THE BEGINNINGS AND OPERATIONS OF SACO

The SINO-AMERICAN SPECIAL TECHNICAL COOPERATION AGREEMENT was approved by Generalissimo Chiang Kai-shek and President Franklin Roosevelt and then signed in Washington April 15th 1943. Article III of the AGREEMENT, quoted below in its entirety, codified the formal names for the operation.

> For facilitating the progress of the work, the United States Government is willing to cooperate with China, and to supply all materials gratis on the basis of friendship. Therefore, in the United States the name is "Friendship"; the English name in China is, "Sino-American Cooperative Organization", and the abbreviation in English is S A C O, which is pronounced similar to the American word, "SOCKO", with the significance of powerful or sudden attack.

General Tai Li was the director of SACO and CAPT Miles, the deputy director. Each held veto power over all decisions but neither ever used it. Whatever difference the two encountered always was resolved by discussion and reason.

General Tai Li (on left) and CAPT Miles at Happy Valley during Christmas, 1942 (Miles, undated, v 1, p 91).

By the time SACO became an official organization, it had been operational for ten months and six days. Its origins predate the start of WWII.

Milton E. Miles graduated in the class of 1922 from the U.S. Naval Academy. During his plebe year he acquired his lifetime nickname “Mary” because actress Mary Miles Minter was a favorite Hollywood heartthrob among the midshipmen. During WWII, Miles was promoted to Commander several weeks after the start of the war; to Captain in June, 1942; to Commodore on March 22, 1944; and to Rear Admiral on August 13, 1945.

The Sino-Japanese war started in earnest on July 7, 1937 with the bombing of the Marco Polo Bridge in Peiping (now Beijing); Miles and his wife witnessed this event. In 1939 LCDR Miles finished his second tour of duty in the China theater; the Mileses had lived in Chefoo (now Yentai), 300 miles southeast of Peiping. He arranged for the Miles family (he, his wife, and three sons – ages 10, 8, and 5) to return to the U.S. by way of the unfinished Burma Road and then overland to Beirut. The China coast was controlled by the Japanese and Miles wished to assess first hand how supplies might be moved in and out of China as the war worsened.

In Washington DC his wife gave talks, illustrated with slides, about the Burma Road trip in particular and China in general. The wife of a Chinese assistant military attaché, Maj. Hsiao Sinju Fu, attended one of these presentations and she informed her husband that the Mileses seemed to understand China. Unknown by almost everyone, even those in his own embassy, Maj. Hsiao was an agent of Gen. Tai Li, the most trusted "lieutenant" of Generalissimo Chiang Kai-shek.

Miles was assigned to the Interior Control Board in the Navy Department on Constitution Ave. During their morning coffee breaks in Room 2732, the talk turned to the probability of a major war and the importance of China. Its coast was the maritime supply line for Japan and the northern parts of China were a source area for the weather over Japan. Major Hsiao Sinju Fu sought out Miles and joined the informal talks over coffee.

December 7, 1941 Japan bombed Pearl Harbor and WWII began. A few months later ADM Ernest J. King (Chief of Naval Operations and Commander-in-Chief, U. S. Fleet) called CDR Miles to his office.

> It was necessary, he told me at once, for the Navy to send someone to China "to find out what is going on out there." Admiral Lee, he explained, had recommended me because of my experience in the Far East, and he added that "we are going to have tough sledding out there."
>
> "You are to go to China," he said, "and set up some bases as soon as you can. The main idea is to prepare the China coast in any way you can for U. S. Navy landings in three or four years. In the meantime, do whatever you can to help the Navy and to heckle the Japanese."
>
> "But, Admiral," I objected. "I'd like to go to sea."
>
> "You have your orders," he told me firmly. "They are secret. Don't tell anybody what they are. And now—get out of here."
>
> "Aye, aye, sir," I replied. And, rising respectfully, I got out, though I had not fully grasped what I was to do except that I would soon be on my way to China.
>
> (Miles, 1967, p 18)

On the morning of April 5, 1942 CDR Miles boarded a flying boat at the LaGuardia Marine Terminal in New York, and headed to China by way of

> . . . Natal, Brazil, and from there to Lagos, Nigeria. From Lagos to Cairo it would be necessary to cross Africa by an air route that the Army Transportation Corps was then trying to establish, though beyond Cairo everything was indefinite. But most of these "facts" were subject to change, and about the only thing I could really be sure of was that whatever I had to carry was not to weigh more than sixty-six pounds.
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> (Miles, 1967, p 23)

Most of his luggage consisted of a newly developed

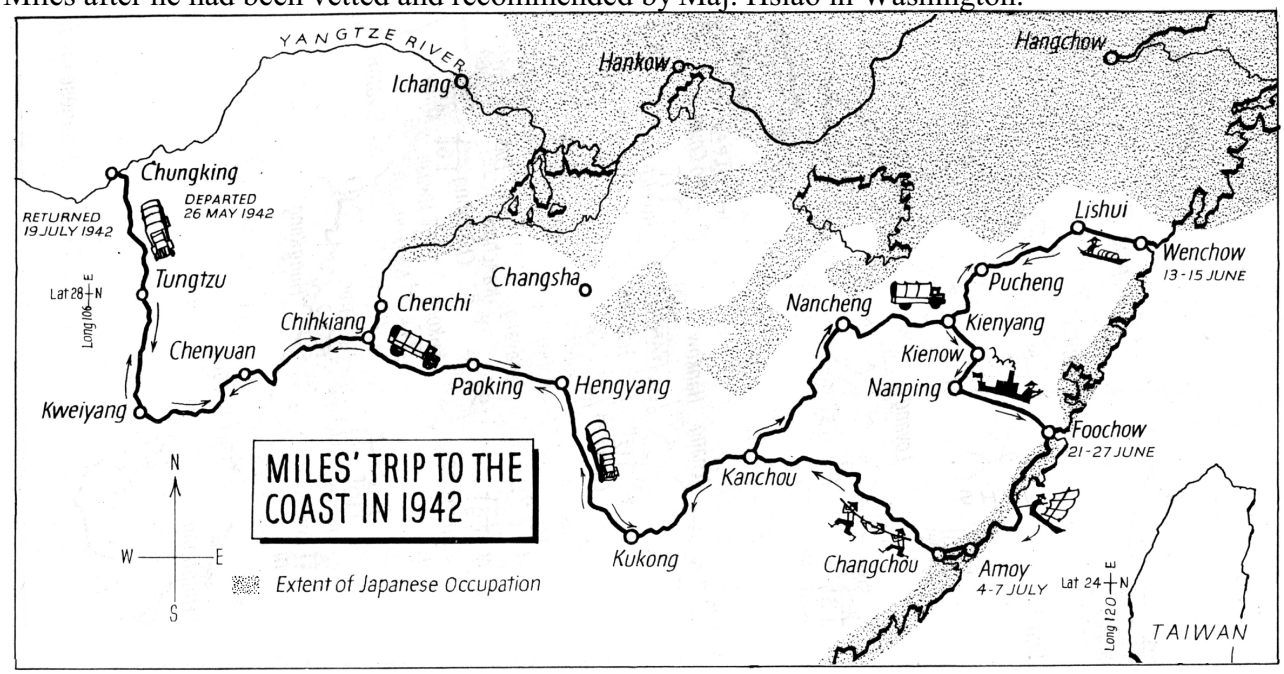
> . . . "magnetic influence mine" which was not only readily portable, but also—and this was most important—could be readily duplicated even in the field if a few thousand feet of wire and some soft iron was available. (Miles, 1967, p 23)

Commander Miles arrived in China a month later on May 4, 1942 and within two days was invited to attend Gen. Tai's staff conference. General Tai Li was the head of the Secret Service in China. He was fiercely loyal to and completely trusted by Generalissimo Chiang Kai-shek.

U.S. intelligence summaries gave a dire picture of Gen. Tai Li as being a man who distrusted all foreigners, was an assassin, murdered his own mother at least twice, and worse. It is a matter of record that Gen. Tai Li died on March 17, 1946 and his mother, Lao Tai Tai, died nearly three years later in January 1949. A lesser-known fact is that Miles regularly wrote her with "news" of Gen. Tai Li and she never learned of her son's passing. General Tai Li proved to be trustworthy, resourceful, and loyal to his men, both Chinese and American.

At the conference CDR Miles expressed his interests in setting up a few radio stations manned by trained Americans. The idea was met with a variety of questions but not discarded. He reserved for another time the more controversial issues of establishing weather stations, monitoring Japanese radio intercepts, and the mining of rivers and coastal waters, if indeed there were to be another time. Commander Miles then asked if he could scout the occupied coast to get a first-hand view of the war zone.

Three weeks later CDR Miles left Chungking (now Chongqing) for an eight week reconnaissance trip; the general planned to join the group in Pucheng (still Pucheng), 120 miles west of Wenchow (now Wenzhou). Unknown to almost everyone, Gen. Tai Li already had decided to work with CDR Miles after he had been vetted and recommended by Maj. Hsiao in Washington.



Map of reconnaissance trip to Japanese-occupied coast of China. Commander Miles departed Chungking 26 May and returned 19 July, 1942. The airline distance from Chungking to Wenchow is 900 miles. This map is modified after that in Miles, 1967, following p 126.

For three days Pucheng was bombed seven times by the Japanese, who apparently had received intelligence that important people were visiting.

During the early morning air raid on the 9th of June 1942, while hiding in a rice paddy on the outskirts of town, Gen. Tai Li told CDR Miles:

> "The United States wants many things in China—weather reports from the north and west to guide your planes and ships at sea—information about Japanese intentions and operations—mines in our channels and harbors—ship watchers on our coast—and radio stations to send this information.
>
> "I have fifty thousand good men, . . . if my men could be armed and trained, they could not only protect your operations but could work for China, too."
>
> (Miles, 1967, p 51)

The General then made possibly the most unusual offer in the history of the U.S. military:

> "Would your country allow you to accept a commission as general in the Chinese Army, so that we could operate these men together?" (Miles, 1967, p 51)

Commander Miles replied "O.K." and the General offered his hand in his acceptance. It should be noted that the simple act of shaking hands was a foreign concept to most Chinese in those days. This was the start of what became known as SACO.

The group continued on to the port of Wenchow, 230 miles south of Shanghai and then back inland before heading south. They went down the Min River to Foochow (now Fuzhou) and scouted the coast 130 miles south through enemy territory to Amoy (now Xiamen) – a major Japanese headquarters and the best harbor in China. It was not difficult to avoid the occupying Japanese; they had very poor night vision and, as well, stayed away from steep mountainsides.

Captain Miles – he did not receive notice of his promotion until November – arrived back in Chungking on July 19th and by month's end Gen Tai Li had transferred to the Chinese-American collaboration 200 acres of a high, secluded valley located eight miles west northwest of Chungking. This isolated land parcel was then developed and became the headquarters of SACO. It is a mystery as to who first called this area Happy Valley.

The Generalissimo, during discussions concerning the enhanced plans for this project "suggested" the necessity for a formal agreement defining the requirements and the obligations of each country. For about four months, in addition to waging war against the Japanese Gen. Tai Li and CAPT Miles composed the formal agreement. Many times it was translated into English; then with a different interpreter translated into Chinese; and with yet another interpreter translated back into English. The final working part of the contract contained only 1,662 words within the 27 Articles. General Tai Li and CAPT Miles stored their copy of the approved SINO-AMERICAN SPECIAL TECHNICAL COOPERATION AGREEMENT in a safe in Chungking for the duration of the war; the two men never referred to the written AGREEMENT again.

Early in 1942 Gen. Tai Li formulated a Chinese name – *Mei Lo-ssu* – for CDR Miles. The Mei is the winter plum blossom, China's national flower, which blooms in the dead of winter against all

adversity. This name was very meaningful and showed that Gen. Tai Li saw in Miles hope for China and the potential of victory during the bleak winter of Japanese occupation.

Throughout the war, Miles was not only an officer in the U.S. Navy but as well a Lieutenant General (the same rank as held by Gen. Tai Li) in the Chinese Army. In addition, Miles was a Director or Coordinator for the fledgling Office of Strategic Services (OSS) in the Far East until December 5, 1943.

Working together within China were about 2,500 SACO American servicemen (of whom 95 percent were Navy, 3 percent Marine, and 2 percent Coast Guard), 97,000 organized Chinese guerrillas, 26,000 pirates in two rival groups, and some lone-wolf saboteurs. As well, thousands of Chinese policemen throughout occupied China owed their allegiance to Gen. Tai Li; they supplied both intelligence and assistance to SACO.

> [Our American men] were carefully screened for physical condition and attitude toward foreigners, and were required to have at least two skills and one useful hobby. Even the medical personnel, and we had about ninety of them, had to be photographers, weather men, paymasters, or chaplains. (Miles, 1946, p 923)

> . . . every one of us understood how important it was for us to create and maintain the best possible relations with the Chinese—with *all* Chinese, wherever we came in contact with them. Good manners, therefore—good manners as measured by the Chinese—were vitally important for all of us, and all the "old-timers" at Happy Valley took care of the education of new arrivals. Most of those who arrived had seldom seen more than an occasional Chinese laundryman, or a Chinese or two who owned or worked in Chinese restaurants at home. Consequently, our new arrivals were started off with a list of "Don'ts."
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> Don't say Chinaman.
>
> Don't use the word "coolie."
>
> Don't refer to reading "from the back of the book."
>
> Don't call American-style food "civilized."
>
> Don't try to talk "pidgin English"—the "go askee one master what for" sort of thing.
>
> Beyond this, we taught them never to show anger—never to criticize directly. There is always a courteous backhanded way to show your meaning. Get results if you can, but under all circumstances GET ALONG! (Miles, 1946, p 140)

Between April 1943 and May1945, in addition to Happy Valley SACO operated 10 major training camps throughout China. Special criteria for site selection of the camps were:

(1) Close enough that those being trained could walk to enemy engagements, such as ambushing, sabotaging, or mine laying.
(2) Far enough from the Japanese that the guerrillas were reasonably free from attack.
(3) The Chinese official in charge of the area must trust the SACO men, or at least not be afraid the presence of the camp would upset unduly his own operating conditions.

Two- and three-man teams spread throughout China not only to measure and report the local weather but also to occupy coast watcher observation posts that were dangerously close to Japanese troops. These men often had to move after each use of their radio in order to avoid capture. Communication within this broad network was achieved by numerous runners, the occasional homing pigeon, and 600 hand cranked radios.

Some of the Americans who walked the seemingly endless berms around the flooded rice fields declared that they had joined a Rice Paddy Navy.

When Japanese were nowhere about, the Americans in the various camps raised, lowered, and displayed the U.S. flag, often hand-made. All saluted “colors” but there usually was no bugle or other regional call to draw attention to it.

Throughout the war where prudent, Miles hoisted his personal "What-the-Hell?" pennant, shown to the right. It was white, with red markings and dated back to the mid 1930s when he was on the USS Wickes. This was adopted into the SACO logo and used on letterheads as well as to mark supplies and equipment.

Most of the Americans and Chinese spoke only their native tongues but each tried to learn the other’s language. Translators were scarce; they rarely were used in small groups and limited to one per 100 students in large classes.

> Because of this, misunderstandings naturally arose and in one case—an extreme one, fortunately—when a man was asked “What is T.N.T.?” he startled his questioner by replying “It is one-third long and yellow.” (Miles, 1967, p 391)

In May, 1944, part of Radio Intercept expanded from Happy Valley to the Kunming area and became FRUChi, Fleet Radio Unit China. It communicated directly with Pearl Harbor and Washington as well as with the major commands in the fleet.

The Chinese Meteorological Bureau shared their many-volume collection of 50 years worth of country wide weather statistics. These data were studied to determine the historical normal weather patterns and to improve the quality of predictions.

> [I]n September 1944, we added to our four daily broadcasts by sending to the U. S. Fleet a daily “canned” weather map, as well as an area map and a forecast for China and five hundred miles out to sea. SACO's U. S. Navy Weather Central furnished four daily broadcasts to the Fleet, including: (1) Synoptic weather reports from Free and Occupied China; (2) Pilot balloon and raysonde reports from selected stations; (3) Analysis of weather over continental Asia and the Western Pacific; and (4) Forecasts for various areas of the Western Pacific Ocean. (Miles, 1967, p 297)

Intelligence and guerrilla operations extended from the northern Suiyuan (now Neimongol) Province (Inner Mongolia) in the Gobi Desert southward into Indochina and Siam, and from Tibet in the west to Shanghai in the east.

Despite orders from Gen. Tai Li, there was a reluctance on the part of the Chinese commanders to include the foreigners in the engagements against the Japanese. During the latter part of May, 1944, Gen. Ho Yueh-ting invited 1stLt Theodore R. "Ted" Cathey, a well-respected Unit Two instructor and a Marine, to accompany Column 4 into the field. The three-month long joint activity yielded such excellent battle results that the other Chinese generals quickly integrated SACO Americans into their columns.

By War's end there were 18 SACO training camps in China, Burma, and India. Medical treatment was provided for all, including civilians, on a first-come-first-serve basis at all camps and hospitals. At the two Pact Doc front-line hospitals there were programs to train Chinese medical corpsmen who accompanied the troops in battle.

By the first week in July 1945, COMO Miles had successfully achieved the objective of his secret orders from Adm. King " . . . to prepare the China coast . . ." SACO had surveyed 80 percent of the possible landing sites with detailed photographs of the surface and, in most cases, profiles at 100-foot intervals showing the bottom conditions and underwater defenses. And SACO not only watched, and denied safe harbor to, Japanese shipping along the 600 miles stretch between Swatow (now Shantou) and Hangchow (now Hangzhou) but controlled 200 miles of that Chinese coastline as well as three seaports – Changchow (now Zhangzhou), major parts of the harbor at Amoy, and Foochow along with its airfield.

As for Adm. King's order " . . . to heckle the Japanese", the direct actions by SACO had yielded the following results:

Japanese killed – 31,345, wounded – 12,969, captured – 349
Ships sunk – 141
Locomotives destroyed – 84
Bridges destroyed – 209

The group also had successfully rescued 76 downed aviators.

Two and a half Japanese were killed for every U.S. weapon placed in Navy-trained guerrilla hands; that was a higher enemy per gun ratio than achieved by the U.S. Marines. All this was accomplished despite being limited, for various reasons, to never more than 150 tons of supplies over the Hump each month.

The SACO casualty rate was noteworthy. Of the 2,873 members worldwide – including one (female)Wave, one French naval officer, and one French army officer – only three were captured and only five were killed; however none of these died while on active duty in China during wartime.

The last military review of SACO was held February 1946 at Suchow (now Xuzhou), 50 miles west of Shanghai. General Tai Li and CAPT Beyerly, chief of staff under RADM Miles, took the review of the 97,000 Chinese SACO troops.

General Tai Li died in an airplane crash the next month. “A patriot, a man of his word, a real friend to [the] U.S., Tai Li died with no honors from this country” (Miles, undated, v 4, p 162).

The American portion of SACO, U.S. Naval Group China, was dissolved September 30, 1946.

On March 26, 1947, CAPT Miles went to Nanking (now Nanjing) to attend Gen. Tai Li’s State funeral. He planted two Mei Hua trees at the tomb and visited Generalissimo Chiang Kai-shek.

> I told him I was sorry to return to China in reduced rank, but that I still looked forward to years of service in the Navy and that my demotion was important to my career. He knew something, he said, of the regulations of the U. S. Navy and he expressed himself as certain that the change indicated no lack of trust. At any rate, he added, it made no difference in China, where I was always “Mei Shen Shung” to them.
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> I was pleased, for “Shen Shung” may be somewhat inadequately translated as “Honorable Mister”—a term that the generalissimo always used in connection with Tai Li—Tai Shen Shung. (Miles, 1967, p 583)

The Americans lived and worked with the Chinese under cultural conditions previously unknown to each. They became dedicated brothers in arms despite limited knowledge of each other’s language. These men and their deeds continue to be studied in the tenth-grade history books in Taiwan. For the majority of those in the United States the China campaign seemed minor compared the war elsewhere. Necessarily, the activities of SACO had to be kept secret during the war; sadly, most Americans never have heard of SACO.

The widow of ADM Miles recounted his wartime China experiences in the U.S. Naval Academy publication *Forty years later, Class of 1922* as follows:

> Mary's own words from "Rice Paddy Navy," (Roll Call '49) best describe his war activities:
>
> "Pearl Harbor day found us all in Washington and shortly afterward I was 'invited' by the Chief of Naval Operations to look over the China Scene. With the family parked in Washington, I existed in China for the duration. My nightmares sometimes remind me that I spent most of those war years in walking and walking and without much to eat. To tell what happened in that Rice Paddy Navy would be much 'beyond the scope of this book' but I will set down a few highlights as I saw them while I was Commander, Naval Group, China.
>
> With a final total of 3,500 officers and men spread from Washington to the Far East, we operated a rather extensive network of Intelligence agents, weather prophets, saboteurs, and Guerrilla columns. Our logistics groups did beautiful work in India, Burma and China in support of our front-line activities in Japanese and Puppet territory. We trained troops and agents in many parts of free China as well as in Enemy Occupied Territory, using 18 training camps that I had established. The

> operations extended from the Northern Sui Yuan Province in the Gobi Desert Southward into Indo China and Siam, and from Tibet in the West to Shanghai in the East. Under our operational command were 97,000, organized Chinese guerrillas, and about 20,000 "individualists," or just plain lone wolf saboteurs. From my way of thinking they turned in an excellent performance, although there are others who disagree. As a result of the operation the count of dead enemy noses according to U.S. Navy figures totals 71,000. The total cost to the U.S. taxpayer was 18 million dollars. But as for me, a professional Naval Officer, I never saw a single ship or a Naval gun fired during the whole war. The Bureau of Personnel Detail Officer put it more bluntly when I asked him for a job in 1946: 'You missed the whole war!' "
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> (Miles, W.S., 1964, p 151)

Thoughout the years this writer has been privileged to talk with many SACO veterans. I have been impressed that most understated the value of their efforts. Often I asked "what did you do in China?" Almost everyone replied "I didn't do anything." Yet together they accomplished great things.

Milton E. "Mary" Miles was in essence the captain of SACO, a ship that sailed in uncharted waters. A truth within the Navy is that the success of a ship's mission depends upon the strength, hard work, and capability of the crew. Up to the day of his death – March 25, 1961 – Miles was more than satisfied with the performances and achievements of each and every one of his men, the crew of SACO. His two most often used words to describe their actions bear repeating:

"Well done."

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