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1650 Harvard Street, N.W.,
Washington, D.C., May 21, 1942.✓ China
x CollopyanCol. William Donovan,
Coordinator of Information,
Washington, D.C.

Dear Sir,

I take the liberty to submit to you the following for whatever it may be worth.

I wish to state that I am extremely reluctant to make predictions, but I fear that China may collapse and that such an event would constitute a severe set-back to our war efforts.

The controlling power in China is the Kuomintang; this consists of five factions:

- 1- The Chu Chia-hua faction (totalitarian, party regimentation)
- 2- The "C.C." faction (party supervision over social matters)
- 3- Tai Li's faction (Secret Service, terrorist, supporting Chiang and the "C.C." faction)
- 4- Ho Ying-ch'in's faction (anti-Communist, favors conservative military administration)
- 5- The Political Science faction (members have character of being primarily Chinese in their point of view).

The first four of these factions are most likely to favor a separate peace with Japan if China is further isolated from and ignored by her Allies.

Such a separate peace would be exploited to the utmost by the Japanese who would regiment Chinese manpower for an immediate knock-out blow against Asiatic Russia. More than manpower would be available in China; brilliant Chinese strategists would lend their efforts. (Jenghis Khan's best general was a Chinese; Tso Tsung-tang, best strategist of the Manchu regime, was a Chinese).

If Russia is attacked, as she would be from Manchuria, Chinese Turkestan and Outer Mongolia, her entire position would become most precarious, and Germany will be able to crush Russian resistance in Europe.

Thus, if China and Russia go, the loss of India is a foregone conclusion. China is the only reason why Japan is not turning her might against India at this very moment.

The ultimate upshot of such far-reaching reverses for the Allies would be defeat or no less than several decades of terrible warfare.

China has hitherto received secondary consideration in the matter of war aid, and the China-Bureau situation has been a secondary war theater. The enemy is aware of this, and Germany is banking on the collapse of all Allied resistance in Asia, in which event Germany will automatically receive co-operation from Japan. No matter how severe Nazi reverses in Europe are for the moment, an Allied collapse in Asia will act as an immediate stimulant to joint Axis efforts.

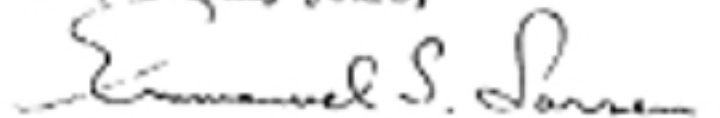
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To prevent the collapse of organized and centralized Chinese resistance to Japan, it is imperative that action be taken immediately on some of the following points:

- A- Immediate Air Aid to China.
- B- Improvement in our diplomatic relations and general liaison with the powers that be in China. (I shall explain the urgency of and modus operandi for this item in detail upon request).
- C- Immediate concentration by a competent board of American experts on transportation problems, new supply routes, such as via India and Tibet or via Russian Turkestan - Tashkent-Alax Ata-Sinkiang-Kanau.
- D- Renewed efforts to prevail upon Russia to at least secretly grant us air and truck bases in Siberia and Outer Mongolia for transportation of supplies to China. Even "Tokan" deliveries will have their effect upon Chinese morale. Russia should be made to feel convinced that the collapse of China will mean her own defeat. And it should not be hard to convince the Russians of this, as their policy during the past five years has been based on this conviction; it is to be noted that they have acted accordingly in their relations with China, despite their non-aggression pact with Japan.
- E- Immediate efforts to relieve the economic (especially food) situation in China. The principal problem is meat. Arrangements might be made for Russian cooperation, whereby salted, smoked or frozen beef and mutton be transported from the meat producing areas along the Turk-Sib Railway into China.

In making the above comments and suggestions, I take the liberty to offer my services to the U.S. Government in the furtherance of any effort that may be inaugurated. My 24 years' experience in China and 6 1/2 years' study and analysis of China problems, here in Washington, make me feel that I might be able to do something more useful to help win this war.

Respectfully yours,



(Emanuel S. Larsen)
Research Analyst in Chinese Affairs,
Office of Naval Intelligence.