, the complete withdrawal of State Department participation in U.S. intelligence efforts at Yan'an early in 1945 significantly reduced the capacity of the Dixie Mission to provide political intelligence reporting on the CCP from Yan'an. Without Foreign Service officers to observe the CCP leaders and compile their observations in contextualized reports, the other American officials who remained at Yan'an found it difficult or impossible to succeed their State Department colleagues in their duties.

U.S. officials serving in remote forward areas such as Yan'an tended to be extremely cautious about exceeding the mandate of their prescribed professional responsibilities, which would create unnecessary tension between colleagues serving under often arduous conditions and cause controversy with management in rear areas who all tended to be geographically located together in U.S. Embassy compounds, such as the one in Chongqing. Barrett frequently refers to this phenomenon of respect for organizational specialization in his memoirs. At one point, Barrett explicitly notes that his reports were "all on military subjects, as the political side was covered by [Foreign Service officers] Jack Service and Ray Ludden."²⁴ Barrett further specifies the list of topics that he considered to be within his purview:

²³ Maochun Yu, *OSS in China: Prelude to Cold War* (Annapolis, MD: Naval Institute Press, 1996), 160-171.

²⁴ David D. Barrett, *Dixie Mission: The United States Army Observer Group in Yen'an, 1944*. (Berkeley, CA: Center for Chinese Studies, University of California, Berkeley, 1970), 36.

“...estimates of the strength of the Communist forces—on these I had to accept generally the figures given me, as there was no way to check them—and their tactics, equipment, training, discipline, and morale. I also did my best to make a fair assessment of the contribution they had made in the past to the war effort in general and what they were likely to be able to contribute in the future.”²⁵

Although the frequency of his personal contact with CCP leaders and his years of service in the military attaché’s office in China might have qualified Barrett to provide constructive commentary on CCP leadership politics, norms and protocols of bureaucratic behavior prevented him from engaging in such activity. Political reports simply exceeded the scope of Barrett’s position, if not his expertise. This phenomenon ceased to be an issue after 1945, when few American personnel newly dispatched to Yan’an possessed expertise on Chinese politics.

Expansion of military intelligence projects at Yan’an in 1945

General Wedemeyer and Ambassador Hurley had excluded both the OSS and State Department from performing any innovative strategic intelligence work from the CCP headquarters, leaving the Army’s G-2 in charge of setting the agenda for the group at Yan’an. The top priority of the Dixie Mission during the spring of 1945, as General Wedemeyer conveyed it to officials in Yan’an, was collecting the type of logistical information that the Army could immediately act upon. This definition meant quantifiable information of the sort U.S. military intelligence officials felt comfortable processing but that did little to increase policymaker understanding of the Chinese domestic political situation or improving White House China policy. As Truman assumed office in the spring of 1945, the goals of the Dixie Mission focused on the expansion of the ability to collect weather intelligence in north China, continued work on collecting order of battle intelligence, support for downed airmen, and liaison

²⁵ Barrett, *Dixie Mission*, 36.

activities with the CCP.²⁶ Each of these goals involved a steady flow of new U.S. personnel rotating into the Dixie Mission, some permanent and some temporary. Many of the new officials had no particular expertise in Chinese affairs or language but were technical experts participating in the installation of advanced radio or weather technology.

Although the potential for the collection of new political information on the CCP diminished in early 1945, personnel and the military resources available to the U.S. officials at Yan'an expanded significantly, generating a set of new problems. Rather than learning about the CCP and drafting politically focused intelligence reports for U.S. audiences, almost all American effort at Yan'an shifted to focus on basic military and intelligence liaison activities and the construction of operational infrastructure, such as radio communications systems and weather equipment. Information collected in these efforts mainly served specific military purposes and had little influence on U.S. policy in China generally or on the ongoing U.S. efforts to broker a truce between the CCP and GMD. The only potential exception was the flow of Japanese periodicals and captured documents that U.S. officials at Yan'an eventually were able to dispatch in great volume to colleagues in rear areas. However, administrative and logistical issues with interagency communications in rear areas that will be explained below generally prevented these materials from reaching the relevant analytic personnel in Chongqing and Washington in time to be of immediate use.

Throughout late 1944 and 1945, U.S. officials at Yan'an continued to call for the development of more effective radio networks in the CCP base areas. Without sophisticated radio technology and established protocols for its use, intelligence collection from these remote areas was simply infeasible. Physically transporting time-sensitive intelligence documents by air

²⁶ Peterkin, *Inside China*, x.

was impossible for several reasons. First, Japanese troops often occupied the areas between the geographically discontinuous CCP base areas such that planes flying between them would be vulnerable, but this concern was minor compared to the other logistical issues preventing such transportation. Few of the necessary airstrips or fuel depots existed in the northern parts of China. Building these assets would be time consuming and expensive, particularly because the area also lacked reliable and efficient roadways, transportation vehicles for construction equipment and resources, and, in many cases, the fuel infrastructure required to support heavy vehicles. The same issues prevented moving the materials by road, particularly considering that the most important intelligence had to be delivered immediately. If details of attack plans, troop movements, or weather data required a month to travel across the Chinese countryside, the information would be obsolete long before its arrival. Thus, for the U.S. intelligence officials in Yan'an to collect and disseminate any useful intelligence, they needed to use radio technology to transmit the most important details.

Although the need for this equipment was fairly obvious to all involved in the war in China, procuring radio equipment suitable for use in rural north China, where power supply issues were severe, and dispatching it to where it was needed was frustratingly slow. The same poor conditions and terrain in remote north China during World War II that made ground and air transport of intelligence information infeasible also stalled the development of the radio network. The first American intelligence officials to reach Yan'an had assessed in August 1944 that they needed radio equipment and trainers, and they had submitted the necessary requests and justifications.

Once approved, these requests wended their way through the military and OSS bureaucracies, and the first planes carrying equipment and trainers arrived in Yan'an late in

1944. However, according to a memo from OSS officer Burton Fahs, who visited Yan'an temporarily in December 1944 to assess the intelligence needs and potential in China, many of the radio sets sent to Yan'an and intended for field use were completely unsuitable in the field conditions in China, where climate, transportation, and power supply challenges prevented the equipment from being used as it was in the European conditions for which it was designed.²⁷

OSS officers working throughout China to establish a reliable radio network had specifically complained about radios with rechargeable batteries, which often required up to 10 hours steady power supply to recharge. One OSS official serving in eastern China explained to Headquarters that power in Shanghai, one of the most sophisticated cities in China at the time, only operated 10 days out of each month in January 1945 and the supply probably would be reduced further out of Japanese and Chinese concerns for fuel conservation.²⁸ Other cities smaller or more remote than Shanghai had no power at all. Thus, American intelligence officials serving in China specifically requested radios powered by dry-cell batteries. The replacement equipment needed at Yan'an finally arrived in mid-February 1945 along with eight signal corps radio operators to build and operate the radio network as well as train CCP counterparts in the use of the equipment.²⁹

Along the same lines, the initial Dixie Mission officials had observed a need for microfilm equipment to facilitate processing the huge volumes of captured documents and difficult to find Japanese publications to which CCP guerrillas had access for dissemination to

²⁷ Burton Fahs, "Intelligence from China: Opportunities and Needs," December 16, 1944, NARA RG 226, Entry NM-5453, Box 4.

²⁸ Memo from Squires to Col Monroe re: radio operations in China, January 31, 1945, NARA, RG 226, Entry 148: Field Station Files, Box 2.

²⁹ William P. Head, *Yenan! Colonel Wilbur Peterkin and the American Military Mission to the Chinese Communists, 1944-1945* (Chapel Hill, NC: Documentary Publications, 1987), 84.

the U.S. government. The Dixie Mission routinely received copies of the *Tokyo Asahi* only ten days after publication via the CCP communication networks through north China, according to Col. Barrett. “As everyone who knows anything about intelligence work is well aware, a daily newspaper, even though published under the strictest of wartime security regulations, is one of the best sources of military information in the world.” Barrett explained.³⁰ Despite the utility of these sources, they lacked the sense of extreme urgency of the type of intelligence customarily transmitted via radio. Moreover, the challenge in transporting these materials was their volume. Without microfilm equipment, the only way to transport the documents and publications to U.S. base areas in southwest China was overland, typically on the backs of mules, a time-consuming affair in which time the documents were vulnerable to loss, damage, and exposure to poor weather that could render them useless, if they even arrived in the hands of U.S. intelligence officials in time to be of use. Transferring the materials to microfilm in the field would significantly accelerate the pace at which they could be distributed as well as the volume that could be sent from Yan’an to Chongqing. The weekly flight between the two cities could easily carry microfilm.³¹

U.S. intelligence officials at Yan’an recognized that the United States must not only provide the microfilm equipment and supplies but also the American personnel who could train the CCP members to use the equipment. U.S. personnel established an effective microfilm lab at Yan’an in 1945, but plans to provide other, more remote, CCP outposts with the necessary equipment and training to for additional microfilm stations never progressed.³² Once they

³⁰ Barrett, *The Dixie Mission*, 35.

³¹ Memo from Cromley regarding need for microfilm equipment and personnel in north China, December 16, 1944, NARA, RG 226, Entry 148, Box 7, Folder 103: Dixie.

³² Stelle to Heppner regarding conditions in Dixie, April 12, 1945, NARA, RG 226, Entry 190, Box 581.

successfully obtained the required equipment, the U.S. officials at Yan'an created a photography lab and trained a Chinese technician to operate it.³³ U.S. officials made arrangements with Japanese agents loyal to the CCP to send agents to Beijing, where they purchased Japanese publications not generally available to the U.S. government elsewhere. Once the agents had transported the periodicals overland to Yan'an, the Chinese technician photographed them and printed them onto microfilm for easy transport to Chongqing via the U.S. planes that made regular trips to Yan'an from Chongqing. From Chongqing, officials with OSS and the Army's G-2 were able to forward the film to intelligence analysts and policymakers in Washington DC via the diplomatic pouch system.

OSS struggles to operate from Yan'an

In late 1944, the OSS strategy for developing intelligence collection programs in north China relied on plying the CCP leaders in forming a web of clandestine intelligence assets that could report on vital information. Whereas OSS officials in European operations had occasionally relied on well-trained U.S. agents to enter enemy and occupied territory under deep cover, such operations were generally impossible for the OSS to execute in China, where physical characteristics and language barriers prohibited most American agents themselves from hoping to blend in with the Chinese population. Instead, their plan relied upon methods and networks of people that CCP guerillas had already developed for moving back and forth across Japanese lines of communication. Such plans comprised the North China Intelligence Program, codenamed APPLE, that OSS China officials spent considerable time debating and drafting

³³ For further on use of microfilm by U.S. intelligence officials at Yan'an, see Carolle J. Carter, *Mission to Yenan: American Liaison with the Chinese Communists, 1944-1947* (Lexington, KY: University Press of Kentucky, 1997), 74. Extensive interviews with former Dixie Mission personnel informed Carter's descriptions in addition to the declassified OSS documents on this topic available to researchers at the National Archives.

proposals for in late 1944.³⁴ However, events of January 1945 set OSS operations in China on a slightly different course. After the diplomatic disaster that erupted from Col. Bird's meeting with the CCP leaders in mid-January, General Wedemeyer's aversion to the potential political blowback that could result from any U.S. efforts to provide aid to the CCP, even secretly, largely ended the OSS ability to pursue planned strategic intelligence collection operations from Communist areas in any meaningful way.

The complications that emerged from the January visit to Yan'an by Col. Bird and Col. Barrett left General Wedemeyer concerned about miscommunications that resulted from separate and complicated lines of communication between intelligence agencies with officials in the field—such as OSS and ONI—and U.S. government personnel in Chongqing. Wedemeyer consequently centralized all U.S. intelligence operations in China under his control via Colonel Heppner, the head of OSS China Wedemeyer had personally selected. Wedemeyer formalized the changes in an operational directive issued on February 6 that specified the responsibility of OSS officials in China to coordinate all operational activities with counterparts from the Army's G-2 (intelligence) and G-3 (operations) divisions in Chongqing.³⁵

Wedemeyer's order covered the broadest possible scope of OSS activities in China. It specifies the "most important" functions of OSS that require coordination to include any operations "designed to affect the physical subversion of the enemy," "the delay and harassment of the enemy," "the collection of secret intelligence by various means including espionage and counterespionage," morale operations, and "the accumulation, evaluation and analysis of

³⁴ Official OSS records about the APPLE project, including correspondence and multiple drafts of the proposal, have been preserved at NARA. See RG226, Entry NM-54 1, Box 23, Folder: China.

³⁵ "Operational Directive No. 4" by command of General Wedemeyer via acting chief of staff, dated February 6, 1945, attached to memo from Heppner to Donovan, February 17, 1945, NARA RG 226, Entry 148, Box 14.

economic, political, psychological, topographic and military information concerning the enemy and enemy occupied territories, and the preparation of appropriate studies embracing these subjects.”³⁶ The fact that the Army physically controlled communications infrastructure for U.S. installations in Chongqing insured that it was difficult for OSS officials to evade the directive. Under the new arrangement, OSS officials in China would have less flexibility to evade the parameters of the SACO agreement than they had previously enjoyed.

General Donovan became concerned that Wedemeyer’s reorganization would ruin his plans to accelerate OSS operations in China through the network of clandestine agents infiltrating occupied China through the Communist networks. Donovan perceived the OSS plan for operations based out of Yan’an to be a key element in his efforts to persuade FDR of the postwar relevance of OSS.³⁷ As early as October 1944, Donovan and his staff had started working on proposals for a peacetime version of the OSS that would become the first independent intelligence agency in the United States. General Donovan so strongly desired the OSS expansion in China that he was willing to negotiate with the Army on the exact terms. In February 1945, Donovan and Wedemeyer reached a compromise that allowed OSS to pursue its operations to develop a network of Chinese and Japanese clandestine agents in north China, but instead of relying on CCP networks, the OSS would partner with GMD guerilla units near Xi’an.³⁸

Wedemeyer’s centralization of intelligence operations in the China Theater under Army auspices was a predictable move for a leader with his considerable expertise in military planning

³⁶ “Operational Directive No. 4” by command of General Wedemeyer via acting chief of staff, dated February 6, 1945, attached to memo from Heppner to Donovan, February 17, 1945, NARA RG 226, Entry 148, Box 14.

³⁷ Yu describes the evolution of Donovan’s attitude and the resulting operations in *OSS in China*, 214-218.

³⁸ Yu, *OSS in China*, 216-217.

and organization. Consolidating intelligence collection resources in this way streamlined communications and enhanced efficiency. Wedemeyer's change resulted in a significant expansion for OSS operations in China, except in Yan'an, where China's GMD-controlled central government strongly opposed their activity. By limiting the activity of U.S. strategic intelligence collectors in areas beyond GMD control, Wedemeyer's change gave the GMD much greater influence on the information about China that U.S. policymakers received. As a relative newcomer to Chinese domestic politics who spoke no Chinese, Wedemeyer may not have realized the full implications of his decision, and his top position in the Army hierarchy in China probably limited opportunities for subordinates to provide any input on Wedemeyer's plan before its implementation.

The shift in focus to cooperation with the GMD instead of the CCP introduced a new set of challenges for OSS officials in Chongqing and Yan'an. Heppner, the head of OSS operations in China, who had a keen awareness of Chinese domestic politics, foresaw some of the difficulties, but OSS operational planners in Washington who were trying to hold together the patched up relationship with Wedemeyer ignored his protests.³⁹ In the end, the OSS operations in north China in collaboration with the GMD mirrored most of the organization's earlier efforts in China: a great expenditure of funds and resources for very little return, punctuated by a few extremely humiliating international incidents.

The most notable of these incidents that emerged from the new OSS human asset operations in north China was the famous case of John Birch, an American missionary cooperating with GMD troops and the OSS to collect intelligence who was killed in a conflict

³⁹ Yu, *OSS in China*, 215.

with CCP guerillas in late August 1945.⁴⁰ The Birch incident resulted from a highly complicated set of diplomatic and military factors, ranging from simple bad luck and poor communication between Chinese troops to poor discipline among the untrained irregular CCP guerrillas. However, reports of the affair simplified to the point of bias quickly became a cause célèbre for the anti-communist movement and China Lobby in the United States that persisted throughout the Cold War.

In terms of closing the U.S. government's intelligence gap about the CCP and the intricacies of Chinese domestic politics, limiting the ability of OSS to cooperate with the CCP was a definite setback. Similar to U.S. military officials based at Yan'an, OSS officials at the CCP refrained from reporting intelligence about CCP politics for broad dissemination within the government because they had no orders or mandate to do so. With the exception of a handful of internal analytic reports that circulated within OSS R&A Branch, OSS China never weakened the monopoly that the State Department officials had on providing political assessments about the CCP within the U.S. government.⁴¹ Hurley's fear of disloyalty and policy criticism prevented Foreign Service officers in China from exercising their authority to report on the CCP. Thus, Washington received almost no reporting on the CCP during this time except for information conveyed through contacts in the Guomindang—the CCP leaders main domestic political opponents.

⁴⁰ Carter recorded one of the most objective descriptions of the incident in *Mission to Yen-an*, 173-176.

⁴¹ OSS R&A official Charles Stelle, who served in Yan'an from the initial Dixie plane until spring 1945 often included detailed observations and shrewd analysis of intentions and attitudes of CCP leaders in his long reports to counterparts such as Joseph Spencer in Chongqing. Stelle's reports are preserved in NARA's OSS records (RG 226) within R&A Branch's China field station files (Entry 190).

Distrust and institutional rivalries distract U.S. intelligence collectors in Yan'an

Personnel changes and the departure of the close-knit group of China experts that had comprised the initial Dixie Mission opened the door for engrained institutional rivalries to surface and impede efficiency at Yan'an starting in 1945. Continued competition for budgetary resources in Washington DC trickled down to personnel in field offices in the form of lack of approvals for interagency operations and destructive secrecy between agencies supposedly collaborating. On the level of organizational culture, strong personal identifications with the agencies that employed them often encouraged U.S. intelligence officials in Yan'an and their most immediate colleagues in Chongqing and Kunming to feel confidence bordering on arrogance with regard to the efficiency of their own bureaucratic processes and disdain for other agencies. These perceptions contributed to a willingness to duplicate efforts and reluctance to share information with or delegate duties to other agencies. Heppner described dealing with such issues as a matter of course in a letter to Donovan on February 17, 1945. Heppner wrote, "I have been forced to sit on the SI Branch very sharply because of excessive branch-mindedness and an attempt by them to emasculate AGFRTS. I had expected this sort of thing, however, and I know how to deal with it."⁴²

The steady struggle to perform intelligence work efficiently in often spartan and remote field conditions provided further incentive for intelligence officials to establish procedural norms that favored their individual agencies, even at the expense of others, although all U.S. government agencies with representatives in Yan'an supposedly worked toward the same goals. For example, the U.S. Army, Navy and State Department had formed the Joint Army-Navy Intelligence Collection Agency (JICA) as early as 1941 to resolve duplication of efforts in the

⁴² Heppner to Donovan, February 17, 1945, NARA 226, Entry 148, Box 14.

dissemination of military intelligence from the field to Washington DC. Military officials serving JICA included staff officers in rear base areas and couriers, who physically transported sensitive government materials between war zones. Attempts by JICA personnel based in Chongqing to organize and centralize the flow of intelligence and intelligence requirements in and out of China during World War II naturally attracted critique and suspicion from OSS officials, who viewed the Army intelligence procedures as the cumbersome status quo bureaucracy that OSS had been founded to improve and replace.⁴³

In December 1944, Joseph Spencer, the OSS official in CBI headquarters who served as direct supervisor for OSS personnel stationed in Yan'an wrote to OSS R&A Division Chief William Langer complaining that OSS intelligence requirements sent from Washington for Yan'an officials were not reaching his office. Instead, any lists of questions and requirements OSS headquarters sent to the field through military channels were languishing at the JICA offices. Spencer noted that none of the requirements Langer claims to have sent the unit through JICA arrived, and he speculated that the failed deliveries were deliberate and related to competition between the military intelligence and OSS. "Frankly, JICA has been looking for opportunities to get into research for some time, and this is just one of the ways," Spencer wrote.⁴⁴ With frequent liberal use of all capital letters—the most expressive formatting available in diplomatic cable communications at the time—Spencer implored Langer and his subordinates to bypass military communication channels and exclusively send their questions directly to OSS/R&A officials in China. JICA records fail to reveal if the delay in delivery of OSS

⁴³ For further on military intelligence bureaucratic procedures during the war and JICA, see Bruce W. Bidwell, *History of the Military Intelligence Division, Department of the Army, General Staff: 1775-1941* (Frederick, MD: University Publications of America, 1986), 401.

⁴⁴ Spencer to Langer, December 5, 1945, NARA, RG 226 Entry NM-54 53, Box 4.

correspondence in China was indeed intentional as Spencer suggested or simply a side effect of the fabled inefficiency of that short-lived organization. In this case, Spencer's perception of the situation is instructive, regardless of the reality.

Spencer's memo also highlights a separate common set of problems with bureaucratic processes for intelligence collection that emerged as the intelligence operations at Yan'an limped along through late 1944 and 1945: intra-agency rivalry. In addition to the pride U.S. intelligence officials felt toward their agencies compared to other U.S. government organizations, they also tended to display considerable loyalty to their own divisions within agencies, which were often responsible for completely different portions of the standard cycle of intelligence collection.⁴⁵ Two examples of the effects of such attitudes surface in Spencer's December 5 memo alone. First, Spencer responded to Langer's concern that OSS intelligence analysts in Washington are not receiving sufficient answers to their questions by reminding Langer that the collectors in the field must receive more timely and specific requests for information. Spencer wrote, "Give us as much of a detailed statement as you can—please do not just say "any new material on..." since we do that automatically when we get anything—and give us something realistic on what your deadline may be so that we know how to plan our programs."⁴⁶

Although Spencer is noting an important gap in awareness and communication between the OSS/R&A Headquarters officers and those working in the field in remote parts of China, his next comments reveal how Spencer prioritizes his loyalty to the various groups of which he is a

⁴⁵ The basic steps of the intelligence cycle include recognizing the necessary information and requesting it or tasking its collection, the collection of the information itself, the processing of the raw information into intelligence reports, the analysis of the information in context to answer the original questions, and the evaluation of the intelligence collected. The process repeats indefinitely. For further on the intelligence cycle, see Mark M. Lowenthal, *Intelligence: From Secrets to Policy*, 2nd Ed., (Washington DC: CQ Press, 2003), 41-51.

⁴⁶ Spencer to Langer, December 5, 1945, NARA RG 226 Entry NM-54 53, Box 4.

part. In the paragraph immediately following Spencer's frustrated instructions to Langer, he explained to Langer how a visiting OSS/R&A officer in China is "seeing the evidence that R&A is the best damned branch in the whole shop."⁴⁷ Obviously taking considerable pride in his affiliation with OSS/R&A, Spencer wrote:

"It's that way because we worked hard at it, because with all our heckling back and forth, R&A at home and in the field is in closer touch, is better organized, and doing a more effective job than any other branch. On that we stand. We are all zealous to keep it that way, to improve our production, to serve you better, and to get on with both the war and the chances of the peace."⁴⁸

The rivalries that erupted between agencies and offices of the U.S. government responsible for intelligence collection and operations in China are neither unique to the U.S. government's activities in China nor are they unexpected to any student of U.S. national security administrative history. Rather these examples serve to highlight one of the most obvious problems that surfaced during World War II as U.S. leaders expected its pre-war national security bureaucracy to adapt itself to assume demanding new strategic responsibilities. Even if establishing the OSS took the government a step in the right direction in terms of developing a capacity to collect and absorb strategic foreign intelligence to serve U.S. interests, expecting older organizations to simply step aside and make way for the new intelligence collectors in the field in such difficult operational environments as those in East Asia proved naïve.

The shift from area experts to technical experts in early 1945

In conceptualizing the Dixie Mission, Stilwell and Davies had attempted to sidestep some of the biggest challenges of coordinating between agencies in the old-fashioned bureaucratic system for intelligence collection by carefully selecting capable personnel whose expertise and

⁴⁷ Spencer to Langer, December 5, 1945, NARA RG 226 Entry NM-54 53, Box 4.

⁴⁸ Spencer to Langer, December 5, 1945, NARA RG 226 Entry NM-54 53, Box 4.

ties to one another and Stilwell could encourage cooperation on their intelligence collection mission despite the proscribed boundaries of their respective organizations. However, once Hurley and Wedemeyer made significant changes in 1945 to the personnel serving at Yan'an in part to accomplish their own goals in China and in part because they identified Stilwell's informal network as a threat to their interests and policies. The delegation of Americans based at Yan'an consequently experienced three changes of commanding officer and two name changes in the 12 months of 1945 alone—extremely jarring transitions from an administrative standpoint for an outpost as tiny and remote as the American presence in Yan'an.⁴⁹ By February 1945, only six of the original members of the Dixie Mission remained in Yan'an, and by the fall of 1945, they had all left as well.⁵⁰ The rapid and substantial personnel turnover among U.S. officials working in both Yan'an and Chongqing on CCP intelligence collection that had started in late 1944 decimated the remaining vestiges of knowledge about the institutional history behind the Dixie Mission's creation that might have existed. Few reminders of the original Dixie participants remained at Yan'an beyond the story of the fate of the young Lieutenant Henry Whittlesey, Dixie's solitary American casualty, after whom the newly constructed American mess hall at Yan'an was named in early 1945.⁵¹

⁴⁹ Commanding officers changed from Col. Morris DePass (January 1945) to Col. Wilbur Peterkin (February – July 1945) and then to Col. Ivan Yeaton (July 1945 – April 1946). The name of the group changed from the U.S. Army Observer Group in Yan'an to the U.S. Liaison Group in Yan'an.

⁵⁰ Original members present in February 1945 included Peterkin, Cromley, Jones, Stelle, Remineh, Gress, and Nakamura. John Emmerson, who was successfully developing psychological operations from Yan'an with help from the CCP members and Japanese POWs based there, had joined the Dixie Mission in the fall of 1944 but is generally associated with the early group of Dixie officials. Peterkin verified the personnel rosters from 1945 in interviews with his biographer and official documents from his personal papers. See William P. Head, *Yenan! Colonel Wilbur Peterkin and the American Military Mission to the Chinese Communists, 1944-1945* (Chapel Hill, NC: Documentary Publications, 1987), 82.

⁵¹ William P. Head, *Yenan!*, 84.

Personnel turnover within the Dixie Mission and the broader U.S. military and diplomatic delegation in China reduced the instances of informal interagency communication that had been relatively rare and dangerous from an information security perspective but productive for U.S. intelligence officials in 1944. Prior to the recall of General Stilwell and the resignation of Ambassador Clarence Gauss, many of the U.S. intelligence officials serving at Yan'an shared a professional interest in Chinese affairs and a connection to Stilwell that facilitated trust and communication between them.

A simple and tangible example of this network in action circumventing bureaucratic constraints obstructing the overall progress of U.S. intelligence in China occurred in January 1945, when an OSS official serving in China on behalf of the Morale Operations (MO) Branch secretly received a copy of a report John Davies wrote after his visit to Yan'an entitled "China and the Kremlin," which he conveyed from China to OSS leadership in Washington. His cover letter to the report specifies that Davies passed it to OSS in confidence, and "it would be most unfortunate if there was any leak on this."⁵² As the U.S. intelligence personnel serving in China began to change and increase in 1945, similar instances of unauthorized interagency information sharing and trust became rare and then obsolete. The personal and professional networks between individuals supporting such activity simply no longer existed in Chongqing or Yan'an.

Rapid leadership transitions in Dixie Mission in spring 1945

Serving as a further distraction from intelligence work, rapid transitions in the leadership of the Dixie Mission in 1945 reflected its changing—and mostly declining—status as a potential base location from which innovative intelligence operations in north China and northeast Asia

⁵² Harley C Stevens cover letter to Davies "China and the Kremlin" memo for OSS HQ, with distribution list. January 6, 1945, RG 226: Entry NM-54 1 Box 23, Folder: China.

could launch. Soon after his arrival in Yan'an to replace David Barrett as commanding officer of the Dixie Mission in late December 1944, Colonel Morris DePass had worn out his welcome with the CCP leaders. Similar to Barrett, DePass had served in the Army for his career and was considered a respected staff officer with some expertise in Chinese affairs who could represent U.S. interests in Yan'an admirably. However, the reputation DePass had for close connections with Chinese Central Government intelligence officers made the CCP leaders reluctant to share information with him and ultimately convinced them to declare DePass *persona non grata*, requiring his immediate departure from Yan'an.⁵³

In mid-February 1945, the top leadership role in the Dixie Mission officially passed to Peterkin, whom the Army hastily promoted to the rank of colonel required for such a position. Peterkin would serve as Dixie's interim commander until Wedemeyer could name a more suitable officer of his choice from elsewhere in the Army staff. Unlike predecessors Barrett and DePass, Peterkin was not an Army careerist, and he did not possess specialized expertise in intelligence or an understanding of the situation in China other than what he acquired in the context of his Army positions during World War II. Prior to Pearl Harbor, Peterkin had been a high school teacher and principal, respectively, in a suburb of Seattle, Washington.⁵⁴ Peterkin's connection with the Army began in 1939 when he served as a reservist for the 15th Infantry. In 1941, Peterkin volunteered for a year of active duty and attended officers' school in Fort

⁵³ DePass assumed a combat post with the 14th Air Force in Kunming as of February 14, 1945, according to a telegram relaying his orders on February 11, 1945, NARA RG 493, Entry UD-UP 252, Box 30.

⁵⁴ All details of Peterkin's personal career history from his published memoirs, and corroborated in some instances with official documents preserved in his personal papers, available at the Hoover Institution Archives, Stanford University, Stanford, California. See Wilbur J. Peterkin, *Inside China, 1943-1945: An Eyewitness Account of America's Mission in Yenan* (Baltimore, MD: Gateway Press, 1992).

Benning, GA. He remained at the school until 1943, teaching weapons courses in the infantry-training program.

In 1943, Peterkin's skills as an instructor earned him a position working as an instructor for Chinese troops in Guilin at the 3515 Infantry Training Center where Colonel David Barrett was serving as dean. Japanese advances in China lead to the closure of the Guilin base and its training center in 1944. Peterkin was awaiting new orders in Chongqing when Barrett had appointed him as chief executive officer for the Dixie Mission. Reflecting the disarray of the Dixie Mission leadership in this time of transition, Peterkin was not in Yan'an when word of his new orders and rank arrived but driving through the Chinese countryside supervising a convoy of much needed jeeps and trucks.⁵⁵ Day-to-day leadership of the struggling U.S. mission to Yan'an for most of February and March 1945 fell to the next most senior U.S. official at Yan'an, OSS officer Ray Cromley, who was undercover with the G-2 attempting to assemble orders of battle for the CCP troops and Japanese forces in north China.

Peterkin made a dutiful and capable leader of the Dixie Mission for the time he was in charge, but he had no particular ambition toward or expertise in innovation when it came to intelligence work. Unlike the other individuals that commanded the American group at Yan'an during the base's short tenure, Peterkin's participation in intelligence work was serendipitous and specific to the needs of the war. He considered his military service to be a temporary patriotic duty to help his country at war, and he returned home to resume his career in public education by the end of 1945. Given his situation, Peterkin's approach to leadership emphasized following orders he received from Chongqing to the best of his ability, maintaining respectful

⁵⁵ Peterkin, *Inside China*, x.

and cordial relationships with the CCP leaders, and encouraging esprit de corps among the U.S. officials stationed in the remote and difficult living conditions at Yan'an.

Although Peterkin did little to push the limits of his intelligence collection assignments while commanding the Dixie Mission, the influence of the initial Dixie Mission participants, such as Barrett, Service, and Ludden, on his understanding of Chinese politics is evident. Peterkin's memoirs and his personal letters demonstrate that he shared the positive impressions of the CCP, bordering on myopia, that his colleagues had expressed at their peril.⁵⁶ Peterkin's position as a trainer for Chinese central government troops in Guilin gave him a sound basis of comparison for the attitudes of GMD and CCP soldiers, and he held a more favorable view of the latter. In his memoirs, Peterkin wrote, "During the approximate ten months I spent in Kuomintang China I was amazed at the magnitude of graft and corruption in both civil and military areas... When I arrived in Yen'an it was refreshing to see troops well-fed, with good uniforms, using old but immaculately cared for weapons."⁵⁷ Similar to the his Dixie Mission colleagues, Peterkin recognizes that the CCP leaders may have been putting their best foot forward at Yan'an to make a positive impression on the American observers. However, similar to his traveling companion and lifelong-friend Ray Ludden, the months Peterkin spent traveling among CCP guerillas in rural north China failed to alter Peterkin's initial impressions. Peterkin, Ludden, and Barrett all repeatedly joked in their letters and memoirs that if the CCP leaders had been simply putting on a show for the Americans, their extensive acting and theater production skills deserved commendations.

⁵⁶ Peterkin's personal papers, housed at the Hoover Institution Archives at Stanford University, include a letters, photographs, diaries, and ephemera (even including a—mercifully unused—sheet of the rough CCP-supplied toilet paper distributed at Yan'an). The collection includes hundreds of pages of correspondence between Peterkin and Ludden collected throughout their decades-long friendship.

⁵⁷ Peterkin, *Inside China*, 115-116.

CCP leaders also appeared to have respect for and a friendly attitude toward Peterkin. The American had gone to great lengths to protect operational security for CCP hosts who escorted him while traveling in dangerous front line areas. Peterkin even donned CCP uniforms and a Chinese haircut to help him blend in with his escorts and avoid attracting Japanese attention.⁵⁸ Out of both self-preservation and the best interests of his CCP guards, Peterkin curtailed his countryside field trip early when, despite his attempts at disguise, the Japanese troops in the area learned of his presence and began offering a reward for his capture.⁵⁹ Perhaps reflective of the excellent rapport Peterkin developed with CCP hosts during his time in Yan'an, he was one of a small group of Dixie Mission participants invited to China for a reunion celebration in 1978.⁶⁰ Peterkin explained "Personal relations between the members of the mission and the Communists were always cordial. Even after the Hurley debacle our hosts assured us that they made a sharp distinction between us and our government."⁶¹

Yeaton takes charge

The appointment in July 1945 of Col. Ivan D. Yeaton as commanding officer of the Yan'an group effectively ended the potential of the group to evolve into a cooperative and productive base for interagency strategic intelligence collection on the CCP. Yeaton arrived in Yan'an only a few days before the United States destroyed two cities in Japan with its newly developed nuclear weapons, hastening the end of the war. Although the Japanese surrender soon

⁵⁸ Peterkin, *Inside China*, 46-49.

⁵⁹ Peterkin, *Inside China*, 50. The Japanese reward offered for Peterkin's capture was \$5,000 in gold.

⁶⁰ Peterkin, *Inside China*, 119. The nine original members of the Dixie Mission who made the trip to China in 1978 were Peterkin, Dr. Melvin Casberg, John Colling, Charles Dole, Paul Domke, Simon Hitch, George Nakamura, Anton Reminih, and John Service.

⁶¹ Peterkin, *Inside China*, x.

ended the war, President Truman's long-term U.S. policy goals in China, which had mostly been simple extensions of Roosevelt's policies, had not been achieved in August 1945. Despite the lack of progress in negotiations, President Truman continued to advocate the creation of a U.S.-friendly coalition government in China, under the leadership of Chiang Kai-shek, and the U.S. government continued to hope—however vainly—that it could help prevent all-out civil war in China. Ambassador Hurley, Generals Wedemeyer and Marshall, and Truman's White House aides all determined that maintaining a U.S. connection to the CCP leaders via the group at Yan'an could facilitate negotiations with minimal cost to the United States. Thus, the American contingent remained in Yan'an into early 1947. Yeaton's tenure in charge of the American mission at Yan'an lasted into the spring of 1946.

Yeaton had served in intelligence roles for most of a long career in the Army, and the Army considered him a top expert on Russia and communism. Yeaton's first experience in the Army in 1919 and 1920 had been as a staff officer in the American Expeditionary Force in Siberia aiding White Russians fleeing persecution by the rising Bolsheviks.⁶² Subsequent training and education in Russian language and Communist philosophy, including an abbreviated Masters degree program at Columbia University in the 1920s, had prepared Yeaton for a position in the U.S. attaché's office in the Moscow Embassy in the 1930s. He eventually served as U.S. military attaché to Russia in Moscow and was among the U.S. personnel evacuated from that city prior to the Battle of Moscow. He returned to Washington DC from Moscow and served in the pool of G-2 intelligence analysts preparing orders of battle for European forces to aid Allied strategic planning.

⁶² Ivan D. Yeaton, *Memoirs of Ivan D. Yeaton, 1919-1953* (Stanford, CA: Hoover Institution on War, Revolution, and Peace, 1976), 4-8.

Yeaton's education on Communist philosophy and his experience living in Stalin's Moscow had granted him considerable respect within the Army staff as an expert on communism. His experiences had also imbued him with a legendary hatred for communist regimes and a blanket vehement opposition to communist ideology, which he perceived to be a threat to individual freedom designed solely for the goal of global domination and controlled globally by Soviet leaders, particularly Stalin. Yeaton held a view increasingly common at the time that communist movements beyond the Soviet Union, such as the movement in China, were Soviet puppets, lured into the ideology by the insidious propaganda and proselytizing of the Soviet Comintern. According to Yeaton, "The expansion of communism under Soviet hegemony by military power to enslave small nations would be directed at us some day, when we were no longer powerful enough to defend ourselves successfully. On that basis I reasoned that the Soviet Union was our enemy."⁶³ Yeaton's attitudes about Europe, Russia, and communism are important to understanding his role in U.S. intelligence efforts at Yan'an in 1945.

Yeaton had received orders to China after General Wedemeyer repeatedly requested the services of an intelligence official with expertise on Communism. According to Yeaton's recollection, after learning of Yeaton's background during a dinner with Chiang Kai-shek and Yeaton, Ambassador Hurley recommended that Wedemeyer send Yeaton to head the Yan'an mission instead of making him chief of intelligence at Theater Headquarters in Chongqing to replace Colonel Joseph Dickey, as had been expected.⁶⁴ Yeaton's selection to command the Yan'an group was part of a broader trend of populating new positions in the China Theater with Army staff officers previously assigned to the European Theater. With the end of the war in

⁶³ Yeaton, *Memoirs*, 64.

⁶⁴ Yeaton, *Memoirs*, 98.

Europe in May 1945, success in the Pacific War immediately became the top priority for U.S. military leaders. The palpable shift in policymaker attention from Europe to Asia, which began as early as the start of Operation Overlord (D-Day) in Europe in June 1944, caused some barely repressed bitterness among Army officials such as Yeaton who had spent years learning European languages and studying European politics and who saw posts in East Asia as career suicide.

Prior to World War II, only a small fraction of American diplomats or military officials had served in East Asia, and the region had a reputation as a backwater. Most lower-ranking U.S. officials who served in East Asian positions did so for duration of their careers, and they often had personal connections to the region, such as Davies and Service, whose parents had been missionaries. Higher-ranking personnel posted to East Asia tended to be outcasts from the central currents of the Washington DC elite, if not before they achieved their posts in East Asia, then almost certainly afterward. President Roosevelt had contributed to the reputation by using posts in Asia to dispense with problematic friends and cronies to whom he owed political favors but who could not be trusted with posts the president and his inner circle of advisors perceived to be more important. Career diplomats such as Davies viewed Roosevelt's appointments of Ambassador Hurley and Donald Nelson, who served as Chiang Kai-shek's personal representative on economic matters, to be of this variety. Upon Nelson's selection as Roosevelt's special economic emissary to Chiang, Davies joked in a letter to his wife, "China is apparently to the American political scene what Siberia is to the Russians. Only, Roosevelt's technique is quicker and more humane."⁶⁵

⁶⁵ Davies, *China Hand*, 197.

The Army Intelligence Division's Far East Branch had a particularly undesirable reputation within G-2 circles, especially compared with the Division's more successful record on European intelligence during the war. Perhaps reflecting the strain that World War II had placed on the underdeveloped U.S. intelligence capabilities, many Army General Staff officers perceived the G-2 itself to be dysfunctional, disorganized, and mismanaged throughout the war. Yeaton quotes General Dwight D. Eisenhower, who replaced General George Marshall as chief of staff of the Army in 1945, as remarking that the "G-2 did not even know how to organize itself."⁶⁶ Similarly, Yeaton likened the G-2 in 1944 and 1945 to Humpty Dumpty "desperately trying to put itself back together again after someone had pushed it off the wall."⁶⁷ Within the G-2, the elements focused on the Far East had the worst reputations, and of these, the elements focused on China were perceived to be the worst of the worst. Yeaton and fellow European intelligence analysts had high regard for G-2 Japan analysts, particularly those who were working with General MacArthur to develop and utilize the findings from the cutting-edge cryptography unit, codenamed MAGIC. Other than this exception, Army officials within the broader G-2 looked down their noses at their colleagues who served in China.

Despite being written thirty years after the events he describes, Yeaton's memoirs clearly convey his passionate resentment at being diverted from his focus on Europe and sent to China. Yeaton opposed the abrupt shift of U.S. policymaker attention away from Europe toward Asia. Prior to the summer of 1944, Yeaton was among the G-2 staff officers in Washington who worked intently on the detailed intelligence required to support the successful U.S. military campaigns in Europe, particularly Operation Overlord. Yeaton describes how he and his

⁶⁶ Yeaton, *Memoirs*, 55.

⁶⁷ Yeaton, *Memoirs*, 55.

colleagues who worked on Overlord within the G-2 became locked out of efforts to follow up on the progress of their plans, claiming that “overnight our orientation was shifted 180 degrees from Europe to the Far East. The why was only one of the several questions that were never answered.”⁶⁸ Yeaton’s memoir rails against Roosevelt’s strategic planners, particularly Harry Hopkins, and showcases Yeaton’s low esteem for General George Marshall and any of his perceived cronies, most especially General Joseph Stilwell and David Barrett.

Perhaps most importantly, Yeaton’s memoirs reveal his assumptions about the reorganization of the G-2 in 1944 as the U.S. government intensified efforts to end the Pacific War. Yeaton criticizes the reorganizations for removing area experts, such as himself, from their core area of expertise and seeking to deploy them as a more fungible workforce of intelligence officials wherever a surge of personnel was needed. He explains that intelligence work within the U.S. government and other countries such as Great Britain had been organized by region with good reason. He ascribed the lack of attention to such organizational effort to the Roosevelt Administration, which he argued did not want to see intelligence experts grow powerful enough to criticize foreign policy. In particular, Yeaton observed that the Roosevelt White House was not open to critiques of U.S.-Soviet policy.⁶⁹ Yeaton suggested that the surge staffing within the Army in 1944 made the United States more vulnerable to Soviet geopolitical machinations that devolved into the Cold War after V-E Day. Yeaton’s points on the issue of how to use area experts in intelligence work are somewhat ironic because Yeaton confidently assumed that his expertise on Russia and Soviet Communism would make him more capable than his Chinese-speaking predecessors in Yan’an at determining the CCP leaders’ intentions.

⁶⁸ Yeaton, *Memoirs*, 61.

⁶⁹ Yeaton, *Memoirs*, 60-63.

Yeaton had a low opinion of the intelligence work that U.S. officials had performed at Yan'an and of the base's contribution to the war effort. Yeaton made his opinion of the Dixie Mission completely clear in his memoirs:

“From a military intelligence standpoint, the “Dixie Mission” was ill-conceived, organized without reconnaissance, dispatched without concrete directives, overstaffed with personnel unfamiliar with communist ideology, tactics or methods, and located in an area inaccessible except by animal transport. Moreover, the mission was a guest of a rebel government, no longer interested in the war against Japan and seeking United States recognition and lend-lease supplies only to continue the civil war, after the Japanese surrendered. How many strikes are “out” in this ball game?”⁷⁰

Yeaton assessed the first six months of the Dixie Mission to be an unmitigated disaster, insidiously designed by Zhou Enlai, who seduced Barrett, Service, and Davies into positive impressions of CCP activities in the Americans' ignorance of communist ideology and tactics. Yeaton argued that “only trained eyes” such as his own “would recognize the sheathed claws and unctuous manner of the communist when he is in trouble and needs help.”⁷¹

Relations between CCP leaders and the Americans at Yan'an retained a hollow civility after Yeaton's arrival in Yan'an, but Yeaton maintained profound suspicions of both his CCP hosts and the Americans who had previously served at the base. Yeaton noted what he perceived to be lax security procedures around Yan'an and communications likely to be vulnerable to monitoring by Soviets. In his eagerness to note connections between the Soviets and CCP leaders, Yeaton claimed to have spotted two uniformed NKVD Signal Corps officers sitting in the corner of the room where Yeaton first met Mao Zedong, though Peterkin believed Yeaton

⁷⁰ Yeaton, *Memoirs*, 88.

⁷¹ Yeaton, *Memoirs*, 90.

may have been confusing the uniforms of two GMD liaison officers stationed at Yan'an at the time with his memory of the Soviet intelligence service uniforms.⁷²

Yeaton displayed little interest in interagency cooperation or innovative intelligence collection. His arrogance toward the existing personnel at Yan'an and his lack of curiosity about the group's prior activities made him unpopular with his subordinates. Peterkin described Yeaton during their first encounter as "very unfriendly!" and the situation never improved before Peterkin permanently left Yan'an in mid-August 1945.⁷³ Peterkin attempted to follow the orders Colonel Dickey, head of the G-2 for China, had given him to brief Yeaton on active programs at Yan'an. According to Peterkin, Yeaton said "he was an expert on communism and there was nothing I could tell him that he didn't already know."⁷⁴ As Peterkin packed to leave the base on August 12, he recorded in his diary that most of the Dixie Mission personnel had visited him "asking for transfers, stating that they did not want to serve under Yeaton."⁷⁵

Reports about Yeaton's attitude toward interagency cooperation and the base at Yan'an are reflected in one example Yeaton included in his memoirs. He describes discovering 25 radios and two generators that OSS officials had transported to Yan'an but never used after he had settled in and surveyed the situation in the building spaces the American officials occupied in Yan'an. Rather than arranging for the equipment to be utilized for intelligence work in north China or returned to Chongqing, Yeaton installed one of the generators in his living compound to

⁷² Yeaton, *Memoirs*, 103. Peterkin refutes Yeaton's statement that NKVD officers were at Yan'an during Yeaton's tenure, based on rosters of foreign personnel in Yan'an that Peterkin maintained throughout the summer of 1945. Peterkin, *Inside China*, xi.

⁷³ William P. Head, *Yenan! Colonel Wilbur Peterkin and the American Military Mission to the Chinese Communists, 1944-1945* (Chapel Hill, NC: Documentary Publications), 103.

⁷⁴ Head, *Yenan!*, 103.

⁷⁵ Head, *Yenan!*, 104.

power electric lights and movies for the comfort of his Army subordinates.⁷⁶ Yeaton's use of the generator may have inadvertently fostered more cordial relations with CCP leaders. The top party leaders enjoyed private screenings of the American films that arrived on the weekly planes from Beijing throughout 1946; Mao Zedong reportedly particularly relished films that featured Laurel and Hardy.⁷⁷

The decline of U.S. intelligence collection from Yan'an after 1945

By the time Yeaton settled into his role in charge of the American group at Yan'an, the base had fully transformed from its original function as an experiment in interagency strategic intelligence collection to a basic Army outpost for wartime military intelligence gathering. However, the Japanese surrender and end of the war made such military intelligence irrelevant. By the fall of 1945, the American intelligence activity at Yan'an had sharply declined, even though the U.S. government maintained a presence of 15-20 U.S. officials from various agencies there at all times. From the fall of 1945 until the last Americans left Yan'an in spring 1947, U.S. intelligence collection activities at Yan'an dwindled. Instead, U.S. officials who remained at Yan'an helped support ongoing negotiations between CCP and GMD leaders, though these talks were failing, and relations between the two parties steadily deteriorated. In addition, American officials at Yan'an participated in plans to develop transportation infrastructure in north China, particularly improving access to fuel, which would facilitate continued U.S. efforts to aid the Chinese central government with reconstruction and the demobilization of Japanese troops. Reflecting the group's changes in function and its sharply declining status within the U.S.

⁷⁶ Yeaton, *Memoirs*, 107.

⁷⁷ Personal interview, Sidney Rittenberg, February 2013.

government, the name of the group itself was also officially changed at this time from the Yan'an Observers Group to the Yan'an Liaison Group.⁷⁸

Meanwhile, in Washington DC, President Truman and his national security advisors were busy assessing how to meet the new demands the outcome of the war had placed on the U.S. national security infrastructure but without sacrificing the preservation of democratic values and concern for individual civil liberty that had prevented the development of such U.S. intelligence capabilities prior to the war. Truman dismantled the OSS in the fall of 1945. Via executive order effective October 1, 1945, Truman assigned the well-respected OSS R&A branch to the State Department and assigned the War Department to administer elements of the OSS offices that handled clandestine intelligence collection and counterintelligence.⁷⁹ The War Department referred collectively to the new offices as the Strategic Services Unit (SSU). The executive order rendered the rest of the OSS functions, including its nascent covert action capability, defunct and left Roosevelt's crony William Donovan without a position in the government. Nonetheless, Truman acknowledged Donovan's arguments that the United States needed a capable and coordinated intelligence regime to address Stalin's brazen incursions into Eastern Europe and prevent analytic catastrophes such as the Japanese surprise attack on Pearl Harbor.⁸⁰

Recognizing the inadequacy of the national security bureaucracy that had served Roosevelt in the 1930s for the postwar role of the United States in global security, Truman and his staff conceptualized a massive reform of the U.S. national security regime. The Truman White House and executive branch personnel began a bureaucratic adaptation process that

⁷⁸ Michael Schaller, *The U.S. Crusade in China, 1938-1945* (New York: Columbia University Press, 1979), 228.

⁷⁹ Michael Warner, ed., *The CIA Under Harry Truman* (Washington, DC: Center for the Study of Intelligence, Central Intelligence Agency, 1994), xi-xii.

⁸⁰ *The CIA Under Harry Truman*, xi-xii.

culminated in the National Security Act of 1947. The act established the Central Intelligence Agency, National Security Council, and the Joint Chiefs of Staff. It also dramatically restructured the civilian military leadership structure, creating the Defense Department with a civilian secretary overseeing departments of Army, Navy, and Air Force.

The reform process was far from a smooth and direct path for Truman and his aides. Rather, the White House found itself mediating between strong personalities who were defending deeply entrenched bureaucratic interests and who each held passionate opinions about the best way for the United States to protect its national security interests and develop modern intelligence capabilities. The executive branch organizations that had previously had partial and ad hoc responsibilities for intelligence activity all had opinions about how postwar U.S. intelligence capability should be developed and administered. These agencies included the departments of State, War, Navy, and Army and the Federal Bureau of Investigation. Legendary disagreements on the topic between Army Secretary Ferdinand Eberstadt and Navy Secretary James Forrestal alone have captivated historians for decades. A major source of disagreement in late 1945 focused on which agency would have overall administrative (and budgetary) control of intelligence capabilities. After reviewing several plans, Truman created an independent organization called the Central Intelligence Group (CIG) that operated at first with a skeleton crew and no designated budget.⁸¹ CIG eventually became the CIA.

Work at the U.S. Embassy in China continued after the war, as did intelligence operations that were underway throughout north China and liaison activities that were still in progress at Yan'an. However, by late 1945, intelligence reporting from Yan'an had slowed to a trickle.

⁸¹ For further on the formation of the CIG, see William M. Leary, ed. *The Central Intelligence Agency: History and Documents* (University, AL: University of Alabama Press, 1984) and Arthur B. Darling, *The Central Intelligence Agency: An Instrument of Government to 1950* (University Park, PA: Pennsylvania State University Press, 1990).

Leonard Meeker, chief of the Research and Intelligence Service branch of the SSU in China submitted one of the most revealing reports about the true state of the Yan'an Liaison Group in late October 1945.⁸² Meeker made a short trip to Yan'an in early October 1945 to confer with Yeaton and survey the intelligence work of the unit, and his report to the SSU Research and Intelligence Service headquarters chief in Washington, classified secret at the time, is remarkable for its candor. Compared with reports OSS officials such as Stelle were sending from Yan'an in October 1944, the report demonstrates the dramatic transition that the section had experienced in one year in terms of intelligence collection and operations.

Meeker begins his report by firmly dispelling rumors in Washington that the Soviets had constructed airfields in north China near Yan'an and were supplying the CCP with weapons and resources. Instead, Meeker describes the absence of any visible airfields, including the one at which his party attempted to land.⁸³ Meeker explains that his pilot flew back and forth across Shaanxi province for over an hour in search of Yan'an before locating the only small landing space for a plane that they saw all morning in the location north of the Wei River where the Yan'an base was supposed to be located. Fortunately, the space was the correct location—the grave-pocked rudimentary airfield into which pilot Jack Champion had crash-landed in the summer of 1944 with the first American staff of the Dixie Mission. The difficulty in locating Yan'an made a deep impression on Meeker, who argued that his experience “made perfectly clear to me that the reports of Communist airfields constructed around Yenan and receiving large amounts of Russian supplies were entire fabrications.” Moreover, he wrote, “no plane can come

⁸² The activities of the SSU's Research and Intelligence Service were somewhat duplicative of the OSS R&A Branch that the State Department had absorbed. Deconflicting the roles of these organizations was on the agenda of Truman's aides and senior executive branch administrators in Washington at the time.

⁸³ Report from Leonard Meeker to SSU Research and Intelligence Service Chief regarding trip to Yan'an, October 23, 1945, NARA RG226, Entry NM-54 53, Box 4.

in there without the whole population, including the Americans, knowing it. So whatever dealings the Russians may have been having with the Chinese Communists elsewhere, it seems definite that they have not had any in north Shensi.”⁸⁴ The swirling rumors in Washington about Soviet contact with the CCP and the fact that Meeker, a short-term visitor to Yan’an, had to be the one to dispel them hints at the poor state of intelligence reporting emerging from Yeaton and the American contingent based at Yan’an by the final months of 1945.

In the report, Meeker soon articulates this point even more bluntly. “From conversation at Yen’an and with G-2 personnel here in Chungking, I judge that the Observer Group is largely engaged in servicing itself, with a little liaison function and very little intelligence thrown in,” he wrote. “This is of course discouraging, in view of what seem to me the great opportunities for valuable intelligence work there at the present time.”⁸⁵ Meeker diagnoses the problem as the terrible reputation of OSS China among the still G-2 dominated section of American officials based at Yan’an. He explains that the poor OSS reputation partially stemmed from specific personality conflict. Many G-2 officials had found it impossible to cooperate with OSS’s Cromley, who was notoriously arrogant, inflexible, and unwilling to participate in the Army chain of command for communications. The problems also evolved from severe misjudgments in OSS operations in north China performed unilaterally without proper clearance from the G-2 leadership of the group or from the CCP hosts. Nonetheless, Meeker argued that it would be worth sending a new intelligence official to Yan’an to develop opportunities in the postwar environment. He wrote “What it takes essentially is someone with active interest and moderate

⁸⁴ Report from Leonard Meeker to SSU Research and Intelligence Service Chief regarding trip to Yan’an, October 23, 1945, NARA RG226, Entry NM-54 53, Box 4.

⁸⁵ Report from Leonard Meeker to SSU Research and Intelligence Service Chief regarding trip to Yan’an, October 23, 1945, NARA RG226, Entry NM-54 53, Box 4.

qualifications; there is just about no one like that at Yen'an now. It seems to me that if R&A can possibly spare someone for the job it would be a tremendously good investment.”⁸⁶ However, the few new personnel who rotated into Yan'an in 1946 came from the Army, not the SSU. U.S. strategic intelligence collection on the CCP or the CCP areas in north China from Yan'an never regained its strength.

The end of the U.S. mission to Yan'an

In 1944 and 1945, the U.S. government had a significant intelligence gap on the CCP that some American officials working in China recognized and senior leaders in Washington failed to recognize. This distinction became more pronounced and problematic in 1945 as personnel lacking expertise on Chinese politics rotated into the top positions in the American delegation to China. Personnel who had spent careers working in China feared U.S. policymakers' lack of understanding of the intricacies of Chinese politics, including the negative aspects of Chiang Kai-shek's leadership, as potentially undermining the ability of U.S. policy to support U.S. interests in China. These lower-ranking officials faced a major bureaucratic hurdle of delivering their observations and assessments to policymakers who could calibrate U.S. foreign policy in a format that the policymakers would accept the message. With suspicions of Stalin's policies and global ambitions mounting in Washington, U.S. policymakers were rightfully resistant to intelligence from China that appeared to be overly sympathetic to Communist viewpoints.

Initial Dixie Mission participants in their first six-months in Yan'an had attempted to supersede what they perceived to be obsolete bureaucratic procedures that prevented interagency cooperation on strategic intelligence collection about the CCP. Shared professional connections

⁸⁶ Report from Leonard Meeker to SSU Research and Intelligence Service Chief regarding trip to Yan'an, October 23, 1945, NARA RG226, Entry NM-54 53, Box 4.

to General Stilwell and the protection of his authority facilitated the limited trust and shared sense of purpose between U.S. intelligence officials from various agencies apparent in the Dixie Mission's first few months. However, the results in Yan'an suggest that the risks of circumventing government channels and oversight to perform intelligence work probably outweighed the benefits, given the high stakes of intelligence work in terms of information and operational security and diplomatic sensitivities. Moreover, the changes that began occurring to the composition and functions of the American base in Yan'an by early 1945 destroyed its initial spirit of collaboration and rendered its most productive features impossible for the remainder of the American operations at the CCP Headquarters. Back in Washington, the experiences—positive and negative—of the U.S. intelligence officials in north China failed to factor into debates in Washington over the design of the new postwar U.S. national security regime for purely political reasons.

The last American plane departed from the dilapidated airstrip in Yan'an on the morning of March 11, ferrying the skeleton crew of American officials and journalists who had remained at the CCP headquarters to Nanjing, where the Chinese central government had reconstituted its capital following Japan's defeat. The plane's departure formed a tangible symbol of the ultimate acceptance by the United States of its failed attempts to intervene in China's domestic political conflict. Relations between top leaders of the CCP and the United States continued to deteriorate in the decades that followed.

American activities at Yan'an had been winding down for months in advance of the final plane's departure. Yeaton had departed Yan'an for another more promising Army staff position in April 1946, ceding interim control of the Yan'an post's continuing support for U.S. radio communications in north China and development of transportation infrastructure in the area to

his chief of staff, Major Clifford Young. U.S. leaders claimed that transportation development in north China had the short-term benefit of facilitating U.S. aid to China as it recovered from the Japanese occupation and decades of war. Similarly, the development of fuel resources, from oil wells to pipelines, assisted the U.S. in short-term aid projects. Both road building and fuel development activities could also assist the long-term interests of U.S. corporations who sought to operate in China if China's domestic political conflict resolved in the American's favor, in the form of a liberal democracy and capitalist economy.

President Truman's appointed representatives in China met little success in implementing the disjointed U.S. policy in China, which required U.S. diplomats to continue their attempts to mediate in political negotiations between the GMD and CCP leaders while simultaneously offering public support to Chiang Kai-shek's regime. Following Patrick Hurley's abrupt and unexpected resignation from the role of Ambassador to China in November 1945, President Truman had appointed General George Marshall to be his special representative in China, personally overseeing the negotiations.⁸⁷ Fearing the loss of continuity in the U.S. delegation to China, Truman also convinced Wedemeyer to accept a one-year stint as U.S. Ambassador to China starting in May 1946 after Wedemeyer's duties as theater commander in China were completed.⁸⁸

As it became clear that U.S.-hosted negotiations were failing, the Army designated Colonel John Sells to serve as the final commanding officer for the American mission to Yan'an. His main assignment was overseeing the physical relocation of CCP leaders and their dependents to Yan'an from GMD-held areas, such as Chongqing. However, Sells reportedly approached his

⁸⁷ For further on Truman's personnel decisions in China in 1945, see Cohen, *America's Response to China*, 192-193.

⁸⁸ Carter, *Mission to Yenan*, 178.

work with considerable bitterness and a possible alcohol dependence problem that prevented his efficacy in the role.⁸⁹ The American officials made their final departure from Yan'an because Yan'an had become vulnerable to GMD attack. With the airfield serving as one of the few visible targets for GMD aerial bombers, the CCP leaders had decided to pre-emptively destroy the airfield. Colonel Sells chose to heed the warning he received from CCP General Zhu De and relocate the entire American delegation to the safety of Nanjing.⁹⁰

⁸⁹ Sidney Rittenberg, an American who served as a translator for the CCP news agency and who lived in Yan'an in 1946 and 1947, recalled that Sells was an alcoholic. Rittenberg described how each week the U.S. supply plane would bring seven bottles of whiskey for Sells and collect the seven empty bottles from the previous week. Personal interview, Sidney Rittenberg, February 2013.

⁹⁰ Carter, *Mission to Yenan*, 197.

CONCLUSION

“Jack [Service] called last night to let me know that Dave Barrett died yesterday. He didn’t go into any detail, but the immediate cause was kidney failure. For my money, David died some years ago of a broken heart.” — Letter from Ray Ludden to Wilbur Peterkin, February 5, 1977

This remarkable exchange of information in personal correspondence between Ray Ludden and Wilbur Peterkin almost exactly thirty years after the last American plane departed Yan’an hints at the intensity of emotion original members of the Dixie Mission felt toward each other, the work they did in China, and the outcomes (or lack thereof). Ludden and Peterkin, roommates at Yan’an whom Colonel Barrett had dispatched to verify CCP intelligence reports on the four-month trek through CCP-held forward areas, maintained a friendship that lasted until their respective deaths, generally corresponding weekly via thoughtful letters. By all accounts, including his own memoir, Barrett suffered lifelong career repercussions from his participation in the Dixie Mission, and he retained great bitterness about the fate of U.S.-CCP relations. Barrett left Yan’an in December 1944, but friends such as Service, Davies, and Ludden frequently recalled feeling that he never really moved on; he experienced the failure of the Dixie Mission to achieve its goals as a personal failure similar to heart break. Evidence of the short- and long-term burdens that participation in the Dixie Mission created for those originally involved seeps from the records they left behind. That an official mission should have exacted such a high toll on individual participants for so little gain underscores the extent to which the U.S. government lacked the professional foreign intelligence capabilities it required in the 1940s.

In the same way that December 1944 was a personal turning point for Barrett and other original participants in the American intelligence mission to Yan'an, the events of December 1944 and January 1945 represented a true turning point for the Dixie Mission itself. Prior to December 1944, American intelligence officials stationed at Yan'an operated under a sense of considerable optimism and formed relationships with their CCP hosts on the basis of their shared passion for developing effective, if unconventional, methods to defeat the Japanese. Buoyed by initial support and enthusiasm from their superiors and their perceptions of White House interest in their achievements, the initial Dixie Mission staff stretched the limits of their vague operational mandate to learn about and cooperate with CCP fighters. Just as they began to implement cooperative operations with the CCP that had been emerging for months, the administrative pillars upon which their actions were based began to shift.

Recognizing the lack of the intelligence on China's domestic political situation necessary to develop and implement effective strategy in China as early as 1943, General Stilwell and his State Department aides had attempted to rectify the situation with an ad hoc solution in the form of the Dixie Mission. Stilwell relied on a cohesive professional network of trusted China experts loyal to him to rise above the administrative boundaries and lack of precedents for the work they were doing. Stilwell's network of China hands was unique in the U.S. government because it possessed sufficient expertise to develop at least a limited comprehension of the complexities of China's domestic political conflict, the network cohesion to develop plausible plans for resolving the U.S. government's lack of necessary intelligence on the CCP, and the temporary institutional influence within the Roosevelt administration to encourage the fruition of the plans.

To some extent, Stilwell's plan was too effective. The Stilwell network proved to be a double-edged sword for the advancement of strategic intelligence collection and dissemination

on the China Communists. As Stilwell expected, the Dixie Mission crew did cooperate across interagency boundaries to the best of their ability, and they did attempt to report accurately their impressions of CCP capabilities and intentions. However, the initial Dixie Mission participants suffered from a dangerous analytic myopia that predisposed them to positive views of the CCP and diluted the impact of their intelligence messages with Americans who were unfamiliar with China (i.e., most Americans, including senior leaders) and increasingly suspicious of communist ideology.

Reflection on the activities of U.S. intelligence officials in China's Communist base areas in the 1940s is significant because it reveals that the underdevelopment of the U.S. government's national security bureaucracy prior to World War II impeded the ability of accurate and timely intelligence about the CCP to reach and be absorbed by the appropriate policymaking audience. Throughout the lifespan of the American presence in Yan'an, military intelligence officials, and specifically army intelligence officers, commanded the mission. The American foreign policy bureaucracy was entirely unequipped to allow any other organization to lead such a mission in the early 1940s. The type of field intelligence collection and strategic operational activity in which American officials were engaged at Yan'an had only previously been the purview of Army and Navy intelligence divisions prior to World War II, and even those organizations had limited experience with the type of work that the U.S. government expected the Dixie Mission personnel to do. The endless competition for budgetary resources intrinsic to the American executive branch organizations and the entrenched interests it bred in Army and Navy leadership increased the reluctance of Army and Navy leaders to relinquish intelligence duties to the fledgling OSS or the State Department. Not only were they unwilling to delegate intelligence

work to civilian agencies, but the Army and Navy battled each other for control of U.S. foreign intelligence responsibilities throughout the 1940s.

Lacking an established administrative structure for intelligence procedures or even institutional norms to provide oversight that would help limit negative political ramifications of the conduct of covert military operations, the unilateral actions of American intelligence officials in a remote and isolated but strategically significant area such as Yan'an could and did lead to counterproductive diplomatic disasters. Although some Army intelligence staff possessed expertise on China and in the logistics of operating in field conditions, they were not necessarily prepared to develop new methodologies necessary to collect, process, analyze, and disseminate sensitive information about foreign governments. The OSS officials at Yan'an, particularly Stelle, recognized a need to develop such methodologies, but the Army's influence and hierarchical dominance over the Dixie Mission drowned the voices and influence of alternate agencies. Disorganized, new, and absent the necessary influence in China, OSS repeatedly encountered obstacles to developing effective and professional intelligence operations in China, particularly in Yan'an.

By December 1944, Dixie Mission participants found themselves at the center of a clash between the policy priorities of new top American representatives in China—Hurley and Wedemeyer—and the interests of their predecessors. Hurley and Wedemeyer performed a predictable course correction for the implementation of U.S. policy in China based on the substantial gap that existed between their perceptions of China and the messages they were receiving from the original Dixie Mission participants. Regardless of their skills or evidence supporting their policy advice, the relatively low ranking American officials based at Yan'an in December 1944 could not influence their administrative superiors. Under the supervision of

Hurley and Wedemeyer in 1945, the U.S. mission to Yan'an transformed into an exercise in fairly benign and inconsequential military intelligence collection operations with support to negotiations that the U.S. leaders were attempting to conduct between GMD and CCP leaders.

The shift that occurred in the priorities of the American presence at Yan'an after 1945 had two important implications for U.S. intelligence on China in the late 1940s. First, the changes eliminated the unique and unprecedented potential for productive interagency collaboration and cooperation that had existed in the Dixie Mission's first few months. Second, Hurley's suggestion that Communist sympathies had biased the U.S. intelligence officials at Yan'an tainted perceptions of the achievements and shortcomings of the entire U.S. intelligence project at Yan'an. The immediate politicization of the Dixie Mission fundamentally altered assessments of operational "lessons learned" from the engagement. This result reflects the structural deficiency of U.S. bureaucratic procedures for the collection and dissemination of strategic foreign intelligence collection about China in World War II.

The zeal with which Barrett, Service, Ludden, Davies, and Stelle reported on CCP intentions and capabilities made it easy for leaders who were less familiar with Chinese politics to discount their reports and sideline them as Communist sympathizers. Although subsequent events and decades of historical inquiry have revealed Patrick Hurley's accusations that the initial Dixie Mission personnel were Communist sympathizers to be exaggerated claims manufactured by Hurley out of vengeance and personal insecurity, the rest of the U.S. government in the 1940s took Hurley's comments quite seriously. Hurley's vindictive public questioning of the ideological loyalties and potential Communist sympathies of initial Dixie Mission participants almost certainly facilitated perceptions in Washington that Communist sympathizers within the U.S. government were responsible for the shortcomings of U.S.

intelligence operations in Yan'an, and even the shortcomings of U.S. policy toward the CCP to some extent.

Introducing ideological loyalty issues into the evaluations of the Dixie Mission had the effect of temporarily exonerating Hurley from the effects of his obstinate behavior and poor decisionmaking, but it also distracted attention from structural inadequacies in the U.S. intelligence process that prevented U.S. personnel at Yan'an from effectively conveying their observations and assessments to others in the U.S. government who needed the information. By the end of 1945, strengthening anti-communist elements in American politics had emerged as an influence on the American intelligence efforts in Yan'an in a new way; undertones of ideological conflict were unmistakable. Opposition to Communism and loyalty to American liberal political ideology superseded regional expertise in the selection of Dixie's final leaders.

The diplomatic fallout from the Dixie Mission's greatest shortcomings occurred in 1945 and 1946, synchronous to the negotiations in Washington DC among Truman's senior advisors and executive appointees over the creation of the postwar U.S. intelligence regime, preserving norms and precedents of wartime intelligence practices that were productive in Europe but less so elsewhere in the world. U.S. intelligence officials in China had struggled and ultimately failed to adapt themselves and their procedures to meet the new U.S. national security demands. However, Hurley's political tactics encouraged policymakers in the Truman Administration to disregard the difficulties and pitfalls of the American intelligence experience at Yan'an as an unfortunate aberration. Policymakers in the Truman Administration consequently disregarded the American experience in Yan'an as an instance of alarming Communist sympathy within the U.S. government ranks instead of perceiving it as a cautionary tale of the risks of ad hoc foreign intelligence activity.

The case of the Dixie Mission foreshadows several challenges of foreign intelligence collection practices that became key issues for the developing U.S. national security regime in the 1950s and 1960s. For example, the experience of the American intelligence officials at Yan'an emphasized potential pitfalls of combining intelligence collection with uncoordinated and improvised covert military operations under the direction of leaders with little regional expertise, such as Hurley, Wedemeyer, and Yeaton. Similarly, the fate of the original Dixie Mission participants is an early example of the potentially dangerous consequences of politicization of intelligence activity. Political decisions about diplomatic appointments and the personal preferences of the White House, particularly under Roosevelt, distorted perceptions of the Dixie Mission reports by senior U.S. policymakers in Chongqing and Washington. Most importantly to ongoing current debates about the bureaucratic structure of the U.S. national intelligence regime, the Dixie Mission case reveals the degree to which the professionalized collection of strategic foreign intelligence is an activity that requires a sophisticated bureaucracy to succeed in efficiently providing policymakers with useful and timely information.

The Dixie Mission case argues that simply placing capable experts in the field to collect information is not nearly sufficient to achieve the goal of arming policymakers with the information they require. Intelligence officials in the field must be actors in a functional bureaucracy, in which the relevant organizations have clearly established jurisdictional boundaries and are capable of and motivated to work together instead of competing. In addition, intelligence collection requires logistical conditions that allow for the information to be safely and quickly disseminated to headquarters offices, analyzed and contextualized by experts, and distributed to policymakers before the information becomes obsolete. Lastly, the policymakers

themselves must recognize the information as useful to them and trust the process by which it is produced. They must understand the scope and limits of the information presented to them through the intelligence process, and prepare themselves to receive undesirable messages without killing the messenger. These conclusions are the result of both decades of trial-and-error by the U.S. national security regime that unfortunately occurred after the passage of the National Security Act of 1947 and analysis of events by historians, political scientists, and public policy scholars.¹ Between 1944 and 1947 when the Dixie Mission operated, the United States had not yet established an intelligence community capable of achieving these requirements, and the outcome of the U.S. Observer Mission to Yan'an highlights the potential consequences.

This study adds support to historian Richard Aldrich's argument that the evolution of American national security institutions in the aftermath of World War II, and procedures for the collection of foreign intelligence and covert actions abroad in particular, are intricately related to changing American attitudes about the implications of global decolonialism in the latter 20th century.² Aldrich convincingly demonstrates that conflicting, volatile, and frequently subconscious American attitudes about international human rights, democratization, and the potential violence of imperialism shaped both policy motivations and intelligence practices in China in World War II. However, records from the Dixie Mission put a personal face on this theory that is absent from Aldrich's work. This study offers important tangible examples of how individual American intelligence officials attempted to make decisions about communications and resources that could reinforce or undermine American philosophical priorities for which the

¹ Letter from Ray Ludden to Wilbur Peterkin, February 5, 1977, Hoover Institution Archives at Stanford University, Peterkin Papers, Box 2.

² Richard J. Aldrich, *Intelligence and the War Against Japan: Britain, America, and the Politics of Secret Service* (Cambridge: Cambridge University Press, 2000).

ranking was in flux, from expelling the Japanese occupiers from China to establishing a liberal representative democracy in China to rejecting the visible corruption of the Chinese central government in the early 1940s.

In such a transitional phase, the hazards for the U.S. government of expecting individual intelligence American officials to unilaterally engage with and determine appropriate U.S. relations with the leaders of an entity as complex and unfamiliar as the Chinese Communist Party are painfully obvious in retrospect, though they were much more murky at the time. Strategic missteps by Allied forces in Asia in the 1940s and collective uncertainty within the U.S. government about social and political trends in countries such as China diluted the influence of the experiences of U.S. intelligence officials in Asia on the creation of the postwar U.S. national security regime. In other words, instead of becoming useful negative examples, the results of experiments such as the Dixie Mission that attempted to adapt archaic U.S. intelligence capabilities to meet new purposes simply reinforced policymaker perceptions of China as an uncivilized backwater. U.S. policymakers preferred to base postwar intelligence infrastructure development on European examples that were more clear to them and achieved more success.

The Dixie Mission case is particularly helpful for its ability to humanize the ambiguity of the political, ideological, philosophical, and strategic questions intelligence officials operating in remote areas in the 1940s faced on a daily basis. The case thus provides a rich and valuable historical example of the sort that has been largely absent from the important ongoing debate among security studies scholars in the wake of the 9/11 terrorist attacks and the botched National Intelligence Estimate on Iraq in 2004. These high-profile intelligence events have prompted a steady stream of academic questions about why the U.S. intelligence community has struggled to adapt to new threats.

This study supports the initial findings of scholars such as Amy Zegart, Richard Betts, and Richard Immerman who have suggested that resistance to effective reform is an intrinsic bureaucratic feature of the multi-institutional U.S. national security regime.

¹ However, unlike these scholars, who have focused on manifestations of the problem in Washington DC, from a top-down perspective, and particularly in recent examples, this study emphasizes specific historical examples of attempts by U.S. intelligence officials operating outside the United States as they attempt to adapt outdated bureaucratic procedures and norms to new responsibilities.

By tracing examples from the experiences of individual U.S. intelligence officials operating in Communist-held north China during World War II, this study reveals both the vulnerabilities and potential policy costs of dysfunctional administrative norms for U.S. intelligence activity that were in many cases codified and formally funded in the National Security Act signed into law by President Truman in 1947. In the Dixie Mission case, intelligence examples display evidence of a failure to move beyond outdated bureaucratic protocols and political competition between institutions, even in the face of significantly changed security demands and the highest possible stakes for national and global security. The problems are evident even when highly capable personnel are in place as intelligence collectors, and replacing the expert personnel with technical generalists exacerbated the problems. Given the stakes of negotiations in Washington about the architecture of the postwar national security regime in terms of resources and influence, it suited cabinet-level officials to highlight European

¹ See Amy B. Zegart, *Flawed by Design: The Evolution of the CIA, JCS, and NSC* (Stanford, CA: Stanford University Press, 1999), Richard K. Betts, *Enemies of Intelligence: Knowledge and Power in American National Security* (New York: Columbia University Press, 2007), and Richard Immerman, "Transforming Analysis: The Intelligence Community's Best Kept Secret," *Intelligence and National Security* 23:2-3 (April-June 2011), 159-181.

intelligence successes by their agencies and play down precedents of the inadequacy of U.S. intelligence practices during the war in places such as China that could potentially be traced back to individual agencies. The commitment of China's major domestic opposition party to communist principles only facilitated the lack of policymaker attention to the north China examples.

In this way, the Dixie Mission provides an early glimpse of a pattern of institutional behavior within the U.S. national security apparatus that made it particularly vulnerable to so-called intelligence failures. For example, in the 1950s and 1960s Truman's new Central Intelligence Agency attempted to aggressively carve out a space for itself among the old and inadequate U.S. national security bureaucracy. Given the ossification of wartime norms governing which institutions had jurisdiction over which intelligence duties, CIA's growth in the early Cold War meant vigorously pursuing risky covert actions, for which there was little precedent and few, if any, forms of formal or informal oversight into the beginning of the Cold War. The early CIA also perfected methodologies for secrecy, which were necessary for operational security, but also had the added benefit of keeping in the dark other executive branch agencies that might emerge as competition for resources. Attention spent on these activities not only diverted resources away from core missions such as intelligence collection and analysis but also had the tendency to explode into embarrassing international incidents, such as those in Guatemala, Iran, and Cuba.

Deconstructing how the U.S. intelligence community consistently fails to adapt itself to face new threats is an important component to developing more effective national security policy and institutions in the future. Thus, debates between scholars about the origins, character, and severity of the adaptation failure the U.S. national security regime has experienced have real

implications both for policymakers and for the emerging field of U.S. intelligence history. The complexity of the Dixie Mission example strongly suggests that scholars seeking to fully understand the origin of the institutional cultures of today's U.S. intelligence agencies must begin incorporating cases that occur beyond Washington and Western Europe and below the level of U.S. presidents, White House aides, Cabinet members, and Directors of Central Intelligence.

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