The Australian-American Alliance, Recognition of China and the 1954-55 Quemoy-Matsu Crisis

Andrew Kelly
University of Western Sydney

The Journal of Northeast Asian History
Volume 11 Number 2 (Winter 2014), 71-107

The Australian-American Alliance, Recognition of China and the 1954-55 Quemoy-Matsu Crisis

This article examines two critical Cold War events—diplomatic recognition of the People's Republic of China (PRC) from 1949 onwards and the 1954-55 Quemoy-Matsu Crisis—through the lens of the early Australian-American alliance. Although Canberra and Washington both employed hard-line isolationist policies toward mainland China, Australian policymakers thought seriously more than their American counterparts about the possibility of recognizing Beijing as a means of preventing future PRC aggression in Northeast Asia. This trend continued throughout the 1954-55 Quemoy-Matsu Crisis when Australia also urged the United States to exercise restraint in the Taiwan Straits in fear of both countries being drawn into a wider war with China. Through exploring the interplay between Australia and the United States toward these issues, this article demonstrates that the early Australian-American relationship was far more intricate and two-sided than much of the existing literature suggests.

Keywords: Australia, the United States, China, Taiwan, 1954-55 Quemoy-Matsu Crisis

The Australian-American Alliance, Recognition of China and the 1954-55 Quemoy-Matsu Crisis

Andrew Kelly
University of Western Sydney

Introduction: The Historiography of the Early Australian-American Relationship and China

"Without any inhibitions of any kind," Australian Prime Minister John Curtin decreed famously after the Japanese attacks at Pearl Harbor in December 1941, "I make it quite clear that Australia looks to America, free of any pangs as to our traditional links or kinship with the United Kingdom." In this brief moment, Curtin signalled that the future of Australian diplomacy and strategy was set to rely heavily upon the United States.[1] Solidifying a close and cordial relationship with the

---

[1] "Australia Looks to America: Mr Curtin's Message, New Plan for Pacific Strategy," *The Sydney Morning Herald*, December 29, 1941. See also Joseph M. Siracusa and David G. Coleman, *Australia Looks to America: Australian-American Relations since Pearl Harbor* (Claremont, CA: Regina Books, 2006); David Day, "27th December 1941: Prime Minister Curtin's New Year Message, Australia Looks to America," in *Turning Points in Australian History*, ed. Joseph M. Siracusa and David G. Coleman (Sydney: University of New South Wales Press, 2009), 129-142. While Curtin's address has certainly attracted scholarly attention, David McLean points out that Australia had been "looking to America" three decades prior to December 1941. See David McLean, "From British Colony to American Satellite? Australia and the USA during the Cold War," *Australian Journal of Politics & History* 52, no. 1 (March 2006): 68.

United States did indeed become a top priority in Canberra during the 1940s and early 1950s, not least because British defense capabilities in the Asia-Pacific had diminished so significantly over the same period that London was no longer capable of adequately protecting Australian interests. To rectify this vulnerability, Australia ably secured formal American support through signing the Australia, New Zealand, United States Security Treaty (ANZUS) in September 1951. Along with New Zealand, this treaty committed each signatory to meet the common danger in the Pacific theatre.

Although ANZUS aimed to address Australian and American regional security concerns, there has been a longstanding historical misconception that because the United States was a global superpower and Australia a small power, Canberra was subordinate to Washington. Studies that advance this conclusion also suggest that Australia struggled to draw independent conclusions on major foreign policy issues. For Alan Renouf, former Head of the Australian Department of Foreign Affairs and Australian Ambassador in Washington during the mid to late 1970s, statements like those by Curtin epitomized Australia's reputation of being an "American client state." "There has been little innovation of originality in Australia's attitudes abroad," Renouf remarked, "Like a child, Australia has shown a marked inclination to 'stay with mother,' first Britain and then the United States."[2] Renouf's critical and almost humiliating conclusions on Australia's overreliance on the United States were not uncommon. L.G. Churchward, Joseph Camilleri, H.G. Gelber, Glen St. John Barclay, and Coral Bell all characterized Australia's relationship with the United States in a similar fashion.[3] Even as recently

---

[2] Alan Renouf, *The Frightened Country* (Melbourne: Macmillan, 1979), 3-14.

[3] L. G. Churchward, *Australia and America, 1788-1972: An Alternative History* (Sydney: Alternative Publishing Cooperative, 1979); Joseph A. Camilleri, *Australian-American Relations: The Web of Dependence* (Melbourne: Macmillan, 1980); Harry G. Gelber, The Australian-American Alliance: Costs and Benefits (New York: Penguin, 1968); Glen St. John Barclay, *Friends in High Places: Australian-American Diplomatic Relations since 1945* (Melbourne:

as 2013, David McLean suggested that along with Australia's response to the U.S. war on terror, the Asian Cold War was "marked by unquestioning Australian support for the United States."[4]

This orthodoxy has since been widely challenged. For instance, in Joan Beaumont's view, this "pervasive" understanding is "grossly simplistic."[5] Traditional interpretations largely overlook the complex and competing views within the Australian Department of External Affairs, but more importantly, they overlook many instances where Australian policy was created independently and shaped by strategic calculations of its own interests. As Greg Sheridan described in 2006, the Australian-American relationship "has been misunderstood to assume that it is always run by the Americans and the Australians just go along, agreeing to whatever the Americans want to a greater or lesser degree."[6] Some historians have started using case studies to reshape this historical paradigm, although further examples are conspicuously lacking.[7]

In the context of reshaping the historiographical debate over Australia's relationship with the United States, this article examines two interconnected post-war issues that offer different conclusions to the existing literature. The first is Australian and American views over

---

Oxford University Press, 1985); Coral Bell, *Dependant Ally: A Study in Australian Foreign Policy* (Melbourne: Oxford University Press, 1988).

4 David McLean, "Too Much Memory: Writing the History of Australian-American Relations during the Howard Years," in *Australia and the World: A Festschrift for Neville Meaney*, ed. Joan Beaumont and Matthew Jordan (Sydney: University of Sydney Press, 2013), 237-258. See also Dennis Phillips, *Ambivalent Allies: Myth and Reality in the Australian-American Relationship* (Ringwood, Australia: Penguin, 1988); Norman Harper, *A Great and Powerful Friend: A Study of Australian and American Relations between 1900 and 1975* (Saint Lucia: University of Queensland Press, 1987).

5 Joan Beaumont, "Making Australian Foreign Policy," in *Ministers, Mandarins and Diplomats: Australian Foreign Policy Making 1941-1969* (Melbourne: Melbourne University Press, 2003), 3.

6 Greg Sheridan, "Inside the Australian-US Alliance," *The Sydney Papers* 18, no. 3-4 (2006): 207.

7 See, for example, Laura Stanley and Phillip Deery, "The Menzies Government, the American Alliance and the Cuban Missile Crisis," *Australian Journal of Politics & History* 59, no. 2 (June 2013): 178-195.

whether or not to recognize the People's Republic of China (PRC) from late 1949 onwards. Although both Canberra and Washington opted initially not to recognize the PRC, private Cabinet and External Affairs Department papers suggest Australia was more willing than the United States to reconsider recognition during the 1950s as a means of preventing future PRC aggression. This oversight leads into the second example this articles explores: an examination into the 1954-55 Quemoy-Matsu Crisis fought between the PRC and the Republic of China (ROC). Throughout the crisis, Canberra was again more willing than Washington to consider recognizing the PRC. Moreover, in contrast to State Department and U.S. military opinion, the Australian Department of External Affairs consistently opposed defending the offshore islands in the fear that Australia and the United States might be drawn into war with China. Although Australian policy choices vis-à-vis China were at times restricted by the U.S. position, this in itself is not sufficient grounds to suggest Australia was a completely subservient ally to the United States. Moreover, such short-sighted conclusions also fail to address adequately the unique Australian views and the overall complexity of Australian foreign policy during the early Cold War.

Overall, much of the Western literature on the recognition of China and the offshore islands has focused on Sino-American relations and nuclear brinkmanship. These studies also examine these issues as part of their broader implications for U.S. foreign policy during the Cold War.[8]

---

[8] Nancy Bernkopf Tucker, *The China Threat: Memories, Myths and Realities in the 1950s* (New York: Columbia University Press, 2012); Warren I. Cohen and Akira Iriye, eds., *The Great Powers in East Asia: 1953-1960* (New York: Columbia University Press, 1990); Gordon H. Chang, "To the Nuclear Brink: Eisenhower, Dulles, and the Quemoy-Matsu Crisis," *International Security* 12, no. 4 (April 1988): 96-123; Gordon H. Chang and He Di, "The Absence of War in the U.S.-China Confrontation over Quemoy and Matsu in 1954-1955: Contingency, Luck, Deterrence?," *The American Historical Review* 98, no. 5 (December 1993): 1500-1524; Bennett C. Rushkoff, "Eisenhower, Dulles and the Quemoy-Matsu Crisis, 1954-1955," *Political Science Quarterly* 96, no. 3 (October 1981): 465-480; H. W. Brands Jr., "Testing Massive Retaliation: Credibility and Crisis Management in the Taiwan Strait," *International Security* 12, no. 4 (April

Adding to these studies, this article examines the American response to China in relation to Australian diplomacy, an overlooked U.S. allied power in the Pacific. Moreover, it expands upon the Australian literature, which has generally viewed Canberra's early response to China as a smaller and separable issue in the development of Australian foreign policy.[9] Through exploring Australian and American approaches to China from 1949 to 1955, this article offers new conclusions about the interplay and intricacy in the early Australian-American post-war relationship. It also provides a broader understanding of Western responses to mainland China during one of the most volatile periods in Northeast Asian history.

Australia and the United States Ponder Recognition of China, 1949-1954

After a protracted civil war between the Communist Party of China (CPC) and the Republic of China (ROC), CPC Chairman Mao Zedong announced the establishment of the People's Republic of China (PRC) on October 1, 1949. In turn, ROC leader Jiang Jieshi lost mainland China and retreated to Taiwan. As Cold War tensions continued to rise between the United States and the Soviet Union, a major Communist Government in Northeast Asia presented an uncertain and disruptive challenge for the West. Mao's victory especially provoked extensive debate over whether the United States and its allies should continue supporting Jiang's Government or instead recognize the PRC through opening normal diplomatic and trade relations in Beijing as well as supporting its claim

---

1988): 124-151.

9 Bell, *Dependant Ally;* Barclay, *Friends in High Places*. For more specific studies on the Australian response to China and the offshore islands, see Garry Woodard, "Australian Foreign Policy on the Offshore Island Crisis of 1954-5 and Recognition of China," *Australian Journal of International Affairs* 45, no. 2 (November 1991): 242-263; David Lee, "Australia and Anglo-American Disagreement over the Quemoy-Matsu Crisis, 1954-55," *The Journal of Imperial and Commonwealth History* 23, no. 1 (January 1995): 105-128.

for China's seat in the United Nations.

Although there were early suggestions in Washington that peaceful co-existence with mainland China might be reached, the State Department looked set to shape its policies on the premise that Beijing was entrenched firmly in the Soviet bloc and should not yet be awarded recognition. In an address to the Senate Foreign Relations Committee on October 12, U.S. Secretary of State Dean Acheson stated that the "Chinese Government is really a tool of Russian Imperialism in China … that gives us our fundamental starting point in regards to our relations with China."[10] While Acheson's comments made prospective U.S. recognition policies for China appear somewhat straightforward, the decision was complicated by many American policymakers (including Acheson) continuing to doubt whether U.S. diplomatic support for Jiang was useful. In his own words, Acheson argued at a later Committee meeting that the United States had "got to a point where in fact there is nothing more constructive that is coming out of this [Nationalist] Government." In the end, as both a stalling tactic and short-term compromise between these options, Acheson suggested that the U.S. should adopt a "wait, look, and see policy" toward China.[11]

In the aftermath of Mao's announcement, Canberra likewise reconsidered its position on China. Initially, Ben Chifley's Labor Government appeared entirely prepared to recognize Mao's Government. In October, the Australian Diplomatic Mission in Nanjing was recalled. Some of the Australian Staff returned to Canberra, while others established themselves in Hong Kong "with the clear inference that both the Embassy and the Government were leaving them as a kind of forward post from which a cadre group could quickly be moved to Beijing when

---

[10] Supplemental Notes on the Senate Foreign Relations Committee, 12 October 1949, President's Secretary's Files, Box 140, Harry Truman Papers, Harry S. Truman Presidential Library.

[11] Wilson Miscamble, *George F. Kennan and the Making of American Foreign Policy, 1947-1950* (Princeton, NJ: Princeton University Press, 1992), 229.

recognition was granted."[12] The Department of External Affairs then called a meeting in Canberra for all high-ranking diplomats and policy officers shortly after the Nanjing Mission was recalled. The attendees at the meeting agreed unanimously that the PRC be recognized.[13]

At the same time, Britain was making its final preparations to announce that it was ready to recognize the PRC, believing that Beijing was the legitimate government of mainland China whether London approved of Mao's Government or not. British Foreign Secretary Ernest Bevin wrote to U.S. Secretary of State Dean Acheson on December 16 to inform the State Department that the Foreign Office was preparing to announce its decision to award recognition to the PRC in the New Year, even in light of Acheson's protestations that there was "no need" to do so and that Britain would "not gain any favours from the China Communists."[14] Concerned by British movement toward PRC recognition, the State Department hoped to at least maintain some degree of Anglo-American policy solidarity vis-à-vis China while the situation in Europe remained tense and uncertain. While falling short of recognizing the PRC, Deputy Under Secretary of State Dean Rusk assured British officials on January 2, 1950 that the United States "did not intend to become engaged in the defense of Formosa (Taiwan)."[15] Three days later, U.S. President Harry Truman announced publicly a hands-off U.S. policy for Taiwan that entailed no military or advisory aid for Jiang Jieshi's Government. Seemingly satisfied that this U.S. policy

---

[12] Henry Stephen Albinski, *Australian Policies and Attitudes toward China* (Princeton, NJ: Princeton University Press, 1965), 26.

[13] Yi Wang, *Australia-China Relations Post 1949: Sixty Years of Trade and Politics* (Farnham, UK: Ashgate, 2012), 9.

[14] Bevin to Acheson, 16 December 1949, National Archives and Records Administration of the United States (hereafter NARA), RG59, 893.001/12-1649; Acheson Memorandum, 13 September 1949, NARA, RG59, 893.01/9-1349.

[15] Rusk Memorandum of Conversation, 2 January 1950, Foreign Relations of the United States Series (hereafter FRUS) China 1949 vol. IX, 256.

would curtail any serious Anglo-American rift on tensions between mainland China and Taiwan, Britain announced finally on January 6 that it recognized officially the PRC as the legitimate government of China and was prepared to enter into diplomatic relations.

Australia chose not to follow Britain's immediate decision to recognize the PRC. The Chifley Government had been voted out of office in place of the Liberal-Country Coalition led by Robert Menzies in December 1949, thereby stalling any immediate Australian decision over whether or not to recognize mainland China. After taking an outspokenly anti-Communist position during the election campaign, Menzies appeared less willing to award recognition to the PRC than his predecessors. When Menzies received a telegram about Britain's impending recognition announcement courtesy of British Prime Minister Clement Attlee on December 17, his government replied that Australia "was not in favour" of recognition. The main reason, according to the Australian message, was that the country was "not convinced that recognition would offer [Australia] any compensating advantages for what appear to be certain obvious disadvantages," citing its belief that the PRC will act recklessly and in defiance of international law.[16] Menzies appeared adamant on this issue, yet he could not completely silence the "considerable body of opinion" in the Department of External Affairs in favor of a more realistic approach to China leftover from the Chifley Government. Even Menzies's new External Affairs Minister Percy Spender recommended that Australia should "unload the Nationalists as soon as practicable, leaving the way clear for the admission of the PRC [to the United Nations] later on."[17]

---

[16] Attlee to Menzies, 17 December 1949, National Archives of Australia (hereafter NAA), A8138, TS3107/33/1/1 part I; Baker to UK Secretary for Commonwealth Relations, 20 December 1949, NAA, A1838, TS3107/33/1/1 part I.

[17] Cablegram to Menzies, October 16, 1950, as quoted in Robert O'Neill, *Australia in the Korean War* 1950*-53: Strategy and Diplomacy* (Canberra: Australian War Memorial and the Australian Government Publishing Service, 1981), 132. Percy Spender also emphasized on March 9, 1950,

Despite these reservations over a non-recognition policy toward mainland China, the outbreak of the Korean War in June 1950 and PRC intervention later that November confirmed fears in Canberra and Washington that communism was an aggressive threat to free world nations. In response, Truman rejected any possibility of recognition and approved a National Security Council (NSC) recommendation to impose "strict political and economic sanctions" on the PRC as well as throw its support behind Jiang as the legitimate government of China.[18] Fighting alongside American forces in Korea, Menzies approved similar political and economic sanctions and declared publicly his support for Jiang's embattled regime. For Menzies, restoring peace in Northeast Asia was decidedly crucial for the long-term security of Australia.

Although Australian and American policy coincided in regards to responsive action in Korea, Australia's new approach to China was by no means as rigid as the United States. From a purely strategic perspective, once war broke out in Korea, the U.S. was quick to station its Seventh Naval Fleet in the Taiwan Strait to prevent the PRC from escalating the war to Taiwan. Regional bases, including those on Taiwan, were also reinforced in an effort to secure the American position in Northeast Asia. At the same time, the Menzies Government gave little consideration to the strategic importance of Taiwan when hostilities in Korea demanded Canberra's full attention. A month after war broke out, Menzies requested his Chiefs of Staff to clarify areas of strategic importance for Australia in the Asia-Pacific. This report concluded in September 1950 that although "Taiwan should not be allowed to fall into Communist

---

that Australia had no quarrel with the PRC and would co-operate if Beijing behaved responsibly. See "Casey Statement, 9 March 1950," *Current Notes on International Affairs* 20, no. 2 (1950): 157; Woodard, "Australian Foreign Policy on the Offshore Island Crisis of 1954-5 and Recognition of China," 244.

[18] United States Department of State, "James Lay Memorandum, 20 December 1951," in *Foreign Relations of the United States, 1951*, vol. VII, part 1. Korea and China (Washington, DC: United States Government Printing Office, 1983), 1385.

hands easily … it is not a high strategic priority."[19]

Over and above minimal strategic interest in Taiwan, Australia was reluctant to politically support Nationalist China. "The Australians … are very anti Chiang Kai-Shek (Jiang Jieshi)," a New Zealand report concluded in mid-1952, "Spender, had he thought it possible, [would] have de-recognised the Taiwan Government."[20] Even after the Korean War broke out and Washington established an embassy in Taipei, the Menzies Government chose not to set up a similar diplomatic mission even though the ROC had representation in Canberra. Spender's replacement as External Affairs Minister, Richard Casey, contemplated similarly after he took over the portfolio in April 1951 that Australian interests might be served better by simply recognizing the PRC rather than continuing to support the Nationalists. "I think that [recognising the PRC] probably would ease the acid attitude of Beijing," Casey wrote in his diary shortly after Chinese intervention in the Korean War.[21]

Casey speculated that the reason the U.S. was taking such a hard-line toward the Chinese must be based on domestic pressures. "It seems impossible," Casey penned on December 8, 1951, "that any State Department man of consequence still believes in Nationalist China … they are all bound up in the toils of domestic politics."[22] Truman's domestic troubles with its China policy were indeed serious. Problems began with Republican Senator Joseph McCarthy, who relentlessly accused the Truman Administration of being soft on China after it failed to prevent Mao's victory in the Chinese Civil War. Support for McCarthy's tough anti-Communism stance was supported by the China

---

[19] Australian Strategy in relation to Communist expansion in the Pacific, Southeast Asia and the Far East area during the Cold War Period, 14 September 1950, NAA, A7941, C4 Part 1.

[20] New Zealand Report on Australian Views toward China, 5 May 1952, Archives New Zealand, External Affairs, 264/3/14 Part 8.

[21] Richard G. Casey, *Australian Foreign Minister: The Diaries of R. G. Casey, 1951-1960*, ed. Thomas B. Millar (London: Collins, 1972), 65.

[22] Ibid., 64-65.

Lobby, a loose coalition of businessmen, labor leaders, journalists, scholars, missionaries and politicians that opposed any form of recognition of the PRC and demanded that the U.S. strongly support Nationalist China. While McCarthy and the China Lobby held considerable political influence in the United States, recognizing the PRC in the short-term appeared very unlikely. As Nancy Bernkopf Tucker described recently, the U.S. Government "feared" McCarthy and the China Lobby because of their constraining effect on policy options vis-à-vis China.[23]

Across the Pacific, the Menzies Government did not have similar problems with domestic opinion on China. There was simply no substantial public outcry in Australia to stand firmly against the PRC and support the ROC. Instead, like Casey, the Australian public appeared to support movement toward recognizing the PRC in the hope that it might mitigate hostilities in Korea. Newspaper articles in the *Courier-Mail, Newcastle Morning Herald, Daily Advertiser, The Mercury* and *The Canberra Times* published between 1949 and 1953 all urged that PRC recognition was either "likely," "expected" or even "inevitable."[24]

Much like public opinion on recognition, there were discernible differences between official Australian and American trade policies with the PRC. While the United States continued to oppose all trade with the PRC as part of its non-recognition policy, Australian-PRC trade continued to develop in the absence of diplomatic relations. Bilateral trade started from a small base with a total volume of A$3.9 million in 1949-1950, but rose more than tenfold to A$41 million by the end of the decade.[25] The trade of strategic materials was banned under a 1951

---

[23] Tucker, *The China Threat*, 44, 50-51.

[24] "Recognition of China Inevitable," *Newcastle Morning Herald*, July 8, 1952; "Recognition of China Expected," *The Courier-Mail*, December 30, 1949; "Recognition of China," *The Mercury*, September 8, 1953; "Recognition of China Urged," *Daily Advertiser*, December 2, 1953.

[25] Wang, *Australia-China Relations Post 1949: Sixty Years of Trade and Politics*, 12; Burton

United Nations resolution, but other major materials were traded including wool, wheat, kitchenware, toys and agricultural machinery. Henry Albinski described Australian-Chinese trade without diplomatic ties as a "very successful exercise in realpolitik." A stiff strategic materials policy helped "placate" the Americans and their hard-line position on China, yet the continued trade of non-strategic goods became simply a case of Australia "having [its] cake and eating it too."[26]

While at the time opening diplomatic relations with mainland China offered Australia little more than the possibility of moderating China's international behavior and improving Anglo-Australian relations, Australian-PRC trade relations did allow the interchange of people-to-people contacts on top of goods and services. For example, even though the Australian Government stressed publicly that it would not interfere with private non-strategic trade, Albinski cited several incidents of Australian Trade Commissioners visiting the PRC as well as exchange visits between the Reserve Bank of Australia and the People's Republic Bank of China during the early 1950s.[27] As Yi Wang pointed out, these visits had "clear inter-governmental implications despite the lack of recognition."[28] The clearest implications were for Australian foreign policy, because the Australian Department of External Affairs was "responsible for what could or could not be shipped" on the non-strategic goods trade list.[29] The Department's role in this decision making process not only demonstrated the inextricable link between Australian trade and

---

Kaufman, "Eisenhower's Foreign Economic Policy with Respect to East Asia," in *The Great Powers in East Asia: 1953-1960*, ed. Warren I. Cohen and Akira Iriye (New York: Columbia University Press, 1990), 105.

[26] Henry S. Albinski, "Australia and the Chinese Strategic Embargo," *Australian Outlook* 19, no. 2 (August 1965): 117-128.

[27] Ibid. See also Albinski, *Australian Policies and Attitudes toward China*.

[28] Wang, *Australia-China Relations Post 1949*, 15.

[29] Ibid; Edmund S. K. Fung, *The Politics of Trade in Australia's China Policy, 1966-1971* (Nathan, Australia: Centre for the Study of Australian-Asian Relations, Griffith University, 1982), 7.

diplomatic policies toward China, but that the Department also favored some measures—such as the approval of select goods for export to China—that constituted part of formal recognition.

After an armistice was signed in Korea on July 27, 1953, the United States continued to support Jiang in the hope that it would put further pressure on the PRC. The new Republican Administration—led by the charismatic and widely popular former Supreme Allied Commander Dwight Eisenhower—followed the previous Administration's example and remained steadfast in its determination to keep Taiwan out of Communist hands and oppose recognizing the PRC. According to an NSC policy statement on November 6, keeping Jiang's regime afloat continued to be a high U.S. interest for three important reasons: (1) U.S. support for the Nationalists strained Sino-Soviet relations and put considerable pressure on the PRC, (2) Taiwan served as a vital base for both covert operations on the Chinese mainland and for the defense of South Korea and Japan, and (3) psychologically, continued American support for the Nationalists kept morale high on Taiwan and in other non-Communist governments. With these considerations in mind, Taiwan formed an "essential element" of the U.S. Far East defense position.[30]

The Australian Government, however, still did not consider Taiwan to be a high strategic priority. As far as Canberra was concerned, any strategic importance Taiwan held was because Jiang's presence focused the PRC's attention across the Taiwan Strait rather than in Southeast Asia. In other words, as long as Taiwan remained in Nationalist hands, the PRC posed a less immediate threat to Australia. An underwhelming brief for the Australian delegation at the 1954 Geneva Conference exemplified this position, concluding that Taiwan was merely "of value,"

---

[30] United States Department of State, "Statement of Policy by the National Security Council, 6 November 1953," in *Foreign Relations of the United States, 1952-1954*, vol. XIV, part 1. China and Japan, Foreign Relations of the United States (Washington, DC: United States Government Printing Office, 1985), 307-330.

and added that

> In enemy hands, Taiwan would facilitate a Communist advance into the Philippines. In the hands of the Chinese Nationalists, it is a continuing threat to the Chinese Communists who find it necessary to retain substantial armed forces on the adjacent mainland.[31]

By mid-1954, it was clear that the Menzies Government and Eisenhower Administration were not in complete agreement over the best course of action on China. The Australians were not convinced that American policies toward China were completely practical and instead considered that recognizing the PRC might reduce tensions in Northeast Asia. Australian-American disagreement on these issues was exposed further during the 1954-55 Quemoy-Matsu Crisis. Even after changing American policies, the Australian Department of External Affairs argued consistently against defending the offshore islands in the hope that doing so might prevent the escalation of a wider war with China. The Australian position also stemmed from broader differences with the United States over its continued opposition to recognizing the PRC and supporting the ROC.

A Horrible Dilemma: The 1954-55 Quemoy-Matsu Crisis

On September 3, 1954, PRC forces began shelling Quemoy and Matsu, two small Nationalist-held islands adjacent to the Chinese mainland. Even though by sheer geographical size and position alone it would be

---

[31] Brief for Australian Delegation to the Geneva Conference, undated in Stuart Doran and David Lee, eds., *Documents on Australian Foreign Policy: Australia and Recognition of the People's Republic of China, 1949-1972* (Canberra: Australian Department of Foreign Affairs and Trade, 2002), 79-82.

unthinkable that a global war might erupt over such small islands, there was a very real possibility that any miscalculation could spark a war with China, and by extension, the Soviet Union. Domestic and global concerns over potential American recklessness in the Taiwan Straits were especially high because of Eisenhower's "New Look" global defense policy which centered upon nuclear brinkmanship.[32] As Gordon Chang noted, critics at the time warned Eisenhower against "bringing the country to the verge of war over real estate of little consequence."[33]

With these potentially disastrous consequences in mind, the attacks raised difficult questions. Was this a prelude to an amphibious invasion? Would the United States commit to defending islands of negligible strategic value so close to the Chinese mainland? American policy long established its determination to prevent Taiwan and the Pescadores falling into Communist hands, but to do this, Eisenhower's Joint Chiefs of Staff (JCS) thought that it was important that these offshore islands also remain in Nationalist hands. Others, such as Australia, Britain and the majority of the American public, were not so convinced to defend, as U.S. Secretary of State John Foster Dulles put it, "a bunch of rocks."[34]

Eisenhower appeared certain—at least during the initial stages of the crisis—that the offshore islands could not possibly be defended by the United States. After Dulles presented the "horrible dilemma" that confronted the United States to the NSC on September 12, Eisenhower stressed that "Quemoy is not our ship." According to Eisenhower, defending Quemoy by force would lead to war with China. Public opinion seemed to support this position. Eisenhower went on to tell the

---

[32] Robert J. McMahon, "US National Security Policy from Eisenhower to Kennedy," in *The Cambridge History of the Cold War: Origins*, ed. Melvyn P. Leffler and Odd Arne Westad, vol. 1 (Cambridge, UK: Cambridge University Press, 2010), 288-311.

[33] Chang, "To the Nuclear Brink," 96.

[34] United States Department of State, "Department of State Conversation, 19 January 1955," in *Foreign Relations of the United States, 1955-1957*, vol. II. China, Foreign Relations of the United States (Washington, DC: United States Government Printing Office, 1986), 47.

NSC that he had constantly been receiving letters from the American public saying "please do not send our boys to war" and "do we really care what happens to those yellow people out there?"[35]

Political opinion aside, most U.S. military planners argued that the offshore islands were important to the defense of Taiwan. A JCS report, submitted to the President on the afternoon of September 3, recommended that current American policy toward the Taiwan Strait area be changed to assist in the defense of Quemoy as well as nine other offshore islands. The JCS Chairman Arthur Radford, a strong-minded admiral with a wealth of experience in Pacific naval planning, argued strongly for the U.S. to defend the islands. He recommended to the State Department that the United States should commit to defending Quemoy and Matsu, even with the use of tactical nuclear weapons. Not all Chiefs of Staff agreed with Radford's radical approach, but along with the Chief of the Air Force Nathan Twinning and Chief of Naval Operations Robert Carney, most JCS members concluded that defending the offshore islands was important and any withdrawal would have a considerable psychological effect on Nationalist morale.[36] In opposition, Army Chief of Staff Matthew Ridgway and Secretary of Defence Charles Wilson thought that any psychological effect did not outweigh the alarming consequences that could ensue if the United States committed to defending these islands. Ridgway argued that defending Quemoy was "not substantially related to the defence of Taiwan," whereas Wilson simply saw no worthwhile reason for the U.S. to defend those "doggoned little islands."[37]

---

[35] United States Department of State, "NSC Meeting, 12 September 1954," in *Foreign Relations of the United States, 1952-1954*, vol. XIV, part 1. China and Japan, Foreign Relations of the United States (Washington, DC: United States Government Printing Office, 1985), 621-622.

[36] United States Department of State, "Anderson to Eisenhower, 3 September 1954," in *Foreign Relations of the United States, 1952-1954*, vol. XIV, part 1. China and Japan, Foreign Relations of the United States (Washington, DC: United States Government Printing Office, 1985), 556-557.

[37] United States Department of State, "NSC Meeting, 9 September 1954," in *Foreign Relations of*

In Canberra, opinion was unanimous that defending the offshore islands was out of the question. Even before the outbreak of hostilities, Casey drew a line between the defense of Taiwan and the offshore islands. On August 25, he told Spender, now Australian Ambassador in Washington, that there was a "distinction" between the two and he "hoped that the U.S. could see that."[38] Thomas Critchley, Head of Australia's East Asia Section in the Department of External Affairs, echoed Casey's concerns over American policy. According to Critchley, "[The offshore islands] problem was critical … because of the dangers of U.S. involvement."[39] He was particularly concerned that ANZUS obliged Australia to respond if the United States was attacked in the Taiwan Strait. In this event, any Australian failure to respond would be catastrophic for its relationship with the United States, even if Canberra was "left free" of any strict military obligation to defend the offshore islands.[40]

Casey and Critchley's position did not change once the attacks began. In fact, Australian policy closely matched British policy toward the islands. British Foreign Minister Anthony Eden told Dulles on September 17 that Quemoy and the other offshore islands had "no conceivable strategic importance," and hoped to keep "as much water as possible" between the PRC and ROC.[41] To achieve this, Eden argued that Jiang should evacuate Nationalist troops stationed on the offshore

---

the United States, 1952-1954, vol. XIV, part 1. China and Japan, Foreign Relations of the United States (Washington, DC: United States Government Printing Office, 1985), 588; United States Department of State, "National Intelligence Estimate, 10 September 1954," in *Foreign Relations of the United States, 1952-1954*, vol. XIV, part 1. China and Japan, Foreign Relations of the United States (Washington, DC: United States Government Printing Office, 1985), 608-609.

38 Casey to Spender, 25 August 1954, NAA, A1838, 519/3/1 Part 1.

39 Critchley Memorandum, 25 August 1954, NAA, A1838, 519/3/1 Part 1.

40 Critchley Memorandum, 19 October 1954, NAA, A1838, 519/3/1 Part 1; Harper, *A Great and Powerful Friend*, 280.

41 Australian High Commissioner's Office to Canberra, 17 September 1954, NAA, A5954, 1415/3.

islands. There was a strong feeling in Canberra that Australian interests were best served by following the British example. "We agree with the United Kingdom," Attorney-General John Spicer told Casey on September 16, "with the proximity of the offshore islands to the Chinese mainland … fighting [for the islands] would be difficult to justify."[42] Australian reluctance to assist in the defense of the offshore islands was due at least in part to serious concerns about the possibility being drawn into a wider war in Northeast Asia while Communist insurgencies in Southeast Asia presented a more immediate security threat. Even a recent commitment to collective regional defense through the Southeast Asia Treaty Organisation (SEATO) in September 1954 did little to assuage Australian concerns. In short, tensions in the Taiwan Strait at the time came as an unwelcome distraction to Australia's preoccupation on Southeast Asian security.

Meanwhile, the United States took considerable initiative to resolve the crisis. Initial plans centered on an American and British sponsored United Nations resolution named Operation "Oracle," which called for a return to the status quo in the Taiwan Straits. As part of this project, New Zealand became responsible for proposing the resolution to the United Nations. Dulles and Eden, the architects of Oracle, hoped that the resolution might lead to a "coming together" of Anglo-American disagreement in the Far East while simultaneously presenting a difficult situation for the Soviet Union over whether or not to veto the resolution.[43] Anglo-American differences, however, began to surface over the scope of the project. While Britain hoped that Oracle might become a means to settle wider differences with China, the United States

---

[42] Spicer to Casey, 16 September 1954, NAA, A5954, 1415/3.

[43] "NSC Meeting, 12 September 1954," 619-620. For an excellent examination into New Zealand's role in the Oracle project, see Scott Kaufman, "Operation Oracle: The United States, Great Britain, New Zealand, and the Offshore Islands Crisis of 1954-55," *The Journal of Imperial and Commonwealth History* 32, no. 3 (September 2004): 106-124.

explicitly wanted the cease-fire resolution contained only to the present fighting over the offshore islands. As Radford argued on October 29, "discussions in the UN … has as its ultimate aim the creation of a situation which will lay the groundwork for UN acceptance or U.S. or allied assistance to the Nationalist Chinese in holding the offshore islands."[44]

Casey had his own concerns over pursuing Oracle. For such a deft and experienced diplomat like Dulles, Casey did not understand why his American counterpart could not see that potentially serious issues could occur if a UN resolution was pursued. For one, Casey thought the prospects of a successful UN submission would be "so remote as to throw in doubt value of [the] exercise." Even in the unlikely event that a resolution was passed, it was neither clear how the full co-operation of the Nationalists in neutralizing the islands could be obtained, nor how it would be implemented. So far as Casey and the Australian Government were concerned, there was also a disconcerting possibility that a Soviet veto could "stimulate pressure" in the United States to defend the offshore islands.[45]

By late 1954, the United States was moving ahead with one of its other plans: a binding commitment to defend Formosa and the nearby Pescadores. A mutual defense treaty between the United States and Taiwan was eventually concluded on December 2 and later ratified by the U.S. Congress, guaranteeing that the U.S. would defend Formosa and its "closely related territories" even with the use of nuclear weapons. It also required Jiang to consult with the United States before launching any

---

[44] United States Department of State, "Radford Memorandum, 29 October 1954," in *Foreign Relations of the United States, 1952-1954*, vol. XIV, part 1. China and Japan, Foreign Relations of the United States (Washington, DC: United States Government Printing Office, 1985), 818. See also Rosemary Foot, "Search for a Modus Vivendi: Anglo-American Relations and China Policy," in *The Great Powers in East Asia: 1953-1960*, ed. Warren I. Cohen and Akira Iriye (New York: Columbia University Press, 1990), 150-153.

[45] Casey to Spender, 5 November 1954, NAA, A5954, 1415/3.

attack on the Chinese mainland, thereby preventing the Nationalists from dragging the United States into an unwanted war. As Dulles had hoped, the wording over the commitment to defend the offshore islands was left unclear. He had proposed "fuzzing up" the wording of the treaty in an NSC meeting one month earlier, arguing that doing so would "maintain doubt in the minds of the Communists as to how the United States would react to an attack on the offshore islands."[46]

Once Eisenhower announced publicly his intention to defend Taiwan—and, if he thought it necessary, its "closely related territories"—Casey grew concerned that a war over the offshore islands may eventuate. For the mindful Australian External Affairs Minister, it was just as dangerous as a possible UN resolution. "We are considerably concerned," Casey told Spender, "it seems equally foolish and dangerous to contemplate [war] in the defence of islands whose security value is, to say the least, doubtful." In summation, he "[did] not regard these islands as worth the risk of war."[47]

Casey, a long-time advocate of a more realistic approach to China, explored alternatively the possibility of recognizing the PRC in an effort to reduce tensions. He wrote to Menzies on December 10 suggesting that on balance, the "majority of the Australian press seemed to be in favour *for* recognition" of the PRC. He also stressed that even though free world nations should not condone Communist aggression, current relations with Beijing were not on a satisfactory basis.[48] When drafting an announcement on the current situation in East Asia, Casey also reasoned that "the conduct of international affairs is made more difficult so long as

---

[46] United States Department of State, "NSC Meeting, 2 November 1954," in *Foreign Relations of the United States, 1952-1954*, vol. XIV, part 1. China and Japan, Foreign Relations of the United States (Washington, DC: United States Government Printing Office, 1985), 828-829.

[47] Casey to Spender, 21 January 1955, NAA. A5954, 1415/3.

[48] Stuart Doran and David Lee, eds., "Letter from Casey to Menzies, 10 December 1954," in *Documents on Australian Foreign Policy: Australia and Recognition of the People's Republic of China, 1949-1972* (Canberra: Australian Department of Foreign Affairs and Trade, 2002), 87.

the PRC is not recognised and so it would be logical to change this situation."[49] Although Casey concluded that the offshore island crisis should be settled first and then consider "recognition later," he clearly thought that recognizing the PRC might in some way reduce tensions or prevent future Chinese aggression. Casey's statement was never publicized, but his comments suggest that he was entirely willing to consider PRC recognition as tensions escalated in the Taiwan Straits.

There was strong support in Australia for Casey's suggestion. From both the public and the federal opposition, Casey was encouraged to pursue recognition in exchange for a cease-fire in the Strait. For example, an article written by the journalist John Bennetts published in *The Sunday Times* in early 1955 suggested that Australia, the United States and Nationalist China should abandon any interest in the offshore islands as a quid pro quo for recognition of the PRC. For "assurances and demonstrations of goodwill and peaceful intentions" in the Taiwan Straits, Bennetts wrote in late January that Communist China should be "offered eventual membership of the United Nations and general recognition as the lawful Government of mainland China in return."[50] Reports also emerged that Labor backbencher Allan Fraser accused Casey of not "seeking to exploit every opportunity for negotiation with Red China" while the offshore island crisis remained unresolved. Fraser told the press that Casey should be "prompting the recognition of the Chinese mainland Government as a means to pave the way for a long-term settlement."[51]

In Beijing, Mao's response to the recent U.S.-ROC defense treaty

---

[49] Stuart Doran and David Lee, eds., "Letter from Casey to Menzies, 28 December 1954," in *Documents on Australian Foreign Policy: Australia and Recognition of the People's Republic of China, 1949-1972* (Canberra: Australian Department of Foreign Affairs and Trade, 2002), 91.

[50] John Bennetts, "Australia Moves Fast to End Red China Crisis," *The Sunday Times*, January 30, 1955.

[51] "Casey Accused of Playing-up Hostility and Hatred," *The Canberra Times*, March 31, 1995.

was particularly aggressive. On January 10, 1955, he ordered an attack on the Tachen Islands. Eight days later, PRC forces also attacked and captured nearby Ichiang Island. The Tachens themselves were approximately 320 kilometres north of Taiwan, far outside the original area the U.S. considered strategically important for defending Taiwan. Nonetheless, Eisenhower and Radford thought these attacks indicated the PRC's "clear intent" to capture all offshore islands, with the ultimate purpose of taking Taiwan and the Pescadores.[52] To combat this, the U.S. convinced a reluctant Jiang to evacuate the Tachens in exchange for a private commitment to defend Quemoy and Matsu in the event of a full scale attack. This drastic change in American policy confirmed that Dulles's original plans had "backfired" and demonstrated further, according to Wilson, that U.S. "diplomatic efforts … had failed."[53]

In Canberra, escalating tensions forced Casey to outline Australian policy publicly. In an address nearly a month after the Tachens were first shelled, Casey stated the Australian Government's desire for "disengagement" from the offshore islands, as these were clearly part of Chinese territory. This position sat uneasily with his U.S. counterparts, who had determined so recently to hold Quemoy and Matsu. Although Casey recognized in his statement that the situation was "in the hands of President Eisenhower more than anyone else," his timing and policy position affirmed Australian discontent over defending the islands.[54]

For nearly six months, Australian offshore island policy had been

---

[52] United States Department of State, "State Department Meeting, 19 January 1955," in *Foreign Relations of the United States, 1955-1957*, vol. II. China, Foreign Relations of the United States (Washington, DC: United States Government Printing Office, 1986), 50.

[53] United States Department of State, "NSC Meeting, 20 January 1955," in *Foreign Relations of the United States, 1955-1957*, vol. II. China, Foreign Relations of the United States (Washington, DC: United States Government Printing Office, 1986), 71; United States Department of State, "Wilson to JCS, 22 March 1955," in *Foreign Relations of the United States, 1955-1957*, vol. II. China, Foreign Relations of the United States (Washington, DC: United States Government Printing Office, 1986), 285.

[54] "Press Statement, 7 February 1955," *Current Notes on International Affairs* 26, no. 2 (1955): 128.

consistent and well established. It was, rather, the recent change in American policy that was causing concern in Canberra. Fearing that the Americans might drag it into an unnecessary war, Australia looked to consult further with Britain and other Commonwealth nations during the Prime Minister's Conference in London from January 31 to February 8, 1955. During the Conference, Eden agreed firmly with Casey's recent statement that encouraging Jiang to disengage from the offshore islands was the best course of action. A disengagement policy reflected what he told Dulles previously about the offshore islands holding "no conceivable strategic importance." Feeling that this summarized neatly the "consensus of opinion" from the conference, Eden asked Menzies to write to Dulles and outline the position reached at the Prime Minister's Conference. It held three key points:

i. Further resolutions and debate in the Security Council at present would do harm;
ii. Discussions should continue between Washington and the British Commonwealth countries regarding ways to keep the offshore islands out of armed conflict;
iii. Australia and Britain were very much opposed to the risk of war over the offshore islands, yet recognized the difficult situation President Eisenhower was in and commended him for his coolness and judgment.[55]

Menzies's letter provided the State Department with a clear warning that Britain and Australia were moving away from supporting a UN solution to

---

[55] United States Department of State, "Eisenhower to Churchill, 10 February 1955," in *Foreign Relations of the United States, 1955-1957*, vol. II. China, Foreign Relations of the United States (Washington, DC: United States Government Printing Office, 1986), 259; United States Department of State, "Aldrich to the Department of State, 4 February 1955," in *Foreign Relations of the United States, 1955-1957*, vol. II. China, Foreign Relations of the United States (Washington, DC: United States Government Printing Office, 1986), 212-213.

the crisis. In response, Eisenhower wrote to British Prime Minister Winston Churchill and noted that while he appreciated British efforts to avoid a rift in Anglo-American relations, he argued that the British did not understand fully the Communist's "constant pressing on the Asian frontier."[56] Churchill, however, remained steadfast on his government's position on China and later informed Washington that Whitehall no longer supported Oracle.[57] Without London's support, the United States could not realistically hope to find a solution to the crisis via the United Nations.

Following the Prime Ministers Conference, Dulles met with Spender on February 11 to discuss the Australian and Commonwealth position on Taiwan and the offshore islands. Spender opened the meeting by first relaying the consensus of opinion reached in London. In outlining the Australian position, he stressed that

> It is causing us deep concern … we cannot see that [the offshore islands] are either vital, or even important, to Taiwan-Pescadores defence. It is, therefore, hard for us to see why they are made a policy issue. Our view is that the correct aim is disengagement from the islands … these views are not dissimilar to those already expressed by Canada, the United Kingdom and New Zealand.[58]

Dulles was not surprised by the Australian position. It was, as he pointed out, similar to the views reached in the NSC meeting in mid-September 1954. Nevertheless, he told Spender that the U.S. now considered that withdrawing from the offshore islands would have a substantial

---

[56] Eisenhower to Churchill, 10 February 1955, Ann Whitman File, DDE Diary Series, Box 9, Dwight D. Eisenhower Presidential Library.

[57] United States Department of State, "Dulles to British Embassy, 26 March 1955," in *Foreign Relations of the United States, 1955-1957*, vol. II. China, Foreign Relations of the United States (Washington, DC: United States Government Printing Office, 1986), 404.

[58] Spender to Canberra, 12 February 1955, NAA, A1838, TS519/3/1 Part 3.

psychological effect on Taiwan and nearby areas. Dulles also shared with Spender that the JCS thought the islands held strategic importance because (1) it blocked two natural harbors and, (2) its proximity to the Chinese mainland made it a useful staging area for potential counterattacks. In short, Dulles stressed that the United States had been "reluctantly compelled" to move from its original position (which generally coincided with current Australian policy) to its present position.[59]

Neither Spender nor Dulles wanted war in the Taiwan Strait. They both agreed on the strategic necessity of keeping Taiwan and the Pescadores out of Communist hands, but disagreed on the way that it should be done. For Dulles, it was important to highlight that although the U.S. had determined Quemoy and Matsu be defended, there was considerable flexibility in any decision to do so. In his view, the decision "was entirely ours."[60] Spender—and, for that matter, almost all other Commonwealth nations—seemed unconvinced by this reasoning. American Ambassador to the United Kingdom Winthrop Aldrich had recently informed Washington that Australia and Britain were deeply concerned that they might be dragged into an unnecessary war with China. He told the State Department that a recent Walter Lippman article called "Toward a Cease-fire"—based on the agreements reached at the Prime Ministers Conference—argued that "sound American policy would be to do what is being done in the Tachens to Quemoy and Matsu." In other words, Australia and Britain believed the ROC and the U.S. should evacuate all offshore islands. This, according to Aldrich, summarized the Commonwealth position to an "extraordinarily exact degree."[61]

---

[59] Ibid.

[60] Ibid.

[61] United States Department of State, "Aldrich to the Department of State, 11 February 1955," in *Foreign Relations of the United States, 1955-1957*, vol. II. China, Foreign Relations of the United States (Washington, DC: United States Government Printing Office, 1986), 265.

Consistent with the summary Aldrich gave to the State Department, Eden rejected flatly Dulles's view that evacuating the offshore islands would seriously affect Nationalist morale. Even if it did, he told Dulles on February 26 that "further deterioration in morale is preferable to breaking up the alliance." Eden's words presumably meant that if push came to shove in the Taiwan Strait, London would not support Washington on the offshore island issue.[62] Fearing further rifts between Washington and its allies, Dulles took the opportunity to remind Casey and his New Zealand counterpart Tom McDonald at a SEATO meeting in Bangkok on that "if fighting broke out in the future over Taiwan, Australia and New Zealand would be concerned as partners of ANZUS."[63] It was a disconcerting situation for Australia to be in. If Canberra supported Washington, it risked isolating itself from Britain and the Commonwealth. If Canberra supported London, it would both marginalize its relationship with Washington and question the usefulness of ANZUS.

Prompted by these Australian-American-British divisions, Menzies visited the United States to discuss possibilities for bringing the crisis to an end. Upon meeting with Dulles in Washington, Menzies asked him to explain the difference between the U.S. position and that of Casey and Eden's. According to Dulles, there were two elements informing these differences: a misunderstanding of the U.S. approach and questions of judgment as to the best way to achieve the same objective. Dulles stressed that the British House of Commons did not understand that psychological and political factors were just as important as military considerations and that these factors were shaping the U.S. position. He also suggested that there could be no categorical assertion whether the

---

[62] Barclay, *Friends in High Places*, 77.

[63] Casey, *Australian Foreign Minister*, 206-207.

U.S. would or would not defend the islands.[64]

Menzies sympathized with Dulles's difficult position, yet American ambiguity sat uneasily against Australian policy. There was little doubt in Canberra that efforts should be made to ensure Taiwan did not fall into PRC hands, but the offshore islands presented an entirely different question. Concerned by recent developments, he asked Dulles about the possibility of a ROC withdrawal from the offshore islands in exchange for a group of nations guaranteeing the defense of Taiwan (Australia, Britain, New Zealand, and any other Commonwealth nation willing to commit to this scheme).[65] Dulles quite liked this idea. He thought the suggestion had "merit" and would "give further thought" to the proposition. He even told Menzies that he had proposed a similar idea to Eden, but received no response.[66] The unfortunate reality—at least as far as Dulles and the Americans were concerned—was that Jiang was unlikely to agree to such a plan. The Generalissimo had already secured a guarantee from the United States, and any offshore island evacuation would work against his plans to recover the Chinese mainland. Drawing on new historical evidence, a 2013 article by Hsiao-Ting Lin confirmed that Jiang's primary goal was not a U.S. security guarantee, but the "means by which to rearm his forces so as to strengthen his position to launch a military recovery of the mainland."[67]

---

[64] United States Department of State, "State Department Meeting, 14 March 1955," in *Foreign Relations of the United States, 1955-1957*, vol. II. China, Foreign Relations of the United States (Washington, DC: United States Government Printing Office, 1986), 368.

[65] Stuart Doran and David Lee, eds., "Menzies, Cablegram to Canberra, 17 March 1955," in *Documents on Australian Foreign Policy: Australia and Recognition of the People's Republic of China, 1949-1972* (Canberra: Australian Department of Foreign Affairs and Trade, 2002), 99.

[66] "State Department Meeting, 14 March 1955," 370-371.

[67] Hsiao-Ting Lin, "The U.S.-Taiwan Military Diplomacy Revisited: Chiang Kai-Shek, Baituan, and the 1954 Mutual Defense Pact," *Diplomatic History* 37, no. 5 (November 2013): 972. Chiang's persistence notwithstanding, the British Foreign Office also made it clear that it did not favor Menzies's proposal. London cabled Canberra in mid-April, stating that the proposal's "disadvantages outweighed its advantages." This reply, according to Tange, was particularly "depressing." See UK Views on Guarantee for Formosa, 13 April 1955, NAA, A816, 19/306/244.

Fortunately for Australia and the United States, tensions eased on April 23, 1955 when PRC Premier Zhou Enlai announced that China did not want war with America and that Beijing was willing to enter into negotiations. Albeit sceptical of Chinese intentions, the Americans agreed and entered into ambassadorial talks in Geneva, thereby ending the 1954-55 Quemoy-Matsu Crisis. Knowing the weight of domestic and international opinion against any American action in the defense of the offshore islands, none were more relieved than President Eisenhower that the crisis did not escalate to war with China. As he told Dulles just two weeks before Zhou's address, "there is much opposition to becoming involved militarily in the defence of the offshore islands." He was surely glad that he never had to decide between intervention and abandonment in the Taiwan Strait; or, in Eisenhower's own words, the "inevitable moment of decision between two unacceptable choices."[68]

Alongside American trepidations, Menzies was uncertain whether Zhou's offer to negotiate was genuine or not. Either way, he recognized that future hostilities with the PRC were still likely. Just like when Casey considered recognition might prevent recurring PRC aggression, Menzies thought future tensions in the Taiwan Strait could be settled if the PRC was part of an international discussion toward recognition. He took this idea one step further, proposing to the State Department that the PRC attend a Four Power Conference to address current Sino-American differences. Menzies's proposal was based on three facts:

i. The danger of fighting over the offshore islands and the possibility that this could develop into a major war;
ii. The difficulty of doing anything about the offshore islands while an atmosphere existed of Communist threats to attack the

---

[68] Eisenhower to Dulles, 5 April 1955, Ann Whitman File, Dulles-Herter Series, Box 5, Dwight D. Eisenhower Presidential Library.

offshore islands and Taiwan;

iii. The necessity to take action to avoid a conflict in a way which would not seriously affect anti-Communist morale in Taiwan and Southeast Asia.[69]

Menzies undoubtedly created the proposal with offshore island differences in mind, but he was also thinking more broadly about PRC recognition. Washington, however, was not convinced that Menzies's proposal addressed its own interests. Dulles first told Spender on May 3 that the idea was "unfavorable" and the American public would be very much opposed.[70] U.S. Ambassador to Australia Amos Peaslee was even more vocal about his dislike for the plan, stating that he was "astonished" and "disturbed." According to Peaslee, the Australian Government was "180º off course" with this idea.[71]

While U.S. diplomats responded coldly to Menzies's proposal, many within the Australian Department of External Affairs expressed continuing doubts over American policies and attitudes toward mainland China and Taiwan. Casey, for one, told the Assistant Secretary at the Australian Department of External Affairs James Plimsoll on April 13 that "we're not as convinced as the Americans are of Jiang and his forces." He suggested further that American policy was based on a "lie" and that they were "prisoners of their past attitudes." "For Jiang and his Taiwan forces," Casey stated bluntly, "common-sense prompts one to believe that they must be a factor of declining importance in the scheme

---

[69] Record of Conversation between Tange, Critchley and Peterson, 5 May 1955, NAA, A1209, 1957/5035.

[70] Stuart Doran and David Lee, eds., "Cablegram to Canberra, 3 May 1955," in *Documents on Australian Foreign Policy: Australia and Recognition of the People's Republic of China, 1949-1972* (Canberra: Australian Department of Foreign Affairs and Trade, 2002), 103.

[71] Record of Conversation between Tange, Critchley and Peterson, 5 May 1955, NAA, A1209, 1957/5035.

of things … as time goes on, Taiwan will decline."[72]

Convinced that the External Affairs Department should reconsider its China policy, Casey commissioned a major study for the Cabinet in June 1955 titled "The Situation in East Asia: Taiwan and Recognition of China." Although the report concluded that Australia was not yet ready to recognize the PRC, it did state that the prospects of finding long term peace in the Far East through potential recognition were now greater than they had ever been. This was due at least in part to Beijing's recent softer diplomacy, which suggested a "genuine [Chinese] desire for a policy of live and let live." In other words, Casey thought that even after the Quemoy-Matsu Crisis, Mao's Government was beginning to act more responsibly and Western powers should award recognition together accordingly in the nearby future. So far as recognition and representation in the United Nations was concerned, the report concluded that the issue was "perhaps now one of timing rather than of principle."[73]

Conclusion

While there were obvious similarities in principle, early Australian attitudes and policies toward China were not secondary to U.S. objectives. Official Australian policy did take a similar position to Truman and Eisenhower's hard-line approach to mainland China, yet many Australian diplomats thought seriously about the possibility of moderating this position by recognizing the PRC in order to reduce tensions in Northeast Asia during the early 1950s. Australia also pursued trade relations with the PRC, chose not to open a diplomatic base in Taipei, and argued consistently that the Nationalist-held offshore islands were not worth defending in order to help prevent the escalation of a wider war with

---

[72] Casey to Plimsoll, 13 April 1955, NAA, A1838, TS519/3/1/ Part 4; Casey to Plimsoll, 12 April 1955, NAA, A1838, TS519/3/1/ Part 4.

[73] The Situation in East Asia: Formosa and Recognition of China, 29 June 1955, NAA, A4906, 404.

China. Although political flexibility vis-à-vis China was at times restricted by the U.S. position, these unique, complex and independent Australian views and actions relating to China suggests that the early Australian-American relationship was far more intricate and two-sided than much of the existing literature suggests.

BIBLIOGRAPHY

Albinski, Henry S. "Australia and the Chinese Strategic Embargo." *Australian Outlook* 19, no. 2 (August 1965): 117-128.

———. *Australian Policies and Attitudes toward China.* Princeton, NJ: Princeton University Press, 1965.

Barclay, Glen St. John. *Friends in High Places: Australian-American Diplomatic Relations since 1945*. Melbourne: Oxford University Press, 1985.

Beaumont, Joan, Christopher Waters, David Lowe, and Gary Woodard. *Ministers, Mandarins and Diplomats: Australian Foreign Policy Making 1941-1969*. Melbourne: Melbourne University Press, 2003.

Bell, Coral. *Dependant Ally: A Study in Australian Foreign Policy.* Melbourne: Oxford University Press, 1988.

Brands, H. W., Jr. "Testing Massive Retaliation: Credibility and Crisis Management in the Taiwan Strait." *International Security* 12, no. 4 (April 1988): 124-151.

Camilleri, Joseph A. *Australian-American Relations: The Web of Dependence*. Melbourne: Macmillan, 1980.

Casey, Richard G. *Australian Foreign Minister: The Diaries of R. G. Casey, 1951-1960.* Edited by Thomas B. Millar. London: Collins, 1972.

Chang, Gordon H. "To the Nuclear Brink: Eisenhower, Dulles, and the Quemoy-Matsu Crisis." *International Security* 12, no. 4 (April 1988): 96-123.

Chang, Gordon H., and He Di. "The Absence of War in the U.S.-China Confrontation over Quemoy and Matsu in 1954-1955: Contingency, Luck, Deterrence?" *The American Historical Review* 98, no. 5 (December 1993): 1500-1524.

Churchward, L. G. *Australia and America, 1788-1972: An Alternative History*. Sydney: Alternative Publishing Cooperative, 1979.

Cohen, Warren I., and Akira Iriye, eds. *The Great Powers in East Asia: 1953-1960*. New York: Columbia University Press, 1990.

Day, David. "27th December 1941: Prime Minister Curtin's New Year Message, Australia Looks to America." In *Turning Points in Australian History*, edited by Joseph M. Siracusa and David G. Coleman, 129-142. Sydney: University

of New South Wales Press, 2009.

Doran, Stuart, and David Lee, eds. *Documents on Australian Foreign Policy: Australia and Recognition of the People's Republic of China, 1949-1972*. Canberra: Australian Department of Foreign Affairs and Trade, 2002.

Fung, Edmund S. K. *The Politics of Trade in Australia's China Policy, 1966-1971*. Nathan, Australia: Centre for the Study of Australian-Asian Relations, Griffith University, 1982.

Gelber, Harry G. *The Australian-American Alliance: Costs and Benefits*. New York: Penguin, 1968.

Harper, Norman. *A Great and Powerful Friend: A Study of Australian and American Relations between 1900 and 1975*. Saint Lucia: University of Queensland Press, 1987.

Kaufman, Scott. "Operation Oracle: The United States, Great Britain, New Zealand, and the Offshore Islands Crisis of 1954-55." *The Journal of Imperial and Commonwealth History* 32, no. 3 (September 2004): 106-124.

Lee, David. "Australia and Anglo-American Disagreement over the Quemoy-Matsu Crisis, 1954-55." *The Journal of Imperial and Commonwealth History* 23, no. 1 (January 1995): 105-128.

Lin, Hsiao-Ting. "The U.S.-Taiwan Military Diplomacy Revisited: Chiang Kai-Shek, Baituan, and the 1954 Mutual Defense Pact." *Diplomatic History* 37, no. 5 (November 2013): 971-994.

McLean, David. "From British Colony to American Satellite? Australia and the USA during the Cold War." *Australian Journal of Politics & History* 52, no. 1 (March 2006): 64-79.

———. "Too Much Memory: Writing the History of Australian-American Relations during the Howard Years." In *Australia and the World: A Festschrift for Neville Meaney*, edited by Joan Beaumont and Matthew Jordan, 237-258. Sydney: University of Sydney Press, 2013.

McMahon, Robert J. "US National Security Policy from Eisenhower to Kennedy." In *The Cambridge History of the Cold War: Origins*, edited by Melvyn P. Leffler and Odd Arne Westad, 1: 288-311. Cambridge, UK: Cambridge University Press, 2010.

Miscamble, Wilson. *George F. Kennan and the Making of American Foreign*

Policy, 1947-1950. Princeton, NJ: Princeton University Press, 1992.

O'Neill, Robert. *Australia in the Korean War 1950-53: Strategy and Diplomacy.* Canberra: Australian War Memorial and the Australian Government Publishing Service, 1981.

Phillips, Dennis. *Ambivalent Allies: Myth and Reality in the Australian-American Relationship*. Ringwood, Australia: Penguin, 1988.

Renouf, Alan. *The Frightened Country*. Melbourne: Macmillan, 1979.

Rushkoff, Bennett C. "Eisenhower, Dulles and the Quemoy-Matsu Crisis, 1954-1955." *Political Science Quarterly* 96, no. 3 (October 1981): 465-480.

Sheridan, Greg. "Inside the Australian-US Alliance." *The Sydney Papers* 18, no. 3-4 (2006): 206-211.

Siracusa, Joseph M., and David G. Coleman. *Australia Looks to America: Australian-American Relations since Pearl Harbor*. Claremont, CA: Regina Books, 2006.

Stanley, Laura, and Phillip Deery. "The Menzies Government, the American Alliance and the Cuban Missile Crisis." *Australian Journal of Politics & History* 59, no. 2 (June 2013): 178-195.

Tucker, Nancy Bernkopf. *The China Threat: Memories, Myths and Realities in the 1950s.* New York: Columbia University Press, 2012.

United States Department of State. *Foreign Relations of the United States, 1949.* Vol. IX. The Far East: China. Foreign Relations of the United States. Washington, DC: United States Government Printing Office, 1974.

———. *Foreign Relations of the United States, 1951*. Vol. VII, Part 1. Korea and China. Foreign Relations of the United States. Washington, DC: United States Government Printing Office, 1983.

———. *Foreign Relations of the United States, 1952-1954*. Vol. XIV, Part 1. China and Japan. Foreign Relations of the United States. Washington, DC: United States Government Printing Office, 1985.

———. *Foreign Relations of the United States, 1955-1957*. Vol. II. China. Foreign Relations of the United States. Washington, DC: United States Government Printing Office, 1986.

Wang, Yi. *Australia-China Relations Post 1949: Sixty Years of Trade and Politics*.

Farnham, UK: Ashgate, 2012.

Woodard, Garry. "Australian Foreign Policy on the Offshore Island Crisis of 1954-5 and Recognition of China." *Australian Journal of International Affairs* 45, no. 2 (November 1991): 242-263.