



DEPARTMENT OF STATE
OFFICE OF THE SECRETARY
WASHINGTON

August 11, 1948

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SUMMARY OF TELEGRAMS

CHINA Ambassador Stuart reports that he is in full agreement with the senior military officers on his staff that while there remains some hope for the Chinese national government, the tide continues to run against the Chiang Kai-shek regime and we should be prepared to meet a serious political crisis which may occur at any time. These advisers point out that in the face of a gloomy military picture, the government continues to ignore competent military advice; on the economic front the government is incapable of finding a satisfactory solution so long as it maintains the present large military establishment; and on the psychological front there is now a spirit of defeatism throughout the country including some men of cabinet rank and at the same time universal criticism of Chiang for his ineffective leadership.

GERMANY The US, UK and French governments are in agreement that the proposed Soviet draft on the Berlin situation is entirely unsatisfactory. Bevin has forwarded to the British representative in Moscow strong reservations on practically every point in the Soviet proposal, with which we concur. We are also informing Ambassador Smith that it seems apparent the Soviet government is seeking to establish the thesis that quadripartite control of Germany and consequently of Berlin has lapsed and therefore the only four-power agreement on Berlin will be the one now in the process of negotiation. We cannot accept this position and are instructing Smith to include in the record, in order to avoid future misunderstandings, a statement that all previous four-power agreements with respect to Germany continue in effect and cannot be abrogated by the unilateral assertion of the Soviet Union.

DECLASSIFIED
E.O. 12065, Sec. 3-402
State Dept. Guideline, June 12, 1979

By NLT-NC NARS, Date 11-13-80

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