

MICROCOPY

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NATIONAL ARCHIVES MICROFILM PUBLICATIONS

Microfilm Publication M976

RECORDS OF THE DEPARTMENT OF STATE
RELATING TO POLITICAL RELATIONS
BETWEEN CHINA AND JAPAN, 1930-1944

Roll 45

1930-39

793.94/11130-11350
Oct.-Nov. 1937



**THE NATIONAL ARCHIVES
NATIONAL ARCHIVES AND RECORDS SERVICE
GENERAL SERVICES ADMINISTRATION**

WASHINGTON: 1975

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

INTRODUCTION

On the 96 rolls of this microfilm publication are reproduced the records from the decimal file of the Department of State, 1930-44, that relate to political relations between China and Japan. The records are mostly instructions to and despatches from diplomatic and consular officials; the despatches are often accompanied by enclosures. Also included in these records are notes between the Department of State and foreign diplomatic representatives in the United States, memorandums prepared by officials of the Department, and correspondence with officials of other Government departments and with private firms and persons. The State Department divided the decimal file into chronological segments to retire inactive records. This division has been maintained in this microfilm publication. The records for the period 1930-39 are filmed on rolls 1-88 and those for 1940-44 on rolls 89-96.

The Lists of Documents or "purport lists" filmed on rolls 345 and 346 (1930-39), roll 532 (1940-June 1944), and roll 628 (July-Dec. 1944) of M973 give brief abstracts of the documents reproduced in this microfilm publication and serve as a finding aid to the documents themselves. The arrangement of the entries on these lists generally corresponds to the arrangement of the documents in the file.

From 1910 to 1963 the State Department used a decimal system for its central files, assembling and arranging individual documents according to subject and assigning decimal file numbers. The decimal file consists of nine primary classes numbered 0 through 8, each covering a broad subject area. The records reproduced in this microfilm publication are in Class 7, political relations of states. Each country had been assigned a two-digit number. The country numbers assigned to China and to Japan, for example, are 93 and 94, respectively. Thus, documents bearing the file number 793.94 concern political relations between China and Japan.

When one or more digits follow the second country number, they represent a specific subject. This number, in turn, may be followed by a slant mark (/). In such cases the numbers after the slant mark were assigned to individual documents as they were accumulated on a specific subject. For example, a decimal file number taken from a document reproduced in this microfilm publication is 793.943/5. The number 3 following the country number for Japan (94) signifies that the subject is extraterritoriality, and the number after the slant mark indicates the number of documents on this subject.

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

The documents under one subject classification are generally in chronological order, coinciding with the assigned document number, which follows the slant mark. There are instances, however, when a document file number was not assigned until a date considerably later than the one on which the document was received.

In July 1944 the number after the slant mark began to reflect the date of the document instead of the number of documents; for example, a document dated November 20, 1944, would be numbered /11-2044. Documents dated as early as 1939 but not indexed until after July 1, 1944, also have been assigned date numbers.

Cross-reference sheets referring to related records under other subject classifications in the decimal file have been reproduced as they occur, and appropriate cross-reference notations appear in the Lists of Documents.

The file contains documents that were security classified by the State Department, as well as those received from and classified by foreign governments and other Federal agencies. Documents that have not been declassified are not available as part of this microfilm publication. The National Archives and Records Service (NARS) does not have authority to make reproductions of such documents available to searchers. Documents that remain classified have been removed from the file and replaced by a withdrawal notice that identifies the document and indicates the reason for its removal.

The records reproduced in this microfilm publication are part of General Records of the Department of State, Record Group 59, and are a continuation of the records concerning political relations between China and other states, 1910-29, which have been microfilmed as NARS M341.

In the same record group are several diplomatic correspondence series containing documents on relations between China and the United States. They are copies of instructions from the State Department to U.S. Ministers to China, 1843-1906 (rolls 38-43 of M77); notes to the Chinese Legation in the United States from the Department, 1868-1906 (rolls 13 and 14 of M99); despatches from U.S. Ministers to China to the Department, 1843-1906 (M92); and notes from the Chinese Legation in the United States to the Department, 1868-1906 (M98). Also related to matters concerning China are communications to special agents of the United States from the Department, 1852-86 (roll 154 of M77).

Several series of volumes contain material on relations between Japan and the United States. There are copies of instructions from the State Department to U.S. Ministers to

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

Japan, 1855-1906 (rolls 104-108 of M77); despatches from U.S. Ministers to Japan to the Department, 1855-1906 (M133); notes to the Japanese Legation in the United States from the Department, 1860-1906 (rolls 66 and 67 of M99); and notes from the Japanese Legation in the United States to the Department, 1858-1906 (M163). Also related to matters concerning Japan are communications to special agents of the United States from the Department, 1823-86 (rolls 152 and 154 of M77); and despatches from special agents to the Department, 1794-1837 (roll 10 of M37).

Despatches from U.S. consular officials in China and Japan before 1906 are available as separate microfilm publications for each post. Complementary to the despatches from consuls are instructions to consuls.

The method of arranging the diplomatic and consular series cited above was discontinued in 1906, when the State Department adopted the practice of filing incoming and outgoing correspondence, memorandums, and other documents by subject in a single numerical series. Information on documents relating to China and Japan for the 1906-10 period may be found through the use of card indexes and Lists of Documents in the National Archives of the United States. The Numerical File is available as microfilm publication M862.

Several series in the State Department decimal file, 1910-29, that relate to Chinese and Japanese affairs are available as microfilm publications. In Class 7 there are two series regarding Chinese affairs: one concerning political relations between the United States and China (M339) and the other concerning political relations between China and other states (including Japan) (M341); and two series regarding Japanese affairs: one concerning political relations between the United States and Japan (M423) and the other concerning political relations between Japan and other states (M424). Class 8, internal affairs of states, has records concerning internal affairs of China (M329) and internal affairs of Japan (M422). Additional documents are in the remaining classes of the State Department decimal file:

- Class 0. General. Miscellaneous.
- Class 1. Administration, Government of the United States.
- Class 2. Extradition.
- Class 3. Protection of Interests.
- Class 4. Claims.
- Class 5. International Congresses and Conferences. Multi-lateral Treaties. League of Nations.
- Class 6. Commerce. Customs Administration. Commercial Relations, Treaties and Conventions. Commercial and Trade Agreements.

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

In Records of Boundary and Claims Commissions and Arbitrations, Record Group 76, there are records relating to the Claims Commissions of 1858 and 1901 between the United States and China.

In Records of International Conferences, Commissions, and Expositions, Record Group 43, are records of several conferences in which the United States and Japan participated. There are records of the Washington Conference on Limitation of Armament, 1921-22, which met to consider the limitation of armaments and certain questions relating to Pacific and Far Eastern problems. There are also records of the Commission To Represent the United States at the Grand Exhibition of Japan, 1917. The exhibition was planned for 1912 but had been postponed, and the records relate mainly to the visit of U.S. Commissioners to Japan in 1908 and to their conferences with Japanese officials. Other relevant records in Record Group 43 are those concerning the Sino-Japanese Dispute, 1930-32 (documents gathered by Gen. Frank McCoy, U.S. representative on the Lytton Commission), those of the U.S. Element, Allied Council for Japan, 1946-52, and those of the Far Eastern Commission, 1945-51.

In Records of the Foreign Service Posts of the Department of State, Record Group 84, are records originally kept at U.S. diplomatic and consular posts. Among these are records of the U.S. Legation (later Embassy) in China, 1843-1945, and of the U.S. Legation (later Embassy) in Japan, 1855-1936, as well as those of various consular posts in those countries.

The records reproduced in this microfilm publication were prepared for filming by Ralph E. Huss, who also wrote these introductory remarks.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

lw

1-1336

COMYANGPAT

FROM

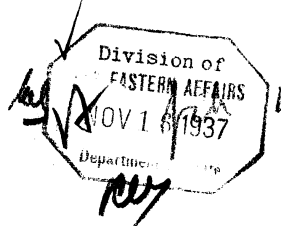
November 16, 1937

Rec'd 7 a.m.

ACTION: OPNAV
INFO: 21D BRIGADE
YANGPAT
COMDESRON FIVE
COMSUERON FIVE
CINCAF
COMSOPAT
USS MARELEHEAD
ALUSNA PEIPING
EMBASSY NANKING

Y
COPIES SENT TO
NO.

882



793.94

0015 Three Japanese bombers accompanied by three pur-
suits bombed military airdrome Nanking 1430 today. Other
river ports quiet 2145.

DDM

793.94/11130

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

TELEGRAM RECEIVED

EG

1-1336

FROM

COMYANGPAT

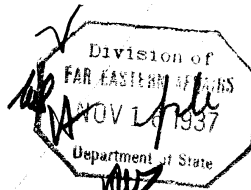
November 16, 1937

Rec'd 9:11 p.m., Nov. 15th

COPIES SENT TO
CINCLAND M.I.D.

ACTION: OPNAV

INFO: SECOND BRIGADE YANGPAT
COMDESRON FIVE
COMSUBRON FIVE
CINCAF
COMSOPAT
USS MARBLEHEAD
ALUSNA PEIPING
EMBASSY NANKING



0015. Three Japanese bombers accompanied by three
pursuits bombed military airdrome Nanking 1430 today.
Other river ports quiet. 2145.

NPL:RGC

793.94/11132

F/E Q.D.

NOV 16 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

lw

GRAY

1-1336

FROM

Shanghai via N.R.

Dated November 15, 1937

Rec'd 7:55 p.m.

COPIES SENT TO
AND AID.

Secretary of State

Washington

970, November 15, 6 p.m.

My No. 963, November 12, 8 p.m.



The Japanese continue to make rapid gains and are reported to have captured the strategic towns of Taitsang and Kunshan and further south to have penetrated to the Soochow Kashing Railway. Other reports received indicate that another Japanese force has landed above Fushan on the Yangtze River. Military observers believe these operations have rendered the Kashing-Soochow-Changshu defense line untenable and that the Chinese may be forced to give up Soochow and withdraw still further.

This morning several Japanese officers accompanied by twenty-five or thirty men thoroughly inspected the central post office located on the north bank of Soochow Creek ostensibly to see whether any Chinese troops were in hiding. They left after being on the premises about an hour. Japanese flags have been hoisted on several customs revenue cutters and

793.94/11131

RECEIVED

NOV 20 1937

F/EG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

lw 2, No. 970, November 15, 6 p.m. from Shanghai

and on a large Whangpoo conservancy dredger but there has
been no interference ^{with} ~~(*)~~ the customs thus far. There are
unconfirmed rumors that the Japanese have made General
Chen Ghueh-Sheng, former Director of the Peiping-Liaoning
Railway, chairman of a so-called Shanghai Peace Maintenance
Association. The Whangpoo boom has been forced by the
Japanese and is being gradually cleared. New fires have
sprung up in Nantao which appears to be burning over a
wide area.

Repeated to Nanking and Peiping.

GAUSS

NPL
RGC

~~(*) Apparent omission~~

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 890.00/66 FOR Memo.

State Department
FROM Far Eastern Division (Myers) DATED Oct. 30, 1937
/191/ NAME 1-1127 ***

REGARDING: Situation in the Far East for the week ending
October 30, 1937; hostilities between China and
Japan: Summary of situation.

fpg

793.94/11132

11/32

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

1-1336

FROM

MBo

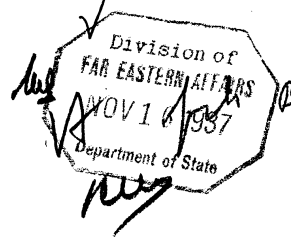
Y
COPIES SENT TO
CINCLAND AND M.I.D.
eg L

COMSOPAT

November 15, 1937

Rec'd 8:01 p.m.

793.94
ACTION: OPNAV
INFO: 2ND BRIGADE USMC
COMSUBRON FIVE
COMDESTIV FIVE
CINCAF
COMYANGPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSMA. PEIPING



0115 Afternoon fourteenth Japanese planes dropped
six bombs on forts south side Amoy harbor. Foochow, Swa-
tow, Canton quiet 2000.

NPL:RCC

793.94/11133

F/FG

TELEGRAM RECEIVED

JR

1-1336

FROM

PLAIN

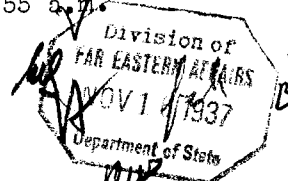
Tsingtao via N. R.

Dated November 16, 1937

Rec'd 8:55 a.m.

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.



69X

Following from Allison, Tsinan, November 16, 10 a.m.

"All Chinese troops withdrew to the south of Yellow River. Railway bridge at Lokow blown up at several places late yesterday afternoon. This was done under express orders from Hanking but according to local press the bridge was shelled by Japanese. Six Japanese planes carried out raids in the vicinity of Tsinan yesterday bombing Lokow and two stations of the Tsinpu line south city where locomotive was destroyed and passenger train hit. Number of casualties unknown. Artillery fire audible in city. All provincial and central government institutions withdrawing south with the exception of the post office. It is the opinion of my German colleague who will remain at Tsinan and the Postal Commissioner as well as highly placed Chinese that there will be no serious fighting in or shelling of Tsinan particularly in foreign settlement area. Japanese are apparently encircling city to force Chinese to withdraw

without

793.94/11134

F/F G
FILED
NOV 16 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Quisenberry NARS, Date 12-18-75

-2- November 16, 10 a.m., from Tsingtao via N. R.

without fighting. In personal interview last night General Han expressed his determination to offer his resistance at Yellow River. Train service southwards from Tsinan under complete control of Chinese military at Tsinan".

SOKOBIN

DDM

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

26-1

TELEGRAM RECEIVED

EG

PLAIN

1-1336

Nanking via N. R.

FROM

Dated November 16, 1937

Rec'd 8:50 a. m.

Ameconsul Shanghai

Secretary of State,

Washington.

COPIES SENT TO
O.N.I. AND M.I.D.

PRIORITY

921, November 16, 3 p. m.

My 907, ¹¹⁰⁷³ November 12, 11 a. m.

I have just talked with McNulty by telephone at Changchow. He states that Chinese military have agreed to respect areas mentioned in my November 12, 11 a. m. as places of refuge. He asks that this information be repeated to Japanese. He states Soochow was severely bombed Sunday. I promised to transmit this information for him. He has returned to refugee camps and I can of course not get in touch with him. He informed me that Americans have evacuated Puchow to refugee camp and that Americans at Changchow were evacuating that place for Nanking tonight. Please inform Admiral.

Sent to Shanghai. Repeated to Department and Tokyo.

JOHNSON

PDM

Division of
FAR EASTERN AFFAIRS
NOV 16 1937
Department of State

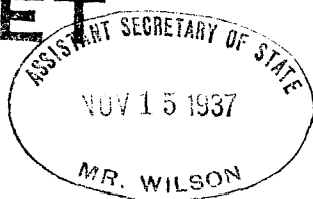
793.94/11135

F/FG
1337

393.1115

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

SECRET



11 NOVEMBER, 1937.

THE FOLLOWING INFORMATION HAS BEEN LEARNED FROM RELIABLE SOURCES:

RELATIONS BETWEEN JAPANESE AND AMERICAN OFFICIALS AT SHANGHAI HAVE BEEN REPORTED BY THE JAPANESE CONSUL GENERAL TO BE VERY SATISFACTORY AND CORDIAL. THAT JAPAN WILL CONTINUE THE YANGTZE VALLEY CAMPAIGN IS INDICATED BY EXPECTED ARRIVAL OF REINFORCEMENTS. FOUR CONVOYS OF TROOPS FROM DAIREN ARE DUE TO REACH WOOSUNG BETWEEN NOVEMBER 12TH AND 17TH. THE SECOND AIRCRAFT SQUADRON[#] IS BEING SENT TO SOUTH CHINA. THE SECOND FLEET IS BEING RELIEVED OF BLOCKADE DUTY IN NORTH CHINA BY THE FOURTH FLEET AND KISARAZU AIRCRAFT SQUADRON.

([#]SECOND AIRCRAFT SQUADRON IS KAGA PLUS ONE DESTROYER DIVISION.)

793.94/11136

793.94

DECLASSIFIED

E.O. 11652, Sec. 3(E) and 5(D) or (E)

OSD letter, May 3, 1972

By L. E. Kilpatrick NARS Date May 19, 1973

F/FG 11/36

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Shanghai/108 FOR #1012

FROM Shanghai (Gause) DATED Oct. 8, 1937
TO NAME 1-1127 070

REGARDING: Relations between China and Japan.

Sino-Japanese conflict; Military operations: Reports con-
cerning--.

mr

793.94/ 11137

793.94
11137

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

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contribute one or two hundred marines to the defense arrangements at Shanghai has given rise to speculation as to Italy's real reason for despatching this "crack battalion" of Savoy Grenadiers from Ethiopia to Shanghai. Shortly after its arrival the battalion took over a section of the British defense lines in the western extra-settlement roads district.

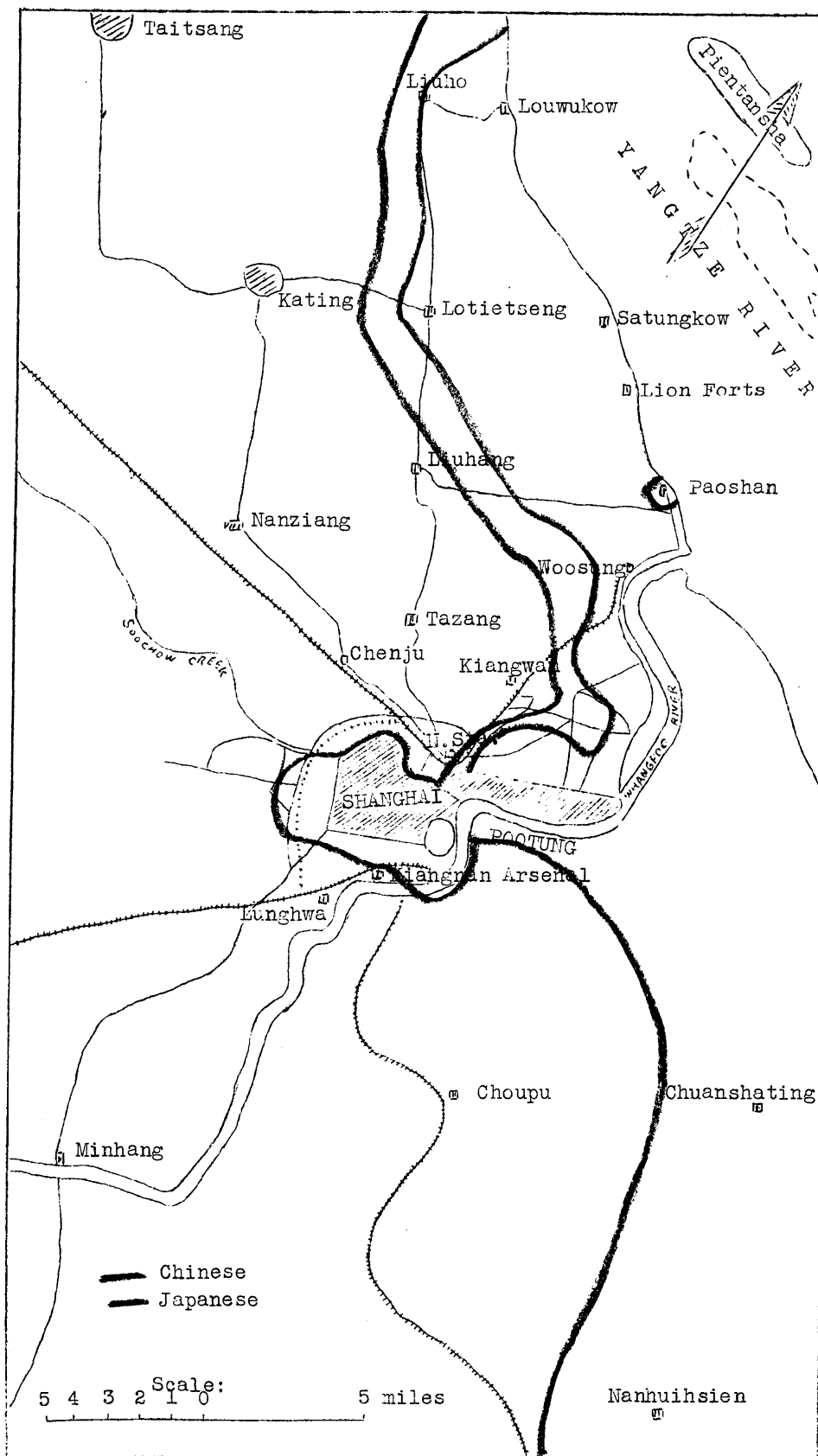
-18-

on the Chinese lines running from Liuho through Lotien to Woosung (see map on page 16). Operations on this sector were characterized by heavy Japanese bombardments of Chinese positions, use being made both of naval vessels and of artillery of all descriptions.(17) The Chinese launched a number of counter attacks along this front, which were undertaken in force. While costly, these attacks undoubtedly inflicted some damage on the Japanese. Chinese operations along this front and elsewhere in the Shanghai area were characterized by a noticeable lack of artillery.

While steady Japanese pressure was being applied along the Liuho-Woosung front, the Japanese landed from seven to eight thousand men in the Yangtsepo area of the Settlement. These troops, in conjunction with units of the Naval Landing Party, commenced operations designed to clear the area between Yangtsepo and Woosung and bring the military road connecting these two districts completely under Japanese control.(18) The Japanese successfully attained this objective; but their operations were slow and impeded by stubborn Chinese resistance and the unexpected presence of several strongly fortified concrete pill boxes, which had to be destroyed before an advance could be made. The destruction of these defenses was announced by a Japanese military spokesman on September 9th. Renewed Japanese attacks along the Lotien-Woosung and Woosung-Yangtsepo fronts resulted in the capture of the strategic village of Yangchang, approximately four miles west of Woosung, and the withdrawal between September 12th and September 13th of Chinese forces to positions

-16-

September 3



-17-

positions termed by them their "first line defenses".

(19) The new Chinese line extended from Liuho through Lotien and Liuhang to Kiangwan and from there to Chapei and the boundary of the International Settlement (see map on page 18).

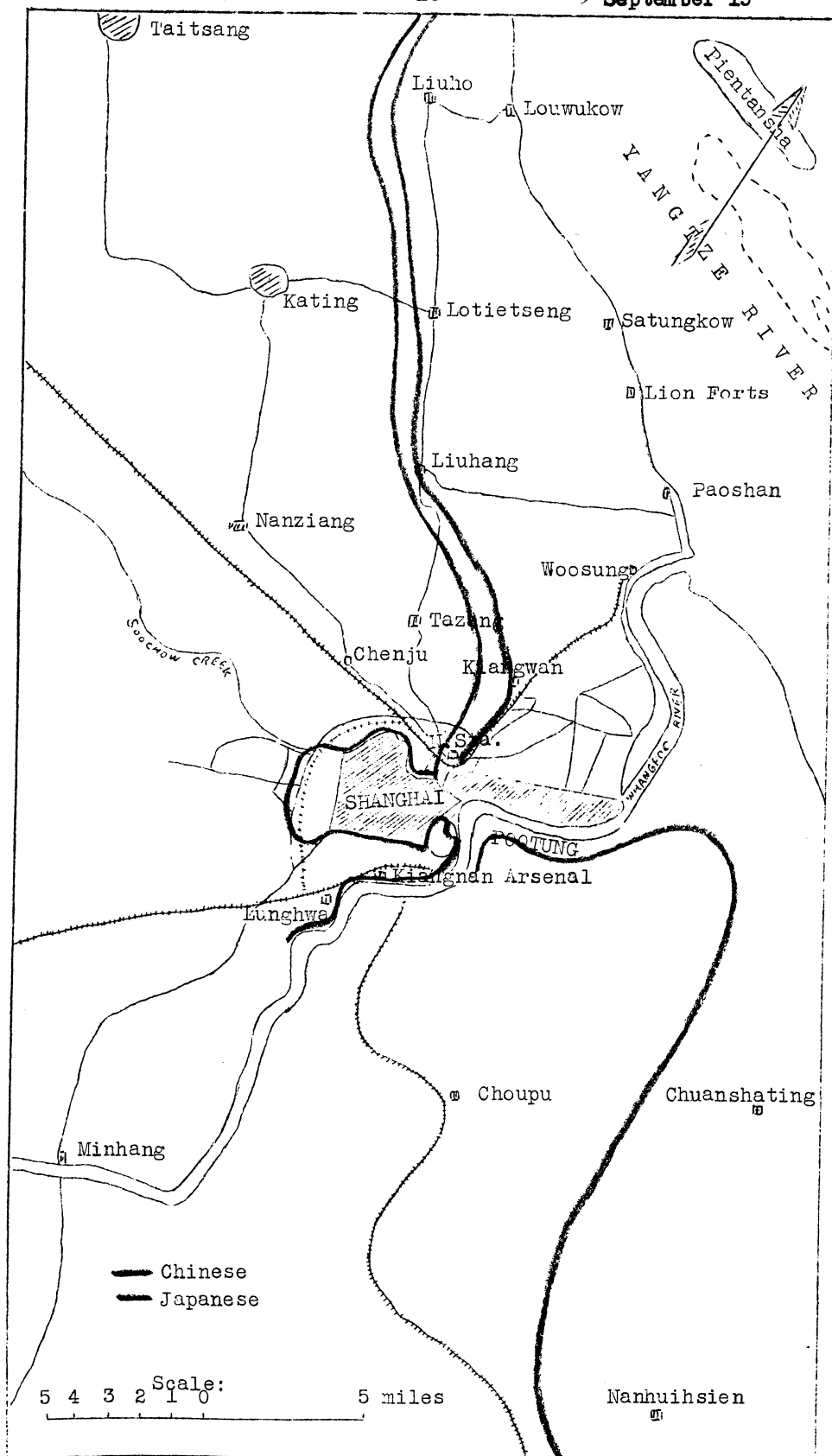
A Japanese military spokesman referred to the Chinese withdrawal as a rout, but in point of fact it was carried out in an extremely orderly manner and was described by foreign military experts as a very well executed strategic withdrawal to prepared positions. The official Chinese explanation of the retreat stated it was not anticipated that the Chinese forces could indefinitely prevent the landing of Japanese troops in view of the Japanese concentration of "more than seven hundred naval guns of every calibre" in support of landing operations, but that the Chinese forces, having achieved their objective of harassing the "enemy" and inflicting as much damage as possible, had withdrawn to their "first defensive line" (20).

The Japanese were able to bring about this Chinese withdrawal from advanced positions only after two weeks of steady pressure supported by the guns of a formidable array of Japanese naval vessels. These operations clearly demonstrated that the defensive tactics of the Chinese troops in this area were extremely good and that Japanese progress was likely to be slow and costly in spite of the complete superiority as to artillery, mechanized units, and airplanes enjoyed by the Japanese. Japanese casualties for the period August 15th to September 15th were officially stated to have been 905 killed and 2374

wounded.

-18-

September 15



-19-

However, it is certain that their casualties were at least double the official figures and were estimated by foreign military observers to have reached 10,000 by September 30th.

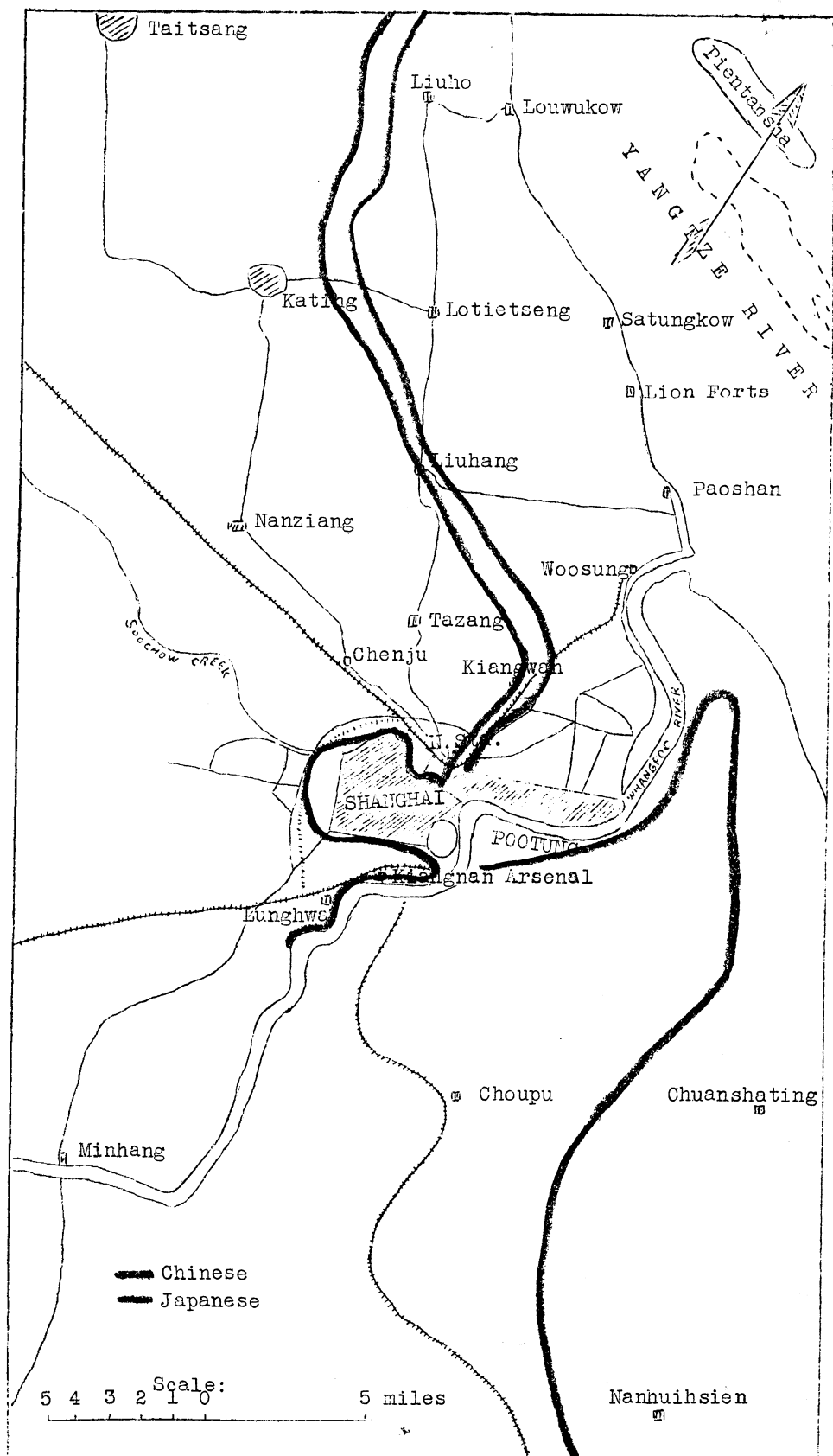
While it was anticipated by some observers that the Japanese would immediately attempt to follow up their gains by launching a general offensive, they actually advanced cautiously into the territory given up by the Chinese, perhaps because of the presence of Chinese land mines in vegetable gardens and other unexpected places. Several days were spent in consolidating positions and landing more men and munitions. There ensued a period of rainy weather which made operations difficult for the Japanese, who rely to a great extent on the use of their tanks and other mechanized units in offensive operations, (21) and forced the Japanese to continue the tactics previously employed of exerting strong, steady pressure along the Lotien front, which constitutes the left wing of the Chinese forces. This operation was supported by heavy bombardments and extensive bombing and resulted in gains west of Lotien, which advanced the Japanese lines to a point approximately two miles east of Kating (see map on page 20). However, repeated assaults on Chinese positions around the village of Liuhang were successfully repulsed by the Chinese with the result that this village remained in Chinese hands at the close of the month. (22) On the Kiangwan sector the Japanese heavily shelled and bombed Chinese positions but did not launch any determined infantry attacks. The terrain around the village of Kiangwan is extremely difficult, being cut up by

canals

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Chute NARS, Date 12-18-75

-20-

September 30



-21-

canals and creeks; and it is possible the Japanese will not launch a frontal attack on this sector but will attempt to force a Chinese withdrawal by a flanking movement to the north aimed at the capture of the strategic village of Tachang. On the Chapei front there was very little activity until September 25th, when the Japanese commenced to bomb and shell heavily the entire Chapei area. This bombardment, which varied in intensity, continued until September 29th, when the Japanese Naval Landing Party made a thrust between the North Station and the Japanese Barracks. (25) However, the attack was not made in force, and the Japanese withdrew to their original positions. It was conjectured locally that this operation was designed partly to test out Chinese strength in the North Station area and partly to give the Naval Landing Party an opportunity to participate in other than defensive operations.

While the Chinese appeared to believe that the Japanese would launch a strong attack against the Pootung peninsula and would attempt a landing in force in that area, no action of this nature developed during September although the Japanese themselves on several occasions intimated they might have to take such action in view of intermittent but fairly heavy shelling by Chinese batteries in Pootung of Hongkew and Japanese naval vessels. Several exceedingly heavy exchanges of artillery, machine gun, and rifle fire between the Chinese forces in Pootung and Japanese naval vessels occurred during the month. These heavy exchanges resulted in Japanese naval vessels moving up almost abreast of the Bund to
fire

-22-

fire into Pootung and invariably resulted in Chinese machine gun bullets spattering the Bund and Chinese shells falling into the Settlement area south of Soochow Creek. (24) It became very apparent that a concerted Japanese attack on Pootung, including the landing of troops, would in all probability precipitate a situation of considerable danger to the Settlement and French Concession and particularly to the principal business and financial sections of Shanghai. With a view to reducing the danger occasioned by these exchanges of fire and of preventing extensive operations on the Pootung peninsula, the American, British, and French Admirals on September 4th addressed a joint communication to the Japanese Admiral, which was at the same time communicated through the American, British, and French Consuls General to the Chinese authorities. The communication in question pointed out the danger to the Settlement and French Concession occasioned by artillery duels between the Chinese forces in Pootung and Japanese naval vessels and recommended that Japanese naval vessels withdraw below Pootung Point and that the Chinese make a corresponding withdrawal in the Pootung area. (25) However, this effort proved of no avail, the Chinese replying that, inasmuch as the Japanese were using the Settlement as a base of operations, China must take whatever measures of self defense might be necessary (26). The Japanese reply from Admiral Hasegawa intimated he considered the point of withdrawal suggested for the Chinese forces unsatisfactory since such forces would still be within range of the Japanese Consulate General and the area in which Japanese resided in Hongkew; he intimated further

-23-

further he could not move his naval vessels down stream unless the Chinese forces withdrew a distance of six kilometers from Pootung Point (27).

Aerial Operations. During the first two weeks of hostilities Japanese aerial operations were carried out entirely by naval planes. However, with the conversion of the Yangtszepoo golf course, which is immediately adjacent to the University of Shanghai, into an airfield, some seventy to eighty Japanese military pursuit planes were based on this field and commenced operations in conjunction with naval bombers.

This combined aerial force engaged in daily reconnaissance and bombing operations over all Chinese positions in the Shanghai area and was made the target of considerable Chinese antiaircraft and machine gun fire. Almost nightly air raids carried out by Chinese planes drew extremely heavy antiaircraft fire from Japanese naval vessels and land forces. As the result of these aerial operations, numerous shells and bullets fell in the Settlement and French Concession area killing and injuring a considerable number of Chinese civilians. (28) In view of the danger to third party life and property occasioned by these aerial operations, the American, British, French, Italian, and Dutch naval commanders in Shanghai addressed a joint letter on the subject on September 15th to Admiral Hasegawa and to Mayor O. K. Yui and urged that steps be taken to prevent Chinese and Japanese planes from flying over or near the International Settlement and to direct antiaircraft fire in "such a manner as to avoid further killing of innocent noncombatants."

-24-

batants.(29) The Chinese reply to this joint communication contended that the fundamental cause of the danger to noncombatants was to be found in Japanese use of the Settlement as a base of operations (30). The Japanese replied that their planes had orders not to fly over the Settlement and that they were making every effort to so direct and control their antiaircraft fire as not to endanger the Settlement (31). Chinese planes in approaching Shanghai for air raids almost invariably came in over the "shelter" of the foreign areas. Japanese bombing planes, and particularly those engaged in bombing operations close to the Settlement boundaries, flew over the Settlement in gaining height for their power dives.

The aerial operations carried out by both the Japanese and the Chinese air forces over the Shanghai area, while theoretically strictly confined to the bombing of military objectives, resulted in point of fact in the killing and wounding of hundreds of noncombatants and in the destruction of much valuable foreign and Chinese property. The most noteworthy instances of this appalling destruction of civilian life and property were the bombing by Japanese planes of several small villages housing poor Chinese in the Jessfield Park area, resulting in the killing and wounding of nearly five hundred noncombatants; the bombing by Japanese planes of a refugee train at Sunghiang station, killing and wounding an equally large number of Chinese; and the bombing of the Tangtsepo district by Chinese planes, which caused huge fires and did immense material damage to British cotton mills and factories, Chinese tobacco warehouses, and

Private

-25-

private residences.

However, Japanese aerial operations were not confined to the Shanghai area. Japanese naval and military planes were extremely active and engaged in systematic and almost daily bombing of Chinese positions and so-called military objectives throughout the interior of the Shanghai consular district. While no complete record is available of the towns and cities bombed during September, the following list conveys some idea of the extent of these operations:

Kiangsu Province

Nanking
Sungkiang
Kunshan
Taitsang
Changshu
Soochow
Kiangyin
Chinkiang
Bauchow
Kaichow
Hwaiyin

Anhui Province

Kwangteh
Anking
Wuhu
Hwaiyuan

Chekiang Province

Hangchow
Kaching
Shaoching
Ningpo
Changhsien
Wenchow

Japanese aerial operations gradually increased in intensity and extent and showed so little regard for non-combatants that it was generally believed the Japanese had embarked on a policy of aerial terrorism which the authors of the policy apparently hoped would literally "beat China to her knees". The warning issued to foreign ambassadors and foreign nationals by Admiral Hasegawa on September 19th regarding the bombing of Nanking after noon on September 21st was interpreted as clearly indicating that it was the intention of the Japanese high command to destroy Nanking. (38) On September 20th Admiral Farnell addressed a communication to Admiral Hasegawa concerning this notice, in which he informed him that two United

States

-86-

States Naval vessels were at Hanking and would remain there as long as the United States Embassy or any United States nationals remained in that city (33). Similar communications were addressed by other foreign naval commanders to the Japanese Admiral, the British holding the Japanese responsible in addition for any loss of life or property. The indiscriminate and destructive bombing carried out over the city of Hanking by squadrons of from thirty to forty Japanese planes aroused world-wide horror and indignation and crystallized world opinion against Japan. This feeling increased as the raids on Hanking, Canton, Hankow, and other cities continued in spite of vigorous protests made by the governments of Europe, the United States, and Soviet Russia. Japan undoubtedly was disconcerted by such world-wide reaction to her policy of aerial terrorism and even more disturbed by the movements which rapidly took shape to boycott Japanese goods and to impose economic sanctions upon her. As the month closed the Japanese Government, and more particularly the Japanese Army and Navy, appeared to be finding that the continuation of a policy of aerial frightfulness in so far as large and crowded cities were concerned was likely to jeopardize most seriously Japan's political and economic relations with the nations of the world. While raids continued to be carried out over a wide area, it was noticeable during the last few days in September that greater care was being exercised in operations carried out over the larger cities.

The efforts of the Japanese officials to explain the Japanese "viewpoint" regarding aerial operations consisted

largely

-27-

largely in reiterations of the statement that Japanese planes never bomb other than military objectives. An interesting and detailed exposition of this view was issued in Shanghai by the Japanese Naval Attaché on September 27th in which he enumerated Japanese "military objectives", described the care with which Japanese air-men bombed such objectives, reiterated Japanese solicitude for the safety of foreign and Chinese noncombatant life and property, referred to the employment by the Japanese Navy of an eminent Japanese authority on international law, and set forth the latter's views on the subject of aerial warfare. (34)

Naval Operations. In addition to the aerial and other activities of the Japanese Third Fleet described elsewhere in this report, the naval units under the command of Admiral Kasegawa were actively engaged in enforcing the blockade in coastal waters. There were no instances reported of the destruction by Japanese naval vessels of Chinese junks or other craft along the Kiangsu-Chakiang coast. However, Japanese naval vessels bombarded Mantungahow approximately forty miles up river from Woosung, the forts guarding the approach to Ningpo, and the port of Laoze at the terminus of the Lunghai Railway. The Japanese naval authorities also claimed to have occupied the islands of Hungtiao (黄岛) and Motow (虎头) off Wenchow in southern Chakiang and Parker Island, which is one of the Saddle Islands group.

On September 5th Admiral Kasegawa issued a proclamation announcing an extension of the blockade in Chinese territorial waters; but in other respects the proclama-

tion

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Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

-28-

tion made no change in the former restrictions and prohibitions, which remained as set forth in the first proclamation of August 28th (35).

MBO

This message was received
in navy code and must be
closely paraphrased before
being communicated to any-
one.

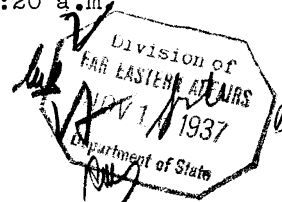
TELEGRAM RECEIVED

HABLO SHANGHAI

November 16, 1937

FROM Rec'd 10:20 a.m.

TO: NAVY DEPARTMENT
INFO: CINCAF
AMERICAN EMBASSY PEIPING
ALUSNA PEIPING



0015 Japanese apparently reached conclusion main mili-
tary objective now capture Nanking hoping thereby break
down Kuomintang Government. Jap Embassy spokesman's state-
ment indicates irritation his government and military over
recent foreign press characterization their army as third
rate. This believed have some weight in decision drive on
Nanking. Believe Chinese army will retire prepared posi-
tions Chinkiang Lishui Taiping line Nanking's final defense
fighting delaying actions en route. Collapse of right
flank invalidates Soochow kashing line. From Alusna, Shang-
hai information from high Japanese political officials in-
dicates Nipponese want following in Shanghai: large neutral
zone extension Settlement to include Extra Settlement road
area, greater participation Settlement affairs, Japanese
concession to include Woosung and Shanghai made free port
also intimates Shantung landing may be expected. Indica-
tions Japanese have succeeded bribing some military com-
manders Jap landing Hangchow Bay seen as demoralizing with
thorough confusion in Chinese lines and considerable loss
morale. 1837

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 890.00/67 FOR Memorandum

FROM State Dept. Far Eastern (Myers) DATED Nov. 6, 1937
H6// Division NAME 1-1127 ***

REGARDING: Situation in the Far East; week ending Nov. 6, 1937: Submits
summary of -.

fpg

793.94 / 11139

11139

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Department of State letter, August 10, 1972
By Milton C. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 702.94/194 FOR Tel. 478-17pm

FROM Italy (Phillips) DATED Nov. 15, 1937
TO NAME 1-1127 670

REGARDING: Relations between China and Japan. A HAVAS despatch from Tokyo dated November 12 enumerated certain conditions which Japan allegedly intends to impose on China, among which are China's adherence to the anti-Communist pact, acceptance by China of Japanese, German and Italian advisers, and the granting of economic privileges to Japan, Germany and Italy.

fp

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

PREPARING OFFICE
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Charge Department
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TELEGRAM SENT

Department of State

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTAIR
PLAIN

Washington,

1937 NOV 16 PM 6 38

November 16, 1937.

AMEMBASSY,

DIVISION OF
COMMUNICATIONS
AND RECORDS

TOKYO (Japan).

This is a confidential Code.
It should be carefully paraphrased before
being communicated to anyone. (A)

299
Under date November 15 the Embassy at Rome reports
that according to a Havas despatch from Tokyo dated
November 12 among the conditions which Japan intends to
impose upon China are acceptance by China of Japanese,
German and Italian advisers, the according of economic
privileges to Japan, Italy and Germany, and the adher-
ence by China to the anti-Comintern treaty. The Embassy
at Rome states that it has no means of verifying the
report there and would therefore appreciate such informa-
tion on the matter as the Department may have received
from the Embassy at Tokyo. Your comments would be wel-
comed.

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NOV 16 1937 PM

F/FG

Enciphered by _____

Sent by operator _____ M., _____ 19____

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 2, 1939.

The Army Philippine Department's report of November 15, embodies a British intelligence report on the capture of Canton:

The Canton defenders had strong fortifications, garrisons, terrain advantages and ample warning. Their quick loss of Canton resulted from the "complete rottenness" of their Provincial Administration, their ostrich-like attitude, Yu Han-mou's probable treachery and the cowardly flight of the Cantonese regulars - contrasting with the "gallant fighting" by the "four Cantonese divisions" on the Tehan front (whose defection, however, now seemed likely). The Japanese carefully avoided friction with Britain and their troops' discipline was "exemplary" (not confirmed by other sources). "However, the resumption of Hong Kong's trade will doubtless have to be purchased by concessions elsewhere." The Kuomintang's relations with the Eighth Route Army have been rapidly worsening, and Kwangsi leaders are not cooperating closely with the latter, though working along parallel lines. The Communists give "far more promise" of successful resistance to Japan than the "corrupt and inefficient" Central Government.

The British report evidences the contempt for Chinese which is so prevalent among Hong Kong British.

FE:Chase:JPS

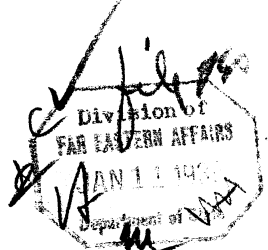
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E.O. 11652, Sec. 3(E) and 5(D) or (E)
Dept. of State letter, Aug. 10, 1972
By hwy NARS, Date 3-15-76

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

HEADQUARTERS PHILIPPINE DEPARTMENT
 OFFICE OF ASSISTANT CHIEF OF STAFF FOR MILITARY INTELLIGENCE
 Manila, P. I.

November 15, 1938

OPERATIONS PRIOR TO JAPANESE
OCCUPATION OF CANTON



The following is a copy of a report of the British Intelligence Service at Hong Kong concerning the political situation in Canton and the military operations of the Japanese prior to the taking of the city of Canton.

Political.

The first really serious blow to Chiang Kai Shek's prestige was struck by the farcical collapse of the Cantonese defense, and the severance of the main line of communications for his supply of munitions. The methods employed by the Japanese showed that they were fully aware of the complete rottenness of the Provincial administration. The crookedness of the officials is typified by the horns of the emblem of their capital, the City of Rams. The military Commander Yu Han Mou had sold his Chief Chen Chi T'ang to Chiang Kai Shek two years previously, and it is probable that only the fear of the Generalissimo's reprisals kept him from turning traitor at the moment of the abortive New Year coup d'etat. A Japanese garrison to protect him against his own countrymen was not too great a price to pay for continuance in office. This seems the only explanation of the assurance with which the Japanese accepted the risks of landing with a comparatively small force on an open beach. Before them was a march of 150 miles through difficult country with several serious river crossings. At Waichow it was known that elaborate concrete fortifications existed and that with a population of 32,000,000 a formidable fighting force could have opposed them. Yet they confidently expected to capture Canton at one swoop, and were not disappointed.

It is evident that the fall of Hankow cannot be long delayed if Chiang Kai Shek is to withdraw his armies safely, and it remains to be seen what effect the defection of Canton will have on their troops now under his command. He has been freely accused of sacrificing provincial troops to keep his own divisions intact, and a growing antagonism to him has been noticed in Kwangtung. The four Cantonese divisions have been fighting very gallantly

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

on the Tchan front but are liable to be suborned by defeatist propaganda spread by reinforcements from their native province. The defection of a considerable body of troops in one part of the line might easily lead to a general debacle.

The Japanese have taken the utmost care during the South China operations to avoid any action which might lay them open to hostile third Power criticism, or cause unpleasant incidents with Britain. No drive was made in the direction of the Canton-Kowloon Railway near the colony's border, nor have any Japanese troops appeared on the frontier.

The Japanese Consul-General has offered to make good the loss of the supply of fresh meat and vegetables from Formosa. The discipline of the troops has apparently been exemplary, and there has been a complete absence of looting and the excesses which have hitherto been the hall mark of the Japanese Army.

There is, however, no doubt that the inconveniences of the occupation will soon be felt by the colony, as the Japanese have announced the same restrictions on foreign shipping as obtain in the Yangtze. The resumption of Hong Kong's trade will doubtless have to be purchased by concessions elsewhere if the militarist gets his way.

The loss of Canton is by no means the sole difficulty with which the Generalissimo has to contend. Despite much inspired press propaganda to the contrary, it is becoming increasingly evident that relations between the Kuomintang and the 8th Route Army are drifting steadily from bad to worse. The Netherlands Consul in Hong Kong recently paid a visit to the Communist Headquarters at Yennan in Shensi, and his observations are of considerable interest since he is the first person other than an open and avowed sympathiser to have done so. He reports that both in Hankow and elsewhere there was noticeable friction and mutual distrust between the Central Government authorities and the Reds, no fewer than 13 organizations founded or sponsored by the latter being closed by the former during his stay in Hankow. His impression was that the methods employed by the Reds were rapidly gaining the majority of the people in the districts controlled or influenced by them, and that their gains were at the expense of the Kuomintang. The spirit prevailing at Yennan was certainly a factor to be seriously reckoned with; and even if the 8th Route Army leaders were not so entirely free from all human frailties as their foreign propagandists maintain, he considered that their policy and methods gave far more promise of successful resistance to Japan than the present corrupt and inefficient Central administration.

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

Contrary to some observers, Dr. Van Woerden did not consider that the Kwangsi generals were cooperating very closely with the Communists, although they were, to a large extent, working along parallel lines. It is interesting to add that he noticed a general increase of anti-foreign, and particularly anti-British feeling in Chinese circles of all kinds. This feeling was apparently primarily based on the Chinese belief that we could and should have done more in the way of giving them active assistance; and it is a typical instance of their proneness to blame others for the disasters into which their own inefficiency and lethargy have led them.

Military.

For some weeks before the Japanese invasion of South China the Canton authorities announced that the inhabitants of Shaoen, namely the foreigners, were the only people who believed in such a contingency. In spite of numerous warnings they persisted in their ostrich-like attitude, and deluded themselves with the conviction that the Japanese could not spare the troops. The large movements reported in the Press of transports, filled with men and landing craft, were attributed to the necessity of reinforcing the attack on Hankow, although it was obvious that units were being withdrawn from the Yangtze Valley. There is no doubt that they had information of a large concentration either in the Pescadores or Formosa but they took no steps to make any dispositions to cover their capital from the most likely lines of attack and did not move one division from its peace station as far as can be ascertained.

Reports of the Japanese concentration off Bias Bay were received from several merchant ships.

The S.S. "Lalita" at 11:00 p.m., October 11, passed through a large Japanese convoy near Bias Bay. This ship counted 35 units at least, and estimated some 30,000 men were being carried.

The S.S. "Sagres" reported that at 9:00 a.m., October 12, 13 transports were entering Bias Bay. Most of these transports were of the O.B.K. and N.Y.K. class.

The "City of Oran" was boarded for examination of papers about 9:30 p.m. on October 11 near Pedro Blanco. In order to prevent her seeing ship movements two destroyers are reported to have laid smoke screens close to the vessel.

1003

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

About 10:30 a.m. on the 12th it was estimated that the Japanese were landing from 60 transports in Hias Bay.

The Chinese watching service, which has been perfected to give notice of air-raids, functioned admirably and, on the night of October 11, as darkness fell, they were warned of the approach of the first ships closing the land on either side of the Pinghai Peninsula. Having determined the point of attack there was ample time to get their mechanized troops on the move to dispute the passage of the river at Tamshui and Pingshan, had they been concentrated at Waichow. For months the Waichow district has been prepared for defense and lines of trenches, interspersed with concrete pill-boxes have been constructed. It was generally believed that about three divisions were stationed in this area, but the military authorities, probably to hide their pecculation and inefficiency, have been so secretive that any accurate information of the strength or location of troops has been impossible to obtain. Pingshan where the Sai Kong River is deep and broad, and the bridge is of flimsy construction was wholly undefended. There were some entrenchments at Tamshui held by regular troops who bolted at the first signs of the enemy's approach.

By 4:00 a.m. on October 12 the Japanese convoy was well inside Hias Bay and their warships began bombarding Hachung and Outaokang. From the latter place a good road runs to Tamshui, and Hachung is on a cart track connecting this road with the main Waichow-Swatow coast road at Namshan. The Naval Landing party disembarked at 4:30 a.m. at Hachung and the landing of a whole division was effected at Outaokang. In the northeast corner of Hias Bay the bulk of a regular Division and a Reserve division were put ashore. There appears to have been no opposition whatever, and the Japanese claim to have sustained no casualties at the actual landing is probably correct.

By the evening of the 12th the westerly divisions' covering force was 10 kilometers inland, and on the 13th Tamshui was captured. The main body took the northern road to Sanhue putting out a flank guard to occupy Lungkong where there is a network of motor roads leading to Hong Kong, Waichow and Tungkhungshien. Some slight opposition was offered by the townsfolk of Tamshui who sniped the Japanese rear guards from the surrounding hills, but this was quickly overcome. On the Swatow-Canton motor road the other regular division reached Pakwanashi on the first evening and established itself as a covering force during the disembarkation of the Reserve Division. When this was completed the Eastern force moved in parallel columns converging on Pingshan.

1034

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

The Chinese 151st Division in the Namshui-Waichow area halted at the first of the Japanese approach and the fifteenth of October was spent in an unopposed crossing of the East River at three points. The Eastern column crossed at Wenglik. By the end of the sixteenth the whole column was located from a point five miles west of Pokich to Pingshan. Moving forward in the morning at a rate which would have been creditable under the conditions, the leading Japanese Division was 6 kilometers west of Tsengshing on October 19, and captured the town at 10:00 a.m. on October 19. The advanced guard pushed straight on and completed the mopping up by noon and by nightfall were some kilometers to the west.

On the day the bulk of the other Regular division (less one Regiment reserved for the Pearl River operation) left the main road of the Pingshan hills and struck across country to Shoklung where the Canton-Kowloon Railway at the most vital (a) to go removed from the colony, and (b) to assist the Pearl River force by taking the Bocca Tigris forts in the rear. A road runs from Shoklung through Tunglung past the forts to Namtso. The forts in fact surrendered without firing a shot on Oct 20.

October 20 the leading division was within 20 miles of and by 2:30 p.m. on October 21 the suburbs were entered. Generally the whole civilian population had been evacuated. Post offices and public works were blown up. No real attempt was made to defend the city.

In order to open the Pearl River to traffic the Japanese reserved a regiment to carry out a subsidiary landing in conjunction with the overland advance of the bulk of the same division from Shoklung and Tunglung. The convoy carrying these troops was to have left Biao Bay on the night of October 21-22 and to have effected the landing at dawn. However, as the forts surrendered on the morning of October 21, there was no further need for secrecy and the convoy appeared in broad daylight.

HENRY C. MOLMAN
Lt.Col., G.S.C.
A.C. of S., G-2

1038

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

PREPARING OFFICE
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TELEGRAM SENT

Department of State
DEPARTMENT OF STATE

Washington,

1937 NOV 15 PM 6 29

November 15, 1937.

TO BE TRANSMITTED
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NONCONFIDENTIAL CODE

PARTIAL
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AMDELGAT

DIVISION OF
COMMUNICATIONS
AND RECORDS

BRUSSELS (Belgium).

63

For your information: Excerpts from Canton's telegram of November 13, 3 p.m.

QUOTE As far as can be judged from the press and private contacts, local authorities and public while frankly disappointed over Shanghai and Shansi reverses, generally show no sign of defeatism and feel that successive withdrawals to interior are necessary features of China's prolonged resistance strategy. This long range conception of the struggle is even more evident in Kwangsi where economic development and strategic communications construction by huge labor armies are pushed steadily, together with extensive military and aviation training, without regard to momentary fortunes of war. * * * While appreciating American efforts for peace through agreement they (Chinese) feel that democratic countries led by America and Britain now have no alternative but strong concerted action to restrain aggressor nations. END QUOTE.

Enciphered by

Sent by operator M., 19.....

D. C. R.—No. 50

1-1402 U. S. GOVERNMENT PRINTING OFFICE

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

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 Department of State

TO BE TRANSMITTED
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 PLAIN

Washington.

-2-

Excerpts from Commander-in-Chief's telegram of November 14:

QUOTE Japanese continue advance west all fronts reliable reports. * * * Little opposition. Chinese believed retreating from Soochow generally retiring along entire line. END QUOTE

Tsinan reports that Japanese are carrying out bombing operations in the vicinity of Tsinan, and that fighting is now in progress at various points near Tsinan, and that government offices are planning to move to Taian.

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 1937, EN

Enciphered by

Sent by operator M., 19.....

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Copy for Department
RECEIVED
NOV 16 1937
THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA
DIVISION OF
COMMUNICATIONS AND RECORDS
American Consulate, Dairen, Manchuria, October 18, 1937.

SUBJECT: Attack of Five Chinese Planes
on Japanese Military Landing

For Distribution-Check
Grade For M To Field X
In U.S.A.
The Honorable Grammon
Joseph C. Grew,
American Ambassador,
Tokyo, Japan.

Division of
FAR EASTERN AFFAIRS
NOV 17 1937
Department of State

DEPARTMENT OF STATE
A-M/C
NOV 17 1937
ASSISTANT SECRETARY
OF STATE
OK

Sir:

I have the honor to report that, according to information received from an American citizen who recently arrived in Dairen from Tangku en route from another Chinese port, as his vessel came in sight of Tangku, he witnessed a bombing attack by a squadron of five Chinese planes on the landing place at Tangku, near which at the time some twenty Japanese transports containing troops had just arrived. My informant was not in a position to ascertain what, if any, damage was done by the bombing although he could see that the wharf itself had apparently not sustained serious damage. The attack was not disputed by any Japanese planes, and, apparently after exhausting their ammunition, the Chinese squadron departed unharmed.

Respectfully yours,

Stuart E. Grammon,
American Consul.

800
SEG:L

A true copy of
the signed original.
Q.M.L.

Two copies

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

Two copies to Department
Copy to Embassy, Peiping
Copy to Embassy, Nanking
Copy to Consulate General, Tokyo
Copy to Consulate General, Mukden
Copy to Consulate General, Harbin
Copy to Consulate General, Tientsin

7040

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

November 16 1937

No. 540

CONFIDENTIAL - FOR STAFF USE ONLY

The Honorable

William C. Bullitt,
American Ambassador,
Paris.

Sir:

Referring to the Department's instruction no. 522
of November 2, 1937, there are enclosed for your confi-
dential information copies of certain documents, as
listed below, relating to the Chinese-Japanese situation.

Very truly yours,

For the Secretary of State:

Hugh R. Wilson

Enclosures:

1. Memorandum of conversation,
November 2, 1937, between
Mr. Suma and Mr. Ballantine.
2. Memorandum of conversation,
November 3, 1937, between
the Under Secretary of State
and the Chinese Ambassador.



NOV 13 1937

FE:EGC:HES
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

November 15 1937

No. 2027

CONFIDENTIAL - FOR STAFF USE ONLY

The Honorable

Robert W. Bingham,
American Ambassador,
London.

Sir:

Referring to the Department's instruction no. 2007
of November 1, 1937, there are enclosed for your confi-
dential information copies of certain documents, as
listed below, relating to the Chinese-Japanese situation.

Very truly yours,

For the Secretary of State:

Hugh R. Wilson

Enclosures:

1. Memorandum of conversation,
November 2, 1937, between
Mr. Suma and Mr. Ballantine.
2. Memorandum of conversation,
November 3, 1937, between
the Under Secretary of State
and the Chinese Ambassador.



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NOV 13 1937.

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

November 15 1937

No. 212

CONFIDENTIAL - FOR STAFF USE ONLY

The Honorable

William Phillips,
American Ambassador,
Rome.

Sir:

Referring to the Department's instruction no. 205
of November 1, 1937, there are enclosed for your confi-
dential information copies of certain documents, as
listed below, relating to the Chinese-Japanese situation.

Very truly yours,

For the Secretary of State:

Hugh R. Wilson

Enclosures:

1. Memorandum of conversation,
November 2, 1937, between
Mr. Suma and Mr. Ballantine.
2. Memorandum of conversation,
November 3, 1937, between
the Under Secretary of State
and the Chinese Ambassador.

CR 27
NOV 13 1937.

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

November 15 1937

No. 1372

CONFIDENTIAL - FOR STAFF USE ONLY

The Honorable

Joseph C. Grew,
 American Ambassador,
 Tokyo.

Sir:

Referring to the Department's instruction no. 1362
 of November 1, 1937, there are enclosed for your confi-
 dential information copies of certain documents, as
 listed below, relating to the Chinese-Japanese situation.

Very truly yours,

For the Secretary of State:

Hugh R. Wilson

793.94/11141D

Enclosures:

1. Memorandum of conversation,
 November 2, 1937, between
 Mr. Suma and Mr. Ballantine.
2. Memorandum of conversation,
 November 3, 1937, between
 the Under Secretary of State
 and the Chinese Ambassador.
3. Telegram no. 696 of November 4,
 1937, from London (paraphrase).



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 NOV 17 1937

898.
 FE:EC:HES
 11-12

FE NOV
 H. W.

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Huston NARS, Date 12-18-75

793.94

November 15 1937

No. 504

CONFIDENTIAL - FOR STAFF USE ONLY

The Honorable

Nelson T. Johnson,
 American Ambassador,
 Peiping.

Sir:

Referring to the Department's instruction no. 497
 of November 1, 1937, there are enclosed for your confi-
 dential information copies of certain documents, as
 listed below, relating to the Chinese-Japanese situation.

Very truly yours,

For the Secretary of State:

Hugh R. Wilson

793.94/11141E

Enclosures:

1. Memorandum of conversation,
 November 2, 1937, between
 Mr. Suma and Mr. Ballantine.
2. Memorandum of conversation,
 November 3, 1937, between
 the Under Secretary of State
 and the Chinese Ambassador.
3. Telegram no. 696 of November 4,
 1937, from London (paraphrase).



793.94/1014/193

793.94/10983

OR Son
 NOV 13 1937.

(Copy to Nanking)

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 FE:EGG:HES
 11-12

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 FE
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 890.00/68 FOR Memorandum

State Dept. Far
FROM Eastern Division (Myers) DATED Nov. 13, 1937
//+6// NAME 1-1127 470

REGARDING: Situation in the Far East: Week ending Nov. 13, 1937:
Summary of -.

fpg

793.94 / 11142

11142

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MBo

1-1336

PLAIN AND GRAY

FROM
Peiping via N.R.

Dated November 16, 1937

Rec'd 3 p.m.

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.

793.94
756, November 16, 3 p.m.

Embassy's 752, November 15, 3 p.m.



One. The Japanese military headquarters at Tientsin has announced that Japanese forces advanced yesterday to a point five miles north of Tsinan. There is no information available here with regard to movements of Japanese forces in Shansi and there are apparently no important developments in progress in the Peiping-Hankow Railway area.

Two. Tientsin reports that it is estimated that 55,000 Japanese effectives withdrew from North China between October 19 and November 11.

Repeated to Nanking. By courier to Tokyo.

LOCKHART

SMS:CSB

793.94/11143

FILED
NOV 22 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

LMS

CINCAF via N. R.

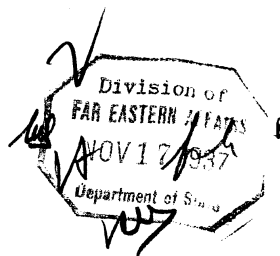
1-1336

NOVEMBER 16, 1937

Rec'd 7:14 p. m.

FROM: CINCAF
ACTION: OPNAV
INFO: 2nd BRIGADE USMC
AMCONSUL SHANGHAI
COMSUBRON 5
COMDESRON 5
COMYANGPAT
COMSOPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING

COPIES SENT TO
O.N.I. AND M.I.D.



793.94

0016 Japanese advance along railways had reached
Weiting east of Soochow and Kasha east of Kashing heavy
fighting reported both fronts. Reliable reports Japanese
made landing at Changyinsha. Japanese transports carry-
ing reinforcements arriving Shanghai daily. Sino-Japanese
Maintenance Association being formed govern occupied areas.
Chinese members natives of Hopei 1914

NPL

793.94/11144

NOV 20 1937

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F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

LMS

1-1336

FROM: CINCAF via N. R.

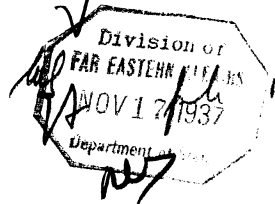
November 16, 1937

Rec'd 7:17 p. m.

FROM: CINCAF
ACTION: OPNAV
INFO: 2nd BRIGADE USMC
AMCONSUL SHANGHAI
COMDESRON 5
COMSUBRON 5
COMSOPAT
COMYANGPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING

COPIES SENT TO
O.N.I. AND M.I.D.

egR



793.94

0015 Chinese state consolidating line from Fushan through Changsha Soochow Kashing to Chapu strengthening lines to west. Japanese advance almost unopposed occupied Quinsan. Reported cut Soochow Kashing Railway fifteen miles north Kashing heavy fighting reported in Chanpu Kashing area. Extensive bombing by Japanese planes continues along railways, roads. Mines in Whangpoo being removed gradually. Japanese took over twelve Chinese customs boats. Inspected central post office today. Police Pootung Nantao being reorganized using former Chinese police 1054

NPL

793.94/11145

NOV 20 1937
FILED

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

LMS

1-1336

FROM
PLAIN

Swatow via N. R.

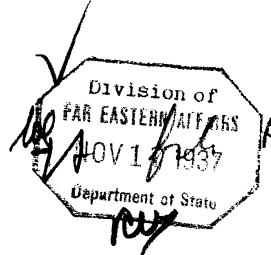
Dated November 16, 1937

Rec'd 5:25 p. m.

AMEMBASSY PEIPING NANKING
AMERICAN CONSUL CANTON

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.



November 16, 3 p. m.

Japanese plane apparently on reconnaissance flight
along eastern Kwangtung coast sighted from Swatow 2:00
p. m. today no bombing attempted. This is first sign of
aerial activity in this district in nearly two months.

KETCHAM

NPL:RGC

793.94/11146

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NOV 20 1937

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

27-1

TELEGRAM RECEIVED

MBo

1-1326

SPECIAL GRAY

FROM Nanking via N.R.

Dated November 16, 1937

Rec'd 12:35 p.m.

Telegram 4
Nanking 357 Nov.

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.

922, November 16, 4 p.m.

CONFIDENTIAL.

One. The Government is definitely leaving Nanking probably within a few days. We are reliably but not (repeat not) officially informed that its plans on which action is now being taken will place Foreign Office, Finance and Education Ministries and Postal Directorate at Hankow; Military Administration, Wuchang; Communications, Changsha; the ^{five} ~~four~~ yuan at Chungking or Chengtu. Postal Directorate is removing tonight. Red Cross administrator evacuated for Hankow this morning.

Two. Embassy is urging all American citizens to leave while it is possible to obtain accommodations.

Three. Repeated to Peiping, Shanghai, Tokyo, Hankow.

JOHNSON

WWC:CSB

F/F/G

793.94/11147

793.94
note
393.1115



DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

27-2

PREPARING OFFICE
• WILL INDICATE WHETHER
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Charge Department
OR
Charge to
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TELEGRAM SENT

Gray
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

JP
Department of State
DEPARTMENT OF STATE

Washington,

1937 NOV 16 PM 8 59 NOVEMBER 16, 1937

Amdelgat,
Brussels, Belgium.

DIVISION OF
COMMUNICATIONS
AND RECORDS

9 pm

69
✓

The following telegram from Nanking is repeated for
your information.

QUOTE (Telegraph Section: Please insert here Nanking's
No. 922, November 16, 4 p. m.) UNQUOTE.

HULL

793.94/11147

793.94/11147

FE:MMH:LMS

Enciphered by _____
Sent by operator _____ M., _____, 19____

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

FOUNDED 1881 UNDER THE TREATY OF GENEVA



THE AMERICAN RED CROSS

NATIONAL HEADQUARTERS

WASHINGTON, D. C.

NATIONAL OFFICERS

Franklin D. Roosevelt, President
Charles Evans Hughes, Vice President
Herbert Hoover, Vice President
Stanley Reed, Counselor
Wayne C. Taylor, Treasurer
Mabel T. Boardman, Secretary

NATIONAL EXECUTIVE OFFICERS

Cary T. Grayson, Chairman
James L. Fieser, Vice Chairman
James K. McClintock, Vice Chairman
Ernest J. Swift, Vice Chairman

CENTRAL COMMITTEE

Cary T. Grayson, Chairman
Mrs. August Belmont
Cornelius N. Bliss
Mabel T. Boardman
Mrs. Henry P. Davison
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Mrs. Henry R. Rea
Stanley Reed
Maj. Gen. Charles R. Reynolds
Rear Admiral P. S. Rossiter
George E. Scott
Henry Upton Sims
Alfred E. Smith
Wayne C. Taylor
Eliot Wadsworth

TRUSTEES ENDOWMENT FUND

Henry Morgenthau, Jr., Chairman
Henry P. Davison
Howard W. Fenton
William D. Hoover
William A. Julian
Harry G. Meen
Wayne C. Taylor
Corcoran Thom
Felix M. Warburg

793.94

November 11, 1937

My dear Mr. Hamilton:

Thank you very much for your letter of November 10th/11036 quoting part of a telegram from the American Embassy at Nanking with reference to the destruction of Chinese ambulance trucks and railway cars by Japanese planes.

The information is extremely interesting and I have passed it on to the International Red Cross Committee in Geneva.

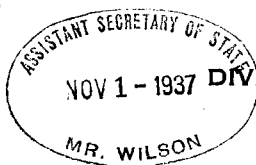
Sincerely

Ernest J. Swift
Ernest J. Swift
Vice Chairman

Mr. Maxwell M. Hamilton
Chief, Division of Far
Eastern Affairs
Department of State
Washington, D. C.

793.94/11143

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75



DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

October 30, 1937

The Japanese Foreign Office Statement of October 27.

The Japanese Foreign Office labors to prove that anti-Japanese and pro-communist sentiment in China is the remote cause of the present Sino-Japanese conflict and that violation of the Ho-Umezu agreement (1935) and the Shanghai truce agreement (1932) is the immediate cause of hostilities. In doing so, the Foreign Office chooses to ignore certain sequences of events; confuses cause and effect; and indulges in unconvincing and "cart-before-the-horse" argumentation. For instance, although there have been evidences of anti-Japanese feeling in China for a generation or more (notably in 1915 as a result of the Twenty-one Demands and during the years 1919-22 when the Shantung issue was alive), the "anti-Japanism" of which the Foreign Office complains dates and derives largely from Japanese action in Manchuria in 1931. With regard to communism in China, the Nanking Government for ten years past carried on the fight against communism, not very effectively but with apparent sincerity, and only the increased threat of Japanese aggression and the consequent desire for national unity to resist that threat finally brought the Nanking Government

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-2-

Government to accept cooperation with the communist forces. With regard to violation of the Ho-Umezu agreement (which the Chinese do not recognize) and the Shanghai truce agreement (which the Chinese contend was only temporarily binding), there is room for argument that Japanese military movements caused the Chinese military movements of which the Japanese complain and there is no warrant for seizing upon the Chinese military movements (regardless of whether they preceded, were coincidental with, or followed Japanese military movements) as a pretext for or justification of subsequent Japanese military activities.

In short, an examination of the factual portion of the statement of the Japanese case and contentions, as set forth by the Foreign Office, indicates that many of the situations, much of the difficulty, to which exception and objection is taken, are situations and difficulties for which Japan is in the first instance largely responsible.

The Foreign Office statement is characterized throughout by that fundamental and probably irreconcilable difference between Japan's concept of its relations with China and the concept of other interested nations, including China, which has constituted the major problem in

Far Eastern

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

-3-

Far Eastern politics for some years past. The core of the problem is Japanese conviction of and determination to achieve (right or wrong, for better or worse) Japan's "mission" in East Asia. When Japan refers to "permanent peace in East Asia" with reference to China, she has in mind "Japan's policy of cooperation and collaboration between the two countries" and reference to "cooperation" may be interpreted as acceptance by China of a Japanese plan of cooperation under Japanese leadership and guidance.

The Foreign Office statement, in its exposition of Japan's attitude toward the China problem, indicates not so much that Japan holds principles different from those enunciated by the Secretary on July 16 and embodied in the Nine Power Treaty as that Japan's conception of the meaning, scope, and application of those principles is at variance with our conception. Japan would, does, assert that it has shown self-restraint, that it is acting in self-defense without desire to interfere in the internal affairs of China, that attempts at peaceful negotiation and agreement were made but failed.

However, actions (and even the words of the Foreign Office statement) would seem to belie these assertions. According to the Foreign Office statement, attempts at peaceful

-4-

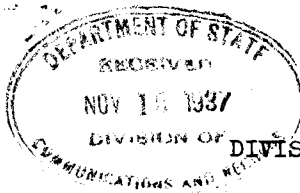
peaceful (local) settlement having failed, "Japan was compelled to take up arms in self-defense and she has chosen this opportunity to make the Nanking Government revise their attitude for the sake of permanent peace in East Asia". The attitude thus expressed, and the implications thereof, are at variance with both the general policy of peace underlying the Secretary's statement of July 16, and with the specific principles therein enunciated. The Secretary states that "we advocate - - self-restraint. We advocate abstinence by all nations from use of force in pursuit of policy and from interference in the internal affairs of other nations. We advocate adjustment of problems in international relations by processes of peaceful negotiation".

It seems apparent therefore that, assertions with regard to "self-defense" notwithstanding, Japan has, according to the Foreign Office statement, claimed the right to interfere in the internal affairs of China and to use force in pursuit of policy and in so doing is in fact actuated by principles inconsistent with the principles of ^{this} Government as enunciated by Secretary Hull.

m.m.w.

[Signature]
FE:JCV:SMJ

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



DEPARTMENT OF STATE

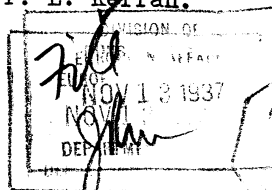
Memorandum of Conversation

DIVISION OF FAR EASTERN AFFAIRS

DATE: November 8, 1937.

SUBJECT: Visit to the Far East of Mr. F. L. Kerran.

PARTICIPANTS: Mr. F. L. Kerran;
Mr. Mackay.



COPIES TO:

793.94
cb
mb
961.20

Mr. Kerran, after describing himself as an "ardent" member of the British Labor Party and as one who, as a pacifist, had spent four years in jail during the World War, gave a lengthy account of his recent journey by the Trans-Siberian Railway to Manchuria and of his subsequent experiences in China.

Mr. Kerran offered but little by way of information of value to the Department with the exception of a statement relating to the concentration of Soviet military forces in Siberia. Mr. Kerran said that eastern Siberia was "swarming" with troops with evidences on all sides of large quantities of military equipment including airplanes and numerous landing fields; that although upon crossing the

793.94/11150

11150

11150

- 2 -

the border into Manchuria the Japanese and "Manchukuo" forces were likewise in evidence, the change was so marked as "to cause one to wonder how, in the event of serious hostilities, Japanese troops could avoid complete annihilation." Mr. Kerran added that his view on this score may have been colored by the impressive bulk of the average Soviet soldier as contrasted with that of his Japanese counterpart.

Upon taking leave Mr. Kerran expressed appreciation of his reception at the Department and Mr. Mackay thanked Mr. Kerran for his cooperation in acquainting the Department with the impressions gained by him in the course of his recent visit to the Far East.

P. M. W.

W. M. W.
FE:RCM:EJL

FE

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MBo

COMSOPAT

COPIES SENT TO
O.N.I. AND M.I.D.

FROM November 16, 1937

Rec'd 11:10 p.m.

ACTION: OPNAV
INFO: 2ND BRIGADE
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COLIYANGPAT
USS MARBLEHEAD
EMBASSY NANKING
ALUSNA PEI PING



0116 South China ports quiet 2000.

KLP:

793.94/11151

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MBo

1-1336

FROM
CINCAF

November 17, 1937

Rec'd 8:52 a.m.

ACTION OPNAV
INFO: 2ND BRIGADE USMC
AMCON SHANGHAI
COMDESRON 5
COMYANGPAT
COMSOPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING

COPIES SENT TO
O.N.I. AND M.I.D.



0017 Japanese have occupied Fushan, Changshu, Wai-
kuating in north sector, Kashan in south sector. Advance
toward Soochow, Kashing continues in spite bad weather.
Lack aerial support unconfirmed. Report Japanese at-
tacked Kangyin barrier today. Chinese Government, many
civilians evacuating Nanking. New capital probably Cheng-
tu 1905.

KLP:

793.94/11152

NOV 20 1937
WIND

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

JR
D

PLAIN
TELEGRAM RECEIVED
Amoy via N. R.

Dated November 15, 1937

1-1336

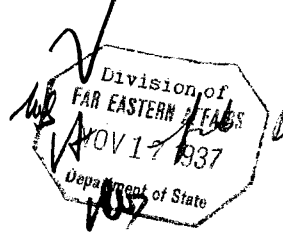
FROM Rec'd 7:30 a.m., 17th.

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.

November 15, 4 p.m.

My October 27, noon. /10871



Quemoy Island has since been occupied reportedly by forces variously estimated at two hundred to eight hundred Formosan troops with Japanese officers. Numerous rumors regarding activity on Island have reached Amoy. Reliable reports indicate Japanese have established landing field for planes. Island will serve as place for sailors to land for exercise. Supplies and fresh water will probably be obtained there and protected water one side of Island will serve as anchorage.

On November 10th four Japanese naval vessels including two cruisers bombarded Hulishan Fort for two hours in morning, after which plane dropped few bombs. This bombardment and desultory aerial bombing points around Amoy almost every day to date appear be part policy keeping Chinese troops occupied in and around Amoy, do not appear be part any plan take city or part of mainland. These operations appear serve as practice maneuvers.

To Hanking. Repeated to Department, Peiping and Foochow.

ALTAFER

DDM

793.94/11153

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 741.62/194 FOR Tel. 136-noon

FROM Poland (Biddle) DATED Nov. 15, 1937
TO NAME 1-1157 670

REGARDING: Sino-Japanese conflict. Hitler is prepared to offer good offices towards helping bring about truce in the, provided Great Britain will use good offices to persuade other powers to recognize Italian conquest of Abyssinia.

fp

793.94/ 11154

11154

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MBo

1-1338

FROM:

Chefoo vis N.R.

Dated November 17, 1937

Rec'd 7:30 a.m.

Secretary of State,

Washington.

COPIES SENT TO
O.N.I. AND M.I.D.

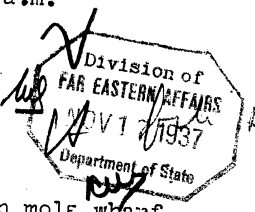
November 17, 10 a.m.

Military have replaced land mines in mole wharf.

There is notable tension in Chefoo.

ALIEN

CSB:



793.94/11155

FILED

NOV 22 1937

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

1-1836

FROM

GRAY

Chefoo via N. R.

Dated November 17, 1937

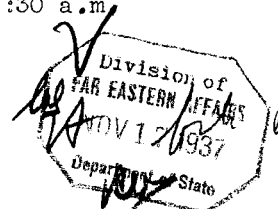
Rec'd 7:30 a.m.

Secretary of State,

Washington.

COPIES SENT TO
O.N.I. AND M.I.D.

November 17, 2 p.m.



Chinese army forces of 66th brigade withdrew from here this morning. Police force of 800 men now available is expected to maintain order. Prior to departure military forces slightly damaged mole with explosives. Bank of China and Bank of Communications are closed. One British destroyer is here and a French war ship is expected.

ALLEN

WNC:CSB

793.94/11156

NOV 20 1937

RECEIVED

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

28-1

FE

TELEGRAM RECEIVED

MBo

1-1036

FROM GRAY

Tokyo

Dated November 17, 1937

Rec'd 7:00 a.m.

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.



547, November 17, 5 p.m.

Reported Japanese intention to occupy Shanghai Settlement.

The Foreign Office spokesman informed press representatives today that the Shanghai correspondent in attributing to General Matsui the statement that Japan might occupy the International Settlement had not correctly quoted the General. The spokesman stated that Japan has no (repeat no) intention of taking over the Settlement.

Repeated to Shanghai.

GREW

KLP:CSB

793.94/11157

NOV 20 1937

FILED

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

NC

This telegram must be
closely paraphrased
before being communicated
to anyone.(a)

FROM: Tokyo

Dated Nov. 17, 1937

Rec'd 5:35 a.m.

Secretary of State

Washington

545, November 17, 3 p.m.

Department's 299, November 16, 7 p.m. reported

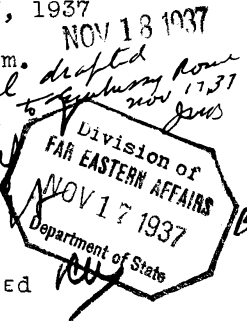
Japanese peace terms.

Havas despatch was described by Foreign Office spokes-
man on November 15 as "entirely groundless".

Repeated to Nanking.

GREW

WVC
CSB



793.94/11158

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FILED
NOV 22 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

PREPARING OFFICE
 WILL INDICATE WHETHER
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 Charge Department
 OR
 Charge to
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TELEGRAM SENT

Department of State

DEPARTMENT OF STATE

Washington,

November 18, 1937
18/1937

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 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PARTAIR
 PLAIN

1937 NOV 18 PM 12 44

AMEMBASSY,
 DIVISION OF
 COMMUNICATIONS
 AND RECORDS
 ROME (Italy).

175
 Your 478, November 15, 7 p. m.

The Embassy at Tokyo has reported that the Havas
 despatch in question was stated by a spokesman of the
 Japanese Foreign Office on November 15 as being without
 foundation.

Hull
HRW

793.94/11158

JWB
 FE:JWB:REK

FE *m.m.H.* E *24. H+H*

CR *67*
 NOV 18 1937

Enciphered by

Sent by operator M., 19.....

793.94/11158

F/FG

0068

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

PREPARING OFFICE
WILL INDICATE WHETHER

TELEGRAM SENT

Collect
Charge Department
OR

Department of State

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

Charge to
\$
Part A

1937 NOV 16 PM 7 15

Washington,

November 16, 1937.

DIVISION OF
COMMUNICATIONS
AND RECORDS

AMDELGAT,

BRUSSELS, (BELGIUM).

67

(Gray) For your information.

Gray

Shanghai reports that the Japanese continue to make rapid gains and that military observers believe that Japanese operations have rendered the Kashing-Soochow-Changshu defense line untenable and that the Chinese may be forced to give up Soochow and withdraw still farther. (End Gray)

A

Our Naval Attaché at Shanghai reports that the conclusion has apparently been reached by the Japanese to make the capture of Nanking their principal military objective in the hope that such action will cause the Nanking Government to collapse.

Gray

(Gray) Tsinan reports that all Chinese troops have withdrawn to the south of the Yellow River.

Canton reports that Kwantung and Kwangsi troops have been and are moving north in large numbers. (End Gray)

FE:JCV:SMJ

FE

Hull
(M.H.)

Enciphered by

Sent by operator M., 19

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

793.94/11158A

F/FG

29-1

TELEGRAM RECEIVED

NC

1-1336

FROM

GRAY

Tsingtao via N. R.

Dated Nov. 16, 1937

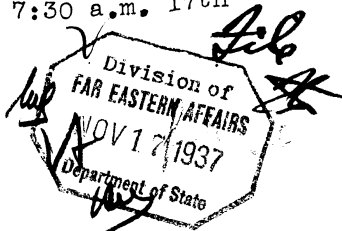
Rec'd 7:30 a.m. 17th

Secretary of State

Washington

COPIES SENT TO
O.N.I. AND M.I.D.

November 16, 5 p.m.



An important Chinese official of the Tsingtao-

Tsinanfu Railway has just called on me and inquired whether I would not attempt to dissuade the mayor of this city from announced policy (reiterated yesterday to a gathering of Chinese officials of the local government) that if the Japanese endeavored to take Tsingtao he would make a shambles of Japanese property in this city, particularly the mills. The reason for the request that I interview the mayor was because it was thought that the mayor would recognize my disinterestedness, whereas the Chinese caller stated that the mayor distrusted the motives of any Chinese who questioned his policy with regard to Japanese property. My caller stated that the mayor feels that such Chinese are all political rivals for his position. The mayor has again advised families of officials to leave the city with the result that ^{another} exodus has commenced in spite of a similar exodus of Chinese from Tsinanfu who are proceeding to Tsingtao.

Despite

793.94/11159

NOV 17 1937

F/FG

WB
3-26-75

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

29-2

NC -2- #--- November 16, 5 p.m. from Tsingtao

Despite the gathering of war clouds in Tsinanfu, Tsingtao remains quiet. There is little uneasiness among foreigners and no evidence of any hysteria among the Chinese such as was observed in August. At present there are in Tsingtao approximately 300 Americans. Sent to Nanking, Peiping.

SOKOBIN

WVC

GSB

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton C. Gustafson NARS, Date 12-18-75

29-3

TELEGRAM SENT

Gray

PREPARING OFFICE
WILL INDICATE WHETHER

Collect

Charge Department
OR

Charge to

\$

Department of State

TO BE TRANSMITTED
CONFIDENTIAL CODE

NONCONFIDENTIAL CODE

PARTIAL

PLAIN

957 NOV 17 PM 7 06 Washington, 11159 RADIO

November 17, 1937.

DIVISION OF
COMMUNICATIONS
AND RECORDS

8 pm

AMERICAN CONSUL,

TSINGTAO (China). *man R*

Your November 16, 5 p.m.

The Department assumes that 'you,' bearing in mind
the Department's August 7, 4 p.m., do not repeat 'not'
intend to interview the mayor as and for the purpose
requested. }

*Hall
(JWB)*

793.94/11159

793.94/11159

FE
FE JCV:NN

FE
FE

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 50

1-1402

U. S. GOVERNMENT PRINTING OFFICE

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

793.94

DOCUMENT FILE

NOTE

SEE 841.00 P.R./515 FOR #3517

FROM Great Britain (Johnson) DATED Nov. 1, 1937
TO NAME 1-1127 670

REGARDING: Far Eastern situation. The LONDON PRESS continued to
express sentiments in favor of China in connection
with the,-

mb

793.94/11160

1160.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Hueston NARS, Date 12-18-75

-11-

will go, we will go."

Reference is made to the Embassy's despatch No. 3504 of October 28, reporting the Government's attitude on the shooting of a British soldier at Shanghai by a Japanese airplane.

Far Eastern Situation

The London press continued to express sentiments in favor of China in connection with the Far Eastern situation. It was generous in its expressions of praise for the Chinese resistance to the Japanese attacks on Shanghai, one editorial comment being that the Chinese military action there, is one of the most heroic chapters in the annals of any nation. The Times, early in the week, published editorially an appeal for contributions to the Lord Mayor's Fund to provide relief funds with which to purchase medical supplies for the Chinese.

During the week Mr. Winston Churchill made a vigorous attack against the Japanese campaign in China stating that Japan had fallen into the grip of a military society before whom the wishes of the people and of the elder statesmen counted for nothing. Referring to the question of imposing sanctions upon Japan, Mr. Churchill said, "In this matter there is one simple rule. We must act in support of the United States. If they are prepared to act you are quite safe in working with that great branch of the English-speaking people. If our two countries go together in this manner I doubt whether any harm could come to either of us. Alone we cannot intervene effectively. x x x Our rule must be to give more support to the United States. As far as they will

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 669.

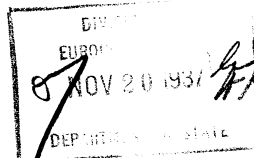
Moscow, October 27, 1937.

Subject: Soviet Press Article on the Naval
Strength of the Great Powers in the
Pacific.

793.94

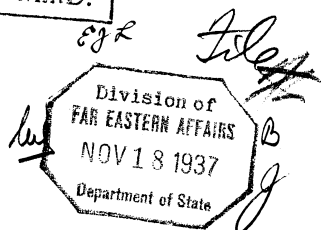
937 NOV 16 PM 3 13

AVAILABILITY
COMMUNICATIONS
AND RECORDS

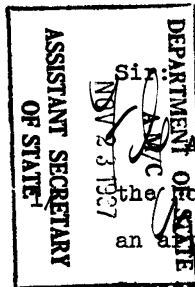


For Distribution-Check			
Grade		To field	Yes <input type="checkbox"/> No <input type="checkbox"/>
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COPIES SENT TO
O.N.I. AND M.I.D.



The Honorable
The Secretary of State,
Washington.



Sir,
As of possible interest to the Department, I have
the honor to transmit herewith a full translation of
an article entitled "Japanese Aggression and the
Strategic Situation in the Pacific" which appeared in
the Moscow IZVESTIYA of October 16, 1937.

Respectfully yours,

For the Ambassador:

Edward Page, Jr.
Edward Page, Jr.
Third Secretary of Embassy.

Enclosure:
1/ As mentioned above.

File No. 830.
EPjr/ms
In Quintuplicate to the Department. COPY TO RIGA.

793.94/11161

F/FG

11/6

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Enclosure No. 1 to despatch
No. 669 dated October 27, 1937,
from the American Embassy, Moscow.

(FULL TRANSLATION)

SOURCE: IZVESTIYA, No. 242, Moscow,
October 16, 1937.
(Organ of the U.S.S.R. Cen-
tral Executive Committee).

JAPANESE AGGRESSION AND THE STRATEGIC SITUATION IN THE
PACIFIC

by L. Ivanov

The maritime factor is playing the greatest rôle in the course of the war of seizure conducted by Japanese imperialism against China. It is precisely Japan's domination of the Far Eastern waters and China's lack of naval forces that enable the Japanese aggressor to transport unhindered his armed forces to the Asiatic continent. The Japanese naval forces have hitherto played a decisive rôle in the general course of the war as well as in the development of individual military operations. The operations, particularly in the Shanghai region, as it has been stated by Sir Herbert Russel, the famous English naval observer, "have shown the vital importance of naval forces. Had it not been for the powerful barrage fire from the Japanese warships at anchor in the mouth of the Yangtse River, the Japanese land forces could not have held their positions until the arrival of reinforcements. If the Chinese had submarine flotillas, destroyers and mine layers, it is more than doubtful whether the Japanese could retain their anchorage". The naval forces of China being insignificant, Russel goes on to say that "the Japanese fleet . . . soon began to play a decisive rôle in the military operations.

With

- 2 -

With the sea communications free, the Japanese could transport their troops in great numbers and much faster than could the Chinese along their primitive roads and their railways which were being attacked by aircraft . . . Japan's example now confirms in a most dramatic way the decisive effect of naval power".*

Not only is China threatened by Japanese aggression. It has also created a direct menace to the naval positions of the other Powers in the Pacific.

As it is known, Great Britain is still the strongest naval Power in the world. Her sea power and the security of her world empire are assured by a network of naval (as well as aircraft) bases on all the most important sea theatres. In particular, Singapore, which has now been converted into a "Gibraltar of the East", is the cornerstone of the defense of the British Empire in the Pacific. In addition to the Singapore naval base, which is already able to take care of a large fleet, including the largest modern warships, Great Britain has also since the beginning of this year been strengthening at a forced tempo her naval and air bases in Hongkong. The latter is the most important outpost and advanced strategic position of Great Britain in the Far East. Besides, a network of second-rate bases for the light forces of the fleet and aviation is being created in rush order in the Indian Ocean.**

The

*UNITED SERVICES REVIEW, September 9, 1937.

**See our article on this subject in IZVESTIYA, June 11, 1937.

- 3 -

The powerful and speedily extended system of British bases thus assures an opportunity of transferring and establishing large forces of the British fleet in the Indian and the Pacific Oceans.

The airways of the British Empire augment the strategic possibilities afforded Great Britain by her naval communications. In case of need they assure a speedy transfer of British air forces to any threatened section of the Pacific, in the Far East or in Africa. However, at present the strategic situation in the European seas, especially in the Mediterranean, is such as to concentrate the main forces of the British navy and aircraft in these seas. But with all her naval power, Great Britain still has relatively a very limited number of fighting units on the ocean wastes.

The situation which is now being created on this ground in the waters of the Far East is again well characterized by Russel. At the beginning of hostilities in Shanghai he wrote:

"Admiral Sir Charles Little, the chief of the naval forces at the Chinese station, rushed to the place with all the speed he could command. Yet I cannot but think that while his flagship was rushing toward Shanghai and he, himself, did not know what he might confront there, the limited character of the forces of his principal squadron should have made him uneasy. The moral from this is to be found in the fact that the British fleet is not strong enough to perform its duty effectively".*

Great

*UNITED SERVICE REVIEW, September 9, 1937.

- 4 -

Great Britain strives to change this situation. By the end of this year there will have been under construction in the British docks not less than 148 ships of different classes with a total displacement of 664,000 tons. This latter figure is about the total tonnage of the whole French navy and over double the tonnage of the entire Italian fleet. The aim of this program is to strengthen the fleets in home waters and in the Mediterranean as well as to create a new large Pacific fleet.

However, with all Great Britain's powerful finances and shipbuilding resources this program cannot be fulfilled before 1940. Meanwhile, the strategic situation in the Far East is becoming more complicated and aggravated from day to day in connection with the Japanese aggression.

The United States is in a condition directly opposite to that of Great Britain at present in regard to the possibility of concentrating large naval forces in the Far Eastern waters. Unlike Great Britain, the United States does not have to scatter its naval forces at the different sea theatres. On the contrary, since 1932 all the main forces of the American fleet, including all the battleships, aircraft carriers, cruisers and a greater part of the destroyer and submarine flotillas as well as the naval aviation unit, have been concentrated in the Pacific. But the Achilles' heel of the American naval power has been the extreme shortage of naval and aircraft bases outside United States territory. Pearl Harbor (in the Hawaiian Islands) is America's only first class naval and aviation base in the Pacific.

The

- 5 -

The American Navy Department is now projecting and preparing to equip a naval and aviation base in the Aleutian Islands.

The naval and air forces of the United States could be transferred to the western part of the Pacific Basin if it were possible for it to avail itself of other Powers' naval bases. The present forces of the United States in this section of the Pacific are comparatively small. They consist of the so-called Asiatic Fleet under the command of Admiral Yarnell (who, this summer, visited Vladivostok). This squadron consists of the cruiser Augusta (the flagship which participated in the visit), three destroyer divisions, a flotilla of submarines and various small auxiliary ships.

France, whose naval forces are concentrated in the Mediterranean and the Atlantic, has also in the East very limited naval forces consisting of one cruiser and a few detachments of patrol ships and gunboats. The naval bases of the French navy in the Far East are Saigon (Indo-China) and Kwangchowwan (territory leased from China). These bases are capable of receiving and taking care of naval forces many times the number of those maintained there by France at present.

As it is known, Holland has vast colonial possessions in the Far East (the Sunda Isles) with the richest oil deposits and rubber plantations which arouse the appetite of Japanese imperialism. There are a number of points in these Isles which could serve as naval and aircraft bases. However, should Japanese aggression extend to her Pacific possessions, Holland would, of course

- 6 -

course, be unable to protect the latter with her own forces and would need military assistance from other Powers.

Japanese imperialism is now striving to obtain possession of the commanding positions in the western portion of the Pacific at the expense of China and the interests of the third Powers. The strategic advantage of Japan in this respect lies in the fact that all her naval forces are concentrated in the Far Eastern waters.

By the beginning of this year the Japanese fleet consisted of 9 battleships, 4 aircraft carriers, 12 cruisers with 8-inch cannon, 23 light cruisers, 6 old armored cruisers, 105 destroyers and torpedo boats, 63 submarines, 2 hydroplane transports, 11 mine layers and numerous small and auxiliary craft. Not less than 2 battleships, 2 aircraft carriers, 2 cruisers, 26 destroyers and torpedo boats, 3 hydroplane transports and an unknown number of submarines have been under construction. It should be kept in mind that the latest shipbuilding programs of Japan, which, as it is known, has completely rejected all treaty limitations in respect to naval armaments, are kept strictly secret. In view of this fact the above-cited figures are undoubtedly incomplete.

Japan's naval base system is pretty strong. The system includes the bases situated in the Japanese Isles themselves (in particular the principal bases of the Japanese navy--Yokosuka, Maizuru, Sasebo and Kure) as well as the bases on the coast of the Liaotung peninsula

and

- 7 -

and Korea, in particular Riojun (formerly Port Arthur), Dairen, Reishin, Yuki and others. To these we should also add the bases of the light naval forces and aviation in the Japanese insular possessions to the north of the equator, across the route connecting the United States with China and the Philippines.

In carrying out her aggression in China, Japan is now seizing the latter's insular possessions near the coast of the southern Chinese provinces which are of vast potential strategic importance. In particular, the Japanese have already seized the Pratas Islands, which are situated at approximately 200 sea miles south-east of Hongkong. To the question as to whether the Japanese occupation of these islands is a temporary or a permanent one, representatives of the Japanese Government reply by a significant silence.

The Japanese naval command is also making preparations for the seizure of the large Chinese Island of Hainan, situated in direct proximity to French Kwan-chowwan and on the route from Singapore to Hongkong. With Hainan at their disposal, the Japanese would be able to cut off communications between these two most important Pacific naval bases of the British Empire and create a serious menace to the strategic positions of Great Britain as well as of the other Powers in the Far East.

On the other hand, Japan's weakness lies in the fact of her extreme dependence upon maritime trade. As it is known, Japan imports by sea a considerable part of the food she consumes and the basic raw materials (coal,

no 1

oil

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

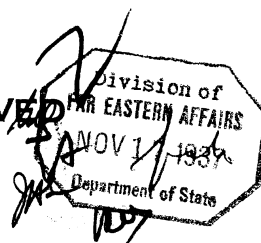
- 8 -

oil, iron ore, cotton, wool, and so on). Japanese industry, particularly light industry, depends completely upon foreign markets. Great Britain and the United States are Japan's chief suppliers as well as the principal buyers of her goods. These countries thereby have an extremely powerful and effective means of economic pressure upon Japanese imperialism.

EPjr/als:phf

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED



FROM

MBo

This telegram must be closely paraphrased before being communicated to anyone. (A-1)

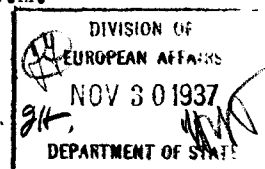
Nanking via N.R.

Dated November 17, 1937

Rec'd 12:50 p.m.

Secretary of State,

Washington.



927, November 17, noon. /10907

Reference my 839, October 30, 2 p.m., first sentence.

Please change "attitude of Germany and France" to read "attitude of Germany and Italy".

JOHNSON

KLP:CSB

Attitude of Germany and Italy toward the Sino-Japanese conflict.

FILED
NOV 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.00/14187 FOR Memorandum
FROM State Dept.
Far Eastern Division (Hamilton) DATED Nov. 10, 1937
7611 NAME 1-1127 GPO

REGARDING: Sino-Japanese hostilities: Remarks in regard to -,
made by the Reverend George W. Shepherd, in con-
versation with Mr. Hamilton.

fpg

793.94/ 11163

11163

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Department of State letter, August 10, 1972
By Milton D. Hueston NARS, Date 12-18-75

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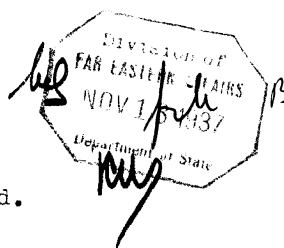
COMSOPAT via N. R.

FROM November 17, 1937

Rec'd 4 p. m.

COPIES SENT TO
~~O.N.I. AND M.I.D.~~

FROM: COMSOPAT
ACTION: OPNAV
INFO: 2nd BRIGADE USMC
COMSUBRON 5
COMDESRON 5
CINCAF
COMYANGPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ATUSINA PEIPING



0017 South China ports quiet 2nd.

SMG:MPL

793.94/11164

FILED
NOV 23 1937

F/FG

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

LMS

FROM COMYANGPAT VIA N. R.

COPIES SENT TO
O.N.I. AND M.I.D.

November 17, 1937

Rec'd 4:05 p. m.

FROM: COMYANGPAT
ACTION: OPNAV
INFO: 2nd BRIGADE USMC
YANTZE PATROL
COMSUBRON 5
COMDESRON 5
CINCAF
COMSOPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING



793.94
note
393.1115

0017 Exodus native civilian population underway
Nanking following published reports of Central Govern-
ment intended removal to interior. Measures being
taken safeguard fifty-eight United States nationals
including Embassy now in capital. PANAY now at Nanking
and flagship LUZON enroute 2355

SMS:NPT

793.94/11165

NOV 18 1937
F/FG

F/FG

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MBO

This telegram must be closely paraphrased before being communicated to anyone. (A)

FROM Shanghai via N.R.

Dated November 17, 1937

Rec'd 1:20 p.m.

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.

Division of
FAR EASTERN AFFAIRS
NOV 18 1937
Department of State

981, November 17, 3 p.m.

In my 962, November 12, 7 p.m., I mentioned the strained relations between the British and Japanese here. The feeling was especially tense on the British side following the killing of the three British soldiers on October 29 - my 912, October 30, 4 p.m. - by what was later determined by the British to have been Japanese shell fire. I have lately noted a decided effort on the part of the British to mollify the Japanese. Photographs have appeared in the city press showing British and Japanese soldiers shaking hands over barbed wire barricades. At a recent luncheon attended by British and Japanese, a member of my staff was struck with the all too obvious effort of the British commanding general to be friendly with the Japanese civil officials attending. (I am informed that this attitude is the result of orders from London which were apparently brought to the posts by Charge d'Affaires Howe when he recently visited the posts from Nanking.)

GAUSS

KLP:CSB

793.94/11166

F/FG

7085

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

(CONFIDENTIAL)

CONFIDENTIAL

P A R A P H R A S E

A telegram (no. 981) of November 17, 1937, from the American Consul General at Shanghai reads substantially as follows:

The Consul General refers to the strained relations existing between the British and Japanese in Shanghai which he mentioned in a previous telegram (no. 962 of November 12) and states that, following the killing on October 29 of three British soldiers by what the British determined later was Japanese shell fire, the feeling was especially tense on the part of the British. Of late the Consul General has observed a marked effort by the British to propitiate the Japanese. Pictures showing Japanese and British soldiers shaking hands over barbed wire barricades have appeared in the Shanghai newspapers. A member of the staff of the American Consulate General was ^{greatly} impressed with the all too apparent effort of the British commanding general to be friendly with Japanese civil officials at a recent luncheon attended by Japanese and British. It is the Consul General's understanding that orders from London, apparently conveyed by the British Chargé d'Affaires (Howe) when he visited the posts a short time ago from Nanking, brought about this changed attitude.

793.94/11166

FE:EGC

XI-18-37

ACR
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

LMS

SPECIAL GRAY

From via N. R.

Dated November 17, 1937

Rec'd 1:15 p. m.

Secretary of State,
Washington.

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OL INES SENT TO



762, November 17, 8 p. m.

793.94 Cont 1227
Embassy's 748, November 12, 6 p. m.

793.94

Efforts to persuade Han Fu Chu to yield Shantung to Japanese dominance without further fighting are being made at Peiping, apparently by Japanese instigation through the Shantung Residents' Association. That association and the Peiping CHRONICLE, under the management of a British subject who formerly edited the Manchuria DAILY NEWS at Dairen, are diligent advocates of Japanese expansion to the southward, both reflecting the Japanese attitude, the CHRONICLE contending that until the institution of a new government at Nanking great apprehension is inevitable. If such should prove to be the case, it seems to be recalled that Japan's task last summer of forming a purely local government in Peiping composed only of Chinese was extremely difficult. The difficulties of forming a Chinese de facto regime at Nanking, or even Peiping, for a widely occupied area

793.94/11167

F/FG

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

LMS 2-No. 762, November 17, 8 p. m., from Peiping.

area will be as multiplied. The problem of finding responsible and competent person who would be willing to serve and who would have the confidence of the public would seem to be one requiring a great deal of political sagacity and patience. A well-informed local political observer takes the opposite view, however, and he is convinced should the Nanking Government collapse or scatter, the task of forming a new government would be comparatively easy, as there would be a number who would be anxious to serve in a new government. Even in the north the Japanese are not entirely agreed upon the form of "government" which will be required, and there are hints that two "governments" may be formed, one for north China at Peiping, and one at Nanking for the occupied region south of the Yellow River.

There are recurring reports, as yet unsubstantiated by any concrete facts, that the Japanese may be driven to the necessity of bringing Pu Yi to Peiping in order to have some one around whom a "government" for the expanded area now under Japanese domination can be constructed. Pu Yi's former tutor, Cheng Hsiao Hsu, one time premier of Manchukuo, has recently returned to Peiping and taken up permanent residence here. It is too

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

LMS 3-No. 762, November 17, 8 p. m., from Peiping.

too early to determine whether that fact has any significance. The Kwantung army is rumored not (repeat not) to hold objection to Pu Yi coming here, but Tokyo is believed to view this with disfavor.

The local Japanese inspired vernacular press continues to carry on its campaign for termination of hostilities and an early peace, contingent upon the overthrow of the regime at Nanking.

Repeated to Nanking and Tokyo.

LOCKHART

CSB

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton C. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MBo

PLAIN

FROM Nanking via N.R.

Dated November 18, 1937

Rec'd 3:00 a.m.

Secretary of State,

Washington.

COPIES SENT TO
O.N.I. AND M.I.D.

Division of
FAR EASTERN AFFAIRS
NOV 18 1937

931, November 18, 9 a.m.

My 921 November 16, 3 p.m.

Mr. Henry of Soochow brings me today a letter from McNulty stating that Soochow was terribly bombed on thirteenth and fourteenth. Exact location of refugee camps is at Kwangfoh about thirteen miles west of Soochow near Taihu lake. McMillan, McDaniel, Young, Grier and McNulty are all there. Please communicate this fact to Japanese military.

Sent to Shenghai, repeated to Department, Tokyo.

JOHNSON

JS

793.94/11168

F/FG

NOV 20 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MBO

This message was received
in navy code and must be
closely paraphrased before **FROM**
being communicated to any-
one.

RADIO SHANGHAI

November 18, 1937

Rec'd 3:00 a.m.

TO: NAVY DEPARTMENT
INFO: CINCAF
AMEM NANKING
ALUSNA PEIPING

Division of
FAR EASTERN AFFAIRS
NOV 18 1937
Department of State

793.94

0017 Having captured about one thousand boats Japanese
now purchasing motor engines locally planning operate this
fleet on canals creeks in pressing offensive towards Nanking.
Reported one hundred fifty thousand Szechuan reinforcement
troops arrived vicinity capital. Chinese report they intend
attempt hold Kiangyin Wusih line then withdraw as necessary
to final defense line mentioned yesterday from Alusna
Shanghai see copy Jap propaganda pamphlet entitled "The
Ever Present Menace of Communism Justifying Aggression in
China" distribution America, Europe, similar pamphlets to
follow. Rumored British being pressed on vexatious settle-
ment problems to determine character their resistance upon
which formulation plans depend for taking over Settlement
administration. Believe plans anticipate virtual complete
central inspired ruffian activities possibly to force ac-
ceptance Japanese military police. Nearly all important
Sino officials, military, political, departed. Nipponese
aware movements all others T. V. remaining as stabilizing
monetary factor. Japs seeking prominent Chinese head muni-
cipal government 1952.

DDH:

793.94/11169

F/FE
20 NOV 37

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MBo

FROM GRAY

Chefoo via N.R.

Dated November 18, 1937

Rec'd 8:00 a.m.

Secretary of State,

Washington.

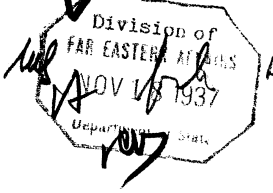
COPIES SENT TO
O.N.I. AND M.I.D.

November 18, 10 a.m.

Conditions are orderly and the two Chinese banks are
open again. Local motor roads impassable because of rain.

ALLEN

CSB:



793.94/11170

FILED

NOV 24 1937

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

This telegram must be closely paraphrased before being communicated to anyone.

FROM CINCAF

November 17, 1937

Rec'd 10:10 a.m.



ACTION: NAVY DEPARTMENT

INFO: ALUSHA PEIPING

773.94

0014. Following from Assistant Naval Attache, Nanking to be delivered to Alusna Shanghai. German advisors returning last night reported line holding Kashing to Haiyen strong defenses prepared Wuhing dash Hangchow but need full assistance. An air reconnaissance out revealed heavy Japanese man-of-war concentration all the way up South Bay. Report was also received that Japanese had landed regiment behind left flank Liuho. The Generalissimo was concerned as they may utilize canal boats pushing through destroying the mine fields above the Yangtze River barrier, nevertheless he was reported cheerful and confident at dinner last night although not questioned closely exact situation because of illness of Madam. Instructions have been issued to air service today removing entire forward base supplies using every available local truck. On a trip tonight saw all this personally. The big boy has demanded 2000 pilots trained immediately which involves an increase of 1300 over those now schooling at Hankow and Chungking. However there are not enough planes. Despite rumors from highest

793.94/11171

NOV 18 1937

FT/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-2- #0014, November 17, from CINCAF.

highest authority as to whether this place is to be evacuated undetermined depending on character of displayed by the front line commanders during next I heard order given to a Chinese company to continue building runway on field here for bombing group. Should a shift become necessary the Government will probably go to Chengtu and Donald Chiang and Madam will go to Yunnanfu. Was informed that Soviet order all types of ships totaled 200 planes at present only 20 pursuit ships at Lanchow. An attempt is being made to recruit Soviet aviators because of fear that Chinese will not be able to handle high landing speed of new ships. Moscow is withholding indications of active aid and if Soviet aviators are used they must change their citizenship. The British refuse permission to erect their ships at Hong Kong. However nine were smuggled to Canton two days ago balance of twenty-seven plus French ships are following others on order from there. Madam Chiang is in complete control, Kung is unable to make any purchases without her consent, Kung subordinate with Americans is in disfavor because of past attempts to obtain squeeze particularly Pawley. All purchases now at factory on cash basis. 0415.

CSB

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

30-1

TELEGRAM RECEIVED

JR

GRAY

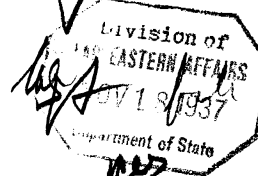
Tsingtao via N. R.

FROM Dated November 17, 1937

Rec'd 3 a.m., 18th.

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.



November 17, 11 a.m.

EFL

A representative of the mayor has just called on the Consulate to inform it that the mayor is naturally concerned about the welfare of foreigners in Tsingtao because of the rapidly increasing threat to Tsingtao as a result of the Japanese advance to the Yellow River. Under instructions from the Central Government, the mayor and the military would make every attempt to resist the entry of Japanese into this city. The military felt that the Japanese would advance on Tsingtao from the west following a crossing of the Yellow River at Tsiyang, Taitzai and Putai, all of which are fairly short distances from the Tsingtao Tsinanfu Railway. It would then be a "matter of a few hours" before they would approach the environs of Tsingtao. He also stated that the Japanese navy was operating all along the coast of Shantung and that a landing was to be expected at Jihchao to the south of Tsingtao, at Kinkiakow to the north and also at Chengting and Lungko.

The

793.94/11172

F/EG

793.94
393.1115
393.0015

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

30-2

-2- November 17, 11 a.m., from Tsingtao via N. R.

The mayor's representative emphasized that while the Chinese desired to preserve the peace and security of Tsingtao, the Central Government's instructions were to make every resistance to an attack by the Japanese. I inquired if there was any foundation to reports that the mayor had stated he would destroy Japanese property before the Japanese would take this city. The representative stated that the mayor had undertaken an agreement with the Japanese Consul General to safeguard such property so long as there was no Japanese military action "in Tsingtao and near by places", but that the mayor considered that the moment a crossing of the Yellow River was accomplished by the Japanese, his agreement in respect to the safeguarding of Japanese property was no longer valid. When I pressed the point I gathered that the mayor might not act as wantonly as reports might indicate, but at the same time it is to be noted that it is confirmed that last night there was considerable activity on the part of Chinese soldiers at the mills.

Tsingtao at the moment quiet and peaceful. Foreign officials feel fairly confident that their nationals in this city will not be endangered.

Sent to Peiping, Nanking.

SOKOBIN

CSB

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

31-1

TELEGRAM RECEIVED

MBc COPIES SENT TO
O.N.I. AND M.I.D. PLAIN
FROM Tsingtao via N.R.
Dated November 18, 1937
Rec'd 11:40 a.m.

AMEMB NANKING
AMEMB PEIPING
Secretary of State,
Washington.

November 18, 3 p.m.
Following from Allison:
"Eighteenth.

Just arrived Tsingtao. Transportation to Shanghai uncertain but believed possible in few days.

Heavy shelling by Chinese artillery of Japanese positions across river shook Tsinan for two hours yesterday evening. In interview with German Consul and German correspondent yesterday morning Han stated he could hold south bank of river for twenty days and that defense was being put up entirely by Shantung troops. Sporadic looting of Japanese property continued in Tsinan all day seventeenth but no other foreign property molested. All banks in city closed today but arrangement made before my departure for remaining Americans to draw money. From city exodus continues on large scale but had still in city."

SCKOBIN

KLP:

~~COPIES SENT TO
O.N.I. AND M.I.D.~~



793.941173

F/A

RECEIVED
NOV 18 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

CINCAF

FROM

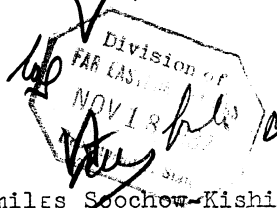
November 18, 1937

Rec'd 12:55 p.m.

ACTION: OPNAV

INFO: SECOND BRIGADE USMC
AMCONSUL SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
USS MARBLEHEAD
AMEMBASSY NANKING

COPIES SENT TO
~~C.N.I. AND M.I.D.~~



793.94

0018. Japanese have occupied ten miles Soochow-Kishing
Railway advanced both directions preparing boats rafts
on Taihu Lake, plan begin operations near Soochow Fushan
lane. Other sections unchanged. Chinese resistance
increasing but capture Soochow Kashing believed immediate.
Japanese Admiralty announce 9760 killed 29850 wounded in
Shanghai army navy, total 1200 casualties. 1910.

CSB

793.94/11174

F/A

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MBo

FROM

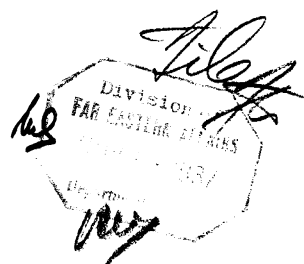
COMSOPAT

November 18, 1937

Rec'd 12:45 p.m.

Y
COPIES SENT TO
O.N.I. AND M.I.D.

ACTION: OPNAV
INFO: 2ND BRIGADE USMC
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMYANGPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSMA PEIPING



0118. South China ports quiet. 2000.

CSB

793.94/11175

F/A
FILED
NOV 19 1937

793.94

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

JR

TELEGRAM RECEIVED

Tsingtao via N. R.

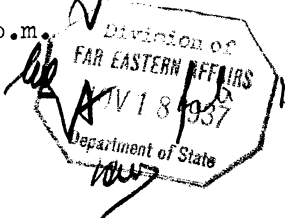
Dated November 18, 1937

FROM

Rec'd 1:20 p.m.

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND W.I.D.



November 18, 4 p.m.

American business man who has just spoken on telephone with Tsinanfu employee, states that employee reports looting confined to Japanese property and apparently conducted with approbation of Chinese authorities. Situation up to four p.m., fairly quiet in Tsinanfu although uneasiness manifested. Other than looting of Japanese property, order is being maintained.

Two. Situation in Tsingtao remains unchanged, it is reported operation of all passenger and freight trains on Tsingtao-Tsinanfu Railway will cease today.

Three. With reference to my telegram of November 18, 9 a.m., in regard to notification to merchant vessels, it is asserted in some quarters that Chinese will endeavor to blockade entrance to the inner harbor where wharves are located.

Sent to Peiping, Nanking.

SOKOBIN

CSB

795.94/11176

F/MR

NOV 18 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

SPECIAL GRAY

FROM

Tientsin via N. R.

AMEMBASSY PEIPING

Dated November 18, 1937

AMEMBASSY NANKING

Rec'd 2:05 p.m.

Secretary of State,

Washington.

COPIES SENT TO
O.N.I. AND M.I.D.



78, November 18, 5 p.m. *872*

It is reported that during daylight hours from November 11 to November 17th Japanese brought in from Manchuria 1000 troops; sent out by sea 2300 casualties and sent out to report/Manchuria 11000 troops and considerable quantities of artillery, tanks and motor trucks.

CALDWELL

CSB

793.94/11177

F/WR

RECEIVED
NOV 22 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

32-1

LMS

TELEGRAM RECEIVED

Nanking via N. R.

FROM Dated November 18, 1937

Rec'd 1:02 p. m.

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND R.L.D.

934, November 18, 3 p. m.

Embassy's 922, November 16, 4 p. m.

One. We have BEEN orally and confidentially

by the Foreign Office that the National Government has
BEEN removed to Chungking and that the Foreign Office
will be established ^{at Hankow.} Except that the seat of government
is definitely Chungking, the location of government offices
is as set forth in our telegram under reference. It is
expected that a public announcement of the change will
be made tonight.

Two. Most of the government offices and personnel
have already removed. Lin Sen is in Chungking. The
Foreign Minister is still here and it is believed that
the other cabinet officers are gone. Repeated Peiping,
Hankow, Shanghai.

Shanghai repeat to Tokyo.

JOHNSON

KLP:DDM

(*) Apparent omission.

793.94/11178

F/A

NOV 23 1937

11178

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

LMS

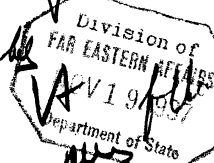
COMYANGPAT via N. R.

FROM November 18, 1937

Rec'd 7:55 p. m.

793.94
FROM: COMYANGPAT
ACTION: OPNAV
INFO: 2nd BRIGADE
YANGPAT
COMSUBRON
COMDESRON 5
CINCAF 5
COMSAPT
USS MARBLEHEAD
EMBASSY NANKING
ALUSMA PEIPING

Y
COPIES SENT TO
C.N.I. AND M.I.D.



0018 Mass evacuation civilian population continues
Nanking. Other river ports quiet 2300

SMS:NPL

793.94/11179

NOV 22 1937

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JS

~~Plain~~

ALUSNA, PEIPING Via N/R
FROM

Rec'd November 18, 1977

For the Information of
The Department of State,
From Naval Communications.

COPIES SENT TO
OCEAN AND M.I.D.

0018

Yusueh Chung's Fifty First Army departed Tsingtao

for Tsinan area assist defense Yellow River estimate
Chinese can hold south bank for ten days. Report bridge
blown up confirmed. Situation Tsinan panicky with some
looting going on. Japanese naval vessels seen off
coast Shantung. Chinese anticipate landings at
Lungkow and in vicinity Shihkiuso probably attempt
cut Miaotsi Railway Weihsien Kaomi area and isolate
Tsingtao. 1705.

SMS



793.94/11180

F/FG

NOV 22 1977

33-1

TELEGRAM RECEIVED

LMS

GRAY

FROM

Shanghai via N. R.

Dated November 18, 1937

Rec'd 4:35 p. m.

COPIES SENT TO
O.N.I. AND M.I.D.

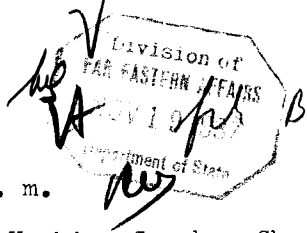
Secretary of State,
Washington.

984, November 18, 7 p. m.

My No. 970, November 15, 6 p. m.

Chinese resistance along the Kashing-Soochow-Changshu line appears to be increasing. Chinese reinforcements are reported to be steadily strengthening this line while the rainy weather of the past two days has slowed up Japanese operations. Japanese army casualties in the Shanghai area since August 23 were announced today as 9,000 killed and 29,000 wounded. Approximately 220,000 Japanese troops are now believed to be engaged in operations from Hangchow Bay to the Yangtze River. Additional reinforcements and great quantities of munitions and supplies arrive daily and are sent to the front over land and by the Whangpoo River and Soochow Creek.

The Settlement south of the Creek and the French Concession are gradually assuming a more normal aspect; many defense works are being removed; the Shanghai Volunteer Corps has been demobilized and the foreign defense sectors are



793.94/11181

F/FG

793.96
note
93.48

h

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Huefem NARS, Date 12-18-75

33-2

LMS 2-No. 924, November 18, 7 p. m., from Shanghai.

*Read to
recorder
Red
7 Nov 19-
RM*

are now very lightly held. [The refugee problem is serious but the Japanese have allowed the International Committee in charge of the safety zone in the native city to continue to function and have contributed \$20,000 towards this work.] The Hongkew and Yangtzepoo districts have now been thrown open by the Japanese authorities to Japanese residents without restrictions but not to foreigners; all other areas around Shanghai occupied by the Japanese remain closed to foreigners.

Sent to the Department. Repeated to Nanking and Peiping.

GAUSS

SMS:NPL

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

33-3

PREPARING OFFICE
WILL INDICATE WHETHER

Collect

Charge Department

OR

Charge to

\$

TELEGRAM SENT

Department of State

TO BE TRANSMITTED
CONFIDENTIAL CODE

NONCONFIDENTIAL CODE

PARTIAL

PLAIN

via Naval Radio

Washington.

1937 DEC 7 PM 5 36

December 7, 1937.

AMERICAN CONSUL,

DIVISION OF
COMMUNICATIONS

SHANGHAI (China).

623

793.94/11181

Your 984, November 18, 7 p.m., second paragraph.

We note from your telegram under reference that the Shanghai Volunteer Corps has been demobilized and that the foreign defense sectors are being very lightly held, and would appreciate being informed what, if any, changes have occurred in regard to these matters since the sending of your telegram under reference. Are the American and other foreign forces on duty throughout their respective sectors or only in certain portions thereof? Do they maintain patrols and if so where?

Hull
Wm

793.94/11181

FE:MSM:EJL

FE

A-W

CR

DEC 7 1937 PM

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. O. R.—No. 50

1-1402 U. S. GOVERNMENT PRINTING OFFICE

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 740.00/223 FOR tel #110 9am

FROM Iran (Engert) DATED Nov.18, 1937
TO NAME 1-1127 670

REGARDING: Far Eastern situation

Minister for Foreign Affairs does not
think - will result in war between
~~two~~ or more great powers. Japan's bluff
had obtained for her what she wanted
except that she had to fight China.

dg

793.94/ 11182

11182

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.71/183 FOR Telegram #, 9 a.m.

FROM Tsingtao (Sokobin) DATED Nov. 18, 1937
TO NAME 1-1127

REGARDING:

Sino-Japanese situation: British Commissioner of
Posts in Tsingtao received order to close Post
Office and proceed to Tsining. Local harbor authorities
have been ordered to have all merchant vessels ready
to leave on an hour's notice.

aa

793.94/11183

11183

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

FE

lw

GRAY

Tsingtao via N.R.

Dated November 18, 1937

Rec'd 8 a.m.

Secretary of State

Washington

November 18, 9 a.m.

Note
793.94

Commissioner of Posts in Tsingtao, British, last night received a telegram from Ministry of Communications ordering him to close post office and proceed with his staff to Tsinning in Southwestern Shantung. As the telegram did not come through the usual channels, i.e. the Inspectorate General of Posts, and since the local post office has deposits of over yuan 300,000 in its savings department, the Commissioner is reluctant to comply with instructions and has asked the Inspectorate to reconsider the matter. It is understood that the Commissioner of Posts at Tsinanfu has received similar instructions with which he is complying.

Local harbor and wharf authorities have ordered all merchant vessels "to be ready to leave on an hour's notice".

Tsingtao just as tranquil as ever.

893.71 / 183

SOKOBIN

KLP:GW

MILITARY INTELLIGENCE DIVISION
WAR DEPARTMENT

Secretary of War
Assistant Secretary of War
Secretary, General Staff
G-1
G-3
G-4
War Plans Division
Statistics Branch
Budget & Legislative Pl. Br.
Adjutant General's Dept.
Army Industrial College
Army War College
Air Corps (Liaison Officer)
Cavalry
Chemical Warfare Service
Coast Artillery Corps
Command & General Staff School
Engineers
Field Artillery
Finance
Infantry
Inspector General's Dept.
Insular Affairs
Judge Advocate General's Dept.
Medical Dept.
Militia Bureau
Office of Naval Intelligence
Ordnance Dept.
Quartermaster Corps
Signal Corps
Executive for Reserve Affairs

✓ State Dept.:

European Affairs
Near Eastern Affairs
American Republics
✓ Far Eastern Affairs *Mr. Hamilton*
Office of Philippine Affairs

Commerce Dept.:

Foreign & Domestic Commerce
Automotive & Aeronautics
Trade Division
Transportation Division

For your information and file
Note and return
Note and send to

MILITARY INTELLIGENCE DIVISION
WAR DEPARTMENT

11/11/37

Secretary of War
Assistant Secretary of War
Secretary, General Staff
G-1
G-3
G-4
War Plans Division
Statistics Branch
Budget & Legislative Pl. Br.
Adjutant General's Dept.
Army Industrial College
Army War College
Air Corps (Liaison Officer)
Cavalry
Chemical Warfare Service
Coast Artillery Corps
Command & General Staff School
Engineers
Field Artillery
Finance
Infantry
Inspector General's Dept.
Insular Affairs
Judge Advocate General's Dept.
Medical Dept.
Militia Bureau
Office of Naval Intelligence
Ordnance Dept.
Quartermaster Corps
Signal Corps
Executive for Reserve Affairs

State Dept.:

European Affairs
Near Eastern Affairs
American Republics
Far Eastern Affairs ←
Office of Philippine Affairs

Commerce Dept.:

Foreign & Domestic Commerce
Automotive & Aeronautics
Trade Division
Transportation Division

For your information and file ←
Note and return
Note and send to *JS*

Oct. 15, 1937

PART IV
MISCELLANEOUS



NOV 19 1937 SINO-JAPANESE SITUATION:

DIVISION OF

COMMUNICATIONS AND RECORDS

Developments September 29-October 12, 1937 (Map Accompanying) -

793.94
North China Theater. Suiyuan--Chahar--Shansi Sector. The actual situation in this sector is somewhat obscure. Reports are meager and in some cases contradictory. The developments of the past two weeks, as far as they can be ascertained, follow.

Japanese forces in North Shansi succeeded in driving through the inner section of the Great Wall between Lingkiu and Hunyuan, south-east of Tatung. Chinese ex-communist forces had successfully resisted earlier efforts at that point. These Chinese troops were finally driven south toward Taishan. The Japanese continued to push down a valley south of the Wall and successively occupied Pinghsingkuan and Taichow, and are now at Yuanping, 60 miles north of Taiyuan. This movement out-flanked the strategic and well fortified Yenmen Pass. No further movement south has been reported for several days. The Chinese have a fortified position across the road to Taiyuan at Shihling Pass. With the capture of Shihchiachuang, reported under Hopei sector, the Japanese are in a position to threaten Taiyuan from the east. Yen Hsi-shan has moved his provincial capital from Taiyuan to Linfen (Pinyang) in southern Shansi. Once the Japanese reach Taiyuan, their progress south to the Yellow River will be comparatively easy.

In Suiyuan, Prince Teh's Mongols, under Japanese dominance, have been active on the Mongolian plateau north of the Ping-Sui Railway. They are reported to have occupied Pailingmiao and Paotow, the western terminus of the Ping-Sui line. Japanese troops are still believed to be at Liangcheng and Pingtichuan south and east of Suiyuan City (Kweihua). Chinese troops under Fu Tso-yi, Chairman of Suiyuan Province, on the railway in the vicinity of Kweihua, appear to be in a precarious position. The Chinese report that Ma Chan-shan, Chinese hero of the Nonni River during the Manchurian campaign in 1931-32, is now west of Paotow with an ex-communist force ready to fall on the Mongol and Japanese flanks.

Hopei Sector. On the Ping-Han Railway, the Japanese continued to press south on a narrow front after their victory at Paoting. By October 4 they had reached Chenting. There Chinese resistance stiffened somewhat. A defensive position, a few miles south of Chenting, running from Pingshan in the foothills southeast through Shihchiachuang, then northeast to Shontseh, had been thoroughly organized by the Chinese. The Chinese expected to hold there in order to protect the vital junction of the Ping-Han Railway and the narrow gauge line running to Taiyuan, Shansi. This defensive line, according to the Japanese, was manned by 200,000 Chinese troops under Sun Lien-chung. On October 9 the Japanese launched a powerful attack with a reported 150,000 troops, capturing Chenting with little difficulty. On October 10 the Japanese succeeded in forcing a crossing of the swollen Huto River, and enveloped the Chinese left at Pingshan. The left of the Chinese line cracked easily and the Japanese captured Shihchiachuang and its im-

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portant railway junction. Part of the Japanese forces are pressing south along the Ping-Han Railway, while another column is pushing up the narrow gauge railway toward Taiyuan. On October 12 the Japanese claimed they were 38 miles west of Shihchiachuang and that Taiyuan would fall by the end of the week. So far only the left of the Chinese line has broken but it is probable that the Chinese will have to continue their retreat south. The loss of the strategic railway junction is a serious blow to the Chinese. While the Chinese have another defensive line in the vicinity of Shuntefu (Singtai) about 70 miles south of Shihchiachuang, it is probable that the end of Chinese resistance north of the Yellow River is approaching. The continued retrograde movements, with columns harassed by savage Japanese air attacks, is bound to have serious effects on the morale of the North China troops.

On the Tsin-Pu Railway little Chinese resistance was offered after the fall of Tsangchow on September 25. The Japanese have been moving south on a fairly narrow front. They crossed the Shantung border, and on October 4 entered Tehchow. One Japanese column, debouching from Tsangchow, is engaged in mopping up west of the railway and is now beyond Sienhsien about 120 miles due south of Peiping. The Japanese troops on the railway claimed capture of Yucheng, 155 miles south of Tientsin, and another force claimed the occupation of Ningtsing, 30 miles northeast of Tehchow on October 12. Thirty thousand Chang Hsueh-Kiang troops on this line refused to fight and two Chinese divisions in line had to be withdrawn to subdue the mutineers. It is reported that the latter are now under control and have turned to face the Japanese. This defection aided the rapid Japanese advance.

With the invasion of the Shantung border Han Fu-chu, Chairman of Shantung, despite Japanese overtures, appears definitely to have thrown his lot with Nanking. His troops are now reinforcing the other Chinese units on the Tsin-Pu line north of the Yellow River. Feng Yu-hsiang (the Christian General), a former commander of Han Fu-chu, in this area by Nanking's order, undoubtedly inclined Han to Nanking. Both Feng and Han have been demanding reinforcements from Nanking. These have been promised, but even if sent, cannot arrive in time to affect the immediate situation. On this line as on the Ping-Han, the Chinese cannot hold the Japanese short of the Yellow River.

Japanese continue their bombing operations throughout North China. Most of the important towns in Shansi, Hopei, Suiyuan, and Shantung not in Japanese-controlled areas, have been bombed repeatedly. Chahar is completely under Japanese dominance. Tsinan in Shantung has not been bombed recently though planes fly overhead almost daily. Planes based at Port Arthur are reported to have taken part in these raids.

Japanese efforts in getting a nominal head for an autonomous state in North China are now reported centered on Tsao Kun. Kun is an early ally of Wu Pei-fu, a former President of China, 75 years old, and has been in retirement since 1922. He is reported organizing 2,000 troops south of Tientsin as a military nucleus for the new state. It is reported that General Kita's mission on his recent flight to Tokyo was to secure approval of this projected regime.

Japanese are reported to be rapidly completing a railway from Tungchow, east of Peiping, to Kupeikow, a pass in the Great Wall leading to Jehol. This probably includes an extension to Jehol city (Chengteh).

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Such a railway would greatly facilitate the transfer of troops and supplies between North China and Manchoukuo and relieve the congestion on the Peking--Mukden line.

Japanese forces are reported to have occupied two islands near Lienyunkang, the port of Haichow. Naval maneuvers off the coast at this point have led the Chinese to fear a Japanese landing in force in order to advance westward over the strategic Lunghai Railway.

The Japanese Committee for the Maintenance of Order in the Peiping Area issued a proclamation on October 12 changing the name of Peiping back to Peking.

Central China. Heavy and repeated Japanese attacks in the Lotien-Liuhang sectors at Shanghai have caused the Chinese lines to bend. The immediate Japanese objective is to drive south from the above points to Nanziang on the Shanghai--Nanking Railway, thus imperiling or cutting off the Chinese forces now in the Kiangwan--Chapei salient. The advanced Japanese lines, moving very slowly, reached a point about four miles northwest of Nanziang on October 12. It is probable that the Japanese will eventually cut the railway. Chinese are making every effort to retain contact with the International Settlement. Defenses in Chapei are being constantly strengthened, and new ones are being erected along the borders of the Settlement and in the Hungjao and Lunghua areas. The Settlement still continues to be a potent source of supply for the Chinese forces.

The Japanese are reported to have emplaced 14-in. siege guns north of Yangtzepoo and are also reported to be using a captive balloon for artillery observation in the Liuhang area. Japanese claim that the Chinese are using 8-in. guns for the first time in this area. The Japanese continue to make full use of their naval guns in pushing their attacks.

The Chinese are persistent in their claims that the Japanese are using gas in the Shanghai area. They report 1,500 gas casualties, many of which have the characteristic symptoms of mustard gas burns. Each side claims the other is using dum-dum bullets.

Japanese air activity continues with increased intensity. Principal targets are the various Chinese defensive lines and Chinese communication facilities. Many more towns have been bombed, and air operations in this area have been extended to railway and manufacturing towns in Hunan Province. Chinese air activity is limited to defensive pursuit action, particularly in the vicinity of Nanking, and to occasional small night raids on Japanese positions in the Shanghai area. Both sides report taking heavy toll of enemy aircraft.

Three British Embassy cars clearly identified by flags, en route from Nanking to Shanghai, were attacked by Japanese airplanes on October 12. It is reported that both Japanese and Chinese were informed of the trip beforehand. The cars also contained one Italian and one Russian official.

South China. Japanese action in this area was limited principally to air attacks on important towns and on the vital Canton--Hankow Railway. Continued bombing finally intercepted this railway north of Canton. Observers report that new Chinese pursuit planes and

improved antiaircraft fire have forced the Japanese planes to fly at high altitudes, particularly in the vicinity of Canton.

The Pearl River was closed to navigation on October 4 because of Chinese fears of Japanese naval activity. The barrage was opened temporarily on October 9 to permit the departure of 18 foreign vessels and to admit two tank barges loaded with oil and other supplies. Supplies from Hongkong continue to come through over the Kowloon--Canton Railway. A road supplementing the railway facilities is now under rapid construction.

Canton reports that Japanese naval forces occupied Hopao Island, 20 miles from Hongkong, and that they are constructing an air base there.

The British authorities at Hongkong have appointed a commission to investigate the alleged sinking of Chinese fishing junks by Japanese men of war.

General. The Japanese forces in North China have made comparatively rapid progress toward reaching their principal objectives. At Shanghai the situation has been a stalemate. There, the Japanese, with extreme difficulty, have made exceedingly slow progress. Reasons for this are not hard to find. The bulk of the Chinese troops in the north consists of provincial troops. Comparatively few well trained Central Government divisions are present. Chinese lines of communication in the north are long, and supply is none too efficient. Wherever the terrain permits maneuver, the Japanese have shown a decided superiority. Their supply system functions. A Japanese soldier is assured of immediate replacement for expended ammunition, while his Chinese opponent has no such assurance. Chinese have little artillery and have had no aircraft in the north. It is remarkable that despite the Japanese tactical and mechanical superiority no large bodies of Chinese troops have been cut off or decimated so far, though Chinese casualties have been much greater than the Japanese. The terrain at Shanghai, however, is ideal for defensive purposes. The ground has been thoroughly organized. There is little room for maneuver. Chinese lines of communications are short. Supplies and replacement are much more certain than in the north.

Casualties on both sides have undoubtedly been heavy. However, accurate figures are difficult to secure. The Japanese claim they have counted 200,000 Chinese dead to date. Of these 50,000 were in the Shanghai area. The Chinese state these figures are gross exaggerations. They admit 20,000 killed and 50,000 wounded in the Shanghai area. The Japanese announce their losses in Shanghai as follows: army, to October 7, 2,800 dead; navy, to October 11, 1,133 dead. No wounded were listed. Foreign observers report that 12,000 Japanese wounded left Chingwangtao in North China, on hospital ships, during the week ending October 5.

It is estimated that there are approximately 825,000 Japanese troops now under arms, distributed as follows:

In Japan	130,000
In Formosa	5,000
In Korea and Manchuria	230,000
In North China	280,000
In Shanghai	<u>180,000</u>
Total	825,000

The Japanese were reported to be reinforcing their Manchoukuo garrison. Various sources stated the reasons to be Soviet military activity along the Manchoukuo--Siberian border and a state of unrest among the Chinese population, particularly in northeastern Manchoukuo.

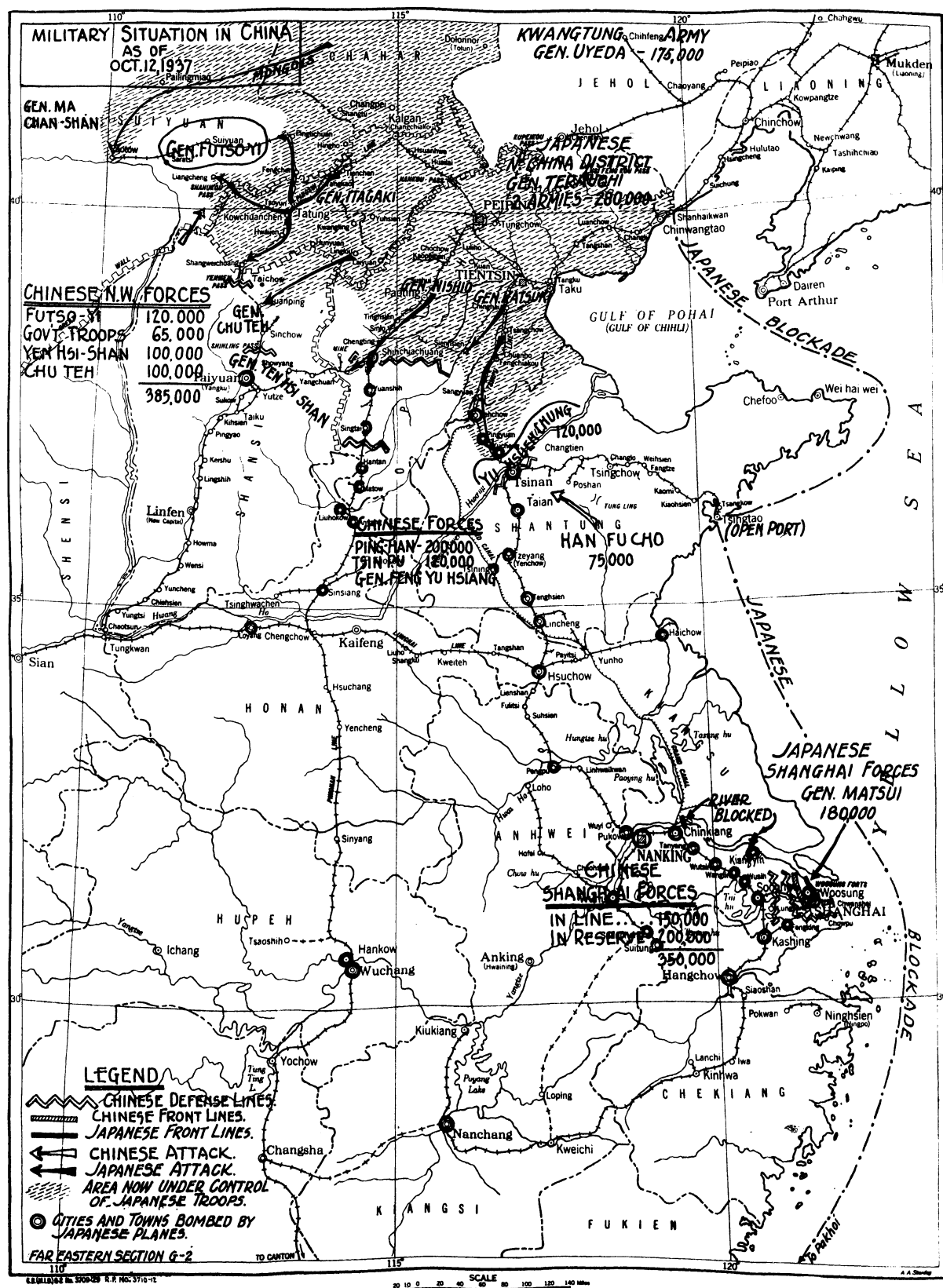
As a further measure of war preparedness, the Japanese Premier, Prince Konoye, has announced a plan for the formation of a Supreme War Council for the period of the emergency, to consist of ten members: two each from the army, navy, and financial groups; three from important political parties; and one diplomat. It is expected that the plan will be adopted. While the council is purported to have advisory powers only, actually its decisions will have the force of law. A curb on imports of nonessential commodities was also announced.

It is reliably reported that the Chinese Government has contracted for supplies and munitions as follows: from France, 98 million francs worth of airplanes; from Germany, assorted munitions, probably antiaircraft; from Russia, planes, tanks, artillery, and other supplies. Two hundred late model French airplanes are reported to have reached South China via French Indo-China. Many reports, mostly from Japanese sources, indicate that Russian supplies are getting into China. These reports state that the roads in Chinese Turkestan are filled with truckloads of Soviet supplies en route to Chinese forces; that many Russian airplanes have already arrived at Lanchow, Kansu, where accommodations for Russian personnel have been prepared; that a large number of Russian planes have reached Loyang, Honan. The Chinese air force in Nanking and Canton has been augmented within the last few weeks. However, so far no actual identification of the source of the new materiel has been made.

It is reported that Premier Mussolini has ordered the Italian Air Mission now in China to return to Italy. This action is taken as a gesture of friendship to Japan. The mission consisted of about 10 officers and 90 civilian mechanics. They had erected an airplane factory at Nanchang, Kiangsi, and had conducted a flying school. One hundred Chinese cadets were reported undergoing training at the Royal Aviation Academy, Caserta, Italy. These probably will be returned to China. It is also reported that Chancellor Hitler will probably order the German military advisers with the Nanking Government to leave China. These advisers, numbering 50 or 60 German retired and reserve officers under General Von Falkenhausen have been of inestimable value to the Chinese in the present conflict. They are believed to be responsible for the excellent defense at Shanghai, and a number have also been reported with the Chinese forces in North China. The loss of this group of advisers may be a most serious blow to the combat value of the Chinese forces.

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gained in the advancement of aviation and combat training as a result of the flight, inasmuch as the tour will follow, in general, the established routes of the Pan American Airways; however, if it is accomplished successfully, the prestige of the Cuban air forces will be considerably increased. (G-2/2079-59/7)

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CHINA:

The League of Nations Again Condemns Japanese Aggression
in China -

As had been anticipated, the Council of the League of Nations decided on September 16 to refer China's appeal against Japan to the Far Eastern Advisory Committee. This body, of which the United States is a nonvoting member, was set up in 1933 to handle the Sino--Japanese dispute, but following Japan's resignation from the League had been inactive.

The United States accepted the League's formal invitation to participate in the deliberations of the revived committee, but specified that it could not accept responsibilities which might devolve upon others "from the fact of their membership in the League," nor could it "state its position in regard to policies or plans submitted to it in terms of hypothetical inquiry." Japan refused the invitation to meet with the committee.

On September 27 the Far Eastern Advisory Committee's 23 members unanimously, except for the United States, voted the following resolution.

"The Advisory Committee, taking into urgent consideration the question of aerial bombardment by Japanese aircraft of open towns in China, expresses its profound distress at the loss of life caused to innocent civilians, including great numbers of women and children, as a result of such bombardments, and declares that no excuse can be made for such acts, which have aroused horror and indignation throughout the world, and solemnly condemns them."

This action was distinctly pleasing to the Chinese delegate, Dr. V. K. Wellington Koo, who in an opening speech had said, "We particularly ask that within the limits of feasibility the utmost measure of encouragement and assistance be extended to China, a victim of flagrant aggression," but without specifying the measures he desired.

The silence of the United States during the League discussions had aroused considerable criticism at Geneva and elsewhere, but this was dispelled when Secretary of State Hull issued on September 28 a statement taking note of the League committee's resolution and concluding: "The American Government, as has been set forth to the Japanese Government and especially in this Government's note of September 22, holds the view that any general bombing of an extensive area wherein there resides a large populace engaged in peaceful pursuits is unwarranted and contrary to principles of law and of humanity."

On the same day, without a dissenting voice, the League of Nations Assembly adopted its Far Eastern Committee's resolution previously quoted, and China's appeal went back to the committee again for further consideration on what to do.

It was decided to name a subcommittee consisting of the following members: Great Britain, France, Russia, China, Belgium, Australia, Ecuador, the Netherlands, Poland, Sweden, and New Zealand with Vilhelms Munters of Latvia as chairman and the United States participating under the same conditions as governed its seat on the Advisory Committee. The subcommittee, it was explained, was not a substitute committee, but was merely doing preparatory work for the larger body. Its immediate task was to study China's flat request that she be declared a victim of Japanese aggression, Dr. Koo demanding that the League take "the maximum practical measures against Japan."

On October 5 the subcommittee finished its labors consisting of two reports and the draft of a resolution which were referred immediately to the Far Eastern Advisory Committee. The latter voted its acceptance of the report that evening and passed a resolution -- with three abstentions not affecting the principles involved--condemning Japan as an invader and treaty-breaker more strongly than had been expected even as late as noon of the same day. The press reports that the reason for this firmness was the Chicago speech of the President of the United States, received six hours in advance of its delivery. Under the impulsion of President Roosevelt's electrifying announcement of American emergence from aloofness on international problems, the committee's resolution, in addition to condemning Japan, expressed moral support of China and recommended that "League members should refrain from taking any action which might have the effect of weakening China's power of resistance, thus increasing her difficulties in the present conflict, and should consider how far they can individually extend aid to China." The resolution further authorized League members who are parties to the Nine-Power Treaty to meet and invite the United States and other interested powers, and to initiate as soon as possible the consultation called for by the treaty, with the view of ending the Sino--Japanese conflict by agreement. Japan, as a signatory of the agreement, would of course be invited to this consultation.

The subcommittee's report specifically found that Japan's recent actions in China had constituted a breach of the Boxer Protocol of September 7, 1901; the Nine-Power Treaty of Washington, 1922; and the Kellogg--Briand Pact of 1928, "to which may be added The Hague Convention, No. 1, October 18, 1907, which has a somewhat different character."

On October 6 the League of Nations Assembly unanimously adopted the Far Eastern Advisory Committee's resolution, Poland and Siam abstaining. Then, instead of adjourning, the Assembly recessed, as during the Manchurian and Ethiopian crises, which allows its President to call a meeting whenever necessary.

On October 6 also Secretary Hull issued a statement which further clarified the new stand of the United States and expressed general accord with the conclusions of the League of Nations as to Japan's actions in China. Since then Secretary Hull has signified American intention to participate in parleys of the Nine-Power Treaty

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signatories and adherents, 17 in all, but it is practically certain that Italy, one of the signatories, will not attend.

The question of the location of the proposed conference required considerable negotiation. Neither the United States, nor Great Britain, nor France, wished the meeting to take place in its capital, because of the prominent part taken by each in support of the issue involved, viz., suppression of military aggression by a Fascist "have not" nation, and because of the necessity of assuming responsibility for the results of the conference. A more neutral location was sought, and Brussels finally was selected. No date has been set for the meeting.

Japan's official reaction to events at Geneva has been confined to a comparatively mild statement issued by the Foreign Office on October 9 which said in part: "These steps (the Geneva resolutions) must be attributed to an unfortunate lack of understanding of the real circumstances as well as the true intentions of Japan, a state of affairs which the Japanese Government deem very regrettable." The statement further asserted that Japan had been acting in self-defense from the beginning of the trouble; that she was seeking merely China's abandonment of the anti-Japanese policy and sincere cooperation between the two countries, and had no territorial designs at all. It is of interest, however, that Japanese official spokesmen have refused to say whether Japan, one of the signatories, will or will not attend the Nine-Power Treaty parley, pointing out that an invitation had not yet been received.

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HEADQUARTERS U.S. ARMY TROOPS IN CHINA
Office of the Intelligence Officer

SEMI-MONTHLY SUMMARY OF INTELLIGENCE

September 17, 1937
To October 1, 1937

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DIVISION OF

1. General

The period from September 17th to October 1st has witnessed con-

tinued hostilities in Shanghai and on all North China fronts. These hostilities have been accompanied by Japanese bombings of Canton, Nanking, Hankow, Pukow, and other important and thickly populated points, such as Peoting, and the North Station in Shanghai. These bombings have been sensational and have filled the headlines because of the claims by the Chinese that they have killed hundreds of innocent non-combatants and caused much damage and destruction far from any military objectives. In general it is believed that these bombings had some definite military objectives, as, for instance, the Whampoa Military Academy, the Tienho Airbase, and the Shaho Arsenal in Canton, the airbase, the War Ministry Buildings, and other Government building in Nanking, and the arsenal at Hankow, but either the Japanese marksmanship was very poor or the anti-aircraft defenses were such that the Japanese bombers could not get close enough to their targets to bomb accurately, for in many cases it appears they entirely missed the military objectives. There is no question that these bombings have proved very costly to the Chinese both in loss of life and destruction of property but they have also subjected the Japanese to condemnation by practically all of the nations of the civilized world and to the increased hatred of the Chinese, and in the end may prove more costly to the perpetrator than to the victim.

2. Military Operations.

a. Progress in the Shanghai hostilities has been very slow and in general there has been little change in the lines or the positions of either combatant. The Japanese are reported to be landing additional troops in Shanghai and preparing for a new offensive at the present time.

b. Japanese forces along the Peiping-Suiyuan Railroad are reported to be advancing both along the railroad from Tatung toward Suiyuan, the capital of

OFFICE CHIEF OF MILITARY INTELLIGENCE DIV.

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WAR DEPARTMENT

Division of
FAR EASTERN AFFAIRS
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the province of the same name, and south from Tatung toward Taiyuanfu. The Japanese advance along the railroad has been assisted by troops of Inner Mongolia. The Japanese have reported the capture of Jengchen, a town in Suiyuan about forty miles north of Tatung, and that their troops are rapidly pursuing the retreating Chinese toward the city of Suiyuan. In their advance south from Tatung, the Japanese claim to have reached a point twenty five miles south of Yemmenkou (Yamen Pass), which commands the road to Taiyuanfu. Reports indicate that since the fall of Tatung there have been only minor engagements in this area.

g. The situation on the Peiping-Tientsin railroad is somewhat obscure. The Japanese made a steady advance southward from September 16th, and captured Paoiting on September 24th. It is reported that a Japanese armored train unit advanced fifty miles south of Paoiting on the 26th and reached Hsin-le-hsien, a point where the railroad crosses the sea river.

h. The Japanese have continued their advance south on the Tientsin-Pakow Railroad and reported the capture of Tsangchow on September 24th, the same day that they captured Paoiting. Since that date the Japanese claim the capture of Jungkuang, a small village twenty kilometers south of Tsangchow. It is believed that they have temporarily halted the advance of their main units to the south along this line while they consolidate their positions.

3. Japanese Troops.

Japanese troops have continued to arrive during this period and it is estimated that at this time there is a minimum of two hundred and fifty thousand Japanese troops in North China.

4. Military Installations in Tientsin.

Since the arrival of General Count Masahito Harauchi in Tientsin on September 24 and his assumption of the command of Japanese military forces in North China on September 7th, there seems to have been an increase in the amount of military activity in Tientsin, particularly in providing accommodations of a somewhat temporary nature for troops and animals. A limited number of barracks, single-story wooden buildings similar in design to American cantonment buildings, are being built very rapidly. About twenty of these buildings are concentrated in the vicinity of the Tientsin Golf Club in the Third Special Area (ex-Russian

Concessions, and several have been noted on vacant lots in the Japanese Concession. A runway for heavy bombing planes has been installed on the Niantain Golf Club, which has been taken over as an airfield. Searchlight practice has been held at night and at least twelve search lights have been located around the city. Tugs and lighters and some small coast-wise steamers are constantly arriving at the wharves and unloading their cargoes of flour and military supplies. Small motor launches which carry about fifty men each are seen on the river from time to time. Japanese army carts, Chinese carts, motor trucks, and motor cars are running back and forth with cargo and personnel. Airplanes fly overhead daily, sometimes practicing flying and sometime taking off for one of the fronts. These activities are such as to convince the most casual observer that the occupation of Niantain is complete and will continue for some time to come.

POLITICAL

1. General.

The Japanese have continued to organize Peace Maintenance Associations in all occupied territory, and a federation of the Niantain-PaiPing Peace Maintenance Association has been formed. A South Chahar Autonomous Government has been established. Probably the most significant local political activity that has occurred during this period is a movement started under the slogan "Hepai for the Hapeians". This movement is reported to have been organized by the Peace Preservation associations. Printed notices designed to win support for the movement have been posted in conspicuous places. Chinese sources indicate that societies similar to the so-called "Acceleration Societies" formed in Manchuria in 1932 are being organized, that slogans and leaflets are being prepared for distribution in the near future, and that the Niantain Chamber of Commerce and other organizations have been approached and asked to join the movement. It appears that the object of the movement is to prepare the people of Hepai so that an independent state, or semi-independent state under Japanese tutelage, can be established as soon as the Japanese military forces have driven the Chinese troops out of the province.

2. Han Fu-chu and Yen Hsi-shan.

During the latter part of the period much interest has centered on whether Yen Hsi-shan, the governor of Shansi Province, and Han Fu-chu, the governor of Shantung Province, would remain loyal to the Nanking Government or would surrender their provinces and armies to the invader with little or no resistance, provided they receive ample compensation. Reports indicate that Governor Yen Hsi-shan has lost considerable power since the National Government troops have been in his province and it is not likely he could turn against the Central Government if he so desired. Reports that Lieutenant General Doihara flew to Tsinanfu immediately after the Japanese victories at Peiping and Tsangchow to offer peace terms to General Han Fu-chu have been denied, and have resulted in the issuance of a circular telegram by General Han Fu-chu declaring his loyalty to the National Government and his intention to resist the invader.

3. Peace Preservation Association for Tatung.

Report has been received that on September 20th a Peace Preservation Association was established at Tatung, Shansi Province, with Mr. Ma Yung-Kwei as Chairman and Mr. Ku Hsi-yao as Vice Chairman of the Association. Tatung was captured by the Japanese on September 13th. It is usual for a peace preservation association to assume responsibility for civil government under Japanese military tutelage and supervision soon after the Japanese occupation of a Chinese city or town.

4. South Chahar Autonomous Government.

Immediately following the capture of Kalgan on August 26th by the Japanese army a Peace Maintenance Association was organized in that city. Within two days it was reported that the South Chahar Autonomous Government had been established in Kalgan. Colonel Matsui recently left Peiping and went to Kalgan as the head of the Japanese Mission at that place, and is probably the actual directing head of the South Chahar Autonomous Government. The Japanese residents are reported to be rapidly returning to Kalgan though as far as can be determined the Japanese Consulate has not been re-established there. The South Chahar Autonomous Government is believed to control Kalgan and all that part of Chahar south of the Great Wall. All of Chahar north of the Wall was alienated from Chinese control about January 10, 1936. The Autonomous Government has established a peace maintenance association in each

hailan (district) with the former district magistrate as the head of the association. The associations are charged with maintaining peace and order within the district, disseminating the principles of the South China Autonomous Government, developing local interests, renovating the educational system, and relieving the poor and needy.

5. Federation of Tientsin and Peiping Peace Maintenance Associations.

On September 21, 1937, a federation of Tientsin and Peiping Peace Maintenance Associations was formed in Tientsin. A brief proclamation was issued announcing the formation of the federation of the two associations, thanking the friendly nation Japan for her kindly assistance in forming the two associations to save the people from the devastations of war, and stating that such an organization was required because of the close geographical and political relationship between the two cities, a relationship which must be kept in mind, particularly in contacts with foreign powers. The proclamation concluded by urging close liaison and co-operation with the East Hopei Anti-Communist Autonomous Government. The meeting which organized the Federation was composed of two members each from the Peiping and Tientsin Peace Maintenance Associations, a representative of the Japanese Special Military Mission in each city, and a liaison officer from the East Hopei Anti-Communist Autonomous Government. The proclamation was signed by the representatives of the two Peace Maintenance Associations and the liaison officer of the East Hopei Anti-Communist Autonomous Government. The Federation is composed of the following members:

Kao Liang-wai (Tientsin).....President
Kim Ch'uan-shan (Tientsin)...Member
Long Chia-chi (Peiping).....Member
Chou Chao-hsiang (Peiping)...Member
Jen Kuo-liang.....Liaison officer of East Hopei
Anti-Communist Autonomous Government

Reports indicate that this organization for the present will exercise control over Tientsin and Peiping and the hailan (districts) along the Peiping-Tientsin Railroad, and that later on its authority may be extended to all of Hopei Province under Japanese occupation.

6. New Regulations of Tientsin Peace Maintenance Association.

On September 20th the Tientsin Peace Maintenance Association promulgated a set of new regulations which are apparently tentative regulations supplementary to the provisions of the criminal code. Article one of these regulations provides that persons found guilty of (1) Spreading unfounded rumors or distributing propaganda with the object of disturbing public order; (2) Participating in secret meetings or assemblies with the object of disturbing public order; (3) Activities detrimental to the organization of the Peace Maintenance Association; (4) Activities disturbing the economic system or currency stability; (5) Private importation of arms and munitions; or (6) Robbery or arson, shall be liable to capital punishment. Article two provides that persons guilty of (1) Possession of arms and munitions without official permits; (2) Agitation with the object of disturbing public order; (3) Illegal activities for selfish ends; (4) Illegal activities accompanied by coercion; and (5) Any activities likely to affect public order adversely, are liable to imprisonment for from one to twenty years. Other regulations promulgated at the same time stipulate the punishment of persons abetting the crimes enumerated above.

7. Self Government in Tientsin.

a. Under the National Government there was established in Tientsin, as in other cities in the greater part of China, a self-government system for the purpose of training the population in self-government and preparing them to take an active part in the political affairs of the Chinese Republic. Under this system every ten or more families were organized into a unit called lin or "neighborhood", a number of lin were formed into a lu or chih, and a number of lu or chih into a "district". Through this network of organizations the citizen expressed his opinions on questions relating to government. In general it may be said that the system was ineffective, as very few of the so called lin were able to find a man willing to organize the unit and take an active part in political affairs. This system was abolished by the Tientsin Peace Maintenance Association in the early part of August.

b. The Peace Maintenance Association on September 16th reestablished a similar system of self-government under the name of Yu Chih Hui (Association to assist Self Government). The system is under the supervision of

the head of the Bureau of Social Welfare, who is concurrently head of the Fu Chih Hui. The Fu Chih Hui is subdivided into branch offices called Fu Chih Fen Hui. A Fu Chih Fen Hui has been established for each of the nine police districts of the municipality of Tientsin. The chief^s of the Fu Chih Fen Hui are designated by the Bureau of Social Welfare, are prominent people in their respective districts, and include wealthy gentry, big merchants, and ex-officials. Each chief has an office financed by the Bureau of Social Welfare. The districts are sub-divided into fang (area), with an administrator called fang chang. Fangs are subdivided into lu (village or section) with a chief called a lu chang, and lus are subdivided into units called wu, with a headman called a wu chang. The wu is the same as the former lin and consists, at least in theory, of five families. The heads of the wu, lu, and fang are responsible for reporting to the next higher unit any suspicious characters residing in the area, and for co-operating with the municipal authorities in carrying out the administrative policies of the municipality. As far as can be determined, no general meeting of any of the wus has been held and no one has volunteered in any specific area to act as wu chang. This effort to re-establish self government is interesting and may be significant, as one of the first steps taken by the Japanese in each of the North-eastern Provinces was the establishment of "Self-Government Guiding Committees" prior to the founding of Manchoukuo. However, it appears that the primary purpose of the present effort to "restore Self-Government" is to establish a more effective system of controlling anti-Japanese elements in the community.

8. Education.

a. The educational program in Tientsin-Peiping and East Hopei areas is being co-ordinated. Two representatives from each of the three governments of the areas named were designated and directed to confer and formulate a uniform educational policy for these areas. The representatives met for the first time in Tientsin on September 20, and passed a resolution to form a Text Book Revision Committee for Tientsin, Peiping, and East Hopei.

b. When interviewed by a newspaper correspondent, Mr. Shen Tung-wa, chief of the Tientsin Bureau of Education, stated that the aim of the new educational program is to venerate Confucius and to study the Chinese classics. It is specified that all primary school students shall study the teachings of Confucius and Mencius, and that the middle schools shall include "Ta-Hsueh" (the doctrine of great learning) and "Chung Yung" (the doctrine of the mean) in their curricula.

It is worthy of note that in the opinion of many foreign observers these old doctrines are largely responsible for the arrested development of civilization in China.

g. All or practically all of the municipal primary schools reopened during the period from September 15th to October 1st, and the municipal middle schools are scheduled to reopen on October 1st. A Japanese, Mr. H. Okabe, has been appointed superintendent of physical training in the Bureau of Education. This official is at present in charge of preparing a municipal primary school athletic meet, which is scheduled to be held at Min Yuan Field in the British Concession on October 16th and 17th.

g. All secondary and higher educational institutions located in foreign concessions have been reopened, and seven schools, including four middle schools, one normal school, the Sea Products School, and the Hui Wen Academy, located in the Native City are preparing to open by October 1st. There are five middle schools and five institutions of higher education which are unable to reopen either on account of demolition of the school buildings or because of the inability of the Bureau of Education to provide the necessary funds.

g. Arrangements have been made between the Bureau of Public Safety and the Japanese authorities whereby principals, teachers, and students attending schools in the Native City may be furnished identification cards which will save them the embarrassment of being searched and examined from time to time by the police. It is reported that this step has been taken pursuant to the request of the parents because the children become frightened when undergoing examination. Applications for identification cards are made to the Bureau of Public Safety, and must be accompanied by ten photographs of the student, and certified by the students' parents and the principals of the schools concerned. Identification cards are to be carried at all times by the student to whom issued.

9. Banditry Suppression.

g. During the period from September 20th to September 22d inclusive active steps were taken to suppress the bandits in and around Tientsin. About one hundred police in plain clothes were placed under the command of Yen Chia-ch'i, Chief Inspector of the Bureau of Public Safety in Tientsin, and these police officers assisted by Japanese troops visited various suspected rendezvous in Tientsin and neighboring villages and conducted searches for bandits. It is reported that more than fifty arrests were made.

b. It is reported that there is a plan for the organization of a bandit suppression detachment of one hundred and twenty men, who will be armed and charged with the suppression of bandits and larger groups of highwaymen. Chief Inspector Yen Chia-Ch'i is to be given command of the Detachment, which will be organized into three platoons of forty men each.

10. Japanese residents in Tientsin.

There has been no general evacuation of Japanese residents from Tientsin at any time during the hostilities, nor have the Japanese authorities required or encouraged women and children to leave. Certain Japanese firms, such as the Yokohama Specie Bank and Mitsui Company, are reported to have encouraged their employees to send their dependents to Japan upon the outbreak of hostilities. The only restrictions imposed by the Japanese authorities upon the coming of Japanese women and children to Tientsin is that they must have some definite purpose, such as joining husbands or fathers, or be assured of respectable employment before they can secure permission to come from Japan, Korea, or Manchoukuo. According to information obtained from the Japanese Consulate General on October 1st, there has been a slight increase of the Japanese civilian population since the beginning of the present incident. The Japanese Consulate General estimated there were 12,000 Japanese subjects, exclusive of military personnel, in Tientsin on July 1st, and 12,500 on October 1st.

11. Evacuation of Americans from Tientsin.

The notification issued by the American Consul General, Mr. John E. Caldwell, calling for registration at the Consulate General of all American residents wishing to be evacuated to Manila had little effect in the Tientsin American Community. Of the five hundred and seventy-seven Americans here, excluding Army personnel but including one hundred and sixty-four Army dependents, only five adults applied for evacuation and all these were Filipinos or American-born Chinese. Americans are remaining in Tientsin, not in a spirit of foolhardiness, but because whatever risk there may be does not seem great enough to warrant even a temporary abandonment or breaking up of their homes here. The fall races, albeit on a somewhat reduced scale, are being held as usual, and life in Tientsin has so nearly returned to normal, and the battle zones have moved so far away that the daily thoughts of these residents are concentrated on their occupations and business, rather than on seemingly very remote danger to themselves and family. The hostilities appear at least for the

present to have swept on to other parts of China and left in their wake a new government, new tax problems, new transportation questions, and new competition in the form of Japanese propaganda, Japanese education, and cheap Japanese products that the American resident must prepare himself to deal with if he intends to compete in the struggle for a place in North China.

1. Banking.

a. The Tientsin branch of the East Hopei Bank was formally opened on September 24, 1937, with offices in the Japanese Concession at No. 15 Fushimi Road. This bank is under the jurisdiction of the East Hopei Anti-Communist Autonomous Government and was recently organized at Tangshan with a capital of \$5,000,000, of which one-fourth has been paid up. According to a statement of the General Manager, Mr. Hsia Yun-sheng, the bank has issued banknotes to the amount of \$500,000 only. The Manager states further that the bank acts as the treasury for the East Hopei Anti-Communist Autonomous Government and for this reason its head office is located at Tangshan, the present capital of the East Hopei regime, and has branches in Tientsin, Peiping, Shankaikuan, Tungchow, and Changli. More offices will be opened in the East Hopei Area in the near future. The local branch will deal in exchange and remittances for the time being, but plans are under way to start a general banking business in the near future.

b. As a result of the Japanese Government's decision to use the notes of the Bank of Chosen as the purchasing medium for the Japanese troops in North China in connection with the military operations, there has been a marked increase in the circulation of these yen notes in the occupied region. During the period from August 20th to 31st, the market value of the yen dropped from about ninety-eight cents to one yuan to about ninety cents for one yuan. However, since the Chinese troops have all been cleared out of the Tientsin-Peiping area, yen notes have commenced to circulate more freely and with the announcement of the Tientsin Peace Preservation Association that it would guarantee the exchange of the Japanese currency, the market value of the yen has increased to ninety-six cents for one yuan and maintained an average of ninety-five cents. Bank of Chosen notes are in use everywhere in the Japanese Concession in Tientsin.

c. Rate of Exchange with respect to the United States dollar.

The rate of exchange began running adverse to the United States dollar

about the middle of July and has varied from \$3.365 Chinese currency to \$3.26 Chinese currency for \$1.00 United States currency. The most serious effect of the banking crisis has been the hoarding of both United States and Chinese currency. Prior to the beginning of the Sino-Japanese conflict the Finance Officer of the United States Army Troops in China was able to pay the American troops in China with United States currency with the assurance that all the currency used each pay day would be returned to him in a few days by the banks and money changers for United States Treasury checks drawn to cash. His reserve had grown from about \$75,000 United States Currency in August, 1936, to \$100,000 United States Currency in June, 1937, due to the practice of the banks of turning over United States Currency received from tourists to the Finance Officer in return for United States Treasury checks. Within a few weeks after the outbreak of the hostilities the reserve had shrunk from \$100,000 to \$60,000, necessitating a request for more United States currency from the United States.

An unusual spread between the buying and selling rates has also resulted from the apparent shortage of both currencies. For example, during this period there have been times when a person having United States currency to sell could get only \$3.27 Chinese currency for \$1.00 United States currency, while a person having Chinese money and desiring to buy United States currency would have to pay \$3.39 for \$1.00 United States currency, a difference of twelve cents Chinese currency, while under normal conditions this difference between the buying and selling rate is seldom more than two to four cents.

2. Business

Business has failed to improve to any extent in Tientsin. Some cake stores, grocery stores, and grain stores have reopened, but the larger Chinese firms are still retaining a wait-and-see attitude despite repeated urging by the Chamber of Commerce and the local authorities to reopen. Many of the larger stores have moved into the foreign concessions. Stores that represent a smaller investment have in some cases dismissed their employees during the trouble and the proprietors are reluctant to reopen their business at the present time because of the cost involved. The suspension of credits has restricted the business of many firms and at the present time nearly all

are for cash. Money is still tight and banks are refraining from granting loans, credits, or overdrafts. As long as banks refrain from extending credits there appears to be little prospect that business will return to normal. The depression has caused many store clerks to become rickshaw pullers and small food merchants. The depression has not been felt to any great extent to date but if it continues there will be much suffering in Tientsin during the winter.

3. Communications.

a. Air. On September 24, the Japan Air Transportation Company announced that on October 1, 1937, new schedules would be effective on the air routes between Tokio and Hainking, Tokio and Tientsin, and Osaka and Dairen. According to the schedule, planes will leave Tientsin daily at 8:00 AM and arrive in Tokyo at 4:35 PM, and leave Tokyo at 6:00 AM and arrive in Tientsin at 4:50 PM.

b. Motor-Bus. A Japanese transportation company restored the Tientsin-Peiping service on September 20th, with one bus each way daily. The journey to Peiping can be made by bus in about five hours, while six to ten hours are required by train.

c. Rail.

(1) Peiping-Liaoning (Mukden) Railroad. One passenger and one freight train with passenger coaches attached have been operating regularly from Tientsin each way daily during the period covered by this report. All trains, however, are greatly delayed and the passenger trains are crowded. The trip to Peiping which on a fast train can normally be made in two hours and ten minutes now requires six to nine hours.

(2) Reorganization of Railway Administration. The Resident Comptrollers Office of the Peiping-Liaoning (Mukden) Railroad has been abolished and an Auditing Office established in its place. The Resident Comptroller was a representative of the Nanking Government. The Compilation and Investigation Office of the railroad has been reduced into an office having two section instead of three. The Bureau of Railroad Police has been changed into a Railway Police Department with Chao Lei, a former commander of the East Hopei Peace Preservation Corps, as Chief of Police.

(3) Control of Traffic. Control of all traffic on the railroad still remains in the hands of the Japanese military authorities. The officials formerly in complete control of the railway are permitted to make up trains

for the use of the general public but must operate them in accordance with the schedule furnished by the Japanese officials. The railway offices remain in control of the Japanese but it is reported that traffic control offices will be returned to the former staff of the railway about October 10th. This report comes from reliable sources but it is not believed that Japanese will relinquish control of this office so long as military operations in North China continue.

(4) Railroad Protection Campaign. A Railroad Protection Association has been formed and made a part of the railroad administration. This association, which has a president, some advisors, and a secretariat, has established branch associations in thirty-eight villages along the railroad from Shanhaikuan to Peiping, and has launched a campaign for the "love and care of the railroad". Mass meetings are held in villages and speakers are sent out to explain the relationship between the welfare of the people and railroad communications.

(5) Proposed New Railroad. On September 16th a United Press report stated that the South Manchuria Railroad Company would build a new railroad from Peiping to Jehol via Kupeikou, and that a survey of the proposed route would be started at once.

(6) Peiping Suiyuan Railroad. On September 18th, the Managing Director of the Peiping-Suiyuan Railroad announced that it had been decided to open a liaison office with the Japanese authorities in Peiping to facilitate the transaction of business and that through traffic in Tatung would be resumed in the immediate future, thanks to assistance received by the railroad from the South Manchuria Railway authorities and the Japanese Army Engineers.

(7) Telephone. Telephone communication between Tientsin and Peiping was restored on September 20th, 1937, by the Peiping-Tientsin Communication Administration, an organization established by the Japanese authorities with its head office at Garden Road in the Japanese Concession in Tientsin. For the time being the service is limited to the telephones installed within the Japanese concession. It is reported that only Japanese, or the Chinese Mandarin dialect may be used over the line and in the event the operators are unable to understand the language spoken, they have a right to disconnect the line.

(8) Telegraph. The Pingtsin (Peiping-Tientsin) Telegraph Administration has announced the opening of a new telegraph service for Tientsin with connections to Peiping, Tangku, Tangshan, and other points along the Peiping (Peiping-Hankow) railway, Manchouiao, Japan, Europe, Asia, and Africa. The announcement states that the service has at its disposal the facilities of the Radio Station at Hsinking for communicating direct with Europe and America and that the service is established in view of the fact that the sole channel of communication between Tientsin and foreign countries is at present via Shanghai, through which the dispatch of messages is uncertain and subject to frequent delays. Offices to receive telegrams have been established at the corner of Fushieh and Yoshino Roads in the Japanese Concession, on Tung Ma Lu in the Native City, at Tangshan Park in the Hopoi District of Tientsin, and at the Central Post Office near the East Station. Inasmuch as observers in a position to know whereof they speak have said that the Japanese military authorities had refused to enable the Chinese Telegraph Administration to have its land lines repaired in the Tientsin-Peiping area, the foregoing announcement is of particular interest. There are some definite indications that the Pingtsin Telegraph Administration is organized and operated by the Manchuria Telegraph and Telephone Company.

CONCLUSIONS

The Japanese will make every effort to bring their campaign in North China to a rapid conclusion, and it seems likely that all organized Chinese resistance will be driven south of the Yellow River before winter.

Law and order have definitely been established in Tientsin and the defense of the city is so well provided for that, barring flood, pestilence and active participation by the Soviet Union in the present conflict, there is little or no danger to any of the civil population in the city as long as they abide by regulations imposed directly or indirectly by the Japanese.

The Peace Preservation Associations are likely to be temporary organizations. They were established for the purpose of restoring civil government, and will probably be abolished when the permanent form of government for North China is definitely determined.

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

THOMAS M. KARTIS,
Major, 15th Infantry.
S-2.

1st Ind.

Headquarters U. S. A. F. C., American Barracks, Piontain, China, October 8,
1937. To: Commanding General, Philippine Department, Manila, P.I.

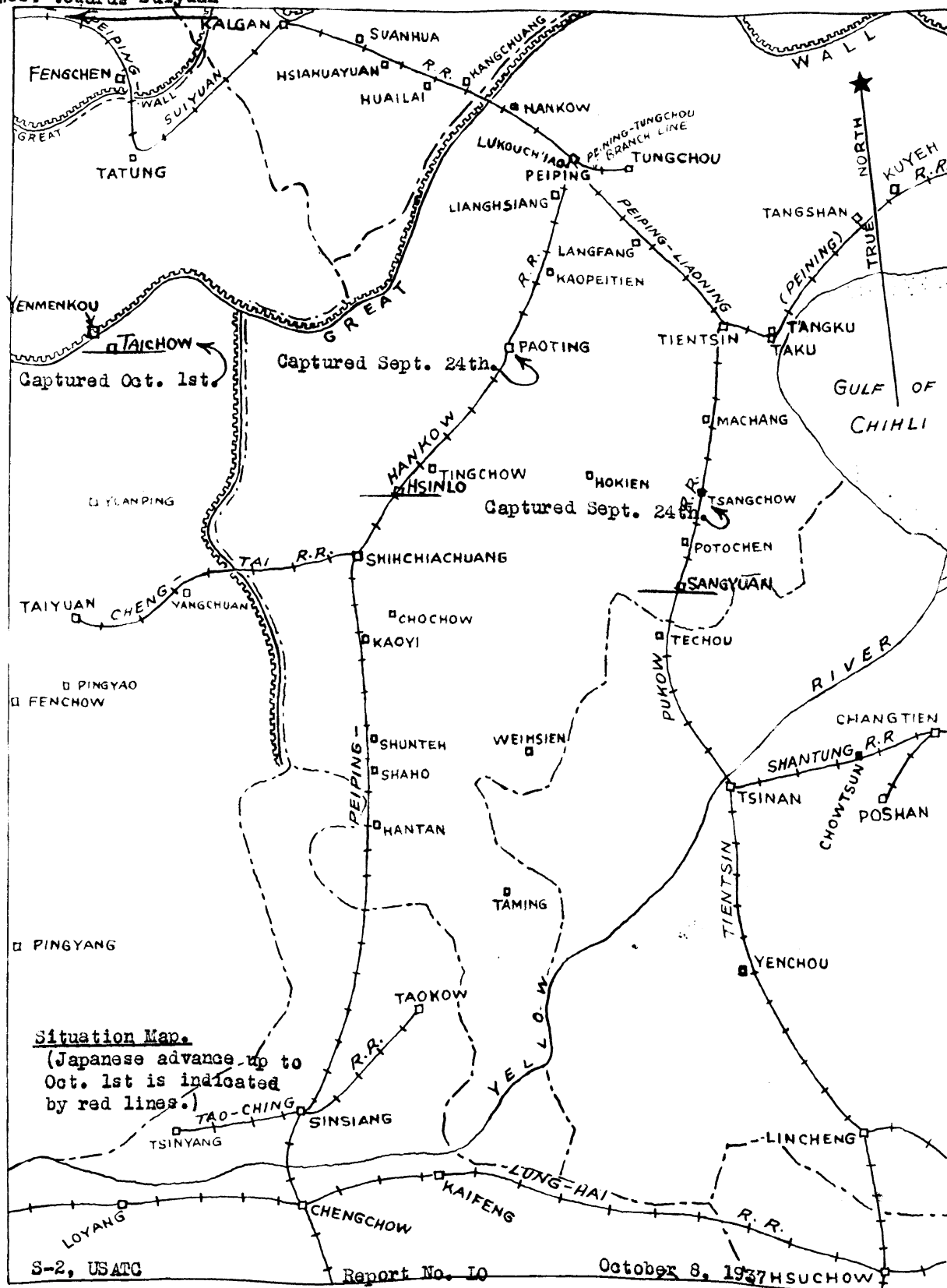
Approved.

J. A. McANULTY,
Colonel, 15th Infantry.
Commanding.

1 Incl.
Sketch map.

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Japanese driving Chinese to west towards Suiyuan NORTH CHINA AREA



SCALE: ONE INCH EQUALS 47.73 MILES.

793.94/11185

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By Milton D. Huefner NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 811.30/182 FOR TELEGRAM # 557, 2 P. M.

FROM () DATED November 17, 1937
TO Shanghai NAME 1-1127 GPO

REGARDING: Passage on an American naval vessel from Shanghai to Manila
for T. V. Soong, unofficial financial adviser to the Chinese
Government.

Instructs that if Consul and Commander-in-Chief of the Asiatic
Fleet are jointly of the opinion that the life of this person
is in imminent danger he should be granted-

vhd

793.94 / 11186

11186

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By Milton D. Gustafson NARS, Date 12-18-75

MILITARY INTELLIGENCE DIVISION
WAR DEPARTMENT

11/11/37

Secretary of War
Assistant Secretary of War
Secretary, General Staff
G-1
G-3
G-4
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Statistics Branch
Budget & Legislative Pl. Br.
Adjutant General's Dept.
Army Industrial College
Army War College
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Cavalry
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Field Artillery
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Office of Naval Intelligence
Ordnance Dept.
Quartermaster Corps
Signal Corps
Executive for Reserve Affairs

State Dept.:

European Affairs
Near Eastern Affairs
American Republics
Far Eastern Affairs
Office of Philippine Affairs

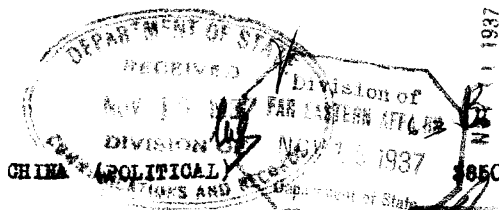
Commerce Dept.:

Foreign & Domestic Commerce
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By Milton O. Gustafson NARS, Date 12-18-75



Sino-Japanese Agreements Relating to North China

1. General

a. Since the beginning of the North China incident at Lukouchiao on July 7, 1937, there have been many references by Japanese spokesmen and others to the treaties, pacts, and agreements relating to North China, made by more or less duly accredited, although usually military rather than diplomatic, representatives of China and Japan. The Boxer Protocol of September 7, 1901; the Identical Notes of July 15, 1902; the Tangku Truce, May 31, 1933; the Dairen-Peiping Agreement, July 5, 1933, and November 9, 1933; the Tatan Agreement, February 2, 1935; the Ho-Umezu (Umezu) Agreement, June 10, 1935, or July 6, 1935; and the Chin-Daihara Agreement, June 27, 1935, include the agreements to the provisions of which appeal has been made in recent months by the Japanese to justify the measures taken by Japan in dealing with the situation which resulted from the clash between armed forces which began on the night of July 7th-8th.

b. In some cases Chinese and Japanese writers or spokesmen do not agree regarding all the terms of the pacts and settlements. With the possible exception of the Tangku Truce, there do not seem to be available for reference any duly authenticated and complete texts of the various agreements respecting North China made by the representatives of Japan and China since the spring of 1933. Despite the doubt regarding the authenticity and completeness of the texts of some of the agreements or reported agreements, it is believed that military observers of the situation in North China will find the following compilation (in translation) of these agreements or of extracts therefrom convenient for purposes of reference.

2. Boxer Protocol of September 7, 1901.

Extracts from the Final Protocol for the settlement of the disturbances of 1900:

Article VII. The Chinese Government has agreed that the quarter occupied by the legations shall be considered as one specially reserved for their use and placed under their exclusive control, in which Chinese shall not have the right to reside and which may be made defensible.

The limits of this quarter have been fixed (These immaterial details omitted in this report).

In the protocol annexed to the letter of the 16th of January, 1901, China recognized the right of each Power to maintain a permanent guard in the said quarter for the defense of its legation.

Article VIII. The Chinese Government has consented to raze the forts of Taku and those which might impede free communication between Peking and the sea; steps have been taken for carrying this out.

Article IX. The Chinese Government has conceded the right to the Powers in the Protocol annexed to the letter of the 16th of January, 1901, to occupy certain points, to be determined by an agreement between them, for the maintenance of open communication between the capital and the sea. The points occupied by the Powers are:

Huang Tsun, Langfang, Yangtsun, Tientsin, Chunliangchong, Tangku, Lutai, Tangshan, Lanchow, Changli, Chinwangtao, Shanhaikuan.

See accompanying sketch.

3. Identical Notes of July 15, 1902

The conditions imposed on the Chinese Government by France, Germany, Great Britain, Italy, and Japan, in the identical notes of July 15, 1902, for the dissolution of the provisional government of Tientsin formed at the time of the Boxer Uprising, include the following provisions:

By Article IX of the same protocol (the final protocol of September 7, 1901) it is provided that the Powers shall have the right of occupying certain points between Peking and the sea, of which the whole town of Tientsin is one. Consequently, after the dissolution of the Tientsin provisional government, foreign troops will continue as hitherto to be stationed there, in the places actually occupied by them, and their supplies or all sorts continuing, as at present, to be exempt from all taxes or dues whatsoever. They will have the right of carrying on field exercises and rifle practice, etc., without informing the Chinese authorities, except in the case of force de guerre.

It is desirable, however, to avoid as far as possible occasions of collision between the foreign troops and those of China. I propose, therefore, that with this object the Chinese Government shall undertake not to station or march any troops within 20 Chinese li (6 2/3 English miles) of the city or of the troops stationed at Tientsin; further, in correspondence exchanged between the foreign representatives and the Chinese plenipotentiaries, of whom Your Highness was one, previous to the signature of the protocol, it was agreed that the jurisdiction of the commanders of the posts to be established along the line of communications should extend to a distance of 2 miles on either side of the railway, and this arrangement ought to be maintained as long as the line of posts specified in Article IX of the protocol continues to be occupied.

I am willing, however, in concert with my colleagues, to consent that the viceroy should have the right of maintaining a personal bodyguard in the city of Tientsin not exceeding in number 300 men; and also that His Excellency may maintain an efficient body of river police along the line of the river even where it runs within the two-mile limit above mentioned.

The right of foreign troops to occupy summer quarters when necessary ought, in my opinion, to be recognised.

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The understanding upon which the terms of the identical notes of July 15, 1902, were accepted by the Chinese Government was communicated to the American Minister in a note dated July 18, 1902. This understanding included the following statements (in translation):

I have carefully perused the dispatch with regard to the point that military posts should be established along the highway or line of communication from Peking to the sea, with powers to control and punish, the distance to extend as far as two English miles on each side of the railroad.

I would remark that according to the doyan, His Excellency Cologan's dispatch of the sixth moon, twenty-seventh year of Kuang-hsu (July, 1901), military control would only refer to offenses against the railroad, the telegraph lines, or against the allies or their property.

4. Tangku Truce of May 31, 1933

A translation of the Tangku Truce agreement follows:

Having accepted on the twenty-fifth day of May, 1933, the proposal for the termination of hostilities made by Lieutenant-General Hsiung Pin, Chief of Staff to the Peiping Branch Military Council, under authorization from General Ho Ying-chin, Chairman of the said Council, General Hata, Commander-in-Chief of the Kwantung Army, has authorized Major-General Noji Okamura, Chief of Staff of the Kwantung Army, to sign as representative of the Kwantung Army, with Lieutenant-General Hsiung Pin, the representative of the Chinese Army in North China, duly authorized by General Ho Ying-chin, the following truce agreement:-

1. The Chinese Army shall immediately withdraw to the regions west and south of the line from Yenching to Changping, Kaoliying, Sunyi, Tungchow, Hsiangho, Paoti, Lintingkow, Ningho and Latai, and undertakes not to advance beyond that line and to avoid any provocation of hostilities.
2. The Japanese Army may at any time use aeroplanes or other means to verify carrying out of the above Article. The Chinese authorities shall afford them protection and facilities for such purpose.
3. The Japanese Army, after ascertaining the withdrawal of the Chinese Army to the line stated in Article 1, undertakes not to cross the said line and not to continue to attack the Chinese troops and shall voluntarily withdraw to the Great Wall.
4. In the regions to the south of the Great Wall and to the north and east of the line as defined in Article 1, the maintenance of peace and order shall be undertaken by the Chinese police force. The said police force shall not be constituted of armed units hostile to Japanese feelings.
5. The present agreement shall come into effect upon its signature. In faith whereof the two representatives have signed the present agreement and affixed thereto their seals.

(Signed) **NOJI (YASUJI) OKAMURA**
Representative of the Kwantung Army
(Signed) **HSIUNG PIN**,
Representative of the Chinese Army in
North China.

May 31, 1933.

Report No. 9.

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Declaration

In case there shall be in the Demilitarized Zone armed units disturbing peace and order which the police force shall be unable to cope with, the situation will be dealt with by common accord between the two parties.

(Signed) NEJI (YASUJI) OKAMURA,
Representative of the Kwantung Army.

(Signed) HSIUNG PIN,
Representative of the Chinese Army in
North China.

May 31, 1935.

The Demilitarized Zone, established by the provisions of the Tangku Truce, is shown in green on the accompanying sketch.

One effect of the Tangku Truce was to make the Great Wall the actual boundary between Hopei and Jehol Provinces. The boundary throughout the greater part of its length formerly extended a considerable distance north of the Wall and the Chinese contend that this boundary is the only legal and proper one. The area considered by the Japanese since the Tangku Truce to be a part of Jehol Province is shown in blue on the sketch accompanying this report.

5. Dairen-Peiping Agreement, July 5, 1933, and November 9, 1933.

The Chinese authorities in North China sent representatives to Dairen to negotiate with representatives of the Kwantung Army regarding the enforcement of the provisions of the Tangku Truce. One problem related to the disposition to be made of the Chinese irregulars who had assisted the Kwantung Army in the recent advance south of the Wall and who had remained in the zone demilitarized under the provisions of the Tangku Truce. The delegates assembled in Dairen on July 5, 1933, and adjourned sine die two days later.

The demands presented by the Japanese are reported to have included the following:

1. Employment of part of the irregulars in police service in the demilitarized zone.
2. Establishment in the evacuated area of agencies to handle matters relating to communications and economics along the Great Wall.
3. Permission to lease land and residences in the evacuated area for use of the Japanese troops still stationed there.
4. Restoration of trade, communications, and postal service between the territory on either side of the Great Wall.

At Dairen the Chinese accepted only the first demand. They accepted - or seem to have accepted - the other three demands at a three-day conference

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 By Milton D. Huatzen NARS, Date 12-18-75

from November 7th to 9th in Peiping between representatives of the Kwantung Army and the Chinese authorities in North China. The following is a summary of the agreements reported to have been reached with respect to the other three demands:

Agencies to handle matters relating to communications and economics along the Great Wall were to be established in Shanhaikuan, Kupeikou, Haifongkou, Longkou, Panchiakou, and Chiehlingkou, all being passes along the Great Wall.

The leasing of land and residences for the use of Japanese troops was to be restricted to Shanhaikuan, Shihmenchia, Chienchangying, Taitouying, Haifongkou, Longkou, Malanyu, and Kupeikou.

In carrying out the demand regarding the restoration of trade, communications, and postal service, arrangements were first made for the restoration of trade. The Chinese Government on June 20, 1934, established a Customs House at Shanhaikuan, and on August 16th a sub-station at Kupeikou, Haifongkou, Longkou, Chiehlingkou, and Yiyuankou. (See accompanying sketch). Inasmuch as Manchuria and Jehol were considered by the Chinese to be still parts of China, thirty-six classes of products from "Manchoukuo" were to be admitted duty free.

An agreement relative to the restoration of through traffic on the Peking-Mukden (Peiping-Liaoning) Railway was announced on June 28, 1934. An unofficial translation published in the Peiping Chronicle of June 29, 1934, follows:

1. Beginning July 1st direct passenger traffic between Peiping and Mukden shall be restored. The service shall be confined to one train from each end daily.

2. The China Travel Service and the Japan Tourist Bureau have been entrusted by the Chinese and the Japanese sides respectively with the task of organizing an Oriental Travel Bureau at Shanhaikuan to handle all matters connected with such through traffic.

3. All such matters as the operation of trains, their schedules and composition, and the sale of tickets shall be regulated by this administration separately.

An agreement for the restoration of postal service is reported to have been concluded on January 5, 1935. According to a translation published in the North China Daily News on January 6, 1935, the terms of this agreement were as follows:

Article 1. Following the restoration of postal communication between China Proper inside the Great Wall and the Northeastern Provinces, the handling of mail matter shall be entrusted to an agency to be jointly organized by the Chinese and Japanese postal authorities. This agency shall establish mail transmitting offices at Shanhaikuan and Kupeikou, respectively, to undertake the work.

Article 2. Postage stamps and covers of mail matter shall not bear the mark of "Manchoukuo".

Article 3. In marking dates and years on stamps and covers of mails, the Western calendar shall be adopted.

Article 4. The charges for mail matter shall be collected according to existing postal regulations of the respective parties concerned.

Article 5. In regard to stamps, the Japanese side shall issue a special kind of stamp for the purpose and the use of any other kind shall not be permitted.

Report No. 9.

Article 6. Restoration of ordinary mails shall start from January 10th, while postal money orders and parcel post shall be accepted from February 1st.

Article 7. Mails to Europe and America via Siberia shall be restored.

Article 8. This agreement shall not be changed or altered without the concurrence of both the parties concerned.

There was no regular air communication to be restored, but the Japanese at the conference in Peiping, November 7-9, 1935, are reported to have brought up the question of the establishment of an air service between "Nanchoukue" and provinces inside the Wall. Whatever agreement with respect to the establishment of an air service may have been reached, a Sino-Japanese concern known as the Huitung Company was organized in October, 1936, and on November 17, 1936, the company began the operation of an air service over the following routes:

1. Tientsin to Dairon.
2. Peiping to Chinsien (Chinchow) via Tientsin and Shanhaikuan.
3. Tientsin to Chengteh (Jehol City) via Peiping.
4. Tientsin to Changpei via Peiping and Kalgan.

6. Tatan Agreement, February 2, 1935.

Following the Tangku Truce, the Japanese declared that the Great Wall was the dividing line between Jehol and Chahar as well as between Jehol and Kopei. A dispute regarding the boundary between Chahar and Jehol arose early in 1935, but an amicable settlement was reached on February 2, 1935, at a conference between local authorities of Chahar and Jehol at Tatan, a village in Jehol northeast of Kuyuan. The strip of territory in Chahar between Jehol and the Wall was recognized by the Chinese as belonging to Jehol. See area in red in accompanying sketch.

7. Ho-Umezu (Umezu) Agreement, June 10, 1935, or July 6, 1935.

There is considerable uncertainty regarding not only the date but also the terms of this agreement. Dr. Shunzei Hsu, in The North China Problem, states that General Ho submitted on July 6, 1935, a statement recording the fact that he had accepted the Japanese demands but in the "Chronicle of Current Events" in Contemporary Japan for September, 1935, it is stated that General Ho formally accepted the demands of the Japanese Army regarding North China on June 10th.

Both the Chinese and Japanese seem to be agreed that the following provisions were included in the agreement:

1. Dismissal of Yu Hauch-chung, Chang Ting-ge and their followers. (General Yu was Governor of Hopei Province and Mr. Chang was Mayor of Tientsin.)
2. Dismissal of Chiang Hsiao-hsien, Ting Chang, Tseng Kung-ching, and Ho I-fei. (Colonel Chiang, a nephew of Generalissimo Chiang Kai-shek, was commanding officer of the 3d Regiment of Military Police. Mr. Tseng was chief of the Political Training Bureau of the Peiping Military Council; the other two named were also Central Government officials.)
3. Withdrawal of the Third Regiment of Military Police. (This regiment is reported to have been primarily an intelligence unit.)
4. Dissolution of the Political Training Bureau of the Peiping Military Council and the Military Magazine Club of Peiping.
5. Restriction and suppression of what are known to the Japanese as the Blue Shirts, the Fu-hsing Club, and other secret organizations claimed to be inimical to Sino-Japanese relations.
6. Withdrawal of all party headquarters from the Province of Hopei and abolition of the Peiping branch of the Officers' Moral Endeavor Association.
7. Withdrawal of the Fifty-first Army from the province of Hopei.
8. Withdrawal of the Second and Twenty-fifth Divisions from the province of Hopei and dissolution of the Students' Training Corps of the Twenty-fifth Division.
9. Prohibition of anti-foreign and anti-Japanese agitation in general in China.

In addition to the foregoing nine provisions, the Japanese claim that the three following items were included:

1. What has been agreed upon with Japan shall be carried out within the time specified. Any parties or organizations that have caused strain in Sino-Japanese relations shall not be permitted to re-enter (Hopei).
2. In the appointment of provincial and municipal officials it is hoped that Japan's wish that selection be confined to those who will not be likely to cause strain in Sino-Japanese relations will be taken into consideration.
3. Concerning the carrying out of what has been agreed upon Japan will adopt measures of supervision and examination.

Dr. Hsu, in The North China Problem, asserts that General Ho denies ever having given his assent to these three items.

It will be noted that in none of the provisions of the Ho-Umezu Agreement quoted above is there any explicit obligation on the part of the Chinese to refrain from moving Central Government troops into Hopei Province, but it is the Japanese view that such an obligation was included. Perhaps it was

expressed in an unpublished provision, or it may well be that an obligation to keep Central Government troops out of Hopei is considered by the Japanese to be implied in the provision requiring the withdrawal of such Central Government troops as were in Hopei at the time the agreement was concluded.

8. Chin-Doihara Agreement, June 27, 1935.

The Chin-Doihara Agreement was concluded at Peiping on June 27, 1935, by General Chin Te-chun, then a baron chief of the Provincial government of Chahar, and Major General Konji Doihara of the Kwantung Army. The more important terms of this agreement are reported to be as follows:

1. Dissolution of institutions considered to be inimical to Sino-Japanese relations.
2. Withdrawal of the Twenty-ninth Army east of a line drawn from Changping in Hopei to the Wall in East Chahar via Yenching and Taliapao, and south of another line drawn from a point north of Fushikou to a point south of Changpei, the peace of the territory thus evacuated to be maintained by police.
3. Cessation of colonization by immigrants from Shantung.

One of the chief effects of the Chin-Doihara Agreement was to include practically all of Chahar in a demilitarized zone. See area in orange in accompanying sketch.

Sources: MacMurray's Treaties and Agreements with and concerning China; The North China Problem by Dr. Shunsi Hsu; The Boxer Protocol and Japanese Aggression by Dr. Hsu; The China Year Book, 1936; Contemporary Japan, September, 1935; and Tokyo Gazette, August, 1937.

THOMAS M. MARTIN,
Major, 15th Infantry,
S-2.

1st Ind.

Headquarters, U.S.A.F.C., American Barracks, Tientsin, China, October 4, 1937. To: Commanding General, Philippine Department, Manila, P.I.

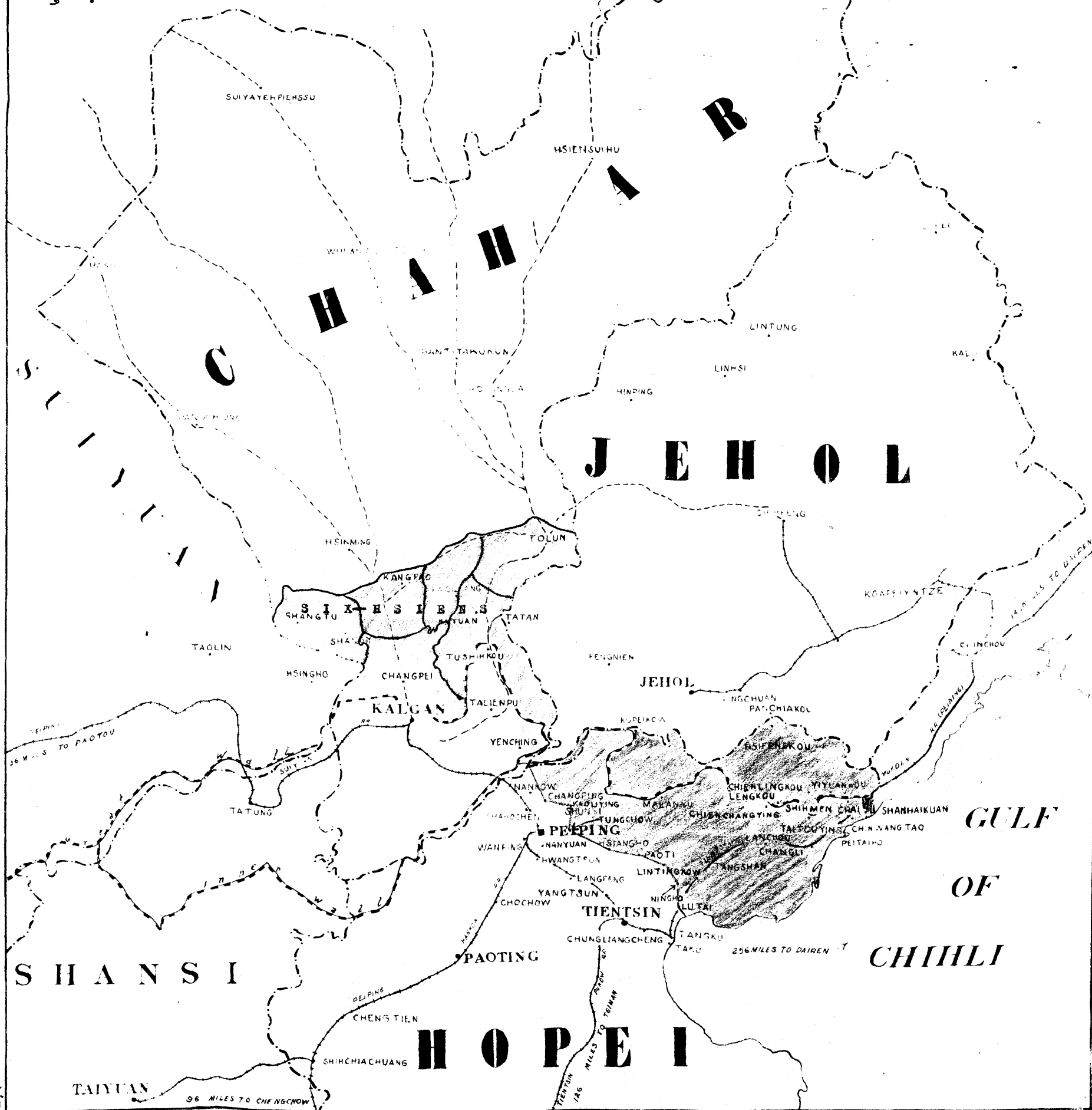
Approved.

1 Incl. Sketch Map

J. A. MEANDERLY,
Colonel, 15th Infantry,
Commanding.

3657-41-439
 580
 DEPARTMENT
 6310N

- Demilitarized Zone established by Tangku Truce.
- Demilitarized Zone established by Chin-Doi bara Agreement.
- Added to Jehol, in Japanese opinion, as a result of the Tangku Truce.
- Added to Jehol as a result of the Tatan Agreement.



S-2, USATC

BY
 S-2
 OCT. 2, 1937

MOTOR ROADS Report No. 9

BOUNDARIES
 RAILROADS
 TOWNS

September 30, 1937.

0 50
 MILES

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

793.94

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Hankow/125 FOR Despatch #348

FROM Hankow (Josselyn) DATED Oct. 19, 1937
TO NAME 1-1127 o r o

REGARDING: Sino-Japanese relations: Report on-, for
month of September, 1937, in Hankow consular
district.

aa

793.94/ 11188

11188

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

3. Japan

The Hankow consular district remained, except for occasional air raids, well outside the area of hostilities. Successful operations in North China brought the Japanese troops on the Peiping-Hankow Railway to within 250 miles of the Yellow River, the northern boundary of the district. Following the Japanese announcement on September 19th of their intention to intensify

Political report
September 1937
Hankow, China

-9-

intensify their air offensive, particularly against Nanking, air raids into Central China increased. Hankow experienced its first serious raid on September 24th when 13 Japanese 'planes, apparently in an attempt on the Hanyang Arsenal, bombed Hanyang and Hankow Native City killing over 200 non-combatants and injuring nearly 500 without damaging any military objective. The Japanese 'planes dropped leaflets, in Chinese, denouncing the Chinese military and urging the Chinese people to cooperate with Japan "for the peace of the Orient".¹ Eastern Kiangsi was raided thrice, with little damage, during the last ten days of September.

Conditions in the interior were quiet throughout most of the district. Discontent among Miao tribesmen (over taxation), fomented it is alleged by local bandits, resulted in serious disturbances in western Hunan which were being dealt with successfully by the Provincial Government at the end of the month. There was an outbreak of banditry near Tushan in Szechuan (on the Yangtze River close to the Hupeh border). In Kansu, the Chone Prince was murdered, along with several of his family and retinue, during a coup by discontented subordinates. An adherent of the Prince escaped and brought in Tibetans who ousted the rebels. Order was eventually re-established, an official from Lanchow arrived to investigate, and an infant son of Yang, the murdered Prince, was appointed to his father's place, with the real power lodged in the hands of officials controlled by Lanchow.

The

¹ Telegrams, Sept. 24, 7 p.m. and Sept. 25, 5 p.m.
Despatches No. 336 (to Department), Sept. 28 and
No. 503 (343 to Department, Oct. 6), Oct. 4.

015

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quate NARS, Date 12-18-75

Political report
September 1937
Hankow, China

-10-

The reconciliation of the Communists and the Chinese Government, which has long been forecast, was confirmed by the issuance by the Communist leaders from their headquarters in northern Shensi of a manifesto declaring adherence to the Three Principles of Sun Yat-sen and abandonment of efforts to overthrow the Kuomintang Government by force, repudiating the policy of confiscating land, dissolving the "Government of the Soviet Republic of China", and placing the Communist troops at the disposal of the Military Council of the National Government. The Red Army was incorporated in the National Forces as the 8th Route Army, with Chu Teh and Peng Teh-huai as its Commander and Deputy Commander, respectively, and was despatched to northern Shensi.¹

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

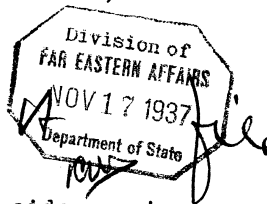
DEPARTMENT OF STATE

ASSISTANT SECRETARY

1937 NOV 18 PM 2 07

November 17, 1937.

DIVISION OF
COMMUNICATIONS
AND PROPAGANDA



793.94/11187

Mr. Hamilton:

The attached aide memoire
was handed me by Sir Ronald Lindsay
this morning. I refer it to you
for drafting the reply.

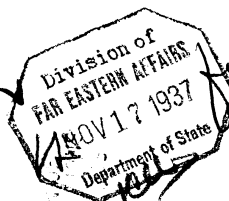
HRW

Hugh R. Wilson.

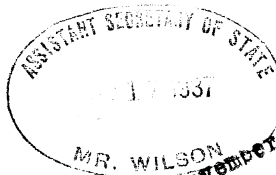
A-W HRW/AB

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

34-1



AIDE MEMOIRE



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note
693.002
593.71

107 PM 2 07

The attention of His Majesty's Government in the United Kingdom has been drawn to reports of a statement alleged to have been made to the press on the 12th November by the General Officer commanding the Japanese troops at Shanghai to the effect that the Japanese would decide in due course what they would do about customs, postal services, censorship etc. in Shanghai. The General intimated that the Japanese would not tolerate obstructions from third parties.

His Majesty's Ambassador at Tokio was thereupon instructed to draw the attention of the Japanese Minister for Foreign Affairs to this report and he urged that the General should be instructed as soon as possible to deal with all these matters in a conciliatory spirit. The Minister for Foreign Affairs was in full agreement as to the need for settling these matters in a peaceful atmosphere and he promised to study the question at once.

As the questions at issue also concern the United States Government, His Majesty's Government hope that they will be able to see their way to instruct the United States Ambassador at Tokio to make parallel representations to the Japanese Government.

BRITISH EMBASSY,

WASHINGTON, D. C.,

November 17th, 1937.

793.94/11189

F/FG

11/189

AIDE MEMOIRE

The attention of His Majesty's Government in the United Kingdom has been drawn to reports of a statement alleged to have been made to the press on the 12th November by the General Officer commanding the Japanese troops at Shanghai to the effect that the Japanese would decide in due course what they would do about customs, postal services, censorship etc. in Shanghai. The General intimated that the Japanese would not tolerate obstructions from third parties.

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As the questions at issue also concern the United States Government, His Majesty's Government hope that they will be able to see their way to instruct the United States Ambassador at Tokio to make parallel representations to the Japanese Government.

BRITISH EMBASSY,

WASHINGTON, D. C.,

November 17th, 1937.

79394/1187

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

AIDE MEMOIRE

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As the questions at issue also concern the United States Government, His Majesty's Government hope that they will be able to see their way to instruct the United States Ambassador at Tokio to make parallel representations to the Japanese Government.

BRITISH EMBASSY,

WASHINGTON, D. C.,

November 17th, 1937.

0155

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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34-2

793.94

AIDE-MÉMOIRE

The receipt is acknowledged of the British Embassy's aide-mémoire of November 17 in regard to representations made by the British Ambassador at Tokyo to the Japanese Minister for Foreign Affairs concerning reports of a statement alleged to have been made to the press by General Matsui, commanding officer of the Japanese troops at Shanghai, on the subject of the possible future attitude of the Japanese toward the customs, postal service, censorship, et cetera, at Shanghai.

With reference to the British Government's inquiry whether the American Government might instruct the American Ambassador at Tokyo to make parallel representations to the Japanese Government, the American Government has informed the American Ambassador at Tokyo that he may, in his discretion, make an informal approach to the Japanese Foreign Office in the matter.

In connection with General Matsui's alleged statement,

793.94/11189

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

34-3

-2-

on November 12 the American Consul General at Shanghai in conversation with the Japanese Consul General took occasion to inform the Japanese Consul General that the statements reported to have been made by General Matsui were having the effect of making more difficult an already difficult situation at Shanghai. On November 17, according to information received from the American Ambassador at Tokyo, the spokesman of the Japanese Foreign Office informed press representatives that General Matsui had not been correctly quoted and that Japan had no intention of taking over the International Settlement.

NOV 18 1937. PM

Department of State,

Washington, November 19 1937

703.94/10876

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A-W 44W 11/17/37

A true copy of
 the original
 sent.

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0161

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

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 OR

Charge to
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TELEGRAM SENT

Department of State

TO BE TRANSMITTED
 CONFIDENTIAL CODE

NONCONFIDENTIAL CODE

PARTIAL

PLAIN

Washington,

1937 NOV 18 PM 6 28

November 18, 1937.

AMEMBASSY,

TOKYO, (Japan), DIVISION OF COMMUNICATIONS

303

According to an aide-memoire of November 17 from the British Embassy, the British Ambassador at Tokyo has, under instruction from his Government, drawn the attention of the Japanese Foreign Office to General Matsui's alleged statement in regard to the International Settlement at Shanghai, and has requested that Matsui be instructed to deal with matters relating to the International Settlement in a conciliatory spirit. The British Government inquires whether we are prepared to make parallel representations.

In the light of your 547, November 17, 5 p. m., the Department suggests that you, in your discretion, make an informal approach to the Japanese Foreign Office, referring to the Foreign Office spokesman's statement of November 17, and expressing confidence that the Japanese Government has no repeat no intention of taking any action prejudicial to foreign rights and interests in the International Settlement at Shanghai, or in disregard of the administrative functions and recognized responsibilities of the Settlement authorities.

FE: NOV:NN:SMJ

Enciphered by

Sent by operator M., 19.

NOV 18 1937. FM

793.94/11189

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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TELEGRAM SENT

Department of State
DEPARTMENT OF STATE

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
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Washington,

1937 NOV 19 PM 5 40

November 19, 1937.

DIVISION OF
COMMUNICATIONS
UNITED STATES

AMERICAN CONSUL,

SHANGHAI (China). *vian R*

564

With reference to your 962, November 12, 7 p.m.,
the Department's 303, November 18, 7 p.m. ^{to Tokyo} is repeated-
for your information.

QUOTE (Telegraph Section: Please insert here the
text of the Department's telegram No. 303, November 18,
7 p.m., to the American Embassy at Tokyo.) UNQUOTE.

793.94/11189

Hull
WRW

793.94/11189

NOV 19 1937 PM

FE JCV:NN

FE
m.m.k. *A-W*

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

LMS

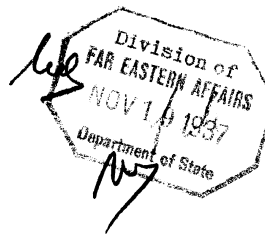
FROM COMSOPAT via N. R.

November 19, 1937

Rec'd 2:55 p. m.

793.94

FROM: COMSOPAT
ACTION: CPNAV
INFO: 2nd BRIGADE
COMSUBRON 5
COMDESRON 5
SI: CAF
COMYANGPAT
USS MARBLEHEAD
EMBASSY NANKING
ALUSNA PEIPING



0119 South China ports quiet 2000

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NOV 22 1937

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

CORRECTED COPY

LMS

ALUSNA PEIPING

November 18, 1937

Rec'd 11:26 p. m.

This telegram is in navy cipher
and must be closely paraphrased
before being communicated to
anyone.

793.94
FROM: ALUSNA PEIPING
TO: NAVY DEPARTMENT
INFO: 2nd BRIGADE USMC
COMSUBRON 5
COMDESRON 5
CINCAF
COMYANGPAT
COMSOPAT
USS MAPELEHEAD
AMEMBASSY NANKING



0018 Yuhsueh Chung's Fifty First Army departed
Tsingtao for Tsinan area assist defense Yellow River
estimate Chinese can hold south bank for ten days.
Report bridge blown up confirmed. Situation Tsinan
panicky with some looting going on. Japanese naval
vessels seen off coast Shantung. Chinese anticipate
landings at Lungkow and in vicinity Shihkiuso probably
attempt cut Kiaotsi Railway Weihsien Kaomi area and
isolate Tsingtao. 1705

SMS

1937 NOV 18 11 26 AM

RECEIVED

793.94/11191

FILED

NOV 24 1937

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

LM.

FROM: CAC

November 19, 1937

Rec'd 8:49 p. m.

PROM: CIMCAF
ACTION: OPNAV
INFO: 2nd BRIGADE USMC
AMCONSUL SHANGHAI
COMDESRON 5
COMSUBRON 5
CONYANGPAT
CONSOPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING

Y
SENT TO
CHINA AND M.I.D.



0019 Military situation unchanged. Japanese advance on Changshu, Soochow, Kasing making slow progress. Japanese claim occupy Changshu Kasing believed premature. Chinese strengthening lines increasing resistance and Japanese organization's publications in Settlement being suppressed 1900

SMS:RGC

793.94/11192

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NOV 21 1937
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

LMS

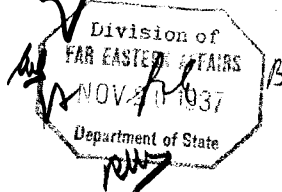
FROM: COMYANGPAT

November 19, 1937

Rec'd 8:47 p. m.

793.94
FROM: COMYANGPAT
ACTION: OPNAV
INFO: 2nd BRIGADE USMC
YANGPAT
COMDESRON 5
COMSUBRON 5
CINCAF
COMSOPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING

COPIES SENT TO
CHIEF AND M.D.



0019 Mass evacuation Chinese civilians from Nanking continues with most Government officials gone, others preparing leave, also foreign nationals departing up river to full capacity of few foreign flag steamers available, all embassies preparing move to Hankow upon departure Government. No unfriendly feeling toward foreigners, no signs of imminent jeopardy to their well-being. Flagship and PANAY Nanking 2215

SMS:RGC

793.94/11193

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

793.94/11194

TRANSFERED TO 693.002/422

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

GEORGE MC GILL, KANS., CHAIRMAN
BURTON K. WHEELER, MONT. LYNN J. FRAZIER, N. DAK.
DAVID I. WALSH, MASS. JOHN G. TOWNSEND, JR., DEL.
ROBERT J. BULKLEY, OHIO
AUGUSTINE LONERGAN, CONN.
ELBERT D. THOMAS, UTAH
SHERMAN MINTON, IND.
HARRY H. SCHWARTZ, WYO.
HENRIK SHIPSTEAD, MINN.
RICHARD M. LONG, CLERK
JAMES C. PALMER, LAW EXAMINER

United States Senate

COMMITTEE ON PENSIONS

1937 NOV 20 AM 9 November 19, 1937

COMMUNICATIONS
AND RECORDS

NOVEMBER 29 1937

The Honorable,
The Secretary of State,
Washington, D. C.

reply drafted
NOV 22 1937
KSP



My dear Mr. Secretary:

I am quoting below a letter I have received from
Mrs. Elizabeth Hesseltine, 1142 Henry Street, Augusta, Kansas,
as follows:

"We are asking you to use your influence to
get our ships and men out of the war zone, or have them
stay at their own risk, and to declare our neutrality
before we are dragged into the Sino-Japanese war. For
some reason President Roosevelt seems to have repudiated
the Neutrality Law.

"I am teacher of the Young Ladies' Class of the
First Baptist Sunday School."

Would you desire to make comment on the above
which I might use as a basis upon which to reply to my
constituent's letter?

Very respectfully yours,

Geo. M. Hill

793.94/11195

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

November 29 1937

In reply refer to
FE 793.94/11195.

My dear Senator McGill:

I have received your letter of November 19, 1937, in which you quote a letter received by you from Mrs. Elizabeth Hesseltine, 1142 Henry Street, Augusta, Kansas, in regard to the withdrawal of Americans from China and the application of the Neutrality Act in connection with the present Sino-Japanese conflict.

The two questions raised by Mrs. Hesseltine were discussed in my letters to you of November 15 and 24. I am, therefore, enclosing for your convenience copies of these letters and I trust that they will assist you in replying to your correspondent.

There is enclosed for possible transmission to Mrs. Hesseltine a press release issued by the Department
on

The Honorable

George McGill,

United States Senate.

793.94/11195

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

-2-

on August 23, 1937, outlining the policy on which this
Government is proceeding with reference to the situation
in the Far East.

Sincerely yours,

Cordell Hull

Section

Enclosures:

1. From Department
to Senator McGill,
November 15, 1937.
2. From Department
to Senator McGill,
November 24, 1937.
3. Press release of
August 23, 1937.

FE:KFP:HES
11-22, 26

FE
M. H.

NOV 27 1937
CA
CW/g

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

EG

GRAY

COPIES SENT TO
O.N.I. AND A.I.D.

Tsingtao via N. R.

Dated November 20, 1937

Rec'd 11:50 p.m., Nov. 19th

Secretary of State,

Washington.

PRIORITY

November 20, 9 a. m.



793.94
An American missionary residing at Weihsien in a telegram sent November 19, midnight to this Consulate reports that Japanese property in that city was destroyed in orderly manner by Chinese. No colony or citizen molested in any way.

SOKOBIN

SHS:RGC

793.94/11196

F/FG

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

COPIES SENT TO
O.N.I. AND A.I.D.

TELEGRAM RECEIVED

lw

Tsingtao via N.R.

FROM

Dated November 19, 1937

REC'd 4:40 p.m.

Copies hereof to be sent to
Copy also to
and

Secretary of State

Washington

November 19, 1 p.m.

Manager of the Bank of China, Tsinanfu, now in

Tsingtao reports that Tsingtao banks yesterday closed temporarily. He was in telephone communication with Tsinanfu this morning and was informed city quiet today with no serious efforts being made by the Japanese to cross Yellow River. He gathered no serious trouble expected in Tsinanfu.

Two. No change in the situation in Tsingtao, but there appears to be stronger reason to believe that Chinese authorities will destroy some property before they retire from Tsingtao if and when their withdrawal is decided upon.

Sent to the Department, Nanking, Peiping, Chefoo.

SOKOBIN

NPL
SMS



793.94/11197

F/FG

FILED
V 24 1937

793.94
note
893.516

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

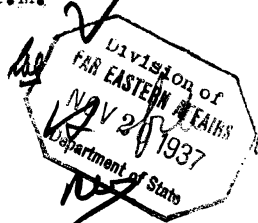
This telegram must be RADIO SHANGHAI
closely paraphrased be-
fore being communicated
to anyone.

FROM November 20, 1937

Rec'd 9:50 a.m.

TO: NAVY DEPARTMENT

INFO: CINCAF
AMEMBASSY NANKING
AMEMBASSY PEIPING



793.94

0020. Departed for Peiping Alusna six hundred twenty
November. Captain Carlson departed for Nanking and
interior from Astalusna points nineteen November. 1050.

KLP

793.94/11193

NOV 21 1937
FILED

F/FG

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

This telegram must be closely paraphrased before being communicated to anyone.

FROM ALUSNA PEIPING

November 20, 1937

Rec'd 9:50 a.m.

TO: NAVY DEPARTMENT

INFO: SECOND BRIGADE
COMSUBRON FIVE
COMDESRON FIVE
COMYANGPAT
COMSOLAI
AMEMBASSY NANKING
CINCAF



0020. Estimated Jap troops North China in thousands highest three six zero, lowest two hundred forty withdrawals Nippon effectives. Nineteen October eighteen November out less than sixty-five triple naught. 1339.

KLP

793.94/11199

NOV 24 1937

FILED

F/FG

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

1w

Tokyo

A portion of this telegram ^{FROM} must
be closely paraphrased before
being communicated to anyone. (A)

Dated November 20, 1937

Rec'd 7:25 a.m.

Secretary of State

Washington

556, November 20, 3 p.m.

Our 554, November 19, 9 p.m. and Department's 306,

November 19, 5 p.m.

(GRAY) One. One paper reports this morning with
banner head lines that Craigie called yesterday afternoon
on the Vice-Minister for Foreign Affairs and tried to
sound out the latter on some method best calculated to
bring about peace, but that the Vice-Minister made no
definite reply. Speculating on the significance of Craigie's
move, the article states that, British efforts to thwart
Japan having failed, a change in the British attitude can
now be expected. Another paper carries a substantially
similar story.

Two. Craigie has just informed me that he is issuing
a statement to the press to the following effect: he ^{called} yester-
day ~~(x)~~ on the Vice-Minister for Foreign Affairs to exchange
views on the Shanghai situation, and no other matter was
officially discussed. Reports suggesting that the British

Government



793.94/11200

FILED

793.94
note
793.94119

WBS
1/26/39

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-2- No. 556, November 20, 3 p.m. from Tokyo

Government has offered to mediate are without any foundation
in fact. (END GRAY).

Three. No reference to my recent calls on the Minister
for Foreign Affairs has appeared in the press.

GREV

DDM
CSB

(*) omission

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MBer

FROM CINCAF OPNAV

COPIES SENT TO
CINCAF M.I.D.

November 20, 1937

Rec'd 9:52 a.m.

ACTION: OPNAV
INFO: 2ND BRIGADE USMC
AMCON AT SHANGHAI
COMSUBRON 5
COMDESRON 5
COMYANGPAT
COMSOPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEI'ING



0020 Japanese ~~have~~ occupied Fushan, Changshu, Soochow, Kashing. Report Chinese troops retreating along entire front. Japanese reinforcements continue arrive. Shanghai area quiet 1945.

KLP:

793.94/11201

F/FG

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Department of State letter, August 10, 1972
By Milton D. Hunsaker NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

GRAY

FROM Shanghai via N. R.

AMEMBASSY NANKING
AMEMBASSY PEIPING

Dated November 20, 1937

Rec'd 8:15 a.m.

Secretary of State

Washington.

COPIES SENT TO
O.N.I. AND M.I.D.

995, November 20, 3 p.m.

My number 984, November 18, 7 p.m.



Heavy fighting is reported in the cities of Kashing and Changshu some sections of which are still believed to be in Chinese hands. The Japanese after cutting the Kashing-Soochow railways pushed through to Taihu Lake and have also advanced north to within ten miles of Soochow. Japanese attacks along the Shanghai-Nanking Railway from their lines to within seven miles of Soochow. Chinese continue to offer strong resistance but will probably not be able to hold the Kashing-Soochow-Changshu line much longer.

GAUSS

DDM:KLP

793.94/11202

F/FG

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

35-1

TELEGRAM RECEIVED

LW

PLAIN

FROM

Nanking via N.R.

Dated November 20, 1937

Rec'd 9:22 a.m.

Secretary of State

Washington

COPIES SENT TO
CHIEF AND M.I.D.

892



938, November 20th, 11 a.m.

One. Following "statement issued by Chinese Government" dated today was handed to me this morning by official of the Foreign Office:

"The chain of events following the Fukouchiao incident of July seventh and culminating in the seizure of Tientsin and Peiping opened a new phase in Japan's program of continental conquest. Realizing that Japan's aggression knows bounds except that of force, the Chinese Government finally resolved to take up arms in self defense. The Government's decision, it is most gratifying to note has necessitated the hearty endorsement and support of the whole nation which turned out like one man in the common struggle against invasion. Wherever the Japanese forces chose to make their attacks, they have invariably encountered the stubborn resistance of the Chinese defenders who would rather die than surrender an inch of territory. Instances of heroic sacrifices

793.94/11203

F/F/G

35-2

lw 2, No. 938, November 20, 11 a.m. from Nanking

sacrifices in different provinces are too numerous to be mentioned here.

In the Shanghai and Woosung area, the Chinese held their enemy at bay for fully three months. Responding to the call of the Government, units of the fighting forces from all over the country rushed to the front and fought shoulder to shoulder against the common enemy. Spite concerted attacks by the Japanese forces from land, air and sea, the Chinese troops have maintained an excellent morale. Many of them, trusting to nothing more than their blood and patriotism, remained at their posts even after their defense works had been completely destroyed by Japanese bombardment in the valor and loyalty of these officers and men the indomitable spirit of the Chinese people finds its most enjoyment expression. Upon the bodies of the heroic dead, too, the foundation of a new and independent Chinese nation may be said to have been firmly laid.

Of late, the Japanese forces have shown a disposition of advancing further westward evidently with the intention of forcing the Chinese Government into accepting humiliating terms by directly threatening the safety of Nanking, the capital of China. In this the Japanese calculations are greatly

35-3

-3- No. 938, November 20, 11 a.m. from Nanking

Greatly mistaken. For in embarking upon the present course of action after all peaceful means had proved fruitless, China has fully made up her mind that her salvation lies in fighting the invaders even to the last man. Our submission to Japan is neither compatible with our national existence and honor nor with the maintenance of international justice and peace. 'To be broken jade rather than a whole tile,' is today the determination of every patriotic Chinese.

In order to conform to the requirements of the present state of hostilities as well as to be in a more advantageous position to direct national affairs as a whole and put up prolonged resistance, the seat of the National Government has this day been removed to Chungking. There can be no doubt that hereafter Chinese resistance will be on an even wider extent and of greater effectiveness than heretofore; and with the vast man power and national resources at her command and with the full determination of her people to give up their lives for the country, she is fully united against the Japanese invaders.

In her present struggle, China has behind her the full sympathy of foreign nations and the solid support of her people

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

25-4

-4- No. 938, November 20, 11 a.m. from Nanking

people. There can be no question that she will ultimately attain the object of maintaining her national existence and independence."

2. Repeated to Peiping. Peiping airmail Tokio.

JOHNSON

CSB

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MBo

GRAY

FROM Tokyo

Dated November 20, 1937

Rec'd 6:40 a.m.

Secretary of State,
Washington.

558, November 20, 6 p.m.

Department's 303, November 18, 7 p.m. second paragraph
International Settlement Shanghai.

Action taken today.

GREW

CSB:

Foreign rights in International Settlement.



793.94/11204

FILED
JUL 14 1938

F/F/G

TELEGRAM RECEIVED

COPIES SENT TO
O.N.I. AND M.I.D.
jmc

NC

GRAY

FROM Tsingtao via N. R.

Dated November 20, 1937

Rec'd 9:00 a.m.

Secretary of State

Washington

November 20, 11 a.m.

One. Foreign business man who has just communicated by telephone with his office in Tsinanfu states conditions in Tsinanfu apparently (#) and normal, banks still closed but shops generally are open. Chinese reports or rumors are that Japanese have retreated from north bank of Yellow River to Yucheng. Japanese airplanes dropped bombs at Lokow yesterday afternoon.

Two. In Tsingtao all is quiet, but for the first time since the outbreak of hostilities in Shanghai, local Chinese authorities are setting up machine guns in defense trenches recently prepared along Tsingtao's ocean shore.

Three. The only large Chinese cotton mill in Tsingtao ceased operations yesterday, due to the fear of impending danger.

Sent to Nanking, Paiping, Chefoo.

SOKOBIN

GV

KLP

(#) omission

793.94/11205

F/FG

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

RB

FROM

COMSOPAT

Rec'd November 20, 1937

1:17 p. m.

ACTION: O'NAV

INFO: 2ND BRIGADE USMC
COMSUBRON 5
COMDESRON 5
CINCAF
COMYANGPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING



0120 South China ports quiet 2000.

793.94

793.94/11206

CSB

F/FG
NOV 20 1937

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

RB

FROM

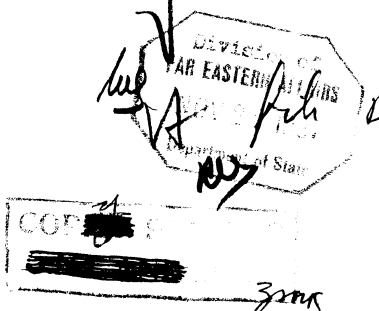
COMYANGPAT

Rec'd November 20, 1937

2 p. m.

ACTION: OPNAV

INFO: 2ND BRIGADE
USMC
YANGPAT
COMDESRON 5
COMSUBRON 5
CINCAF
COMSOPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING



793.94/11207

0020. Nanking situation generally same as yesterday. Central Government officially notified foreign embassies and issued statement to press that Government was evacuating to Chungking. All foreign embassies still in Nanking pending final departure remaining Government officials. OAHU arrives Wuhu tomorrow to evacuate as necessary United States nationals that port. Other river ports quiet. 2030

KLP

F/FG

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

36-1

JS

Gray
TELEGRAM RECEIVED
SHANGHAI Via N. R.

Dated November 21, 1937

FROM [redacted] 129
Rec'd 4:30 p.m.

Secretary of State,

Washington, D.C.

COPIES SENT TO
O.N.I. AND M.I.D.



996, November 21, 8 p.m.

743.94
743.102 8
I am informed by foreign press correspondents that at a Japanese press conference this afternoon an Embassy spokesman stated that the Japanese Consul General had communicated to the authorities of the International Settlement and French Concession certain points on which the authorities are expected to meet Japanese wishes, in effect as follows:

One. Suppression of anti-Japanese and Kuomintang organizations, of posters and literature of anti-Japanese character, of theatricals and motion picture and radio broadcast propaganda of same character, and prohibition of so-called Chinese spy mania.

Two. Eviction of Chinese Government organizations and representatives both central and local and effective supervision over Chinese Government and party leaders.

Three. Prohibition of Chinese censorship of communications, telegraphs and posts, of press and news services and suppression of unauthorized wireless communication by Chinese.

I have been unable so far to contact any municipal authorities

793.94/11203

F/FG

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

36-2

-2-

From Shanghai, #996.

authorities who will admit that such representations
have been made.

The Japanese naval authorities this afternoon
seized some 20 or more small craft of the Chinese
customs service.

Sent to the Department, repeated to
Nanking and Tokyo.

GAUSS

NPL

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

6-2
6-5

E. H. Hilphman

Mar 19,
1973

November 13, 1957.

MEMORANDUM FOR THE CHIEF OF STAFF:

Subject: Far Eastern Situation.

1. Herewith are Situation Maps and Summary covering the week ending November 13.

2. The outstanding developments for the past week have been:

a. Japanese successes in Shansi and south and west of Shanghai.

b. The decision of the Japanese High Command to destroy Chinese military strength in Central China and the considerable movement of troops to the Shanghai area to carry out that decision.

c. The probable futility of further action by the Nine-Power Conference in view of Japanese nonparticipation.

4. Indications of Japanese intention to exercise control in the International Settlement at Shanghai.

encls.
ml

M. K. W. McCABE,
Colonel, General Staff,
Assistant Chief of Staff, G-2.

CONFIDENTIAL

1937

1-10

11209

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

3-2
4 2

3-2/2657-1-439

Mar 19,
1973

November 13, 1937.

MEMORANDUM FOR THE CHIEF, INTELLIGENCE BRANCH:

Subject: Summary of Events in Sino-Japanese Situation, November 7-13, 1937.

GENERAL

The Nine-Power Treaty Conference at Brussels after long deliberation sent a note to Japan on November 8 again asking that she be represented at the parley. Japan in a reply dated November 12 refused to attend. The wording of the Japanese reply left little scope for further invitations. The Russian representative left the conference for Moscow on November 10, after a clash with the Italian delegate over representation on a proposed steering committee. Litvinoff is said to have assured other members of his return if Japan refused to attend, and the conference decided to adopt stronger measures. It is doubtful that the conference can decide on punitive measures against Japan, despite newspaper reports to the effect that these are under consideration. It is probable that the conference will find that prolonging the discussions further will not prove profitable and will soon adjourn after reaffirming the principles embodied in the Nine-Power Treaty. It is also possible that a small committee will be created to act after adjournment to keep interested powers informed of the developments in the situation. The conference will meet again after noon November 13, to decide action.

The Japanese Ambassador at Brussels stated that Japan would welcome mediation by the United States and that Ambassador Grew would be particularly acceptable to the Japanese. Such conciliation, it is stated, would have to take into account the facts that the Chinese anti-Japanese feeling could only be ended effectively by demilitarization of northern provinces, and that it would be necessary to get "more or less" autonomous governments in these provinces as a "bulwark against Chinese communism." As it is apparent that Japan is in no mood for mediation for the present and probably will not be until an overwhelming defeat is inflicted on the Chinese Government forces, this announcement is probably another trial balloon. Also, with the United States a signatory to the Nine-Power Treaty and with American public opinion definitely pro-Chinese, it is difficult to see how we could mediate on the bases advanced above.

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 Department of State letter, August 10, 1972
 By Milton D. Hueston NARS, Date 12-18-75

Italy's signing of the tri-party anti-Comintern pact on November 6 was hailed in the Japanese press. The articles pointed out that Japan's international position was greatly strengthened and that in addition to the united front against communism, other common aims of the three signatories would be advanced. The Soviet press denounced the treaty. The Soviet ambassador informed the Italian Government that Russia considered the signing of the anti-Comintern pact an unfriendly act. Reliable sources state that the British believe the tri-party pact has a decided European angle and is not entirely directed against Russia. As an American commentator has also pointed out, Italy's recent action in Ethiopia, Germany's present intrigue in Czechoslovakia, and Japan's venture in China, can hardly be classed as anti-Comintern activity.

It is reported that German policy with reference to China is divided into two camps. Business and banking leaders and the Army High Command are for keeping China intact with an "open door" for increasingly better commercial relations. The Nazi party leaders on the other hand are for complete solidarity with Japan. There is a conflict now going on in Germany on the advisability of withdrawing the staff of German military advisers in China. It is said that the results of this conflict will show which policy is to prevail. It is also reported that the Sino-German barter agreement resulted in Hitler's dumping obsolete and ineffective German weapons on China, thus enabling him to modernize German armament. This action is reported to have incensed the German advisers with the Chinese Government.

An observer recently in China states that there are four major elements now in Chinese politics as follows: (a) a Fascist group consisting mainly of young officers, graduates of the Whampoa military academies and others who have come under the influence of the German Mission and under German and Italian influence abroad; (b) a communist group consisting of Mao Tse-tung, Chu Teh, and others and their followers, with more or less direct connection with the Soviets; (c) the reactionary group consisting of the old war lords and their followers; and (d) a liberal group headed by Chiang Kai-shek, containing the liberals and intelligencia who have been cemented together during the last four years by the "New Life Movement." This observer stated that if Chiang's regime falls, the Fascist group will probably come into power. The Generalissimo's health is excellent. The broken vertebra he sustained in the Sien incident is now completely healed as shown by x-rays photographs.

The Alaskan Fisherman's Association, supported by the Maritime Federation of the Pacific, has announced a boycott on Japanese goods as a protest against Japanese inroads into the Alaskan fishing grounds. The boycott, including picketing, is to start November 15. The State Department is requesting Japanese cooperation in solving the fisheries dispute.

CONFIDENTIAL

019

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Hankow reports a Soviet-Japanese border clash in the Mishan district, 180 miles north of Vladivostok. The same source reports that partial martial law has been declared in Mukden because of unrest.

France is reported to be sending four cruisers to Far Eastern waters as a precautionary measure. This move is brought on by Japan's seizure of strategic islands off the South China coast.

A British officer at Singapore has stated confidentially that he has information that Japan contemplates a surprise attack on the Singapore base.

It is reported that the Chinese Government is asking for tenders on three million dollars worth of pursuit planes, two million dollars worth of training planes, and one million dollars worth of engines and spare parts, payment to be made in cash ex warehouse in the United States. This may be taken as an indication of continued Chinese intention to resist for an indefinite period.

Foreign observers at Shanghai estimate the cost of the military operations in both North China and Shanghai to the opposing sides to November 8 as follows: Chinese casualties 300,000, Japanese 125,000; Chinese expenditures \$250,000,000, Japanese \$600,000,000; Chinese property loss \$200,000,000; Chinese trade loss \$100,000,000, Japanese \$250,000,000; total financial cost Chinese 550 million dollars, Japanese 850 million dollars.

Of the 393,000 square miles in the five northern provinces, the Japanese now control approximately 306,000, comprising all of Chahar, Suiyuan, and Hopei, and over half of Shansi. Shantung, with approximately 60,000 square miles, appears ready to fall peacefully. In addition, the Japanese now control over 500 square miles in the Shanghai area. The amount of territory contained in the strategic islands along the China coast, seized by the Japanese, is difficult to estimate.

NORTH CHINA SITUATION

Suiyuan. A large proportion of the Japanese troops on this front have been diverted to Shansi. The sector apparently remains quiet.

Shansi. Taiyuan fell on November 9 and the Japanese troops are now advancing to the south. One column moving via Tsingyuan is now reported at Fenchow, 65 miles southwest of Taiyuan. Another column is reported at Pingyuan, 60 miles south of Taiyuan. A third column moving south from Pingting in the Niangtsakuan pass, has occupied

019

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Hsiyang, 20 miles to the south. The first column at Fenchow will probably continue west to the Yellow River, crossing at Sanchiachen to plug that outlet. Chinese resistance seems to have broken completely in this area and the Japanese should have little difficulty in occupying all of Shensi shortly. Chu Teh's troops are probably withdrawing west toward their home grounds in Shensi.

Ping-Han. Japanese are reported to have broken through the Chinese defense at Anyang and are now ten miles south of that point. Chinese remnants are reported to be attacking the Ping-Han Railway north of Changte. A Chinese attempt to cut the railway at Shuntetu (Siangtai) has failed.

The casualties in Shensi have been heavy for both sides. Strafed by the pursuing Japanese aircraft and ground units, the Chinese forces are suffering heavy losses. Most of the large Chinese units have managed to keep from being cut off so far.

Tsin-Fu. No action is reported in this area. Only two Han Fu-chu divisions remain north of the Yellow River.

Thirty thousand Japanese troops are reported to have passed north through Tientsin between November 3 and November 9. These are believed destined for the Yangtze delta area.

Flood conditions in Shantung and Hopei are reported to be bad, with over one million Chinese made homeless. Many flood and famine refugees are fleeing into southern Shantung.

Work on the Peking-Jehol railway is progressing rapidly. The Japanese are reported to be using 50,000 coolies on this operation and the grading between Peking and Aupeikow is now completed.

CENTRAL CHINA THEATER

Shanghai. The powerful Japanese thrust from Hangchow Bay succeeded in forcing a complete Chinese evacuation from Footung, Nantao and all the area immediately adjacent to the Settlement. The drive from the south has in one week succeeded in rolling up the southern third of the Chinese defensive position running from Changshu southwest through Kunshan (Quinsan), Tsingpu to Sungkiang (Sung-kangfu). Tsingpu and Sungkiang are in Japanese hands and they are now reported to be pushing north only five miles from Kunshan. At the same time the Japanese forces north of the Settlement have pushed west, south of the Shanghai Railway and are in contact with the southern force. The Chinese situation is precarious and extreme skill and good fortune will be required to enable them to extricate their units now north of the Shanghai Railway and west of the defense

019

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

line outlined above. A heavy rain which started November 12 may bog down the Japanese drive and give the Chinese a breathing spell.

The Chinese withdrawal from the vicinity of Shanghai started in an orderly manner. Small rear guards were left in Pootung, Mantao and the area immediately west of the Settlement. One Chinese force of troops and gendarmes estimated at 8,500, barricaded themselves in the old Chinese city adjacent to the French Concession. These were dislodged after four days of sanguinary fighting during which a foreign news correspondent was killed by Japanese fire. The pace of the withdrawal has been accelerated and the Chinese will be fortunate if they can prevent a rout. The original Chinese line north of Nanzhang is still holding. Most of the Chinese rear guard detachments have been wiped out. Only a few snipers remain in the area.

It is evident that the Japanese High Command has decided that the destruction of the Central Government military power in the Yangtze area is necessary before a solution to the entire present situation can be reached. Heavy Japanese reinforcements are being assembled in the Yangtze delta area. Some of these troops have been withdrawn from North China, indicating that the Japanese military penetration there is practically complete. Other units are coming directly from Japan. Air and naval concentrations in the area are also heavy. The next two weeks will probably show far reaching action west of Shanghai. The Japanese now have space to maneuver in the Shanghai area. With complete air superiority and high mobility they may be able to enact their long cherished desire, a second "Manenburg" on the Shanghai delta.

The Japanese are removing the barrier in the Changpoo River. Preparations are also being made to destroy the Yangtze River barrage at Kiangyin. Engineer detachments, boats and explosives for this purpose are being assembled near Soosung.

General Matsui in a press interview on November 11 scored the Settlement authorities and foreign defense forces as pro-Chinese in their actions. He stated that he respected the interests of third powers and while he had no orders at this time to take over the Settlement, if the necessity arose he would have to take "the steps needed to remedy the situation." It is intimated that the Japanese wish to control the customs and Post Office and to establish censorship on outgoing messages and on the Shanghai press. The Japanese have announced that they intend to use Soochow Creek to transport troops and supplies beginning November 13. The authorities in International Settlement have put a damper on Chinese activities. Mayor O. L. Yui announced he would hold no more press conferences. From a realistic standpoint there is very little that can be done to prevent General Matsui from taking the action he intimates. The

19

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

interested powers may protest to Tokyo but such protests will not prevent a strong Japanese Army, flushed and exalted with victory, from taking such action as its commander deems necessary.

Nanking was bombed for the first time in three weeks on November 10 and again on November 11. The Blue Express on the Tsin-Pu was bombed at Suhsien, north of Pongpu on November 8, with heavy casualties among the civilian passengers. Japanese air activity in Central China was concentrated for a time in the immediate vicinity of the Shanghai delta and is now again spread over the hinterland. An American hospital mission at Mushih, 80 miles west of Nanking, was bombed November 13. Two of the Chinese staff were killed. No American casualties. The Japanese have dropped leaflets on Soochow warning that after November 13 they will bomb the town indiscriminately. Soochow is filled with civilian population and refugees. It is an important point on the Chinese "Hindenberg line."

It is reported that there is friction between Nanking and Kwangtung authorities over the heavy casualties suffered by the southern troops in the Shanghai defense.

Admiral Yarnell states that Shanghai can now be used as a safe port of call for American shipping. The American merchant ship STEEL TRAVELER which entered the port on October 29 on the Admiral's advice is discharging cargo at Pootung without difficulty.

SOUTH CHINA THEATER

Japanese bombing operations on the Canton-Kowloon and Canton-Hankow Railways continue. The railroads, while hampered, continue to operate.

Two Japanese cruisers attacked Amoy on November 10. Little damage was inflicted.

The 2nd Japanese Naval Aircraft Squadron consisting of the aircraft carrier Kaga plus one destroyer squadron is being sent to South China.

WILLIAM MAYER,
Major, C. W. S.

td

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

SPD

FROM

MBo

COPIES SENT TO
~~ORIGINAL D.D.~~

COMSOPAT

November 21, 1937

Rec'd 4:30 p.m.

ACTION: OPNAV
INFO: 2ND BRIGADE USMC
COMDESRON FIVE
COMSUBRON FIVE
CINCAF
COMYANGPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING

Division of
FAR EASTERN AFFAIRS
NOV 21 1937
Department of State

0121 South China ports quiet 2000

793.94/11210

F/FG

NOV 21 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MBO^{***}

FROM

COMYANGPAT

November 21, 1937

Rec'd 4:30 p.m.

COPIES SENT TO
O.M.I. AND M.I.D.

ACTION: OPNAV
INFO: 2ND BRIGADE USMC
YANGPAT
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMSOPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING



0021 No change Nanking situation. Other river ports
quiet 2110.

793.94/11211

F 459
NOV 22 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MBo^{op}

FROM

CINCAF

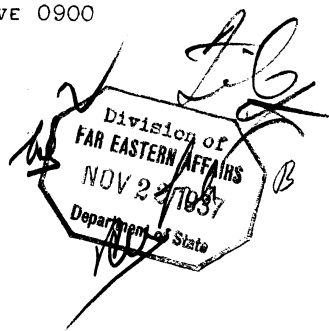
November 21, 1937

Rec'd 4:30 p.m.

ACTION: COMYANGPAT
INFO: NAVY DEPARTMENT

0020 Your 0019 2210 affirmative 0900

753.94



753.94/11212

NOV 22 1937

FILED

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MBo ***

FROM

CINCAF

November 21, 1937

Rec'd 6:45 p.m.

ACTION: OPNAV
INFO: 2ND BRIGADE USMC
AMCON SHANGHAI
COMSUBRON 5
COMDESRON 5
COMYANGPAT
COMSOPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING

COPIES SENT TO
G.N.R. AND M.L.D.



0021 Japanese advance north Lake Tawu reported reached points approximately six miles west Changshu Soochow south of Lake fifteen miles west Pingwang ten miles west Kashing. Chinese offering little resistance but state Kiangyuin Wusieh line north of lake and Wuchiu Hangchow line south of lake will be held. Conditions Settlement unchanged 2132.

NFL:

793.94/11213

F/FG

NOV 23 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

FROM PLAIN

Nanking via N. R.

Dated November 22, 1937

Rec'd 7:30 a.m.

Secretary of State,

Washington.

COPIES SENT TO
O.N.I. AND M.I.D.



942, November 22, 3 p.m. *8/2*

At least seven Japanese pursuits and light bombers flew over Nanking at 1:55 p.m., today and for first time since October 12th were engaged by Chinese planes. There was considerable fighting in the air and we saw one Japanese plane come down in flames and fall inside city. As far as known remaining attackers departed without dropping any bombs.

Sent to Department. Repeated Peiping, Shanghai, Hankow. Shanghai repeat Tokyo.

JOHNSON

DDM

FILED
NOV 24 1937

F/F/G

793.94/11214

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 124.93/380 FOR Tel.

FROM Navy Department () DATED Nov. 20, 1937
TO NAME 1-1127 670

REGARDING: Removal of Chinese Government to Hankow; official announce-
ment is expected at any time; Foreign Minister will probably
proceed this weekend.

enc

✓

793.94/11215

124.93/11215

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 124.93/381 FOR Tel.

FROM Navy Department () DATED Nov. 21, 1937
TO NAME 1-1127 678

REGARDING:

All foreign diplomatic representatives evacuating
Nanking on morning of November 23; Minister for
Foreign Affairs expects to leave any moment, and
has requested the Embassy to move as soon as
possible.

emc
✓

793.94/11216

793.94/
11216

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED



FROM

MB0

Y
COPIES SENT TO
ONLINE D.M.D.

COMYANGPAT

November 22, 1937

Rec'd 9:34 a.m.

ACTION: ALUSNA PEIPING
INFO: 2ND BRIGADE USMC
CINCAF
OPNAV

793.94

(McHugh)
0022 From Ast Alusna Nanking remaining here time

being 1820.

CSB:

793.94/11217

F/FG

NOV 28 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

FE

TELEGRAM RECEIVED

M30

CINCLAF

November 22, 1937

FROM

Rec'd 9:33 a.m.

ACTION: CPMAY

INFO: SECOND BRIGADE USMC
AMCONSUL SHANGHAI
COMSUBRON 5
COMDESRON 5
COMYANGPAT
COMSOPAT
USS MARBLEHEAD
EMBASSY NANKING
AMUSNA PEIPING

COPIES SENT TO
CHINA AND M.I.D.

892

Division of
FAR EASTERN AFFAIRS
NOV 22 1937
Department of State

793.94

0022 Japanese advance west continues state Wusieh
occupied and that general Chinese retreat in progress
many Japanese transports reported Yangtze mouth. Settle-
ment quiet 1920.

CSB:

793.94/11213

F/FG

NOV 22 1937
FILED

4

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MB0

FROM

This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (A)

Nanking via N.R.

Dated November 22, 1937

Rec'd 7:33 a.m.

Secretary of State

Washington.

of paraphrase
COPIES SENT TO
O.N.I. AND M.I.D.
in Confidence

Division of
FAR EASTERN AFFAIRS
NOV 22 1937
Department of State

945, November 22, 4 p.m.

Embassy's 942, November 22, 3 p.m.

CONFIDENTIAL.

We are reliably informed that the planes of the Chi-
nese engaged in today's fighting were some of approximately
20 Russian machines recently arrived at nearby airfield.

Repeated Peiping Hankow Shanghai. Shanghai repeat
to Tokyo.

JOHNSON

OSB:

793.94/11219

NOV 27 1937

FILED

F/FG

12.11.
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

(CONFIDENTIAL)

P A R A P H R A S E

A confidential telegram (No. 943) of November 22, 1937, from the American Ambassador at Nanking reads substantially as follows:

According to reliable information, some of the approximately twenty Russian airplanes which arrived recently at an airfield in the vicinity of Nanking were the machines used by the Chinese in the fighting which took place on November 22.

89C
FE:EGC

FE

XI-22-37

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

37-1

TELEGRAM RECEIVED

JR

FROM GRAY

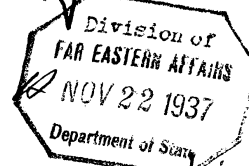
Shanghai via N. R.

Dated November 22, 1937

Rec'd 3:15 a.m.

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.



998, November 22, noon.

One. I learn this morning that on Saturday afternoon

Major General Harada, the Military Attache of the Japanese Embassy, called on the Secretary General of the Shanghai Municipal Council to communicate a message from General Matsui that the Council must take measures to suppress anti-Japanese activities in the Settlement and in the course of the interview let it be known that the Japanese are considering marching Japanese troops along the Nanking bund, south of Soochow Creek, to Nantao, the opinion being expressed that such a move would be effective as a demonstration to deter the Chinese from anti-Japanese activities.

Two. Without reference to the legal position, on which I think there is much to be said, it cannot be emphasized too strongly that any such illadvised move by the Japanese military would be disastrous to the peace and order of the foreign protected neutral areas where

there

F/EG

37-2

-2- #998, November 22, noon from Shanghai via N. R.

there is a huge Chinese population of residents and refugees.

Three. This morning the Chief of Staff of the Japanese naval landing party has notified the United States marines, and is similarly informing the British forces, that it is the intention of the landing party to resume the protection of Japanese life and property in the foreign sectors, that Japanese contingents will be sent to the Japanese mills in such sectors, and that it is the intention of the Japanese to transport supplies under guard through the Settlement south of the creek to these contingents and to the Japanese forces in Nantao and west of the perimeter of the foreign lines. I understand these measures are to be taken by December 1st. Repeated to Tokyo.

GAUSS

KLP:CSB

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

PREPARING OFFICE
WILL INDICATE WHETHER

Collect
Charge Department
OR
Charge to
\$

TELEGRAM SENT

Department of State
DEPARTMENT OF STATE

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

Washington,

1937 NOV 22 PM 6 4 November 22, 1937.

AMEMBASSY,

D
COM
AM

LONDON (England).

459

Under date November 22, noon, the American Consul
General at Shanghai telegraphs as follows:

QUOTE (Telegraph Section: Please insert here the
text of Shanghai's 998, November 22, noon.) UNQUOTE.

Please bring these matters to the attention of the
British Foreign Office and inquire what action, if any,
the British Government contemplates with reference thereto.

793.94/11220

Kull
KRW

FE:MMH:EJL

FE

M.W.

FE
KRW

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. O. R.—No. 50

1-1402 U. S. GOVERNMENT PRINTING OFFICE

793.94/11220

F/FG

0211

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

PREPARING OFFICE
WILL INDICATE WHETHER

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Charge Department
OR

Charge to
\$

37-3
TELEGRAM SENT

Department of State

NOV 22 PM 6 41

Washington,

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

November 22, 1937.

AMERICAN CONSUL

DIVISION OF
COMMUNICATIONS
AND RECORDS

SHANGHAI (China). via NR

793.94/11220

893.1328
570

RUSH

Your 998, November 22, noon.

One. Department is repeating your telegram under reference to the Embassy at London with the request that the Embassy inquire of the British Foreign Office what action, if any, the British Government contemplates with reference thereto.

Two. With ^{regard} ~~reference~~ to paragraph one of your telegram, please telegraph the Department the nature and extent of the alleged anti-Japanese activities in the International Settlement and what, if any, action the Municipal Council is taking in reference thereto; whether the Municipal Council intends to make representations to the Japanese in regard to the proposed march of Japanese troops through the Settlement and whether the Municipal Council has asked you and the other interested Consuls to make representations. Inasmuch as the proposed line of march would cross the French Concession, the Department desires also to be informed in regard to the French attitude.

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. O. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

793.94/11220

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

37-4

PREPARING OFFICE
WILL INDICATE WHETHER

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Charge Department
OR

Charge to
\$

TELEGRAM SENT

Department of State

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTAIR
PLAIN

Washington.

-2-

(HRW) Three. Please also give the Department by telegraph ~~your views as to~~ ~~statement of~~ the legal position in regard to the matters discussed in both paragraph one and paragraph three of your telegram under reference.

Dull
HRW

FEEMMH:VCI

FE

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 50

1-1492 U. S. GOVERNMENT PRINTING OFFICE

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

PREPARING OFFICE
WILL INDICATE WHETHER

Collect
Charge Department
OR
Charge to
\$

TELEGRAM SENT

Department of State

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

NOV 24 PM 2 19

Washington,

November 24, 1937

AMEMBASSY,

LONDON (England).

DIVISION OF
COMMUNICATIONS
AND RECORDS

2 PM

461 Department's 459, November 22, 7 p.m. / 11220

Subsequent telegrams from the American Consul General at Shanghai indicate that the representatives at Shanghai and the local authorities of the interested governments are discussing these matters there with the Japanese authorities.

Please inform the Foreign Office.

Full
RRW

793.9411220

NOV 24 1937. PM

FE:MMH:ZMK

Enciphered by

Sent by operator M., 19

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 123 Bullitt, William C./382 FOR #1267

FROM France (Bullitt) DATED Nov. 23, 1937
TO NAME 1-1127 ***

REGARDING:

Visit of Ambassador Bullitt to Warsaw and Berlin. Memorandum of conversation between the Ambassador and the Japanese Ambassador to Poland. Ambassador Sakoh stated that no one in the Japanese Government today knew the status of Japan's policy with regard to China. He expressed the hope of himself and members of his Government that the Japanese military men would get out of Central and Southern China and negotiate for peace by granting autonomy to the Five Northern Provinces.

Memorandum of conversation between Ambassador Bullitt and Baron Konstantin von Neurath in which the Baron spoke of the Sino-Japanese conflict and of Germany's desire that this conflict end in the soonest possible time. He hoped that the Japanese would be content with the establishment of an autonomous regime in North China and the Chinese would accept this move. Baron von Neurath feared that if the Sino Japanese war went on, Japan would become so weakened that the Soviets might and could successfully attack Japan.

Memorandum of conversation between the Ambassador and General Hermann Goering. Goering expressed the belief that Japan would win its war with China and succeed in imposing on China what they should desire to impose. He also said that in spite of the increasing weakness of Japan, Soviet Russia would not dare intervene in the Sino-Japanese conflict. China, he added, has made a very fine showing against the Japanese due to the presence of German staff officers with the Chinese armies.

SEE enclosure No. 2, page 1; enclosure No. 4, page 3 and 4;
enclosure No. 6, page 10 and 12.

tfv

793.94/ 11220 5

Confidential File

713.1
11220 5

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 124.93/382 FOR Tel.

FROM Navy Department () DATED Nov. 21, 1937
TO NAME 1-1137 070

REGARDING:

All foreign embassies will depart from Nanking at the same time, probably on November 24.

ENC
✓

793.94/11221

793.94/11221

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: November 18, 1937.

SUBJECT:

Sino-Japanese Conflict

PARTICIPANTS:

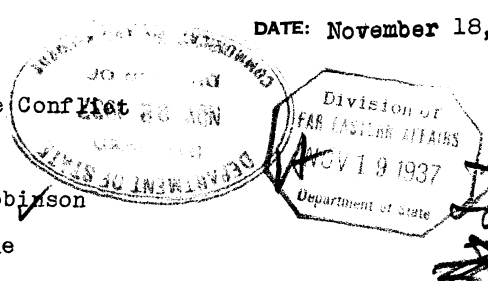
Mr. George Robinson

Mr. Ballantine

COPIES TO:

793.94

Mr. George Robinson, who is engaged in the business of buying Japanese and Chinese goods for Marshall Field and Company and other department stores, called and said that he had been for twenty years a friend of Mr. Carr. He said that he had many contacts with business men in Japan and he wished to acquaint the Department with his views regarding means of bringing to an end the present hostilities between China and Japan. Mr. Robinson spoke of the attitude in business circles here in the United States against Japan which is influencing merchants against placing orders for Japanese goods. He expressed the view that American public opinion is ninety-nine percent against Japan. He thought that if steps should be taken by the powers to make clear to Japan that they would not tolerate the



793.94/11222

F/FG 11212

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Quisenberry NARS, Date 12-18-75

-2-

the continuance of the hostilities Japan would have no alternative but to seek a peaceful settlement. He felt that if it could be made clear to the Japanese public that Japan was in imminent danger of an attack from Soviet Russia, it would cause the Japanese masses to be so panic-stricken that they would immediately discontinue support to the military campaign in China. He thought that the Governments of the United States, Great Britain, and France should strongly intimate this to Japan.

Mr. Ballantine suggested that possibly the Japanese military authorities had made their own calculations on the risk of difficulties with Soviet Russia and that in any case there is serious question about the propriety of one government or group of governments threatening another country by suggesting to it what some third country might or might not do. These observations prompted Mr. Robinson to bring forth various other proposals for action which were equally wide of the mark. Mr. Ballantine, with a view to cutting the discussion short, expressed appreciation of the spirit which had prompted Mr. Robinson to come to the Department with his views and he told Mr. Robinson that we were giving earnest attention to ways and means of bringing about a peaceful settlement and that Mr. Robinson's views would be given most careful consideration. Mr. Robinson left apparently satisfied with his interview.

Mr. Robinson

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-3-

Mr. Robinson, although not a crank, is obviously much concerned about the effect of the present conflict upon his business and is obsessed with the desire that some action be taken to bring the conflict to an end.

m.m.w.

JW
FE:JWB:NN

FE

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 761.94/986 FOR #2616

FROM Japan (Grew) DATED Oct. 1, 1937
TO NAME 1-1127 GPO

REGARDING: Sino-Soviet non-aggression pact: comments on effect of same
on Soviet-Japanese relations. Comments on probable assistance
which U.S.S.R. will render China during present hostilities.

wb

793.94 / 11223

11223.

Confidential.

No. 2616

Tokyo, October 1, 1937

SUBJECT: SOWT-T-1 JAPAN RELATIONS

The Honorable

The Secretary of State

Washington

Sir:

I have the honor to observe that since the outbreak of the present Indo-Japanese hostilities in July the question of relations with Soviet Russia has become increasingly delicate although relatively quiet on the surface. The new Soviet Ambassador, Mr. Michael Pavlovsky, arrived here on August 25 to succeed Mr. Constantin Yureneff who left in May for his new post at Berlin. A few days after the new Ambassador's arrival, on August 29, the Indo-Soviet non-aggression pact was formally announced. This had somewhat less effect here than the announcement last November of the German-Japanese anti-Comintern pact had in Moscow. While the latter agreement burst like a bombshell upon Moscow the Indo-Soviet pact was less unexpected, due to the several approaches made in that direction in recent years, and

consequently

-2-

consequently its effect had already been somewhat discounted. Nevertheless the conclusion of this agreement, with its supposed secret arrangement for the supplying of war material and other assistance to the Chinese, has had a serious effect upon relations between Tokyo and Moscow.

On the surface there have been perhaps fewer of the ordinary run of irritating incidents between the two countries than has been the case in less troublous times. For instance, the border skirmishes and frontier violations along the Manchurian-Siberian frontier have practically ceased since the outbreak of hostilities with China, and it is argued by some observers that this fact tends to indicate that the previous border incidents were largely instigated by the Japanese, although it is by no means necessarily follows. It is nevertheless probable that the Kwantung Army would not be interested at the present time in forcing a clash with the Soviets on the Siberian border.

There have been incidents of other kinds, such as the arrest and detention by the Soviets of some 25 Japanese fishing vessels off the Russian coast in the Japan Sea on the charge that the Japanese vessels were violating Soviet territorial waters. This brought sharp protests and counter-protests but there appears to have been no disposition on either side to allow the matter to become very serious. The Japanese have also complained that their nationals in Soviet territory have been subjected to unnecessarily harsh treatment, especially in North Manchuria where Japanese merchants and businessmen have been severely treated because of alleged minor commercial offenses. Japan has also been forced by Moscow to close its Consulates in Odessa and in Novosibirsk on the grounds that the agreement entered into in August 1925 provided that each country should have an equal number of consular offices in the territory of the other.

Incidents

-3-

Incidents such as these are rather the result of the truculent attitude which has governed relations between the two countries in recent years and in themselves are not so charged with potential danger as were the border incidents which involved the clash of armed troops and loss of lives.

It is fairly clear that at the present time neither country wishes to force the other into a position where a break may occur or which would lead to hostilities. Probably when the time comes it will scarcely be found necessary to trump up an excuse in the form of an incident; hostilities will be launched without previous warning. There is a school of thought in this country, rather widely held, that when Japan was forced to fight either China or Russia she would be forced to fight the other; consequently the present Chinese campaign is being waged in the full realization that Russia may become an active enemy at any time. However, it appears to be the intention of the military to get the China situation in hand as rapidly as possible in order that China will be rendered ineffective if and when the Soviets are to be confronted. Some observers believe, in fact, that the best of the Japanese troops are not being employed against the Chinese, but only the younger and the older troops, while the best of the younger and physically fit reserves are being held for later possible use against the Russians. This is difficult to confirm but it is fairly certain that the army in "Manchoukuo" and Korea is being kept at full strength and at peak efficiency to meet all possible eventualities.

The effective military assistance in the form of war materials which the Soviets will be able to furnish to China against the Japanese is not regarded here as constituting any great menace, although strenuous efforts are being made to cut the routes between Siberia and China through Outer Mongolia. Travel in Outer Mongolia is largely restricted to

Osprey

-4-

caravan routes over which the transport of any considerable quantities of heavy war material would be out of the question. Airplanes, however, are another matter as they can be flown from some point along the Transiberian railroad where they would be assembled, and light arms, such as machine-guns, and ammunition could be flown and delivered, along with the airplanes themselves, into Chinese territory. Most of the assistance which could be rendered by the Soviets would necessarily be through supplying military and other advisers, and by giving moral support. For these reasons, then, the feeling against the Sino-Soviet pact is not so strong as it might be. However, the press does not hesitate to state that the attitude of the Soviets toward Japan has become more menacing since the conclusion of the pact.

In the light of what has transpired it must be admitted that whoever may have fired the first shot at Marco Polo bridge on July 7, the Japanese military sensed that this was a most opportune moment to undertake hostilities with China without incurring the risk of immediate intervention on the part of Soviet Russia. Not only is the European situation thoroughly warping the attention of the Soviets but the internal situation is believed seriously to have impaired the efficiency of the Soviet army. It will be recalled that Major General Nomura, a Japanese general staff officer, on his return from England last June after visiting Moscow shortly after the recent executions of Soviet military leaders, told the press on several occasions that the "Soviet Army is greatly weakened by the recent developments within the Red Army and is facing destruction." He also went on to say that the Japanese have consistently overrated the Soviet army, implying that he and other Japanese officers have shared the belief of the Japanese public that the Soviet army is stronger than is actually the case.* Such a statement coming from a high-ranking Japanese officer

Military Attaché's report to War Department, No. 3302, July 2, 1937.

-3-

officer is especially significant in view of the fact that his opinion was expressed not more than three weeks prior to the outbreak of the present hostilities.

If Generalissime's views prevail it will support that portion of the army, especially the younger element, which may wish to settle the Russian question once and for all in the near future.

As there are generally conflicting opinions on every question, however, the Department will no doubt have in mind the view expressed not long ago by the British Chargé d'affaires in Moscow, concurred in by Mr. Eden, that the Soviet Union had not been weakened by the recent purge but on the contrary had been strengthened by the removal of elements hostile to Stalin, and that the future policy of the Union would follow lines of "intensive defense."

There now comes a report** to the effect that the USSR is about to supply 300 airplanes to China and that preparations to receive and condition these planes are being made at Lanchow. In connection the following memorandum has been submitted by the Military attaché:

A recent confidential cable report from the American Embassy, Peking, stated authoritatively that 300 Soviet planes would be sent to China and concentrated at Lanchow (Kansu Province, where accommodations are already under construction. If this report is true, the planes will undoubtedly be flown via Tacheng, Tihwa, Yemi (all in Sinkiang Province, and Luchow (Kansu Province) where airfields are located. Intermediate stops along this route are only about three hundred

miles

* Embassy's telegram No. 125, July 13, 9 p.m.

** Peking's telegram to the Department No. 733, September 22, 9 a.m.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Huston NARS, Date 12-18-75

-5-

miles or less and Tacheng is only 30 miles from Semipalat on the Turkish Railroad. This is the only route from Russia along which landing fields have been established and it has the additional advantage of being beyond the radius of probable action of Japanese aviation and so immune to interruption--advantages not enjoyed by routes farther to the east."

Among the welter of rumors invariably flying about in time of war, there comes to me today a story from one of my colleagues that plans are already being developed for a Japanese attack on Vladivostok. Considering the various circumstances set forth in this despatch I regard this rumor as made out of whole cloth. The Military attaché concurs.

Respectfully yours,

Joseph A. Crew

710.
RUCing

Copy to embassy, ciping
" " " Hanking
" " " Moscow

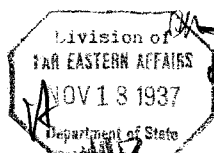
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

DEPARTMENT OF STATE
THE UNDER SECRETARY

November 17, 1937.

FE
My. Hamilton:

I shall appreciate it if you will
have such replies as may seem to you
appropriate drafted for my signature
in response to the letters attached
herewith.



U.S. DMK

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

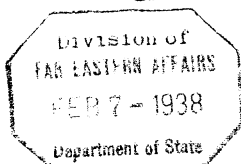
2034 Hillyer Place, N. W.,
Washington, D.C.

November 15, 1937

PERSONAL

Hon. Sumner Welles,
The State Department,
Washington, D. C.

My dear Mr. Welles:



RECEIVED
NOVEMBER 20 1937
DIVISION OF
FAR EASTERN AFFAIRS
DEPARTMENT OF STATE

743.94
It is likely, I think, that the present situation in the Far East will bring about direct informal discussions between us and Japan. In fact, I do not see any other satisfactory method of approach for it is quite certain that Japan cannot be coerced short of war, and will not listen to lectures, sermons or public scolding. When that time comes, if I can be of any use to you I should like nothing better.

I began diplomatic training in Japan. I was supposed by Mr. Olney to stay in the Tokyo Legation until I understood Japanese policies and had learned the Japanese language. The McKinley administration put me out, but I was reappointed and spent the next seven years in Korea - the latter part of them in the Korean government attempting to hold off invasion and annexation by China, Russia or Japan. I clashed so heavily and repeatedly with Japanese policies in those days that my life was frequently threatened and yet kept such close personal friendships with Japanese statesmen that I was invited officially to join Prince Ito in the administration of Korea in 1904. I am neither pro nor anti-Japanese, nor pro nor anti-Chinese. I have old friendships on both sides in spite of having to oppose both in their policies toward Korea. I feel that I know both well enough to be of service if needed. I feel that we have an op-

793.94/11224

F/EG

11224

Page 2.

portunity such as may not occur again to clear our differences with Japan. We have trained Japanese consistently (in the forty years of my personal experience) to look upon us as their only dangerous enemy. Today communistic Russia is a far more deadly enemy, in their opinion, than anything they can imagine in us. There is no reason why we should not take the initiative. Principal European statesmen have lost no prestige by coming to us. We would lose none by an attempt to formulate - at Tokyo - another "gentlemen's agreement". That is a thing Japanese understand and respect.

Sincerely yours,

William Franklin Sands

WILLIAM FRANKLIN SANDS

S/b

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

RECEIVED 20 JAN 1977

My dear Mr. Sands:

I have received your letter of November 15, 1937, in which you kindly offer your services in connection with any direct informal approach that may be made by the United States to Japan on the subject of a peaceful settlement of the present situation in the Far East.

I wish to express my appreciation of the spirit which prompted you to acquaint me with your views on the situation in the Far East and to offer your services in connection with discussions with Japan. I shall be glad to bear your offer in mind should the need arise for some special service which I might ask you to render on behalf of the Government.

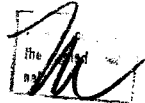
Sincerely yours,

Sumner Welles

Under Secretary

Mr. William Franklin Sands,
 2034 Hillyer Place, Northwest,
 Washington, D. C.

504 OR
 NOV 20 1937.



FE:JWB:REK:NN
 11/20/37

FE
 m.m.H.

793.94/11224

F/EG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

AMEMBASSY NANKING
AMEMBASSY PEIPING
AMCONSUL SHANGHAI
AMCONSUL SHANTOW

FROM :

PLAIN, GRAY AND SPECIAL GRAY

Canton via N. R.

Dated November 19, 1937

Rec'd 6:05 a.m., 22nd.

Secretary of State,

Washington.

November 19, 4 p.m.

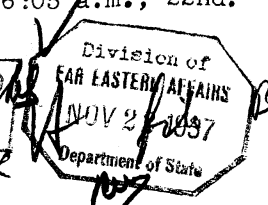
Following nine days without air raids in this area,

three Japanese planes yesterday dropped six bombs on
Canton-Kowloon Railway near Tongtouha and Pingwu with
negligible damage, and this morning again dropped six
bombs along the same section damaging two rails now
repaired.

Reuters report of shelling of Bocca Tigris early this
morning is unfounded.

Press reports partially confirmed by trustworthy
private source, indicate that during past ten days Japanese
naval vessels have been increasingly active in exploring
the waters and islands bordering the Chungshan, Chikkai
and Taishan shores in the West River delta and west as
far as Saint Johns Island, as if with the intention of
attempting further landings. Military headquarters
confirm the report that Japanese marines recently occupied
Kaulan Island two miles northeast of Hopao Island

apparently



793.94
note
93.94 conference

793.94/11225

EF/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

-2- November 19, 4 p.m., from Canton via N. R.

apparently for fresh water supply.

Local reaction to accomplishments of Nine Power
Treaty Conference is generally one of much disappointment.
Mailed Hong Kong.

LINELL

DDM:CSB

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

ACCESS RESTRICTED

The item identified below has been withdrawn from this file:

File Designation 793. 94/~~11226~~ 11226
Date 9/30/37
From Consul General M.B. Davis - Singapore
To Secretary of State

In the review of this file this item was removed because access to it is restricted. Restrictions on records in the National Archives are stated in general and specific record group restriction statements which are available for examination. The item identified above has been withdrawn because it contains:

☐ Security-Classified Information

☒ Otherwise Restricted Information

Ralph E. Hearn
Authority

4/16/73
Date

GENERAL SERVICES ADMINISTRATION

GSA FORM 7117 (2-72)

GSA DC 72.10421

WITHDRAWAL NOTICE

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MBo

CONSOPAT

FROM November 22, 1937

Rec'd 2:03 p.m.

ACTION: OPNAV

INFO: SECOND BRIGADE USMC Y

COMSUEBON 5

COMDESRON 5

CINCAF

USS MARBLEHEAD

AMEMBASSY NANKING

ALUSNA PEI PING

COPIES SENT TO
ONLINE D.O.

Division of
FAR EASTERN AFFAIRS
NOV 22 1937
Department of State

0122 South China ports quiet 2000.

KLP:

793.94/11227

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quate NARS, Date 12-18-75

TELEGRAM RECEIVED

MBo

COMYANGPAT

November 22, 1937

FROM Rec'd 2:07 p.m.

ACTION: OPNAV
INFO: SECOND BRIGADE USMC
YANGPAT
COMSUBRON 5
COMDESRON 5
CINCAF
COMSOPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING

COPIES SENT TO
ONE AND M.D.



793.94

0022 Number of Japanese pursuit planes made two hour reconnaissance flight over Nanking today but dropped no bombs. Four Chinese pursuits took the air and brought down one Japanese plane. Believe practically all government officials have now left Nanking for interior ports. Conditions in city remain unchanged with mass evacuation of civilians continuing from Nanking and hinterland. Personnel of all foreign embassies propose depart for Hankow eleven hundred tomorrow. Other river ports quiet 2052.

KLP:

793.94/11223

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

A portion of this telegram must be closely paraphrased before being communicated to anyone. (A)

Canton via N. R.

FROM Dated November 20, 1937

Rec'd 2:10 a.m., 22nd.

AMCONSUL SHANGHAI
AMCONSUL HANKOW

Secretary of State,
Washington.

November 20, 4 p.m. (PLAIN)

Americans arriving here today by train leaving Hankow 17th (GRAY) report that (one) the line is in good condition (END GRAY), (two) they passed also stream of at least twenty northbound trains of troops, the majority ragged and poorly equipped but some were furnished with good equipment and excellent appearance, (three) they also passed about twenty northbound cars apparently carrying large artillery pieces. (SPECIAL GRAY)

Kwangtung military has been recently showing exceptional activity in the way of staff conferences, organization of new unit for the front, conscription of militia, efforts to secure funds for increasing local airforce, strengthening anti-aircraft defense, and artillery staffs with reportedly new anti-aircraft guns.

(PLAIN) In

of paraphrase
COPIES SENT TO
O.N.I. AND M.I.D.
in Confidence to



793.94/11229

F/FG

793.94

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-2- November 20, 4 p.m., from Canton via N. R.

(PLAIN) In contrast to ^{the} general local reaction, the Kwantung provincial newspaper praised the Nine Power Conference November fifteenth declaration as an inspiring and effectual reaffirmation of international justice (END PLAIN).

Confidentially informed by a representative of military headquarters that a few weeks ago French military authorities secretly advised Chinese military quarters of doubt of their ability to prevent a sudden Japanese move to force Indo-China to "cooperate" and inquired regarding possible Chinese military collaboration in meeting such a move.

Mailed Hong Kong, Swatow, Yunnanfu.

LINHELL

KLP

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

[CONFIDENTIAL]

CONFIDENTIAL

P A R A P H R A S E

A telegram of November 20, 1937, from the American Consul General at Canton reads substantially as follows:

Americans arriving in Canton on November 20 by train which left Hankow November 17 report that (a) the line is in good condition, (b) they passed approximately twenty cars northbound apparently carrying large pieces of artillery, and (c) they also passed a line of at least twenty northbound trains carrying soldiers most of whom were poorly equipped and ragged, although some presented an excellent appearance and were supplied with good equipment.

Of late there has been noted exceptional activity on the part of the Kwangtung military in the way of conscription of militia, staff conferences, efforts to secure funds for increasing local air forces, organization of a new unit for the front, artillery staffs with reportedly new anti-aircraft guns, and strengthening of anti-aircraft defense.

In contrast to general local reaction the Kwangtung provincial newspaper praised the Nine Power Conference November 15 declaration as an inspiring and effectual reaffirmation of international justice.

According

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

-2-

According to confidential information received from a member of the military headquarters the French military authorities, a few weeks ago, secretly informed Chinese military quarters that they (the French military authorities) doubted whether they would be able to prevent a sudden move by the Japanese to force Indo-China to "cooperate" and asked whether it was possible for the Chinese military to collaborate in meeting such a move on the part of the Japanese.

795.94/11229
E.C.
FE:EGC:HES
11-23

NR
FE

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

CA

TELEGRAM RECEIVED

Gray

SHANGHAI VIA N. R.

FROM

Dated Nov. 22, 1937

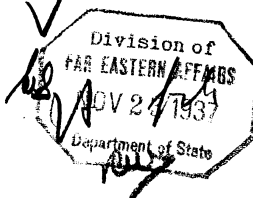
Recd 7:35 p.m.

Secretary of State,
Washington

COPIES SENT TO
O.N.I. AND M.I.D.

1001, November 22, 5 p.m.

My 995, November 20, 3 p.m.



793.94

Following the capture of Kashing, Soochow and Changshu, the Chinese had been forced to withdraw from this line and are reported to be taking up ^{prepared} ~~the~~ positions between Wusih and Kiangyin north of Lake Taihu and between Muchow and Hangchow south of the lake. It is reported Chinese reinforcements are being rushed to guard these new lines but the rapidity of the Japanese advance, which has reached a point approximately ten miles west of Soochow and fifteen miles west of Kashing, may make a stand along the new line ^{difficult} ~~not~~. Japanese reinforcements and supplies continue to pour into Shanghai and there appears to be little doubt that the intention is to push through to Nanking as rapidly as possible.

Sent to the Department. Repeated to Nanking and Paiping.

GAUSS

NPL SMS

793.94/11230

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

38-1

42

TELEGRAM RECEIVED

RB

PLAIN

FROM Nanking via N. R.

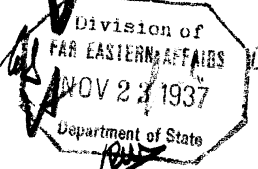
Dated November 22, 1937

Rec'd 6:54 p. m.

Secretary of State

Washington.

RECEIVED TO
O.N.I. AND M.I.D.



944, November 22, 10 p. m.

One. At the request of the committee named herein

I transmit the following:

"An International Committee composed of nations of Denmark, Germany, Great Britain, and the United States, desired to suggest to the Chinese and Japanese authorities the establishment of a safety zone for civilians refugees, in the unfortunate situation of hostilities at or near Nanking.

The International Committee will undertake to secure from the Chinese authorities special guarantees that the proposed safety zone would be made free and kept free from military establishments and offices, including those of communications; from the presence of armed men other than civil police with pistols; and from the passage of soldiers or military officers in any capacity. The International Committee would inspect and observe the safety zone to see that these undertakings

793.94/11231

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Hughes NARS, Date 12-18-75

38-2

RB -2- No. 944, November 22, 10 p.m. from Nanking

undertakings are satisfactorily carried out.

The International Committee proposes the designation of the area indicated below, as convenient and suitable for the care of civilian refugees. This area lies well within the western sector of the city which the Japanese air forces have carefully respected in their bombing operations. The proposed area is delimited as follows: On the east, by North Ching Shan Road from Hsin Chieh Kou to the Shansi Road Circle. On the north, by a line running due west from the Shansi Road Circle to Sikang Road (which is the western boundary of the new residential district). On the west, by Sikian Road from the northern line just mentioned, running southward to the intersection of Hankow Road (this intersection is the southwest corner of the new residential district); thence southeasterly in a straight line to the intersection of Shanghai Road with Han Chung Road. On the south, by Han Chung Road from the intersection of Shanghai Road to the original starting point at Shin Shieh Kou. The International Committee would see to it that the boundary of the area would be clearly marked with white flags or with other indications to be agreed upon,

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

38-3

RB -3- No.944, November 22, 10 p. m. from Nanking

upon, plain to all concerned. The Committee proposes that the safety zone become effective from the date of ratification by the Committee to the authorities of both sides that the understanding is completed.

The International Committee earnestly hopes that the Japanese authorities may find it possible for humanitarian reasons to respect the civilian character of this safety zone. The Committee believes that merciful foresight of civilians will bring honor to the responsible authorities on both sides. In order that the necessary negotiations with the Chinese authorities may be completed in the shortest possible time, and also in order that adequate precautions may be made for the care of refugees, the Committee would respectfully request a prompt reply from the Japanese authorities to this proposal.

The International Committee confidentially trust that there will be favorable consideration of this appeal.

Respectfully submitted: Signed J. N. Hansen,
F. Schultze Pantin, P. H. Munroe-Faure, John McGee,
F. R. Shiles, Iver Mackay, John H. D. Robe, J. F.

Pickering,

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

38-4

RB -4- No. 944, November 22, 10 p. m. from Nanking

Pickering, M. S. States, Edward Sperling, W. C. Mills,
C. S. Trimmer, D. J. Lean, Charles H. Riggs, Lewis
S. C. Smythe."

Two. Please communicate as soon as possible to
the Japanese Ambassador and give me reply for communica-
tion to the Committee in question.

Three. Sent to Shanghai. Repeated to Department,
Peiping. Shanghai repeat to Tokyo.

JOHNSON

SMS

NPL

EXA 100 10 10 10

EXA 100 10 10 10

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

39-1

JS

A portion of **TELEGRAM RECEIVED**
must be closely paraphrased be-
fore being communicated to
anyone (A)

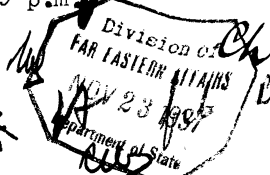
SHANGHAI Via N R

FROM Dated November 22, 1937

Rec'd 7:29 p.m.

Secretary of State,
Washington, D.C.

COPIES SENT TO
O.N.I. AND M.I.D.



1002, November 22, 7 p.m.

(GRAY) One. Reference my 996 / 11208 November 21, 8 p.m.

I have confirmed that the Japanese Consul General on
Saturday morning submitted to the Chairman of the Munic-
ipal Government a five point outline of measures which
the Japanese military authorities desire be adopted by
the Council. The five points are included in the points
mentioned in my telegram No. 996, point three of the
latter part covering three points of the Japanese outline.

Two. On point one of my telegram, the Council has for
some days been taking appropriate action and it is un-
doubtedly prepared to do all that is reasonably possible
in the direction desired.

Three. On point three of my telegram, the Chinese
censors have already withdrawn from the telegraph and
cable offices and there should be no difficulty what-
soever in effecting withdrawal of any remaining censor-
ship. (END GRAY) The difficulty will be to prevent
Japanese censorship in its stead although this was not
proposed.

(GRAY) Four, On point two, the chairman of the
Council

793.94/11232

F/FG

FILED

NOV 27 1937

793.94
note
693.1025

39-2

-2-
From Shanghai, #1002.

Council agreed that action could probably be taken to ensure removal or closing of any Chinese Government offices now functioning except the customs, posts, and telegraphs which it was suggested are matters beyond the control of the Council and in which the foreign consuls may be interested. (END GRAY). The suggestion of interest of the foreign consuls was not well received.

(GRAY) Five. The Japanese Consul General desired the immediate eviction of O. K. Yui, the Chinese Mayor of Shanghai, Mr. T. V. Soong, Mr. Wang Hsiao Lai, Chairman of the Chinese Chamber of Commerce, and Tu Yush-Seng, close friend of the Generalissimo and reportedly head of the opium traffic and of a gunmen racket. He indicated that others might be added to the list. The Mayor is reported to have gone to Hong Kong but this cannot be confirmed. The others are probably in the French concession if they have not already decamped. The Chairman of the Council informed the Japanese Consul General that the Council has no power of deportation if these persons are conducting themselves without prejudice to law and order. The impression given by the Japanese was that it would make for a better atmosphere if private persuasion could effect the departure from Shanghai of the persons named. I believe this matter is one principally for the French Concession authorities.

Six.

39-3

-3-

From Shanghai, #1002.

Six. I understand that representations were made to the French Concession authorities along the same lines as those made to the International Settlement authorities.
(END GRAY)

Seven. I have been told from a confidential source that General Matsui contemplates forcible seizure of the customs and perhaps of the Chinese Government banks and that he is not disposed to listen to advice for a more moderate course. I am unable to say whether this was being put about for the purpose of intimidating those concerned to ready acquiescence in Japanese demands.

(Gray)

Eight. On Saturday afternoon following the visit of the Japanese Consul General to the Chairman of the Council, the Japanese Military Attache called on the Secretary General of the Council and communicated a message from General Matsui in general terms to the effect that he expected the Council to take immediate steps to suppress subversive actions of Chinese Government organizations and other groups in the Settlement which are anti-Japanese and if the Council fails to take these steps General Matsui will be compelled to take them himself. It was at this latter interview that it was made known that the Japanese contemplated marching troops along the Bund south of the Creek as reported in my 998, November 22, noon.
(END GRAY)

Nine

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

39-4

-4-

From Shanghai #1002.

Nine. I do not propose to take the lead at Shanghai in these matters, but I have suggested to the senior consul that it would be well to call a meeting of the principal interested consuls to discuss the situation and invite the Japanese Consul General to attend where we may do what we can with him to advise a moderate course which carefully respects foreign interests and which does not reintroduce Japanese troops into the area south of the creek.

(GRAY) Ten. I should add that the Japanese naval landing party, in informing the United States Marines this morning of their intention to take over protection of Japanese life and property and restore guards in the Japanese mills pointed out that a guard of United States Marines has been stationed at the American-owned electric power plant in the Yangtzepoo area now occupied by the Japanese and that it is supplied by armed marine trucks which pass into the areas. Developments will be reported promptly.

Sent to the Department, Repeated to Tokyo. (END GRAY)

GAUSS

SMS NPL

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

b.
[CONFIDENTIAL]

39-5

CONFIDENTIAL

PARAPHRASE

A telegram (no. 1002) of November 22, 1937, from the American Consul General at Shanghai reads substantially as follows:

One. The Consul General has confirmed that the Japanese Consul General on Saturday morning submitted to the Chairman of the Municipal Government a five point outline of measures which the Japanese military authorities desire be adopted by the Council. The five points are included in the points mentioned in the Consul General's telegram no. 996, point three of the latter part covering three points of the Japanese outline.

Two. On point one of the Consul General's telegram, the Council has for some days been taking appropriate action and it is undoubtedly prepared to do all that is reasonably possible in the direction desired.

Three. On point three of the Consul General's telegram, the Chinese censors have already withdrawn from the telegraph and cable offices and there should be no difficulty whatsoever in effecting withdrawal of any remaining censorship. Although a Japanese censorship was not proposed the difficulty will be to prevent such a censorship.

Four.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Quisenberry NARS, Date 12-18-75

-2-

Four. On point two, the Chairman of the Council agreed that action could probably be taken to ensure removal or closing of any Chinese Government offices now functioning except the customs, posts, and telegraphs which it was suggested are matters beyond the control of the Council and in which the foreign consuls may be interested. The suggestion that the foreign consuls may be interested in certain matters was not received well by the Japanese Consul General.

Five. The Japanese Consul General desired the immediate eviction of C. K. Yui, the Chinese Mayor of Shanghai, Mr. T. V. Soong, Mr. Wang Hsiao Lai, Chairman of the Chinese Chamber of Commerce, and Tu Yueh-Seng, close friend of the Generalissimo and reportedly head of the opium traffic and of a gunmen racket. He indicated that others might be added to the list. The Mayor is reported to have gone to Hong Kong but this cannot be confirmed. The others are probably in the French concession if they have not already decamped. The Chairman of the Council informed the Japanese Consul General that the Council has no power of deportation if these persons are conducting themselves without prejudice to law and order. The impression given by the Japanese was that it would make for a better

atmosphere

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

-3-

atmosphere if private persuasion could effect the departure from Shanghai of the persons named. The Consul General believes this matter is one principally for the French Concession authorities.

Six. The Consul General understands that representations were made to the French Concession authorities along the same lines as those made to the International Settlement authorities.

Seven. According to information received from a confidential source General Matsui plans to seize the customs and perhaps Chinese Government banks by force and is not in a mood to heed advice to the effect that he pursue a more moderate course. The Consul General was not able to say whether this information was being put out in order to frighten those concerned into acquiescing readily in demands made by the Japanese.

Eight. On Saturday afternoon following the visit of the Japanese Consul General to the Chairman of the Council, the Japanese Military Attaché called on the Secretary General of the Council and communicated a message from General Matsui in general terms to the effect that he expected the Council to take immediate steps to suppress subversive actions of Chinese Government organizations and other groups in the Settlement

which

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Quisenberry NARS, Date 12-18-75

-4-

which are anti-Japanese and if the Council fails to take these steps General Matsui will be compelled to take them himself. It was at this latter interview that it was made known that the Japanese contemplated marching troops along the Bund south of the Creek as reported in the Consul General's 998, November 22, noon.

Nine. Although it is not the intention of the American Consul General to assume leadership at Shanghai in regard to these matters, he has suggested to the senior consul the advisability of calling a meeting of the principal interested consuls to talk over the situation and ask the Japanese Consul General to attend the meeting in order that the interested consuls may do what they can to advise on the part of the Japanese a moderate course which does not bring Japanese troops back into the area south of Soochow Creek and which respects foreign interests carefully.

Ten. The Consul General adds that the Japanese naval landing party, in informing the United States Marines this morning/ of their intention to take over protection of Japanese life and property and restore guards in the Japanese mills pointed out that a guard of United States Marines has been stationed at the American-owned

725
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-5-

American-owned electric power plant in the Yangtsepoo
area now occupied by the Japanese and that it is sup-
plied by armed marine trucks which pass into the areas.
Developments will be reported promptly.

793.94/11832
EJC
FE:EJC:HES
11-23

FE
FE

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

793.94

DOCUMENT FILE

NOTE

SEE 842.00 P.R./116 FOR #1733

FROM Canada (Armour) DATED Nov. 18, 1937
TO NAME 1-1127 spp

REGARDING:

Canadian comments on Far Eastern situation and the
Nine Power Conference which is currently meeting
in Brussels.

4) Canadian comments on Far Eastern situation and the Nine Power Conference.

The Legation in its despatch No. 1722 of November 10th
gives a summary of Canadian opinion on the Far Eastern
situation before and at the time of the Nine Power Con-
ference which is currently meeting in Brussels. (see also
despatch No. 1714 of November 5.)

793.94 / 11233

11233

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

TELEGRAM RECEIVED

MBo

AMEMBASSY NANKING

AMEMBASSY PEIPING

AMCONSUL TSINGTAO

Secretary of State,

Washington.

Twenty-third.

Although Chefoo is undefended by troops land

mines are being replaced to complete destruction of
Mole Wharf under orders said to emanate from Twenty-
second Division Headquarters at Weihhsien. No military
advantage can be seen in proposed destruction.

ALLEN

DDP:

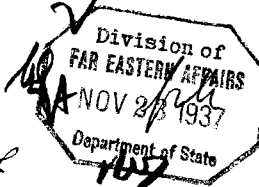
FROM PLAIN

Chefoo via N.R.

Dated November 23, 1937

Rec'd 7:00 a.m.

COPIES SENT TO
O.M.I. AND M.I.D.



793.94/11234

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 890.00/69 FOR Memorandum

FROM State Department (Hamilton) DATED Nov. 20, 1937
TO Far Eastern Division NAME 1-1127 ***

REGARDING: Sino-Japanese conflict.

Reports developments in-, during week ending Nov. 20, 1937.

mr

798.94/ 11235

11235

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

PLAIN
FROM

Nanking via N. R.

Dated November 22, 1937

Rec'd 8:20 a.m., 23rd.

COPIES SENT TO
O.N.I. AND M.I.D.

Secretary of State,
Washington.

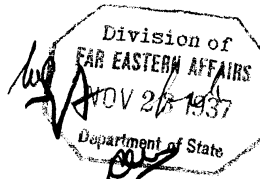
949, November 22, 9 a.m.

Following Government changes have been announced as
of November 20th: General Chang Chih Chung recently
Shanghai from Commander appointed Hunan chairman, Ho Chien,
Minister of Interior, Ho Ching Chun now director
Generalissimo Wuhuan Headquarters appointed concurrently
Hupeh chairman, Wu Ting Chang now Minister of interior
appointed Anhwei chairman, outgoing Anhwei chairman Lieu
Shang Ching appointed state councilor and advisor to
Executive Yuan.

Repeated Peiping, Hankow, Shanghai. Peiping mail
Tokyo.

JOHNSON

CSB



793.94/11236

F/FG
11236

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MBo

PLAIN AND GRAY

Peiping via N.R.

FROM

Dated November 23, 1937

Rec'd 9:04 a.m.

Secretary of State,

Washington.

776, November 23, 4 p.m.

Embassy's 762, November 17, 8 p.m.



One. The local Japanese military spokesman has given out during the past ten days no (repeat no) information on the military situation in North China except a statement that Japanese forces are preparing to cross the Yellow River in Shantung. Apparently Japanese forces on the Peiping-Hankow Railway have advanced no further south than Changteh ^{anyang} ~~(any angle)~~ in northern ^{Honan} ~~Heonan~~. Presumably they are engaged in dealing with Chinese contingents still in Hopai on either side of the railway. Japanese forces in Shansi appear to be similarly engaged with Chinese troops which are reported to be scattered through that province. It is not known how far ^{South in} ~~in south~~ Shansi Japanese forces have advanced.

Two. (GRAY) Information with regard to progress toward formation of a regime for North China is vague and unreliable.

Repeated to Nanking and Hankow, by mail to Tokyo.

LOCKHART

KLP:

793.94/11237

F/EG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

40-1

TELEGRAM RECEIVED

MBo

A portion of this telegram _____ Tokyo
must be closely paraphrased
before being communicated
to anyone. (A)

FROM

Dated November 23, 1937

Rec'd 6:25 a.m.

Secretary of State,
Washington.

of paraphrase
COPIES SENT TO
O.N.I. AND M.I.D.
in confidence



561

~~562~~, November 23, 3 p.m.

Department's 310, November 22, 2 p.m.

One. As reported by Associated Press and other

American correspondents Imperial Headquarters was established on November 20th. Its organization and functions follow lines indicated in our 533. A statement issued that day by Imperial Headquarters is to the following effect.

(a) Imperial Headquarters is an instrument by which the Emperor will exercise supreme command over the army and navy. Its establishment effects no change in the division between the functions and responsibilities hitherto assigned respectively to the High Command and to the Government and rumors to the effect that these two agencies will be combined are without foundation.

(b) The duties of Imperial Headquarters are to advise the Emperor on the exercise of supreme command to formulate high strategical plans and to assure coordination between the army and navy.

(c)

793.94/11238

NOV 23 1937

F/EG

793.94
note
894.20

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

40-2

2- No. 562, November 23, from Tokyo.

(c) Members of the Cabinet are not to be assigned to Imperial Headquarters but they will be invited to confer with Imperial Headquarters when occasion arises. (END GRAY).

Two. Our estimate with regard to possibilities of a declaration of war as set forth in paragraph five of our 524, November 6, 6 p.m., is still that the determining factor will be whether supplies of arms and munitions to China continue in substantial quantities.

GREW

KLP:

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

[CONFIDENTIAL]

40-3

PARAPHRASE

A telegram (no. 564) of November 23, 1937, from the American Ambassador at Tokyo reads substantially as follows:

Imperial Headquarters was established on November 20 as reported by several American correspondents, including the Associated Press correspondent. The functions and organization of the Headquarters follow the lines indicated in the Ambassador's telegram no. 533 of November 12. On November 20 the Imperial Headquarters issued a statement to the following effect:

(a) Imperial Headquarters is an instrument by which the Emperor will exercise supreme command over the army and navy. The establishment of the Headquarters effects no change in the division between the responsibilities and functions assigned hitherto to the Government and to the High Command respectively. There is no foundation for the rumors that the High Command and the Government will be combined.

(b) Members of the Cabinet are not to be assigned to the Imperial Headquarters but they will be invited to confer with Headquarters when occasion arises.

(c) The duties of Imperial Headquarters are to advise the Emperor on the exercise of supreme command to formulate high strategical plans and to assure coordination between the army and navy.

With regard to the possibilities of a declaration of war the Ambassador is of the opinion that the determining factor will be whether arms and ammunition in substantial quantities continue to reach China.

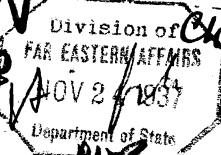
29C.
 FE:EOC:HES
 11-24

795.94/11238

ACR
 FE

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

*Copies of paraphrase sent to
Peking, Tokyo, London, Paris
+ Rome Nov. 29*
TELEGRAM RECEIVED



MBo

This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (C)

Moscow
FROM

Dated November 23, 1937

Rec'd 9:30 a.m.

Secretary of State

of paraphrase
COPIES SENT TO
Washington, O.N.I. AND M.I.D.
in confidence

298, November 23, 11 a.m.
793.94/10696

My telegram 265, October 14, 10 p.m.

793.94
*not
7016193*

I have to report and direct from the same authori-
tative source that the former Soviet Ambassador to China
Bogomolov and the Military Attache Lepin have disappeared.
My informant believes that they are under arrest. He
states definitely that neither will return to China.

Chinese resentment is apparently deep and arises
from the fact that Bogomolov and Lepin unwarrantedly
had created the belief in many quarters of Nanking that
the Soviets would come to China's aid when no such policy
was entertained in the Kremlin. My informant recalled
advising me that Bogomolov came here by air several weeks
ago with a plan supported by Soviet military leaders in
the East for direct Soviet military aid by utilizing
Outer Mongolia; that shortly after his arrival my infor-
mant came to the conclusion that agreement for actual mil-
itary aid was impossible. This judgment is now confirmed
by developments. He states that in fairness it should be
u understood

793.94/11239

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

41-2

2- No. 298, November 23, from Moscow.

understood that the Foreign Office attitude here had consistently been straightforward and definite in refuting the possibility of any military agreement.

Copy of cipher text by mail to Brussels.

DAVIES

KLP:CSB

0266

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Quisenberry NARS, Date 12-18-75

[CONFIDENTIAL]

41-3

CONFIDENTIAL

PARAPHRASE

A telegram (no. 298) of November 23, 1937, from the American Ambassador at Moscow reads substantially as follows:

According to information received from the Chinese Ambassador to Moscow neither the Soviet Ambassador to China (Bogomolov) nor the Military Attaché (Lepin) will return to China. They have disappeared and are believed to be under arrest.

Due to the fact that Bogomolov and Lepin had without warrant left the impression in many quarters in Nanking that the Soviet Union would assist China, when the Soviet Government had no such policy in mind, Chinese resentment is apparently deep. ^{informing the American Ambassador} The Chinese Ambassador recalled that several weeks ago Bogomolov came to Moscow by airplane with a plan which had the support of Soviet military leaders in the East for direct Soviet military assistance by making use of Outer Mongolia. Soon after Bogomolov's arrival the Chinese Ambassador reached the conclusion that it would be impossible to arrange an agreement for actual military aid. Developments have now confirmed this conclusion. The Chinese Ambassador pointed out that it should be understood in fairness to the Soviet Foreign Office that its attitude in denying the possibility of any military agreement had been consistently definite and straightforward.

egc.
 FE:EGC:HES
 11-24

AMR
 FE

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

793.94

DOCUMENT FILE

NOTE

SEE 893.01/556 FOR Memorandum

State Department
FROM Far Eastern Division (Mackay) DATED Nov. 20, 1937
TO NAME 1-1127 070

REGARDING:

Sino-Japanese conflict: Removal of Chinese Government
from Nanking to Chungking: Mr. Tsui of the Chinese
Embassy presented to Department copy of statement
issued by the Chinese Government on Nov. 20, regarding-

aa

793.94/ 11240

11240

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.24/323 FOR Telegram #1645, 4 p.m.

FROM France (Bullitt) DATED Nov. 22, 1937
TO NAME 1-1127 ***

REGARDING: Sino-Japanese conflict: Shipment of supplies to
China: Russians have at Odessa 20,000 tons of
munitions for shipment to China, which will be
made via Hong Kong.

aa

793.94/11241

CONFIDENTIAL FILE

11241

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

November 22, 1937

Mr. Secretary.

Subject: Chinese Ambassador's Call, 12 noon,
November 22.

It is not improbable that the Chinese Ambassador purposes to cover during his call the same ground as that covered by Dr. Wellington Koo in his conversation with Mr. Hornbeck on November 19 in Brussels. Dr. Koo handed Mr. Hornbeck an aide-memoire and presented in summary views telegraphed by the Chinese Government for presentation to the British, French, and American delegations. (A copy of Mr. Davis' telegram No. 47, November 19, midnight, reporting this matter is attached.)

Important points covered in the aide-memoire were as follows: (1) The Chinese Government is removing to Chungking (in Szechuan Province -- west China, near the head of navigation of the Yangtze River) in order to maintain prolonged resistance, but is still determined to carry on resistance at Nanking and west thereof; (2) because the Chinese Government has already appealed to the League and the Nine Power Treaty powers, it has declined to entertain suggestions for mediation from other quarters; (3) verbal representations by the League and Nine Power Treaty powers have so far been without effect; (4) if the powers intend to

795.94/11242

REC'D F/HG 11/24/37

FE
DER

Division of
FAR EASTERN AFFAIRS
NOV 22 1937
Department of State

DEPARTMENT OF STATE
RECORDED
NOV 22 1937
DIVISION OF
COMMUNICATIONS AND RECORDS

743.94

NOV 22 1937

- 2 -

to find a solution to the Far Eastern problem, the present is the moment to do so through (a) giving China supplies and (b) imposing restrictions against Japan or (c) intervening with force; (5) a joint, forceful demonstration of a united front to persuade Japan to modify her attitude would not involve risk; (6) the hesitancy of the Soviet Union to assist China is due to the refusal of the United States, England, and France to assure joint support; and (7) the Chinese Government considers the situation now critical.

In discussing the Brussels Conference, Dr. Koo urged that a small committee be set up to consider giving assistance to China and bringing about negotiations. He inquired whether Great Britain and the United States might not undertake mediation or whether the United States might not do so alone. Dr. Koo said that the convening of the Brussels Conference had raised substantial hope in China and that he hoped that the Conference would take some action which would prevent a great sense of discouragement in China.

Should the Chinese Ambassador's conversation cover the points outlined above, it would seem appropriate to inform him that the Brussels Conference was convened to seek to bring about a peaceful settlement by agreement; that Japan's refusal to cooperate with the Conference has made the attainment of this objective thus far impossible; that nevertheless the Conference has, through its affirmation of the principles and objectives of the Nine Power Treaty and principles

essential

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

- 3 -

essential to orderly and healthy relations among nations endeavored to place clearly before the peoples and nations of the world the fundamental issues involved in the conflict in the Far East; but that the question of methods of pressure is not an appropriate one for action by the Conference.

Should the question of "responsibility" for the "failure" of the Brussels Conference be broached, the Chinese Ambassador might be informed of our position as outlined in the Department's telegram No. 76 of November 20, 2 p. m., to "Amdeigat" (copy attached).

Should the matter of the Chinese Customs, or other matters relating to possible Japanese action in the International Settlement at Shanghai be broached, the Chinese Ambassador might be informed that we are following developments closely, that we are interested in the administrative integrity of the Settlement and of Chinese revenue administrations, and that we are, in consultation with other interested governments, giving consideration to these matters.

M. M. H.

JCV/REK *REK*

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 894.24/165¹/₂ FOR H J. Resolution #517

FROM House of Representatives () DATED Nov.23, 1937
TO U.S. NAME 1-1127 ***

REGARDING: Authorizing the President of the United States
in cooperation with other nations to apply
economic sanctions to Japan.

dg

793.94/1124212

1124212

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

*Copies sent to London, Peiping,
42-1 Tokyo, Rome + Paris. DCR
E.g.C.*
DEPARTMENT OF STATE

Memorandum of Conversation

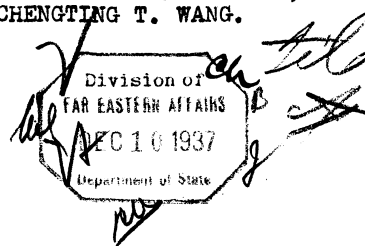
DATE:

November 22, 1937.

SUBJECT: FAR EASTERN SITUATION.
(ANGLO-AMERICAN TRADE AGREEMENT).

PARTICIPANTS: SECRETARY OF STATE HULL AND THE CHINESE AMBASSADOR,
DR. CHENGTING T. WANG.

COPIES TO: U, A-W, FE, PAID



The Ambassador of China came in at his own request and I first spoke about everything being in a more or less confused and complicated situation. I inquired as to the plans of his government for the future. He replied that their plans were to fight on to the last, adding that the one difficulty was lack of ammunition and other military supplies. He inquired if anything could be done by the other governments in the way of cooperation along this line. I said that he, of course, was aware of the situation to date; that nothing was found possible at Geneva except some utterances or declarations, while the signatories of the Nine Power agreement assembled at Brussels with this knowledge
fresh

793.94/11243

OF

DEC 2 1937

F/FG 11243

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Hueston NARS, Date 12-18-75

42-2

- 2 -

fresh in their mind, and that the United States had entered this conference along with the others with the knowledge and understanding that they were to convene there in order to explore all possible avenues of bringing about a constructive peace by agreement and, of course, these proceedings were to be short of either military force or economic coercion. I added everyone knew this and I assumed understood it and that that was the situation. The Ambassador took no issue whatever as to this but seemed to accept it as a matter of uncontroverted fact.

We then discussed the possibilities of the proposed British trade agreement with this government, both in the way of economic and peace restoration, at the conclusion of which the Ambassador expressed himself as pleased and encouraged by his visit in the light of the vast possibilities of this proposed Anglo-American trade agreement.

C.H.

See also memo re: Request for certain military equipment.

S CH:HR

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

THE WHITE HOUSE
WASHINGTON
RECEIVED
DEPARTMENT OF STATE

1937 NOV 24 AM 11 November 23, 1937

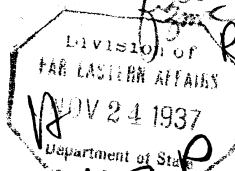
DIVISION OF
COMMUNICATIONS

Respectfully referred to the State

Department for consideration and ap-
propriate action.

M. H. McIntyre
M. H. MCINTYRE
Secretary to the President

193.94/11244



NOV 30 1937

OFFICE

Nov. 19, 1937.
607 N Camden Dr
Beverly Hills, Calif.

President Franklin D. Roosevelt,
White House,
Washington, D. C.

U.S. DEPARTMENT OF STATE

Dear Mr. President,

Please don't think me silly in writing you and enclosing letter from my nephew in China, but maybe there are conditions existing among "your children" of which you are unaware and which you could change.

Can't you please bring those boys back from there? What good can they do protesting a comparative speck of ground in a country that doesn't belong to us. This is the only boy in our family and if he were here in his own country fighting for it, that would be right but I've read up on every printed article for and against this war and I can't see why we are risking one American boy's life to protect property that isn't in our own country. The American businesses that are there can be bought over and over again but none of those lives can be bought.

It's nice of you to want us all to have jobs and I think you're working hard and we appreciate your efforts but if we make money we spend it on our children (the whole family helped send this boy thru school) and then those children are out fighting to protect foreign industrial enterprises and it doesn't seem to make sense.

Please return the enclosed letter as it might be the last one we'll ever get from him. Enclosing stamped addressed envelope for use.

Thanking you and with appreciation,
I remain

Encl.

Respectfully yours,
Blossom Macdonald

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

[COPY:HES]

Shanghai
Oct. 18, 37

Dear Folks,

This is undoubtedly the most unusual experience I have ever been thru in my life, aside from this place being the damndest city I've ever been in. The bomb or shell hasn't been made with my name on it as yet, it seems, although they come uncomfortably close at times. A couple of days ago a few more came over into the settlement and wounded a few more Marines.

I was on the line for ten days sleeping? in a sandbag emplacement on the bank of the creek. (Soochow) During our stay we dug 6 rifle or M/G bullets and 2.50 Cal. anti-aircraft slugs out of the bags following night raids. One was on the inside in a wooden beam. Very good for sleeping and the nerves. Perhaps you all would be surprised to see your little Earle rather changed both in ways and in appearance. Things have to be taken a bit more seriously and the certain times when pieces of jagged steel whine 2 or 3 feet from you tend to change the appearance of one slightly, hence the beginning of gray hair at the temples. (Beyond the plucking or counting stage.)

It is beginning to get cold out here now and it really gets cold they tell me. What with my blood being thin from spending so long in tropical climates I'll probably freeze. As yet I've rec'd no letters from you, but then the mail is all messed up.

I hope you've rec'd what I've sent so far.

All my love to all of you and remember me to everyone.

EARLE

P.S. Back on the line in 4 more days and still no camera (hint)

3274
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

AIR MAIL

November 29 1937

In reply refer to
FE 793.94 MacDonald, Blossom

My dear Miss MacDonald:

The Department has received, by reference from the White House, your letter of November 19, 1937, addressed to the President, inquiring in regard to the maintenance of American armed forces in China and enclosing a letter received by you from your nephew who is stationed in China.

The letter from your nephew has been read with interest and your courtesy in sending it to the Government is greatly appreciated.

The question of what degree of protection this Government should afford to its citizens abroad is a difficult one and one in regard to which opinions may differ. However, in the present situation in the Far East it is believed that this Government cannot disavow responsibility for affording a reasonable degree of protection
for

Miss Blossom MacDonald,
607 North Camden Drive,
Beverly Hills, California.

793.94/11244

F/F/G

0275

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-2-

for our citizens. Accordingly, we are endeavoring in every possible way to provide such protection in certain places where special danger to large communities of our citizens exists. The small contingent of American troops which has been sent to China is there solely to assist in maintaining order and security, particularly in respect of mob violence. These troops have in no sense any mission of aggression. It is our desire and expectation that they may be withdrawn when the performance of their function of protection is no longer called for.

Officers of the American Government have repeatedly and earnestly advised American citizens, in face of dangers incident to residence in China, to withdraw and are making every effort to provide safe means whereby they may depart.

For your information in this connection there is enclosed a press release issued by the Department on August 23, 1937, outlining the policy on which the Government is proceeding in reference to the situation in the Far East.

The Department deeply sympathizes with your concern over the welfare of your nephew and appreciates the fine work which the American troops are performing in the Far East. I trust that you will realize the necessity of

maintaining

027

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

-3-

maintaining for the present a small contingent of
American troops in China.

In compliance with your request the letter from
your nephew is returned herewith. The self-addressed
stamped envelope enclosed with your letter is also
returned.

Sincerely yours,

For the Secretary of State:

M. M. H.
Maxwell M. Hamilton
Chief
Division of Far Eastern Affairs

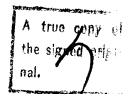
Enclosures:

1. Letter returned.
2. Self-addressed
stamped envelope.
3. Press release of
August 23, 1937.

CR 4/5
NOV 30 1937

WSP
FE:KFF:HES
11-27

WSP
FE



DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Hunt NARS, Date 12-18-75

793.94/11244

TRANSFERED TO 693.002/443

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 711.00/739 FOR Tel. #278, 1pm

FROM Germany (Joe Dodd) DATED November 23, 1937.
TO NAME 1-1127 670

REGARDING: Have been informed that Goering is fearful that Congress
might support the President on international matters;
and that an agreement between the United States and
Great Britain might cover economic and Far Eastern matters.

J

793.94 / 11245

11245

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

CINCAF

~~TOP SECRET~~ SENT TO

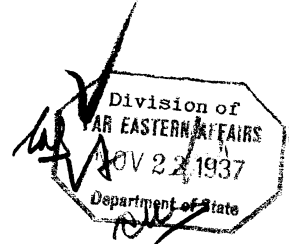
FROM November 23, 1937

Rec'd 12:25 p.m.

*undecoded portion
7. Am. delegate*

ACTION: OPNAV

INFO: SECOND BRIGADE USMC
AMCONSUL SHANGHAI
COMSUBRON FIVE
COMDESRON FIVE
COMYANGPAT
COMSOPAT
USS MARBLEHEAD
ALUSNA PEIPING
AMEMBASSY NANKING



753.94

0023. Reliable reports Japanese attacking along
Chinese lines from Kiangyin to Wusieh from Wushing to
Haiyen report Japanese land force near Shing on west
shore Lake Tawu and Chinese forces falling back in
Chinkiang-Hangchow line. Conditions Settlement quiet,
unchanged. 1945.

KLP

753.94/11246

F/FG

NOV 23 1937

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

RB

This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (A)

TELEGRAM RECEIVED

Nanking via N. R.
FROM
Dated November 23, 1937
Rec'd 2:40 p. m.

Secretary of State
Washington.

947, November 23, 3 p. m.

One. Embassy is reliably informed that present

defense plan for Nanking contemplates use of some five
divisions Szechuan and Yunnan troops and that about
30,000 of the former have already arrived under command
of Liu Hsiang and Yang Sen. The ^{Huansese} General Tang
Sheng Chih, Director of Military Training, is defense
commander for the metropolitan area. According to the
Police Commissioner troops will be outside the city with
police and gendarmes remaining inside but it is under-
stood from good sources that Chiang Kai Shek insists
upon defense from inside walls if outer defenses fail
although Pai Chung Hsi and German advisers oppose any
defense of Nanking as useless and wasteful. Whether after
Chiang's departure the Szechuan troops will adhere to his
plan is questioned by some observers.

Two. ...

... and that about

... arrived under command

... General Tang

... is defense

... oppose any

... Whether after

... the Szechuan troops will adhere to his

... plan is questioned by some observers.

COPIES SENT TO
O.N.I. AND M.I.D.
in confidence

Division of
FAR EASTERN AFFAIRS
NOV 24 1937
Department of State

793.94/11247

F/FG
FILED
NOV 27 1937

793.94

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

RB -2- No. 947, November 23, 3 p. m. from Nanking

Two. General and Mrs. Chiang are still here,
also Chang Chun, Secretary General Military Affairs
Commission.

Three. Ambassador has this information.

Repeated to Peiping, Peiping repeat to Tokyo.

ATCHESON

SMS

EMB

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

[CONFIDENTIAL]

CONFIDENTIAL

PARAPHRASE

A telegram (no. 947) of November 23, 1937, from the American Embassy at Nanking reads substantially as follows:

The present plan for the defense of Nanking contemplates the use of about five divisions of Yunnan and Szechuan troops and about 30,000 of the Szechuan troops under the command of Yang Sen and Liu Hsiang have already arrived, according to reliable information. According to the Police Commissioner, gendarmes and police will remain inside the city and troops will be on the outside. However, it is understood from a reliable source that, although Pai Chung Hsi and German advisers oppose as wasteful and useless any defense of Nanking, General Chiang insists upon defending the city from the inside walls if the outer defenses fail. Some observers doubt whether the Szechuan troops will adhere to this plan after Chiang Kai-shek leaves. General Tang Sheng Chih, Director of Military Training, is defense commander for the metropolitan area.

Chang Chun, Secretary General of the Military Affairs Commission, is still in Nanking, as are the Generalissimo and Madame Chiang.

793.94/11247

89C
 FE:EGC:HES
 11-24

AKH
 FE

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

RB
A portion of this telegram
must be closely paraphrased
before being communicated to
anyone. (A)

FROM

of paraphrase
COPIES SENT TO
O.N.I. AND M.I.D.
in confidence

Nanking via N. R.

Dated November 23, 1937

Rec'd 3:40 p. m.

AMEMBASSY PEIPING
FOR AMERICAN MILITARY ATTACHE

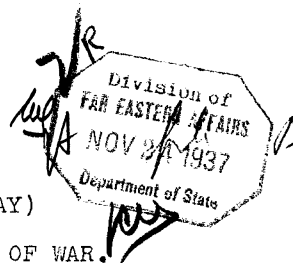
SECRETARY OF STATE

WASHINGTON.

948, November 23, 4 p. m. (GRAY)

FROM ROBERTS FOR THE SECRETARY OF WAR.

793.94
November 22, 1:50 p. m., ceiling unlimited,
weather partly cloudy, cumulus patches, cold northwest
wind eight miles at ground. Official report nine but
observed only six Mitsubishi 96 pursuit in two separate
flights flying over 8,000 over city, one flight east and
one west. (END GRAY) Engaged by two flights of Chinese
low wing monoplanes with retractable landing gear very
similar in appearance to Boeings previously stationed
at Chu near Nanking, reliably reported to be new deliveries
from Russia. (GRAY) In combat over east of city one
Chinese shot down in flames just inside east city wall.
Most of action obscured by clouds. One Japanese chased
one



793.94/11248

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

RB -2- No. 948, November 23, 4 p.m. from Nanking

one Chinese toward south where they maneuvered from 8 to 2,000 for 5 to 10 minutes when the Japanese finally flew off. (END GRAY) Japanese was faster but it appeared that the two were about equally maneuverable with advantage to Japanese. Neither was as maneuverable as Curtis Hawk previously used. (GRAY) There was some ineffective anti-aircraft fire. Japanese planes dropped leaflets said to contain advice to surrender Nanking.

Raid of November 15 not reported because no new developments." (END GRAY)

ATCHESON

SMS

EMB

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

(CONFIDENTIAL)

P A R A P H R A S E

A telegram (no. 948) under date November 23, 4 p.m., from the American Embassy at Nanking reads substantially as follows:

FOR THE SECRETARY OF WAR FROM ROBERTS.

November 22, 1:50 p.m., ceiling unlimited, weather partly cloudy, cumulus patches, cold northwest wind eight miles at ground. Official report nine but observed only six Mitsubishi 96 pursuit in two separate flights flying over 8,000 over city, one flight east and one west. They were engaged by two flights of Chinese planes which appeared to be very similar to Boeings previously stationed near Nanking at Chu and reliably stated to be new Russian deliveries. They were low wing monoplanes with retractable landing gear. In combat over east of city one Chinese shot down in flames just inside east city wall. Most of action obscured by clouds. One Japanese chased one Chinese toward south where they maneuvered from 8 to 2,000 for 5 to 10 minutes when the Japanese finally flew off. Although the two planes appeared to be equally maneuverable, neither was as maneuverable as the previously employed Curtis Hawk. The Japanese plane was faster and had the advantage. There was some ineffective anti-aircraft fire. Japanese planes dropped leaflets said to contain advice to surrender Nanking.

Raid of November 15 not reported because no new developments.

793.94/11248

FE:ARR:SMJ:HES:NN

FE

11-24-37

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

GRAY

FROM Tsingtao via N. R.

Dated November 22, 1937

Rec'd 2:26 p.m., 23rd.

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.



November 22, 5 p.m.

One. Report from Tsinanfu just received states
that heavy artillery firing on ~~defense~~ ^{north} side of Yellow
River audible in Tsinanfu.

Two. There has been no change in this city despite
reported continued destruction of Japanese in the
interior of this province.

Sent to Nanking, Peiping, Chefoo.

SOKOBIN

KLP:CSB

793.94/11249

FILED
F/FG
NOV 24 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

43-1

TELEGRAM RECEIVED

JS

This telegram must be _____ SHANGHAI Via N R
closely paraphrased be-
fore being communicated to
anyone (A)

FROM

Dated November 23, 1937

Rec'd 6:45 p.m.

Secretary of State,

Washington, D.C.

COPIES SENT TO

O.N.I. AND M.I.D.

in confidence

Division of
FAR EASTERN AFFAIRS

NOV 24 1937

Department of State

1008, November 23, 8 p.m.

Reference paragraph nine of my No. 1002, November 22,

7 p.m.

793.94
note
893.1028

Senior Consul invited American, British, French, Italian, and Japanese Consuls General to meet with him this afternoon when the opportunity was taken to discuss informally with the Japanese Consul General the five point outline he had submitted to the Settlement authorities but had not communicated to his colleagues of the powers interested in the International Settlement. He gave very little information in clarification of his outline. It was emphasized that such services as the posts, telegraphs, cables, and wireless are of the greatest importance to foreign interests and there is definite foreign interest in the status of the customs. He said that these matters were being studied and as to the customs stated that the Japanese being now in occupation of Shanghai they require control of the customs but will respect foreign loan and indemnity quotas and foreign personnel.

Two. We then took up the question of Japanese forces passing into or through the foreign areas south of the Creek

793.94/11250

F/FG

43-2

-2-

From Shanghai, #1008.

Creek and urged that laying aside all argument as to legal rights, it would be exceedingly unwise at this time from the standpoint of peace and order to bring any Japanese into or through the areas south of the Creek where Japanese interests are now receiving full protection at the hands of the foreign forces and municipal authorities. Japanese Consul General sought to explain the conversation between General Harada and the Secretary General of the Council as a request for opinion and added that when General Harada later visited the French Consul General he found the latter unable under French statutes to permit passage through the French Concession. French Consul General confirmed this position.

Three. On the question of the intention of the Japanese naval landing party to send guards to protect Japanese mill property and Japanese residents in the foreign areas, the Japanese Consul General sought to explain that in the area west of the International Settlement but within the foreign defense lines the municipal police may function only on the extra Settlement roads and Chinese police can no longer function off those roads and there is no protection for Japanese or Japanese property. It was pointed out that these areas are all protected by the
foreign

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

43-3

-2-
From Shanghai, #1008.

foreign forces and I emphasized that the American marines protect a sector entirely within the boundaries of the Settlement and Japanese residents and Japanese property there have received full protection from both the marines and the municipal police.

Four. Commander-in-Chief informs me this evening that the naval commanders referred question mentioned in paragraph three of this telegram to the commander of the forces ashore who conferred with the Commander of the Japanese naval landing party today and urged that any proposal to send forces south of the Creek be postponed. The Japanese Commander stated he would refer to his senior officer, the Japanese Admiral.

Sent to the Department. Repeated to Tokyo.

GAUSS

SMS:EMB

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

[CONFIDENTIAL]

43-4

CONFIDENTIAL

P A R A P H R A S E

A telegram (no. 1008) of November 23, 1937, from the American Consul General at Shanghai reads substantially as follows:

The Consul General refers to paragraph 9 of his telegram no. 1002 of November 22 and states that on the afternoon of November 23 the Senior Consul invited the American, French, Italian, British, and Japanese Consuls General to meet with him. Opportunity was taken at this meeting to talk informally with the Japanese Consul General about the five point outline which he had presented to the authorities of the International Settlement but had not made known to his colleagues of the powers interested in the Settlement. The Japanese Consul General did very little in the way of clarifying his outline. It was emphasized that there is a definite foreign interest in the status of the customs and that foreign interests consider such services as the telegraphs, cables, posts, and wireless very important. The Japanese Consul General stated that as the Japanese are now occupying Shanghai they require control of the customs but will respect foreign personnel and foreign loan and indemnity quotas. With regard to the posts, telegraphs, et cetera, he said these matters were being studied.

With

793.44/11250

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

-2-

With regard to the question of the intention of the Japanese naval landing party to send guards to protect Japanese residents in the foreign areas and Japanese mill property, the Japanese Consul General attempted to explain that in the region west of the International Settlement but within the foreign defense lines the municipal police may operate on the extra Settlement roads only and Chinese police can no longer patrol off those roads; therefore, there is no protection for Japanese or Japanese property. It was pointed out that foreign forces protect all of these areas. The American Consul General stressed the point that a sector entirely within the boundaries of the International Settlement is protected by American Marines and that both the Marines and the municipal police have afforded full protection to Japanese residents and Japanese property.

With regard to the question of Japanese forces going into or passing through the foreign areas south of Soochow Creek, the foreign consuls urged that, aside from all argument as to legal rights, it would, from the standpoint of peace and order, be extremely unwise at the present time to bring any Japanese troops into or through the areas south of Soochow Creek where foreign forces and municipal authorities are giving full protection to Japanese interests. The Japanese Consul General
tried

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

-3-

tried to explain the conversation between the Secretary General of the Municipal Council and General Harada as a request for opinion and he stated that when visiting the French Consul General later General Harada found that the French Consul General could not under French statutes allow passage through the French Concession. This position was confirmed by the French Consul General.

On the evening of November 23 the American Consul General was informed by the Commander in Chief of the Asiatic Fleet that the naval commanders referred the question of the intention of the Japanese naval landing party to send guards to protect Japanese residents and Japanese mill property in the foreign areas to the commander of the forces ashore. The latter took the matter up on November 23 with the commander of the Japanese naval landing party and urged that the Japanese postpone any proposal to send forces south of Soochow Creek. The Japanese commander said that he would refer the matter to the Japanese Admiral, his senior officer.

793.94/11250
 E.C.C.
 FE:EDC:HES
 11-26

ACR
 FE

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 793.94 Conference/288 FOR #242

FROM Poland (Biddle) DATED Nov. 12, 1937
TO NAME 1-1127 ***

REGARDING: Sino-Japanese situation.

Polish attitude towards the-, and the Nine Power Conference:
Reports concerning-.

mr

793.94/11251

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

FE

JR

COPIES SENT TO
CHINA AND M.I.D.

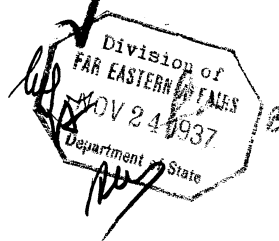
COMSOPAT

November 23, 1937

Rec'd 8:17 p.m.

ACTION: OPNAV

INFO: SECOND BRIGADE USMC
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMYANGPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING



0123. South China ports quiet. 2000

SMS

793.94/11252

F/FG

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

PLAIN

AMEMBASSY NANKING
AMEMBASSY PEIPING
AMCONSUL TSINGTAO

FROM Chefoo via N. R.

Dated November 24, 1937

Rec'd 12:20 a.m.

Secretary of State,

Washington.

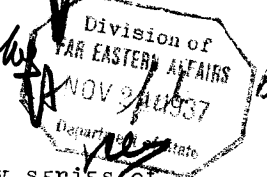
Twenty-fourth.

Mole Wharf damaged but not destroyed by series of
explosions of land mines which began four fifteen this
morning.

ALLEN

DDM

COPIES SENT TO
O.N.I. AND M.I.D.



793.94/11253

F/EG

NOV 26 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

44-1

TELEGRAM RECEIVED

JR

GRAY

FROM

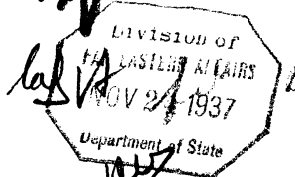
Tsingtao via N. R.

Dated November 23, 1937

Rec'd 12:20 a.m. 24th.

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.



November 23, 3 p.m.

892

One. This Consulate has today been informed that the mayor upon asking the Generalissimo to confirm alleged instructions to destroy Japanese properties in Tsingtao, was instructed not to take (repeat not to take) any such action.

Two. Absolutely no change in the situation in Tsingtao but newspaper reports of heavy artillery firing near Tsinanfu have alarmed local Chinese people in this port. However, these reports according to a reliable source in Tsinanfu are not accurate. In fact, today has been absolutely quiet in Tsinanfu.

SOKOBIN

CSB

793.94/11254

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

45-1

TELEGRAM RECEIVED

DDM

GRAY

FROM

TOKYO

Dated November 24, 1937

Rec'd 7:57 a.m.

Secretary of State

Washington

COPIES SENT TO
O.N.I. AND M.I.D.

DIVISION OF
FAR EASTERN AFFAIRS
NOV 24 1937
Department of State

564, November 24, 6 p.m.

In my conversation today with the Minister for Foreign Affairs ^{HIROTA} he said on his own initiative that the Japanese forces will take Nanking within two to three weeks the actual time of occupation depending on weather conditions; that the Chinese forces opposing the Japanese army in that region are now completely defeated and can put up no further resistance but that the generals are unwilling to admit defeat and are therefore sending false reports to Nanking; that General Pai Chung Hsi of the Kwangsi forces which are still in good condition has nevertheless advised Chiang Kai Shek to leave Nanking and that the latter is in a very difficult situation. As this conversation was entirely informal I asked the Minister how he visualized further developments after the occupation of Nanking by Japanese forces in the absence of a peace settlement. He replied that the Japanese forces would remain in Nanking, would take up a defensive position and would go no (repeat no) farther.

793.94/11255

F/FGD

GREW

233

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

COPIES SENT TO
J. H. AND M. D.

FROM

USS PANAY

November 24, 1937

Rec'd 10:10 a.m.

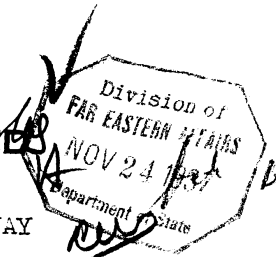
ACTION: COMYANGPAT *EJL*

PASSED BY CINCAF TO NAVY DEPARTMENT FOR INFORMATION.

0017. Lieutenant Henry T. Jarrell United States Navy made following statement: a telephone cable is being installed underground to furnish service to bank and government offices only. Long distance communications are still functioning. The capital is strongly in preparation for a fight to the finish and reinforcements are being rushed toward the southeast front. Base military hospital has been removed to Hankow. Civilian and wounded are being evacuated and it is estimated that half of the population have already left. Economical use is being made of fuel and food. Ministry is either planning to or is leaving. 1523.

KLP

Note PANAY is at Nanking.



793.94/11256

F/FG
NOV 24 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

DDM

GRAY

FROM TSINGTAO via N. R.

Dated November 24, 1937

Rec'd 10:05 a.m.

Secretary of State
Washington

COPIES SENT TO
ONE AND RECD.

Division of
EASTERN AFFAIRS
NOV 27 1937
Department of State

November 24, 11 a.m.

Nothing is happening in Tsinanfu at the moment. No fighting has occurred for a couple of days. There is some activity on the north bank of the Yellow River near Tsinanfu and possibly the Japanese forces are awaiting completion of preparations for artillery bombardment of Tsinanfu.

There is no doubt that there are very notable differences of opinion between Generals Han and *Yu Han-chung* ~~Chung~~ which will in the end probably have a serious effect on the situation in Shantung. In this national struggle, General Han's views are wholly concerned with the position of Shantung and his relation thereto.

Sent to Nanking, Peiping, Chefoo.

SOKOBIN

GW

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16



LEGATION OF THE
UNITED STATES OF AMERICA

Bern, November 13, 1937

No. 91

L. N. No. 47

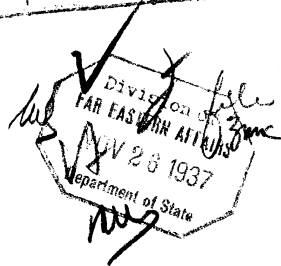
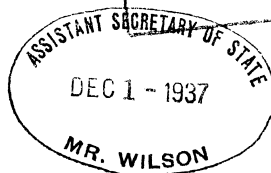
Subject: Far East Advisory Committee.

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AND RECORDS

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Grade	For	in U.S.A.	



The Honorable

The Secretary of State,
Washington.

Sir:

Referring to my despatch No. 78 of November 3, 1937, I have the honor to transmit herewith a copy of a further communication from the Secretary General of the League of Nations, on behalf of the Chairman of the Far East Advisory Committee, with regard to the date of convocation of the Committee.

The communication refers to replies received in response to the Chairman's inquiry of November 1 and conveys the Chairman's proposal to maintain the previously suggested procedure that the Advisory Committee be convened "at such time as might appear desirable, having in view the work of the Brussels Conference and taking account of any proposals which his colleagues might make to him".

Enclosure:

From League of Nations,
November 11, 1937.
File No. 711
DFB/mk
Quintuplicate
Copies to American Delegation, Brussels,
and American Consulate, Geneva

Respectfully yours,

Leland Harrison.

793.94/11258

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NOV 28 1937
11258

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

(Enclosure to despatch No. 91, November 13, 1937)

C O P Y

LEAGUE OF NATIONS

On behalf of the Chairman of the Far-East Advisory Committee, the Secretary-General has the honour to inform the members of the Committee of the replies he has received to his communication of November 1st.

The Governments of Australia, the United Kingdom, Canada, Colombia, France, the Netherlands and Roumania consider that in view of the meeting of the Brussels Conference, it would be preferable not to fix immediately the date of the next session of the Advisory Committee and to leave it to the Chairman to decide this point, regard being had to the work of the Conference.

The Chinese Government states that "having already made the proposal on this subject which has been communicated to members of the Committee, it has consequently nothing to add for the present."

The other Governments have not forwarded any observations on the communication which was addressed to them on November 1st.

In these circumstances, the Chairman considers that the solution he must adopt should take into account both the desire expressed in various quarters not to fix the date of the next meeting immediately, and the proposal of the Chinese Government - to which the latter declares it has nothing to add for the present - to fix November 21st as the latest date on which the Committee should meet in any case.

The Chairman therefore proposes to abide by the procedure he suggested in the communication addressed to members of the Committee on October 25th. His intention had then been to convoke the Committee at such time as might appear desirable, having in view the work of the Brussels Conference and taking account of any proposals which his colleagues might make to him.

This procedure precludes the possibility of fixing a time-limit within which the Committee would have to meet in any case, but it enables any member of the Committee to request that it should meet.

The Chairman hopes that this solution, which takes all the possibilities into account, will be accepted by his colleagues.

Geneva, November 11th, 1937.

Mr. Leland Harrison,
Ministre des Etats-Unis d'Amérique,
3, rue du Mont-Blanc,
Genève.

MY SPIRITUAL CONCEPTION OF GOOD FRIDAY

By GENERALISSIMO CHIANG KAI-SHEK

An address to the Central Conference of Eastern Asia of the Methodist Episcopal Church in session at Wesley Church, Nanking, China, Good Friday Evening, March 26, 1937.

Without religious faith there can be no real understanding of life. Faith in the cause of a revolution is not unlike religious faith. Without faith, human affairs, both great and small, are difficult of achievement. Often when face to face with opposition and possible danger we mortals are prone to retreat and to abandon our work halfway. Such lack of confidence in ourselves is often due to the absence of a strong religious faith.

I have now been a Christian for nearly ten years and during that time I have been a constant reader of the Bible. Never before has this sacred book been so interesting to me as during my two weeks' captivity in Sian. This unfortunate affair took place all of a sudden and I found myself placed under detention without having a single earthly belonging. From my captors I asked but one thing, a copy of the Bible. In my solitude I had ample opportunity for reading and meditation. The greatness and love of Christ burst upon me with new inspiration, increasing my strength to struggle against evil, to overcome temptation and to uphold righteousness.

I am, indeed, grateful to all my fellow Christians who continually offered prayers on my behalf. I was deeply conscious of a strong spiritual support for which I extend my hearty thanks to all Christians, and to which, before you all to-day, I testify that the name of God may be glorified.

The many virtues of Christ I cannot possibly enumerate. To-day, being Good Friday, I merely wish to explain some of the lessons I have derived from the trials of Christ. His utterances from the Cross are our spiritual inheritance. Entreating forgiveness for His enemies, He cried: "Father, forgive them:

for they know not what they do." Truly great is the love of Christ! In all my meditations I found these thoughts recurring and providing me with rich spiritual sustenance.

To illustrate, I am going to recount some of my experiences at Sian. Before I went to Shensi on my second trip I was already conscious of perverted thoughts and unusual activities in the army there. I had previously received reports of intrigues and revolutionary rumblings that were threatening to undermine the unity of the state. My immediate associates tried to persuade me to abandon the journey, but I replied: "Now that our country is unified and the foundations of the state established, the commander-in-chief of the armies has responsibilities for direction and enlightenment from which he dare not withdraw. Furthermore, I have dedicated my soul and body to the service of the state, and there can never be any consideration of my personal safety."

According to the record of the New Testament, when Christ entered Jerusalem for the last time, he plainly knew that danger was ahead, but triumphantly, on an ass, he rode into the city without anguish, without fears. What greatness! What courage! In comparison, how unimportant my life must be. So why should I hesitate?

My fondness for my troops has always been as great as the love between brothers and this love drew me into the heart of the rebellion. Such disregard of danger in the face of duty caused deep concern to the government, worried the people and, for this, numerous prayers were offered by Christian friends. In the midst of it all my understanding increased and my love multiplied.

Following my detention my captors presented me with terms and demands, with tempting words of kindnesses, with threats of violence and torture and with a public trial by the "People's Front." On every hand I was beset by danger but I had no thought of yielding to pressure. My faith in Christ increased. In this strange predicament I distinctly recalled the

forty days and nights Christ passed in the wilderness withstanding temptation, His prayers in the garden of Gethsemane and the indignities heaped upon Him at His trial. The prayers he offered for His enemies upon the Cross were ever in my thoughts. I naturally remembered the prayers offered by Dr. Sun Yat-sen during his imprisonment in London. These scenes passed vividly before me again and again like so many pictures. My strength was redoubled to resist the recalcitrants and with the spirit of Christ on the Cross I was preparing to make the final sacrifice at the trial of the so-called "People's Front." Having determined upon this course of action, I was comforted and at rest.

Following the settlement of the Sian affair, the rebels, knowing their unwise and treasonable actions, were naturally afraid. Remembering that Christ enjoined us to forgive those who sin against us until seventy times seven and upon their repentance, I felt that they should be allowed to start life anew! At the same time I was greatly humbled that my own faith had not been of such quality as to influence my followers and to restrain them.

Ever since training the cadets and launching the expedition, I have repeated to my followers these two principles: (1) On detecting the slightest selfishness on my part, or discovering plans contrary to the interest of the country and the people, any one may accuse me of guilt and put me to death; (2) Should my words and actions betray lack of truth and good faith, or indicate departure from the revolutionary cause and principles, any of my subordinates may take me for an enemy and put me to death. I honestly believe that these two sayings were prompted by sincerity and grew out of my religious faith. They are in line with the spirit of the love of Christ, and the forbearance and magnanimity of Dr. Sun Yat-sen.

The life of Christ reveals a long record of affliction and constant persecution. His spirit of forbearance, His love and His benevolence shine through it all. No more valuable lesson has yet come to me out of my Christian experiences.

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Dr. Sun Yat-sen was a Christian, and the greatest thing he received from Christ was love—love for the emancipation of the weaker races, and for the welfare of the oppressed people. This spirit remains with us and reaches to the skies. I am an ardent follower of the revolution, and, although my faith in Dr. Sun at the outset did not appear to have any religious significance, it was similar to a religious faith. For this reason I have become a follower of Dr. Sun and his revolution based on San Min Chu I.

To-day, I find that I have taken a further step and have become a follower of Jesus Christ. This makes me realise more fully that the success of the revolution depends upon men of faith and that men of character, because of their faith, cannot sacrifice their principles for personal safety under circumstances of difficulty and crisis. In other words, a man's life may be sacrificed, his person held in bondage, but his faith and spirit can never be restrained. This is due to confidence brought about by faith. On this Good Friday these reflections are ours. For such is the importance of faith in the revolution, and faith in religion.

What I have just said represents my spiritual conceptions of Good Friday, interspersed with a few facts out of my own experience. I offer them as a testimony, and not in any sense to exalt my own worthiness and achievements. I take this opportunity to extend greetings to the Central Conference of Eastern Asia of the Methodist Episcopal Church and to express my thanks to Christians everywhere for their earnest and continued prayers on my behalf.

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Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

President Franklin D. Roosevelt,
White House,
Washington, D.C.

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

From S.M.Graves,
Foyer International des Etudiantes
93, Boulevard St. Michel,
Paris, V, France.

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

KFP

DEPARTMENT OF STATE
THE WHITE HOUSE

Nov 22 12:43 PM '37

945 Pennsylvania Avenue, N.W.,
Washington, D. C.,
November 22, 1937.

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December 1 1937

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Office of the President of the United States,
The White House,
Washington, D. C.

Division of
FAR EASTERN AFFAIRS
NOV 26 1937
Department of State

Attention Mr. McIntyre, Personal Secretary

My dear Mr. McIntyre:

At the request of Mr. Frank W. Price, recently returned from China, I am sending the enclosed booklet "China faces Japan" edited by Arthur A. Young, and published by the Chinese Students' Christian Association in North America. I realize how impossible it is for the President to give attention to everything which is sent to him, but I should greatly appreciate anything you may do to bring this booklet to his attention or to that of others who may make good use of it for him.

I also enclose a letter sent to me from France by a member of the same faculty in China of which I am a member--Ginling College, Nanking, China. This is in no way from the College, but as a citizen of the United States interested in China and her difficulties Miss Graves sends this letter to the President. She will appreciate anything you may do to draw this letter to the attention of the President.

Thanking you for your courtesy in these matters, I am

Sincerely yours,

Helen M. Loomis

Helen M. Loomis,
(On furlough from Ginling
College for Women, Nanking,
China.)

Encls.
END

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

Foyer International des Etudiantes,
 93, Boulevard St. Michel,
 Paris, V, France,
 October 20th, 1937.

President Roosevelt,
 Thw White House,
 Washington, D.C., U.S.A.

Dear Mr. President:-

Please permit me to call your attention to certain facts some of which perhaps you may not know, concerning the present situation in China. Since I have just left China this last June after living there for seven years, and since before that I lived in Japan for six years I speak of events ~~xx~~ out of a deep love for both peoples and appreciation for the great contributions both countries have to make to our world's civilization.

Just two things that Japan is doing, among others, in Manchukuo, I wish to mention. Just as soon as Japan came into control of that country every school above junior-high-school rank was closed. Also opium is being forced into the country. In one small city where only two or three dens had existed, ~~hundreds~~ more than thirty suddenly appeared all owned by a Japanese, according to the report of investigations made by Miss Muriel Lester, the English worker for peace. This report was submitted by her both to the Japanese government and to the League of Nations.

Although China is not among the so-called Christian nations, her treatment of prisoners of war is worthy of notice. A recent letter, dated August 21st, from Miss Catharine Sutherland, one of two Americans still remaining in Nanking at that time in Ginling College, a member of that faculty, states: "The Chinese here have seven air-men, captured from fallen Japanese planes. They are being cared for in their own, (a Japanese) hospital, and treated with absolute kindness, even allowed to write home to their families."

I have seen the growing confidence of both Chinese and foreigners in the Generalissimo Chiang Kai-Shek. May I call to your attention the enclosed address which he wrote and which his representative read on Good Friday of this year at the Annual Conference of Methodist Episcopal Churches in China held in Nanking. The work he has done in beginning the New Life Movement; the fight against opium even to the imposing of the death penalty on those who refused to take advantage of the government's free medical aid after certain months of warning; the earnest and far-reaching efforts made to improve agricultural conditions, sanitation in cities, the beggar problem, and the constant emphasis on education for the masses and its rapid extension reveal the character of this man and of the New China. The deeply Christian spirit he has shown, strengthened by the faith of Madame Chiang Kai-Shek, would, I believe, make him, if given the ~~xx~~ opportunity thru peace, the greatest leader in a spiritual revolution in China, like Kagawa of Japan.

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

Unless the West can in some way aid China at this time she will be forced into seeking more and more aid from Soviet-Russia, and with what results? For these reasons, we, the under-signed, request you to take every measure possible, save such as would lead to war, to stop the present war in China.

We look to you as leader, and to the government of the United States of America to take whatever measures may be necessary, thus giving that leadership which other "Peace-loving nations", seeing, will rejoice, and quickly follow, strengthening what you do with their united power, and so make possible the "quarantining of the aggressor nations" now, and of any others who in the future may try to secure their aims, however good or necessary for themselves, by means of war. We hope you will do all in your power to make the Kellogg Pact more than a "scrap of paper".

We are grateful to you, Mr. President, for the hope your recent speech has given for the bringing in of peace and good-will among nations.

Sincerely yours,

*(Miss) Stella Marie Graves.
(missionary from Winling College
on Furlough study.)*

Ha Tsui fne-yen. Graduate student of University of Paris.
 Betty H. Fisher
 Peter Parker
 Jean Pardlow
 A.A. Drives
 Clayton E. Williams
 Fernando B. Williams
 Ben Botnick - Paris 10/17/27
 Mme. Livia Lebidon - French
 Esther M. Phillips - American (Cal.)
 Layne Urselerson - American
 Lydia Cherkassky - Paris.
 Shura Cherkassky - N.Y.C.
 Dr. Julius Hammer, 682 - Fifth Ave. N.Y.C.
 Mrs. Rose Hammer - N.Y.C.
 Emil C. Torressen.
 Mr. Richard Brooks. friend of
 Caroline O'Day.
 Violet Shaw (French)
 Suzanne Reinon - French.
 Helene Rott French
 Therese Kuyal French.
 90th.
 Perle Bonnet,
 A. Noabity Noëlle Trel -
 W. Remon -
 A. Paschal
 W. Fournier.
 Sarah D. Watson
 F. Howard Teach
 C. Nelson
 Guillaume Nelson - Harvard
 J. Pasatin
 Nekkenová P. Prague.
 Frank Van Fleet British
 Grace Dransfield
 Aine Brown Irish.
 Hazel Morahan
 Sara J. Forbes-Fraser.
 Maria Dune Rees.
 Florence Messer (Amer.)
 F. Abileak russe
 May Lindberg (American)
 Donald M. Frame (U.S.A.)
 Horatio R. Sursey (American)
 Jeanne Rott
 Robert R. Howell - Scotland.
 Paul K. Guenz (Chinese)

B. de Turanne
L. Basselier.
D. Williams
F.M.A. Baron -

~~XXXXXXXXXX~~

M. Snyder (American)

H. Belong (French)

H. Chamma (French)

M. Guigue

O. Guigue (English)

Jacques Moreville (French)

Brownoff (ruble)

J. N. Ghosh

Josephine (America)

J. Grabowski

Barlier

Leiman (French)

Mary Frances Dwyer

Marie Hartveld

Edgar Lualdi

Mary Jenkins

Margaret Jenkins

Norma W. Doolittle

Reynolds

W. Williams

S. Williams

Köring, Schwabe

Elsa Lucas

Gertrude Lucas

Mrs. Chadoff (Armenian)

Lutz Chadoff (Armenian)

M. Bettel

Hausen

Jessie Lucas

Marquise Melon

Basil Hesse, Sweden

Hans Burchard, Holland

Edmund Ford, British

C. Huse, France

E. A. Churchill, English

William Nashin, Norway

Edith J. Langford, English

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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CHINA

FACES

JAPAN

BY SIXTEEN WRITERS

A COMPREHEN-

SIVE SURVEY

AND ANALYSIS

OF THE PRESENT

CONFLICT BETWEEN

CHINA AND JAPAN

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Department of State letter, August 10, 1972
By Milton D. Quatgen NARS, Date 12-18-75

China Faces Japan

Edited by

Arthur A. Young

1937

Chinese Students' Christian Association in North America
347 Madison Avenue, New York City

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Foreword

THIS booklet covers the conflict between China and Japan in operation since July 7, 1937. It is especially designed for the busy reader who needs a thread of history to guide him as he reads the day-to-day reports.

Swiftly but accurately, it deposits the compelling facts and forces that underscore the issues. The political, economic, cultural, and international factors, as they affect the current scene, are surveyed and evaluated by sixteen expert students of the Far East.

The editor wishes to take this opportunity to thank the authors for their kind co-operation.

ARTHUR A. YOUNG.

October 28, 1937

CHINA FACES JAPAN

A Chinese View of the War

By Y. T. Wu

Editor of The Association Press, Shanghai

THE final showdown of the Sino-Japanese conflict has come. While the fighting is still in its initial stage and no formal declaration of war has been made by either belligerent, it is safe to predict that the present struggle, unlike its predecessors, will be decisive and will not come to an end until one of the two parties is exhausted.

It was quite evident that China did not want to go to war. She had suffered since 1931 the loss of Manchuria, of Jehol, and of large sections of Hopei, Charhar and Suiyuan together with numerous encroachments on her sovereignty in other parts of the country. And yet all the time she had done almost nothing besides patiently nursing her wounds in the hope that her enemy might give her at least a breathing space, if only to consolidate its gains. But now she has come to the place where she can yield no more. The Japanese militarists have made another bold move and she must challenge it now or never.

It was equally evident that Japan did not want to go to war. What she wanted was to slice off another section of North China, turn it into another puppet state and use it as a base for further aggression. She had wanted to accomplish all this without the tremendous cost of a war and that is why she had wanted to regard the Lukouchiao affair* as another "incident" and to have it settled as such on her own terms. But this time she was surprised. China has put up a nation-wide resistance, and, whether she wants it or not, she must go into the game.

But it would be untrue to say that Japan is unprepared for the war. She has picked a quarrel at a most opportune time and she is determined to see it through. In the first place, China is getting more united and the longer Japan waits, the harder it will be for her to conquer China. Political differences in China during the past few years have centered around the question of when and how to resist

CHINA FACES JAPAN

Japanese aggression, but when nation-wide resistance has become a fact, such divisions no longer exist. After the Sian Incident of December, 1936, even the campaign against the communists has been given up and the central government is now able to present a united front against the Japanese militarists.

In the second place, increasing internal troubles in Japan have made it desirable for the imperialists to divert attention from the home scene. As the military program marches forward, the lot of the common people becomes more and more grievous. Prices have risen and wages have fallen. The budget of the current year reached the unprecedented figure of over three billion yen and the national debt already exceeded ten billion. Because of heavy imports for her war industry, Japan's foreign trade has shown an increasingly unfavorable balance until it reached 720,000,000 yen this July. If these conditions are not to result in serious trouble, so the imperialists think, the people must be given at least an emotional outlet in more foreign conquests.

In the third place, the international situation is also favorable for further aggression. Italy has swallowed Ethiopia; Germany has remilitarized the Rhineland and both of them have actively supported the fascist regime in Spain. And they have all found themselves unchallenged. In the case of Spain, the "neutrality" of the Powers has even resulted in advantage to the insurgents. All this, together with her Pact with Germany and the seeming weakening of the Soviet Union's military organization because of the purging movement, have made Japan

*See China's First Statement to the League of Nations in the Appendix.

feel that this is the time to strike another blow in the Asiatic mainland.

II.

If Japan is prepared for war, so is China. From the very beginning, China knows that Japan will not stop until the whole nation is subjugated. She knows that her only way out is to fight for her existence. She knows too that she is militarily weak and she is not unmindful of the terrible price of a war. But she is also convinced that many factors will work in her favor. There is, first, the exceptional morale of the people. The nation has, with one accord, demanded war at whatever cost. The stout resistance put up by soldiers in the fronts in Central and North China has received enthusiastic support from people all over the country and from the overseas Chinese. Even the terrible destruction of life and property in Shanghai and the grim tragedies yet to be expected in other parts of the country have been accepted as a matter of course and without a word of complaint.

The same thing cannot be said of Japan. Through propaganda and under the high-handed policy of the militarists, the country has put up an appearance of popular approval of the campaign in China, but the people themselves know better. They know that no purpose is served in the present expedition besides the ambition and the affected pride of a few militarists; they know that if Manchuria has brought them nothing but heartaches, the present war in China will mean something much worse in the upsetting of normal economic relations; and they know that the whole cost of the war will eventually fall on their own shoulders. This lack of real enthusiasm on the part of the

A CHINESE VIEW OF THE WAR

Japanese people will more than offset the superiority of Japan's military equipment and may eventually spell the doom of her enterprise in China.

But there are other equally important factors in favor of China. China is a poor country, but because of her size, she has infinitely more resources and man power to draw upon than has Japan. Her people are used to a low standard of living and can undergo hardships imposed by the war longer than the Japanese can. The fact that the country is not highly organized, instead of being a handicap, becomes an advantage in time of foreign invasion. It means that no one centre or centres are vital and even if the enemy should succeed in taking a few key cities, it does not mean that the war will come to an end. Because the war is fought in Chinese territory, the Japanese will have the additional disadvantage of having to face an aroused and hostile people all the time. In addition to the regular warfare they will be constantly harassed by organized guerrilla attacks on her troops and by the boycott and sabotage of the common people.

That all this will take place is borne out by what is happening in Manchuria. Today after the Japanese have controlled Manchuria for six years and in spite of the most drastic and cruel tactics the rulers have devised to suppress the revolt of the people, there are in these three provinces 200,000 volunteers who hide themselves in the mountains and come out every once so often to attack the Japanese at a thousand and one points. News of a general warfare in China will doubtlessly increase their activities and, before long, the Japanese there may find themselves confronted with a most difficult task. But if this is true in

Manchuria, how much more so it will be in China proper, where an aroused people is backed by organized military force?

III.

Another matter that concerns us seriously is the international consequences of the war. In spite of the efforts of Western powers to isolate themselves from the conflict, it will be very difficult under the circumstances above described for China and Japan to fight it out between themselves without getting other countries involved. Already Great Britain feels herself outraged by the bombing of her Ambassador to China by Japanese airplanes on August 26. The incident merely served to lay bare her anxiety over the new Japanese aggression in a country in which she has much more at stake than the investment of \$1,250,000,000. The United States, while still weighing the pros and cons of the invocation of the Neutrality Act, is in no more secure position. There is no question that the national sentiment is overwhelmingly against involvement, but because of her vital interest in the Far East, there is no guarantee that, with the deepening of the crisis, the scruples taught by the experience of participation in the European War will not be thrown to the winds.

At the time of writing, China formally announced the conclusion of a non-aggression pact with the Soviet Union. While there is no indication that this will mean military help to China, it can hardly be doubted that it may tend toward such a development should circumstances demand it. With all that we know about the sympathies and inclinations of countries like France,

CHINA FACES JAPAN

Germany and Italy, who are closely linked up with countries above mentioned, any widening of the circle of conflict will inevitably bring about the world catastrophe which we have all dreaded.

All this merely serves to reiterate the platitude that the Sino-Japanese conflict cannot be confined to the Far East. The one demand on which we can all agree is for the early restoration of peace. But this must be brought about, if it can be brought about at all, in a realistic way. There is no use talking about peace to the Japanese for that is merely talking to the winds. Nor is the pacifist counsel to the Chinese desirable or practicable under the present circumstances. The one channel which has never been explored on a major conflict of this kind and which is still open is concerted international action. This means that the participating powers, having named the aggressor, must bring such moral and economic pressure to bear on it that it will be compelled to take note of world opinion.

Sir Arthur Willert, for several years head of the press department of the British Foreign Office, has reported British diplomatic opinion on this matter in these words: "It is felt that the world is confronted by the most colossal offensive by one group of powers against another group that has ever been seen; and that, in fact, the activities of Japan in China can only be seen in their right perspective if they are regarded, like the activities of Germany and Italy in Spain, as part of a great attack by the militarist countries upon the democratic countries." When present events are seen in such light, they begin to have significance for situations from which they seem now to be far removed. It may then induce efforts which will go farther than the pre-



United Features
THE THREE MUSKETEERS

servation of a temporary equilibrium and the maintenance of an illusory peace in undisturbed areas.

In the meantime, whatever the powers may or may not do, Chinese resistance will go on. Madame Chiang Kai-shek expressed the sentiment of the whole Chinese nation when she said: "China is fighting for her hearths, her homes, her honor. She is not afraid. Japan may be a fighting machine, but China has found her soul. China will defend her people and her rights." Already tens of thousands have died and whole cities have been reduced to ruins. Horrors and destruction of a worse kind may yet await us which will shock the whole human race. But let us hope that out of evil good may come. Let us hope that these terrible events will mark the beginning of the downfall of a maddened imperialism which is so sick within itself that it has to commit suicide by attempting the impossible. Let us hold on to the conviction that, in spite of all appearances to the contrary, right will never make right.

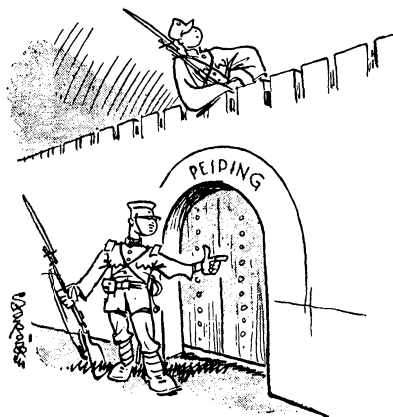
Chiang Kai-Shek's Policy

CHIANG KAI-SHEK'S foreign policy since the Manchurian occupation, a policy supported by Kuomintang and government authorities, has been one of patient conciliation. Time, time, was needed, for internal unity, for financial reforms, for social and economic improvement, for strengthening of government administration, for military preparation. Chiang undoubtedly saw war coming but he hoped to keep it off as long as possible. His ringing speech at Kuling on July 19, (for text see appendix) praised for its courage, was not new to those who know him. He only made explicit what has been implicit in his previous declarations and actions.

Chiang declared that China was ready to defend her territory against further invasion, and that once war began China would not turn back. He proposed that both sides withdraw their troops to the original positions held before the Lukouchiao incident and that direct negotiations be opened between Nanking and Tokyo for settlement of this and other difficulties. But if Japan should continue to move troops and attack, China would defend herself. China would negotiate upon four conditions which seem eminently fair to all Chinese:

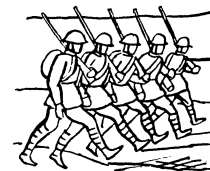
1. Any kind of settlement must not infringe upon the territorial integrity and sovereign rights of China.
2. There must not be any illegal alterations in the status of the Hopei-Chahar Council, fixed by the Central Government.
3. The Central Government will not agree to the removal by outside pressure of local officials it has appointed.
4. The Central Government will not allow any restrictions to be placed upon the movements of the 19th Army.

This statement should be put alongside Chiang's widely quoted words on November 10, 1935, before the Fifth National Congress of Kuomintang, "As far as I am concerned I will not evade my responsibility. We shall not forsake peace until there is no hope for peace. We shall not talk of sacrifice until we are driven to the last extremity, which makes sacrifice inevitable. The sacrifice of an individual is insignificant, but the sacrifice of a nation is a mighty thing. For the life of the individual is finite, while the life of the nation is eternity."



Sapajou in the North China Daily News

*Knock! Knock!
Who's There?
Japanese!
Japanese What?
Japan—Is—Friendly!*



Japan's Continental Policy

By Frank W. Price

Translator of Sun Yat-sen San Min Chu I

JAPAN'S modern diplomacy with China alternates between two policies—the mailed fist and the friendly handshake. The first serious conflict between the two nations was the Sino-Japanese War of 1894-1895 in which China was hopelessly defeated. Japan took possession of Formosa and forced China to recognize Korea as an independent state under Japanese tutelage.

A friendly period followed, until the time of the Boxer uprising in 1900, after which Japan made huge demands for indemnities and special privileges along with other powers. Japan's war with Russia in 1905 and the terms of the peace treaty revealed Japanese designs upon the continent of Asia. A foothold was won in Manchuria. The annexation of Korea in 1908, contrary to previous promises by Japan, was much resented in China. But for many years there was no serious friction. During the last stage of the Manchu regime and the beginnings of the new Republic Dr. Sun Yat-sen won many friends and supporters in Japan and liberal sentiment among educated Japanese was sympathetic to the Chinese Revolution.

Then suddenly in 1915 the Japanese Government presented the famous or rather infamous "Twenty-One Demands" to the strug-

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gling new republic. Yuan Shih-kai is denounced as a traitor today because he capitulated to many of the demands, and if he had conceded all that Japan asked, China would now be in the position of Korea. The Japanese leaders, however, were sensitive to critical world opinion and a period of goodwill followed. After the Great War Tsingtau was returned to China, and in 1922 Japan even signed the Nine Power Treaty agreeing to recognize China as an equal, to respect China's independence and to give that country "the freest and most unembarrassed opportunity" to work out her own destiny free from outside interference and pressure. The student movements which were to play so large a part in arousing the people of China to dangers from without arose about this time. In 1924 Dr. Sun Yat-sen enunciated his Three Principles including the principle of nationalism. Waves of anti-Japanese feeling caused by threats of danger from Japan were followed by periods when adjustment of relations between the neighboring countries seemed exceedingly hopeful.

But Japanese pressure in Manchuria was steadily increasing. In the autumn of 1928 I visited the Three Eastern Provinces and was impressed with the large measure of Japanese influence there as compared with the rest of China and with the rising tide of nationalist feeling especially among professors and students in colleges and middle schools. A few months later, in a conversation with Dr. C. T. Wang, then Minister of Foreign Affairs, I asked what was the outlook for Sino-Japanese relations. "We have hopes of adjusting problems in Shantung and the tariff question," he replied. "What about Manchuria?" I asked again. "We cannot touch the question of Manchuria now; that would mean war," was his serious answer. Manchuria was already cradle of conflict.

THE LOSS OF MANCHURIA

Friction in Manchuria between Chinese and Japanese was increasing, and a peaceful settlement was made more difficult by the tenuous relationship between the new Nanking government and Chinese officials at Mukden. But China was achieving some diplomatic success when suddenly, on September 18, 1931, a day which every school child in China knows as the darkest day in the history of modern China, the Japanese army started upon its military conquest of the Three Eastern Provinces. The story since that time is more familiar. The armies of the young Marshall Chang Hsueh-

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liang withdrew before the Japanese advance, ("See what effect non-resistance had upon Japan!" say the youth of China today) and in a few months "Manchukuo," a puppet state, supposedly the creation of the people but in reality engineered by Japan and under Japanese control, was an accomplished fact. China appealed to the League of Nations and received moral support in the Report of the Lytton Commission and in the League's verdict against Japan. But Japan only withdrew from the League and began to look south of the Great Wall.

The feeling aroused by the occupation of Manchuria inevitably led to occasional "incidents" which the Japanese army was already to magnify and make a pretext for further extension of their power. The undeclared Shanghai war in the early part of 1932 caused property damage in the Chinese city estimated at more than \$300,000,000 and cost over 120,000 lives. The unexpectedly strong resistance of the Nineteenth Route Army and International opposition thwarted Japan's designs in a measure, yet the Japanese secured a foothold in Hongkew and the northern section of Shanghai which they have since used to great military advantage. A truce was signed according to which Chinese troops withdrew but China claims that Japan has violated the truce again and again by making Hongkew a base for unwarranted military maneuvers and preparations and by securing the protection of the International Settlement where the Chinese government could not interfere.

JAPAN PENETRATES NORTH CHINA

In the spring of 1933 Japan succeeded in seizing Jehol Province southwest of Manchuria upon grounds of defense and Jehol has since served as a base for expeditions within the Great Wall. Indignation in China was now rising to fever pitch and other nations were beginning to show more concern. Japan's answer was the Tangku Truce, mentioned frequently in July dispatches from north China. According to the terms of this agreement, signed on May 31, 1933, Chinese troops were to withdraw west and south of a designated line drawn through the northern part of Hopei province and north of Peiping. Beyond the line Chinese could station police but could not keep an army. The Japanese army agreed to withdraw to the Great Wall but was given the right to supervise the Chinese withdrawal, by aeroplanes and other means. They have been superintending the withdrawal ever since!

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The Tangku Truce gave the Chinese hope that Japan's aggressions in north China were at an end. Even the well-known intellectual leader, Dr. Hu Shih, defended the Truce as a welcome breathing space, and urged his fellow-countrymen to turn their attention to internal reconstruction. The Truce also served to allay temporarily the suspicions and fears of interested powers with regard to Japan's imperialistic designs.

There followed a great demonstration of friendship for China. Mr. Hirota, Japanese Minister of Foreign Affairs, made speeches welcoming the adjustment of fundamental differences between the two countries. Much was said about "economic co-operation." The Nanking Government issued a "Goodwill Mandate" in June, 1933, strictly forbidding any provocative acts against foreign peoples in China, and declaring that "the cultivation of goodwill with our neighbors is of prime importance."

BOGUS EAST HOPEI REGIME

Like a thunderbolt out of a clear, calm sky came a new set of stiff demands following certain instigated incidents and "autonomist demonstrations" in Tientsin and other cities. The result was the formation of another bogus regime, the "East Hopei Autonomous Council" with headquarters at Tungchow, fifteen miles east of Peiping, under Japanese influence. A Japanese-sponsored protectorate was also organized in north Chahar. It was at Tungchow that the supposedly pro-Japanese Chinese troops mutinied and massacred the Japanese and Korean community. These areas of Japanese control were made a justification for increase of troops all out of proportion to treaty limits and an excuse for frequent army maneuvers.

Moreover, the Japanese flag in these areas and at other places even down into Shantung province, has given protection to an enormous amount of smuggling and to a thriving drug traffic. The narcotic trade has become a widespread and terrible evil in north China, sapping the life and energy of the people. In the Japanese Concession at Tientsin last year I counted over forty tables on one street where opium-smoking and drug-taking paraphernalia were openly sold. I secured the names of 134 shops in the Japanese concession, under euphemistic names, where narcotics and injections were sold. The price was very cheap, often free, for the first injections, until the habit was formed. There were 800,000 drug addicts

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in the Tientsin area. Doped cigarettes were sold through the villages under Japanese influence. The Chinese made protests in vain.

In the settlement of the new crisis further concessions were made by China, so the Japanese army claims. Again Japan insisted on dealing with the local authorities instead of the Nanking Government and the result was what is known as the Ho-Umetsu Agreement—in reality only a letter from General Ho Yin-ching to the Japanese general which has never been published and which the Central Government has never ratified. A similar agreement was reached in Chahar Province north of Peiping where Japanese pressure was also increasing.

Japan's strategy has been to work through local officials or political organizations more or less obedient to her dictates, and thus avoid a direct issue with the Nanking Government and also, if possible, the expense and world opprobrium of an open military campaign. In the summer of 1935 North China came further under Japanese domination when all Nanking troops were ordered to withdraw from Hopei, and political organs of the Central Government—the Peiping Branch Military Council, Political Readjustment Council and district headquarters and branches of the Kuomintang Political Party—were all forced to close. In their place was organized the Hopei-Chahar Political Council which for two years held a key position in the struggle for Peiping. General Sung Cheh-yuan, a soldier with limited school education but a good deal of blunt common sense, was Chairman of the Council, and concurrently Chairman of the Hopei Provincial Government and Commander of the 29th Army, his own army.

It is easy to imagine the difficulty of General Sung's position. Japanese generals and officials in North China undoubtedly believed that they could make him their tool. But Sung showed that he had a mind of his own and refused to be brow-beaten. Many of his officers and soldiers were loyal patriots. Yet Sung could not be openly defiant without starting serious trouble and he had to keep the Japanese in good humour. Nanking's armies were far away and the Central Government was not in a position to give him open and direct support. At times strong pressure came from intellectual leaders, professors and students in North China to resist Japanese demands. Sung was forced against his will to restrict student patriotic movements. But for two years he was able to steer between a break with Japan and a break with his own people.

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The Nanking government recognized the new political set-up in North China and defined its powers in an *ex post facto* mandate but was able to exert only nominal control over the Council, a most unsatisfactory situation from the Chinese point of view. Sung had to play the role of an opportunist. On several occasions he did declare that he must refer all questions of foreign policy and all negotiations on fundamental issues to Nanking. In recent months relations between him and the Central Government definitely improved. Yet strangely the Japanese thought that they could count on his obedience. Their final disappointment in him was all the more keen. When I visited Peiping in the spring of 1936 and again this April I found that a majority of Chinese there had confidence in Sung's patriotism and believed that he would resist if Japanese pressure became too severe and if he were assured of military support by Nanking. Later events justified this confidence.

General Chiang Kai-shek often declared that the Central Government would not recognize any agreements made in North China without Nanking's approval. The difficulty was that agreements were sometimes made secretly and not known until months later, verbal assent was given on occasions under duress which the Chinese claimed was not binding and the Japanese declared had the force of a written treaty, and Japan's Kwantung or Continental Army not only greatly exaggerated its privileges under treaties and agreements but even assumed all kinds of important diplomatic functions in dealing with local leaders.

A LULL BEFORE THE STORM

Peiping was quieter and less tense in the spring of 1927 than it was a year ago. I noticed fewer Japanese soldiers, business was reviving, the tourist trade was the best in years, and there was an atmosphere of greater freedom in the schools which previously had suffered from direct or indirect Japanese interference. Educational leaders were more hopeful and there was more confidence in the foreign policy of the Central Government. Nanking's stiff attitude in the long drawn out effort at negotiations with Japan aroused much enthusiasm, and there was a new feeling that North China would not be abandoned without a struggle. Peiping had shared in the general dismay over the kidnapping of the Generalissimo and also in the national rejoicing when he was released. A unified nation was becoming a reality. The May, 1937, issue of

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"Democracy," a new periodical in Peiping, carried these words, "Once more we are on the crest of another high wave of professed Japanese friendship and goodwill. At the time of this writing an imposing economic mission of leading Japanese businessmen and industrialists is arriving from Japan to promote Sino-Japanese economic co-operation. Japanese business men in Shanghai are significantly urging a change of tactics and are advocating that China be treated on a basis of 'equality and reciprocity.'" Japan's official new agency, Domei, reported on March 8, 1937, "Mr. Sato (Foreign Minister) recognizes the necessity of amending the method of carrying on negotiations with China in the past. In the future Japan will deal with China as an equal, listening patiently to her contentions. Efforts will be strained to make China understand what Japan desires, and to point out in a brotherly way the consequences China would meet if she failed to accept Japan's counsel."

AGAIN THE MAILED FIST

The consequences China would meet! The friendly hand has been withdrawn and the mailed fist has come down once more. This brief sketch of Sino-Japanese relations should be sufficient to show that Japan does undoubtedly have a policy of expansion on Chinese territory and that when she is ready to carry out a certain stage in her plan pretexts for troop movements are not difficult to find. The Lukouchiao incident was the match to the dynamite but another incident in another place would have served the purpose.* Word received from Peiping the latter part of June, 1937, indicates that Chinese officials had felt a tightening of Japanese screws for some time.

Two facts stand out. One is the very evident purpose of Japan, at least of her army, to exert both economic and political control over North China. The other fact is China's determination now to resist further aggression. If Japan cannot win her point by intimidation of local officials or through political agencies under her control she will fight. Her army fights and then her government rationalizes the invasion or aggression and justifies it with all its costs on the ground that nationals and national interests on the continent must be protected. The Chinese consider their armed resistance, a result of Japanese provocations; the Japanese call Chinese resistance a provocation to Japan!

* See China's Statement to League of Nations reprinted in the Appendix.

Economic Clues to the Sino-Japanese Conflict

By Harry B. Price

Professor of Economics at Yenching University

ECONOMIC factors, of course, furnish only a part of the historical network of influences from which the present crisis has emerged. A study of economic "causes" needs to be supplemented by an analysis of important political and social factors in order to achieve anything like a comprehensive understanding of the converging forces that have led up to the China invasion of 1937. The present discussion, however, will be limited mainly to economic aspects of the question. The aim will be to explain rather than to condemn the basic pressures which have helped to direct Japan into a policy of imperialistic expansion, although at the end the suggestion will be made that from her own standpoint an economically sounder course than military aggression was open to her—even as late as June, 1937—had her statesmen been able and willing to take it.

The economic influences that have helped to turn Japan from a policy of isolation to one of imperialistic expansion had their origin with the beginnings of modernization in the island empire.

Commodore Perry anchored in Yokohama Bay on July 8, 1853. A treaty with the United States the next year marked the first important breach in Japan's economic isolation. Treaties with other powers soon followed, ushering in a period of in-

tense internal struggle at the end of which the policy of seclusion was definitely abandoned. About 1870, Japan's era of rapid economic modernization began.

The urge to modernization, no doubt, lay partly in a desire to avoid domination by the Western powers. Japanese political leaders resented the early unequal treaties that were forced upon them, treaties which limited their tariff autonomy and their court jurisdiction over foreigners on their soil. They determined to avoid at all costs the further inroads, territorial and administrative, by which Western powers were reducing China to a semi-colonial status. The best way to avoid foreign domination seemed to be to learn as rapidly as possible the ways of the Western world. There followed a period of intensive reorganization, in which the help of foreign advisers was secured, extending through political structure, military and naval systems, communications, laws, education, and methods of manufacture and business conduct.

Following initial successes along these lines and in response to economic influences which we shall presently cite, Japan in 1894, again following Western precedents, entered upon a program of imperialistic expansion which during the forty-three years that have intervened, has remained a continuous

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undercurrent of her foreign policy. Following the Sino-Japanese war, Formosa and the Pescadores were ceded by China to Japan, and the independence of Korea was recognized. A conflict of interests with Russia and other powers following this settlement led up to the Russo-Japanese war of 1904-5. Another victory brought new gains and attested both to the internal weakness of Czarist Russia and the extent, even at that time, of Japan's modernization. Japan was now in complete control in Korea and established in south Manchuria. A new phase in her expansion was inaugurated during the World War. Although her gains fell far short of those envisaged by the Twenty One Demands and she was forced to accede to the pressure from other powers at the Washington Conference in 1922, this marked, as subsequent events have only too clearly shown, only a temporary recession from the policy of expansion. Developments since 1931 are familiar, and the scope of Japanese ambitions is reflected in her present mainland operations.

Underlying this expansionist policy have been economic problems which, ironically, have grown more rather than less acute with Japan's modernization and development into a world power. What follows is an attempt to suggest very briefly the nature of these problems, for which the present rulers of Japan seek a solution through conquest.

THE basic problem of population pressure is sometimes stated in a mistaken form by both Japanese apologists and popular writers of other countries. Any claims to the effect that new territory is needed as an outlet, through emigration, for

Japan's growing population is of course discredited when one reflects on the small dimensions which such emigration has assumed in Formosa, Korea, and Manchuria up to the present time. Nevertheless, population pressure is very real and increasingly serious from the standpoint of the general standard of living in Japan.

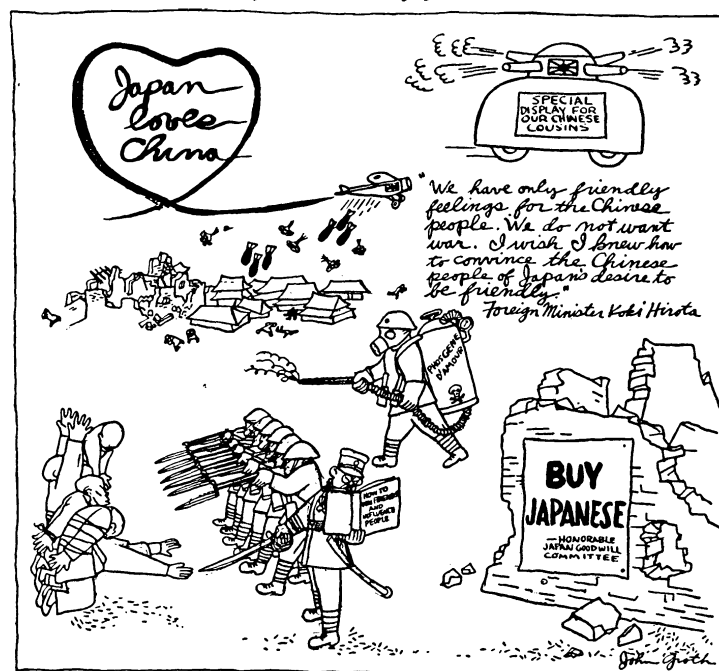
Without modernization and industrial and commercial expansion, Japan could maintain its population with difficulty. The standard of living would be that of a densely crowded rural country with little surplus for use in purchasing other than the minimum requirements of life. Industrial and commercial development appeared to offer the most promising road to increased employment, production, and purchasing power for the Japanese people. With progress along these lines, the population has grown, and with it the problem of maintaining and raising further the general standard of living.

In Japan, as in China, the problem of bettering living standards is particularly acute because of the number of people who must be supported upon limited resources. Nearly 70 million people must live upon the slender strip of islands which are so mountainous that only one-sixth of the land is really suitable for agricultural production. So dense is the population that, according to an estimate of the Foreign Policy Association, 2800 people must live off each square mile of farm land. Each year, as the population increases by roughly a million people, the pressure of numbers against resources have grown more severe.

As a means to raising the living standards of her people, Japan has turned to *industrialization*. This trend has been encouraged by ener-

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Behind the Enemy Lines—by John Groth



The Nation

getic financiers and statesmen. But industrialization has brought its own problems. The first and most obvious is that of *raw materials*. It has been estimated that the furnaces of the United States would use up all the iron reserves of Japan in six months, that in a single day the United States produces more oil than Japan produces in a year, that the coal reserves of the Japanese islands are only 1/275 of those existing in this country. Of course America is exceptionally endowed with essential raw materials, but the comparison serves at least to show the initial handicap imposed upon Japan in any

serious program of industrialization. Even cotton and wool must be imported in large quantity for her textile factories, while foodstuffs, the most essential of all raw materials, have been imported in increasing quantity as the proportion of people engaged in industry grew.

In order to secure the foreign exchange necessary for the purchase of raw materials, Japan has sought by every means at her disposal to increase her *export trade*. Cotton piece goods, raw silk, toys, vegetable oils, electric light bulbs and a multitude of other commodities have been shipped abroad in increasing quantity,

ECONOMIC CLUES TO THE SINO-JAPANESE CONFLICT

rising, during 1931-34 to levels which drew the attention of the leading industrial nations. The export of cotton goods alone nearly doubled during the period 1931 to 1934.

Despite this notable trade expansion, Japan has found great difficulty in making her exports balance her imports. The standard of living of her industrial workers has on the whole declined, and the agricultural population has fared even less well. Large as it was, the export trade was not sufficient to provide for Japan's growing needs.

Beginning about 1935, the export trade showed signs of levelling off, and the nation experienced increasing difficulty in marketing her goods on account of rising tariffs abroad. In this difficult situation the attention of the rulers of Japan was focussed upon China, where lay a market of 400 million people. Even there serious difficulties existed. There was mounting resentment and recurrent boycotting of Japanese goods. The purchasing power of the masses was low. The position of Western nations made invasion more precarious. Yet the rulers believed that by getting control of China and greatly reducing the influence of Western powers in east Asia, she could overcome these difficulties, and thereby "command the resources and markets of China"—laying for herself the economic foundations of future greatness.

THESE, then, have been the basic economic problems of Japan: maintaining and raising the standard of living of her growing population, procuring the raw materials necessary to her program of industrial development, and increas-

ing her exports to the extent needed in order to balance her internal growth and development. In the effort to solve these problems, the rulers of the nation have committed themselves to the capitalist methods which they learned from the West. Their gains have brought them increasingly into conflict with the interests of other powers and this has led them to bolster their position by a staggering program of armaments.

In 1930-31, Japanese expenditures 470 million yen. For 1937-38, even before the special appropriations that have followed the outbreak of hostilities, the budget for military expenditures was about 1,400 million yen, or 240 per cent higher than in for armaments were approximately the year before the Manchurian invasion. This has been the principal reason for a fourth major problem in Japan's economy, that of the *national budget*. Japan has for practical purposes been on a war footing since 1931. Her national tax revenue during this period has only increased from about 830 million yen to about 1,300 million. While tax revenue has increased by about 55 per cent, to a point that is very burdensome on the people, national expenditure during the same period increased nearly 90 per cent. The national debt, in the meantime, has risen to nearly 11 billion yen.

These problems led to a situation that has been increasingly acute since 1935. Foreign trade, which had become a main artery of Japanese economic life, showed signs of lagging. The unfavorable balance of trade grew alarmingly. Unemployment increased and agricultural distress became more marked. The mounting burdens of government have been reflected in increasing political unrest.

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And so it was that during 1936 and the early months of 1937 Japanese policy wavered. Should the nation embark upon a new period of expansion upon the mainland of Asia? Deep differences of opinion existed, but the military leaders and their allies in government and business carried the day.

The decision is one which, from the standpoint of Japanese interests alone, will cost the nation dearly. Had she chosen the course of peace-

ful and friendly cooperation with her neighbors, signing the non-aggression pact offered to her by Russia in 1934 and dealing with China on a basis of equality and reciprocity, the increased trade with these countries alone would have done much to avert the political and economic crisis that preceded the outbreak of hostilities this year. Even as late as June 1937 that course was still open, had her statesmen chosen to take it. It was closed by the events of July.



L U K O U C H I A O i n H I S T O R Y

THE town of Lukouchiao, scene of the midnight clash between Chinese and Japanese soldiers on July 7, 1937, has seen bloodshed many times before in its long history. One hundred and twenty-two years ago it was the scene of warfare, which led to the capture of Peking by the Mongols and the beginning of the Yuan Dynasty in 1215 A.D.

Near it is the famous Reed Ditch Bridge, better known as Marco Polo Bridge, over the Yung-ting Ho (Everlasting-Settled-and-Peaceful River). Marco Polo was the first tourist to mention the bridge in his writings, having crossed it in the 13th century. The bridge took five years to build and was completed in 1194. It has eleven arches, with some two hundred and eighty carved lions on its columns and balustrade. Two pavilions were erected at each end by the Emperors K'ang Hsi and Ch'ien Lung respectively, and the marble tablets standing in them record the history of the bridge.

Lukouchiao is included as one of the famous "Eight Views of Peking" chosen by the Chinese. It is called Lu Kou Ch'iao Hsiao Yueh, meaning the reflection of the moon at dawn on the bridge at Lu Kou Ch'iao, the shadow cast by a pagoda on the bridge. This pagoda, the Kuo Chieh Ta (Crossing-the-Road Pagoda) was erected in 1346 by the Mongol Emperor, Chih Cheng, at the west end of the bridge.

Economic Boycott of Japan

By Freda Utley

Author of "Japan's Feet of Clay" in *The Nation*

IN SEVERAL quarters a boycott is being suggested as a technique to check Japanese aggression in China. The effectiveness of such a boycott is readily apparent, for Japan is economically even more vulnerable than Italy. Moreover, while Italy entered upon its conquest of Ethiopia after more than a decade of peace, Japan is attempting to conquer China with its reserves already exhausted by the effort of holding down the 30,000,000 people of Manchuria and fortifying that puppet state against the U. S. S. R. And, finally, the conquest of a united China determined on resistance at whatever cost is a far stiffer proposition than the conquest of Ethiopia.

In the first six months of 1937 Japan had an adverse trade balance larger than the total for the earthquake year of 1924 and almost as large as the total adverse balance for 1936. Even before the war began, exports were covering only two-thirds of imports. Japan lacks the foreign investments necessary to cover its trade deficit and has accordingly been forced to export its scanty gold reserves.

Japan's great import excess in 1936 and 1937 is due not only to the large amount of metals and machinery necessary for its armament program, but also to the dwindling of the advantage it has derived since 1932 from extremely low labor costs in a period of cheap raw materials. As the prices of cotton and wool rose on the world market, the ratio of raw-material cost to the total cost of production rose along with it, while that of labor cost fell. Consequently Japan's export of textiles started to decline ever since. Japan is finding it increasingly difficult to undercut its competitors.

The British Empire takes 28 per cent of Japanese exports and supplies 31 per cent of its imports. The United States (without the Philippines) takes 22 per cent and supplies 32 per cent. Thus the

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Glavin NARS, Date 12-18-75

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British Empire and the United States combined take half of Japan's exports and supply 63 per cent of its needs. Moreover, the United States takes 85 per cent of Japan's raw-silk export, which is the only Japanese export not dependent on imported supplies of raw materials. Japan's whole social structure, in fact, is dependent on the American silk market.

Japan is vitally dependent on imports of oil from the United States and the Dutch East Indies, and of iron and scrap from India, Malaya, and Australia. Even with imported ore the output of pig iron in the Japanese Empire, including Manchuria, at its peak figure in 1936 was only 2.9 million tons as against Britain's 8 million and Germany's 15 million. Japan's steel production is little more than double Luxemburg's; together with that of Manchuria its output in 1936 came to only 5½ million tons as against Britain's 11.8 million and Germany's 19 million. Its coal consumption is only a fifth of Britain's. Japan's heavy industry is not developed proportionately to its light industry. Japan cannot even make its own automobiles and is dependent on the West for many kinds of machinery.

A vital weakness for Japan in war is its primitive system of land cultivation. The productivity per acre is high, but the productivity per man is excessively low since not even animal power is used in cultivation and machinery is almost unknown. The labor of one peasant family produces only enough rice to feed itself and two other families even at the low average rate of consumption in peace time. Hence the transfer of large numbers of men to the army, and of women to the munition factories, is bound to cause a steep fall in production at the very time when tens of thousands of soldiers have to be provided with a more substantial diet than they existed on as peasants.

WEAK FINANCIAL POSITION

Japan has never fought a real war without financial assistance from the West. Today its financial position is worse than it has ever been, and at the end of last year it had already started down the slippery slope of inflation. Wholesale prices last April were nearly double what they had been in December, 1931, before the gold standard was abandoned, although money wages have declined. Metals had risen 76 per cent since 1936, textiles and fuel 25 per cent, and retail prices 30 per cent. The hardship of this

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caused the number of strikes in the first four months of this year to reach the highest figure on record. The difference in the extent to which wholesale and retail prices have risen is a measure of the difficulties of the small shopkeepers and artisans.

The rise in the cost of living, which was proceeding at an accelerated pace even before the war began, is mainly due to Japan's long series of unbalanced budgets. Ever since the Manchurian "affair" the deficit covered by loan issues has been mounting, and according to official estimates for the current year, national expenditure was expected to reach 2,872 million yen as against an ordinary revenue of little more than 1,500 million. Fresh loans were to provide 965 million, and taxation 1,313 million. The new appropriations for the war on China bring the total expenditure up to nearly 5,500 million. The estimated revenue from taxation, state monopolies, and the like now covers less than a third of expenditure. Moreover, the war expenditures are estimated for a war of short duration.

The significance of the 5½-billion-yen state expenditure can be appreciated if one notes that the estimated national income (according to the Mitsubishi Economic Research Bureau) was only 13 billion in 1936, and that the national debt was already 11 billion at the end of last year. The per capita income in Japan is less than 200 yen a year (about \$56.50 in American money), of which the state now claims 40 per cent.

THE DISCONTENTED MIDDLE CLASS

Socially Japan is as unstable as it is economically. Nearly half the population is on the land, and the large majority of the peasantry pay half or more of the rice harvest as rent in kind to a million parasitic landowners, who contribute neither seed, nor fertilizer, nor capital. These peasants who in theory own their own land are equally burdened by the high rates of interest they have to pay to usurers; practically none of them are free from debt. The consequence of the survival of such feudal social and economic relationships is an extremely narrow home market and a desperately poor peasantry, unable to accumulate capital even when prices rise, and therefore unable to modernize its methods of cultivation. This in turn has led to a lopsided industrial development; only the export industries, such as textiles, and the armament industries, relying on state orders, are conducted on a large scale with up-to-date

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By Milton D. Gustafson NARS, Date 12-18-75

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technique. Below them are an enormous number of tiny enterprises in which a master and a few apprentices and "journeymen" produce by hand or with a minimum of mechanical power.

The enormous lower middle class of petty landowners, usurers, small industrialists, traders, artisans, and craftsmen is extremely poor and full of hatred for the monopolists of trade and industry who control raw materials, credit, and foreign trade. Interest rates are so high and the home market is so narrow that there is no possibility of the small man's expanding his business and becoming a prosperous capitalist. There is no substantial investing middle class, capital being centralized to an extraordinary degree in the hands of the giant family business houses—the Mitsui, Mitsubishi, Sumitomo, Yasuda, and others. Although all incomes above 1,200 yen (\$600 at par) a year are taxable, there were only 569,046 income taxpayers in 1931, and only 20,524 who reported incomes of \$5,000 or more. The average was about \$800. Yet there were twenty men drawing between \$300,000 and \$1,500,000. Only 730,000 tradesmen paid the business-profits tax, which is levied on all businesses making a net profit of \$200 or more a year.

Such centralization of capital, although it makes the mobilization of national income for war easier than in countries with large middle class, renders Japan's social system peculiarly unstable in a crisis. The bitter hatred of the peasant for the landowner and the usurer—who is in fact the agent of the banks—and of the small trader and industrialist for the plutocrats constitutes a veritable volcano, the eruption of which Japan's ruling classes seek to prevent by wars and chauvinist propaganda.

These social discontents have been canalized into support of aggression since 1931, and revolt has been staved off by false hopes of prosperity for all through easy conquest. But what will happen when conquest is no longer easy, and the strain of a long war becomes intolerable to a people which has been drawing its belt tighter and tighter? Manchuria has provided nothing but additional burdens for the mass of the people. Nor would the annexation of North China, which the Japanese expected to accomplish without a real war, have given any relief to the peasants or the lower middle classes. A poisoned man cannot be cured by stuffing him with food, and Japan's social structure is too diseased for new colonies to cure its ills. Manchuria has plenty of empty land awaiting colonization, but only a few hundred Japanese peasants have gone there. The

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capital to finance emigration is not forthcoming and will never be available as long as Japan is ruled by plutocrats and a military, land-owning class.

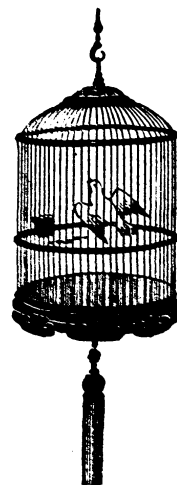
Of course China too has its agrarian problem, and there are elements in that country which fear agrarian revolution more than they do a Japanese conquest. The Chinese bankers might be inclined to seize any chance of peace before they lose their wealth, even if this meant surrender of the national interest. The danger is that Britain, concerned only with saving its investments in China before Japan has ruined the country, and nervous about the effect on Japan of a long war, will bring pressure to bear on the Chinese government to surrender although its armies remain undefeated. It is certain, however, that the overwhelming majority of the Chinese people are determined to fight to the bitter end. The Chinese armies are showing extraordinary courage and tenacity at Shanghai, and a boycott of Japanese goods by the United States and Great Britain would almost certainly tip the scales in favor of China. Britain under its present government will never on its own initiative bring economic pressure to bear on Japan. It desires to see the ruling class of Japan survive, and it expects to secure its investments by bargaining with the Japanese and by bringing pressure on China to cede the five northern provinces to Japan.

If the United States is not interested in saving China for moral or ideological reasons, it may be influenced by the fact that one of the main ambitions of Japan in North China is to develop it into a great cotton-growing area and thus become free of the need to import American cotton. Surely the permanent interests of American cotton growers are worth a few week's boycott of Japanese silk. American interests in China, moreover, while not comparable to Britain's in the sphere of investments, are not negligible in the sphere of trade.

Japan was far stronger financially in 1922 than it is now, yet the United States and Britain then were easily able to force it to disgorge its conquests in China. There is no more reason now than there was then to fear that political or economic pressure on Japan would involve the United States or Great Britain in a war. The very hint of Anglo-American cooperation to put economic pressure on Japan would stop the war. The United States was able to bring British policy into line with its own in 1922. Can it not do so in 1937?

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Captive Peiping

By Lin Yutang

Author of "My Country and My People" in
New York Times Magazine

PEIPING is to Nanking as Kyoto is to Tokyo. Both Peiping and Kyoto are ancient capitals, around which hang an aroma and mystery and historic charm which the younger capitals, Nanking and Tokyo, cannot possibly have. Nanking and Tokyo stand for the modern age, for progress, industrialism and nationalism, while Peiping stands for the soul of old China, cultured and placid; for the good life and good living, and for an arrangement of life in which the maximum comforts of civilization are brought into a perfect, harmonious relationship with the maximum beauty of the rural life.

That is why, if you ask a Chinese who knows both Nanking and Peiping, which one is closer to his heart, there is no question that Peiping will be the choice. That is also why a man—let him be Chinese, Japanese or European—who has lived in Peiping for a year wouldn't want to live in any other city in China. For Peiping is one of the

jewel cities of the world. Except Paris and (by hearsay) Vienna, there is no city in the world that is quite so nearly ideal, in regard to nature, culture, charm and mode of living, as Peiping.

I am not discussing here the right and wrong of Japanese occupation of Peiping, or questions of "provocations," "self-defense," "stabilization of the Far East," or the general righteousness and love of peace of the Japanese Army. Every time the Japanese rain bombs and machine-gun bullets along with handbills protesting their affection for their "beloved friends," the Chinese people—the warlike Chinese—become unaccountably less and less inclined to conversation and wish less and less the "stabilization of the Far East." But you seldom hear China talking of "self-defense," because China's army isn't strong enough to punch Japan in the jaw. When she can do that, you may be quite sure that China will bomb Kyoto's civilian population just to defend herself and regard the presence of Japanese

CAPTIVE PEIPING

troops in Tokyo as a threat to peace in the Far East! As it is, the 1,300,000 lives of Chinese residents in Peiping just don't have to be protected. So we will not discuss that now.

Peiping is like a grand old person, with a grand old personality. For cities are like persons, with their different personalities. Some are mean and provincial, curious and inquisitive; others are generous, magnanimous, big-hearted and cosmopolitan. Peiping is magnanimous. Peiping is big. She harbors the old and the modern, being unmoved herself.

Modern young misses in high-heeled shoes brush shoulders with Manchu ladies on wooden soles, and Peiping doesn't care. Old painters with white, magnificent long beards live across the yard from young college students in their "public hostels," (kungyu), and Peiping doesn't care. Packards and Buicks compete with rickshas and mule carts and caravans, and Peiping doesn't care.

Behind the towering Grand Hotel de Pekin is an alley where life proceeds as it has been doing for the last thousand years—who cares? A stone's throw from the magnificent Union Medical College, financed by the Rockefeller Foundation, are ancient curio shops with ancient curio dealers smoking their waterpipes and doing business in their ancient ways—who cares? Dress your own style, pick your own restaurant, pursue your own hobby, follow love and beauty and truth, and practice shuttlecocks or violins—who cares?

Peiping is like a grand old tree, whose roots stretch deep into the earth and draw sustenance from it. Living under its shade and subsisting upon its trunk and branches are millions of insects. How are the in-

sects to know how big the tree is, how it grows, how far it reaches into the ground, and who are the insects living across on the other branch of the tree? How can a Peiping resident describe Peiping, so old and so grand?

One never feels that one knows Peiping. After living there for ten years, one discovers in an alley an old crank, and regrets not having met him earlier; or a lovely old gentleman-painter with a big, bare belly sitting on a bamboo chair under a big locust tree, fanning himself with a palm-leaf fan and dreaming his hours away; or an old shuttlecock player who can make the shuttlecock travel inch by inch on his head and drop flat on the sole of his shoe at the back; or a society of sword fencers, or a children's school of dramatics, or a ricksha coolie who turns out to be a member of a Manchu princely family or a former magistrate of imperial times. How dare one say that one knows Peiping? Peiping is a jewel city, a jewel city such as the eyes of man have not seen before. It is a jewel city of golden and purple and Prussian roofs, of palaces and pavilions and lakes and parks and princes' gardens. It is a jewel set with the purple sides of Western Hills and the blue girdle of the Jade Fountain stream and centuries-old pines looking down on human beings at the Central Park, the Temple of Heaven and the Temple of Agriculture. In the city are nine parks and three imperial lakes, known as the "Three Seas," now thrown open to the public. And Peiping has such a blue sky and such a beautiful moon, such rainy Summers, such cool, crisp Autumns and such dry, clear Winters!

PEIPING is like a king's dream, with its palaces, princes' gardens, hundred-foot boule-

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vards, art museums, colleges, universities, hospitals, temples, pagodas and streets of art shops and second-hand book shops. Peiping is like a gourmet's paradise. It has centuries-old restaurants, with old, smoky signboards and wonderful waiters with shaved heads and towels across their shoulders, whose courtesy is perfect, since they were trained in the tradition of the imperial times and catered to high mandarin officials. It is a place for the rich and poor, where every neighborhood shop extends credit to a poor old resident, where peddlers sell delicacies cheaply and where you can loll at a tea restaurant and kill an entire afternoon over a pot of tea.

Peiping is the shoppers' heaven, being rich in China's old handicrafts—books, prints, paintings, curios, embroidery, jade, cloisonnes, lanterns. It is a place where you can shop at home, for dealers come to your doors with their wares, and in the early morning the alleys are filled with the most charming musical cries of hawkers.

Peiping has quiet. It is a city of homes, where every house has a courtyard, and every courtyard has a jar of goldfish and a pomegranate tree, where vegetables are fresh, and pears are pears and persimmons are persimmons. It is the ideal city, where there is space for every one to breathe in, where rural quiet is finally matched with city comforts, where streets and alleys and canals are so arranged that one can find room for an orchard or a garden and glimpse the Western Hills while picking cabbage in the morning hours—a stone's throw from a big department store.

It has variety—variety of color, variety of atmosphere and variety of men. It has laws and breakers of laws, police and accomplices of

police, thieves and protectors of thieves, beggars and kings of beggars. It has saints, sinners, Mohammedans, Tibetan "devil-expellers," fortune tellers, boxers, monks, prostitutes, Russian and Chinese taxi dancers, Japanese and Korean smugglers, painters, philosophers, poets, collectors of curios, young college students and movie fans. It has political scoundrels, retired old magistrates, New Life followers, theologians, wives of former Manchu officials, now serving as maids.

It has color—color of the old and color of the new. It has the color of imperial grandeur, of historic age and of Mongolian plains. Mongolian and Chinese traders come with their camel caravans from Kalgan and Nankow and pass through its historic gates. It has miles upon miles of city walls, forty or fifty feet broad at the gates. It has gate towers and drum towers, which announce the evenings for the residents. It has temples, old gardens and pagodas, where every stone and every tree and every bridge have a history and a legend.

Of all the things that make Peiping the ideal city to live in, I would single out three: First, its architecture; second, its mode of living; and, third, its common people.

The city dates back to the twelfth century, but in its present form it was built by the great Ming Emperor Yunglo in the beginning of the fifteenth century—Yunglo was the Emperor who rebuilt the Great Wall—and it was conceived in true imperial grandeur. There is a southern city, slightly smaller than the northern city, and from the outermost southern gate of the southern city reaches inward a central axis five miles long, passing through succes-

CAPTIVE PEIPING

sive gates and leading up to the grand Throne Hall.

In the center of the northern city is the Forbidden City surrounded by moats and walls covered with golden-colored tiles and supported at the back by the Coal Hill, with its five pavilions with rainbow-colored roofs of glazed tile. Coal Hill affords a straight view down the central axis; near by is the Drum Tower. On the west and southwest side of the Forbidden City are the Three Seas, which were the private boating waters of the imperial family.

Parallel to the main axis are two broad avenues, Hatamen Street in the East City and Hsuanwumen Street in the West City, each about sixty feet wide, and joining them, running east and west before the Forbidden City, is the great Tienanmen Street, over a hundred feet wide. Out near the southern entrance of the outer city, on either side of the main axis are the Temple of Heaven and the Temple of Agriculture, where the Emperor used to pray for a good new year and a good harvest.

As the Chinese conception of architectural beauty is serenity, rather than sublimity, and as the palace roofs are of the low and broad, sweeping type, and as nobody other than the Emperor was allowed to have houses with more than one story, the total effect is one of tremendous spaciousness.

Following up this vision of a central thoroughfare, and passing through its successive arched gates, one comes gradually to the main massive tower of the Forbidden City, after which marble terraces gradually lead up to the central Throne Hall. All along, the tourist catches under the crystal-blue sky glimpses

of the palace roofs with their golden-colored glazed tiles.

But what makes Peiping so charming is the mode of life, organized so that one can have peace and quiet, while living close to a busy street. Living is cheap and life is enjoyable for all. While officials and rich men can dine in big restaurants, a poor rickshaw coolie can buy, with two coppers, a perfect assortment of oil, salt, pepper and vinegar for his cooking purposes, with a few leaves of some spicy plant to boot. No matter where one lives, one's house is never so far away that there aren't a butcher shop, a grocery store and a tea house in the near neighborhood.

And then, you are free, free to pursue your studies, your amusements, your hobbies, or your gambling and your politics. Nobody interferes and nobody cares a rap what you wear or what you do. Nobody asks questions. That is the bigness and cosmopolitanism of Peiping. You can associate with saints or sinners, gamblers or scholars, painters or crooked politicians. If you are imperially minded, you can loiter around the palace and the Throne Hall and imagine yourself an emperor for a morning or afternoon.

But if you are poetic, you can wander in any of the nine parks around the city and spend an afternoon at tea tables, sitting on bamboo chairs or inclining on rattan couches, beneath the pine trees, spending no more than 25 cents. And be sure you will not be insulted by the always cheerful and courteous waiters.

Or of a Summer afternoon, you can go to the Shihshahai Lake, half rice fields and half lotus ponds, where you can mix with the plebeians enjoying their leisure and watching boxers and jugglers. Or

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you can go out of the West Gate and saunter on the imperial highway leading to the Summer Palace under the shade of cool willow trees.

All around you are villages and wheat fields, with beggar children completely naked, who like to get a dime while playing on the roadside, anyway. You can start a chat with them, or you can close your eyes and pretend that you are asleep and hear the musical jingle of their voices gradually dying out behind you. Or you can go to the zoo, formerly a Manchu prince's garden, just outside the West Gate. Or you can wander among the ruins of the Italian Palace in the former Summer Palace, pillaged and burned down by European soldiers, and you cannot get a scene more dreary and forlorn. You are in the presence of God.

Or journeying past the present Summer Palace, wherein you could spend an entire day, you pass scenes of idyllic beauty until you reach the Jade Fountain with its marble pagoda beckoning to you, where inside you can spend another leisurely afternoon, dipping your feet in its cool gurgling water of an emerald

color. Or walking farther, you can go to the Western Hills and be lost there for an entire season.

The greatest charm of Peiping is, however, the common people. Not the saints and professors, but the rickshaw coolies. Paying about a dollar for a trip by rickshaw from the West City to the Summer Palace, a distance of five miles, you might think that you are getting cheap labor; that is correct, but you are not getting disgruntled labor. You are mystified by the good cheer of the coolies as they babble all the way among themselves and crack jokes and laugh at other people's misfortunes.

Or coming back to your home at night you might chance upon an old rickshaw coolie, clothed in rags, and telling you his sad story of poverty and misfortunes with humor, refinement and fatalistic good cheer. If you think he is too old to pull rickshaws and want to get down, he will insist on pulling you to your home. But if you jump down and surprise him by giving the full fare, there's a lump in his throat and you are thanked as you have never been thanked before in your life.

The Japanese

HOW courteous is the Japanese! He always says, "Excuse me please." He climbs into his neighbor's garden, And smiles and says, "I beg your pardon"; He bows and grins a friendly grin, And calls his hungry family in; He grins, and bows a friendly bow; "So sorry, this my garden now."

OGDEN NASH
in *Saturday Evening Post*.

The Christian Stake

By Francis Cho-min Wei

President of Hua Chung College, Wuchang

THE undeclared war in the Far East has assumed an alarming magnitude. Invading troops almost equal to the whole of the Japanese standing army have been mobilized to China, and for self-defense on their own soil the Chinese are straining all their resources in a stubborn resistance which they know will cripple their national strength intended for the much needed reconstruction of the country and the uplifting of the people. But the supreme sacrifice has to be made.

According to newspaper and mission reports, churches, mission hospitals and Christian schools have been destroyed or seriously damaged. Without detailed knowledge of the exact circumstances under which the destruction took place, we could ascribe it to necessities or accidents of war. In any case it is destruction of plants for Christian work and we must be prepared to hear more about it as the fighting spreads in area and grows further in magnitude.

Surely this "war" will not end war in the Far East. Whatever the outcome, unless the Japanese ambition to dominate is eliminated, the Far Eastern conflict has only begun. The Chinese are determined to fight and to die for their national liberty and independence. With dark war clouds hanging over Far Eastern Asia, foreign missions may not wish to invest any more capital funds in church and school buildings. The Chinese Church will be too impoverished as the financial strength of its members is sapped by the war to undertake

any reconstruction with their own money. Christian work will then be seriously crippled with inadequate physical plants.

Had all this destruction been caused by a natural calamity, an earthquake or a flood, we might hope that Christian work could be carried on even in makeshifts. Spiritual things are matters of the human will guided by the will of God. Human wills, however, can block the Divine Will, and we are afraid this is really our stake in Christian work in China in the future.

The Chinese are not only fighting for their own liberty and their own national existence. They are fighting also for a great cause to which the defenders of democracy and human freedom anywhere in the world cannot remain indifferent. The undeclared war in the Far East is, indeed, between a free Asia and Asia for the Japanese, between democratic principles in politics and culture and totalitarian ideologies now poisoning the human mind. It is a strife between ideas of international cooperation for mutual benefits and domination of one nation by another for a selfish and arrogant purpose. The whole purpose of the Japanese invasion is to reduce China with her immense man power and rich natural resources to a tool for an end which would mean a menace to the other nations and possibly a radical change in the civilization of the world. This is a far more serious Christian stake than all the losses in physical plants for Christian work in China.

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

CHINA FACES JAPAN

Nothing short of sheer arrogance can be the cause of such a grandiose scheme as has led the Japanese militarists to their present course of action of which the invasion of China is only the first act of a contemplated world drama. There is, however, no lack of arrogance in the Island Empire in the East. Let us hear what one of her writers has to say.

"Ours is a nation that began with the 'Transfer of Country' carried out by the Sun Goddess and was completed by the 'Sating of the Country' accomplished by the Emperor Jimmu—a sacred land reigned over by august emperors coeval with heaven and earth, whose Imperial throne is occupied by a single dynasty—Its constitution is different from those of other countries—The Empire was founded by making, according to divine command, natural laws and justice crystallize into state and life—Who founded Nippon? It all goes back to the Sun Goddess and the other gods—who created or ruled this country. These numberless gods became the standard of the mind of the people, and from this was born the idea that Nippon is a sacred land—All of this has led to Nippon's national activity and social progress, its politics, learning, military power, industry and all other things expanding for the purpose of carrying out the gods' will—The study of Nippon Kokutai is the duty of us Nipponese, and the decree of Emperors Jimmu and Meiji is that we shall concentrate to set a good example of a righteous country before the world." (Quoted by William Paton in his "Christianity in the Eastern Conflicts.")

THIS is the national philosophy in modern Japan. It is a mythology invoked to strengthen the Emperor worship and is the basis of

the ideology that has made it possible for the militarists to plunge into a costly and unjustifiable war against the will of the people yet carrying their support with it. It is this kind of powerful mythology that the Christian forces will have to face wherever Japanese control obtains.

There is no clearer illustration than this of a totalitarian state making absolute claims upon the exclusive loyalty of individuals. "We are beholding in Japan," says Mr. William Paton, "the clearest instance in modern times of the regimentation of the state, in all its parts, round the idea of its own absolute sacredness."

Obsessed by this kind of ideology, no wonder the Japanese fanatical nationalists would do what is in their power to keep their people away from Christianity which in their eyes is an internationalist and therefore un-Japanese religion. A teacher in Japan was arrested because in reply to a child's question he was daring enough to state that Jesus was greater than the Emperor. Such a statement is contrary to the ideology behind the shrine worship. It is no mere revival of a Shinto practice either. It is an integral part of a deliberate policy of state expansion based upon the religious absoluteness of the state. Hence in Korea, Formosa, and the mandated islands of the Pacific, shrine worship is being pressed with even greater vigor than in Japan proper.

What chance then is there for Christianity in any other part of the world which should fall under Japanese domination? True, it has been asserted that the shrine worship is not a religious rite, and even some Christian missionaries are inclined to accept this interpretation. The rite itself may not be religious, if not for

CHRISTIAN STAKE

the mythology behind it. But in the light of the mythology outlined in the passage quoted above it cannot be anything else. Those Japanese who deny the religious nature of the institution of shrine worship have undoubtedly a different notion of religion in mind. To them "religion" is sectarian and only a private cult. The shrine worship and the national philosophy alone are entitled to the absoluteness and universality which belong to religion as the term is ordinarily understood.

Indeed, Christianity is an internationalist religion and is, by its nature, very un-Japanese. But why should the Japanese oppose it for its internationalist character? For all we can make out of the Japanese mentality, they are suffering from a fear complex. They dread communism. They are most uncomfortable in their relations with Russia. This fear has driven them to a madman's attitude towards anything that is of an internationalist character. Christianity is one and the Chinese national policy is another, whereas there is nothing more incompatible with Christianity or the Chinese national policy than communism which Japan dreads so much. Christianity stands for the sacredness of individual life and liberty and opposes violence. The Chinese national policy stands for international cooperation and international justice. It is this that clashes with the Japanese national philosophy, which is aggressive totalitarianism.

Totalitarianism and Christianity

are of course diametrically opposed to each other. The one respects and values individual personality which is trampled under foot by the other. Totalitarianism is engendered by the war psychology and is tolerated by the people of the country only when the war psychology dominates the public mind by propaganda. Christianity is opposed to any aggressive war and condemns untruth created by propaganda. Naturally those who glorify the martial spirit and employ propaganda as a means to poison the public mind would look at the Christian religion always with a suspicious eye and tolerate it only as long as expediency demands. Wherever the military spirit dominates, Christianity will suffer persecution. The Christian stake in the present Far Eastern conflict is indeed a real one.

There is yet one more stake to be mentioned. In condemning the Japanese invasion of China, let us Christians not forget that there are many people in Japan who, if free to express themselves, would not support the war. Let us not allow deadly hatred to poison our own minds. All Christians must pray that even in Japan as in China during these days of horrible struggle the way be still kept open for God's Name to be hallowed and for His Will to be done, but we must pray earnestly that the ambition to dominate, which is the very cause of war in this case and which sows the seed of hatred, be removed and God's Kingdom come even where it is not welcome.

Rules for Boycotters

The two principal rules for boycotters are: (1) Don't buy anything marked "Made in Japan"; (2) Don't buy silk.—JEAN LYON.

Night Over the Campus

By Chih Meng

Director of The China Institute in America

WHEN the news of the destruction of Nankai University in Tientsin was flashed to Nanking, a number of Nankai alumni and newspapermen rushed to the Central Hotel to console Chang Po-ling, its president and founder, then visiting the capital.

"What are your plans now, Dr. Chang?" asked a reporter.

The Grand Old Man of Chinese education, over sixty-three years of age and towering over six feet two in height, managed to suppress all outward signs of grief and replied, "The physical equipment of Nankai is destroyed but the spirit and the people of Nankai will carry on."

That was on July 31, 1937, when Japanese planes and artillery had shelled the University the day before. On that day of the interview Japanese troops visited the University and the University's middle and primary schools about two miles away, to set the rest of the buildings on fire with kerosene and straw. Since then, at least eight other universities in China have been wholly or partly destroyed by Japanese bombing.

It is fate that both the birth and death of Nankai should be related to Japan. Chang Po-ling was a naval officer who saw action in the Sino-Japanese War of 1894-5. He came to the conclusion that China's defeat was chiefly due to the lack of patriotic spirit on the part of the soldiers, and that patriotism could

only be cultivated through education. Three years later he found a supporter and collaborator in a great Chinese scholar, Yen Hsiu, who invited Dr. Chang to open a school in his home with a handful of pupils.

Fifteen years later Nankai became nationally known as one of China's best middle schools, with an enrollment of five hundred. In 1918 the college department was firmly established. At the behests of women students, the institution turned co-educational in 1923. Nankai grew steadily in strength and reputation and was recognized as the foremost university system built up entirely through private Chinese efforts. At the time of its destruction it had an enrollment of three thousand students in departments from the experimental kindergarten to the graduate school.

In my student days at Nankai the assembly program was conducted personally by Chang Po-ling. His lectures, always informative and inspiring, we looked forward to attending with eager anticipation. Many of us remember to this day what he said at one particular assembly. It was in 1915 when Japan was attempting to force the Twenty-one Demands upon China. That Wednesday afternoon, in an unusually moving speech, he exhorted us to realize that in a republic every citizen should shoulder his responsibility. He shocked and stirred us as he pounded his fist on the table and shouted,

NIGHT OVER THE CAMPUS

"If the people, and especially you, are not awakened by this threat to our national existence, then we all deserve to be annihilated."

IN Tientsin the Hopei Technical Institute and Womens' Normal College, located miles away from the fighting, were destroyed by Japanese planes. In Peiping the buildings of Chinese universities were spared but it is impossible for them to re-open. Many well-known professors are on the black list of the Japanese military high command in Peiping, and it has been made quite clear that it will not be healthful for them to return to Peiping. A committee has been set up to inspect and approve text-books. Japanese "visitors" periodically visit all Chinese schools to see that teachers are promoting friendly relations between China and Japan. However, the American supported Peiping Union Medical College, Fu Jen and Yenching universities are permitted to open with curtailed enrollments. At Fu Jen and Yenching the number of Chinese faculty members are greatly reduced.

Among the ten Chinese colleges and universities in Peiping that are closed is Tsing Hua University. It used to be popularly known in this country as the American Indemnity College. In 1908 the American government returned to China the surplus from the Chinese Boxers' Indemnity. To express its appreciation for this friendly act, the Chinese government decided to use this fund for the purpose of preparing and sending Chinese students to America to pursue modern education. The preparatory school was established in a former princess' garden named Tsing Hua Yuan. During the last twenty-eight years it has developed into one of the greatest national

universities in China, especially noted for its science and engineering departments. About two thousand men and women have studied at Tsing Hua and later obtained graduate training in American institutions.

At Shanghai, scene of the fiercest fighting, Chinese education suffers the heaviest damages. Three universities and one college, Tung Chi, Che Chih, Fu Tan and the Commercial College, are destroyed. The University of Shanghai, an American-supported institution, is partly wrecked. At Nanking, previous bombings demolished parts of National Central University.

All cities along the entire Chinese coast have been shelled by Japanese warships and bombed by Japanese planes. So far no detailed reports have come from Hangchow, Foochow, Amoy, and Swatow regarding educational institutions. In Canton, the newly built campus of the National Chung Shan University has been bombed twice; one shell dropped on the campus of Lingnan University which is partly supported by American funds.

In the interior, about four hundred and fifty miles from the coast, Japanese planes have repeatedly bombed Hankow, Nanchang, and other open towns and cities along the Canton-Hankow Railway. Damages to educational institutions in those places have not yet been reported.

The Chinese government has taken steps to carry on higher education under war conditions. Temporary university districts have been established at Sian in the Northwest and Changsha in Central China. Faculties and students from Japanese occupied areas have pooled resources and began instruction. The

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By Milton D. Gustafson NARS, Date 12-18-75

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Sian district is administered jointly by the authorities of National Peiping and National Normal universities, and Peiyang Technical and Research Institutes. The Changsha district is administered by the authorities of Nankai, National Peking and National Tsing Hua universities. Students and faculties from other danger zones have been allocated to institutions in West and Southwest China.

THIS spring I visited most of the colleges and universities in China. I had opportunities to meet the authorities as well as the students. Looking back over a period of years to the founding of the Republic in 1911, it is not an exaggeration to say that for a quarter of a century Chinese educators and students throughout the country have constituted a main source of power in preserving the fundamental unity of the people. Among them there never has been east or west, north or south. They have always opposed sectional jealousy and civil wars. Cabinets and political parties have come and gone, but the universities have maintained their leadership.

Another striking thing is that democracy has persisted in being the political dogma on all campuses. The rise of dictatorships in the West have tended to cast doubt on this principle and form of government. Some Chinese students have gone to the right toward fascism and some to the left toward sovietism. But the great majority still believe in equal rights and equal opportunities for all. With them it is not merely academic or parlor democracy. A number of professors and students write, agitate, and even go to prison for their convictions.

Looking at the conflict with Japan

I can think of no situation more painful than that in which the Chinese educators find themselves. They realize that China and Japan have to live together and that the only sane way for them is to live as friendly neighbors. They also know that the Chinese and Japanese peoples have really nothing to kill one another for. They know further that war will ruin both countries. But in attempting to guide public opinion and to formulate a wise foreign policy, they come upon an insurmountable obstacle—the Japanese military clique.

In the first place, this clique, through its tremendous propaganda machine, does not permit the Japanese people to know how the Chinese people feel and how the rest of the world feel about Japan's use of force to carry out its program of expansion. Rather, the Japanese people are told that the Chinese government persecutes the Japanese in China and that the Chinese people welcome Japanese soldiers as their redeemers.

Secondly, Japanese militarists have been so arrogant and brutal in their dealings with China that there is no chance for rational adjustments of disputes and difficulties. Knowing how completely the Japanese government and people are dominated by the militarists, Chinese educators and students have no alternative but to advocate resistance.

It is no accident that Chinese universities should be destroyed. Japanese militarists well know that universities are centers for the nurture and spread of patriotism. Destruction has come to the Chinese campuses but it only heightens the spirit and hardens the determination of the Chinese educators and students.

China's Fighting Students

By Y. E. Hsiao

General Secretary, Chinese Students' Christian Association

THE students in China are a war-torn generation. Ever since the Republic was founded in 1911 down to the Sino-Japanese conflict of 1937, the students have had to face the issue of recurrent war and national salvation. And they have not flinched in the face of duty.

For students in China are a privileged and revered lot. In the social strata they rank, with professors, first. They are believed and trusted by the people. Like European students, they are politically minded. The crisis today provides them with another opportunity to express their patriotic consciousness. It is nothing new for Chinese students to project their ideas and activities on the national screen.

In 1915, when Japan presented the Twenty-one Demands on the Chinese Government, the students were the first to organize protests. Through parades, soap box speeches and demonstrations, they focussed national attention on the blazing issue.

In 1919 the students opposed the signing of the Versailles Treaty which virtually awarded Shantung province to the Japanese. So determined were they against it that on May 4th of that year they went on strike. It was from these protests that the 1920 boycott of Japan was started. The boycott was surprisingly effective. Japan's trade with China fell 60 per cent in sixty days. The boycott, aided by other factors, achieved its purpose and Shantung province was returned at the time of the Washington Con-

ference in 1922. This victory gave the students a new sense of strength and power which they were to muster time and again during the next two decades.

The renaissance movement in 1919 owed its momentum to Chinese students. The great labor strike in Hong Kong in 1923 has been attributed to the organized leadership of both students and workers. After May 30, 1925, the students went on strike because the police of the international settlement fired on Chinese students and laborers. The students won their strike. When General Chiang Kai-shek led his Northern Expeditionary Forces from Canton to Nanking in 1927, students not only enlisted in the army but they paved the way, by creation of favorable public opinion, for Nationalist troops on all advancing fronts.

Following the establishment of the Nationalist government at Nanking, the students started a "back-to-school" movement. They were advised to study first and save their country afterwards. This advice they heeded, until Japan suddenly broke loose in Manchuria in 1931.

The students dropped their books, and were literally on the march again. They called the nation's attention to Japan's warlike encroachments and helped enlighten public opinion. They played a leading role in mobilizing national sentiment to use the weapon of boycott. When the shadow of death hung like drape over Chinchow and the League of

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Nations showed weakness, they commandeered trains, wrecked offices, called strikes, and demonstrated. There would have been reason to despair of China's future, if the cream of her youth had failed to answer the challenge to patriotism.

The more recent years of reconstruction found the students head and shoulder with the government. When Madame Chiang Kai-shek launched the New Life Movement, students enlisted to bring its principles direct to the people—in the homes, in the schools, in the rural districts. The work of national rehabilitation not only won their confidence but mustered their active support. They saw a vision of hope.

But on the eventful night of July 7, 1937, at the Marco Polo Bridge, Japan's undeclared war began, spreading rapidly to the Tientsin and Peiping area and immediately involving half of China's student population. True to their nature, a number enlisted in the regular Twenty-Ninth Army to defend China's soil, people and civilization. More than a thousand stationed at Nanyuan near Peiping were annihilated by Japanese war planes.

For a long time Japanese militarists eyed the activities of students. When Tientsin was occupied, they searched the students at the railway stations. When Peiping was overtaken, students on the way to the South, were stopped at the various railway stations from Peiping to Tientsin, and

examined by Japanese sentries. Among other hardships endured was walking more than twenty miles to the next railway station to Tsinanfu. On trains going to Nanking, they were constantly exposed to Japanese bombing planes.

Thus the Chinese student has always faced an uncertain outlook towards his future. Wars, internal and external, have hounded him through the years, and many a rosy boyhood dream has failed to materialize through no fault of his own. This has been true of those who studied the Analects during the transition period, between 1911 to 1927, when China emerged from semi-feudalism to a democratic system of government. It has been no less true of those who read the *San Min Chu I* during the Nationalist period, starred with unrest and turmoil. The Chinese student sees life through war-colored glasses.

But out of this anvil of war and invasion, a new Chinese student has been forged, a new spirit has been born. National consciousness in China's youth is now instinctive. It is this young generation that will carry China's torch forward. Theirs is the new patriotism. Theirs is the attitude that it is better to lose the entire country, if need be, than let it be dismembered by foreign invasion, that it would be more honorable to defend themselves even at the risk of racial extinction than to submit to superior military force.

Any situation in which armed hostilities are in progress or threatened is a situation in which the rights and interests of all nations are or may be affected.—Cordell Hull.

China's Case at Geneva

By J. William Terry

Managing Editor, *Chronicle of World Affairs*

THE League of Nations, by unanimous action of fifty member countries, has recognized its duty "to attempt to bring about a speedy restoration of peace in the Far East, in accordance with existing obligations under the Covenant and treaties."

Initiating efforts looking toward fulfillment of this duty the League has, thus far, taken the following specific action: Adjudged the invasion of China a breach of Japan's treaty obligations, which cannot be justified; expressed moral support for China and bespoke for her aid from individual League members; called the Nine-Power Treaty conference to attempt "to secure restoration of peace by agreement;" and provided means for further action by the League should the conference fail.

This, of course, is far below the action to which the League is obligated by its Covenant. In acknowledging, however, the realities of the situation, Dr. Wellington Koo told the Advisory Committee at Geneva that China did not ask League members to carry out all of their Covenant obligations. There were, he admitted, unsatisfactory experiences in the past and disturbed conditions in other parts of the world to demand prudence.

Not least of the "unsatisfactory experiences" were those relative to the attempt to effect a just settlement when Japan made conquest of Manchuria.

As continuation of what began in Manchuria, the present invasion of China and the League's efforts to stop it should be seen against the background of 1933.

Then, by giving authority to the report of the Lytton Commission, the League passed legal judgment and exercised moral pressure on Japan while offering means for readjustments to meet any just demands of the Japanese. Although constituting a genuine advance in development of the collective system, this was of little

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practical service to China. The Japanese moved out of Geneva and stayed in Manchuria.

Timidity or selfishness of, at least, certain of the larger powers, making a legal pretext that there had been no formal declaration of war, prevented the undertaking of but one form of sanctions. That was the American invented "Stimson Doctrine" of non-recognition of a situation resulting from aggression in defiance of existing treaties.

Some experts believe that, given time, rigid application of this doctrine would have achieved disintegration of the Manchurian puppet state, "Manchukuo." But the doctrine has been applied as a gesture, not as a reality.

When the Japanese defied the League and left Geneva⁽¹⁾ the League Assembly created the Far Eastern Advisory Committee⁽²⁾—upon which the United States accepted non-voting membership. To this committee was, in effect, turned over responsibility for any future action in the Chino-Japanese affair. In particular, there was responsibility for concerting international action in carrying out the non-recognition principle.

A few meetings were held without anything of importance being done, after which the Advisory Committee disappeared without, however, losing its legal identity.

As for practice of non-recognition, one example should suffice: Regularly functioning Consulates are now maintained by the United States and various League countries in "Manchukuo," through which the governments help to keep open normal trade channels there, that non-recognition was supposed to close. But there is the gesture of the consular officers being accredited to China!

Pressure of Japan upon China between 1933 and July 7, 1937, was largely beyond reach of the League of Nations. Japan no longer belonged to the League; China was at the disadvantage of having signed the Tangku Truce; and there was absence of such overt

(1) February 24, 1933.

(2) Like the earlier "Committee of Nineteen," of which it was really an enlargement and continuation, the Far Eastern Advisory Committee included all members of the League Council, except the parties to the dispute, and six other League members elected by secret ballot; to these were added for the Advisory Committee Canada and The Netherlands. The United States and Soviet Russia were invited to cooperate; the former accepted, with certain reservations, the latter declined.

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treaty violations as would give China grounds for appeal to Geneva or the League sufficient basis for action.

Consequently, it was not until huge Japanese armed forces were once more invading Chinese territory, making ruthless attacks from land, sea and air, that China again brought its conflict with Japan to Geneva.

In a strong but judiciously phrased "informative" statement, the Nanking government, on last August 30, recited its version of events beginning with the Lukouchiao incident and made four charges against Japan, as follows:

Being guilty of aggression "pure and simple;" (2) compelling China to resort to force, contrary to her wish; (3) attempting to destroy the reconstruction work "that the Chinese nation has so steadily and assiduously undertaken during the past ten years;" and (4) violating the League Covenant, the Briand-Kellogg Pact and the Nine-Power Treaty. (*Complete text is reprinted in the Appendix—Editor.*)

Dr. Hoo Chi-tsai, director of the Permanent Chinese delegation to the League, requested that this statement be circulated to all League members and to members of the Far Eastern Advisory Committee—which meant that the United States should be included. (Thus the Chinese were first to recognize the continuing entity and authority of the Committee.)

China's formal appeal to the League was made by Dr. Wellington Koo, first Chinese delegate to the League Assembly, on September 12, the day before the Assembly convened. Covenant Articles 10, 11 and 17 were invoked.⁽³⁾

Three days later the highly capable Dr. Koo pleaded China's case from the Assembly rostrum, urging that international lawlessness be not accepted as inevitable. As a beginning in dealing with the situation, he suggested that the League Council⁽⁴⁾ might

(3) Under Article 10, League members undertake to "preserve as against external aggression the territorial integrity and existing political independence of all members of the League." It is specified that "in case of any such aggression, the Council shall advise upon means by which this shall be fulfilled."

Article 11 makes war or threat of war the immediate concern of the whole League and authorizes "any action that may be deemed wise and effectual to guard the peace of nations."

Article 17 provides that in event of a dispute between a League and a non-League dispute; if it fails to do so, and resorts to war, the non-League member shall be subject to sanctions.

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refer the Chinese appeal to the Advisory Committee. On September 16 this was done, with the distinct stipulation by China that it retained the right to demand action under Articles 10, 11 and 17, "if and when circumstances require it."

As over against immediate consideration of the appeal by the Council itself, this procedure had the advantages of bringing the United States into the theater of action⁽⁵⁾ and of affording freedom from certain proceedings made mandatory for the Council by the Covenant. Since, for example, it was out of the question then to secure application of sanctions, it was well to avoid, for the time being, the mandate for them in Article 17.

Under chairmanship of Foreign Minister Vilhelms Munters of Latvia, the Far Eastern Advisory Committee convened September 21,⁽⁶⁾ two days after Japanese planes had started bombing Nanking.

The first pronouncement of the Committee, made on September 27, was a unanimously adopted denunciation of Japan's bombardment of open towns in China, declaring that "no excuse can be made for such acts, which arouse horror and indignation throughout the world." Straightway the Assembly made the pronouncement its own.

The two reports on the Chino-Japanese conflict, sent to the Assembly October 6, constitute the cardinal achievement of the Advisory Committee.

The first report deals with the historical and underlying causes of the conflict. Its conclusions were reached from known facts, public utterances of members of the Japanese government and the August 30 statement of China supplemented by data provided by Dr. Koo. Three of these conclusions are of particular significance.

(4) League action in event of war or threat of war is primarily within the province of the Council, although the Assembly may act under Covenant Article 3, paragraph 3, which says that "the Assembly may deal at its meetings with any matter . . . affecting the peace of the world." (It was under this provision that the Far Eastern Advisory Committee was created.)

(5) Mr. Leland Harrison, United States minister to Switzerland, sat with the Committee under the limitations set by Washington when the United States assumed membership in 1933.

(6) Nations now comprising the Far Eastern Advisory Committee are Australia, Belgium, Bolivia, Canada, China, Colombia, Czechoslovakia, Ecuador, France, Great Britain, Hungary, Italy, Iran, Latvia, The Netherlands, New Zealand, Peru, Portugal, Poland, Rumania, Sweden, Switzerland, Soviet Russia and the United States. (Russia, which refused membership in 1933, is now a member by virtue of its seat on the League Council.)

When the Committee convened on September 21 Australia, China, Germany, and Japan were invited to become members. The first two accepted; the latter two declined.

Italy, which is not now being represented at Geneva did not sit with the Committee.

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(1) Attention is called to the fact that at the beginning of July 1937 there were 7,000 Japanese soldiers in North China, on the basis of the so-called Boxer Protocol of 1901, as compared to 1,007 British troops and between 1,700 and 1,900 French soldiers. This excessive number of Japanese troops, in addition to development in Manchuria and Jehol and Japan's political activity in North China, made for a dangerous tension in China.

(2) Irrespective of the discrepancies between the Chinese and Japanese versions of events at Lukouchiao and Shanghai, the Japanese have manifestly failed to observe their treaty obligations to respect Chinese territory and not to have recourse to war for settlement of international controversies.

(3) The military operations carried on by Japan against China "are out of all proportion to the incident that occasioned the conflict," and they "can be justified neither on the basis of existing legal instruments nor the right of self-defense. . . ."

In its concluding sentence the report passes judgment. It finds that Japanese action "is in contravention of Japan's obligations under the Nine-Power Treaty of February 16th, 1922, and under the Pact of Paris of August 27th, 1928."

The second report emphasizes Japan's violation of treaty obligations, points out that the situation in China is, to a greater or lesser degree, the concern of all nations, and recognizes the duty of the League to attempt to bring speedy restoration of peace to the Far East.

In considering means to that end, the Committee expresses the conviction that, "even at this state of the conflict . . . efforts must be made to secure restoration of peace by agreement."

This led to the conclusion that the "first step" the Assembly should take was to bring about consultation under the Nine-Power Treaty.

Vastly heartened by news of President Roosevelt's Chicago peace speech, the Assembly met on the evening of October 6. With fifty nations in the affirmative, and only Poland and Siam abstaining, the Advisory Committee reports were adopted as the Assembly's own.

Further:

The Assembly resolution expressed "moral support for China." Implementing this were the recommendations that "members of the League should refrain from taking any action which might

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have the effect of weakening China's power of resistance and thus increasing her difficulties in the present conflict, and should also consider how they can individually extend aid to China."

This not only puts the League on record against action like embargoes on armaments for China, such as those by which certain League countries weakened Ethiopia in its defense against Italy, but it encourages such active help for China as supplying of credits and war materials.

Meanwhile, it should be kept in mind that it was not the thought of the Assembly that this was all that the League could do. Initiating the Nine-Power conference was declared a "first step." The Advisory Committee decided to meet again within a month. The Assembly authorized its president to summon it whenever the Advisory Committee should so request. In other words, the League has, at this writing, put itself in a position to carry on if the Nine-Power conference does not succeed.

Whether or not the League, in face of a much more desperate world situation, can achieve now what it could not achieve between 1931 and 1933 remains, of course, to be seen.

Six Long Years

FOR six years China has shown the most earnest desire to find a peaceful solution of the issues between her and Japan. She submitted her case to the League in 1931 and accepted its verdict. But Japan refused. China has been willing to arbitrate or present her cause to the World Court. She has not feared international judgment or world opinion.

Japan, on the other hand, has steadfastly declined to accept any international verdict, insisting that all difficult problems be settled between Japan and China alone. Within the past two years China has repeatedly offered to open direct negotiations. But the result has been almost nothing. The negotiations have usually been debates over extreme Japanese demands or discussions of general principles without reference to concrete application.

British Strategy in the East

By Ludwig Lore

Author of daily "Behind the Cables" column in the *New York Post*

WHEN machine gun bullets from a Japanese airplane, engaged in an undeclared war of aggression against the Chinese Republic, seriously wounded Great Britain's Ambassador to China, the world held its breath. The tension created by the incident was understandable if not entirely realistic. England's protest was sharp but hardly in the old Imperial tradition. The lion growled. The claws remained sheathed.

Britain's policy toward Japan's advance over the map of Asia is not, of course, an isolated factor in the game of world supremacy. The most casual observer will realize that London's stake in the Far East is limited by the extent of its obligations and difficulties elsewhere. The possibility no longer exists of dealing with one situation at a time, of crushing opponents singly by military and economic force. For the first time in the recent peace-time history of the Empire, British power is challenged on such an extended front by Powers which work in close cooperation, are fully conscious of their aims and have a combined naval strength which places even Britain's Armada at a disadvantage. The fact that two of these Powers were on the Allied side during the World War and must now be counted in the enemy ranks in future only increases the anxiety with which Downing Street views the world today.

Let there be no doubt in anyone's mind that the policy of the British Empire in the present Far Eastern

crisis will be a thoroughly selfish one. Should it seem best in the end to make peace with the Prussians of the East in return for Tokio's willingness to divide the spoils in China, London will not only sign a compact with no thought for such fuzzy and impractical ideals as the self determination of peoples and the preservation of national integrity. It will even know how to present its position as necessary to preserve western culture against bolshevism, barbarism and boxerism.

Thus the fact that certain considerations make the renewal of the British-Japanese alliance virtually impossible is something which London can only regret. Such considerations consist, however, and the present war in the Far East may finally force England to abandon once and for all her attempts to make peace with the fascist chiefs in Rome, Berlin and Tokio, attempts which have stubbornly survived the Hitler regime, the Ethiopian war, and the conquest of Manchuria.

Great Britain's history in the Far East is a history of alliance with Japan. Formally that alliance was broken at the Washington Conference but in reality London still looked to the Rising Sun as a bulwark against the Russian bear. Neither the opposition of the United States nor the disapproval of the Dominions in the Pacific were potent enough to force a change in traditional policy. It took Japan itself, its aspirations to unlimited rule in China, its steady penetration into British spheres of

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influence and the consequent threat to the military position of the Empire to bring about a change.

But that such a change has come is too clear to be questioned. The Leith-Ross attempts to come to separate financial arrangements with Nanking were probably the first open sign of the new orientation in London. Japan was able to prevent the success of the Leith-Ross mission but the breach was there and England, moreover, had accepted the challenge.

Military strategy has played its part as well. The completion of the Singapore naval base, the fast growing war establishment at Hong Kong, and elsewhere along the Chinese coast, the Anglo-Chinese agreement for joint development of strategic Hainan island were all straws in the wind.

Not enough attention has been given of late to the strange relationship which exists between the anti-Japanese bloc in the Far East and the anti-German grouping in Western Europe. England is strong in Europe and is growing stronger but so great are the challenges to its supremacy that the Japanese menace has been temporarily taking second place. London's only hope to do something positive on the continent of Asia, indeed, rests on the active support of Holland, France and the United States, all with large interests in the Pacific area, all with reason to fear the spread of the Japanese shadow. It is fairly well established that some sort of naval understanding exists between London, Paris and the Hague regarding mutual defense against aggression in the East.

It is interesting to note, moreover, that it is Holland and France which have the most to fear from German military strength in Europe. Is it

possible that they have offered to aid London against Japan in Asia without securing some guarantees from London against Japan's ally in Europe?

In the calculations of Downing Street another factor has always had considerable weight. I have already referred to Britain's fear of Russian advance in Central Asia. That fear is certainly not entirely gone but all indications are that it is not the issue it once was. There is no longer the heads-on rivalry all through the Far East. True, there is a certain conflict in Sinkiang, legally Chinese Turkestan, actually a Russian protectorate, and it has been suggested that a recent revolt against Russian rule may have been British inspired. On the whole, however, the Bear and the Lion blink peacefully at one another across their borders. The Czar no longer threatens the Khyber Pass.

Britain's enemy in the Far East today is Japan. Once that would have meant quick action. Today it means a waiting game. Britain wants to base a Far Eastern fleet at Singapore, the units of which are not yet built. She wants new planes in her air force squadrons and a coordinated war machine around Darwin, Ceylon and Singapore. Most of all she wants to move in the East together with the United States.

It goes without saying that I believe Washington should take that initiative and strike a blow for world peace. It should be equally obvious that such a step would be worse than useless if it meant simply playing the selfish game of Great Britain in Asia, one which has no more sympathy for the independence and power of a united Chinese Republic than the deadly game which Japan is playing today with shot and shell and the blood of China's millions.

Soviet Union and the Sino-Japanese Conflict

By Harriet Moore

Editor of Publications, The American Russian Institute

IN August of this year the Soviet Union and the Chinese Republic concluded a non-aggression treaty, reading, in part, as follows:

"Animated by the desire to contribute to the maintenance of international peace, consolidate the amicable relations now existing between them, on a firm and lasting basis, and confirm in a more precise manner the obligations mutually undertaken under the Treaty for the Renunciation of War, signed in Paris on August 27, 1928, [the two governments] have resolved to conclude the present treaty . . .

"Art. I. The two High Contracting Parties solemnly reaffirm that they condemn recourse to war for the solution of international controversies and that they renounce it as an instrument of national policy in their relations with each other, and in pursuance of this pledge, they undertake to refrain from any aggression against each other either individually or jointly with one or more other powers.

"Art. II. In the event that either of the high Contracting Parties should be subjected to aggression on the part of one or more third powers, the other High Contracting Party obligates itself not to render assistance of any kind either directly or indirectly to such third power or powers at any time during the entire conflict, and also refrain from taking any action or entering into any agreement which may be used by the aggressor or aggressors to the disadvantage of the Party subjected to aggression . . ."
(Signed Aug. 21, 1937.)

During the recent sessions of the Advisory Committee of the League of Nations, M. Litvinov made every effort to support the position of the Chinese delegate. In the preparation of the resolution condemning the Japanese bombardment of Chinese cities, he supported the New Zealand delegate in insisting that Japan be named specifically. He also urged the committee to condemn the other forms of attack by Japan from which China is suffering. At the subsequent meeting, M. Litvinov supported Wellington Koo's request that the Advisory Committee draw a resolution naming Japan as the aggressor; he opposed referring the matter to a sub-committee; and, finally, when a sub-committee was named, he insisted

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that it meet immediately, before the adjournment of the Assembly. As a result, on October 6, a resolution was passed, urging the convocation of a meeting of the signatories of the Nine-Power Treaty to consider the situation. This resolution was couched in strong terms, stating, among other things, that Japan's "Actions can be justified neither on the basis of existent legal instruments nor on that of the right to self-defense and that they are in contravention of Japan's obligations under the Washington Treaty of Feb. 6, 1922, and of the Pact of Paris of April 27, 1928."

The Principles of Soviet Foreign Policy

These actions are a practical expression of the Soviet Union's policy in regard to the present Sino-Japanese war and they are the logical outcome of the foreign policy consistently pursued by the USSR. The fundamental principles underlying Soviet policy are two: the right of nations to self-determination and the struggle for the maintenance of peace. These two principles were embodied in the very first document of Soviet foreign relations, the Decree of Peace, adopted by the Congress of Soviets, November 8, 1917, which demanded peace and self-determination for the peoples of the world.

Since that time these have been the bases of all Soviet action in foreign relations. In accordance with the theory of equality of nations and the right to self-determination, the Soviet Union annulled all the "unequal treaties" with China and other nations. It renounced its concessions, the practice of extra-territoriality and the payments on the Boxer Indemnity.

In the struggle for peace, the Soviet Union has taken a realistic and active part. It has sought to define peace in such a way as to prevent the shirking of international obligations on legal technicalities. In 1933, it drew a Convention for the Definition of Aggression, reading in part:

"Art. II. In accordance with the above, the aggressor in an international conflict, with due consideration to the agreements existing between the parties involved in the conflict will be considered the state which will be the first to commit any of the following acts:

1. Declaration of war against another state;
2. Invasion by armed forces, even without a declaration of war, of the territory of another state;
3. An attack by armed land, naval or air forces, even with-

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out declaration of war, upon the territory, naval vessels or aircraft of another state;

4. Naval blockade of the coasts or ports of another state;
5. Aid to armed bands formed on the territory of a state and invading the territory of another state, or refusal, despite demands on the part of the state subjected to attack, to take all possible measures on its territory to deprive the said bands of any aid and protection.

"Art. III. No consideration of a political, military or any other nature can serve as an excuse or justification of aggression as specified in Art. II . . ."

A second step in a realistic peace policy, after the definition of the breaking of peace, has been to recognize that in the modern world it is, in the long run, impossible for any great nation to escape a war which starts in any part of the world. For this reason, it is essential for the nations which desire peace to take an active part in every effort to prevent war in any part of the globe. On these grounds, the Soviet Union is a signatory of the Pact of Paris and a member of the League of Nations. In addition to these general world-wide efforts at collective security, it is also a party to a number of regional pacts for the prevention of war. It has concluded non-aggression pacts with all its neighbors, as well as with a number of other nations. It likewise has regional pacts of mutual assistance with France, Czechoslovakia, and the Mongolian Peoples' Republic. These treaties are all drawn in accordance with the general principles of the League of Nations and in no way constitute alliances directed against third powers. They merely supplement the provisions of the League.

An Active Participant in Collective Security

The Soviet Union has not only shown by its treaty obligations its desire to secure the peace of the world. It has borne this out in its participation in the councils of the world. It has been willing to cooperate in every collective effort, no matter how weak, to secure peace, and at the same time it has been the first to lay bare attempts to render such collective action ineffective. Its record in the Spanish civil war is witness to this. Space does not permit a review of the part of the Soviet Union played in exposing the non-intervention committee and in forcing through a fairly satisfactory agreement at Nyon.

In every case, the Soviet Union has judged the validity of international proposals by their concrete effectiveness as instruments for

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securing peace. For instance, in connection with the proposal to the League regarding the securing of raw materials for the "have-not" nations, the Soviet delegates asked: "Are the materials needed for peace or for war?" and concluded that they were needed only in connection with war preparations, since the ordinary channels of trade and international finance have always served to secure these essentials in time of peace. Hence, this proposal, under the cloak of "justice" for the "poor" nations, is really a mechanism for supplying aggressive nations with the tools of aggression.

Similarly, the Soviets analyzed the demand for "universality" in the League and in other international conferences. This seemingly "fair" proposal, also in practice—as for instance in the non-intervention committee—proved to be only an obstacle to the international efforts for peace, since the aggressive nations, if included, are not very helpful to any organization to combat aggression. As a *sine qua non* for collective action, the demand for universality is likewise a method of delaying all action and thus abetting the aggressors.

This realistic approach to the question of collective action for peace has made the Soviet Union one of the more active and effective nations in this work. For this reason, the U.S.S.R. is singled out for verbal, as well as actual, attack by those governments which seek to break peace. That both Hitler and the Japanese militarists would eventually like to attack the U.S.S.R. is well known—witness Japan during the Intervention Period and Hitler's repeated pronouncements on the subject. To avert this war, one which would involve the world, the Soviet Union in the main, has had to rely on itself, since the Soviet proposal for universal and complete disarmament has always been rejected by other nations and today weakness is an invitation to aggression. Accordingly, the Soviet Union has built up a powerful military defense machine.

The aggressive nations have also tried to isolate the Soviet Union, in order to render less effective its work for collective security. To do this, they have now undertaken to justify their actions as part of a "holy war against communism." Germany and Japan have an anti-communist pact to which Italy is all but an actual signatory. Both the intervention in Spain and the invasion of China have been "dedicated" to this cause. On the other hand, the Soviet Union maintains that different social systems can exist side by side on a basis of friendly cooperation and competition, and

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that these slogans of war to save the world from communism are merely covers for aggressive acts against weak states, none of which, incidentally, is communistic.

U.S.S.R.'s Position in Regard to the Far East

The Soviet Union's position regarding the present Far Eastern war is a consistent projection of the policies and practices outlined above. The U.S.S.R. has no "economic stake" in China, as have various other nations. It has relinquished all its concessions and special privileges, and its trade with China, as with Japan, is relatively a very small part of its total trade. Nevertheless, the Soviet Union has already shown an active interest in maintaining the independence of China and in stopping the war caused by Japanese aggression. Its recent actions at the League confirm this fully. Although it is not a signatory of the Nine-Power Treaty, it has obligations under the Kellogg-Briand Pact and the League Covenant to try to stop war—and, according to the Convention for the Definition of Aggression, the lack of a declaration of war by Japan makes Japan's actions no less acts of aggression and, therefore, of war.

To date, the Soviet Union has taken action of two kinds to aid China. It has declared its friendliness to China in concluding a non-aggression pact. Although this pact was signed on August 21, of this year, it was originally proposed by the U.S.S.R. in 1932, in accordance with the Soviet policy of having such treaties with all nations. It is also of interest to note that this treaty is more specific in stating that the Soviet Union will not "render assistance of any kind, either directly or indirectly" to an aggressor against China. The usual form in such treaties has been that the Soviet Union will observe "strict neutrality" in the case of an attack on the co-signer by a third power. This leaves the way open for the U.S.S.R. to supply goods and materials to China. It, however, has no bearing on military assistance, as the Soviet Union has no pact of mutual assistance with China and its firm principle, embodied even in its constitution, is that its armed forces are used only under two circumstances; (1) when the territory of the U.S.S.R. is attacked, and (2) when it is *obligated* by international agreement, i.e. under a mutual assistance pact or under the League of Nations, to go to the defense of another country.

More important than its single-handed moral support and its

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possible material assistance to China is the Soviet Union's aid through international collective action. The U.S.S.R. has stated in no uncertain terms that it believes that the present attack on China has been made possible only by the weak and irresolute stand taken by the peaceful nations and the League of Nations on the question of Manchuria, Ethiopia and Spain. The Soviet Union has in the past tried to strengthen collective security. In the present situation the U.S.S.R. is working to bring into international collective action the other great peaceful nations which are also obligated by international treaty to take some sort of action to stop aggression and, as signatories of the Nine-Power Treaty, are even more obligated to help China. In view of the fact that these peaceful nations are constantly being urged by the U.S.S.R. toward collective action against the aggressors, it can be said that the Soviet Union is today taking a leading part in bringing peace to the Far East.

Japanese Line in Brief

IT is no secret that Japan's army leaders have been frankly worried by evidences of unification and increase of military strength in China. Japan must strike now or never. Moreover, fear of Soviet Russia is never absent. The military mind envisages the necessity for a buffer state between China and Russia, a base from which Japan can defend herself or attack in the event of another Russo-Japanese war.

And thus the Japanese argument runs: Japan must protect herself against Russia, and against communism; Japan has special interests in North China because of its proximity to "Manchukuo" and Jehol; Japan needs the raw materials, crops and markets of North China; Japan must stop all anti-Japanese propaganda; Japan must protect her nationals in China against sinister plots; China is not sincere if she does not agree with Japan and accede to all her demands; therefore, Japan must invade Chinese territory at will for the sake of peace in the Far East!

American Neutrality and the Far East

By *Raymond Leslie Buell*

President of the Foreign Policy Association before the American Academy of Political and Social Science

IT is depressing to see well-intentioned Americans, in their desire to keep this country out of war, contend that the United States is justified in injuring China through its Neutrality Act. Should American liberalism take the attitude that the end justifies the means, or should it lose its sense of justice and its capacity for sacrifice, then the future of democracy in this country is indeed dark. Every American desires to keep out of war; but means must be found to achieve this end which do not violate fundamental American conceptions of justice to weaker peoples and which do not approve, even by implication, the acts of wanton terrorism which Japan is committing in China today.

There are two fundamental defects in our Neutrality Act, as applied to the Orient. The first is that the application of this Act—far from keeping the United States out of war—would ultimately endanger our security. Should Japan succeed in its present campaign in China, its next objective may be the Philippines. Should the success of Japan in the Orient be paralleled by the success of Italy and Germany in other parts of the world, it is not at all fantastic to believe that ultimately these three distasteful dictatorships would converge upon Latin America. Lacking raw materials, the three great dictatorships today cannot successfully fight a great power. But if they succeed in annexing neighboring territory containing such materials, the task confronting the United States of defending the western hemisphere will become infinitely more onerous than if we today adopted a positive policy of cooperation to avert war.

So-called "realists" contend that Japan will bog down in its present offensive, or that it will become satisfied by new annexations in China. This argument has, however, proved fallacious in the past few years. Instead of becoming satisfied, both Japan and Italy have developed new ambitions as a result of their conquests of Manchoukuo and Ethiopia. Should China offer prolonged resistance to Japan, the result will be equally dangerous. For in that case,

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it will be extremely difficult to prevent the intervention of Russia; and such intervention may cause the the war to spread to Europe and the rest of the world. A policy of isolation means a deepening of the present international chaos and anarchy, which may plunge the United States and the rest of the world into a new depression, and eventually into a new war.

The belief, underlying the Neutrality Act, that there is safety in continental isolation is a pure delusion. As a result of electrically driven ships, radio, telephone and airplanes the world is literally shrivelling up. Meanwhile, the military forces of destruction are increasing in magnitude and destructiveness. America could view with comparative unconcern the European arms race before the World War; but no power in the modern world can feel secure when irresponsible and lustful military machines have at their command thousands of engines of death. The ghastly aerial and submarine attacks of Japan upon innocent Chinese civilians is an example of international outlawry which threatens the security of every nation in the world unless it is stamped out. If the American policy of retreating before international lawlessness continues, it may be only a matter of time before some power, in imitation of the Barbary pirates of old, will again levy tolls on American vessels and citizens in foreign waters and on the high seas. One of America's greatest pacifists, Thomas Jefferson, then Secretary of State, proposed that the United States and the maritime powers of Europe should form a league to blockade the Barbary states. This philosophy has recently been applied by Britain and France in the Mediterranean by organizing an international naval patrol, as a result of which the piracy in this area has been terminated. In contrast, the theory of the Neutrality Act is to keep American ships out of the Mediterranean. This policy applied in the Orient is already undermining the principles of the Nine-Power treaty. No government which enunciates moral principles and then runs away when they are shamefully violated can long command the respect of other nations or even of its own citizens.

APPLICATION IN ORIENT UNJUST

The second vice of the Neutrality Act is that its application in the Orient would be fundamentally unjust. That Act would forbid China to import munitions which it sorely needs, but would allow Japan to continue to buy raw materials, upon a cash-and-carry basis,

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which are essential to its military activities. If neutrality means anything, it means being fair to both parties; but the Neutrality Act of 1937 virtually makes the United States an ally of Japan. The American people deserve commendation if they are willing to forego war profits and "national honor" to escape the danger of war; but if we go to the extent of foregoing our sense of justice and of becoming an ally of Japan out of fear of being attacked for supporting principles of international law and morality, we take a position unworthy of a great people.

While it is true that a Japanese blockade might seize vessels carrying munitions to China, it is also possible to evade the most effective blockade. Under the pre-war rules of neutrality, China as well as any other belligerent, was responsible for determining whether it could successfully import arms from the United States. Today the United States has taken this responsibility for cutting off from the American market at the very time China is the victim of aggression. Our neutrality law would impose a penalty upon China, when it is fighting in defense of its very independence. The Nine-Power Treaty does not impose any obligation on the United States to come to the aid of China; but it does impose upon this country the implied obligation not to encourage any power to violate its provisions.

To defend Japanese imperialism on the ground that Japan is suffering from serious economic maladjustments is illogical and unjust. The only fundamental solution of Japanese economic difficulties lies in voluntary and friendly cooperation between China and Japan along the lines suggested by the Lytton Commission; but Japan has rejected this course in favor of a military solution which will merely increase its economic and social difficulties. For the United States or any other power to make economic concessions to aggressive dictatorships, without obtaining in return reduction of armaments and the abandonment of imperialistic ambitions, will be interpreted as another sign of weakness and be an encouragement to further aggression.

These fundamental defects in a policy of retreat explain why President Roosevelt has failed to apply the Neutrality Act in the Far East, and why the State Department seems to have abandoned its initial policy of withdrawal in favor of the older and stronger policy of protecting our interests. This new policy is indicated by the decision to keep our naval forces in China, the return of Ambassadors

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sador Johnson to Nanking, and the strong protest against the bombardment of Nanking.

This policy, however, involves the daily danger of a clash with Japan, but in its present limited form has no effect in shortening the duration of the war. In failing to think in cooperative terms, the present policy of the State Department in the Far East involves all the risks of international sanctions without any of its advantages.

FAR EASTERN POLICY OUTLINED

If the application of the Neutrality Act as well as the present Roosevelt policy involve grave dangers, what course should we follow in the Orient today? Certainly we should not go to war with Japan. But how is it possible to justify a policy of shutting off munition to China and yet of selling war materials, such as scrap iron, cotton and oil, which are essential to the Japanese military machine? Congress should amend the Neutrality Act in either one of two directions. It should give discretion to the President either to allow the exports of munitions to China and other belligerents upon a cash-and-carry basis, or embargo raw material exports to Japan and other powers. Only by adopting one of these two changes can the Neutrality Act satisfy fundamental considerations of justice.

Meanwhile the Neutrality Act already gives the President power to prohibit American vessels from carrying any designated materials to any belligerent. Today Japanese ships carry only one-third of the trade between Japan and the United States. Since many Japanese merchant vessels have been diverted to transport purposes, the imposition of a shipping embargo by the United States would severely injure Japan and thus offset the damage done by an American arms embargo to China. As far as shortening the duration of the war, however, such an American embargo would be ineffective if Japan could obtain ships from other countries. Consequently the United States would be justified in imposing a shipping embargo only if it is internationally applied. It is to be hoped therefore that the League advisory committee in the Far East, now meeting in Geneva, will recommend that the League powers apply an arms and shipping embargo against Japan, leaving China free to import from European markets, in accordance with League principles. At the same time, the President of the United States should prohibit American vessels from carrying war materials. If an international shipping embargo were thus imposed, Japan could not possibly import the

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raw materials needed to carry on its campaign of conquest. Such form of cooperative action would not involve sending a single airplane or war ship to the Orient; it would restore validity to the Nine-Power treaty and the Anti-War pact; it would bring the Sino-Japanese war to an end within six months, while the United States would not be singly exposed to the anger of Japan because it would be acting jointly with other powers. The one realistic no-war policy is one which denies the aggressor — rather than the victim — the materials necessary for its armies, but which does not involve the United States in single-handed adventure.

In attacking a positive policy of this kind critics insist it will injure American economic interests, such as shippers and American cotton and oil producers, and that it will provoke Japan to bomb American citizens and troops in China. The answer to this criticism is that the government should compensate private interests adversely affected by any embargo; and secondly, that before applying the shipping embargo, the United States and other powers, in imitation of the Japanese evacuation of Nankow should withdraw their citizens and troops from Chinese cities to areas which can be adequately protected from Japanese reprisals. Any program of positive action involves certain risks, but these risks are no greater than arise out of our present policy; what is more, a program of positive action promises to put an end to the present world anarchy.

Economic Cooperation

ECONOMIC cooperation is only possible when free from the danger of foreign military coercion and on a basis of mutual benefit voluntarily agreed to by all concerned. In such cooperation every natural advantage of Japan will have full opportunity and will be enhanced by the goodwill of the Chinese people. Military domination and political pacts are a hindrance rather than a help to mutually beneficial industrial and commercial activities.

As to technical advisers and other forms of aid in progressive development, China welcomes foreign assistance and, in many instances, would seek this from Japan upon the merits of the case unfettered by coercive agreements or threatening demands.

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Pacifism and Peace

By *Chen Han-seng*

Former Professor of History at National University of Peking

SOME centuries ago, during a great famine in one of the remote provinces in China, a high court official told the emperor of the acute hunger of the peasants. Hearing this the emperor immediately said, "Tell my subjects who are suffering from lack of grain that they should satisfy their hunger by eating chicken." This of course betrays gross ignorance on the part of the theocratic ruler who throughout his life lived in complete seclusion. Today, when the fascist governments of Japan, Italy and Germany are waging "undeclared war" and slaughtering masses of innocent civilians in the three continents of Asia, Europe and Africa, how do the peoples of the democratic countries think? Unfortunately there are a number of pacifists such as George Lansbury in the British Isles and F. J. Libby in America who, like the Chinese emperor, would advise us to eat chicken in the midst of a devastating famine.

While peace is an actual condition desired by many people including the pacifists, pacifism must always remain an attitude peculiar to the pacifists and to them only. What is this unique mental attitude? To the pacifists every war means horror and nothing more than horror; to them every war is just the same as any other war, regardless of its real causes; and to them the best and only way of attaining peace is either non-resistance or non-interference. The essence of pacifism is inaction except for the preventing of other

people from taking action. In other words, deliberately or not, the pacifists, because of their inconsistent and indiscriminate attitude towards the aggressor and defender, advocate inaction towards the war-maker, but nevertheless act themselves to prevent others from stopping the war.

Speaking over the National Broadcasting Company's network, the executive secretary of the National Council for Prevention of War told us on September 24th that certain newspapers were deliberately stimulating indignation against Japan by "highly colored news stories and cartoons of hate." After all, fifty-two governments represented in the League of Nations have condemned the Japanese atrocities in China, and news of an outrageous nature cannot be anything but "highly colored." As to "the cartoons of hate" they are simply registering the sensitive moral mind of humanity. By evading and ignoring realities and even blaming others for revealing the truth, how will the pacifists ever be able to prevent war? The surest way of not stopping the war is the pacifist way of turning from a concrete situation towards a purely rational wish. Nobody has ever extinguished a fire by pretending not to see it, or by running away from it.

The pacifists emphatically do not want fire, but they run away from it. The six "peace" organizations in this country are concerned with two objectives. In the words of Mrs. F. B. Boeckel, Mr. Libby's colleague,

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these are "restricting wars that occur to the smallest possible area, and with the prevention of war by the inauguration of a policy of peaceful change of treaties and international relations in line with changing world conditions." Sound and admirable as these aims are, the method advocated by her is something deplorable, perhaps it will just have the effect of defeating her own aims. "It is our earnest conviction," said Mrs. Boeckel, "that if the United States Government will apply the Neutrality Act and force the world to accept the fact that it cannot be relied upon for aid in military conflicts it will thereby exert a powerful pressure upon all nations to consider ways and means of altering the present international status quo and thereby render aggression less likely." Such a negative policy can only encourage the aggressor and render peaceful change less likely. There is reason to believe that the American neutrality is very much welcomed by the Japanese fascist-militarists, who will be more aggressive towards America after they have got a firm foot-hold on the Asiatic continent. The isolationists today are paving the way for their own defeat in the future.

THE President of the Foreign Policy Association, Raymond L. Buell, in his speech in Philadelphia on October 1st said that the idea of safety in continental isolation was a "pure delusion." "Far from keeping the United States out of war, the application of the Neutrality Act would ultimately endanger our security." He knows that a mere desertion from the fire ground would not help putting out the flames and that the quicker the fire can be put out the less damage it may do. "Should Japan succeed in its present cam-

paign in China, its next objective may be the Philippines." "Should the success of Japan in the Orient be paralleled by the success of Italy and Germany in other parts of the world, it is not at all fantastic to believe that ultimately these three dictatorships would converge upon Latin America." A true student of international relations like Dr. Buell advocates an active and positive policy to establish peace by quickly ending the present armed conflicts by bringing high pressure to bear upon the aggressor. He does not seem to have any faith in the pacifist moonshine.

Yet intelligent people like Dr. Buell may find themselves still in the minority. The majority are either totally or partially ignorant of what is really going on in Europe and Asia, or totally or partially unaware of the defects of their reasoning due perhaps to their limited information and stock of prejudices. A columnist in the New York *World-Telegram* expressed her conviction that "no moral indignation will change either the facts or the nature of the Japanese and Chinese. They would not cease hating each other, even if we went to war to save China." (Sept. 30) Without reflecting on the causes of indignation and hate this lady journalist as an ardent sympathizer of American isolationism and pacifism reasons badly but simply gives a poor excuse for her indifference. It appears that her inclination for isolationism has been encouraged by Pearl Buck's article in the October issue of *Asia*, in which the author of the "Good Earth" tells in effect that in the Orient there has never been such a thing as fair play in war or distress and that the Chinese are just as cruel as the Japanese. Such a sweeping and wrong statement is possible only when the authoress for the mo-

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ment forgets her European and American history as well as the fact that till now there has been no photograph showing a Chinese soldier using a Japanese corpse for bayonet practice.

The pacifists think that indignation is an undesirable attitude which may even be considered as an attack on Japan. They seem to be in perfect agreement with what the Japanese spokesman in Geneva said to the United Press correspondent on September 30th: "China started the war, attacking Japan by her attitude. Japan defended herself with airplane bombs and artillery. The two countries are able to fight it out without mediation." In a recent broadcast on "Why Japan is Fighting China," the Japanese Consul General in New York, K. Wakasugi, pictured Japan as a nation who for the past fifteen years, ever since the Washington Conference, has made many sacrifices in strenuous efforts for peace. Yes, the Japanese aggressors want peace, which to them is a condition in which they exploit unmolested a vast colony on the Asiatic continent, in which 450 million civilized people will be treated like slaves. Upon his visit to Hitler the Italian fascist Mussolini also declared with the Nazi chief that they wanted peace in Europe. They seem to be more honest than the Japanese spokesman because Ethiopia does lie in Africa, and Spain topographically may also be considered as a part of western Africa. Both the fascists and the pacifists talk about peace, but of course for

different reasons. While the fascists talk about peace in order to make war, the pacifists talk about peace in order to avoid it. The question is whether the latter can succeed in the face of the former.

Inaction—non-resistance or non-interference—is an attitude for peace but an attitude that will create war or encourage the spreading of war. Peace can never be realized by mere talking and sitting by. The pacifists by their own manner and approach will surely reap what they dislike and even detest. Isn't it somewhat true that pacifism and peace are just the antithesis of each other? Regarding the present Sino-Japanese war the Federal Council of Churches of Christ in America, through its executive committee, has just issued a statement condemning Japan's action in China. "We urge all Christian people by prayers and speech and action to support that loyalty to a world of universal justice and goodwill to which Christians are committed by their loyalty to Christ." Militant Christians are always for action, action to support the right and to suppress the wrong. When the Council warn that our judgment must not be permitted "to induce enmity or violence against the Japanese people," it does not mean that nothing should be done to the Japanese government which at present does not represent the majority of Japanese people, who are also suffering more than ever before because of the government's policy of fascism and war.



One cannot economically support what one morally condemns.

Moral Course for Americans

By E. Stanley Jones
Noted American Missionary

CHINA is being invaded by Japan and after manifesting very great patience China is now resisting that invasion. There is war.

There are four possible attitudes the Christians of the world might take toward this conflict.

First, we can hold aloof from the whole thing and say that it is not our province—we have nothing to do with it.

Second, we can bring pressure to bear upon our governments to intervene and help in the conflict by force.

Third, we can pronounce a moral judgment of condemnation and leave it at that.

Fourth, we can pronounce a moral judgment and implement it in the only way open to us, namely, by an economic withdrawal.

To have nothing to do with the whole thing is impossible—it has something to do with us, it is bearing upon us at every point. Thousands of our fellow-beings are being slaughtered; thousands, perhaps millions more, will die of starvation; hundreds of millions worth of property and foodstuffs destroyed; mission and philanthropic work built up through the years wiped out; the peace of the world endangered. We are all involved. No, we cannot take the first course.

Nor can we ask the governments to interfere with military force—it is simply out of the question. They will not do it—the nations are too afraid of a general war, nor would the Christian conscience approve of

asking them to do it. The third alternative, too, seems impossible. To pronounce a moral judgment and leave it at that lacks reality. Our words hang in the air, unimplemented. It isn't enough.

The fourth seems to be the possible open door—to conclude that Japan is the aggressor and, therefore, guilty of an international crime and to withdraw economic relationships.

If there ever was a plain case of aggression this is it. There can be no question on that point. We are not blind to the sins of other nations including our own, so that we come to this moral judgment in no self-righteous spirit. Nor are we unmindful of a provision for surplus populations—all these must be honestly faced, but—and this is the point—the central international crime now being committed in the world is the present invasion of China by Japan.

Now Japan must pay the cost of this war on China through trade, domestic and international. It is at that point that the issue touches us. We cannot touch it on the battlefield, but it, itself, touches us on the plane of the economic. If we continue to trade with Japan we help pay the cost of this war, we help provide the sinews of war, we are participating.

Since our moral judgment says that Japan's war upon China is wrong, that same moral judgment says that to participate in that war by economically supporting Japan is also wrong. We cannot morally condemn it and economically support it

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at one and the same time without a moral contradiction. Our word must become flesh; our moral judgment must clothe ourselves in the flesh of economic fact or it isn't Christian.

We therefore ask the Christians of the world to implement their moral condemnation by an economic withdrawal, in other words, to refuse to buy and sell to Japan as long as this moral wrong continues.

We do not wait for governments, as governments, to do this. In fact, we are not sure that they should. But we go straight to the Christians across international boundary lines and ask them to consult their moral convictions; to take this stand and to get as many others as possible to do so.

In laying it upon the individual conscience we lift the whole matter out of the clash between nations; we also preclude the necessity of the individual participating in a withdrawal which he may not approve, which might be the case if the nation as a nation, decided upon withdrawal. At the same time to give the individual the opportunity to express his moral conviction in a practical and vital way.

Instead of using the term "boycott," which has its own connotation of mere economic relationship, we use "economic withdrawal," putting within it the content of moral judgment as well.

The Christians have wanted to know what they could do in case of war, other than helplessly object. This is it. We have the largest number of people in the world held by a single allegiance, and if we act we may stop this war. What is perhaps greater, we may find the method by which to prevent war in the future. But success or failure is not the question. The deeper fact is that,

succeed or fail, we have registered a conviction and have implemented it in the only possible way open to us. But there is a possibility of succeeding—a very great possibility.

We ask further that this be a moral judgment of religion in general and not only of Christianity in particular, so we invite the non-Christians of the world—Buddhists, Moslems, Hindus and others—to join us in making this the united moral and economic protest of religion against an international crime.

This appeal is not merely for a negative withdrawal, but in behalf of a higher fellowship. We break with the government and the people of Japan on one level to call attention to a moral wrong in order to meet on a higher level when that wrong is righted. We cannot have fellowship on this level, for that moral wrong has broken the fellowship. We do not break the fellowship—it is already broken. We simply withdraw to call attention to the cause of that broken fellowship and hope through that withdrawal to accomplish the removal of that cause. We long for fellowship, but we simply cannot have it on this basis.

We say that we withdraw from the government and the people of Japan, but we are convinced that there are many people in Japan, Christian and Buddhist, who deeply disagree with the military leaders in this war upon China, and who would join us in sympathy with the purposes of this withdrawal, namely, to get rid of war in general and this one in particular.

We therefore ask every individual across the world, Christian and non-Christian, to pledge himself to withdraw economic relationships with Japan as long as this aggression upon the sovereignty of China continues,

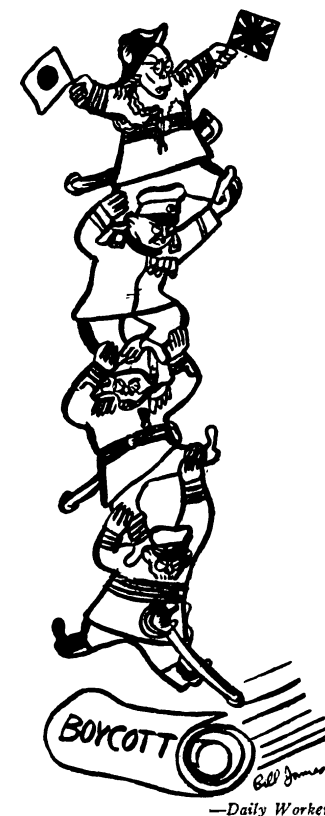
MORAL COURSE FOR AMERICANS

whether by open war or afterward, and to get as many as possible to do the same.

We send out this appeal with heavy hearts, for some of us who sign this have already sent an appeal for a cessation of hostilities that these issues might be settled on a just basis by negotiation, and have also issued an open letter to Japan pleading that she take the road of friendship with China rather than the road of force, as many of her far-seeing statemen also have urged.

And we take this last step of economic withdrawal because there is nothing else open to us. Our first two approaches have been rejected and we take this third with reluctance and sorrow, for we claim to be friends with Japan.

But there comes a time when friendship to a nation can only be manifested in an implemented moral protest against the wrong that nation is doing to itself and another. We believe that time has now come.



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By Milton D. Gustafson NARS, Date 12-18-75

Appendices

APPENDIX I

GENERAL CHIANG KAI-SHEK'S STATEMENT OF CHINA'S POLICY

On July 18, 1937, General Chiang Kai-shek defined the minimum conditions acceptable to the Chinese Government for the settlement of the North China problem, in an important statement to educational and technical leaders gathered at Kuling.

When China was carrying out its cardinal policy of maintaining external peace and internal unity the Lukouchiao incident suddenly broke out, throwing the nation into a state of profound indignation and causing great concern to the whole world. The consequences of this incident threatened the very existence of China and the peace of East Asia. At this juncture, in answer to many inquiries, I wish to state the following:

1.—The Chinese race has always been peace-loving. The internal policy of the National Government has always been directed towards maintaining internal unity and, in our foreign relations, mutual respect and co-existence with other nations. In February of this year, at the Plenary Session, a manifesto was issued in which these points were clearly emphasized. For the last two years, as actual facts show, the National Government, in its policy towards Japan, has constantly sought to confine all pending problems to proper, recognized channels of diplomacy so that just settlements could be reached.

Our people should understand our national position. We must realize our own position. As people of a weak nation we should evaluate justly the decree of our own strength. For the past few years we have bent all our efforts towards patient endeavours to ensure peace in the face of grave difficulties and grievous pain, so that we may achieve national reconstruction. For this reason, in my report on foreign affairs at the Fifth Plenary Session the year before last, I stated that while there is the slightest hope for peace we will not abandon it; so long as we have not reached the limit of endurance we will not talk lightly of sacrifice; and the subsequent explanation at the Central Executive Session shows beyond cavil our anxiety to maintain peace.

But although a weak country, if unfortunately we should have reached that last limit, then there is only one thing to do—that is to throw the last ounce of energy of our nation into the struggle for national existence. And when that is done neither time nor circumstance will permit our stopping midway to seek peace. We should realize that to seek peace after war has once begun means that the terms would be such that the subjugation of our nation and the complete annihilation of our race would be encompassed. Let our people realize to the full the meaning of the limit

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of endurance and the extent of sacrifice thereby, for once that stage is reached we have to sacrifice and fight to the bitter end, though with always the expectancy of eventual victory. Should we hesitate, however, and vainly hope for temporary safety, then we shall perish forever.

Lukouchiao Incident is Not Accident

2.—There may be people who imagine that the Lukouchiao incident was a sudden and unpremeditated step. But, already a month ago there were symptoms that an incident would ensue because of the statements from the other side, made both through their Press, and directly and indirectly through diplomatic channels. Besides, before and after the incident we received news from various sources to the effect that the opposite side were aiming to expand the Tangku Agreement; enlarge the bogus "East Hopei Government"; drive out the 29th Army; force out General Sung Cheh-Yuan, and try to impose similar other demands.

From the above it can easily be seen that the Lukouchiao incident is not a sudden and accidental development. From this incident we must realize that the other side have a very definite purpose towards us, and that peace is not to be easily secured. According to our reports the only way by which the Lukouchiao incident could have been avoided was to allow foreign armies to come and go freely within our territory without limitation, while our own army must abide by imposed restrictions upon its movements, or to allow others to fire upon our soldiers and for us not to return fire.

Any country in the world that has the least self-respect could not possibly accept such humiliation. The four North-Eastern Provinces have already been lost to us for six years; following that there was the Tangku Agreement, and now the point of conflict—Lukouchiao—has reached the very gates of Peiping. If we allow Lukouchiao to be occupied by force, then the result would be that our ancient capital of 500 years, and the political, cultural and strategic centre of our entire North would be lost. The Peiping of to-day would then become a second Mukden; the Hopei and Chahar provinces would share the fate of the four North-Eastern Provinces.

If Peiping could become a second Mukden, what is there to prevent Nanking from becoming a second Peiping? The safety of Lukouchiao therefore is a problem involving the existence of the nation as a whole, and whether it can be amicably settled comes within the comprehension of our term "the limit of endurance." If finally we reach the stage where it is impossible to avoid the inevitable, then we cannot do otherwise than resist and be prepared for the supreme sacrifice. This resistance is forced upon us, we are not seeking war, we are meeting attacks upon our existence.

Our people must realize that today the Central Government is in the midst of preparing measures to defend ourselves. Weak nation as we are, we cannot neglect to uphold the integrity of our race and ensure the very existence of our nation. It is impossible for us not to safeguard to our utmost the heritage of our forefathers, a duty which we must fulfill to the utmost. Let us realize, however, that once war has begun there is no looking back-

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ward, we must fight to the bitter end. If we allow one inch more of our territory to be lost, then we would be guilty of committing an unpardonable offence against our race. What would be left to us other than to throw every resource of our nation into the struggle for final victory?

3.—At this solemn moment Japan will have to decide whether the Lukouchiao incident will result in a major war between China and Japan. Whether or not there is the least vestige of any hope for peace between China and Japan depends upon the action of the Japanese army. Even at the very last second before we abandon all hope of peace we would still be hoping for peace, we would still be seeking a solution through proper diplomatic channels.

Four Minimum Conditions Stated

The following four points will clearly show what our stand on this issue is:

- (1).—Any kind of settlement must not infringe upon the territorial integrity and the sovereign rights of our nation.
- (2).—The status of the Hopei-Chahar Political Council is fixed by the Central Government; we should not allow any illegal alteration.
- (3).—We will not agree to the removal by outside pressure of those local officials appointed by the Central Government, such as the Chairman of the Hopei-Chahar Political Council.
- (4).—We will not allow any restriction being placed upon the positions now held by the 29th Army.

These four points constitute the minimum conditions possible as a basis for negotiation for any nation, no matter how weak it may be. And if the opposite side will place herself in our position and have due regard for maintaining peace in the Far East, and does not desire to force China and Japan into hostilities and to make them enemies forever, they will realize that these conditions are the minimum that can be considered.

To sum up, during the Lukouchiao crisis the Central Government, in ensuring the very existence of our nation, has taken a clear, unequivocal stand. But let us realize we are one nation. We seek for peace, but we do not seek for peace at any cost. We do not want war, but we may be forced to defend ourselves. During this grave crisis the Government may be counted upon to guide the nation with calmness and restraint, the people likewise must show sobriety and discipline. In discharging our obligations to our race let there be no distinction between North and South, age or youth, but let all implicitly and with iron discipline follow the guidance of the Government.

I hope you gentlemen will explain what I have said to all those you meet, so that they will understand the situation and appreciate our policy.

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APPENDIX II

STATEMENT OF THE CHINESE GOVERNMENT TO THE LEAGUE OF NATIONS

August 30, 1937

This first statement covers the Japanese aggression in China since the Lukouchiao incident of July 7, 1937, and was presented to the members of the League of Nations and the Advisory Committee set up under the resolution adopted on February 24, 1933, by the Assembly of the League of Nations, by Dr. Hoo Chi-tsai, director of the Permanent Bureau of the Chinese delegation to the League.

On the evening of July 7th, Japanese troops held illegal manoeuvres at Lukouchiao, a railway junction of strategic importance in the vicinity of Peiping, where their presence could not be defended under any existing treaty or agreement. Alleging that one Japanese soldier was missing, Japanese troops demanded after midnight to enter the adjacent city of Wanping to conduct a search. When permission was refused by the Chinese authorities, the Japanese suddenly opened an attack on Wanping with infantry and artillery forces and thus the Chinese garrison was compelled to offer resistance.

While the Chinese authorities from the very beginning showed their willingness to reach an amicable settlement of the Lukouchiao incident, Japan has sought to exploit the incident for furthering her designs on North China and relentlessly forced China to resort to armed resistance, thus precipitating a sanguinary conflict of which the world has as yet only witnessed the beginning.

With a view to avoiding further hostilities and effecting a peaceful settlement with Japan through regular diplomatic channels, the Chinese authorities with great self-restraint and forbearance, in face of repeated provocative attacks by Japanese forces, proposed a mutual withdrawal of troops in order to separate the two opposing forces and, later, as unmistakable proof of China's peaceful intentions, actually proceeded to withdraw her troops from the scene of conflict even before Japan commenced similar withdrawal.

On the other hand, the Japanese deliberately aggravated the situation by immediately despatching large reinforcements to the province of Hopei, by renewing their offensive in the Wanping-Lukouchiao area and by extending the field of conflict to the immediate outskirts of Peiping.

In spite of such grave provocations, the Chinese local authorities continued their efforts for peaceful settlement and, on July 11th, accepted the following terms proposed by the Japanese:

- (1) expression of regret by a representative of the military authorities, disciplinary measures against officers directly involved in the conflict and guarantee against recurrence of similar incidents;

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(2) replacement of Chinese regular troops at Lukouchiao and Lungwangmiao by peace preservation corps and

(3) effective suppression of anti-Japanese and Communist organizations in the Hopei Province.

On July 12th, the Counsellor of the Japanese Embassy, accompanied by an assistant Japanese military attaché and an assistant naval attaché, acting under instructions from his government, called at the Chinese Ministry of Foreign Affairs and advised the Chinese Government 'not to interfere' with the local settlement which had been reached on the previous day. The Japanese Counsellor received the reply that any local arrangement, in order to be binding, must be approved by the Chinese Central Government. The Ministry of Foreign Affairs also proposed the mutual withdrawal of troops to their original positions pending the final settlement of the incident.

While the Chinese local authorities were carrying out the terms of the agreement by withdrawing their troops, the Japanese extended their warlike activities and provocative attacks to the Peiping-Tientsin area. By July 15th it was estimated that over twenty thousand Japanese troops and a hundred aeroplanes had been concentrated in this area with further reinforcements held in readiness on the other side of the Great Wall. Under threat of military coercion the negotiations between local representatives were rendered exceedingly difficult, especially as Japanese attempted to dictate measures for complementing the agreement of July 11th.

China's Memorandum to Nine Power Signatories

On July 16th, China presented a memorandum to the Governments of Powers signatory to the Nine-Power Treaty (with exception of Japan) and Governments of Germany and Soviet Russia, drawing their attention to the fact that the sudden attack on Lukouchiao and the invasion of North China by large Japanese military forces constituted a clear violation of China's sovereignty, contrary to the letter and spirit of the Nine-Power Treaty, the Paris Peace Pact and the Covenant of the League of Nations. It was also stated in the memorandum that, while China was obliged to employ all means at her disposal to defend her territory and national existence, she nevertheless held herself in readiness to settle her differences with Japan by any of the pacific means known to international law or treaties.

On July 17th, the Japanese Embassy presented a memorandum to the Ministry of Foreign Affairs, demanding the Central Government not to interfere with local negotiations, nor to make military preparations of any kind. On the same day, the Japanese military attaché, under instructions from the Tokyo War Office, made representations to the Chinese Ministry of War against the entry of Chinese reinforcements into the Hopei Province even for defensive purposes and threatened with 'grave consequences' if the demand be not complied with.

To such preposterous representations the Chinese Government, on July 19th, replied in writing, renewing its proposal for simultaneous cessation of troop movements on both sides and mutual withdrawal of troops to their respective original positions on date to be agreed upon by both

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parties. It was also unequivocally stated in the reply that for the settlement of the incident the Chinese Government was prepared to accept any pacific means known to international law or treaties, such as direct negotiations, good offices, mediation and arbitration. Unfortunately, these conciliation demarches failed to receive the desired response. That the Chinese Government went to the utmost limit of forbearance was shown by the fact that it did not raise objection to the terms of the agreement reached on July 11th between the Chinese local authorities and the Japanese army.

Thus it will be readily seen that since the outbreak of the Lukouchiao incident, Japan has sought to exploit it in two ways for realising her object of military, political and economic domination over North China. On the military side, she persisted in sending to the Hopei province enormous numbers of armed forces that would only be required for large scale campaign and, at the same time, sought to prevent the Central Government from taking precautionary defence measures, so that she would be in position more effectively to bring local authorities to subjection. Diplomatically, she has endeavoured to coerce the Chinese Central Government into keeping its hands off North China and agreeing in advance to whatever terms the local authorities, when left alone to face Japanese military pressure, might be forced to accept.

Finally, seeing that China refused to act according to their wish, the Japanese army presented an ultimatum to the Chinese local authorities on July 26th, demanding, among other things, the withdrawal of Chinese troops from Peiping and its vicinity which, it may be noted, was outside the terms of the agreement of July 11th. Even before the expiration of the time-limit fixed by the ultimatum, Japanese military and air forces launched a big offensive against the Peiping-Tientsin area causing a widespread feeling of horror and dismay by their wanton destruction of civilian lives and property, including many educational and cultural institutions.

The Shanghai Incident of August 9

After the Chinese troops had withdrawn from the Peiping-Tientsin area, Japanese armed forces further extended their operations into southern Hopei and also northward into Hopei-Chahar border, where fierce attacks are being made on the strategic pass of Nankou. It was estimated by August 20th that Japanese troops in North China totalled approximately hundred thousand strong. The concentration of such large force on Chinese soil shows that Japan is irrevocably committed to a policy of military conquest and expansion on the Asiatic continent.

Fearing that Japan would bring the war scourge to Shanghai, the financial and economic centre of China, as she did following her occupation of Manchuria, the Chinese Government, during the critical tension in North China, repeatedly ordered the local authorities at Shanghai to take special precautions against the occurrence of any untoward incident. China's efforts to preserve peace of that great metropolis were however frustrated as a result of the incident of August 9th, in which one Japanese naval officer, one

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Japanese seaman and a member of the Chinese Peace Preservation Corps were killed in a clash arising from the Japanese naval men's attempt to approach the Chinese military aerodrome near Shanghai, regardless of Chinese warnings.

While the Chinese municipal authorities immediately proposed that a settlement be sought through diplomatic channels, Japan again preferred the arbitrament of force. Within less than 48 hours she concentrated about thirty warships at Shanghai and had her armed forces there increased by several thousand. At the same time, demands calculated to remove or undermine Chinese defence were made on Chinese authorities. The expected attack opened on August 13th, four days after the incident, when Japanese naval forces both ashore and afloat, using the International Settlement as a base for operations, launched an offensive against the districts of Kiangwan and Chapei.

Since then, the Japanese have extended their air activity to many provinces, including those of Shangtung, Kiangsu, Chekiang, Anhui, Hupei, Hunan and Kiangsi. Daily raids have been made on Nanking, national capital of China, and various other cities of economic or political importance. There is every sign that Japan, relying on the numerical superiority of her air force, aims at crippling China's strength for resistance by extensive bombing operation in the most prosperous parts of China, where her economic and cultural life as well as foreign commerce are centred.

China's Case Summarized

The above brief account of what Japan has done since the outbreak of the Lukouchiao incident on July 7th, brings out the following facts most clearly, truthfully and indisputably.

(1) Japanese armed forces have invaded China's territory and are extensively attacking Chinese positions by land, sea and air, in Central as well as North China. It is thus a case of aggression pure and simple.

(2) China is exercising her natural right of self-defence, the failure of all other means of repelling violence having compelled her to resort to force, which is contrary to China's wish.

(3) Japan's present action in China is the continuation of her aggressive program started in Manchuria in September 1931. Japan has now occupied the Peiping-Tientsin area and is bent upon extension of her occupation to the whole of North China and domination of other regions in spite of all her assurances that she has no territorial designs on this country. She is attempting to destroy all the work of reconstruction which the Chinese nation has so steadily and assiduously undertaken during the last ten years.

(4) In thus deliberately disturbing the peace of the Far East, Japan has violated the fundamental principles of the Covenant of the League of Nations. Using war as an instrument of national policy and ignoring all the pacific means for the settlement of international controversies, she has violated the Paris Peace Pact of 1927. Acting contrary to her pledge to respect the sovereignty, the independence and the territorial and administrative integrity of China, she has violated the Nine-Power Treaty concluded at Washington in 1922.

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APPENDIX III

SUPPLEMENTARY STATEMENT OF THE CHINESE GOVERNMENT TO THE LEAGUE OF NATIONS

September 12, 1937

This supplementary statement of September 12, 1937, was presented to the League by Dr. V. K. Wellington Koo, first member of the Chinese Delegation, and covers events since the previous statement.

Since the presentation of the last statement to the League under date of August 30th, 1937, Japan's aggression in China has developed in further intensity and ruthlessness resulting in much wanton destruction of non-combatant life and property including those of third powers. The gravity of the situation calls for a supplementary statement in which the Chinese Government wishes to draw special attention to the following outstanding events:

(1) *Military and political aspects.* The fighting in the Shanghai area which was started on August 13th, 1937, by the Japanese landing party has been intensified with the continual arrival of Japanese military naval and air reinforcements. It is estimated that in addition to over ten thousand marines, Japan has brought five army divisions to Shanghai with a formidable array of modern war weapons including scores of military aeroplanes. Determined to bring under her control the premier seaport of China, Japan has flatly rejected the proposal advanced by the representatives of third powers for the mutual withdrawal of the forces including the Japanese warships from Shanghai, which proposal China accepts in principle. Hostilities in Shanghai have already exacted an enormous toll in life and property, and with two huge opposing armies locked in a life-and-death encounter, the fighting is likely to be prolonged.

In North China the Chinese troops defending Nankow, after having valiantly held out about a fortnight against fierce Japanese onslaughts were eventually forced to withdraw when subjected to gas attacks and threatened with flanking movement by units of the Japanese Kwantung army from Jehol. Advancing westward the Japanese forces have occupied various cities on the Peiping-Suiyuan railway as far as Kalgan the capital of Charhar which was evacuated by Chinese troops on August 27th. The Japanese sources announced on September 4th that a puppet regime styled "South Chahar Autonomous Government" was being formed at Kalgan.

Fighting has continued along northern sections on the Peiping-Hankow and Tientsin-Pukow railways where the Japanese military strength has reached nine divisions totalling no less than one hundred fifty thousand men. Meanwhile, confusion and terror reign in the Peiping and Tientsin area which is completely under Japanese control. Ten foreign missionaries were reported to have been kidnapped in Peiping where the Japanese military have admitted that they are facing the problem of preventing looting by their own soldiers.

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With a view to devastating all Chinese seaports, Japanese activity in the air has been extended towards South China. A formation of six or seven Japanese military planes bombed Canton on August 21st, while Swatow and Changchow (Fukien) were raided the same day. Two Japanese seaplanes bombed Amoy on September 3rd shortly after the bombardment of the Chinese forts there by Japanese warships and Swatow was bombed for the second time on September 6th. With the exception of a few provinces, Japanese air activity has now been extended throughout the length and breadth of China. In carrying out their deathdealing mission, the Japanese airmen have shown most spiteful disregard for distinction between combatants and non-combatants. Details of this sordid aspect of Japan's aggressions will be given presently.

(2) *Japan's declaration of the naval blockade.* The Japanese Navy declared on August 25th a blockade against Chinese shipping from Shanghai to a point to the south of Swatow. While it was declared from Tokyo that 'peaceful trade' would not be interfered with, the legal adviser to the Japanese Third Fleet operating in Chinese waters, Dr. Jumpei Shinobu, told the foreign Press that foreign ships might be hailed by Japanese warships patrolling the blockaded area. He also intimated the possibility of the Japanese exercising the privilege of preemption toward foreign bottoms found to be carrying cargo which in their view would constitute wartime contraband.

On September fifth the blockade was further extended to include an area from Chinwangtao in the North to Pakhoi in the South covering virtually the entire length of the Chinese coast. Simultaneously the Japanese naval authorities announced that they reserved the right to hail all merchantmen in Chinese waters in order to ascertain their identity and also asked all foreign shipping companies to inform them of the movement of their ships in Chinese waters.

(3) *Japanese bombing of red cross units.* Flagrantly violating the Geneva Convention of 1929 to which Japan is a signatory the Japanese forces have repeatedly committed outrages against Red Cross units engaged in humanitarian tasks attending wounded soldiers. Interviewed by the Press on August 29th, Doctor F. C. Yen, a responsible executive of the Chinese Red Cross Society, revealed that seven of thirty Red Cross vans were disabled by Japanese bombs. In many cases Japanese aeroplanes gave chase to these vehicles despite easily discernible insignia. Sometimes bombs were dropped on them.

On August 18th, the Red Cross hospital at Chenju was bombed. Fortunately most of the patients had been removed to another place. The stretcher bearer was killed while one doctor and three others were wounded. The following day the Red Cross ambulance corps at Nanhsiang was likewise bombed by Japanese raiders. Two wounded soldiers were killed while four members of the corps were wounded.

Perhaps the most horrible of the outrages was staged in a cold-blooded manner by the Japanese soldiers at Lotien on August 23rd. The ambulance

APPENDICES

corps of forty-three members were rescuing the wounded when they were surrounded by Japanese troops. Having torn off the Red Cross insignia on their white uniform the Japanese soldiers made them kneel down and then shot at them. One doctor and four nurses were killed outright while three nurses managed to escape. The rest were still missing and were believed to have been killed. Of the three nurses one was shot at while running away from the Japanese and succumbed to injuries the next day.

These horrible acts rendered Red Cross work most difficult. Presently all those working behind the front lines were obliged to carry on duties in the evening when they were less exposed to the danger of possible death. The Japanese allegation that the Red Cross carried war materials was completely groundless. Great care was exercised by the Chinese Red Cross Society in using Red Cross flags. Each of the thirty vans to which special permits were granted by the International Settlement or French Concession authorities at Shanghai to pass through their respective territory was thoroughly inspected before it left for the war zone. There is absolutely no excuse for the Japanese deliberately to bomb the Red Cross ambulances and lorries.

(4) *Indiscriminate attacks on non-combatants.* Of numerous instances of indiscriminate Japanese attacks from air, few tragic examples serve to illustrate the inexcusable and heinous crimes that have been committed against non-combatants.

On August 17th about ten Japanese planes appeared over Nantungchow approximately eighty miles west of Shanghai and dropped six bombs on the American Mission Hospital there. One bomb hit the main building which caught fire and was destroyed. Several Chinese doctors and two nurses were among those killed while scores were wounded including two American nurses on duty.

On August 28th twelve Japanese planes raided Nantao, a densely populated Chinese city in Shanghai, which was entirely devoid of Chinese troops or military positions. The bombs which dropped in the vicinity of the South Railway Station resulted in the death of over two hundred civilians and injury to five hundred others. The victims including an exceedingly large percentage of women and children were mostly refugees waiting en train for regions of comparative safety.

Over two hundred wounded soldiers and refugees were killed when an omnibus station at Tachang few miles from Woosung were bombed by Japanese aircraft on August 31st. Similar tragedy occurred on the same day at Tsangchow approximately seventy miles south of Tientsin where hundreds of civilians were killed and wounded by Japanese air bombs.

In the early morning of September 5th, sixteen Japanese planes raided the village of Peihsingching on the Western fringe of the International Settlement at Shanghai where no fighting had occurred. Numerous houses were destroyed and a large number of villagers were killed and wounded.

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

CHINA FACES JAPAN

While flying over that area, the Japanese planes saw two junks sailing in the Soochow Creek both laden with war refugees. One junk was immediately bombed resulting in forty killed and sixty wounded while many panic-stricken refugees in the second junk were machine-gunned and killed.

(5) *Wanton destruction of educational and cultural institutions.* Since the outbreak of hostilities educational and cultural institutions received special attention of Japanese as objects for their wanton destruction.

One of the first acts of Japanese soldiers after the occupation of Tientsin was to deliberately set on fire with large quantities of oil the well-known Nankai university and the affiliated Middle School. Since then many other colleges and schools were either partially or totally destroyed by Japanese airbombs. These included the Tsonging Girls School at Nantungchow; the Balwin School for Girls of Kiangsi, the Agricultural Institute and the Normal School for Rural Education at Nanchang; the National Central University, its Experimental High School and the School for Children of the Revolutionary Martyrs at Nanking and the National Tungchi University at Woosung. It is noteworthy that all these institutions were attacked from air and, with the exception of the National Tungchi University, were situated hundreds of miles away from the scene of hostilities. Even the latter did not lie within the area of actual conflict nor was it occupied by Chinese troops at the time when it was destroyed.

The above sketch of what the Japanese armed forces have done on the Chinese territory in the last two weeks shows clearly that Japan is determined to extend her aggressive action to the length and breadth of this country, with the object, as the Japanese themselves have admitted, of destroying the body politic of China and wiping out the very civilization of the Chinese nation thereby realizing Japan's long cherished dream of continental conquest.

It is further demonstrated by the above-mentioned facts that the Japanese armed forces in invading China's territory show an utter disregard for all rules of international law, all provisions of treaties, and all precepts of humanity. Law and morality give place to violence and anarchy. Intoxicated by the lust for conquest the invader is bent upon ruthless slaughter and wanton destruction. The lives of four hundred and fifty million people are at stake; the civilization and the security of the whole world are in the balance.



I put peace above everything except righteousness. Where the two come into conflict I support righteousness.—
Theodore Roosevelt.

SC

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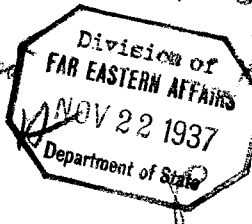
DEPARTMENT OF STATE

1937 NOV 22 AM 9 47

945 Pennsylvania Avenue, N. W.,
Washington, D. C.,
November 22, 1937.

DIVISION OF
COMMUNICATIONS
AND RELATIONS
Honorable Cordell Hull,
Secretary of State of the United States,
Washington, D. C.

Reply drafted
NOV 24 1937



November 26 1937

Dear Mr. Secretary:

At the request of Mr. Frank W. Price, who has recently returned from China, I am sending a copy of the booklet "China faces Japan", edited by Arthur A. Young, and published by the Chinese Students' Christian Association in North America. You will note that it contains articles by Mr. Price and by his brother Mr. Harry Price, Professor of Economics from Yenching University, Peiping.

We trust that there will be information of value to you in this booklet.

Sincerely yours,

Helen M. Loomis

Helen M. Loomis,
(On furlough from Ginling
College, Nanking, China.)

793.94

FW 793.94/11259
11332

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

November 26 1937

In reply refer to
FE

My dear Miss Loomis:

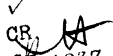
Mr. Hull has asked me to acknowledge with thanks the receipt of your letter of November 22, 1937, and its enclosure of a booklet entitled China Faces Japan edited by Arthur A. Young.

Your courtesy in sending this booklet to the Department is greatly appreciated.


Sincerely yours,



Maxwell M. Hamilton
Chief
Division of Far Eastern Affairs

✓
CR 
NOV 26 1937.PM

Miss Helen M. Loomis,
945 Pennsylvania Avenue, N.W.,
Washington, D.C.


FE:KFP:HES
11-24, 26


FE



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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

December 1 1937

In reply refer to
FE 793.94/11259.

My dear Miss Loomis:

The Department has received by reference from the White House, your letter of November 22, 1937, addressed to Mr. Marvin McIntyre, secretary to the President, enclosing a booklet entitled China Faces Japan and a letter addressed to the President by Miss Stella Marie Graves to which are appended the signatures of a number of other persons and in which comment is made in regard to the Far Eastern situation.

In the Department's letter of November 26 acknowledgment was made of the booklet sent by you to the Secretary of State, and I desire again to thank you for making copies of this booklet available to the Government and for your courtesy in sending Miss Graves' letter to the

Miss Helen M. Loomis,
945 Pennsylvania Avenue, N.W.,
Washington, D.C.

793.94/11259

F/FG

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-2-

the White House. Will you be so good as to inform Miss Graves that her letter and its enclosure of an address by Generalissimo Chiang Kai-shek have been read with interest and her courtesy in making her views known to the Government is greatly appreciated.

Sincerely yours,

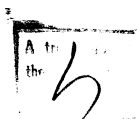
For the Secretary of State:

Maxwell M. Hamilton
Maxwell M. Hamilton
Chief
Division of Far Eastern Affairs

WSP
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11-30

FE

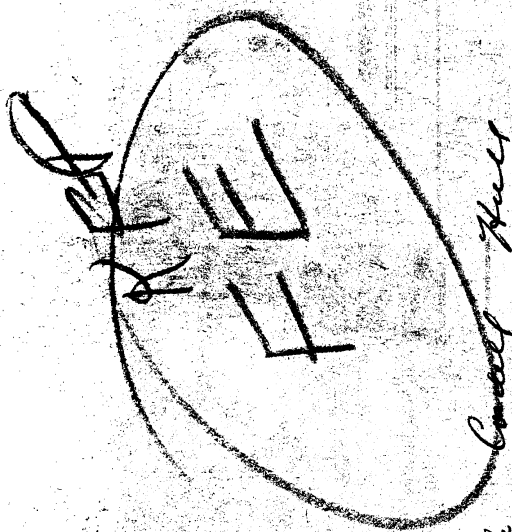
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DEC 1 1937



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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

H. Loomis
 945 Pennsylvania Ave. N.W.,
 Washington D.C.

274



Honorable Council House

Secretary of State of the United States

Washington D.C.

Letter enclosed.



0361

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

35c

CHINA

FACES

JAPAN

BY SIXTEEN WRITERS

A COMPREHEN-
SIVE SURVEY
AND ANALYSIS
OF THE PRESENT
CONFLICT BETWEEN
CHINA AND JAPAN

FW 793.94/11259

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Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

China Faces Japan

Edited by

Arthur A. Young

1937

Chinese Students' Christian Association in North America

347 Madison Avenue, New York City

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Foreword

THIS booklet covers the conflict between China and Japan in operation since July 7, 1937. It is especially designed for the busy reader who needs a thread of history to guide him as he reads the day-to-day reports.

Swiftly but accurately, it deposits the compelling facts and forces that underscore the issues. The political, economic, cultural, and international factors, as they affect the current scene, are surveyed and evaluated by sixteen expert students of the Far East.

The editor wishes to take this opportunity to thank the authors for their kind co-operation.

ARTHUR A. YOUNG.

October 28, 1937

CHINA FACES JAPAN

A Chinese View of the War

By Y. T. Wu

Editor of The Association Press, Shanghai

THE final showdown of the Sino-Japanese conflict has come. While the fighting is still in its initial stage and no formal declaration of war has been made by either belligerent, it is safe to predict that the present struggle, unlike its predecessors, will be decisive and will not come to an end until one of the two parties is exhausted.

It was quite evident that China did not want to go to war. She had suffered since 1931 the loss of Manchuria, of Jehol, and of large sections of Hopei, Charhar and Suiyuan together with numerous encroachments on her sovereignty in other parts of the country. And yet all the time she had done almost nothing besides patiently nursing her wounds in the hope that her enemy might give her at least a breathing space, if only to consolidate its gains. But now she has come to the place where she can yield no more. The Japanese militarists have made another bold move and she must challenge it now or never.

It was equally evident that Japan did not want to go to war. What she wanted was to slice off another section of North China, turn it into another puppet state and use it as a base for further aggression. She had wanted to accomplish all this without the tremendous cost of a war and that is why she had wanted to regard the Lukouchiao affair* as another "incident" and to have it settled as such on her own terms. But this time she was surprised. China has put up a nation-wide resistance, and, whether she wants it or not, she must go into the game.

But it would be untrue to say that Japan is unprepared for the war. She has picked a quarrel at a most opportune time and she is determined to see it through. In the first place, China is getting more united and the longer Japan waits, the harder it will be for her to conquer China. Political differences in China during the past few years have centered around the question of when and how to resist

CHINA FACES JAPAN

Japanese aggression, but when nation-wide resistance has become a fact, such divisions no longer exist. After the Sian Incident of December, 1936, even the campaign against the communists has been given up and the central government is now able to present a united front against the Japanese militarists.

In the second place, increasing internal troubles in Japan have made it desirable for the imperialists to divert attention from the home scene. As the military program marches forward, the lot of the common people becomes more and more grievous. Prices have risen and wages have fallen. The budget of the current year reached the unprecedented figure of over three billion yen and the national debt already exceeded ten billion. Because of heavy imports for her war industry, Japan's foreign trade has shown an increasingly unfavorable balance until it reached 720,000,000 yen this July. If these conditions are not to result in serious trouble, so the imperialists think, the people must be given at least an emotional outlet in more foreign conquests.

In the third place, the international situation is also favorable for further aggression. Italy has swallowed Ethiopia; Germany has remilitarized the Rhineland and both of them have actively supported the fascist regime in Spain. And they have all found themselves unchallenged. In the case of Spain, the "neutrality" of the Powers has even resulted in advantage to the insurgents. All this, together with her Pact with Germany and the seeming weakening of the Soviet Union's military organization because of the purging movement, have made Japan

* See China's First Statement to the League of Nations in the Appendix.

feel that this is the time to strike another blow in the Asiatic mainland.

II.

If Japan is prepared for war, so is China. From the very beginning, China knows that Japan will not stop until the whole nation is subjugated. She knows that her only way out is to fight for her existence. She knows too that she is militarily weak and she is not unmindful of the terrible price of a war. But she is also convinced that many factors will work in her favor. There is, first, the exceptional morale of the people. The nation has, with one accord, demanded war at whatever cost. The stout resistance put up by soldiers in the fronts in Central and North China has received enthusiastic support from people all over the country and from the overseas Chinese. Even the terrible destruction of life and property in Shanghai and the grim tragedies yet to be expected in other parts of the country have been accepted as a matter of course and without a word of complaint.

The same thing cannot be said of Japan. Through propaganda and under the high-handed policy of the militarists, the country has put up an appearance of popular approval of the campaign in China, but the people themselves know better. They know that no purpose is served in the present expedition besides the ambition and the affected pride of a few militarists; they know that if Manchuria has brought them nothing but heartaches, the present war in China will mean something much worse in the upsetting of normal economic relations; and they know that the whole cost of the war will eventually fall on their own shoulders. This lack of real enthusiasm on the part of the

A CHINESE VIEW OF THE WAR

Japanese people will more than offset the superiority of Japan's military equipment and may eventually spell the doom of her enterprise in China.

But there are other equally important factors in favor of China. China is a poor country, but because of her size, she has infinitely more resources and man power to draw upon than has Japan. Her people are used to a low standard of living and can undergo hardships imposed by the war longer than the Japanese can. The fact that the country is not highly organized, instead of being a handicap, becomes an advantage in time of foreign invasion. It means that no one centre or centres are vital and even if the enemy should succeed in taking a few key cities, it does not mean that the war will come to an end. Because the war is fought in Chinese territory, the Japanese will have the additional disadvantage of having to face an aroused and hostile people all the time. In addition to the regular warfare they will be constantly harassed by organized guerrilla attacks on her troops and by the boycott and sabotage of the common people.

That all this will take place is borne out by what is happening in Manchuria. Today after the Japanese have controlled Manchuria for six years and in spite of the most drastic and cruel tactics the rulers have devised to suppress the revolt of the people, there are in these three provinces 200,000 volunteers who hide themselves in the mountains and come out every once so often to attack the Japanese at a thousand and one points. News of a general warfare in China will doubtlessly increase their activities and, before long, the Japanese there may find themselves confronted with a most difficult task. But if this is true in

Manchuria, how much more so it will be in China proper, where an aroused people is backed by organized military force?

III.

Another matter that concerns us seriously is the international consequences of the war. In spite of the efforts of Western powers to isolate themselves from the conflict, it will be very difficult under the circumstances above described for China and Japan to fight it out between themselves without getting other countries involved. Already Great Britain feels herself outraged by the bombing of her Ambassador to China by Japanese airplanes on August 26. The incident merely served to lay bare her anxiety over the new Japanese aggression in a country in which she has much more at stake than the investment of \$1,250,000,000. The United States, while still weighing the pros and cons of the invocation of the Neutrality Act, is in no more secure position. There is no question that the national sentiment is overwhelmingly against involvement, but because of her vital interest in the Far East, there is no guarantee that, with the deepening of the crisis, the scruples taught by the experience of participation in the European War will not be thrown to the winds.

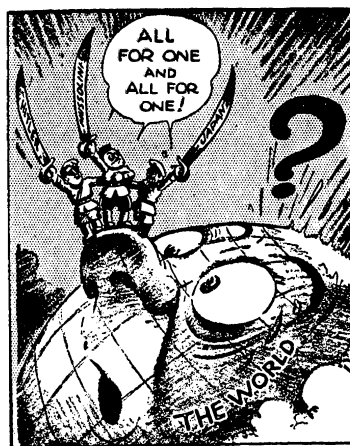
At the time of writing, China formally announced the conclusion of a non-aggression pact with the Soviet Union. While there is no indication that this will mean military help to China, it can hardly be doubted that it may tend toward such a development should circumstances demand it. With all that we know about the sympathies and inclinations of countries like France,

CHINA FACES JAPAN

Germany and Italy, who are closely linked up with countries above mentioned, any widening of the circle of conflict will inevitably bring about the world catastrophe which we have all dreaded.

All this merely serves to reiterate the platitude that the Sino-Japanese conflict cannot be confined to the Far East. The one demand on which we can all agree is for the early restoration of peace. But this must be brought about, if it can be brought about at all, in a realistic way. There is no use talking about peace to the Japanese for that is merely talking to the winds. Nor is the pacifist counsel to the Chinese desirable or practicable under the present circumstances. The one channel which has never been explored on a major conflict of this kind and which is still open is concerted international action. This means that the participating powers, having named the aggressor, must bring such moral and economic pressure to bear on it that it will be compelled to take note of world opinion.

Sir Arthur Willert, for several years head of the press department of the British Foreign Office, has reported British diplomatic opinion on this matter in these words: "It is felt that the world is confronted by the most colossal offensive by one group of powers against another group that has ever been seen; and that, in fact, the activities of Japan in China can only be seen in their right perspective if they are regarded, like the activities of Germany and Italy in Spain, as part of a great attack by the militarist countries upon the democratic countries." When present events are seen in such light, they begin to have significance for situations from which they seem now to be far removed. It may then induce efforts which will go farther than the pre-



United Features

THE THREE MUSKETEERS

servation of a temporary equilibrium and the maintainance of an illusory peace in undisturbed areas.

In the meantime, whatever the powers may or may not do, Chinese resistance will go on. Madame Chiang Kai-shek expressed the sentiment of the whole Chinese nation when she said: "China is fighting for her hearths, her homes, her honor. She is not afraid. Japan may be a fighting machine, but China has found her soul. China will defend her people and her rights." Already tens of thousands have died and whole cities have been reduced to ruins. Horrors and destruction of a worse kind may yet await us which will shock the whole human race. But let us hope that out of evil good may come. Let us hope that these terrible events will mark the beginning of the downfall of a maddened imperialism which is so sick within itself that it has to commit suicide by attempting the impossible. Let us hold on to the conviction that, in spite of all appearances to the contrary, might will never make right.

Chiang Kai-Shek's Policy

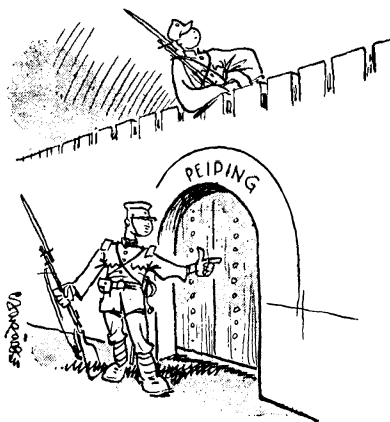
CHIANG KAI-SHEK'S foreign policy since the Manchurian occupation, a policy supported by Kuomintang and government authorities, has been one of patient conciliation. Time, time, was needed, for internal unity, for financial reforms, for social and economic improvement, for strengthening of government administration, for military preparation. Chiang undoubtedly saw war coming but he hoped to keep it off as long as possible. His ringing speech at Kuling on July 19, (for text see appendix) praised for its courage, was not new to those who know him. He only made explicit what has been implicit in his previous declarations and actions.

Chiang declared that China was ready to defend her territory against further invasion, and that once war began China would not turn back. He proposed that both sides withdraw their troops to the original positions held before the Lukouchiao incident and that direct negotiations be opened between Nanking and Tokyo for settlement of this and other difficulties. But if Japan should continue to move troops and attack, China would defend herself. China would negotiate upon four conditions which seem eminently fair to all Chinese:

1. Any kind of settlement must not infringe upon the territorial integrity and sovereign rights of China.
2. There must not be any illegal alterations in the status of the Hopei-Chahar Council, fixed by the Central Government.
3. The Central Government will not agree to the removal by outside pressure of local officials it has appointed.
4. The Central Government will not allow any restrictions to be placed upon the movements of the 19th Army.

This statement should be put alongside Chiang's widely quoted words on November 10, 1935, before the Fifth National Congress of Kuomintang, "As far as I am concerned I will not evade my responsibility. We shall not forsake peace until there is no hope for peace. We shall not talk of sacrifice until we are driven to the last extremity, which makes sacrifice inevitable. The sacrifice of an individual is insignificant, but the sacrifice of a nation is a mighty thing. For the life of the individual is finite, while the life of the nation is eternity."

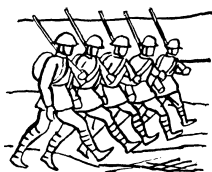
DECLASSIFIED: E.O. 11652, Sec.
Department of State letter, Aug
By Milton D. Hunter NAR



Sapajou in the North China Daily News

*Knock! Knock!
Who's There?
Japanese!
Japanese What?
Japan—Is—Friendly!*

3(E) and 5(D) or (E)
1st 10, 1972
3, Date 12-18-75



Japan's Continental Policy

By Frank W. Price

Translator of Sun Yat-sen San Min Chu I

JAPAN'S modern diplomacy with China alternates between two policies—the mailed fist and the friendly handshake. The first serious conflict between the two nations was the Sino-Japanese War of 1894-1895 in which China was hopelessly defeated. Japan took possession of Formosa and forced China to recognize Korea as an independent state under Japanese tutelage.

A friendly period followed, until the time of the Boxer uprising in 1900, after which Japan made huge demands for indemnities and special privileges along with other powers. Japan's war with Russia in 1905 and the terms of the peace treaty revealed Japanese designs upon the continent of Asia. A foothold was won in Manchuria. The annexation of Korea in 1908, contrary to previous promises by Japan, was much resented in China. But for many years there was no serious friction. During the last stage of the Manchu regime and the beginnings of the new Republic Dr. Sun Yat-sen won many friends and supporters in Japan and liberal sentiment among educated Japanese was sympathetic to the Chinese Revolution.

Then suddenly in 1915 the Japanese Government presented the famous or rather infamous "Twenty-One Demands" to the strug-

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gling new republic. Yuan Shih-kai is denounced as a traitor today because he capitulated to many of the demands, and if he had conceded all that Japan asked, China would now be in the position of Korea. The Japanese leaders, however, were sensitive to critical world opinion and a period of goodwill followed. After the Great War Tsingtau was returned to China, and in 1922 Japan even signed the Nine Power Treaty agreeing to recognize China as an equal, to respect China's independence and to give that country "the freest and most unembarrassed opportunity" to work out her own destiny free from outside interference and pressure. The student movements which were to play so large a part in arousing the people of China to dangers from without arose about this time. In 1924 Dr. Sun Yat-sen enunciated his Three Principles including the principle of nationalism. Waves of anti-Japanese feeling caused by threats of danger from Japan were followed by periods when adjustment of relations between the neighboring countries seemed exceedingly hopeful.

But Japanese pressure in Manchuria was steadily increasing. In the autumn of 1928 I visited the Three Eastern Provinces and was impressed with the large measure of Japanese influence there as compared with the rest of China and with the rising tide of nationalist feeling especially among professors and students in colleges and middle schools. A few months later, in a conversation with Dr. C. T. Wang, then Minister of Foreign Affairs, I asked what was the outlook for Sino-Japanese relations. "We have hopes of adjusting problems in Shantung and the tariff question," he replied. "What about Manchuria?" I asked again. "We cannot touch the question of Manchuria now; that would mean war," was his serious answer. Manchuria was already cradle of conflict.

THE LOSS OF MANCHURIA

Friction in Manchuria between Chinese and Japanese was increasing, and a peaceful settlement was made more difficult by the tenuous relationship between the new Nanking government and Chinese officials at Mukden. But China was achieving some diplomatic success when suddenly, on September 18, 1931, a day which every school child in China knows as the darkest day in the history of modern China, the Japanese army started upon its military conquest of the Three Eastern Provinces. The story since that time is more familiar. The armies of the young Marshall Chang Hsueh-

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liang withdrew before the Japanese advance, ("See what effect non-resistance had upon Japan!" say the youth of China today) and in a few months "Manchukuo," a puppet state, supposedly the creation of the people but in reality engineered by Japan and under Japanese control, was an accomplished fact. China appealed to the League of Nations and received moral support in the Report of the Lytton Commission and in the League's verdict against Japan. But Japan only withdrew from the League and began to look south of the Great Wall.

The feeling aroused by the occupation of Manchuria inevitably led to occasional "incidents" which the Japanese army was already to magnify and make a pretext for further extension of their power. The undeclared Shanghai war in the early part of 1932 caused property damage in the Chinese city estimated at more than \$300,000,000 and cost over 120,000 lives. The unexpectedly strong resistance of the Nineteenth Route Army and International opposition thwarted Japan's designs in a measure, yet the Japanese secured a foothold in Hongkew and the northern section of Shanghai which they have since used to great military advantage. A truce was signed according to which Chinese troops withdrew but China claims that Japan has violated the truce again and again by making Hongkew a base for unwarranted military maneuvers and preparations and by securing the protection of the International Settlement where the Chinese government could not interfere.

JAPAN PENETRATES NORTH CHINA

In the spring of 1933 Japan succeeded in seizing Jehol Province southwest of Manchuria upon grounds of defense and Jehol has since served as a base for expeditions within the Great Wall. Indignation in China was now rising to fever pitch and other nations were beginning to show more concern. Japan's answer was the Tangku Truce, mentioned frequently in July dispatches from north China. According to the terms of this agreement, signed on May 31, 1933, Chinese troops were to withdraw west and south of a designated line drawn through the northern part of Hopei province and north of Peiping. Beyond the line Chinese could station police but could not keep an army. The Japanese army agreed to withdraw to the Great Wall but was given the right to supervise the Chinese withdrawal, by aeroplanes and other means. They have been superintending the withdrawal ever since!

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The Tangku Truce gave the Chinese hope that Japan's aggressions in north China were at an end. Even the well-known intellectual leader, Dr. Hu Shih, defended the Truce as a welcome breathing space, and urged his fellow-countrymen to turn their attention to internal reconstruction. The Truce also served to allay temporarily the suspicions and fears of interested powers with regard to Japan's imperialistic designs.

There followed a great demonstration of friendship for China. Mr. Hirota, Japanese Minister of Foreign Affairs, made speeches welcoming the adjustment of fundamental differences between the two countries. Much was said about "economic co-operation." The Nanking Government issued a "Goodwill Mandate" in June, 1933, strictly forbidding any provocative acts against foreign peoples in China, and declaring that "the cultivation of goodwill with our neighbors is of prime importance."

BOGUS EAST HOPEI REGIME

Like a thunderbolt out of a clear, calm sky came a new set of stiff demands following certain instigated incidents and "autonomist demonstrations" in Tientsin and other cities. The result was the formation of another bogus regime, the "East Hopei Autonomous Council" with headquarters at Tungchow, fifteen miles east of Peiping, under Japanese influence. A Japanese-sponsored protectorate was also organized in north Chahar. It was at Tungchow that the supposedly pro-Japanese Chinese troops mutinied and massacred the Japanese and Korean community. These areas of Japanese control were made a justification for increase of troops all out of proportion to treaty limits and an excuse for frequent army maneuvers.

Moreover, the Japanese flag in these areas and at other places even down into Shantung province, has given protection to an enormous amount of smuggling and to a thriving drug traffic. The narcotic trade has become a widespread and terrible evil in north China, sapping the life and energy of the people. In the Japanese Concession at Tientsin last year I counted over forty tables on one street where opium-smoking and drug-taking paraphernalia were openly sold. I secured the names of 134 shops in the Japanese concession, under euphemistic names, where narcotics and injections were sold. The price was very cheap, often free, for the first injections, until the habit was formed. There were 800,000 drug addicts

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in the Tientsin area. Doped cigarettes were sold through the villages under Japanese influence. The Chinese made protests in vain.

In the settlement of the new crisis further concessions were made by China, so the Japanese army claims. Again Japan insisted on dealing with the local authorities instead of the Nanking Government and the result was what is known as the Ho-Umetzu Agreement—in reality only a letter from General Ho Yin-ching to the Japanese general which has never been published and which the Central Government has never ratified. A similar agreement was reached in Chahar Province north of Peiping where Japanese pressure was also increasing.

Japan's strategy has been to work through local officials or political organizations more or less obedient to her dictates, and thus avoid a direct issue with the Nanking Government and also, if possible, the expense and world opprobrium of an open military campaign. In the summer of 1935 North China came further under Japanese domination when all Nanking troops were ordered to withdraw from Hopei, and political organs of the Central Government—the Peiping Branch Military Council, Political Readjustment Council and district headquarters and branches of the Kuomintang Political Party—were all forced to close. In their place was organized the Hopei-Chahar Political Council which for two years held a key position in the struggle for Peiping. General Sung Cheh-yuan, a soldier with limited school education but a good deal of blunt common sense, was Chairman of the Council, and concurrently Chairman of the Hopei Provincial Government and Commander of the 29th Army, his own army.

It is easy to imagine the difficulty of General Sung's position. Japanese generals and officials in North China undoubtedly believed that they could make him their tool. But Sung showed that he had a mind of his own and refused to be brow-beaten. Many of his officers and soldiers were loyal patriots. Yet Sung could not be openly defiant without starting serious trouble and he had to keep the Japanese in good humour. Nanking's armies were far away and the Central Government was not in a position to give him open and direct support. At times strong pressure came from intellectual leaders, professors and students in North China to resist Japanese demands. Sung was forced against his will to restrict student patriotic movements. But for two years he was able to steer between a break with Japan and a break with his own people.

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The Nanking government recognized the new political set-up in North China and defined its powers in an *ex post facto* mandate but was able to exert only nominal control over the Council, a most unsatisfactory situation from the Chinese point of view. Sung had to play the role of an opportunist. On several occasions he did declare that he must refer all questions of foreign policy and all negotiations on fundamental issues to Nanking. In recent months relations between him and the Central Government definitely improved. Yet strangely the Japanese thought that they could count on his obedience. Their final disappointment in him was all the more keen. When I visited Peiping in the spring of 1936 and again this April I found that a majority of Chinese there had confidence in Sung's patriotism and believed that he would resist if Japanese pressure became too severe and if he were assured of military support by Nanking. Later events justified this confidence.

General Chiang Kai-shek often declared that the Central Government would not recognize any agreements made in North China without Nanking's approval. The difficulty was that agreements were sometimes made secretly and not known until months later, verbal assent was given on occasions under duress which the Chinese claimed was not binding and the Japanese declared had the force of a written treaty, and Japan's Kwantung or Continental Army not only greatly exaggerated its privileges under treaties and agreements but even assumed all kinds of important diplomatic functions in dealing with local leaders.

A LULL BEFORE THE STORM

Peiping was quieter and less tense in the spring of 1927 than it was a year ago. I noticed fewer Japanese soldiers, business was reviving, the tourist trade was the best in years, and there was an atmosphere of greater freedom in the schools which previously had suffered from direct or indirect Japanese interference. Educational leaders were more hopeful and there was more confidence in the foreign policy of the Central Government. Nanking's stiff attitude in the long drawn out effort at negotiations with Japan aroused much enthusiasm, and there was a new feeling that North China would not be abandoned without a struggle. Peiping had shared in the general dismay over the kidnapping of the Generalissimo and also in the national rejoicing when he was released. A unified nation was becoming a reality. The May, 1937, issue of

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"Democracy," a new periodical in Peiping, carried these words, "Once more we are on the crest of another high wave of professed Japanese friendship and goodwill. At the time of this writing an imposing economic mission of leading Japanese businessmen and industrialists is arriving from Japan to promote Sino-Japanese economic co-operation. Japanese business men in Shanghai are significantly urging a change of tactics and are advocating that China be treated on a basis of 'equality and reciprocity.'" Japan's official new agency, Domei, reported on March 8, 1937, "Mr. Sato (Foreign Minister) recognizes the necessity of amending the method of carrying on negotiations with China in the past. In the future Japan will deal with China as an equal, listening patiently to her contentions. Efforts will be strained to make China understand what Japan desires, and to point out in a brotherly way the consequences China would meet if she failed to accept Japan's counsel."

AGAIN THE MAILED FIST

The consequences China would meet! The friendly hand has been withdrawn and the mailed fist has come down once more. This brief sketch of Sino-Japanese relations should be sufficient to show that Japan does undoubtedly have a policy of expansion on Chinese territory and that when she is ready to carry out a certain stage in her plan pretexts for troop movements are not difficult to find. The Lukouchiao incident was the match to the dynamite but another incident in another place would have served the purpose.* Word received from Peiping the latter part of June, 1937, indicates that Chinese officials had felt a tightening of Japanese screws for some time.

Two facts stand out. One is the very evident purpose of Japan, at least of her army, to exert both economic and political control over North China. The other fact is China's determination now to resist further aggression. If Japan cannot win her point by intimidation of local officials or through political agencies under her control she will fight. Her army fights and then her government rationalizes the invasion or aggression and justifies it with all its costs on the ground that nationals and national interests on the continent must be protected. The Chinese consider their armed resistance, a result of Japanese provocations; the Japanese call Chinese resistance a provocation to Japan!

* See China's Statement to League of Nations reprinted in the Appendix.

Economic Clues to the Sino-Japanese Conflict

By Harry B. Price

Professor of Economics at Yenching University

ECONOMIC factors, of course, furnish only a part of the historical network of influences from which the present crisis has emerged. A study of economic "causes" needs to be supplemented by an analysis of important political and social factors in order to achieve anything like a comprehensive understanding of the converging forces that have led up to the China invasion of 1937. The present discussion, however, will be limited mainly to economic aspects of the question. The aim will be to explain rather than to condemn the basic pressures which have helped to direct Japan into a policy of imperialistic expansion, although at the end the suggestion will be made that from her own standpoint an economically sounder course than military aggression was open to her—even as late as June, 1937—had her statesmen been able and willing to take it.

The economic influences that have helped to turn Japan from a policy of isolation to one of imperialistic expansion had their origin with the beginnings of modernization in the island empire.

Commodore Perry anchored in Yokohama Bay on July 8, 1853. A treaty with the United States the next year marked the first important breach in Japan's economic isolation. Treaties with other powers soon followed, ushering in a period of in-

tense internal struggle at the end of which the policy of seclusion was definitely abandoned. About 1870, Japan's era of rapid economic modernization began.

The urge to modernization, no doubt, lay partly in a desire to avoid domination by the Western powers. Japanese political leaders resented the early unequal treaties that were forced upon them, treaties which limited their tariff autonomy and their court jurisdiction over foreigners on their soil. They determined to avoid at all costs the further inroads, territorial and administrative, by which Western powers were reducing China to a semi-colonial status. The best way to avoid foreign domination seemed to be to learn as rapidly as possible the ways of the Western world. There followed a period of intensive reorganization, in which the help of foreign advisers was secured, extending through political structure, military and naval systems, communications, laws, education, and methods of manufacture and business conduct.

Following initial successes along these lines and in response to economic influences which we shall presently cite, Japan in 1894, again following Western precedents, entered upon a program of imperialistic expansion which during the forty-three years that have intervened, has remained a continuous

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undercurrent of her foreign policy. Following the Sino-Japanese war, Formosa and the Pescadores were ceded by China to Japan, and the independence of Korea was recognized. A conflict of interests with Russia and other powers following this settlement led up to the Russo-Japanese war of 1904-5. Another victory brought new gains and attested both to the internal weakness of Czarist Russia and the extent, even at that time, of Japan's modernization. Japan was now in complete control in Korea and established in south Manchuria. A new phase in her expansion was inaugurated during the World War. Although her gains fell far short of those envisaged by the Twenty One Demands and she was forced to accede to the pressure from other powers at the Washington Conference in 1922, this marked, as subsequent events have only too clearly shown, only a temporary recession from the policy of expansion. Developments since 1931 are familiar, and the scope of Japanese ambitions is reflected in her present mainland operations.

Underlying this expansionist policy have been economic problems which, ironically, have grown more rather than less acute with Japan's modernization and development into a world power. What follows is an attempt to suggest very briefly the nature of these problems, for which the present rulers of Japan seek a solution through conquest.

THE basic problem of population pressure is sometimes stated in a mistaken form by both Japanese apologists and popular writers of other countries. Any claims to the effect that new territory is needed as an outlet, through emigration, for

Japan's growing population is of course discredited when one reflects on the small dimensions which such emigration has assumed in Formosa, Korea, and Manchuria up to the present time. Nevertheless, population pressure is very real and increasingly serious from the standpoint of the general standard of living in Japan.

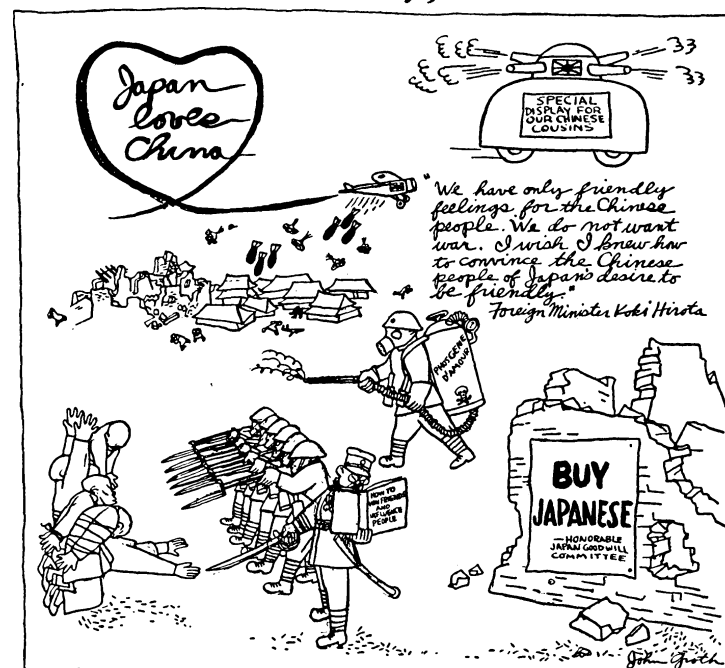
Without modernization and industrial and commercial expansion, Japan could maintain its population with difficulty. The standard of living would be that of a densely crowded rural country with little surplus for use in purchasing other than the minimum requirements of life. Industrial and commercial development appeared to offer the most promising road to increased employment, production, and purchasing power for the Japanese people. With progress along these lines, the population has grown, and with it the problem of maintaining and raising further the general standard of living.

In Japan, as in China, the problem of bettering living standards is particularly acute because of the number of people who must be supported upon limited resources. Nearly 70 million people must live upon the slender strip of islands which are so mountainous that only one-sixth of the land is really suitable for agricultural production. So dense is the population that, according to an estimate of the Foreign Policy Association, 2800 people must live off each square mile of farm land. Each year, as the population increases by roughly a million people, the pressure of numbers against resources have grown more severe.

As a means to raising the living standards of her people, Japan has turned to *industrialization*. This trend has been encouraged by ener-

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Behind the Enemy Lines—by John Groth



The Nation

getic financiers and statesmen. But industrialization has brought its own problems. The first and most obvious is that of raw materials. It has been estimated that the furnaces of the United States would use up all the iron reserves of Japan in six months, that in a single day the United States produces more oil than Japan produces in a year, that the coal reserves of the Japanese islands are only 1/275 of those existing in this country. Of course America is exceptionally endowed with essential raw materials, but the comparison serves at least to show the initial handicap imposed upon Japan in any

serious program of industrialization. Even cotton and wool must be imported in large quantity for her textile factories, while foodstuffs, the most essential of all raw materials, have been imported in increasing quantity as the proportion of people engaged in industry grew.

In order to secure the foreign exchange necessary for the purchase of raw materials, Japan has sought by every means at her disposal to increase her export trade. Cotton piece goods, raw silk, toys, vegetable oils, electric light bulbs and a multitude of other commodities have been shipped abroad in increasing quantity,

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rising, during 1931-34 to levels which drew the attention of the leading industrial nations. The export of cotton goods alone nearly doubled during the period 1931 to 1934.

Despite this notable trade expansion, Japan has found great difficulty in making her exports balance her imports. The standard of living of her industrial workers has on the whole declined, and the agricultural population has fared even less well. Large as it was, the export trade was not sufficient to provide for Japan's growing needs.

Beginning about 1935, the export trade showed signs of levelling off, and the nation experienced increasing difficulty in marketing her goods on account of rising tariffs abroad. In this difficult situation the attention of the rulers of Japan was focussed upon China, where lay a market of 400 million people. Even there serious difficulties existed. There was mounting resentment and recurrent boycotting of Japanese goods. The purchasing power of the masses was low. The position of Western nations made invasion more precarious. Yet the rulers believed that by getting control of China and greatly reducing the influence of Western powers in east Asia, she could overcome these difficulties, and thereby "command the resources and markets of China"—laying for herself the economic foundations of future greatness.

THESE, then, have been the basic economic problems of Japan: maintaining and raising the standard of living of her growing population, procuring the raw materials necessary to her program of industrial development, and increas-

ing her exports to the extent needed in order to balance her internal growth and development. In the effort to solve these problems, the rulers of the nation have committed themselves to the capitalist methods which they learned from the West. Their gains have brought them increasingly into conflict with the interests of other powers and this has led them to bolster their position by a staggering program of armaments.

In 1930-31, Japanese expenditures 470 million yen. For 1937-38, even before the special appropriations that have followed the outbreak of hostilities, the budget for military expenditures was about 1,400 million yen, or 240 per cent higher than in the year before the Manchurian invasion. This has been the principal reason for a fourth major problem in Japan's economy, that of the national budget. Japan has for practical purposes been on a war footing since 1931. Her national tax revenue during this period has only increased from about 830 million yen to about 1,300 million. While tax revenue has increased by about 55 per cent, to a point that is very burdensome on the people, national expenditure during the same period increased nearly 90 per cent. The national debt, in the meantime, has risen to nearly 11 billion yen.

These problems led to a situation that has been increasingly acute since 1935. Foreign trade, which had become a main artery of Japanese economic life, showed signs of lagging. The unfavorable balance of trade grew alarmingly. Unemployment increased and agricultural distress became more marked. The mounting burdens of government have been reflected in increasing political unrest.

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And so it was that during 1936 and the early months of 1937 Japanese policy wavered. Should the nation embark upon a new period of expansion upon the mainland of Asia? Deep differences of opinion existed, but the military leaders and their allies in government and business carried the day.

The decision is one which, from the standpoint of Japanese interests alone, will cost the nation dearly. Had she chosen the course of peace-

ful and friendly cooperation with her neighbors, signing the non-aggression pact offered to her by Russia in 1934 and dealing with China on a basis of equality and reciprocity, the increased trade with these countries alone would have done much to avert the political and economic crisis that preceded the outbreak of hostilities this year. Even as late as June 1937 that course was still open, had her statesmen chosen to take it. It was closed by the events of July.

L U K O U C H I A O i n H I S T O R Y

THE town of Lukouchiao, scene of the midnight clash between Chinese and Japanese soldiers on July 7, 1937, has seen bloodshed many times before in its long history. One hundred and twenty-two years ago it was the scene of warfare, which led to the capture of Peking by the Mongols and the beginning of the Yuan Dynasty in 1215 A.D.

Near it is the famous Reed Ditch Bridge, better known as Marco Polo Bridge, over the Yung-ting Ho (Everlasting-Settled-and-Peaceful River). Marco Polo was the first tourist to mention the bridge in his writings, having crossed it in the 13th century. The bridge took five years to build and was completed in 1194. It has eleven arches, with some two hundred and eighty carved lions on its columns and balustrade. Two pavilions were erected at each end by the Emperors K'ang Hsi and Ch'ien Lung respectively, and the marble tablets standing in them record the history of the bridge.

Lukouchiao is included as one of the famous "Eight Views of Peking" chosen by the Chinese. It is called Lu Kou Ch'iao Hsiao Yueh, meaning the reflection of the moon at dawn on the bridge at Lu Kou Ch'iao, the shadow cast by a pagoda on the bridge. This pagoda, the Kuo Chieh Ta (Crossing-the-Road Pagoda) was erected in 1346 by the Mongol Emperor, Chih Cheng, at the west end of the bridge.

Economic Boycott of Japan

By Freda Utley

Author of "Japan's Feet of Clay" in *The Nation*

IN SEVERAL quarters a boycott is being suggested as a technique to check Japanese aggression in China. The effectiveness of such a boycott is readily apparent, for Japan is economically even more vulnerable than Italy. Moreover, while Italy entered upon its conquest of Ethiopia after more than a decade of peace, Japan is attempting to conquer China with its reserves already exhausted by the effort of holding down the 30,000,000 people of Manchuria and fortifying that puppet state against the U. S. S. R. And, finally, the conquest of a united China determined on resistance at whatever cost is a far stiffer proposition than the conquest of Ethiopia.

In the first six months of 1937 Japan had an adverse trade balance larger than the total for the earthquake year of 1924 and almost as large as the total adverse balance for 1936. Even before the war began, exports were covering only two-thirds of imports. Japan lacks the foreign investments necessary to cover its trade deficit and has accordingly been forced to export its scanty gold reserves.

Japan's great import excess in 1936 and 1937 is due not only to the large amount of metals and machinery necessary for its armament program, but also to the dwindling of the advantage it has derived since 1932 from extremely low labor costs in a period of cheap raw materials. As the prices of cotton and wool rose on the world market, the ratio of raw-material cost to the total cost of production rose along with it, while that of labor cost fell. Consequently Japan's export of textiles started to decline ever since. Japan is finding it increasingly difficult to undercut its competitors.

The British Empire takes 28 per cent of Japanese exports and supplies 31 per cent of its imports. The United States (without the Philippines) takes 22 per cent and supplies 32 per cent. Thus the

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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British Empire and the United States combined take half of Japan's exports and supply 63 per cent of its needs. Moreover, the United States takes 85 per cent of Japan's raw-silk export, which is the only Japanese export not dependent on imported supplies of raw materials. Japan's whole social structure, in fact, is dependent on the American silk market.

Japan is vitally dependent on imports of oil from the United States and the Dutch East Indies, and of iron and scrap from India, Malaya, and Australia. Even with imported ore the output of pig iron in the Japanese Empire, including Manchuria, at its peak figure in 1936 was only 2.9 million tons as against Britain's 8 million and Germany's 15 million. Japan's steel production is little more than double Luxemburg's; together with that of Manchuria its output in 1936 came to only 5½ million tons as against Britain's 11.8 million and Germany's 19 million. Its coal consumption is only a fifth of Britain's. Japan's heavy industry is not developed proportionately to its light industry. Japan cannot even make its own automobiles and is dependent on the West for many kinds of machinery.

A vital weakness for Japan in war is its primitive system of land cultivation. The productivity per acre is high, but the productivity per man is excessively low since not even animal power is used in cultivation and machinery is almost unknown. The labor of one peasant family produces only enough rice to feed itself and two other families even at the low average rate of consumption in peace time. Hence the transfer of large numbers of men to the army, and of women to the munition factories, is bound to cause a steep fall in production at the very time when tens of thousands of soldiers have to be provided with a more substantial diet than they existed on as peasants.

WEAK FINANCIAL POSITION

Japan has never fought a real war without financial assistance from the West. Today its financial position is worse than it has ever been, and at the end of last year it had already started down the slippery slope of inflation. Wholesale prices last April were nearly double what they had been in December, 1931, before the gold standard was abandoned, although money wages have declined. Metals had risen 76 per cent since 1936, textiles and fuel 25 per cent, and retail prices 30 per cent. The hardship of this

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caused the number of strikes in the first four months of this year to reach the highest figure on record. The difference in the extent to which wholesale and retail prices have risen is a measure of the difficulties of the small shopkeepers and artisans.

The rise in the cost of living, which was proceeding at an accelerated pace even before the war began, is mainly due to Japan's long series of unbalanced budgets. Ever since the Manchurian "affair" the deficit covered by loan issues has been mounting, and according to official estimates for the current year, national expenditure was expected to reach 2,872 million yen as against an ordinary revenue of little more than 1,500 million. Fresh loans were to provide 965 million, and taxation 1,313 million. The new appropriations for the war on China bring the total expenditure up to nearly 5,500 million. The estimated revenue from taxation, state monopolies, and the like now covers less than a third of expenditure. Moreover, the war expenditures are estimated for a war of short duration.

The significance of the 5½-billion-yen state expenditure can be appreciated if one notes that the estimated national income (according to the Mitsubishi Economic Research Bureau) was only 13 billion in 1936, and that the national debt was already 11 billion at the end of last year. The per capita income in Japan is less than 200 yen a year (about \$56.50 in American money), of which the state now claims 40 per cent.

THE DISCONTENTED MIDDLE CLASS

Socially Japan is as unstable as it is economically. Nearly half the population is on the land, and the large majority of the peasantry pay half or more of the rice harvest as rent in kind to a million parasitic landowners, who contribute neither seed, nor fertilizer, nor capital. These peasants who in theory own their own land are equally burdened by the high rates of interest they have to pay to usurers; practically none of them are free from debt. The consequence of the survival of such feudal social and economic relationships is an extremely narrow home market and a desperately poor peasantry, unable to accumulate capital even when prices rise, and therefore unable to modernize its methods of cultivation. This in turn has led to a lopsided industrial development; only the export industries, such as textiles, and the armament industries, relying on state orders, are conducted on a large scale with up-to-date

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technique. Below them are an enormous number of tiny enterprises in which a master and a few apprentices and "journeymen" produce by hand or with a minimum of mechanical power.

The enormous lower middle class of petty landowners, usurers, small industrialists, traders, artisans, and craftsmen is extremely poor and full of hatred for the monopolists of trade and industry who control raw materials, credit, and foreign trade. Interest rates are so high and the home market is so narrow that there is no possibility of the small man's expanding his business and becoming a prosperous capitalist. There is no substantial investing middle class, capital being centralized to an extraordinary degree in the hands of the giant family business houses—the Mitsui, Mitsubishi, Sumitomo, Yasuda, and others. Although all incomes above 1,200 yen (\$600 at par) a year are taxable, there were only 569,046 income taxpayers in 1931, and only 20,524 who reported incomes of \$5,000 or more. The average was about \$800. Yet there were twenty men drawing between \$300,000 and \$1,500,000. Only 730,000 tradesmen paid the business-profits tax, which is levied on all businesses making a net profit of \$200 or more a year.

Such centralization of capital, although it makes the mobilization of national income for war easier than in countries with large middle class, renders Japan's social system peculiarly unstable in a crisis. The bitter hatred of the peasant for the landowner and the usurer—who is in fact the agent of the banks—and of the small trader and industrialist for the plutocrats constitutes a veritable volcano, the eruption of which Japan's ruling classes seek to prevent by wars and chauvinist propaganda.

These social discontents have been canalized into support of aggression since 1931, and revolt has been staved off by false hopes of prosperity for all through easy conquest. But what will happen when conquest is no longer easy, and the strain of a long war becomes intolerable to a people which has been drawing its belt tighter and tighter? Manchuria has provided nothing but additional burdens for the mass of the people. Nor would the annexation of North China, which the Japanese expected to accomplish without a real war, have given any relief to the peasants or the lower middle classes. A poisoned man cannot be cured by stuffing him with food, and Japan's social structure is too diseased for new colonies to cure its ills. Manchuria has plenty of empty land awaiting colonization, but only a few hundred Japanese peasants have gone there. The

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capital to finance emigration is not forthcoming and will never be available as long as Japan is ruled by plutocrats and a military, land-owning class.

Of course China too has its agrarian problem, and there are elements in that country which fear agrarian revolution more than they do a Japanese conquest. The Chinese bankers might be inclined to seize any chance of peace before they lose their wealth, even if this meant surrender of the national interest. The danger is that Britain, concerned only with saving its investments in China before Japan has ruined the country, and nervous about the effect on Japan of a long war, will bring pressure to bear on the Chinese government to surrender although its armies remain undefeated. It is certain, however, that the overwhelming majority of the Chinese people are determined to fight to the bitter end. The Chinese armies are showing extraordinary courage and tenacity at Shanghai, and a boycott of Japanese goods by the United States and Great Britain would almost certainly tip the scales in favor of China. Britain under its present government will never on its own initiative bring economic pressure to bear on Japan. It desires to see the ruling class of Japan survive, and it expects to secure its investments by bargaining with the Japanese and by bringing pressure on China to cede the five northern provinces to Japan.

If the United States is not interested in saving China for moral or ideological reasons, it may be influenced by the fact that one of the main ambitions of Japan in North China is to develop it into a great cotton-growing area and thus become free of the need to import American cotton. Surely the permanent interests of American cotton growers are worth a few week's boycott of Japanese silk. American interests in China, moreover, while not comparable to Britain's in the sphere of investments, are not negligible in the sphere of trade.

Japan was far stronger financially in 1922 than it is now, yet the United States and Britain then were easily able to force it to disgorge its conquests in China. There is no more reason now than there was then to fear that political or economic pressure on Japan would involve the United States or Great Britain in a war. The very hint of Anglo-American cooperation to put economic pressure on Japan would stop the war. The United States was able to bring British policy into line with its own in 1922. Can it not do so in 1937?



Captive Peiping

By Lin Yutang

Author of "My Country and My People" in
New York Times Magazine

PEIPING is to Nanking as Kyoto is to Tokyo. Both Peiping and Kyoto are ancient capitals, around which hang an aroma and mystery and historic charm which the younger capitals, Nanking and Tokyo, cannot possibly have. Nanking and Tokyo stand for the modern age, for progress, industrialism and nationalism, while Peiping stands for the soul of old China, cultured and placid; for the good life and good living, and for an arrangement of life in which the maximum comforts of civilization are brought into a perfect, harmonious relationship with the maximum beauty of the rural life.

That is why, if you ask a Chinese who knows both Nanking and Peiping, which one is closer to his heart, there is no question that Peiping will be the choice. That is also why a man—let him be Chinese, Japanese or European—who has lived in Peiping for a year wouldn't want to live in any other city in China. For Peiping is one of the

jewel cities of the world. Except Paris and (by hearsay) Vienna, there is no city in the world that is quite so nearly ideal, in regard to nature, culture, charm and mode of living, as Peiping.

I am not discussing here the right and wrong of Japanese occupation of Peiping, or questions of "provocations," "self-defense," "stabilization of the Far East," or the general righteousness and love of peace of the Japanese Army. Every time the Japanese rain bombs and machine-gun bullets along with handbills protesting their affection for their "beloved friends," the Chinese people—the warlike Chinese—become unaccountably less and less inclined to conversation and wish less and less the "stabilization of the Far East." But you seldom hear China talking of "self-defense," because China's army isn't strong enough to punch Japan in the jaw. When she can do that, you may be quite sure that China will bomb Kyoto's civilian population just to defend herself and regard the presence of Japanese

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troops in Tokyo as a threat to peace in the Far East! As it is, the 1,300,000 lives of Chinese residents in Peiping just don't have to be protected. So we will not discuss that now.

Peiping is like a grand old person, with a grand old personality. For cities are like persons, with their different personalities. Some are mean and provincial, curious and inquisitive; others are generous, magnanimous, big-hearted and cosmopolitan. Peiping is magnanimous. Peiping is big. She harbors the old and the modern, being unmoved herself.

Modern young misses in high-heeled shoes brush shoulders with Manchu ladies on wooden soles, and Peiping doesn't care. Old painters with white, magnificent long beards live across the yard from young college students in their "public hostels," (kungyu), and Peiping doesn't care. Packards and Buicks compete with rickshas and mule carts and caravans, and Peiping doesn't care.

Behind the towering Grand Hotel de Pekin is an alley where life proceeds as it has been doing for the last thousand years—who cares? A stone's throw from the magnificent Union Medical College, financed by the Rockefeller Foundation, are ancient curio shops with ancient curio dealers smoking their water-pipes and doing business in their ancient ways—who cares? Dress your own style, pick your own restaurant, pursue your own hobby, follow love and beauty and truth, and practice shuttles or violins—who cares?

Peiping is like a grand old tree, whose roots stretch deep into the earth and draw sustenance from it. Living under its shade and subsisting upon its trunk and branches are millions of insects. How are the in-

sects to know how big the tree is, how it grows, how far it reaches into the ground, and who are the insects living across on the other branch of the tree? How can a Peiping resident describe Peiping, so old and so grand?

One never feels that one knows Peiping. After living there for ten years, one discovers in an alley an old crank, and regrets not having met him earlier; or a lovely old gentleman-painter with a big, bare belly sitting on a bamboo chair under a big locust tree, fanning himself with a palm-leaf fan and dreaming his hours away; or an old shuttlecock player who can make the shuttlecock travel inch by inch on his head and drop flat on the sole of his shoe at the back; or a society of sword fencers, or a children's school of dramatics, or a ricksha coolie who turns out to be a member of a Manchu princely family or a former magistrate of imperial times. How dare one say that one knows Peiping? Peiping is a jewel city, a jewel city such as the eyes of man have not seen before. It is a jewel city of golden and purple and Prussian roofs, of palaces and pavilions and lakes and parks and princes' gardens. It is a jewel set with the purple sides of Western Hills and the blue girdle of the Jade Fountain stream and centuries-old pines looking down on human beings at the Central Park, the Temple of Heaven and the Temple of Agriculture. In the city are nine parks and three imperial lakes, known as the "Three Seas," now thrown open to the public. And Peiping has such a blue sky and such a beautiful moon, such rainy Summers, such cool, crisp Autumns and such dry, clear Winters!

PEIPING is like a king's dream, with its palaces, princes' gardens, hundred-foot boulevards,

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vards, art museums, colleges, universities, hospitals, temples, pagodas and streets of art shops and second-hand book shops. Peiping is like a gourmet's paradise. It has centuries-old restaurants, with old, smoky signboards and wonderful waiters with shaved heads and towels across their shoulders, whose courtesy is perfect, since they were trained in the tradition of the imperial times and catered to high mandarin officials. It is a place for the rich and poor, where every neighborhood shop extends credit to a poor old resident, where peddlers sell delicacies cheaply and where you can loll at a tea restaurant and kill an entire afternoon over a pot of tea.

Peiping is the shoppers' heaven, being rich in China's old handicrafts—books, prints, paintings, curios, embroidery, jade, cloisonnes, lanterns. It is a place where you can shop at home, for dealers come to your doors with their wares, and in the early morning the alleys are filled with the most charming musical cries of hawkers.

Peiping has quiet. It is a city of homes, where every house has a courtyard, and every courtyard has a jar of goldfish and a pomegranate tree, where vegetables are fresh, and pears are pears and persimmons are persimmons. It is the ideal city, where there is space for every one to breathe in, where rural quiet is finally matched with city comforts, where streets and alleys and canals are so arranged that one can find room for an orchard or a garden and glimpse the Western Hills while picking cabbage in the morning hours—a stone's throw from a big department store.

It has variety—variety of color, variety of atmosphere and variety of men. It has laws and breakers of laws, police and accomplices of

police, thieves and protectors of thieves, beggars and kings of beggars. It has saints, sinners, Mohammedans, Tibetan "devil-expellers," fortune tellers, boxers, monks, prostitutes, Russian and Chinese taxi dancers, Japanese and Korean smugglers, painters, philosophers, poets, collectors of curios, young college students and movie fans. It has political scoundrels, retired old magistrates, New Life followers, theologians, wives of former Manchu officials, now serving as maids.

It has color—color of the old and color of the new. It has the color of imperial grandeur, of historic age and of Mongolian plains. Mongolian and Chinese traders come with their camel caravans from Kalgan and Nankow and pass through its historic gates. It has miles upon miles of city walls, forty or fifty feet broad at the gates. It has gate towers and drum towers, which announce the evenings for the residents. It has temples, old gardens and pagodas, where every stone and every tree and every bridge have a history and a legend.

Of all the things that make Peiping the ideal city to live in, I would single out three: First, its architecture; second, its mode of living; and, third, its common people.

The city dates back to the twelfth century, but in its present form it was built by the great Ming Emperor Yunglo in the beginning of the fifteenth century—Yunglo was the Emperor who rebuilt the Great Wall—and it was conceived in true imperial grandeur. There is a southern city, slightly smaller than the northern city, and from the outermost southern gate of the southern city reaches inward a central axis five miles long, passing through succes-

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sive gates and leading up to the grand Throne Hall.

In the center of the northern city is the Forbidden City surrounded by moats and walls covered with golden-colored tiles and supported at the back by the Coal Hill, with its five pavilions with rainbow-colored roofs of glazed tile. Coal Hill affords a straight view down the central axis; near by is the Drum Tower. On the west and southwest side of the Forbidden City are the Three Seas, which were the private boating waters of the imperial family.

Parallel to the main axis are two broad avenues, Hatamen Street in the East City and Hsuanwumen Street in the West City, each about sixty feet wide, and joining them, running east and west before the Forbidden City, is the great Tienanmen Street, over a hundred feet wide. Out near the southern entrance of the outer city, on either side of the main axis are the Temple of Heaven and the Temple of Agriculture, where the Emperor used to pray for a good new year and a good harvest.

As the Chinese conception of architectural beauty is serenity, rather than sublimity, and as the palace roofs are of the low and broad, sweeping type, and as nobody other than the Emperor was allowed to have houses with more than one story, the total effect is one of tremendous spaciousness.

Following up this vision of a central thoroughfare, and passing through its successive arched gates, one comes gradually to the main massive tower of the Forbidden City, after which marble terraces gradually lead up to the central Throne Hall. All along, the tourist catches under the crystal-blue sky glimpses

of the palace roofs with their golden-colored glazed tiles.

But what makes Peiping so charming is the mode of life, organized so that one can have peace and quiet, while living close to a busy street. Living is cheap and life is enjoyable for all. While officials and rich men can dine in big restaurants, a poor rickshaw coolie can buy, with two coppers, a perfect assortment of oil, salt, pepper and vinegar for his cooking purposes, with a few leaves of some spicy plant to boot. No matter where one lives, one's house is never so far away that there aren't a butcher shop, a grocery store and a tea house in the near neighborhood.

And then, you are free, free to pursue your studies, your amusements, your hobbies, or your gambling and your politics. Nobody interferes and nobody cares a rap what you wear or what you do. Nobody asks questions. That is the bigness and cosmopolitanism of Peiping. You can associate with saints or sinners, gamblers or scholars, painters or crooked politicians. If you are imperially minded, you can loiter around the palace and the Throne Hall and imagine yourself an emperor for a morning or afternoon.

But if you are poetic, you can wander in any of the nine parks around the city and spend an afternoon at tea tables, sitting on bamboo chairs or inclining on rattan couches, beneath the pine trees, spending no more than 25 cents. And be sure you will not be insulted by the always cheerful and courteous waiters.

Or of a Summer afternoon, you can go to the Shihshahai Lake, half rice fields and half lotus ponds, where you can mix with the plebeians enjoying their leisure and watching boxers and jugglers. Or

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you can go out of the West Gate and saunter on the imperial highway leading to the Summer Palace under the shade of cool willow trees.

All around you are villages and wheat fields, with beggar children completely naked, who like to get a dime while playing on the roadside, anyway. You can start a chat with them, or you can close your eyes and pretend that you are asleep and hear the musical jingle of their voices gradually dying out behind you. Or you can go to the zoo, formerly a Manchu prince's garden, just outside the West Gate. Or you can wander among the ruins of the Italian Palace in the former Summer Palace, pillaged and burned down by European soldiers, and you cannot get a scene more dreary and forlorn. You are in the presence of God.

Or journeying past the present Summer Palace, wherein you could spend an entire day, you pass scenes of idyllic beauty until you reach the Jade Fountain with its marble pagoda beckoning to you, where inside you can spend another leisurely afternoon, dipping your feet in its cool gurgling water of an emerald

color. Or walking farther, you can go to the Western Hills and be lost there for an entire season.

The greatest charm of Peiping is, however, the common people. Not the saints and professors, but the rickshaw coolies. Paying about a dollar for a trip by rickshaw from the West City to the Summer Palace, a distance of five miles, you might think that you are getting cheap labor; that is correct, but you are not getting disgruntled labor. You are mystified by the good cheer of the coolies as they babble all the way among themselves and crack jokes and laugh at other people's misfortunes.

Or coming back to your home at night you might chance upon an old rickshaw coolie, clothed in rags, and telling you his sad story of poverty and misfortunes with humor, refinement and fatalistic good cheer. If you think he is too old to pull rickshaws and want to get down, he will insist on pulling you to your home. But if you jump down and surprise him by giving the full fare, there's a lump in his throat and you are thanked as you have never been thanked before in your life.

The Japanese

HOW courteous is the Japanese! He always says, "Excuse me please." He climbs into his neighbor's garden, And smiles and says, "I beg your pardon"; He bows and grins a friendly grin, And calls his hungry family in; He grins, and bows a friendly bow; "So sorry, this my garden now."

OGDEN NASH
in *Saturday Evening Post*.

The Christian Stake

By Francis Cho-min Wei

President of Hua Chung College, Wuchang

THE undeclared war in the Far East has assumed an alarming magnitude. Invading troops almost equal to the whole of the Japanese standing army have been mobilized to China, and for self-defense on their own soil the Chinese are straining all their resources in a stubborn resistance which they know will cripple their national strength intended for the much needed reconstruction of the country and the uplifting of the people. But the supreme sacrifice has to be made.

According to newspaper and mission reports, churches, mission hospitals and Christian schools have been destroyed or seriously damaged. Without detailed knowledge of the exact circumstances under which the destruction took place, we could ascribe it to necessities or accidents of war. In any case it is destruction of plants for Christian work and we must be prepared to hear more about it as the fighting spreads in area and grows further in magnitude.

Surely this "war" will not end war in the Far East. Whatever the outcome, unless the Japanese ambition to dominate is eliminated, the Far Eastern conflict has only begun. The Chinese are determined to fight and to die for their national liberty and independence. With dark war clouds hanging over Far Eastern Asia, foreign missions may not wish to invest any more capital funds in church and school buildings. The Chinese Church will be too impoverished as the financial strength of its members is sapped by the war to undertake

any reconstruction with their own money. Christian work will then be seriously crippled with inadequate physical plants.

Had all this destruction been caused by a natural calamity, an earthquake or a flood, we might hope that Christian work could be carried on even in makeshifts. Spiritual things are matters of the human will guided by the will of God. Human wills, however, can block the Divine Will, and we are afraid this is really our stake in Christian work in China in the future.

The Chinese are not only fighting for their own liberty and their own national existence. They are fighting also for a great cause to which the defenders of democracy and human freedom anywhere in the world cannot remain indifferent. The undeclared war in the Far East is, indeed, between a free Asia and Asia for the Japanese, between democratic principles in politics and culture and totalitarian ideologies now poisoning the human mind. It is a strife between ideas of international cooperation for mutual benefits and domination of one nation by another for a selfish and arrogant purpose. The whole purpose of the Japanese invasion is to reduce China with her immense man power and rich natural resources to a tool for an end which would mean a menace to the other nations and possibly a radical change in the civilization of the world. This is a far more serious Christian stake than all the losses in physical plants for Christian work in China.

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Nothing short of sheer arrogance can be the cause of such a grandiose scheme as has led the Japanese militarists to their present course of action of which the invasion of China is only the first act of a contemplated world drama. There is, however, no lack of arrogance in the Island Empire in the East. Let us hear what one of her writers has to say.

"Ours is a nation that began with the 'Transfer of Country' carried out by the Sun Goddess and was completed by the 'Stating of the Country' accomplished by the Emperor Jimmu—a sacred land reigned over by august emperors coeval with heaven and earth, whose Imperial throne is occupied by a single dynasty—Its constitution is different from those of other countries—The Empire was founded by making, according to divine command, natural laws and justice crystallize into state and life—Who founded Nippon? It all goes back to the Sun Goddess and the other gods—who created or ruled this country. These numberless gods became the standard of the mind of the people, and from this was born the idea that Nippon is a sacred land—All of this has led to Nippon's national activity and social progress, its politics, learning, military power, industry and all other things expanding for the purpose of carrying out the gods' will—The study of Nippon Kokutai is the duty of us Nipponese, and the decree of Emperors Jimmu and Meiji is that we shall concentrate to set a good example of a righteous country before the world." (Quoted by William Paton in his "Christianity in the Eastern Conflicts.")

THIS is the national philosophy in modern Japan. It is a mythology invoked to strengthen the Emperor worship and is the basis of

the ideology that has made it possible for the militarists to plunge into a costly and unjustifiable war against the will of the people yet carrying their support with it. It is this kind of powerful mythology that the Christian forces will have to face wherever Japanese control obtains.

There is no clearer illustration than this of a totalitarian state making absolute claims upon the exclusive loyalty of individuals. "We are beholding in Japan," says Mr. William Paton, "the clearest instance in modern times of the regimentation of the state, in all its parts, round the idea of its own absolute sacredness."

Obsessed by this kind of ideology, no wonder the Japanese fanatical nationalists would do what is in their power to keep their people away from Christianity which in their eyes is an internationalist and therefore un-Japanese religion. A teacher in Japan was arrested because in reply to a child's question he was daring enough to state that Jesus was greater than the Emperor. Such a statement is contrary to the ideology behind the shrine worship. It is no mere revival of a Shinto practice either. It is an integral part of a deliberate policy of state expansion based upon the religious absoluteness of the state. Hence in Korea, Formosa, and the mandated islands of the Pacific, shrine worship is being pressed with even greater vigor than in Japan proper.

What chance then is there for Christianity in any other part of the world which should fall under Japanese domination? True, it has been asserted that the shrine worship is not a religious rite, and even some Christian missionaries are inclined to accept this interpretation. The rite itself may not be religious, if not for

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the mythology behind it. But in the light of the mythology outlined in the passage quoted above it cannot be anything else. Those Japanese who deny the religious nature of the institution of shrine worship have undoubtedly a different notion of religion in mind. To them "religion" is sectarian and only a private cult. The shrine worship and the national philosophy alone are entitled to the absoluteness and universality which belong to religion as the term is ordinarily understood.

Indeed, Christianity is an internationalist religion and is, by its nature, very un-Japanese. But why should the Japanese oppose it for its internationalist character? For all we can make out of the Japanese mentality, they are suffering from a fear complex. They dread communism. They are most uncomfortable in their relations with Russia. This fear has driven them to a madman's attitude towards anything that is of an internationalist character. Christianity is one and the Chinese national policy is another, whereas there is nothing more incompatible with Christianity or the Chinese national policy than communism which Japan dreads so much. Christianity stands for the sacredness of individual life and liberty and opposes violence. The Chinese national policy stands for international cooperation and international justice. It is this that clashes with the Japanese national philosophy, which is aggressive totalitarianism.

Totalitarianism and Christianity

are of course diametrically opposed to each other. The one respects and values individual personality which is trampled under foot by the other. Totalitarianism is engendered by the war psychology and is tolerated by the people of the country only when the war psychology dominates the public mind by propaganda. Christianity is opposed to any aggressive war and condemns untruth created by propaganda. Naturally those who glorify the martial spirit and employ propaganda as a means to poison the public mind would look at the Christian religion always with a suspicious eye and tolerate it only as long as expediency demands. Wherever the military spirit dominates, Christianity will suffer persecution. The Christian stake in the present Far Eastern conflict is indeed a real one.

There is yet one more stake to be mentioned. In condemning the Japanese invasion of China, let us Christians not forget that there are many people in Japan who, if free to express themselves, would not support the war. Let us not allow deadly hatred to poison our own minds. All Christians must pray that even in Japan as in China during these days of horrible struggle the way be still kept open for God's Name to be hallowed and for His Will to be done, but we must pray earnestly that the ambition to dominate, which is the very cause of war in this case and which sows the seed of hatred, be removed and God's Kingdom come even where it is not welcome.

Rules for Boycotters

The two principal rules for boycotters are: (1) Don't buy anything marked "Made in Japan"; (2) Don't buy silk.—JEAN LYON.

Night Over the Campus

By Chib Meng

Director of The China Institute in America

WHEN the news of the destruction of Nankai University in Tientsin was flashed to Nanking, a number of Nankai alumni and newspapermen rushed to the Central Hotel to console Chang Po-ling, its president and founder, then visiting the capital.

"What are your plans now, Dr. Chang?" asked a reporter.

The Grand Old Man of Chinese education, over sixty-three years of age and towering over six feet two in height, managed to suppress all outward signs of grief and replied, "The physical equipment of Nankai is destroyed but the spirit and the people of Nankai will carry on."

That was on July 31, 1937, when Japanese planes and artillery had shelled the University the day before. On that day of the interview Japanese troops visited the University and the University's middle and primary schools about two miles away, to set the rest of the buildings on fire with kerosene and straw. Since then, at least eight other universities in China have been wholly or partly destroyed by Japanese bombing.

It is fate that both the birth and death of Nankai should be related to Japan. Chang Po-ling was a naval officer who saw action in the Sino-Japanese War of 1894-5. He came to the conclusion that China's defeat was chiefly due to the lack of patriotic spirit on the part of the soldiers, and that patriotism could

only be cultivated through education. Three years later he found a supporter and collaborator in a great Chinese scholar, Yen Hsiu, who invited Dr. Chang to open a school in his home with a handful of pupils.

Fifteen years later Nankai became nationally known as one of China's best middle schools, with an enrollment of five hundred. In 1918 the college department was firmly established. At the behests of women students, the institution turned co-educational in 1923. Nankai grew steadily in strength and reputation and was recognized as the foremost university system built up entirely through private Chinese efforts. At the time of its destruction it had an enrollment of three thousand students in departments from the experimental kindergarten to the graduate school.

In my student days at Nankai the assembly program was conducted personally by Chang Po-ling. His lectures, always informative and inspiring, we looked forward to attending with eager anticipation. Many of us remember to this day what he said at one particular assembly. It was in 1915 when Japan was attempting to force the Twenty-one Demands upon China. That Wednesday afternoon, in an unusually moving speech, he exhorted us to realize that in a republic every citizen should shoulder his responsibility. He shocked and stirred us as he pounded his fist on the table and shouted,

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"If the people, and especially you, are not awakened by this threat to our national existence, then we all deserve to be annihilated."

IN Tientsin the Hopei Technical Institute and Womens' Normal College, located miles away from the fighting, were destroyed by Japanese planes. In Peiping the buildings of Chinese universities were spared but it is impossible for them to re-open. Many well-known professors are on the black list of the Japanese military high command in Peiping, and it has been made quite clear that it will not be healthful for them to return to Peiping. A committee has been set up to inspect and approve text-books. Japanese "visitors" periodically visit all Chinese schools to see that teachers are promoting friendly relations between China and Japan. However, the American supported Peiping Union Medical College, Fu Jen and Yenching universities are permitted to open with curtailed enrollments. At Fu Jen and Yenching the number of Chinese faculty members are greatly reduced.

Among the ten Chinese colleges and universities in Peiping that are closed is Tsing Hua University. It used to be popularly known in this country as the American Indemnity College. In 1908 the American government returned to China the surplus from the Chinese Boxers' Indemnity. To express its appreciation for this friendly act, the Chinese government decided to use this fund for the purpose of preparing and sending Chinese students to America to pursue modern education. The preparatory school was established in a former princess' garden named Tsing Hua Yuan. During the last twenty-eight years it has developed into one of the greatest national

universities in China, especially noted for its science and engineering departments. About two thousand men and women have studied at Tsing Hua and later obtained graduate training in American institutions.

At Shanghai, scene of the fiercest fighting, Chinese education suffers the heaviest damages. Three universities and one college, Tung Chi, Che Chih, Fu Tan and the Commercial College, are destroyed. The University of Shanghai, an American-supported institution, is partly wrecked. At Nanking, previous bombings demolished parts of National Central University.

All cities along the entire Chinese coast have been shelled by Japanese warships and bombed by Japanese planes. So far no detailed reports have come from Hangchow, Foochow, Amoy, and Swatow regarding educational institutions. In Canton, the newly built campus of the National Chung Shan University has been bombed twice; one shell dropped on the campus of Lingnan University which is partly supported by American funds.

In the interior, about four hundred and fifty miles from the coast, Japanese planes have repeatedly bombed Hankow, Nanchang, and other open towns and cities along the Canton-Hankow Railway. Damages to educational institutions in those places have not yet been reported.

The Chinese government has taken steps to carry on higher education under war conditions. Temporary university districts have been established at Sian in the Northwest and Changsha in Central China. Faculties and students from Japanese occupied areas have pooled resources and began instruction. The

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Sian district is administered jointly by the authorities of National Peiping and National Normal universities, and Peiyang Technical and Research Institutes. The Changsha district is administered by the authorities of Nankai, National Peking and National Tsing Hua universities. Students and faculties from other danger zones have been allocated to institutions in West and Southwest China.

THIS spring I visited most of the colleges and universities in China. I had opportunities to meet the authorities as well as the students. Looking back over a period of years to the founding of the Republic in 1911, it is not an exaggeration to say that for a quarter of a century Chinese educators and students throughout the country have constituted a main source of power in preserving the fundamental unity of the people. Among them there never has been east or west, north or south. They have always opposed sectional jealousy and civil wars. Cabinets and political parties have come and gone, but the universities have maintained their leadership.

Another striking thing is that democracy has persisted in being the political dogma on all campuses. The rise of dictatorships in the West have tended to cast doubt on this principle and form of government. Some Chinese students have gone to the right toward fascism and some to the left toward sovietism. But the great majority still believe in equal rights and equal opportunities for all. With them it is not merely academic or parlor democracy. A number of professors and students write, agitate, and even go to prison for their convictions.

Looking at the conflict with Japan

I can think of no situation more painful than that in which the Chinese educators find themselves. They realise that China and Japan have to live together and that the only sane way for them is to live as friendly neighbors. They also know that the Chinese and Japanese peoples have really nothing to kill one another for. They know further that war will ruin both countries. But in attempting to guide public opinion and to formulate a wise foreign policy, they come upon an insurmountable obstacle—the Japanese military clique.

In the first place, this clique, through its tremendous propaganda machine, does not permit the Japanese people to know how the Chinese people feel and how the rest of the world feel about Japan's use of force to carry out its program of expansion. Rather, the Japanese people are told that the Chinese government persecutes the Japanese in China and that the Chinese people welcome Japanese soldiers as their redeemers.

Secondly, Japanese militarists have been so arrogant and brutal in their dealings with China that there is no chance for rational adjustments of disputes and difficulties. Knowing how completely the Japanese government and people are dominated by the militarists, Chinese educators and students have no alternative but to advocate resistance.

It is no accident that Chinese universities should be destroyed. Japanese militarists well know that universities are centers for the nurture and spread of patriotism. Destruction has come to the Chinese campuses but it only heightens the spirit and hardens the determination of the Chinese educators and students.

China's Fighting Students

By Y. E. Hsiao

General Secretary, Chinese Students' Christian Association

THE students in China are a war-torn generation. Ever since the Republic was founded in 1911 down to the Sino-Japanese conflict of 1937, the students have had to face the issue of recurrent war and national salvation. And they have not flinched in the face of duty.

For students in China are a privileged and revered lot. In the social strata they rank, with professors, first. They are believed and trusted by the people. Like European students, they are politically minded. The crisis today provides them with another opportunity to express their patriotic consciousness. It is nothing new for Chinese students to project their ideas and activities on the national screen.

In 1915, when Japan presented the Twenty-one Demands on the Chinese Government, the students were the first to organize protests. Through parades, soap box speeches and demonstrations, they focussed national attention on the blazing issue.

In 1919 the students opposed the signing of the Versailles Treaty which virtually awarded Shantung province to the Japanese. So determined were they against it that on May 4th of that year they went on strike. It was from these protests that the 1920 boycott of Japan was started. The boycott was surprisingly effective. Japan's trade with China fell 60 per cent in sixty days. The boycott, aided by other factors, achieved its purpose and Shantung province was returned at the time of the Washington Con-

ference in 1922. This victory gave the students a new sense of strength and power which they were to muster time and again during the next two decades.

The renaissance movement in 1919 owed its momentum to Chinese students. The great labor strike in Hong Kong in 1923 has been attributed to the organized leadership of both students and workers. After May 30, 1925, the students went on strike because the police of the international settlement fired on Chinese students and laborers. The students won their strike. When General Chiang Kai-shek led his Northern Expeditionary Forces from Canton to Nanking in 1927, students not only enlisted in the army but they paved the way, by creation of favorable public opinion, for Nationalist troops on all advancing fronts.

Following the establishment of the Nationalist government at Nanking, the students started a "back-to-school" movement. They were advised to study first and save their country afterwards. This advice they heeded, until Japan suddenly broke loose in Manchuria in 1931.

The students dropped their books, and were literally on the march again. They called the nation's attention to Japan's warlike encroachments and helped enlighten public opinion. They played a leading role in mobilizing national sentiment to use the weapon of boycott. When the shadow of death hung like drape over Chinchow and the League of

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Nations showed weakness, they commandeered trains, wrecked offices, called strikes, and demonstrated. There would have been reason to despair of China's future, if the cream of her youth had failed to answer the challenge to patriotism.

The more recent years of reconstruction found the students head and shoulder with the government. When Madame Chiang Kai-shek launched the New Life Movement, students enlisted to bring its principles direct to the people—in the homes, in the schools, in the rural districts. The work of national rehabilitation not only won their confidence but mustered their active support. They saw a vision of hope.

But on the eventful night of July 7, 1937, at the Marco Polo Bridge, Japan's undeclared war began, spreading rapidly to the Tientsin and Peiping area and immediately involving half of China's student population. True to their nature, a number enlisted in the regular Twenty-Ninth Army to defend China's soil, people and civilization. More than a thousand stationed at Nanyuan near Peiping were annihilated by Japanese war planes.

For a long time Japanese militarists eyed the activities of students. When Tientsin was occupied, they searched the students at the railway stations. When Peiping was overtaken, students on the way to the South, were stopped at the various railway stations from Peiping to Tientsin, and

examined by Japanese sentries. Among other hardships endured was walking more than twenty miles to the next railway station to Tsinanfu. On trains going to Nanking, they were constantly exposed to Japanese bombing planes.

Thus the Chinese student has always faced an uncertain outlook towards his future. Wars, internal and external, have hounded him through the years, and many a rosy boyhood dream has failed to materialize through no fault of his own. This has been true of those who studied the Analects during the transition period, between 1911 to 1927, when China emerged from semi-feudalism to a democratic system of government. It has been no less true of those who read the *San Min Chu I* during the Nationalist period, starved with unrest and turmoil. The Chinese student sees life through war-colored glasses.

But out of this anvil of war and invasion, a new Chinese student has been forged, a new spirit has been born. National consciousness in China's youth is now instinctive. It is this young generation that will carry China's torch forward. Theirs is the new patriotism. Theirs is the attitude that it is better to lose the entire country, if need be, than let it be dismembered by foreign invasion, that it would be more honorable to defend themselves even at the risk of racial extinction than to submit to superior military force.

Any situation in which armed hostilities are in progress or threatened is a situation in which the rights and interests of all nations are or may be affected.—Cordell Hull.

China's Case at Geneva

By J. William Terry

Managing Editor, *Chronicle of World Affairs*

THE League of Nations, by unanimous action of fifty member countries, has recognized its duty "to attempt to bring about a speedy restoration of peace in the Far East, in accordance with existing obligations under the Covenant and treaties."

Initiating efforts looking toward fulfillment of this duty the League has, thus far, taken the following specific action: Adjudged the invasion of China a breach of Japan's treaty obligations, which cannot be justified; expressed moral support for China and bespoke for her aid from individual League members; called the Nine-Power Treaty conference to attempt "to secure restoration of peace by agreement;" and provided means for further action by the League should the conference fail.

This, of course, is far below the action to which the League is obligated by its Covenant. In acknowledging, however, the realities of the situation, Dr. Wellington Koo told the Advisory Committee at Geneva that China did not ask League members to carry out all of their Covenant obligations. There were, he admitted, unsatisfactory experiences in the past and disturbed conditions in other parts of the world to demand prudence.

Not least of the "unsatisfactory experiences" were those relative to the attempt to effect a just settlement when Japan made conquest of Manchuria.

As continuation of what began in Manchuria, the present invasion of China and the League's efforts to stop it should be seen against the background of 1933.

Then, by giving authority to the report of the Lytton Commission, the League passed legal judgment and exercised moral pressure on Japan while offering means for readjustments to meet any just demands of the Japanese. Although constituting a genuine advance in development of the collective system, this was of little

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practical service to China. The Japanese moved out of Geneva and stayed in Manchuria.

Timidity or selfishness of, at least, certain of the larger powers, making a legal pretext that there had been no formal declaration of war, prevented the undertaking of but one form of sanctions. That was the American invented "Stimson Doctrine" of non-recognition of a situation resulting from aggression in defiance of existing treaties.

Some experts believe that, given time, rigid application of this doctrine would have achieved disintegration of the Manchurian puppet state, "Manchukuo." But the doctrine has been applied as a gesture, not as a reality.

When the Japanese defied the League and left Geneva⁽¹⁾ the League Assembly created the Far Eastern Advisory Committee⁽²⁾—upon which the United States accepted non-voting membership. To this committee was, in effect, turned over responsibility for any future action in the Chino-Japanese affair. In particular, there was responsibility for concerting international action in carrying out the non-recognition principle.

A few meetings were held without anything of importance being done, after which the Advisory Committee disappeared without, however, losing its legal identity.

As for practice of non-recognition, one example should suffice: Regularly functioning Consulates are now maintained by the United States and various League countries in "Manchukuo," through which the governments help to keep open normal trade channels there, that non-recognition was supposed to close. But there is the gesture of the consular officers being accredited to China!

Pressure of Japan upon China between 1933 and July 7, 1937, was largely beyond reach of the League of Nations. Japan no longer belonged to the League; China was at the disadvantage of having signed the Tangku Truce; and there was absence of such overt

(1) February 24, 1933.

(2) Like the earlier "Committee of Nineteen," of which it was really an enlargement and continuation, the Far Eastern Advisory Committee included all members of the League Council, except the parties to the dispute, and six other League members elected by secret ballot; to these were added for the Advisory Committee Canada and The Netherlands. The United States and Soviet Russia were invited to cooperate; the former accepted, with certain reservations, the latter declined.

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treaty violations as would give China grounds for appeal to Geneva or the League sufficient basis for action.

Consequently, it was not until huge Japanese armed forces were once more invading Chinese territory, making ruthless attacks from land, sea and air, that China again brought its conflict with Japan to Geneva.

In a strong but judiciously phrased "informative" statement, the Nanking government, on last August 30, recited its version of events beginning with the Lukouchiao incident and made four charges against Japan, as follows:

Being guilty of aggression "pure and simple;" (2) compelling China to resort to force, contrary to her wish; (3) attempting to destroy the reconstruction work "that the Chinese nation has so steadily and assiduously undertaken during the past ten years;" and (4) violating the League Covenant, the Briand-Kellogg Pact and the Nine-Power Treaty. (*Complete text is reprinted in the Appendix—Editor.*)

Dr. Hoo Chi-tsai, director of the Permanent Chinese delegation to the League, requested that this statement be circulated to all League members and to members of the Far Eastern Advisory Committee—which meant that the United States should be included. (Thus the Chinese were first to recognize the continuing entity and authority of the Committee.)

China's formal appeal to the League was made by Dr. Wellington Koo, first Chinese delegate to the League Assembly, on September 12, the day before the Assembly convened. Covenant Articles 10, 11 and 17 were invoked.⁽³⁾

Three days later the highly capable Dr. Koo pleaded China's case from the Assembly rostrum, urging that international lawlessness be not accepted as inevitable. As a beginning in dealing with the situation, he suggested that the League Council⁽⁴⁾ might

(3) Under Article 10, League members undertake to "preserve as against external aggression the territorial integrity and existing political independence of all members of the League." It is specified that "in case of any such aggression, the Council shall advise upon means by which this shall be fulfilled."

Article 11 makes war or threat of war the immediate concern of the whole League and authorizes "any action that may be deemed wise and effectual to guard the peace of nations."

Article 17 provides that in event of a dispute between a League and a non-League dispute; if it fails to do so, and resorts to war, the non-League member shall be subject to sanctions.

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refer the Chinese appeal to the Advisory Committee. On September 16 this was done, with the distinct stipulation by China that it retained the right to demand action under Articles 10, 11 and 17, "if and when circumstances require it."

As over against immediate consideration of the appeal by the Council itself, this procedure had the advantages of bringing the United States into the theater of action⁽⁵⁾ and of affording freedom from certain proceedings made mandatory for the Council by the Covenant. Since, for example, it was out of the question then to secure application of sanctions, it was well to avoid, for the time being, the mandate for them in Article 17.

Under chairmanship of Foreign Minister Vilhelms Munters of Latvia, the Far Eastern Advisory Committee convened September 21,⁽⁶⁾ two days after Japanese planes had started bombing Nanking.

The first pronouncement of the Committee, made on September 27, was a unanimously adopted denunciation of Japan's bombardment of open towns in China, declaring that "no excuse can be made for such acts, which arouse horror and indignation throughout the world." Straightway the Assembly made the pronouncement its own.

The two reports on the Chino-Japanese conflict, sent to the Assembly October 6, constitute the cardinal achievement of the Advisory Committee.

The first report deals with the historical and underlying causes of the conflict. Its conclusions were reached from known facts, public utterances of members of the Japanese government and the August 30 statement of China supplemented by data provided by Dr. Koo. Three of these conclusions are of particular significance.

(4) League action in event of war or threat of war is primarily within the province of the Council, although the Assembly may act under Covenant Article 3, paragraph 3, which says that "the Assembly may deal at its meetings with any matter . . . affecting the peace of the world." (It was under this provision that the Far Eastern Advisory Committee was created.)

(5) Mr. Leland Harrison, United States minister to Switzerland, sat with the Committee under the limitations set by Washington when the United States assumed membership in 1933.

(6) Nations now comprising the Far Eastern Advisory Committee are Australia, Belgium, Bolivia, Canada, China, Colombia, Czechoslovakia, Ecuador, France, Great Britain, Hungary, Italy, Iran, Latvia, The Netherlands, New Zealand, Peru, Portugal, Poland, Rumania, Sweden, Switzerland, Soviet Russia and the United States. (Russia, which refused membership in 1933, is now a member by virtue of its seat on the League Council.)

When the Committee convened on September 21 Australia, China, Germany, and Japan were invited to become members. The first two accepted; the latter two declined. Italy, which is not now being represented at Geneva did not sit with the Committee.

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(1) Attention is called to the fact that at the beginning of July 1937 there were 7,000 Japanese soldiers in North China, on the basis of the so-called Boxer Protocol of 1901, as compared to 1,007 British troops and between 1,700 and 1,900 French soldiers. This excessive number of Japanese troops, in addition to development in Manchuria and Jehol and Japan's political activity in North China, made for a dangerous tension in China.

(2) Irrespective of the discrepancies between the Chinese and Japanese versions of events at Lukouchiao and Shanghai, the Japanese have manifestly failed to observe their treaty obligations to respect Chinese territory and not to have recourse to war for settlement of international controversies.

(3) The military operations carried on by Japan against China "are out of all proportion to the incident that occasioned the conflict," and they "can be justified neither on the basis of existing legal instruments nor the right of self-defense. . . ."

In its concluding sentence the report passes judgment. It finds that Japanese action "is in contravention of Japan's obligations under the Nine-Power Treaty of February 16th, 1922, and under the Pact of Paris of August 27th, 1928."

The second report emphasizes Japan's violation of treaty obligations, points out that the situation in China is, to a greater or lesser degree, the concern of all nations, and recognizes the duty of the League to attempt to bring speedy restoration of peace to the Far East.

In considering means to that end, the Committee expresses the conviction that, "even at this state of the conflict . . . efforts must be made to secure restoration of peace by agreement."

This led to the conclusion that the "first step" the Assembly should take was to bring about consultation under the Nine-Power Treaty.

Vastly heartened by news of President Roosevelt's Chicago peace speech, the Assembly met on the evening of October 6. With fifty nations in the affirmative, and only Poland and Siam abstaining, the Advisory Committee reports were adopted as the Assembly's own.

Further:

The Assembly resolution expressed "moral support for China." Implementing this were the recommendations that "members of the League should refrain from taking any action which might

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have the effect of weakening China's power of resistance and thus increasing her difficulties in the present conflict, and should also consider how they can individually extend aid to China."

This not only puts the League on record against action like embargoes on armaments for China, such as those by which certain League countries weakened Ethiopia in its defense against Italy, but it encourages such active help for China as supplying of credits and war materials.

Meanwhile, it should be kept in mind that it was not the thought of the Assembly that this was all that the League could do. Initiating the Nine-Power conference was declared a "first step." The Advisory Committee decided to meet again within a month. The Assembly authorized its president to summon it whenever the Advisory Committee should so request. In other words, the League has, at this writing, put itself in a position to carry on if the Nine-Power conference does not succeed.

Whether or not the League, in face of a much more desperate world situation, can achieve now what it could not achieve between 1931 and 1933 remains, of course, to be seen.

Six Long Years

FOR six years China has shown the most earnest desire to find a peaceful solution of the issues between her and Japan. She submitted her case to the League in 1931 and accepted its verdict. But Japan refused. China has been willing to arbitrate or present her cause to the World Court. She has not feared international judgment or world opinion.

Japan, on the other hand, has steadfastly declined to accept any international verdict, insisting that all difficult problems be settled between Japan and China alone. Within the past two years China has repeatedly offered to open direct negotiations. But the result has been almost nothing. The negotiations have usually been debates over extreme Japanese demands or discussions of general principles without reference to concrete application.

British Strategy in the East

By Ludwig Lore

Author of daily "Behind the Cables" column in the *New York Post*

WHEN machine gun bullets from a Japanese airplane, engaged in an undeclared war of aggression against the Chinese Republic, seriously wounded Great Britain's Ambassador to China, the world held its breath. The tension created by the incident was understandable if not entirely realistic. England's protest was sharp but hardly in the old Imperial tradition. The lion growled. The claws remained sheathed.

Britain's policy toward Japan's advance over the map of Asia is not, of course, an isolated factor in the game of world supremacy. The most casual observer will realize that London's stake in the Far East is limited by the extent of its obligations and difficulties elsewhere. The possibility no longer exists of dealing with one situation at a time, of crushing opponents singly by military and economic force. For the first time in the recent peace-time history of the Empire, British power is challenged on such an extended front by Powers which work in close cooperation, are fully conscious of their aims and have a combined naval strength which places even Britain's Armada at a disadvantage. The fact that two of these Powers were on the Allied side during the World War and must now be counted in the enemy ranks in future only increases the anxiety with which Downing Street views the world today.

Let there be no doubt in anyone's mind that the policy of the British Empire in the present Far Eastern

crisis will be a thoroughly selfish one. Should it seem best in the end to make peace with the Prussians of the East in return for Tokio's willingness to divide the spoils in China, London will not only sign a compact with no thought for such fuzzy and impractical ideals as the self determination of peoples and the preservation of national integrity. It will even know how to present its position as necessary to preserve western culture against bolshevism, barbarism and boxerism.

Thus the fact that certain considerations make the renewal of the British-Japanese alliance virtually impossible is something which London can only regret. Such considerations consist, however, and the present war in the Far East may finally force England to abandon once and for all her attempts to make peace with the fascist chiefs in Rome, Berlin and Tokio, attempts which have stubbornly survived the Hitler regime, the Ethiopian war, and the conquest of Manchuria.

Great Britain's history in the Far East is a history of alliance with Japan. Formally that alliance was broken at the Washington Conference but in reality London still looked to the Rising Sun as a bulwark against the Russian bear. Neither the opposition of the United States nor the disapproval of the Dominions in the Pacific were potent enough to force a change in traditional policy. It took Japan itself, its aspirations to unlimited rule in China, its steady penetration into British spheres of

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influence and the consequent threat to the military position of the Empire to bring about a change.

But that such a change has come is too clear to be questioned. The Leith-Ross attempts to come to separate financial arrangements with Nanking were probably the first open sign of the new orientation in London. Japan was able to prevent the success of the Leith-Ross mission but the breach was there and England, moreover, had accepted the challenge.

Military strategy has played its part as well. The completion of the Singapore naval base, the fast growing war establishment at Hong Kong, and elsewhere along the Chinese coast, the Anglo-Chinese agreement for joint development of strategic Hainan island were all straws in the wind.

Not enough attention has been given of late to the strange relationship which exists between the anti-Japanese bloc in the Far East and the anti-German grouping in Western Europe. England is strong in Europe and is growing stronger but so great are the challenges to its supremacy that the Japanese menace has been temporarily taking second place. London's only hope to do something positive on the continent of Asia, indeed, rests on the active support of Holland, France and the United States, all with large interests in the Pacific area, all with reason to fear the spread of the Japanese shadow. It is fairly well established that some sort of naval understanding exists between London, Paris and the Hague regarding mutual defense against aggression in the East.

It is interesting to note, moreover, that it is Holland and France which have the most to fear from German military strength in Europe. Is it

possible that they have offered to aid London against Japan in Asia without securing some guarantees from London against Japan's ally in Europe?

In the calculations of Downing Street another factor has always had considerable weight. I have already referred to Britain's fear of Russian advance in Central Asia. That fear is certainly not entirely gone but all indications are that it is not the issue it once was. There is no longer the heads-on rivalry all through the Far East. True, there is a certain conflict in Sinkiang, legally Chinese Turkestan, actually a Russian protectorate, and it has been suggested that a recent revolt against Russian rule may have been British inspired. On the whole, however, the Bear and the Lion blink peacefully at one another across their borders. The Czar no longer threatens the Khyber Pass.

Britain's enemy in the Far East today is Japan. Once that would have meant quick action. Today it means a waiting game. Britain wants to base a Far Eastern fleet at Singapore, the units of which are not yet built. She wants new planes in her air force squadrons and a coordinated war machine around Darwin, Ceylon and Singapore. Most of all she wants to move in the East together with the United States.

It goes without saying that I believe Washington should take that initiative and strike a blow for world peace. It should be equally obvious that such a step would be worse than useless if it meant simply playing the selfish game of Great Britain in Asia, one which has no more sympathy for the independence and power of a united Chinese Republic than the deadly game which Japan is playing today with shot and shell and the blood of China's millions.

Soviet Union and the Sino-Japanese Conflict

By Harriet Moore

Editor of Publications, The American Russian Institute

IN August of this year the Soviet Union and the Chinese Republic concluded a non-aggression treaty, reading, in part, as follows:

"Animated by the desire to contribute to the maintenance of international peace, consolidate the amicable relations now existing between them, on a firm and lasting basis, and confirm in a more precise manner the obligations mutually undertaken under the Treaty for the Renunciation of War, signed in Paris on August 27, 1928, [the two governments] have resolved to conclude the present treaty . . .

"Art. I. The two High Contracting Parties solemnly reaffirm that they condemn recourse to war for the solution of international controversies and that they renounce it as an instrument of national policy in their relations with each other, and in pursuance of this pledge, they undertake to refrain from any aggression against each other either individually or jointly with one or more other powers.

"Art. II. In the event that either of the high Contracting Parties should be subjected to aggression on the part of one or more third powers, the other High Contracting Party obligates itself not to render assistance of any kind either directly or indirectly to such third power or powers at any time during the entire conflict, and also refrain from taking any action or entering into any agreement which may be used by the aggressor or aggressors to the disadvantage of the Party subjected to aggression . . ."
(Signed Aug. 21, 1937.)

During the recent sessions of the Advisory Committee of the League of Nations, M. Litvinov made every effort to support the position of the Chinese delegate. In the preparation of the resolution condemning the Japanese bombardment of Chinese cities, he supported the New Zealand delegate in insisting that Japan be named specifically. He also urged the committee to condemn the other forms of attack by Japan from which China is suffering. At the subsequent meeting, M. Litvinov supported Wellington Koo's request that the Advisory Committee draw a resolution naming Japan as the aggressor; he opposed referring the matter to a sub-committee; and, finally, when a sub-committee was named, he insisted

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that it meet immediately, before the adjournment of the Assembly. As a result, on October 6, a resolution was passed, urging the convocation of a meeting of the signatories of the Nine-Power Treaty to consider the situation. This resolution was couched in strong terms, stating, among other things, that Japan's "Actions can be justified neither on the basis of existent legal instruments nor on that of the right to self-defense and that they are in contravention of Japan's obligations under the Washington Treaty of Feb. 6, 1922, and of the Pact of Paris of April 27, 1928."

The Principles of Soviet Foreign Policy

These actions are a practical expression of the Soviet Union's policy in regard to the present Sino-Japanese war and they are the logical outcome of the foreign policy consistently pursued by the USSR. The fundamental principles underlying Soviet policy are two: the right of nations to self-determination and the struggle for the maintenance of peace. These two principles were embodied in the very first document of Soviet foreign relations, the Decree of Peace, adopted by the Congress of Soviets, November 8, 1917, which demanded peace and self-determination for the peoples of the world.

Since that time these have been the bases of all Soviet action in foreign relations. In accordance with the theory of equality of nations and the right to self-determination, the Soviet Union annulled all the "unequal treaties" with China and other nations. It renounced its concessions, the practice of extra-territoriality and the payments on the Boxer Indemnity.

In the struggle for peace, the Soviet Union has taken a realistic and active part. It has sought to define peace in such a way as to prevent the shirking of international obligations on legal technicalities. In 1933, it drew a Convention for the Definition of Aggression, reading in part:

"Art. II. In accordance with the above, the aggressor in an international conflict, with due consideration to the agreements existing between the parties involved in the conflict will be considered the state which will be the first to commit any of the following acts:

1. Declaration of war against another state;
2. Invasion by armed forces, even without a declaration of war, of the territory of another state;
3. An attack by armed land, naval or air forces, even with-

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out declaration of war, upon the territory, naval vessels or aircraft of another state;

4. Naval blockade of the coasts or ports of another state;
5. Aid to armed bands formed on the territory of a state and invading the territory of another state, or refusal, despite demands on the part of the state subjected to attack, to take all possible measures on its territory to deprive the said bands of any aid and protection.

"Art. III. No consideration of a political, military or any other nature can serve as an excuse or justification of aggression as specified in Art. II . . ."

A second step in a realistic peace policy, after the definition of the breaking of peace, has been to recognize that in the modern world it is, in the long run, impossible for any great nation to escape a war which starts in any part of the world. For this reason, it is essential for the nations which desire peace to take an active part in every effort to prevent war in any part of the globe. On these grounds, the Soviet Union is a signatory of the Pact of Paris and a member of the League of Nations. In addition to these general world-wide efforts at collective security, it is also a party to a number of regional pacts for the prevention of war. It has concluded non-aggression pacts with all its neighbors, as well as with a number of other nations. It likewise has regional pacts of mutual assistance with France, Czechoslovakia, and the Mongolian Peoples' Republic. These treaties are all drawn in accordance with the general principles of the League of Nations and in no way constitute alliances directed against third powers. They merely supplement the provisions of the League.

An Active Participant in Collective Security

The Soviet Union has not only shown by its treaty obligations its desire to secure the peace of the world. It has borne this out in its participation in the councils of the world. It has been willing to cooperate in every collective effort, no matter how weak, to secure peace, and at the same time it has been the first to lay bare attempts to render such collective action ineffective. Its record in the Spanish civil war is witness to this. Space does not permit a review of the part of the Soviet Union played in exposing the non-intervention committee and in forcing through a fairly satisfactory agreement at Nyon.

In every case, the Soviet Union has judged the validity of international proposals by their concrete effectiveness as instruments for

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securing peace. For instance, in connection with the proposal to the League regarding the securing of raw materials for the "have-not" nations, the Soviet delegates asked: "Are the materials needed for peace or for war?" and concluded that they were needed only in connection with war preparations, since the ordinary channels of trade and international finance have always served to secure these essentials in time of peace. Hence, this proposal, under the cloak of "justice" for the "poor" nations, is really a mechanism for supplying aggressive nations with the tools of aggression.

Similarly, the Soviets analyzed the demand for "universality" in the League and in other international conferences. This seemingly "fair" proposal, also in practice—as for instance in the non-intervention committee—proved to be only an obstacle to the international efforts for peace, since the aggressive nations, if included, are not very helpful to any organization to combat aggression. As a *sine qua non* for collective action, the demand for universality is likewise a method of delaying all action and thus abetting the aggressors.

This realistic approach to the question of collective action for peace has made the Soviet Union one of the more active and effective nations in this work. For this reason, the U.S.S.R. is singled out for verbal, as well as actual, attack by those governments which seek to break peace. That both Hitler and the Japanese militarists would eventually like to attack the U.S.S.R. is well known—witness Japan during the Intervention Period and Hitler's repeated pronouncements on the subject. To avert this war, one which would involve the world, the Soviet Union in the main, has had to rely on itself, since the Soviet proposal for universal and complete disarmament has always been rejected by other nations and today weakness is an invitation to aggression. Accordingly, the Soviet Union has built up a powerful military defense machine.

The aggressive nations have also tried to isolate the Soviet Union, in order to render less effective its work for collective security. To do this, they have now undertaken to justify their actions as part of a "holy war against communism." Germany and Japan have an anti-communist pact to which Italy is all but an actual signatory. Both the intervention in Spain and the invasion of China have been "dedicated" to this cause. On the other hand, the Soviet Union maintains that different social systems can exist side by side on a basis of friendly cooperation and competition, and

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that these slogans of war to save the world from communism are merely covers for aggressive acts against weak states, none of which, incidentally, is communistic.

U.S.S.R.'s Position in Regard to the Far East

The Soviet Union's position regarding the present Far Eastern war is a consistent projection of the policies and practices outlined above. The U.S.S.R. has no "economic stake" in China, as have various other nations. It has relinquished all its concessions and special privileges, and its trade with China, as with Japan, is relatively a very small part of its total trade. Nevertheless, the Soviet Union has already shown an active interest in maintaining the independence of China and in stopping the war caused by Japanese aggression. Its recent actions at the League confirm this fully. Although it is not a signatory of the Nine-Power Treaty, it has obligations under the Kellogg-Briand Pact and the League Covenant to try to stop war—and, according to the Convention for the Definition of Aggression, the lack of a declaration of war by Japan makes Japan's actions no less acts of aggression and, therefore, of war.

To date, the Soviet Union has taken action of two kinds to aid China. It has declared its friendliness to China in concluding a non-aggression pact. Although this pact was signed on August 21, of this year, it was originally proposed by the U.S.S.R. in 1932, in accordance with the Soviet policy of having such treaties with all nations. It is also of interest to note that this treaty is more specific in stating that the Soviet Union will not "render assistance of any kind, either directly or indirectly" to an aggressor against China. The usual form in such treaties has been that the Soviet Union will observe "strict neutrality" in the case of an attack on the co-signer by a third power. This leaves the way open for the U.S.S.R. to supply goods and materials to China. It, however, has no bearing on military assistance, as the Soviet Union has no pact of mutual assistance with China and its firm principle, embodied even in its constitution, is that its armed forces are used only under two circumstances; (1) when the territory of the U.S.S.R. is attacked, and (2) when it is *obligated* by international agreement, i.e. under a mutual assistance pact or under the League of Nations, to go to the defense of another country.

More important than its single-handed moral support and its

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possible material assistance to China is the Soviet Union's aid through international collective action. The U.S.S.R. has stated in no uncertain terms that it believes that the present attack on China has been made possible only by the weak and irresolute stand taken by the peaceful nations and the League of Nations on the question of Manchuria, Ethiopia and Spain. The Soviet Union has in the past tried to strengthen collective security. In the present situation the U.S.S.R. is working to bring into international collective action the other great peaceful nations which are also obligated by international treaty to take some sort of action to stop aggression and, as signatories of the Nine-Power Treaty, are even more obligated to help China. In view of the fact that these peaceful nations are constantly being urged by the U.S.S.R. toward collective action against the aggressors, it can be said that the Soviet Union is today taking a leading part in bringing peace to the Far East.



Japanese Line in Brief

IT is no secret that Japan's army leaders have been frankly worried by evidences of unification and increase of military strength in China. Japan must strike now or never. Moreover, fear of Soviet Russia is never absent. The military mind envisages the necessity for a buffer state between China and Russia, a base from which Japan can defend herself or attack in the event of another Russo-Japanese war.

And thus the Japanese argument runs: Japan must protect herself against Russia, and against communism; Japan has special interests in North China because of its proximity to "Manchukuo" and Jehol; Japan needs the raw materials, crops and markets of North China; Japan must stop all anti-Japanese propaganda; Japan must protect her nationals in China against sinister plots; China is not sincere if she does not agree with Japan and accede to all her demands; therefore, Japan must invade Chinese territory at will for the sake of peace in the Far East!

American Neutrality and the Far East

By Raymond Leslie Buell

President of the Foreign Policy Association before the American Academy of Political and Social Science

IT is depressing to see well-intentioned Americans, in their desire to keep this country out of war, contend that the United States is justified in injuring China through its Neutrality Act. Should American liberalism take the attitude that the end justifies the means, or should it lose its sense of justice and its capacity for sacrifice, then the future of democracy in this country is indeed dark. Every American desires to keep out of war; but means must be found to achieve this end which do not violate fundamental American conceptions of justice to weaker peoples and which do not approve, even by implication, the acts of wanton terrorism which Japan is committing in China today.

There are two fundamental defects in our Neutrality Act, as applied to the Orient. The first is that the application of this Act—far from keeping the United States out of war—would ultimately endanger our security. Should Japan succeed in its present campaign in China, its next objective may be the Phillippines. Should the success of Japan in the Orient be paralleled by the success of Italy and Germany in other parts of the world, it is not at all fantastic to believe that ultimately these three distatorships would converge upon Latin America. Lacking raw materials, the three great dictatorships today cannot successfully fight a great power. But if they succeed in annexing neighboring territory containing such materials, the task confronting the United States of defending the western hemisphere will become infinitely more onerous than if we today adopted a positive policy of cooperation to avert war.

So-called "realists" contend that Japan will bog down in its present offensive, or that it will become satisfied by new annexations in China. This argument has, however, proved fallacious in the past few years. Instead of becoming satisfied, both Japan and Italy have developed new ambitions as a result of their conquests of Manchoukuo and Ethiopia. Should China offer prolonged resistance to Japan, the result will be equally dangerous. For in that case,

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it will be extremely difficult to prevent the intervention of Russia; and such intervention may cause the the war to spread to Europe and the rest of the world. A policy of isolation means a deepening of the present international chaos and anarchy, which may plunge the United States and the rest of the world into a new depression, and eventually into a new war.

The belief, underlying the Neutrality Act, that there is safety in continental isolation is a pure delusion. As a result of electrically driven ships, radio, telephone and airplanes the world is literally shrivelling up. Meanwhile, the military forces of destruction are increasing in magnitude and destructiveness. America could view with comparative unconcern the European arms race before the World War; but no power in the modern world can feel secure when irresponsible and lustful military machines have at their command thousands of engines of death. The ghastly aerial and submarine attacks of Japan upon innocent Chinese civilians is an example of international outlawry which threatens the security of every nation in the world unless it is stamped out. If the American policy of retreating before international lawlessness continues, it may be only a matter of time before some power, in imitation of the Barbary pirates of old, will again levy tolls on American vessels and citizens in foreign waters and on the high seas. One of America's greatest pacifists, Thomas Jefferson, then Secretary of State, proposed that the United States and the maritime powers of Europe should form a league to blockade the Barbary states. This philosophy has recently been applied by Britain and France in the Mediterranean by organizing an international naval patrol, as a result of which the piracy in this area has been terminated. In contrast, the theory of the Neutrality Act is to keep American ships out of the Mediterranean. This policy applied in the Orient is already undermining the principles of the Nine-Power treaty. No government which enunciates moral principles and then runs away when they are shamefully violated can long command the respect of other nations or even of its own citizens.

APPLICATION IN ORIENT UNJUST

The second vice of the Neutrality Act is that its application in the Orient would be fundamentally unjust. That Act would forbid China to import munitions which it sorely needs, but would allow Japan to continue to buy raw materials, upon a cash-and-carry basis,

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which are essential to its military activities. If neutrality means anything, it means being fair to both parties; but the Neutrality Act of 1937 virtually makes the United States an ally of Japan. The American people deserve commendation if they are willing to forego war profits and "national honor" to escape the danger of war; but if we go to the extent of foregoing our sense of justice and of becoming an ally of Japan out of fear of being attacked for supporting principles of international law and morality, we take a position unworthy of a great people.

While it is true that a Japanese blockade might seize vessels carrying munitions to China, it is also possible to evade the most effective blockade. Under the pre-war rules of neutrality, China as well as any other belligerent, was responsible for determining whether it could successfully import arms from the United States. Today the United States has taken this responsibility for cutting off from the American market at the very time China is the victim of aggression. Our neutrality law would impose a penalty upon China, when it is fighting in defense of its very independence. The Nine-Power Treaty does not impose any obligation on the United States to come to the aid of China; but it does impose upon this country the implied obligation not to encourage any power to violate its provisions.

To defend Japanese imperialism on the ground that Japan is suffering from serious economic maladjustments is illogical and unjust. The only fundamental solution of Japanese economic difficulties lies in voluntary and friendly cooperation between China and Japan along the lines suggested by the Lytton Commission; but Japan has rejected this course in favor of a military solution which will merely increase its economic and social difficulties. For the United States or any other power to make economic concessions to aggressive dictatorships, without obtaining in return reduction of armaments and the abandonment of imperialistic ambitions, will be interpreted as another sign of weakness and be an encouragement to further aggression.

These fundamental defects in a policy of retreat explain why President Roosevelt has failed to apply the Neutrality Act in the Far East, and why the State Department seems to have abandoned its initial policy of withdrawal in favor of the older and stronger policy of protecting our interests. This new policy is indicated by the decision to keep our naval forces in China, the return of Amba-

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sador Johnson to Nanking, and the strong protest against the bombardment of Nanking.

This policy, however, involves the daily danger of a clash with Japan, but in its present limited form has no effect in shortening the duration of the war. In failing to think in cooperative terms, the present policy of the State Department in the Far East involves all the risks of international sanctions without any of its advantages.

FAR EASTERN POLICY OUTLINED

If the application of the Neutrality Act as well as the present Roosevelt policy involve grave dangers, what course should we follow in the Orient today? Certainly we should not go to war with Japan. But how is it possible to justify a policy of shutting off munition to China and yet of selling war materials, such as scrap iron, cotton and oil, which are essential to the Japanese military machine? Congress should amend the Neutrality Act in either one of two directions. It should give discretion to the President either to allow the exports of munitions to China and other belligerents upon a cash-and-carry basis, or embargo raw material exports to Japan and other powers. Only by adopting one of these two changes can the Neutrality Act satisfy fundamental considerations of justice.

Meanwhile the Neutrality Act already gives the President power to prohibit American vessels from carrying any designated materials to any belligerent. Today Japanese ships carry only one-third of the trade between Japan and the United States. Since many Japanese merchant vessels have been diverted to transport purposes, the imposition of a shipping embargo by the United States would severely injure Japan and thus offset the damage done by an American arms embargo to China. As far as shortening the duration of the war, however, such an American embargo would be ineffective if Japan could obtain ships from other countries. Consequently the United States would be justified in imposing a shipping embargo only if it is internationally applied. It is to be hoped therefore that the League advisory committee in the Far East, now meeting in Geneva, will recommend that the League powers apply an arms and shipping embargo against Japan, leaving China free to import from European markets, in accordance with League principles. At the same time, the President of the United States should prohibit American vessels from carrying war materials. If an international shipping embargo were thus imposed, Japan could not possibly import the

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raw materials needed to carry on its campaign of conquest. Such form of cooperative action would not involve sending a single airplane or war ship to the Orient; it would restore validity to the Nine-Power treaty and the Anti-War pact; it would bring the Sino-Japanese war to an end within six months, while the United States would not be singly exposed to the anger of Japan because it would be acting jointly with other powers. The one realistic no-war policy is one which denies the aggressor — rather than the victim — the materials necessary for its armies, but which does not involve the United States in single-handed adventure.

In attacking a positive policy of this kind critics insist it will injure American economic interests, such as shippers and American cotton and oil producers, and that it will provoke Japan to bomb American citizens and troops in China. The answer to this criticism is that the government should compensate private interests adversely affected by any embargo; and secondly, that before applying the shipping embargo, the United States and other powers, in imitation of the Japanese evacuation of Nankow should withdraw their citizens and troops from Chinese cities to areas which can be adequately protected from Japanese reprisals. Any program of positive action involves certain risks, but these risks are no greater than arise out of our present policy; what is more, a program of positive action promises to put an end to the present world anarchy.

Economic Cooperation

ECONOMIC cooperation is only possible when free from the danger of foreign military coercion and on a basis of mutual benefit voluntarily agreed to by all concerned. In such cooperation every natural advantage of Japan will have full opportunity and will be enhanced by the goodwill of the Chinese people. Military domination and political pacts are a hindrance rather than a help to mutually beneficial industrial and commercial activities.

As to technical advisers and other forms of aid in progressive development, China welcomes foreign assistance and, in many instances, would seek this from Japan upon the merits of the case unfettered by coercive agreements or threatening demands.

Pacifism and Peace

By Chen Han-seng

Former Professor of History at National University of Peking

SOME centuries ago, during a great famine in one of the remote provinces in China, a high court official told the emperor of the acute hunger of the peasants. Hearing this the emperor immediately said, "Tell my subjects who are suffering from lack of grain that they should satisfy their hunger by eating chicken." This of course betrays gross ignorance on the part of the theocratic ruler who throughout his life lived in complete seclusion. Today, when the fascist governments of Japan, Italy and Germany are waging "undeclared war" and slaughtering masses of innocent civilians in the three continents of Asia, Europe and Africa, how do the peoples of the democratic countries think? Unfortunately there are a number of pacifists such as George Lansbury in the British Isles and F. J. Libby in America who, like the Chinese emperor, would advise us to eat chicken in the midst of a devastating famine.

While peace is an actual condition desired by many people including the pacifists, pacifism must always remain an attitude peculiar to the pacifists and to them only. What is this unique mental attitude? To the pacifists every war means horror and nothing more than horror; to them every war is just the same as any other war, regardless of its real causes; and to them the best and only way of attaining peace is either non-resistance or non-interference. The essence of pacifism is inaction except for the preventing of other

people from taking action. In other words, deliberately or not, the pacifists, because of their inconsistent and indiscriminate attitude towards the aggressor and defender, advocate inaction towards the war-maker, but nevertheless act themselves to prevent others from stopping the war.

Speaking over the National Broadcasting Company's network, the executive secretary of the National Council for Prevention of War told us on September 24th that certain newspapers were deliberately stimulating indignation against Japan by "highly colored news stories and cartoons of hate." After all, fifty-two governments represented in the League of Nations have condemned the Japanese atrocities in China, and news of an outrageous nature cannot be anything but "highly colored." As to "the cartoons of hate" they are simply registering the sensitive moral mind of humanity. By evading and ignoring realities and even blaming others for revealing the truth, how will the pacifists ever be able to prevent war? The surest way of not stopping the war is the pacifist way of turning from a concrete situation towards a purely rational wish. Nobody has ever extinguished a fire by pretending not to see it, or by running away from it.

The pacifists emphatically do not want fire, but they run away from it. The six "peace" organizations in this country are concerned with two objectives. In the words of Mrs. F. B. Boeckel, Mr. Libby's colleague,

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these are "restricting wars that occur to the smallest possible area, and with the prevention of war by the inauguration of a policy of peaceful change of treaties and international relations in line with changing world conditions." Sound and admirable as these aims are, the method advocated by her is something deplorable, perhaps it will just have the effect of defeating her own aims. "It is our earnest conviction," said Mrs. Boeckel, "that if the United States Government will apply the Neutrality Act and force the world to accept the fact that it cannot be relied upon for aid in military conflicts it will thereby exert a powerful pressure upon all nations to consider ways and means of altering the present international status quo and thereby render aggression less likely." Such a negative policy can only encourage the aggressor and render peaceful change less likely. There is reason to believe that the American neutrality is very much welcomed by the Japanese fascist-militarists, who will be more aggressive towards America after they have got a firm foot-hold on the Asiatic continent. The isolationists today are paving the way for their own defeat in the future.

THE President of the Foreign Policy Association, Raymond L.

Buell, in his speech in Philadelphia on October 1st said that the idea of safety in continental isolation was a "pure delusion." "Far from keeping the United States out of war, the application of the Neutrality Act would ultimately endanger our security." He knows that a mere desertion from the fire ground would not help putting out the flames and that the quicker the fire can be put out the less damage it may do. "Should Japan succeed in its present cam-

paign in China, its next objective may be the Philippines." "Should the success of Japan in the Orient be paralleled by the success of Italy and Germany in other parts of the world, it is not at all fantastic to believe that ultimately these three dictatorships would converge upon Latin America." A true student of international relations like Dr. Buell advocates an active and positive policy to establish peace by quickly ending the present armed conflicts by bringing high pressure to bear upon the aggressor. He does not seem to have any faith in the pacifist moonshine.

Yet intelligent people like Dr. Buell may find themselves still in the minority. The majority are either totally or partially ignorant of what is really going on in Europe and Asia, or totally or partially unaware of the defects of their reasoning due perhaps to their limited information and stock of prejudices. A columnist in the New York *World-Telegram* expressed her conviction that "no moral indignation will change either the facts or the nature of the Japanese and Chinese. They would not cease hating each other, even if we went to war to save China." (Sept. 30) Without reflecting on the causes of indignation and hate this lady journalist as an ardent sympathizer of American isolationism and pacifism reasons badly but simply gives a poor excuse for her indifference. It appears that her inclination for isolationism has been encouraged by Pearl Buck's article in the October issue of *Asia*, in which the author of the "Good Earth" tells in effect that in the Orient there has never been such a thing as fair play in war or distress and that the Chinese are just as cruel as the Japanese. Such a sweeping and wrong statement is possible only when the authoress for the mo-

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ment forgets her European and American history as well as the fact that till now there has been no photograph showing a Chinese soldier using a Japanese corpse for bayonet practice.

The pacifists think that indignation is an undesirable attitude which may even be considered as an attack on Japan. They seem to be in perfect agreement with what the Japanese spokesman in Geneva said to the United Press correspondent on September 30th: "China started the war, attacking Japan by her attitude. Japan defended herself with airplane bombs and artillery. The two countries are able to fight it out without mediation." In a recent broadcast on "Why Japan is Fighting China," the Japanese Consul General in New York, K. Wakasugi, pictured Japan as a nation who for the past fifteen years, ever since the Washington Conference, has made many sacrifices in strenuous efforts for peace. Yes, the Japanese aggressors want peace, which to them is a condition in which they exploit unmolested a vast colony on the Asiatic continent, in which 450 million civilized people will be treated like slaves. Upon his visit to Hitler the Italian fascist Mussolini also declared with the Nazi chief that they wanted peace in Europe. They seem to be more honest than the Japanese spokesman because Ethiopia does lie in Africa, and Spain topographically may also be considered as a part of western Africa. Both the fascists and the pacifists talk about peace, but of course for

different reasons. While the fascists talk about peace in order to make war, the pacifists talk about peace in order to avoid it. The question is whether the latter can succeed in the face of the former.

Inaction—non-resistance or non-interference—is an attitude for peace but an attitude that will create war or encourage the spreading of war. Peace can never be realized by mere talking and sitting by. The pacifists by their own manner and approach will surely reap what they dislike and even detest. Isn't it somewhat true that pacifism and peace are just the antithesis of each other? Regarding the present Sino-Japanese war the Federal Council of Churches of Christ in America, through its executive committee, has just issued a statement condemning Japan's action in China. "We urge all Christian people by prayers and speech and action to support that loyalty to a world of universal justice and goodwill to which Christians are committed by their loyalty to Christ." Militant Christians are always for action, action to support the right and to suppress the wrong. When the Council warn that our judgment must not be permitted "to induce enmity or violence against the Japanese people," it does not mean that nothing should be done to the Japanese government which at present does not represent the majority of Japanese people, who are also suffering more than ever before because of the government's policy of fascism and war.

One cannot economically support what one morally condemns.

Moral Course for Americans

By E. Stanley Jones

Noted American Missionary

CHINA is being invaded by Japan and after manifesting very great patience China is now resisting that invasion. There is war.

There are four possible attitudes the Christians of the world might take toward this conflict.

First, we can hold aloof from the whole thing and say that it is not our province—we have nothing to do with it.

Second, we can bring pressure to bear upon our governments to intervene and help in the conflict by force.

Third, we can pronounce a moral judgment of condemnation and leave it at that.

Fourth, we can pronounce a moral judgment and implement it in the only way open to us, namely, by an economic withdrawal.

To have nothing to do with the whole thing is impossible—it has something to do with us, it is bearing upon us at every point. Thousands of our fellow-beings are being slaughtered; thousands, perhaps millions more, will die of starvation; hundreds of millions worth of property and foodstuffs destroyed; mission and philanthropic work built up through the years wiped out; the peace of the world endangered. We are all involved. No, we cannot take the first course.

Nor can we ask the governments to interfere with military force—it is simply out of the question. They will not do it—the nations are too afraid of a general war, nor would the Christian conscience approve of

asking them to do it. The third alternative, too, seems impossible. To pronounce a moral judgment and leave it at that lacks reality. Our words hang in the air, unimplemented. It isn't enough.

The fourth seems to be the possible open door—to conclude that Japan is the aggressor and, therefore, guilty of an international crime and to withdraw economic relationships.

If there ever was a plain case of aggression this is it. There can be no question on that point. We are not blind to the sins of other nations including our own, so that we come to this moral judgment in no self-righteous spirit. Nor are we unmindful of a provision for surplus populations—all these must be honestly faced, but—and this is the point—the central international crime now being committed in the world is the present invasion of China by Japan.

Now Japan must pay the cost of this war on China through trade, domestic and international. It is at that point that the issue touches us. We cannot touch it on the battlefield, but it, itself, touches us on the plane of the economic. If we continue to trade with Japan we help pay the cost of this war, we help provide the sinews of war, we are participating.

Since our moral judgment says that Japan's war upon China is wrong, that same moral judgment says that to participate in that war by economically supporting Japan is also wrong. We cannot morally condemn it and economically support it

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at one and the same time without a moral contradiction. Our word must become flesh; our moral judgment must clothe ourselves in the flesh of economic fact or it isn't Christian.

We therefore ask the Christians of the world to implement their moral condemnation by an economic withdrawal, in other words, to refuse to buy and sell to Japan as long as this moral wrong continues.

We do not wait for governments, as governments, to do this. In fact, we are not sure that they should. But we go straight to the Christians across international boundary lines and ask them to consult their moral convictions; to take this stand and to get as many others as possible to do so.

In laying it upon the individual conscience we lift the whole matter out of the clash between nations; we also preclude the necessity of the individual participating in a withdrawal which he may not approve, which might be the case if the nation as a nation, decided upon withdrawal. At the same time to give the individual the opportunity to express his moral conviction in a practical and vital way.

Instead of using the term "boycott," which has its own connotation of mere economic relationship, we use "economic withdrawal," putting within it the content of moral judgment as well.

The Christians have wanted to know what they could do in case of war, other than helplessly object. This is it. We have the largest number of people in the world held by a single allegiance, and if we act we may stop this war. What is perhaps greater, we may find the method by which to prevent war in the future. But success or failure is not the question. The deeper fact is that,

succeed or fail, we have registered a conviction and have implemented it in the only possible way open to us. But there is a possibility of succeeding—a very great possibility.

We ask further that this be a moral judgment of religion in general and not only of Christianity in particular, so we invite the non-Christians of the world—Buddhists, Moslems, Hindus and others—to join us in making this the united moral and economic protest of religion against an international crime.

This appeal is not merely for a negative withdrawal, but in behalf of a higher fellowship. We break with the government and the people of Japan on one level to call attention to a moral wrong in order to meet on a higher level when that wrong is righted. We cannot have fellowship on this level, for that moral wrong has broken the fellowship. We do not break the fellowship—it is already broken. We simply withdraw to call attention to the cause of that broken fellowship and hope through that withdrawal to accomplish the removal of that cause. We long for fellowship, but we simply cannot have it on this basis.

We say that we withdraw from the government and the people of Japan, but we are convinced that there are many people in Japan, Christian and Buddhist, who deeply disagree with the military leaders in this war upon China, and who would join us in sympathy with the purposes of this withdrawal, namely, to get rid of war in general and this one in particular.

We therefore ask every individual across the world, Christian and non-Christian, to pledge himself to withdraw economic relationships with Japan as long as this aggression upon the sovereignty of China continues,

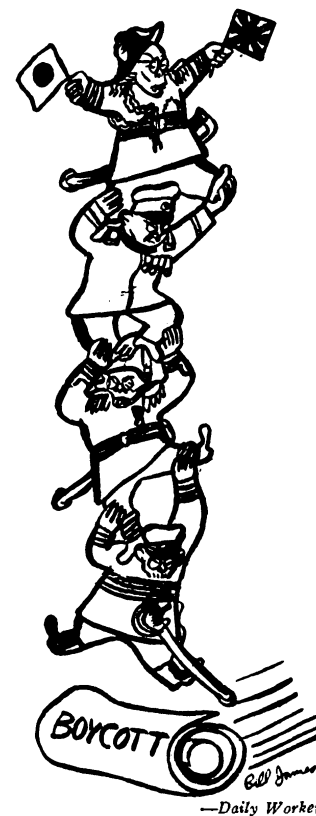
MORAL COURSE FOR AMERICANS

whether by open war or afterward, and to get as many as possible to do the same.

We send out this appeal with heavy hearts, for some of us who sign this have already sent an appeal for a cessation of hostilities that these issues might be settled on a just basis by negotiation, and have also issued an open letter to Japan pleading that she take the road of friendship with China rather than the road of force, as many of her far-seeing statemen also have urged.

And we take this last step of economic withdrawal because there is nothing else open to us. Our first two approaches have been rejected and we take this third with reluctance and sorrow, for we claim to be friends with Japan.

But there comes a time when friendship to a nation can only be manifested in an implemented moral protest against the wrong that nation is doing to itself and another. We believe that time has now come.



—Daily Worker

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Appendices

APPENDIX I

GENERAL CHIANG KAI-SHEK'S STATEMENT OF CHINA'S POLICY

On July 18, 1937, General Chiang Kai-shek defined the minimum conditions acceptable to the Chinese Government for the settlement of the North China problem, in an important statement to educational and technical leaders gathered at Kuling.

When China was carrying out its cardinal policy of maintaining external peace and internal unity the Lukouchiao incident suddenly broke out, throwing the nation into a state of profound indignation and causing great concern to the whole world. The consequences of this incident threatened the very existence of China and the peace of East Asia. At this juncture, in answer to many inquiries, I wish to state the following:

1.—The Chinese race has always been peace-loving. The internal policy of the National Government has always been directed towards maintaining internal unity and, in our foreign relations, mutual respect and co-existence with other nations. In February of this year, at the Plenary Session, a manifesto was issued in which these points were clearly emphasized. For the last two years, as actual facts show, the National Government, in its policy towards Japan, has constantly sought to confine all pending problems to proper, recognized channels of diplomacy so that just settlements could be reached.

Our people should understand our national position. We must realize our own position. As people of a weak nation we should evaluate justly the decree of our own strength. For the past few years we have bent all our efforts towards patient endeavours to ensure peace in the face of grave difficulties and grievous pain, so that we may achieve national reconstruction. For this reason, in my report on foreign affairs at the Fifth Plenary Session the year before last, I stated that while there is the slightest hope for peace we will not abandon it; so long as we have not reached the limit of endurance we will not talk lightly of sacrifice; and the subsequent explanation at the Central Executive Session shows beyond cavil our anxiety to maintain peace.

But although a weak country, if unfortunately we should have reached that last limit, then there is only one thing to do—that is to throw the last ounce of energy of our nation into the struggle for national existence. And when that is done neither time nor circumstance will permit our stopping midway to seek peace. We should realize that to seek peace after war has once begun means that the terms would be such that the subjugation of our nation and the complete annihilation of our race would be encompassed. Let our people realize to the full the meaning of the limit

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of endurance and the extent of sacrifice thereby, for once that stage is reached we have to sacrifice and fight to the bitter end, though with always the expectancy of eventual victory. Should we hesitate, however, and vainly hope for temporary safety, then we shall perish forever.

Lukouchiao Incident is Not Accident

2.—There may be people who imagine that the Lukouchiao incident was a sudden and unpremeditated step. But, already a month ago there were symptoms that an incident would ensue because of the statements from the other side, made both through their Press, and directly and indirectly through diplomatic channels. Besides, before and after the incident we received news from various sources to the effect that the opposite side were aiming to expand the Tangku Agreement; enlarge the bogus "East Hopei Government"; drive out the 29th Army; force out General Sung Cheh-Yuan, and try to impose similar other demands.

From the above it can easily be seen that the Lukouchiao incident is not a sudden and accidental development. From this incident we must realize that the other side have a very definite purpose towards us, and that peace is not to be easily secured. According to our reports the only way by which the Lukouchiao incident could have been avoided was to allow foreign armies to come and go freely within our territory without limitation, while our own army must abide by imposed restrictions upon its movements, or to allow others to fire upon our soldiers and for us not to return fire.

Any country in the world that has the least self-respect could not possibly accept such humiliation. The four North-Eastern Provinces have already been lost to us for six years; following that there was the Tangku Agreement, and now the point of conflict—Lukouchiao—has reached the very gates of Peiping. If we allow Lukouchiao to be occupied by force, then the result would be that our ancient capital of 500 years, and the political, cultural and strategic centre of our entire North would be lost. The Peiping of to-day would then become a second Mukden; the Hopei and Chahar provinces would share the fate of the four North-Eastern Provinces.

If Peiping could become a second Mukden, what is there to prevent Nanking from becoming a second Peiping? The safety of Lukouchiao therefore is a problem involving the existence of the nation as a whole, and whether it can be amicably settled comes within the comprehension of our term "the limit of endurance." If finally we reach the stage where it is impossible to avoid the inevitable, then we cannot do otherwise than resist and be prepared for the supreme sacrifice. This resistance is forced upon us, we are not seeking war, we are meeting attacks upon our existence.

Our people must realize that today the Central Government is in the midst of preparing measures to defend ourselves. Weak nation as we are, we cannot neglect to uphold the integrity of our race and ensure the very existence of our nation. It is impossible for us not to safeguard to our utmost the heritage of our forefathers, a duty which we must fulfill to the utmost. Let us realize, however, that once war has begun there is no looking back-

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ward, we must fight to the bitter end. If we allow one inch more of our territory to be lost, then we would be guilty of committing an unpardonable offence against our race. What would be left to us other than to throw every resource of our nation into the struggle for final victory?

3.—At this solemn moment Japan will have to decide whether the Lukouchiao incident will result in a major war between China and Japan. Whether or not there is the least vestige of any hope for peace between China and Japan depends upon the action of the Japanese army. Even at the very last second before we abandon all hope of peace we would still be hoping for peace, we would still be seeking a solution through proper diplomatic channels.

Four Minimum Conditions Stated

The following four points will clearly show what our stand on this issue is:

- (1).—Any kind of settlement must not infringe upon the territorial integrity and the sovereign rights of our nation.
- (2).—The status of the Hopei-Chahar Political Council is fixed by the Central Government; we should not allow any illegal alteration.
- (3).—We will not agree to the removal by outside pressure of those local officials appointed by the Central Government, such as the Chairman of the Hopei-Chahar Political Council.
- (4).—We will not allow any restriction being placed upon the positions now held by the 29th Army.

These four points constitute the minimum conditions possible as a basis for negotiation for any nation, no matter how weak it may be. And if the opposite side will place herself in our position and have due regard for maintaining peace in the Far East, and does not desire to force China and Japan into hostilities and to make them enemies forever, they will realize that these conditions are the minimum that can be considered.

To sum up, during the Lukouchiao crisis the Central Government, in ensuring the very existence of our nation, has taken a clear, unequivocal stand. But let us realize we are one nation. We seek for peace, but we do not seek for peace at any cost. We do not want war, but we may be forced to defend ourselves. During this grave crisis the Government may be counted upon to guide the nation with calmness and restraint, the people likewise must show sobriety and discipline. In discharging our obligations to our race let there be no distinction between North and South, age or youth, but let all implicitly and with iron discipline follow the guidance of the Government.

I hope you gentlemen will explain what I have said to all those you meet, so that they will understand the situation and appreciate our policy.

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APPENDIX II

STATEMENT OF THE CHINESE GOVERNMENT TO THE LEAGUE OF NATIONS

August 30, 1937

This first statement covers the Japanese aggression in China since the Lukouchiao incident of July 7, 1937, and was presented to the members of the League of Nations and the Advisory Committee set up under the resolution adopted on February 24, 1933, by the Assembly of the League of Nations, by Dr. Hoo Chi-tsai, director of the Permanent Bureau of the Chinese delegation to the League.

On the evening of July 7th, Japanese troops held illegal manoeuvres at Lukouchiao, a railway junction of strategic importance in the vicinity of Peiping, where their presence could not be defended under any existing treaty or agreement. Alleging that one Japanese soldier was missing, Japanese troops demanded after midnight to enter the adjacent city of Wanping to conduct a search. When permission was refused by the Chinese authorities, the Japanese suddenly opened an attack on Wanping with infantry and artillery forces and thus the Chinese garrison was compelled to offer resistance.

While the Chinese authorities from the very beginning showed their willingness to reach an amicable settlement of the Lukouchiao incident, Japan has sought to exploit the incident for furthering her designs on North China and relentlessly forced China to resort to armed resistance, thus precipitating a sanguinary conflict of which the world has as yet only witnessed the beginning.

With a view to avoiding further hostilities and effecting a peaceful settlement with Japan through regular diplomatic channels, the Chinese authorities with great self-restraint and forbearance, in face of repeated provocative attacks by Japanese forces, proposed a mutual withdrawal of troops in order to separate the two opposing forces and, later, as unmistakable proof of China's peaceful intentions, actually proceeded to withdraw her troops from the scene of conflict even before Japan commenced similar withdrawal.

On the other hand, the Japanese deliberately aggravated the situation by immediately despatching large reinforcements to the province of Hopei, by renewing their offensive in the Wanping-Lukouchiao area and by extending the field of conflict to the immediate outskirts of Peiping.

In spite of such grave provocations, the Chinese local authorities continued their efforts for peaceful settlement and, on July 11th, accepted the following terms proposed by the Japanese:

- (1) expression of regret by a representative of the military authorities, disciplinary measures against officers directly involved in the conflict and guarantee against recurrence of similar incidents;

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ward, we must fight to the bitter end. If we allow one inch more of our territory to be lost, then we would be guilty of committing an unpardonable offence against our race. What would be left to us other than to throw every resource of our nation into the struggle for final victory?

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- (1) expression of regret by a representative of the military authorities, disciplinary measures against officers directly involved in the conflict and guarantee against recurrence of similar incidents;

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(2) replacement of Chinese regular troops at Lukouchiao and Lungwangmiao by peace preservation corps and

(3) effective suppression of anti-Japanese and Communist organizations in the Hopei Province.

On July 12th, the Counsellor of the Japanese Embassy, accompanied by an assistant Japanese military attaché and an assistant naval attaché, acting under instructions from his government, called at the Chinese Ministry of Foreign Affairs and advised the Chinese Government 'not to interfere' with the local settlement which had been reached on the previous day. The Japanese Counsellor received the reply that any local arrangement, in order to be binding, must be approved by the Chinese Central Government. The Ministry of Foreign Affairs also proposed the mutual withdrawal of troops to their original positions pending the final settlement of the incident.

While the Chinese local authorities were carrying out the terms of the agreement by withdrawing their troops, the Japanese extended their warlike activities and provocative attacks to the Peiping-Tientsin area. By July 15th it was estimated that over twenty thousand Japanese troops and a hundred aeroplanes had been concentrated in this area with further reinforcements held in readiness on the other side of the Great Wall. Under threat of military coercion the negotiations between local representatives were rendered exceedingly difficult, especially as Japanese attempted to dictate measures for complementing the agreement of July 11th.

China's Memorandum to Nine Power Signatories

On July 16th, China presented a memorandum to the Governments of Powers signatory to the Nine-Power Treaty (with exception of Japan) and Governments of Germany and Soviet Russia, drawing their attention to the fact that the sudden attack on Lukouchiao and the invasion of North China by large Japanese military forces constituted a clear violation of China's sovereignty, contrary to the letter and spirit of the Nine-Power Treaty, the Paris Peace Pact and the Covenant of the League of Nations. It was also stated in the memorandum that, while China was obliged to employ all means at her disposal to defend her territory and national existence, she nevertheless held herself in readiness to settle her differences with Japan by any of the pacific means known to international law or treaties.

On July 17th, the Japanese Embassy presented a memorandum to the Ministry of Foreign Affairs, demanding the Central Government not to interfere with local negotiations, nor to make military preparations of any kind. On the same day, the Japanese military attaché, under instructions from the Tokyo War Office, made representations to the Chinese Ministry of War against the entry of Chinese reinforcements into the Hopei Province even for defensive purposes and threatened with 'grave consequences' if the demand be not complied with.

To such preposterous representations the Chinese Government, on July 19th, replied in writing, renewing its proposal for simultaneous cessation of troop movements on both sides and mutual withdrawal of troops to their respective original positions on date to be agreed upon by both

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parties. It was also unequivocally stated in the reply that for the settlement of the incident the Chinese Government was prepared to accept any pacific means known to international law or treaties, such as direct negotiations, good offices, mediation and arbitration. Unfortunately, these conciliation demarches failed to receive the desired response. That the Chinese Government went to the utmost limit of forbearance was shown by the fact that it did not raise objection to the terms of the agreement reached on July 11th between the Chinese local authorities and the Japanese army.

Thus it will be readily seen that since the outbreak of the Lukouchiao incident, Japan has sought to exploit it in two ways for realising her object of military, political and economic domination over North China. On the military side, she persisted in sending to the Hopei province enormous numbers of armed forces that would only be required for large scale campaign and, at the same time, sought to prevent the Central Government from taking precautionary defence measures, so that she would be in position more effectively to bring local authorities to subjection. Diplomatically, she has endeavoured to coerce the Chinese Central Government into keeping its hands off North China and agreeing in advance to whatever terms the local authorities, when left alone to face Japanese military pressure, might be forced to accept.

Finally, seeing that China refused to act according to their wish, the Japanese army presented an ultimatum to the Chinese local authorities on July 26th, demanding, among other things, the withdrawal of Chinese troops from Peiping and its vicinity which, it may be noted, was outside the terms of the agreement of July 11th. Even before the expiration of the time-limit fixed by the ultimatum, Japanese military and air forces launched a big offensive against the Peiping-Tientsin area causing a widespread feeling of horror and dismay by their wanton destruction of civilian lives and property, including many educational and cultural institutions.

The Shanghai Incident of August 9

After the Chinese troops had withdrawn from the Peiping-Tientsin area, Japanese armed forces further extended their operations into southern Hopei and also northward into Hopei-Chahar border, where fierce attacks are being made on the strategic pass of Nankou. It was estimated by August 20th that Japanese troops in North China totalled approximately hundred thousand strong. The concentration of such large force on Chinese soil shows that Japan is irrevocably committed to a policy of military conquest and expansion on the Asiatic continent.

Fearing that Japan would bring the war scourge to Shanghai, the financial and economic centre of China, as she did following her occupation of Manchuria, the Chinese Government, during the critical tension in North China, repeatedly ordered the local authorities at Shanghai to take special precautions against the occurrence of any untoward incident. China's efforts to preserve peace of that great metropolis were however frustrated as a result of the incident of August 9th, in which one Japanese naval officer, one

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By Milton O. Gustafson NARS, Date 12-18-75

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Japanese seaman and a member of the Chinese Peace Preservation Corps were killed in a clash arising from the Japanese naval men's attempt to approach the Chinese military aerodrome near Shanghai, regardless of Chinese warnings.

While the Chinese municipal authorities immediately proposed that a settlement be sought through diplomatic channels, Japan again preferred the arbitrament of force. Within less than 48 hours she concentrated about thirty warships at Shanghai and had her armed forces there increased by several thousand. At the same time, demands calculated to remove or undermine Chinese defence were made on Chinese authorities. The expected attack opened on August 13th, four days after the incident, when Japanese naval forces both ashore and afloat, using the International Settlement as a base for operations, launched an offensive against the districts of Kiangwan and Chapei.

Since then, the Japanese have extended their air activity to many provinces, including those of Shangtung, Kiangsu, Chekiang, Anhui, Hupei, Hunan and Kiangsi. Daily raids have been made on Nanking, national capital of China, and various other cities of economic or political importance. There is every sign that Japan, relying on the numerical superiority of her air force, aims at crippling China's strength for resistance by extensive bombing operation in the most prosperous parts of China, where her economic and cultural life as well as foreign commerce are centred.

China's Case Summarized

The above brief account of what Japan has done since the outbreak of the Lukouchiao incident on July 7th, brings out the following facts most clearly, truthfully and indisputably.

(1) Japanese armed forces have invaded China's territory and are extensively attacking Chinese positions by land, sea and air, in Central as well as North China. It is thus a case of aggression pure and simple.

(2) China is exercising her natural right of self-defence, the failure of all other means of repelling violence having compelled her to resort to force, which is contrary to China's wish.

(3) Japan's present action in China is the continuation of her aggressive program started in Manchuria in September 1931. Japan has now occupied the Peiping-Tientsin area and is bent upon extension of her occupation to the whole of North China and domination of other regions in spite of all her assurances that she has no territorial designs on this country. She is attempting to destroy all the work of reconstruction which the Chinese nation has so steadily and assiduously undertaken during the last ten years.

(4) In thus deliberately disturbing the peace of the Far East, Japan has violated the fundamental principles of the Covenant of the League of Nations. Using war as an instrument of national policy and ignoring all the pacific means for the settlement of international controversies, she has violated the Paris Peace Pact of 1927. Acting contrary to her pledge to respect the sovereignty, the independence and the territorial and administrative integrity of China, she has violated the Nine-Power Treaty concluded at Washington in 1922.

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APPENDIX III

SUPPLEMENTARY STATEMENT OF THE CHINESE GOVERNMENT TO THE LEAGUE OF NATIONS

September 12, 1937

This supplementary statement of September 12, 1937, was presented to the League by Dr. V. K. Wellington Koo, first member of the Chinese Delegation, and covers events since the previous statement.

Since the presentation of the last statement to the League under date of August 30th, 1937, Japan's aggression in China has developed in further intensity and ruthlessness resulting in much wanton destruction of non-combatant life and property including those of third powers. The gravity of the situation calls for a supplementary statement in which the Chinese Government wishes to draw special attention to the following outstanding events:

(1) *Military and political aspects.* The fighting in the Shanghai area which was started on August 13th, 1937, by the Japanese landing party has been intensified with the continual arrival of Japanese military naval and air reinforcements. It is estimated that in addition to over ten thousand marines, Japan has brought five army divisions to Shanghai with a formidable array of modern war weapons including scores of military aeroplanes. Determined to bring under her control the premier seaport of China, Japan has flatly rejected the proposal advanced by the representatives of third powers for the mutual withdrawal of the forces including the Japanese warships from Shanghai, which proposal China accepts in principle. Hostilities in Shanghai have already exacted an enormous toll in life and property, and with two huge opposing armies locked in a life-and-death encounter, the fighting is likely to be prolonged.

In North China the Chinese troops defending Nankow, after having valiantly held out about a fortnight against fierce Japanese onslaughts were eventually forced to withdraw when subjected to gas attacks and threatened with flanking movement by units of the Japanese Kwantung army from Jehol. Advancing westward the Japanese forces have occupied various cities on the Peiping-Suiyuan railway as far as Kalgan the capital of Charhar which was evacuated by Chinese troops on August 27th. The Japanese sources announced on September 4th that a puppet regime styled "South Chahar Autonomous Government" was being formed at Kalgan.

Fighting has continued along northern sections on the Peiping-Hankow and Tientsin-Pukow railways where the Japanese military strength has reached nine divisions totalling no less than one hundred fifty thousand men. Meanwhile, confusion and terror reign in the Peiping and Tientsin area which is completely under Japanese control. Ten foreign missionaries were reported to have been kidnapped in Peiping where the Japanese military have admitted that they are facing the problem of preventing looting by their own soldiers.

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With a view to devastating all Chinese seaports, Japanese activity in the air has been extended towards South China. A formation of six or seven Japanese military planes bombed Canton on August 21st, while Swatow and Changchow (Fukien) were raided the same day. Two Japanese seaplanes bombed Amoy on September 3rd shortly after the bombardment of the Chinese forts there by Japanese warships and Swatow was bombed for the second time on September 6th. With the exception of a few provinces, Japanese air activity has now been extended throughout the length and breadth of China. In carrying out their deathdealing mission, the Japanese airmen have shown most spiteful disregard for distinction between combatants and non-combatants. Details of this sordid aspect of Japan's aggressions will be given presently.

(2) *Japan's declaration of the naval blockade.* The Japanese Navy declared on August 25th a blockade against Chinese shipping from Shanghai to a point to the south of Swatow. While it was declared from Tokyo that 'peaceful trade' would not be interfered with, the legal adviser to the Japanese Third Fleet operating in Chinese waters, Dr. Jumpei Shinobu, told the foreign Press that foreign ships might be hailed by Japanese warships patrolling the blockaded area. He also intimated the possibility of the Japanese exercising the privilege of preemption toward foreign bottoms found to be carrying cargo which in their view would constitute wartime contraband.

On September fifth the blockade was further extended to include an area from Chinwangtao in the North to Pakhoi in the South covering virtually the entire length of the Chinese coast. Simultaneously the Japanese naval authorities announced that they reserved the right to hail all merchantmen in Chinese waters in order to ascertain their identity and also asked all foreign shipping companies to inform them of the movement of their ships in Chinese waters.

(3) *Japanese bombing of red cross units.* Flagrantly violating the Geneva Convention of 1929 to which Japan is a signatory the Japanese forces have repeatedly committed outrages against Red Cross units engaged in humanitarian tasks attending wounded soldiers. Interviewed by the Press on August 29th, Doctor F. C. Yen, a responsible executive of the Chinese Red Cross Society, revealed that seven of thirty Red Cross vans were disabled by Japanese bombs. In many cases Japanese aeroplanes gave chase to these vehicles despite easily discernible insignia. Sometimes bombs were dropped on them.

On August 18th, the Red Cross hospital at Chenju was bombed. Fortunately most of the patients had been removed to another place. The stretcher bearer was killed while one doctor and three others were wounded. The following day the Red Cross ambulance corps at Nansiang was likewise bombed by Japanese raiders. Two wounded soldiers were killed while four members of the corps were wounded.

Perhaps the most horrible of the outrages was staged in a cold-blooded manner by the Japanese soldiers at Lotien on August 23rd. The ambulance

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corps of forty-three members were rescuing the wounded when they were surrounded by Japanese troops. Having torn off the Red Cross insignia on their white uniform the Japanese soldiers made them kneel down and then shot at them. One doctor and four nurses were killed outright while three nurses managed to escape. The rest were still missing and were believed to have been killed. Of the three nurses one was shot at while running away from the Japanese and succumbed to injuries the next day.

These horrible acts rendered Red Cross work most difficult. Presently all those working behind the front lines were obliged to carry on duties in the evening when they were less exposed to the danger of possible death. The Japanese allegation that the Red Cross carried war materials was completely groundless. Great care was exercised by the Chinese Red Cross Society in using Red Cross flags. Each of the thirty vans to which special permits were granted by the International Settlement or French Concession authorities at Shanghai to pass through their respective territory was thoroughly inspected before it left for the war zone. There is absolutely no excuse for the Japanese deliberately to bomb the Red Cross ambulances and lorries.

(4) *Indiscriminate attacks on non-combatants.* Of numerous instances of indiscriminate Japanese attacks from air, few tragic examples serve to illustrate the inexcusable and heinous crimes that have been committed against non-combatants.

On August 17th about ten Japanese planes appeared over Nantungchow approximately eighty miles west of Shanghai and dropped six bombs on the American Mission Hospital there. One bomb hit the main building which caught fire and was destroyed. Several Chinese doctors and two nurses were among those killed while scores were wounded including two American nurses on duty.

On August 28th twelve Japanese planes raided Nantao, a densely populated Chinese city in Shanghai, which was entirely devoid of Chinese troops or military positions. The bombs which dropped in the vicinity of the South Railway Station resulted in the death of over two hundred civilians and injury to five hundred others. The victims including an exceedingly large percentage of women and children were mostly refugees waiting en train for regions of comparative safety.

Over two hundred wounded soldiers and refugees were killed when an omnibus station at Tachang few miles from Woosung were bombed by Japanese aircraft on August 31st. Similar tragedy occurred on the same day at Tsangchow approximately seventy miles south of Tientsin where hundreds of civilians were killed and wounded by Japanese air bombs.

In the early morning of September 5th, sixteen Japanese planes raided the village of Peihsingching on the Western fringe of the International Settlement at Shanghai where no fighting had occurred. Numerous houses were destroyed and a large number of villagers were killed and wounded.

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By Milton O. Gustafson NARS, Date 12-18-75

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JR

GRAY

FROM Tsingtao via N. R.

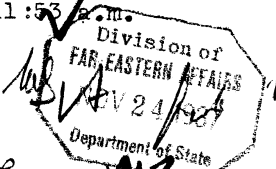
Dated November 24, 1937

Rec'd 11:53 a.m.

Secretary of State,

Washington.

COPIES SENT TO
O.N.I. AND M.I.D.



NOVEMBER 24, noon.

682

A cotton warehouse belonging to Japanese cotton mill
has been destroyed by fire of unknown origin. Martial
law declared and all cotton mills under heavy guard.
Everything quiet.

Sent to Nanking, Peiping, Chefoo.

SOKOBIN

KLP

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TELEGRAM RECEIVED

JR

CINCAF

~~COPIES SENT TO~~ FROM
~~CHINA AND M.I.D.~~

November 24, 1937

Rec'd 1:20 p.m.

ACTION: OPNAV

INFO: SECOND BRIGADE USMC
AMCON SHANGHAI
COMSUBRON FIVE
COMDESRON FIVE
CONYANGPAT
COMSOPAT
USS MARBLEHEAD
ALUSNA PEIPING
AMEMBASSY NANKING



0024. Military situation unchanged, Japanese attacking along Chinese lines from Kiangyin thru Wusieh Ihing Changching Wushing Haining. Unconfirmed report Japanese landing troops Haiyen on Hangchow Bay. Small units Japanese hold positions west shore Lake Tawu indicating intention continue advance Nanking. Japanese naval units assisting both flanks. Heavy shelling Kiangyin Haiyen reported. Conditions Settlement unchanged. 1930

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793.94/11261

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ASSISTANT SECRETARY OF STATE
NOV 24 1937
MR. WILSON

STRICTLY CONFIDENTIAL

STRICTLY CONFIDENTIAL

NOV 24 1937
Division of COMMUNICATIONS AND RECORDS
FAR EASTERN AFFAIRS
NOV 22 1937
Department of State

The Navy Department has been informed under date of 21 November by the Commander-in-Chief Asiatic Fleet that the Japanese have already taken over all the boating equipment including the fire boats of the Chinese Customs Service. He has been informed by a trustworthy source that they will take over the Chinese Banks and Custom House in the International Settlement.

STRICTLY CONFIDENTIAL

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note
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Edlyshman Mar 19,
1973

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

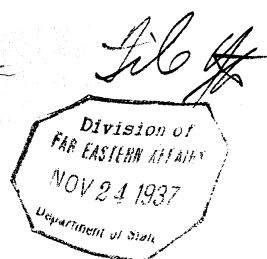
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ASPECTS OF THE FAR EASTERN CRISIS

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Lecture by



Mr. Joseph W. Ballantine

at the

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NAVAL WAR COLLEGE
Newport, R.I.
5 November 1937

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ASPECTS OF THE FAR EASTERN CRISIS

I. INTRODUCTION --- Events Leading Up to The Sino-
Japanese Conflict.

The present conflict between Japan and China was set in motion by a minor clash between the Japanese and Chinese forces which took place on July 7, 1937, at Marco Polo Bridge near Peiping. Evidence as to who fired the first shot is conflicting but it is obvious that the large number of Japanese troops stationed in North China was there for purposes outside the purview of the Boxer Protocol of 1901, wherein provision was made for the guarding of the railway between Shanhaikwan and Peiping in order that communications might be kept open with the legations. It is also apparent that the provocative attitude of the Japanese in conducting night maneuvers and their general disregard of Chinese rights and susceptibilities were bound sooner or later to lead to a clash. However that may be, the Japanese lost no time in taking advantage of the incident to further their objectives in China.

To those who have followed Far Eastern affairs even superficially, the present conflict between the two
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countries comes as no surprise; it follows logically, almost inevitably, the trend of events of the last six years. In fact, the "North China incident", to use the Japanese term for the present conflict is but a sequel to the series of "incidents" which have succeeded each other since the "Manchuria Incident", which began on September 18, 1931, and culminated in the expulsion from Manchuria of the forces of Marshal Chang Hsueh-liang and in the settling up of a Japanese-controlled régime under the name "Manchukuo". Hardly had the conquest of Manchuria been completed when, in January 1932, following a Chinese boycott of Japanese goods and fracas between Chinese and Japanese residents at Shanghai, there broke out hostilities at that place between the Japanese naval and military forces and the Chinese 19th Route Army. A destructive campaign of two months followed, ending in the conclusion of a truce which provided for the retirement of the Chinese forces from the Shanghai area, after which the Japanese forces withdrew.

Japanese aggression in China since 1932 has been spasmodic in character, each period of relative quiescence being followed by an incident so manipulated by the Japanese military as to open the way for the making of new threats and new demands.

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In January 1933 the Japanese armies occupied Shanhaikwan, inside the Great Wall in Hopei Province, and in February and March they conquered Jehol Province which was annexed to "Manchukuo". In the two following months they overran territory in the eastern part of Hopei Province, which according to the provisions of the Tangku Truce of May 31, 1933, was converted into a "demilitarized area".

Beginning in the spring of 1935 Japanese military diplomacy, which was carried on quite independently of the Foreign Office, became conspicuously active in North China. The announced objectives of this activity were the elimination of activities in support of seditious groups in "Manchukuo". The result was an agreement concluded by Major General Umezu, Commander of the Japanese garrison at Tientsin, with General Ho Ying-Chin, Chairman of Peiping Branch Military Council. This agreement, known as the Ho-Umezu Agreement, has never been published, but as interpreted by the Japanese it provided for the suppression of anti-Japanese activities in, and the exclusion of Chinese Central Government military forces from, the provinces of Hopei and Chahar.

It soon became apparent that the Japanese military did not regard the Ho-Umezu Agreement as an ultimate objective.

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objective. There were many rumors during the months of August, September, and October, 1935, concerning further plans of the Japanese Army for North China, but these plans were most concretely stated by Major General Tada, Commander of the Japanese Tientsin garrison, in an interview with Japanese newspaper correspondents on October 24, 1935. The statement is said to have outlined (1) the intention of the Japanese Army to eliminate, by force if necessary, anti-Japanese and anti-"Manchukuo" elements in North China; (2) a proposal for an autonomous government for the five North China provinces, a government detached from administrative and fiscal control by the Nanking Government, under the guidance of the Japanese Army; and (3) plans for the Japanese to engage in a system of exploitation of the agricultural and mineral resources of North China so that the region might be brought within the orbit of the Japanese economic system.

Major General Doihara, who had taken a prominent part in the creation of "Manchukuo", suddenly left his post at Mukden for North China and reports began to circulate that he was conferring with Chinese leaders to make arrangements for the establishment of an autonomous régime for the five provinces of North China. These arrangements were so far developed

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developed by the middle of November, 1935, that the press announced that a proclamation of independence would be issued the following week. The plan, however, missed fire, due to circumstances which are still obscure. The probability is that the Japanese were not prepared at that time to use force to establish such a régime against the resolute attitude of the Chinese Central Government in opposing it. The Japanese Foreign Office attitude in connection with the North China autonomous movement, as made manifest in the press, was that the question of autonomy was a domestic matter in which Japan should not interfere, that Japan was nevertheless interested because of North China's propinquity to "Manchukuo", and that a serious situation might arise if the Nanking Government attempted to suppress the movement by force. The inconsistency between the claim of Japan's non-interference in the autonomy movement and the statement that certain serious results might flow from any attempt by the Nanking Government to suppress the movement by force did not seem to have occurred to the Japanese officials.

Notwithstanding the collapse of the movement for the autonomy of the five northern provinces, Japanese aims were partially achieved in the setting up in November, 1935,

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of an autonomous "East Hopei" régime under Yin-Ju-ken, a Japanese protégé, and of a semi-autonomous Hopei-Chahar Political Council at Peiping with jurisdiction over the remainder of Hopei Province and Chahar. The Council was comprised of officials under Japanese influence, but it retained its connections with the Nanking Government.

During 1936 the Japanese military authorities demonstrated another form of aggression in North China, i.e.: economic penetration employing the technique of mass smuggling of Japanese goods into North China through the territory under the control of the East Hopei régime. This smuggling was started and carried on by private individuals mostly Japanese subjects, and the Japanese army, influenced probably by a desire to force China to lower customs duties on Japanese goods, gave the smugglers protection which rendered the Chinese Customs Service powerless to enforce preventive measures. This clandestine trade seriously affected Chinese customs revenues.

During the year 1936 rising resentment throughout China against Japan led on the one hand to a number of incidents in various parts of the country involving injuries to or the death of Japanese subjects and on the other hand to growing national unity in China, which strengthened the

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the hands of the Nanking Government in dealing with Japan. Negotiations were entered into at Nanking between the Chinese Foreign Office and the Japanese Ambassador for the settlement of these incidents, but although the Chinese expressed themselves willing to settle the incidents, difficulties arose over the fact that the Japanese desired to take advantage of the occasion to clear up the "fundamental issues" underlying the relations between the two countries, these issues being in general, as reported in the press (1) autonomy of the 5 Northern Provinces; (2) joint measures for defense against communism; (3) economic cooperation between China and Japan; (4) appointment of Japanese advisers; (5) establishment of air communications between China and Japan; (6) lowering of Chinese tariffs; and (7) complete suppression of anti-Japanese propaganda. Although China expressed a willingness to discuss many of these points, it absolutely refused to consider the first two points named, on which the Japanese were most insistent, on the ground that these demands touched upon China's sovereignty. The Chinese gave further evidence of the developing spirit of resistance to Japan by presenting counter-proposals, embracing (1) the abolition of the Tangku Truce

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Truce of 1933 providing for the demilitarization of certain areas in Hopei Province; (2) dissolution of the East Hopei "autonomous regime"; (3) cessation of Japanese smuggling into China; and (4) cancellation of the Ho-Umezu agreement of 1935 which compelled the withdrawal of Chinese Central Government troops from Hopei and Chahar Provinces.

Apparently Japan was not prepared at that time to use force to gain its ends, although there did occur a thrust into Suiyuan Province from Inner Mongolia by pro-Japanese Mongols. This attack was repulsed by Chinese forces with a success which contributed further to Chinese self-confidence and unity. The Chinese charged that this thrust had been instigated by Japan as a means of intimidating China into yielding, and proceeded forthwith to suspend negotiations with Japan.

In 1937, during the life of the short-lived Hayashi Cabinet when the portfolio of Foreign Affairs in Japan was held by the moderate Naotake Sato, who in the Diet had advocated a new deal in relations with China on the basis of treating China as an equal, there was a temporary lull in the tension in Sino-Japanese relations. The policy was adopted by Japan of attempting to settle outstanding

economic

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economic problems with China before attempting to dispose of political questions. China, however, took the position that economic cooperation with Japan was impossible until the political questions embraced in China's counter-proposals in the 1936 negotiations were settled to China's satisfaction. Consequently Japan's efforts to reopen negotiations on its own proposed basis proved futile.

At this point the Hayashi Cabinet fell and was succeeded by the Konoye Cabinet, which had been only one month in office before the Marco Polo bridge incident occurred.

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II. FACTORS UNDERLYING JAPANESE POLICY AND ACTION.

Such in brief outline are the principal developments in Sino-Japanese relations during the past six years. Let us now proceed to examine the factors which underlie the developments in Japan's policy and actions in China, as this may be helpful in forming an estimate of Japanese objectives, which have never been authoritatively announced in specific terms. These factors are economic, political, strategic and psychological.

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A. Economic Factors.

The agrarian problem in Japan has lent great force to the military's thesis of the necessity for continental expansion. This problem, briefly stated, is as follows: On an area which is somewhat smaller than that of the State of California and of which less than one-fifth is arable, Japan supports a population twelve times that of California. Notwithstanding Japan's great industrial expansion in recent years industry has not been able to absorb all the increment in the population which amounts to upwards of 800,000 annually. Consequently more than five and one half million families must be taken care of on the farms, which have an aggregate area of 15,000,000 acres, or about two and three quarters acres per family. Even under intensive cultivation the farms do not provide a sufficient yield to support the agricultural population, with the result that farmers are obliged to turn to secondary occupations to supplement the income derived from their crops. More than one-third of Japan's agricultural population took up sericulture as its principal secondary occupation.

Thus raw silk became Japan's leading export and, amounting to as much as forty percent of Japan's total exports in the days before the depression of 1930, was the
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chief factor in settling Japan's international balance of accounts. The United States was the principal importer, taking as much as ninety-five percent of Japan's total silk exports and nearly eighty percent of its total raw silk production. Japan's economic dependence upon the United States, due primarily so far as exports were concerned to the silk trade, came to be an important factor in Japan's foreign policy.

The depression which overtook the United States in 1929-30 brought with it a collapse of the New York silk market. The value of raw silk exports from Japan dropped from nearly eight hundred million yen in value in 1929 to slightly over one-half that figure in 1930. Since that date raw silk has never recovered its commanding position in the trade of the Japanese Empire.

The slump in the price of silk precipitated a general economic depression in Japan, resulting in widespread distress and unrest. Suffering was particularly acute among the agrarian population, and the natural discontent with existing policy which arises in such cases reacted upon the army whose close connection with the farm peasantry is described below. Cogency was given by the prevailing distress to the idea that Manchuria could be made to provide
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the solution for pressing economic problems. Military and civilian opinion was thus prepared to support wholeheartedly the Manchurian expansionist venture in 1931.

In the years following the occupation of Manchuria there occurred rapid economic changes in Japan of such magnitude as to be termed appropriately an industrial revolution. The severe decline in the price of raw silk exerted great pressure on Japan to increase exports of other products in order to avoid retrenchment in imports of essential raw materials. Military expenditures in Manchuria created a demand for foreign exchange which exerted a similar pressure. Meanwhile increased exports were facilitated tremendously by the depreciation of the Japanese yen, by the relatively low wages prevalent in Japan, and by the carefully Government-coordinated plan of industrial rationalization. Industry and trade began a phenomenal expansion which continues, though at a considerably decelerating rate today. Japan's exports to all countries increased by large proportions, arousing a chorus of protests from foreign competitors.

In 1936 the rate of Japan's economic expansion slowed down very materially. Restrictive action against Japanese products, particularly cotton textiles, had been taken in

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many of Japan's most important and promising markets and in 1936 exports of cotton textiles suffered an actual decline. Responsible for this decline were not only the restrictive measures taken by foreign countries against Japanese products but many other factors, including the wearing off of the effects of currency depreciation, the rise in the world prices of raw materials which serves to offset somewhat Japan's competitive advantage accruing from cheap labor, and so forth. Incidentally, the restrictions imposed by foreign countries upon imports of Japanese products gave considerable strength to the assertion that the economic well-being of Japan necessitated colonies or foreign territories under the control and protection of Japan.

By the first part of 1937 it had become apparent that Japan no longer was to have easy economic sledding. World raw material prices continued to rise sharply; the value of imports continued to advance much more rapidly than that of exports, leaving a large debit balance; the foreign exchange value of the yen began to weaken, necessitating the imposition of exchange control and the shipment of gold; and difficulties began to be experienced in the disposal of Government bonds, which had been issued

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in vast quantities during the preceding five years in order to finance large Government deficits. Contributing to all of these unfavorable factors were the tremendous military and naval expenditures envisaged in the budget for the fiscal year ending March 31, 1938.

It was also apparent by the first part of 1937 that labor had not improved its condition during the preceding years during which Japan was making such tremendous progress in industry and commerce; in fact, the real wages of Japanese labor declined during those years, and the particularly sharp price increases during the latter part of 1936 and the first part of 1937 were accompanied in only small measure by wage increases. Industrial unrest appeared, the number of strikes increased, and more serious labor troubles appeared to be in store.

The Japanese people had been led to expect that with the Japanese occupation of Manchuria the solution would be found to many of their pressing economic problems, and perhaps also some outlet for Japan's surplus population. However, it has been growing increasingly apparent that the Manchurian venture has been, at least up to the present, a failure as regards its economic solutions to Japan's problem, and to counteract the growing dissatisfaction over that failure resort was

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had by the Japanese army leaders to the thesis, which was widely diffused, that the inclusion of North China in an economic bloc with Japan and Manchuria was essential to the success of their continental venture.

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B. Political Factors.

The political factors in Japan which contribute to the aggressive policy in China depend upon the unique position of the two defense services in the national polity. In the case of the army independence of civilian control is assured by the direct access to the Throne enjoyed by the Minister of War and the Chief of the General Staff and by the fact that by law the Minister of War must be an army officer of at least the rank of Lieutenant General. Thus the Minister of War is not responsible to the Prime Minister or to the Diet, and the Army is in a position to dictate to the Cabinet through the fact that the Cabinet must collapse if no one qualified for the post of Minister will agree to serve. A parallel situation exists with respect to the Navy. The size, the recruitment and the equipment of both the army and the navy, according to Prince Ito's interpretation of the Japanese Constitution, belongs to the sovereign power of the Emperor, and no interference of it by the Diet should be allowed.

With its officers inheriting the traditions of the landed gentry and its ranks recruited largely from the peasantry, the army's outlook is largely agrarian. Prior to 1930 the army had more or less confined its interest in domestic political questions to matters concerned with military affairs. But the popular unrest, particularly among the farmer peasants, arising from the severe economic distress of the

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the years following 1929, afforded the army an opportunity to bid for greater political power. The army felt itself directly affected by the economic crisis as it believed that disaffection among the peasantry might result in disaffection in the fighting services. Denouncing the parliamentary parties and the capitalists, who were charged with selfishly exploiting the masses and with betrayal of national interests by tolerating Chinese disregard for Japan's rights and by pursuing a policy of international cooperation, the military leaders came forth in 1930 and 1931 with a program of social and economic reconstruction, of extreme reactionary nationalism, and of a strong and independent foreign policy.

Conscious of its rising political power growing out of popular dissatisfaction with the existing leadership, and aware of the inability of the Government to interfere materially in its activities, the Japanese army struck suddenly in Manchuria in 1931, confident that a successful campaign there would enhance its popularity and power and contribute to the alleviation of the economic situation at home. Its confidence in the popularity of the action taken was justified; public opinion ratified wholeheartedly the fait accompli in Manchuria.

This spirit of confidence was maintained unimpaired

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throughout the next four years, during which the army became more and more deeply involved on the continent.

Propaganda machines cannot, however, maintain the "crisis" spirit indefinitely among a people whose economic condition fails to improve. In February, 1936, there occurred an event which greatly disturbed public confidence in the army. Leaders of a regiment of troops stationed in Tokyo, who were inspired to a point of blind fanaticism by the nationalistic sentiments then current in Tokyo, took forcible action against the government. They assassinated leading statesmen of the country, including Viscount Saito, Lord Privy Seal, attempted the assassination of the Prime Minister, seized a number of public buildings, and for a few days held the official section of Tokyo in a state of siege. They issued to the public a manifesto appealing for support of their cause which, they stated, was a return to the fundamental principles of the Empire, the ousting of false advisers to the Emperor, and adjustment of the livelihood of the people. The insurgents believed that they were inspired by the highest patriotic motives and were apparently sincere in their belief that Japan required a basic political change along reactionary lines.

When the leaders discovered that the public was not prepared to support their aims, the insurgents surrendered and the insurrection collapsed.

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In an effort to recover ground lost as a result of the incident just described, the army redoubled its efforts to consolidate its position by a campaign for "the purification of domestic politics". This campaign called for far-reaching changes in the administrative and legislative structure. At the same time the army attempted to keep the public at high tension by its activities on the continent and its propaganda at home, tending to keep alive the idea of a crisis in external relations, but the public had become jaded by constant agitation, and Foreign Minister Sato made a public statement in the Japanese Diet in March, 1937, denying the existence of a crisis in Japan's international relations. Public opposition developed in Japan to some of the army's plans for creating a totalitarian State.

Such was the situation when the latest campaign in China was launched. One cannot but suspect that this incident was inspired, at least in part, by the desire to restore the public's waning confidence in the army's political leadership.

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C. Strategic Factors.

Strategic factors involve consideration primarily of questions of the security of Manchuria and Japan both from the military forces and from the ideological influences of the Soviet Union. It will be remembered that when Korea was annexed by the Japanese the principal argument urged in defense of this action was that Korea in Russian hands would be a dagger pointed at Japan's heart. An argument advanced in favor of Japanese control of Manchuria was the need of a buffer against the communistic influences of the Soviet Union. Similar arguments are being used to justify Japan's present aggression in North China. Military apologists proclaim that the newly-acquired "Manchukuo" now requires a buffer against the Soviet Union, this buffer being envisaged in the form of Japanese control of Inner Mongolia, which borders on the Soviet-controlled Outer Mongolia. They also profess the need of Japanese control in North China sufficient to prevent the flowering of communistic tendencies in that area, the fear being that from North China communistic influences would jeopardize Japan's continental interests, and would drift across to Japan. The strict

repression

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repression exercised by the Japanese police in respect to any tendencies smacking of radicalism is evidence that the nation's leaders are acutely aware of the vulnerability of their country to communism.

The effectiveness and wisdom of conquering outlying territories to serve as buffer states are at least open to question. Manchuria was conquered, at least partly, as a buffer against communistic influences. Now there must be created a new buffer to protect the older buffer.

The fact that Manchuria is exposed to attack from both the armed forces and ideas dominant in the territory across the Siberian border is one of the major sources of concern to the Japanese military. It will be seen from the map that North Manchuria forms a salient encircled on three sides by Soviet territory and Soviet-controlled Outer Mongolia. According to Japanese estimates there is maintained in the Soviet Far East a military force of 250,000, which the Japanese assert serves no purpose unless the Soviet Union has aggressive designs against Manchuria. It should be observed, however, that prior to the Japanese occupation of Manchuria in 1931, Soviet military forces in the Far East were very small. During the last few years there has occurred a succession of border clashes between the Japanese forces in Manchuria and the Soviet troops, for which the lack of a clear delimitation of the border in many parts of the frontier

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frontier is partly responsible. Japan not only cannot count on any active cooperation against Russia on the part of the native Manchurian population, but must even be prepared to prevent the Manchurian people from giving active support to the other side. The Japanese army has never been able to establish its control over large areas of Manchuria, where, aided by the lack of communications, armed bands, spoken of by the Japanese as bandits, have been able to keep up a guerrilla warfare against the Japanese. These bands are comprised of a nucleus of professional bandits and of the remnants of the former Chinese army with subsequent accretions from peasants who have lost their livelihood and of others who are inspired primarily by patriotic motives. There are also separate but co-operating groups of Korean nationalists and Chinese communists. It is probably true, as the Japanese claim, that these groups are in contact with and obtain arms and other support from Soviet Russia and from intra-mural China.

Recent reports of extensive uprisings against the Japanese in Manchuria bear testimony to the vulnerability of the Japanese position especially because of the liaison which insurgents are able to maintain with Soviet Russia and China, respectively. With North China and Inner Mongolia under

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Japanese control, the Japanese army would feel that their position on the continent would be rendered much more secure.

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D. Psychological Factors.

There are psychological as well as economic, political, and strategic factors which underlie Japanese aggression on the Asiatic continent. Although the Japanese have never manifested as a people a zeal for religious proselytizing, there is in their nature a strong vein of idealism or sentimentality, and they are capable of concentrating collectively upon a given objective with an intensity of purpose which produces the same effect as religious fanaticism. There is a large body of Japanese which is sincerely convinced that it is Japan's mission as a nation to deliver the Chinese people from the tyranny of warlords and the menace of communism, and that thus freed from those evils the Chinese will eventually appreciate the Japanese efforts to win freedom for them and see the advantage of joining hands with Japan in a political and economic alliance which will establish the mutual prosperity of the two nations on a permanent basis.

The Japanese attitude toward any disposition on the part of the Chinese to reject this creed is not dissimilar to that which once generally prevailed in the Occident toward religious questions, as for example in the sixteenth and seventeenth centuries. So convinced are the Japanese that theirs is the

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the true faith that they ascribe the perversity of the Chinese to ignorance, to their being misled by their leaders, and to the malign influence of Western powers. It matters not, therefore, if the Chinese as yet refuse to cooperate. The end seems so desirable to the Japanese that they are determined to go ahead, and they are ready to justify any means that may be called upon to employ.

The psychology of the Japanese attitude toward the North China question is apparent in the statement, already referred to, issued to Japanese newspaper correspondents on October 12, 1935, by Major General Tada, Commander of the Japanese Tientsin garrison. In an epitome of this statement, which appeared in a Japanese magazine article, the belief is expressed that the North China question is not merely a matter of "securing the life line of Japan's national defense"; it represents the application of Japan's fundamental continental policy, which provides for the expansion (not necessarily in a territorial sense) of Japan and for the liberation of oppressed peoples, accords them security of livelihood, maintains the self-respect of all peoples and their independence; it will enable them to cooperate in attaining friendly relations with Japan and render possible

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possible the establishment of political, economic, and even military relations of inseparability with the Empire. The article comments that conditions in North China are favorable to a speedy realization of these aims and that this movement, which had its beginning with the "Manchuria Incident" of 1931, will be gradually extended southward, eventually to include all China.

Those who do not appreciate how one-sided and even naïve the Japanese can sometimes be in their outlook on foreign affairs may not be inclined to take such observations seriously, but it is believed that they must be taken into account in any appraisal of the moral support which the Empire's present so-called continental policy enjoys among the Japanese public. In many of its aspects the present period in Japan has its counterpart in periods in the history of other peoples when a consciousness of national destiny or religious fervor or both spurred them on to careers of conquest and colonization.

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III. APPLICATION OF JAPANESE POLICY AND METHODS IN
MANCHURIA.

Having thus briefly reviewed the developments leading up to the present conflict between Japan and China and the principal factors underlying Japanese policy and action, it is of interest to consider how Japan's policies and methods have been applied in practice in Manchuria during the six years it has been under Japanese control. This will enable us to see more clearly the implications which would be involved in the creation of an autonomous state in North China as has been proposed by Japan.

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A. Political Organization.

The founding and functioning of the "Manchukuo" regime were clothed with an amazing tissue of fictions. Criticism abroad of the legality and morality of Japan's actions were met by Japanese affirmations that "Manchukuo" had been formed as an independent state by a spontaneous movement and an ardent aspiration on the part of the local inhabitants to restore the Manchu dynasty in the land of its origin, advantage having been taken of the downfall of Chang Hsueh-liang's oppressive military rule. This had been brought about, according to the orthodox Japanese explanation, by the Japanese troops acting in self-defense. There is no evidence whatever that there was any such popular movement in Manchuria. When Pu Yi was enthroned as emperor in 1934 it was explained that his accession was in compliance with the ardent desire of the inhabitants.

The presence of Japanese military forces in Manchuria was clothed with a figment of legality by the Japan-Manchukuo Protocol of 1932 which provided inter alia that "Japan and Manchukuo, recognizing that any threat to the territory or to the peace of the High Contracting Parties constitutes at the same time a threat to the safety and existence of the other, agree to cooperate for the maintenance of their national security, it being understood that such Japanese forces

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forces as may be necessary for this purpose shall be stationed in Manchukuo".

As further measures for masking the true character of the new regime, Chinese were made the titular heads of cabinet and other high positions but their offices were shorn of actual power. The real power remained with the Kwantung Army, the headquarters of which were shifted from Dairen in the Japanese-leased territory to Hsinking, formerly Changchun, the newly established capital of "Manchukuo". The Commander-in-Chief of the Kwantung Army became ex-officio Japanese Ambassador to "Manchukuo", but obviously, in view of the special relations between the Japanese and "Manchukuo" Governments, his diplomatic functions have been and are of a merely ceremonial character. The channels through which the will of the Kwantung Army becomes known to and is given effect by the "Manchukuo" Government is the Section of Manchurian Affairs of the Staff of the Kwantung Army which has direct liaison with the General Affairs Board of the "Manchukuo" Government. The chief and all the higher officials of this board are Japanese. The board has custody of the state seals, which fact is of special significance in the Far East where seals rather than signatures mark the authenticity of documents, manages personnel,

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fixes the budget, and determines general policy. In each department of the Government there is a Bureau of General Affairs composed of Japanese in whose hands are the more responsible functions of the respective departments. A similar arrangement prevails in local governments.

Notwithstanding the formation of a Concordia Society for the purpose of promoting the new nationalism among the Chinese population and the special emphasis laid upon indoctrinating the schools with such ideology, no appreciable progress has been made in reconciling the Chinese to the new order.

The chief function of the Chinese who have been persuaded to take office in the new regime is to serve as mouthpieces to extol the altruism and beneficence of their Japanese protectors and to expound sententious platitudes regarding the new order to be ruled by the principles of Wangtao (the kingly way) whereby there would be created in Manchuria a paradise in which the five races (Chinese, Manchus, Mongols, Koreans, and Japanese) would enjoy complete equality of treatment and opportunity.

It is apparent that the maintenance of the facade of an independent state which involves keeping on the payroll a majority of officials who are purely figureheads constitutes a heavy expense for a territory so poor in revenue

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as "Manchukuo". As it does not seem possible that the Japanese are under any illusions that the outside world or even the Chinese in Manchuria are being deceived by this facade, it may be concluded that the real purpose served by the facade is to satisfy the sentimentality of the Japanese people already described and their sense of propriety, concerned as it is more with form than substance.

In 1935 Japan concluded a so-called "treaty" with "Manchukuo" which provided for the gradual relinquishment of Japanese extraterritorial rights. In view of the peculiar status of Manchuria as a Japanese dependency the treaty is another meaningless gesture, its only practical aspect being that Japanese subjects who were previously exempted from taxation in "Manchukuo" are now to become liable to taxation on the same basis as native subjects. Concurrently with the conclusion of this treaty, statements were made by "Manchukuo" officials that the extraterritorial rights of other foreign nationals, existing by virtue of treaties between their governments and China, would be unilaterally abrogated pari passu with the progressive relinquishment of Japan's extraterritorial rights.

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B. Japanese Relations with Native Inhabitants.

There are not a few Japanese who have made sacrifices to go to Manchuria to serve the ideal of bringing about a new order there. Unfortunately, among the idealists in positions in which they may influence governmental policy and action are many fanatics - men with fixed ideas and narrow vision who insist upon cutting the Manchurian cloth to fit the Japanese pattern and who, oblivious to the differences in racial temperament, conceive of what is good for the Chinese in terms of what has been found good for Japanese. They are impatient at the non-cooperative attitude of the Chinese, are disposed to adopt inquisitorial methods in seeking out suspects of heresy against the doctrine of the "Kingly Way", and are responsible for a policy of ruthless suppression of the slightest movements of opposition to the present regime.

Another obstacle to that conciliation with the native population which must be the basis of any real and permanent stability and progress, arises out of the host of Japanese petty officials, chiefly among the gendarmerei and civilian police, who in their contacts with the Chinese are generally unsympathetic, arrogant, arbitrary and even brutal. Then too, among the civilian Japanese community, there is an

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undue proportion of the most lawless elements in Japan: professional thugs, petty swindlers, narcotic peddlers and other adventurers, who do much to discredit the Empire with the Chinese. Furthermore, there is a disposition among Japanese residents in general to regard Manchuria as theirs, as having been bought at a heavy sacrifice of blood and treasure, and to expect that their interests be given preferment over those of the Chinese. The more liberal and fair-minded among the Japanese leaders themselves recognize and deplore the attitude and actions of so many of their countrymen, but so far they have been powerless to counteract this situation effectively.

It is galling to Chinese pride to witness the rapid tightening by the Japanese of their control over the country, but the prudent ones consider it wise to hold their peace in regard to the bland Japanese assertion that "Manchukuo" was created by the spontaneous will of thirty million people - for fear is the dominating note in the Chinese feeling towards the Japanese. Thus the breach between the two peoples arising from natural antipathies is widening in Manchuria as a result of closer contacts.

The thought of some that Japan will some day lead the Orient to challenge the supremacy of the

Occident

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Occident is perhaps unwarranted. It takes more than the possession of a common script and racial similarity to make for mutual understanding and sympathy. The Japanese have so far failed to reveal the moral qualities which are likely to gain the respect of the Chinese people; their methods have rather aroused to the full the remarkable Chinese capacity for opposition through non-cooperation and obstructionist tactics.

The prophets of the Japanese "Continental Policy" disclaim any desire for conquest, but it is difficult to conceive of such a policy making headway, on account of Chinese opposition, except through the gaining by Japan of control of the political machinery in China. The relationship of "inseparability" between "Manchukuo" and Japan of which much has been made by Japanese spokesmen exists only through the presence in Manchuria of the Kwantung Army. Another "Manchukuo" may be created in North China, and the continuous application of force might not be necessary for this purpose so long as there is a presence of force with a will to apply it. In any event, any regime that may be set up in Chinese territory having relations of "inseparability" with Japan will be established and maintained by the will of Japan and not of the Chinese people.

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Were it not for the blundering methods adopted by the Japanese in their "march of progress", arising from a blind disregard of the point of view of others and a disposition to take themselves too seriously, there is no apparent reason why the Chinese and Japanese peoples should not live side by side harmoniously; in fact, they have much to gain by a closer partnership, but what the Japanese fail to appreciate is that to be successful the partnership must be on a basis of equality. Admittedly the Chinese can gain much from emulating the innate orderliness and intensity of purpose of the Japanese; this would enable them to put their national house in order. On the other hand, the Japanese would do well to temper their dourness of character with the urbanity of the Chinese and develop their personality with some of the Chinese individuality.

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C. Economic Policy.

The economic policy of the "Manchukuo" regime has been based primarily upon an obviously military conception of the needs of "Manchukuo" and Japan as an economic and defense unit. For the purpose of achieving and maintaining this objective there was adopted the principle of state control of key activities in the fields of transportation, communication, finance, and industry.

Although noteworthy progress has been made by the new Regime in the unification of the currency, tax, and railway transportation systems, a number of factors have operated to defeat the expectations that there would be found in Manchuria a solution of many of Japan's pressing economic problems. Manchuria has been spoken of as Japan's "life line", but this life-line has not materialized up to the present. The country has been unsuccessful in growing for Japan's markets wheat and other breadstuffs in competition with present sources of supply. It was found that Manchuria was not adapted to the production of certain much needed raw materials, notably cotton, and that the development of a supply of other materials such as wool would require many years of effort and a huge outlay of capital.

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capital. Certain other products, such as coal, were found to be directly competitive with sources of supply in Japan.

It was found that there were too many conflicting interests at stake to permit of the elaboration of the plan to develop "Manchukuo's" economy on lines that would be complementary to the economy of Japan, and from time to time compromises had to be made with these conflicting interests. Japan's commercial interest demanded that customs tariffs be lowered to enable Manchuria to take a larger volume of Japanese goods. On the other hand, customs receipts were the largest source of Manchuria's revenue, and as the total revenue did not exceed yen 200,000,000 annually, an amount less than the additional cost of maintaining the Kwantung Army in Manchuria, it was not possible to reduce customs duties materially until other sources of taxation could be developed. Manchuria's developed resources were largely agricultural, but the country was in the throes of an agricultural depression caused by the drop in the world demand for Manchurian special products, especially soy-beans, and the most hopeful means of increasing productive power, and thus new sources of taxation, was to develop manufactures.

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The manufactures which offered the most promising prospects, however, required tariff protection against competing Japanese industries.

Following the establishment of the new regime in Manchuria there was a gradual flight of native Chinese capital to China, while the Government's economic policy has served to discourage Japanese private capital from seeking investment there. Latterly, new capital has consisted largely of expenditures in Manchuria of the Japanese occupationary forces, which are said to amount to yen 80,000,000 annually, a sum nearly half as large as the total general budget of the "Manchukuo" Government. In addition investments through the South Manchuria Railway company and its subsidiaries, financed principally through bond issues in Japan and quotas contributed to the capital stock of the subsidiaries by the leading financial groups, such as Mitsui, Mitsubishi, and Sumitomo. Defense expenditures in Manchuria have drained more and more heavily upon Japan's revenue resources, while the capacity of the Tokyo and Osaka money markets to absorb new bond issues incident to Manchurian investments has been severely strained. The large financial groups have been more and more reluctant to participate in ventures which, under

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the policy adhered to by the "Manchukuo" authorities of restricting capitalistic profits, offer inadequate returns for the risks involved.

By the year 1935 there had set in a marked subsidence in the activity in business promotion by Japanese entrepreneurs which the political upheaval of 1931 had stimulated. This subsidence may be attributed to the following causes: (1) inability to raise the capital required; (2) a decrease in domestic purchasing power in consequence of the prolonged agricultural depression; (3) failure of foreign markets for Manchurian products to develop as anticipated; (4) necessity of importing raw materials, the added cost of which was not found to be compensated for by cheap labor and cheap fuel; (5) restriction of transportation of products to local markets by freight costs, export tariffs and lack of duty drawbacks; and (6) lack of clarity in regard to the scope of the Government's policy of control as affecting independent enterprise. All of the foregoing factors, coupled with the direction of economic effort into artificial channels and unstable external relations and internal conditions, already described, hamper agricultural rehabilitation and commercial development.

As already indicated Manchuria has not proved promising as an outlet for Japan's surplus population. Early experiments

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experiments in settling Japanese colonists yielded unsatisfactory results. In 1936 a grandiose plan was advanced by the Kwantung army for settling over a period of years five million Japanese on the land but so far the plan has made little headway owing to the heavy outlay of money that was required. The fundamental problem to be overcome in developing Japanese colonization is the difficulty which Japanese would have in competing with a hardy and acclimated native peasantry that is content with a

much lower standard of living. Obviously the army, in promoting the plan, has the purpose of strengthening the military defense of the territory through the building up of a population from which a dependable soldiery could be recruited.

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D. Position of Foreign Business.

Prior to the Japanese occupation of Manchuria, a substantial portion of the foreign trade was in the hands of American and European firms. American and European engineering concerns, insurance companies, and banking houses found Manchuria a profitable field of operations. With the advent of the new regime the situation changed. The institution in 1935 of a petroleum monopoly resulted in American and British distributors being deprived of their trading rights. The creation of this monopoly infringes upon American treaty rights, which rights the authorities in Manchuria have affirmed to the world they would respect and maintain. The Japanese Government accepted this affirmation on the part of the Manchurian authorities in the protocol into which the Japanese Government entered with those authorities. The institution of this and other monopolies constitutes a violation of Article 3 of the Nine Power Treaty. To protests lodged by the American and British Governments in connection with the establishment of the petroleum monopoly the "Manchukuo" authorities replied that its pledge in regard to the observance of the "open door" had been made unilaterally, and with the implied condition that diplomatic recognition would

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would be extended to "Manchukuo", and that as this condition had not been accepted "Manchukuo" was under no obligation to respect its pledge.

Formerly foreign fire insurance companies did a fair volume of business with government offices, but now not only have government offices turned the business over to Japanese companies, but the state bank makes difficulties about financing trade unless the goods involved are insured with Japanese rather than foreign insurance companies. Life insurance is now restricted to another state monopoly.

In 1936, the British American Tobacco Company, which operated a number of factories in Manchuria and did a large volume of business, was forced to reorganize its Manchurian business by forming a company under "Manchukuo" law, thus submitting itself to rigid official control.

Through state supervision and operation of key enterprises, the Manchurian authorities have been enabled to control the buying policy of the largest consumers of foreign goods, and the preference exercised in favor of Japanese goods irrespective of price or quality has so discouraged American and European business houses that many have closed their Manchurian offices. It would not, of course, be correct to say that this policy is the principal factor

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factor in the growing preponderance of Japan's share in the total import trade of Manchuria, this preponderance being due primarily to the fact that Japan is carrying Manchuria's huge negative balance of trade. In other words, imports from Japan represent Japanese investments, whereas America and Europe, owing to unfavorable conditions, created by discriminatory treatment and policy of official control, are in no position to make investments in the country.

On October 8, 1937, the "Manchukuo" authorities imposed strict measures of exchange control as a complement to similar measures previously adopted in Japan, the principal object being to prevent the flight of Japanese funds abroad by way of "Manchukuo". The exchange control measures specified that the Japanese yen should not be regarded as a foreign currency nor Japan as a foreign country. As a result of this clear and comprehensive discrimination in violation of pledges and treaty rights there now exists free commercial and financial intercourse as between "Manchukuo" and Japan, whereas intercourse between "Manchukuo" and other countries is rigidly restricted. "Manchukuo", which had already been brought into the orbit of Japan's economic system, has begun to discard even the guise of financial and monetary independence.

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In view of the foregoing circumstances, it is not surprising that American and European commercial interests in China are concerned over the future of their business in the event that Japan succeeds in extending its political control to other areas.

From time to time Japanese spokesmen for "Manchukuo" have made statements to the effect that "Manchukuo" would welcome foreign capital. While there seems to be no doubt that the investment of foreign capital in enterprises under Japanese management and control would be very acceptable, the official control exercised over business effectually discourages investment by independent foreign entrepreneurs. Prudent investors naturally would be reluctant under existing conditions to accept the Japanese suggestion of cooperation on the basis of "foreign capital and Japanese brains".

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IV. CONCLUSION -- GENERAL OBSERVATIONS ON PRESENT OUTLOOK.

In the foregoing review I have not attempted to deal with all aspects of the present situation in the Far East. I have dwelt perhaps disproportionately with the Manchurian angle both because of my some years residence in Manchuria, which renders me more familiar with that phase, and because it is perhaps less generally understood than other aspects. I hope that what I have said may prove helpful to an understanding of the present situation.

As regards the outlook for the future, while it would be unwise to hazard any predictions, I should like to offer certain tentative observations:

It would seem to be a fair assumption from the developments which I have recited, that the Japanese took advantage of the Marco Polo Bridge incident to force the issue for the establishment of a special regime in China's five northern provinces which would be under Japanese control. It may also be assumed that the Japanese army had not counted upon the stiff resistance which China has offered, for it does not seem that even the attainment of the objective mentioned would have justified the price that its pursuit is today costing Japan. At best China is a poor country and the wastage of war has further impaired the possibility for the Japanese to make profitable at least for a long time to come the occupation of extensive Chinese territory.

In view of the military successes which Japan has already had in North China and judging from the way in which the Shanghai campaign is now proceeding, it would not appear

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improbable that Japan may be able to attain its immediate military objectives. So long, however, as the Chinese are able, even though they may be obliged to fall back successively, to carry on guerrilla warfare, Japan cannot regard itself secure in any territorial gains that may be made.

There is, of course, the possibility that China's traditional instinct for resort to compromise will eventually assert itself in overtures for peace, but such a peace is unlikely to be more than a truce, as the interaction of fundamental antipathies between Chinese and Japanese are likely sooner or later to lead to a breakdown of any modus operandi that may be reached.

Although there is little likelihood of the exhaustion of Japanese financial and economic resources before the completion of the campaign in China, there is no doubt but that regardless of the outcome of the present hostilities Japan is going to pay heavily for her aggression. Huge expenditures have been authorized by the Japanese Diet for the conduct of the war; the budget for the fiscal year ending March 1, 1938, is about 5,500,000,000 yen, and of this amount only about 2,000,000,000 yen is covered by taxes. It will be necessary to float at least 3,500,000,000 yen in national bonds, an amount equivalent to one-fourth of the estimated total national income in 1936 and constituting an increase of about a third in the already large

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large national debt. In order to protect the exchange value of the yen it has already become necessary to establish severe controls which will probably react unfavorably upon Japanese export industries and serve to aggravate the situation. Japan's very existence depends upon foreign trade and the policies necessitated by the present conflict all tend to restrict that trade. It seems to me that Japan's experience with Manchuria constitutes strong evidence that the territory she may occupy in

North China will not serve to improve her economic situation but will prove to be, like Manchuria, an economic liability.

It will be impossible, therefore, for Japan to escape the consequences of her present actions. Whether or not in the severe economic difficulties which must follow upon the present conflict the present leaders will retain the support of the people, or whether there will be a drastic reorientation of Japanese policy -- these are matters upon which speculation is useless.

~~Memo~~ Instructions:

1. Please make me
copies of the
attached material.

pages 1-7

J. R. [unclear]

DEPARTMENT OF STATE

DIVISION OF EUROPEAN AFFAIRS

3
Mr. [unclear]

Would it be possible
for this letter to be sent
to the Sec. for signature
along with Sir Anthony's
letter? Jimmy agrees with
me that this would not
to avoid the Sec's return.

JA

DEPARTMENT OF STATE

THE SECRETARY

Mr. Secretary

Mr. [unclear]

Mr. Henderson think
this is urgent enough
to warrant sending to
you for signature, if
you approve - Carl

TCA

Will [unclear]
please draft a
very brief reply
revised in the
light of new develop-
ments.

JA

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DEPARTMENT OF STATE

RECEIVED

Personal & Confidential

OCT 5 - 1937

All Souls College
Oxford.

OFFICE OF THE SECRETARY

September 27th, 1937.

Dear Mr. Cordell Hull,

You have more than once given me the opportunity of talking over with you questions of general world policy, and on my last visit to Washington you kindly invited me to write to you informally on any matter on which I might wish to ask your personal attention.

I have not hitherto taken advantage of your kindness, but I feel impelled to do so now in connection with certain aspects of the Far Eastern crisis.

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May I say a word first as to my personal position and the point of view from which I write? I have twice visited China in the last six years, each time in order to give advice to the Chinese Government as to their financial situation. I was thus brought into direct contact with one side of China's remarkable effort of the last few years to rebuild an ordered state and society, and acquired a deep sympathy with the work of those engaged in this task. It is this, and this alone, and no preoccupation with English or any other foreign interests, which now impels me to write. Indeed I regard the political interests and property of foreigners in China as unimportant in comparison with the issues involved for China herself. I write from the point of view which I acquired partly in China, and partly at the League of Nations. I have, of course, no position in relation to either the British Government or the British Administration, and no one connected with either has any idea that I am writing this letter to you, which is a purely personal one. Perhaps I should add that I have also visited Japan, have worked closely with Japanese colleagues, and have had Japanese friends, and that I have at no time had anything but the friendliest feelings about Japan except so far as they have been changed by her aggressive and destructive policy in China.

I need say little upon the general

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tragedy of China, about which I know you will be feeling very deeply. Here is a country, comprising one-fifth of the world's population, with a record incomparably finer than that of any other political entity in the world's history in the length of time for which it succeeded in maintaining a society at once highly civilised, pacific and unprovocative to other nations. So civilised was the mass of the Chinese people that government in the sense in which we have known it in Western countries was hardly needed; their 'way of life' sufficed to give peace and order, and encouragement for learning and for art, with only the slightest contact with any kind of central authority. It was, to our shame, the impact of our Western civilisation, grosser, more grasping and through industrialisation more powerful in war, that broke up this society; first by direct conflict with Western countries, Great Britain among the foremost, and then indirectly through the transformation of Japan under Western, (especially American and British) influence. The civilisation, of which the U.S.A. and Great Britain are now the greatest representatives, has over the last century broken the great pacific civilisation of the East. These two countries may thus, from the angle of what may be called historic responsibility, be said to have a greater moral obligation than others for helping in the present tragedy, as it is clear also that they only have together sufficient material resources to enable them to do so.

And it is, of course, not only China, with her 400 millions, whose fate is involved. Since the war, European countries and the U.S.A. have, by different methods, been attempting to oppose some collective influence against aggressive war - the ultimate purpose expressed in the Kellogg Pact being, of course, the same as that of the Covenant, different as are their methods. At every crisis the success of all the forces for peace and justice reflected in these Treaties depends upon the confidence which their influence in previous cases has inspired. Every success greatly increases, and every failure greatly reduces, the prospects of success in the next issue. But for the failure of collective influence in the case of Japanese aggression of 1931-1933, Abyssinia would probably not have been invaded; the failure in the case of Abyssinia, added to the previous experience, obviously prepared the way for the present Japanese aggression.

More even than this is at stake. Underlying all treaties, and all the relations between nations, are the

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fundamental ideas which evoke deep human emotions and determine conduct. The great purpose of the Kellogg Pact was, of course, to add one more creative idea to the psychology of the world, so that the "renunciation of war as an instrument of national policy" might in time serve the cause of world peace as, in an earlier age, the idea of "no taxation without representation" served the cause of political freedom.

For a time, and during a period in which other influences were having some success in establishing safeguards against war, it seemed that this purpose might be achieved. But every time the new principle was flouted its chance of rooting itself in popular thought diminished; year by year it is coming to appear to the great mass of people as expressing not a real principle of policy but merely an impotent, if not a hypocritical, idealism.

Nor is it only this new attempt to improve State morality that is now perishing. Older standards are being destroyed. We are returning not merely to the morality of earlier centuries but to that of the worst ages of barbarism, with the difference that we have the mechanical power of an industrialised civilisation to extend, beyond all comparison, the consequences in destruction and human suffering.

The total destruction of the small Spanish town of Guernica marked a definite stage in the technique of civilian terrorism; and, as an omen for the future, the comparative feebleness of the expressions of indignation in the outside world was perhaps even more important than the outrage itself.

The Japanese action now shows a considerable advance along this disastrous path, since the scale upon which a similar technique is being applied is so immensely greater. As I write the bombing of Canton is the principal example; there may be others, even worse, before you receive this letter. The character of the Japanese replies to representations is very significant. To protests against the indiscriminate bombing of "civilians", they reply that they will do their best to avoid killing "non-combatants" - but it is evident in the context that by "non-combatants" they mean only "nationals of non-combatant powers", i.e., foreigners, not civilian Chinese.

With terrible rapidity, therefore, all the restraints of world opinion and collective influence, not only against war but against the completely unlimited application of ruthlessness in war, are now being destroyed.

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I need not dwell upon the consequences if this fatal movement cannot be arrested. The question that matters is obviously, what can be done and, above all, from what point should any effort begin?

Now it is clear that the answer can only be found in the U.S.A. and Great Britain. The purpose of this letter is to urge the view that, while action by both, in collaboration, is essential to peace, and while Great Britain may justly be expected to take an equal share in this common action, the U.S.A. is, in present circumstances, in a better position to make the first proposals, to take the initiative in securing a combined effort.

In saying this I am not minimising in any way Great Britain's share of responsibility for what has happened in the past. I think the British Government was gravely to blame in the case of both Manchuria and Abyssinia, and have expressed this opinion publicly in speech and writing at every opportunity.

At the same time it is essential to recognise the special circumstances of Great Britain which explain, though they do not in my view, justify, the inadequacy of her past action, and with more reason now are likely to prevent her from taking the actual initiative, though not necessarily from participating equally in a common effort. The great vulnerability of Great Britain, and the grave danger which results from the present European situation, necessarily dominates both policy and public opinion. Great Britain is, of course, deeply concerned with the crisis in the Far East and the Pacific but this cannot at this moment be her principal preoccupation. Moreover, the response of English public opinion to massacre in the East is less because the sense of horror has for the time been dulled by the long continued outrages so near to us in Spain. The feeling that we must reserve our strength and resources for the imminent dangers near at home; that any kind of initiative which in the circumstances we could properly attempt may now attract the lightning to ourselves, is necessarily, and naturally, very strong.

Nevertheless, underlying all this, there is both the strong humanitarian feeling which British public opinion has so often shown in the past and a recognition that untrained aggression and ruthlessness in the East will increase the dangers throughout the world.

The net result of these factors is, I think, not that Great Britain could not participate equally in common

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action but that it is extremely difficult for her to take the initiative in securing it.

Taking the situation as a whole I believe it is true to say that the general balance of forces and opinion in Great Britain is such that a British Government could not now give a lead for positive action in the East, but that it could probably respond to a lead from the U.S.A., though this would necessarily be dependent upon the precise situation in Europe at the moment.

America has, I venture to suggest, certain special advantages for taking the first step in any common or co-ordinated action.

(a) America is relatively remote from the European danger. She cannot, of course, escape the economic and other consequences of a European war. But she can, if she wills, stay out and in any case her national existence and integrity are not threatened.

(b) The American missionary work in China, with its constant contact with religious organisations extending throughout every part of the States and all classes, represents an interest and a potential source of effective public opinion which has no counterpart in any other country.

(c) The economic resources of the U.S.A. and Japan's dependence upon them are, in any collective action, of decisive importance.

(d) Above all, America is invulnerable in a sense, and to an extent that no other country is - or ever has been in the history of the world.

I know what needs to be considered on the other side. I have tried to follow closely the movements of public opinion in America, and I realise the limits set to Government action by them. I recognise the strength of the "neutrality" sentiment, and I think I understand something of the reasons for it. At the same time there now seem to be signs of a reaction against the mood reflected in the neutrality legislation, and as indignation grows with the tale of destruction and outrage, it is perhaps possible that there will be a great change in public opinion.

Taking everything into account, I would like to express the personal opinion that, from the point of view

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both of the Far East and the general world situation, the best thing that could possibly happen at this moment is that American public opinion should be adequately informed, and given adequate opportunities of becoming vocal and effective as to the horrors of the present operations in China. I believe that the religious organisations in America, basing themselves upon missionary work and reports from missionaries, could develop a force which, when suitably directed by the American Government, could determine the issue in the East - and in doing so so very possibly reverse the whole movement towards war and destruction which began about six years ago.

For it is equally true that Japan's dependence upon trade with, and supplies from, the U.S.A. and Great Britain is such that the two countries could now exercise overwhelming pressure; and that, if she manages during the next few years to dominate China and exploit her resources, she will then be able to threaten the whole world - including the U.S.A. At present, embargoes imposed by "municipal action" by the U.S.A. and Great Britain - without any naval blockade and without risk of war ~~with~~ the two countries if they acted together - could make it impossible for Japan to wage a long war with China, while help to China would make it impossible for Japan to reach a quick decision of the kind she wants.

This, I fear, is an intolerably long letter. I have felt impelled to write it for this reason. During these last fatal years everyone responsibly concerned with world affairs has been asking himself at what point the disastrous movement to chaos could be stopped, and reversed. At this moment it does seem to me that the crucial point is represented by the potential reaction of American public opinion to the destruction of the civilising work in China of American missionaries and the use made of such a reaction by the American Executive of which you are yourself the Minister primarily concerned. The hope of the world is, even perhaps to an extent you may not realise, now centred upon you. There are many in this country and elsewhere who are watching, with hope and anxiety, for every indication of your attitude. We know how ardently you desire to improve the world's prospects of peace; we know that you have indicated your dissent from a policy of complete isolation; we believe that you would rejoice in a change in American public opinion which would enable you to go further.

May I respectfully suggest that you should consider

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- (a) the encouragement of the expression of public indignation through the religious and other organisations,
- (b) the utilisation of this public opinion to secure the supply to China of e.g., medical necessities, doctors, etc.,
- (c) proceeding, as far and as soon as possible, towards putting pressure upon Japan, in consultation and collaboration with Great Britain and other countries, to restrain her action.

With great respect and apologies for the length of this letter,

I am,

Yours sincerely
Arthur Salter

A letter of this kind from a citizen of one country to a President of State of another is of course in the usual irregular. I should not have felt justified in writing it but for the personal conversations which I was privileged to have with you. I feel sure that, whatever may be your judgment on the opinions expressed, you will recognize the completely informal & personal character of the letter and the form of view (not in any way of technical matters) from which it is written.

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By Milton D. Quate NARS, Date 12-18-75

November 23 1937

My dear Sir Arthur:

I greatly appreciate the candid spirit in which your letter of September 27, 1937, was written and thoroughly understand your motive in writing.

In my statements of July 16 and July 23, which were subsequently communicated to all the recognized Governments, I did my best to make clear the position of this Government with respect to the fundamental problems of international relationships in general, and as they applied specifically to the hostilities now taking place in the Far East. On October 5 President Roosevelt, in his speech at Chicago, elaborated these principles and emphasized that stability and peace are predicated upon laws and standards to which all nations must adhere unless international anarchy is to destroy all semblance of order.

At Brussels we have joined with the other interested nations

Sir Arthur Salter,
All Souls' College,
Oxford, England.

793.94/11264

F/F/G

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

nations in a determined effort to find means of restoring order in the Far East by agreement. That effort has so far unfortunately failed. I cannot, however, regard the Conference itself as a failure. It has at least unequivocally clarified the issues involved. It has, moreover, demonstrated that the Governments represented there are ready and willing to engage in a positive and co-operative effort for peace, and thereby created a precedent of very real importance. Greater accomplishment, I believe you will agree, was impossible under existing circumstances and not due to any lack of zeal on the part either of your Government or of mine. I can assure you that the failure of the Conference to achieve its primary objective will in no way deter this Government from continuing its efforts to attain that objective.

In the present unhappy period of misunderstanding, tension and bloodshed in various parts of the world, I am sure you share my gratification at the prospect of a far-reaching trade agreement between our two Governments. The foundations of enduring peace cannot be built in a day, but they can, I believe, be soundly and firmly laid by means such as these. It is my firm conviction

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

- 3 -

conviction that peace cannot be based upon force
 or threats of force but that it can, and must even-
 tually, be made so attractive that potential male-
 factors can find no support.

Sincerely yours,

Gordell Hull

A true copy of
 the signed origi-
 nal.

A true copy of
 the signed origi-
 nal.

Bu:TCA:HNB

11/23/37

CR

NOV 25 1937. PM

PA/D
 S

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

My dear Sir Arthur:

I greatly appreciate the candid spirit in which your letter of September 27, 1937, was written and thoroughly understand your motive in writing.

I am clearly convinced that it is essential that every effort should be made by the United States, by Great Britain, by all nations which are determined to follow basic and decent rules of conduct in their international relations, to restore respect in the world for treaties and agreements.

In statements which I made on July 16 and on July 23, and subsequently which I communicated to all the recognized governments, I did my best to make clear the position of this Government with regard to fundamental problems in international relationships, in general and as they applied specifically to the hostilities now taking place in the Far East. On October 5, President

Roosevelt,

Sir Arthur Salter,
All Souls' College,
Oxford, England.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

-2-

Roosevelt, in a speech at Chicago, elaborated and pointed up these principles and stressed that stability and peace in the world are predicated upon laws and standards which all nations must adhere to unless international anarchy is to destroy all semblance of order and undermine the foundations of peace.

~~I am sure that you have seen the statement issued~~ ^{undoubtedly}
 from the Department of State on October 6 in which we made it plain that the conclusions reached independently by this Government with regard to the conflict between China and Japan are in general accord with the position formally adopted by the Assembly of the League of Nations, specifically, that is, that the action of Japan in China is not only inconsistent with the principles which should govern the relationship between nations but is contrary to the provisions of the Nine Power Treaty of February 6, 1922, and to those of the Kellogg-Briand Pact of January 27, 1928.

On October 16 this Government took the next logical step. We accepted the invitation of the Belgian Government to attend a conference with the nine Powers signatories of the treaty of February 6, 1922, and we are now taking active measures to consult with these Powers, including China and Japan, with a view to determine the

means

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

-3-

means of securing the restoration of peace in an orderly manner by agreement.

I think it would be a very great mistake to anticipate the conclusions of this conference or to take any action in the meantime which would contribute to a deterioration of the international atmosphere or render the work of the conferees more difficult. I am confident that in this positive search for a peaceful solution, the United States can be counted upon to do a full and equal share and, together with other Powers, will bend every effort to find such a solution in order that the overwhelming majority of those who wish to live in peace under law may not have their hopes deceived.

I need not tell you, Sir Arthur, that the actual onset of armed hostilities in the Far East and the heightened tensions elsewhere in the world have only deepened the earnestness of our effort to find and make effective a basic program on which international relations can develop in an orderly and progressive fashion. It is with the gravity of the world situation in mind that this Government is doing its utmost to find the terms of new trade agreements with other governments, including your own. The thought is that significant agreements of this character will both increase the mutual interests that bind countries

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

-4-

countries together, make more natural the outlook of peaceful mutual dependence, and contribute to the well-being of peoples so that in that well-being they will be free from envy of other countries and firm in their rejection of appeals to war-like adventure. A trade agreement between your country and my own would serve not only these purposes but likewise would indicate to the rest of the world that our two great countries see eye to eye on this fundamental issue of international relationship. I know I am writing to the converted, and that you are exerting yourself in your country as I am here to find the terms of agreement. In your efforts I hope you will succeed in convincing your fellowcountrymen that it is wise national policy to forego small special advantages which they might be able to wrest at the price of creating discriminatory situations, and to make the necessary limited adjustments in their economic life that would be required. We have from time to time been harassed, and impeded, in the execution of our policy by British insistence on minor advantages.


The more promptly and successfully the two governments can correlate their commercial policies and arrive at a trade agreement, the greater the chance that the rest of the world would on the one hand become convinced that

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-5-

that future relations between our countries were solid and on the other hand become attracted by the possibilities of peacefully improving their own condition by joining in the program of which an Anglo-American trade agreement would be a liberal example.

Sincerely yours,

Eu:RTP:RI  10/28
11/5

 PA/D

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

D1

TELEGRAM RECEIVED

JR

COMSOPAT

FROM

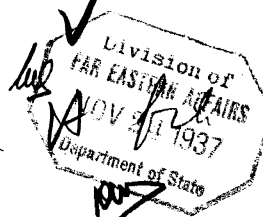
November 24, 1937

Rec'd 1:50 p.m.

ACTION: OPNAV

INFC: SECOND BRIGADE USMC
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMYANGPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING

COPIES SENT TO
O.N.I. AND M.I.D.



0124. Canton raided twice, three heavy bombs
dropped vicinity highway bridge Canton Honan in
Polulouh district. Canton Kowloon railway station
attacked, no material damage. Press reports twenty
planes including fighters. South China ports quiet. 2000.

CSB

793.94/11265

NOV 28 1937

FILED

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Huefner NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

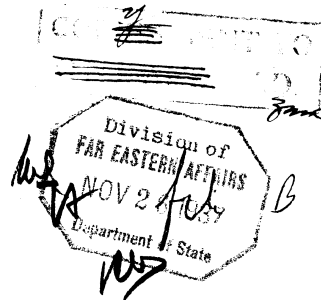
FROM COMYANGPAT

November 25, 1937

Rec'd 10 a.m.

ACTION: OPNAV

793.94
INFO: SECOND BRIGADE USMC
YANGPAT
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMSOPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING



0024. At 1330 two Japanese bombers accompanied by at least six pursuit planes appeared over Nanking and dropped bombs in central market district killing about forty civilians and damaging private property including French Catholic Mission school. This was the first bombing inside the city wall since the mass bombing of the capital on 25 September. Other river ports quiet. 2300.

CSE

793.94/11266

DEC 1 1937

FILED

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

PLAIN and GRAY

FROM Nanking via N. R.

Dated November 23, 1937

Rec'd 9:25 p.m., 24th.

Secretary of State,

Washington.

952, November 23, 4 p.m.

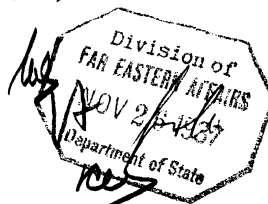
One. Last evening General Chang Chung; Secretary

General of Military Affairs Commission, held reception for remaining diplomatic officers, institutional representatives, and correspondents for purpose of (one) presenting them to General Tang Sheng Chih, defense commander of the metropolitan area, Mayor and Commissioner of Police, (two) giving the assurances of the officials that protection would be given foreign residents and property, (three) arranging for daily meetings between the guests and representatives of the Chinese officials so that former might be kept advised of developments and make suggestions regarding their protection and peace and order in the city.

Two. It is reported here but not confirmed that Japanese troops have landed from Taihing (lake) near Thing which is 100 miles distant.

Three. The city continues to be orderly. Some disquiet has, however, been caused by the detraining here in the Hsigao section of several thousand wounded

and



793.94/11267

FILED
DEC 1 1937

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-2- #952, November 23, 4 p.m., from Nanking via N. R.

and (?) soldiers a number of whom bear arms and who appear to be neither under official (?) control.

Foreigners trying to aid these soldiers report that they have not been fed, sheltered or treated for several days, are of unruly and complaining spirit and some have in their possession articles which are obviously lost from other places. At my request Captain McHugh mentioned this situation to Donald, Chiang Kai Shek's adviser, and we have now received word that the Generalissimo will take steps to alleviate it.

Four. Repeated to the Ambassador on LUZON, American Embassy Peiping, American Consul Shanghai.

ATCHESON

CSB

46-1

TELEGRAM RECEIVED

JR

PLAIN

FROM Nanking via N. R.

Dated November 23, 1937

Rec'd 9:35 p.m., 24th.

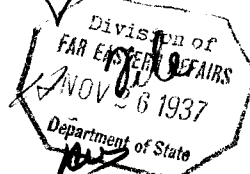
Secretary of State,

Washington.

951, November 23, 3 p.m.

At least two Japanese heavy bombers accompanied by six pursuit flew over Nanking at 1:30 p.m., and laid a line of about 20 bombs in the central market district not far east and south of the banking circle (Hsinchiengkou). Three bombs fell by the National Art Gallery (next to National Peoples Assembly building) demolishing its courtyard wall at corners of Kuo Fu Road and Peitingsiang, breaking the gallery windows and partially demolishing small shops across street. Five or six fell at the College Ricci, a French Catholic mission school not in session, demolishing part of courtyard wall and badly damaging main building. About six fell in Yu Fu Street off Er Lan Miao, a crowded district of small shops and the telephone exchange, killing about forty civilians including several children. Two fell on Chungshan road east near Er Lan Miao, demolishing wall and damaging several small shops. Casualties were not larger probably because, judging from size of bomb holes we inspected,

bombs



793.34/11263

OCT 8 - 1939

FILED

F/FG

46-2

-2- #051, November 23, 3 p.m., from Nanking via N. R.

bombs dropped were very small. Only defense was anti-aircraft.

Two. This is first bombing inside city since mass bombing of September 24.

Three. Number of places along Shanghai Nanking Railway and elsewhere between here and Wusih have been raided in the last few days with increasing frequency as the Japanese lines have advanced in this general direction. Three alarms at Nanking November 22, two on 23rd and three so far today.

Four. Sent to Department. Repeated to Ambassador on LUZON, American Embassy, Peiping, American Consul Shanghai. Peiping please repeat Tokyo.

ATCHESON

SMS:EMB

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Huatzen NARS, Date 12-18-75

CA

TELEGRAM RECEIVED

Gray

SHANGHAI VIA N.R.

FROM Dated Nov. 24, 1937

Recd 7:25 p.m.

Secretary of State,

Washington.

1015, November 24, 5 p.m.

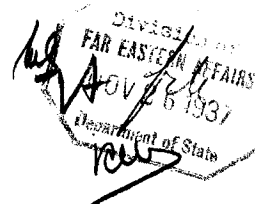
My No. 1001, / 11230 November 22, 5 p.m.

Japanese advance units are reported to have reached the outskirts of Wusih but the Wusih-Kiangyin line does not appear to have been broken yet. South of the lake the Wusing-Haiyen line is still holding according to latest reports. Little information is available concerning the strength or the progress being made by the Japanese units which have landed on the western shore of the lake and which are attempting to outflank Chinese positions and capture Ihsing.

Sent to the Department. Repeated to Nanking, Peiping and Hankow.

GAUSS

SMS EMB



793.94/11269

F/FG

DEC 1 1937

FILED

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

CA

Plain

CANTON VIA N. R.

FROM

Dated Nov. 24, 1937

Recd 4:22 p.m.

Embassy Nanking
Embassy Peiping
Amconsul Shanghai
Amconsul Hankow
Amconsul Swatow
Secstate Washington

November 24, 5 p.m.

793.94

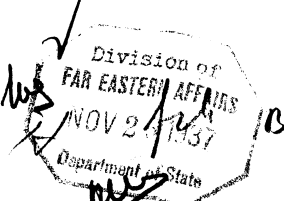
Approximately twenty Japanese planes including heavy bombers and pursuit planes raided Canton and vicinity this morning. Apparent main objective Canton station of the Canton Hong Kong Railway and the highway bridge to Honan Island. The station was not hit but bombs reportedly killed two and wounded several nearby and in Honan three heavy bombs falling in crowded working class section brought great destruction conservatively estimated at 62 killed, 150 wounded and 30 houses demolished.

Another alarm this afternoon, details not yet obtained.

Hong Kong advised by telephone

LINWELL

SMS



793.94/11270

FILED
F/FG
NOV 1 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

CA

A portion of this telegram must be closely paraphrased before being communicated to anyone (A)

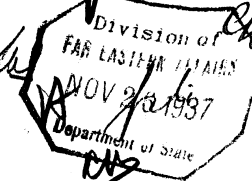
FROM NANKING VIA N. R.

Dated Nov. 24, 1937

Recd. 5:35 p.m.

Secretary of State,
Washington.

of paraphrase
COPIES SENT TO
O.N.I. AND M.I.D.
in confidence



953, November 24, 5 p.m.

(GRAY) FROM ROBERTS FOR THE SECRETARY OF WAR.

"November 24, 1:30 to 1:50 p.m., ceiling unlimited, weather cold, clear, with cirrus patches, northwest wind eight miles at ground. Two heavy newer type Heinkel bombers flew northeast to southwest over city at 10,000 accompanied at wide intervals by two flights of Mitsubishi 96 pursuit. Bombers turned and flew back northeast at about 8,000 dropped about 20 20 kilogram bombs on central business district of city. Craters were about four feet diameter and two feet deep at most but effects apparently very severe and fragmentation effective. Damage about 40 people killed, native shops and houses demolished, many telephone and power lines cut and windows smashed. No military damage whatever. Anti-aircraft fire continuous and close but no hits. Perhaps 100 rounds fired. See also Embassy's despatch this day.

In this connection request to consult Embassy's reports of raids for general description and details of damage so as to obviate duplication of information in reports

793.94/11271

FILE F/G

NOV 30 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

CA --2--953 from Nanking Nov 24..

reports of this office.

Information in general situation Shanghai front very difficult to obtain in Nanking since nearly all military contacts have gone but Chinese defense seems to have steadied along the line Kiangyin-Wusih west of Taihu-Changhing-Haiyen with greatest Japanese threat in Wusigi area. (END GRAY)

Reliable reports state War Ministry moving to Changsha and Hengyang, Hunan. General staff headquarters now in Hankow but will follow to Changsha if situation necessitates.

Sent to the Department. Repeated to Ambassador on LUZON, Peiping.

ATCHEMSON

SMS EMB

X

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

[CONFIDENTIAL]

CONFIDENTIAL

PARAPHRASE

A telegram (no. 953) of November 24, 1937, from the American Embassy at Hanking quotes a telegram for the Secretary of War from Roberts substantially as follows:

1:30 to 1:50 p.m., November 24, ceiling unlimited, weather cold, clear, with cirrus patches, northwest wind eight miles at ground. Two heavy newer type Heinkel bombers flew northeast to southwest over city at 10,000 accompanied at wide intervals by two flights of Mitsubishi 96 pursuit. Bombers turned and flew back northeast at about 8,000 dropped about 20 20-kilogram bombs on central business district of city. Craters were about four feet diameter and two feet deep at most but effects apparently very severe and fragmentation effective. Damage about 40 people killed, native shops and houses demolished, many telephone and power lines cut and windows smashed. No military damage whatever. Anti-aircraft fire continuous and close but no hits. Perhaps 100 rounds fired. See also Embassy's despatch of November 24.

In this connection request to consult Embassy's reports of raids for general description and details of damage so as to obviate duplication of information in reports of this office.

Information

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

-2-

Information in general situation Shanghai front very difficult to obtain in Nanking since nearly all military contacts have gone but Chinese defense seems to have steadied along the line Kiangyin-Wusih west of Taihu-Changhing-Haiyen with greatest Japanese threat in Wusih area.

At the present time general staff headquarters are in Hankow but if the situation necessitates will move to Changsha. According to reliable reports the Ministry of War is moving to Changsha and Hengyang, Hunan Province.

793.94/11271
 89c.
 FE:EGG:HES
 11-26

AGG
 FE

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

EG

PLAIN

FROM

Nanking via N. R.

Dated November 25, 1937

Rec'd 11:34 a.m.

Secretary of State,
Washington.

957
958, November 25th, 6 p. m.

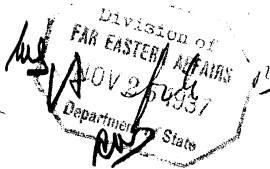
Two air raid alarms today. Following the second
we saw three Japanese heavy bombers fly over at one
forty p. m. and drop number of bombs in military airfield
area. City otherwise quiet.

Two. Reference Embassy's 942 November 22nd, 3 p. m.
One Japanese plane dropped a parachute carrying a box in
which was found a message inviting General Chiang Kai Shék
to surrender. Chiang will reportedly make no reply.
Another plane dropped a gasoline drum which fell near
Embassy.

Three. Repeated to Ambassador, Peiping, Shanghai.
Peiping kindly repeat to Tokyo.

ATCHESON

CSB



793.94/11272

REC 1 NOV

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

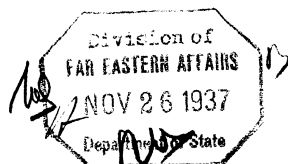
DEPARTMENT OF STATE

DIVISION OF COMMUNICATIONS AND RECORDS

November 26, 1937.

~~FE~~

I think Mr. Gauss's suggestion
is an excellent one. It would seem
not to be particularly fitting to
transmit a message such as Nanking's
951, November 23, 3 p. m. through
the Japanese telegraph office en clair.



DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

EG

FROM GRAY

Shanghai via N. R. NOV 27 1937

Dated November 25, 1937

Rec'd 11:22 a. m.

Secretary of State,
Washington.

1017 November 25, 11 a. m.

Reference Nanking's 951 November 23, 3 p. m.

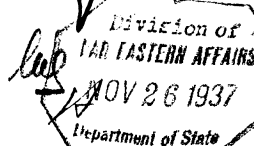
which I am requested to repeat to Tokyo. I request
instructions whether such messages should be repeated
to Tokyo in plain English. In my opinion all such
messages should be in simple code wherever and by
whomsoever sent.

GAUSS

JLS:CSB

Bombing cities by Japanese

*Telegram
to Nanking
dropped 26 Nov.*



795.94/11275

F/FG
FILED
NOV 1 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

EG

GRAY

FROM London

Dated November 25, 1937

Rec'd 9:33 a. m.

Secretary of State,
Washington.

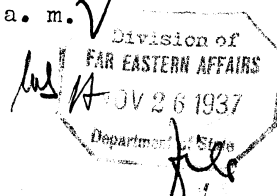
736, November 25, 1 p. m.

Your 459/November 22, 7 p. m. and 461 November 24,
2 p. m.

Foreign Office states that they do not contemplate sending any specific instructions from London in regard to this situation, at least for the present. According to their reports the local authorities seem to be doing everything possible. The Foreign Office point out that there was indeed much to be said for the Japanese stand from the legal point of view. Should future developments require special instructions from London the Foreign Office will inform the Embassy at once.

JOHNSON

JLS



FILED
JUL 14 1938

F/E G

793.94/11274

47-1

TELEGRAM RECEIVED

EG

This message must be closely paraphrased before being communicated to anyone. (A)

FROM Tokyo

Dated November 25, 1937

Rec'd 8:40 a. m.

Secretary of State,

Washington.

565, November 25, 5 p. m.

Department's 315, November 24, 6 p. m.

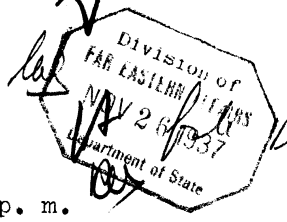
One. Although there have been newspaper reports that several of the Cabinet councilors have been pressing the Prime Minister to take action toward declaration of war, we can find no evidence or any substantial belief that any decision has been taken in the sense suggested by Shanghai informant.

Two. For our comment please see paragraph two of our 561, November 23, 3 p. m. /11235

GREW

CSB

COPIES SENT TO
O.N.I. AND M.I.D.



793.94/11275

F/FG FILED

NOV 31 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

47-2

Confidential

CONFIDENTIAL

PARAPHRASE

Telegram (No. 565) of November 25, 5 p.m., from the American Ambassador at Tokyo, reads substantially as follows:

The American Ambassador at Tokyo reports that he is unable to find any substantial belief or any evidence to substantiate the suggestion made by the informant from Shanghai that a decision has been reached leading to a declaration of war. The press has, however, carried reports to the effect that several of the councilors of the Cabinet have been urging the Prime Minister to take action in the sense suggested.

In this connection reference is made to the concluding paragraph of Tokyo's telegram No. 561 of November 23, 3 p.m.

793.94/11275

793.94/11275

ARR
 FE:ARR:VCI

FE

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

November 29, 1937.

Bombing of Canton on Nov. 24.

(Canton's Nov. 25, 11 p.m.)

JWB

RCR

MCH

It is suggested that in view of the somewhat vague character of the information transmitted by the telegram under reference and in view of the fact that the Department did not protest against the previous bombings of Canton (see memorandum attached to London's 606, Sept. 24, 6 p.m.) no protest be made at this time in regard to the bombings which took place on November 24, 1937. Such attacks might later be referred to in a general protest covering various instances of attacks on non-combatants.

JWB.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR
...

FROM

PLAIN

Canton via N. R.

Dated November 25, 1937

Rec'd 12:41 p.m.

AMEMBASSY NANKING
AMEMBASSY PEIPING
AMEMBASSY HANKOW
AMCONSUL SHANGHAI

COPIES SENT TO

Secretary of State,
Washington.

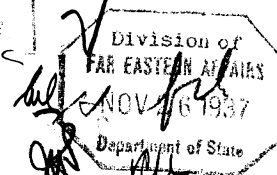
November 25, 11 p.m.

Yesterday air raids were the most ruthless and destructive of noncombat life and property since September twenty-second. In addition to the bombing of railway station at Honan reported in my November twenty-fifth five p.m., military headquarters confirmed that the raiding included, (one) bombing of Bocca Tigrass with no damage to forts and villages seventy miles north of forts with scores of casualties, (two) bombing of Canton Hankow railway between Yningtak and Shahow damaging station at Hotow. Large property damage and loss of life reported, (three) attack on south bound passenger train from Zokkhong between Shahow and Hotow killing and wounding about seventy passengers from twenty bombs dropped at Shiuchow consequences not ascertained.

Extent of damage to Canton Hankow line not known.

Railway

*Telegram
received Nov 26
with reference to
code*



793.94/11276

FILED

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Hunt NARS, Date 12-18-75

-2- November 25, 11 p.m., from Canton via N. R.

Railway authorities report that through service has been temporarily discontinued and that there were no (repeat no) foreigners on the train which was attacked.

Today in two raids about six Japanese planes bombed Canton Hong Kong Railway bridges at Wanglik Tutong Shekha and Skeklung. No damage was done to last three. Report from Wanglik not yet received. Mailed Swatow, telephoned Hong Kong.

LINELL

CSB

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

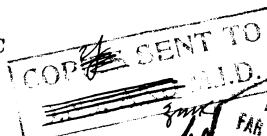
EG

COMSOPAT

FROM November 26, 1937

Rec'd 2 a. m.

793.94
ACTION: OPNAV
INFO: COMSUBRON FIVE USMC
COMDESRON FIVE
CINCAF
COMYANGPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING



0125. Due bombing, through traffic Hankow-Canton
Railway temporarily discontinued. Reported bombing
Canton-Kowloon Railway six planes. Other South China
ports quiet. 2000.

CA

793.94/11277

F/FG

DEC 1 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Huelsken NARS, Date 12-18-75

TELEGRAM RECEIVED

EG

CINCAF

FROM

November 26, 1937

Rec'd 2 a. m.

ACTION: OPNAV
INFO: SECOND BRIGADE USMC
AMCON SHANGHAI
COMSUBRON FIVE
COMDESRON FIVE
COMYANGPAT
COMSOPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING



0025. Japanese have occupied Wushing, continue
move forces across Lake Tawu strengthen positions near
Kiapu Shang. Other sectors unchanged. Heavy Japanese
attacks Kiangyin Wusih sector reported. Settlement
quiet. 1930.

CA

793.94/11278

h

NOV 1 1937

FILED

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

48-1

TELEGRAM RECEIVED

JR

GRAY

FROM Tsingtao via N. R.

Dated November 24, 1937

Rec'd 8:20 a.m., 25th.

Secretary of State, WASHINGTON
Washington. ON LAND

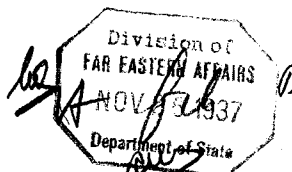
November 24, 4 p.m.

Consulate has been informed by Commander of British
Cruiser now in port who visited Japanese refrigerating
plant, part of which is now being used by British firm,
that engine room was loaded by Chinese last night with
60 pounds of dynamite and other explosives ready to set
off.

I have been informed that the instruction of the
to
Generalissimo to the Mayor in regard/destruction of
Japanese property was in translation "to take such measures
as the situation warrants". Sent to Nanking, Peiping,
Chefoo.

SOKOBIN

CSB



793.94/11279

FILED
FEB 1 1937

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

CA

TELEGRAM RECEIVED

A portion of this telegram must be closely paraphrased before being communicated to anyone (A)

FROM Dated Nov. 24, 1937

Recd 10:45 p.m.

Secretary of State,
Washington.

1012, November 24, 2 p.m.

(GRAY) Your No. 570, November 22, 8 p.m.

One. Please see my No. 1002, November 22, 7 p.m.,

and No. 1008, November 23, 8 p.m. Anti-Japanese activities complained of apparently have been the Kuomintang and patriotic and propaganda organizations, radical Chinese press, posters, radio broadcasting, et cetera, which the police of the Settlement and Concession have been forbidding or suppressing for some days in a manner which in my opinion leaves no ground for reasonable complaint at this time. The municipal authorities are doing their utmost in this direction. The Municipal Council of the Settlement is in a difficult position. The Council includes Japanese and Chinese members. The burden of the present situation falls largely on the American and British members and the department executives. Secretary General tells me he advised strongly against proposal to march Japanese troops through the Settlement. The Council has made no official request to the interested consuls general to make representations but such consuls have been informed. As to the French Concession, the French Consul General

stated

49-1

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in confidence

Division of
FAR EASTERN AFFAIRS
NOV 26 1937
Department of State
file

793.94/11280

F/F

49-2

CA --2--1012 from Shanghai Nov 24...

stated he is unable to allow the passage of armed troops. He has not disclosed whether attempts to pass will be resisted by force. (END GRAY)

Two. As to the legal position it seems to me that in view of the careful avoidance by both sides and by third powers of recognition of a state of war, the forces now in occupation of the Shanghai area are not entitled to claim the rights of a belligerent army of occupation in respect of the Settlement and Concession which have long had a special status related to extraterritoriality and the treaties and which ^{by long usage} have been recognized as neutral areas. The areas protected by the "neutral" foreign forces are areas which have been set aside in the past by mutual agreement in defense plans. These areas have been guarded and protected by the foreign forces since the Japanese took up defense positions in the sector originally assigned them under the same defense plans which sector they have later used as a base for their military operations. (BEGIN GRAY) It does not seem unreasonable, however, to assent to the proposition that as the Japanese are now in military occupation of the area around Shanghai, Chinese activities within the foreign protected area should be discontinued except by agreement and that all propaganda and activities calculated to cause disorders or to prejudice the interests of the Japanese military forces

49-3

CA --3--1012 from Shanghai Nov 24....

forces should be forbidden. On the other hand, government organizations furnishing public services such as the posts, cables, telegraphs, and wireless should not be unreasonably interfered with or restricted.

THREE. On the question of the movement of Japanese troops into areas south of the creek, I direct attention to the last sentence of section 3, part 2 of the Shanghai defense plan which provides that any commander desiring to arrange special protection for his nationals in a ^{Sector} (A) other than his own shall first obtain the ^{Concurrence} (A) of the sector commander concerned. Under existing conditions such consent might reasonably be withheld or postponed on the ground that the introduction of the troops ^{concerned} (A) ^{into a} (A) thickly populated area at this time would actually constitute a grave danger to peace and order in the ^{Sector} (A) where there are foreign interests to be recognized and protected other than those only of the forces seeking to enter and where all interests are already ^{well} (A) protected ^{by the police} ~~under those (A)~~ and the foreign forces. ^{at the}

Four. The United States Marine Corps detachment ^(A) American owned electric power plant in the Japanese sector is permitted and provided for in the note under sector a, section three, part two of the Shanghai defense plan.

Five. But leaving aside all legal arguments, I suppose that the rules of common sense, reason and respect for other foreign rights and interests should dictate that no effort

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

49-4

CA

--4--1012 from Shanghai Nov 24...

effort be made to march or station Japanese troops in the areas south of the creek at this time. We have carefully excluded Chinese armed forces from such areas and in addition would be an appropriate friendly gesture if the Japanese would abstain from seeking to enter the areas at the time. With the huge Chinese population heavily augmented by refugees forced to leave the countryside during hostilities and not yet permitted to return there, the problems of the authorities of these foreign areas are **tremendous**. No matter how earnestly and efficiently they may endeavor to prevent it, there would certainly be "incidents" likely to lead to most serious difficulties. I cannot subscribe to the theory that the marching or stationing of Japanese troops in the areas would subdue the Chinese population and be beneficial. The proposed action would seriously prejudice the safety of foreign residents. This problem should not be added to the already overwhelming responsibility of the authorities of the foreign areas to place those areas in a state of reasonably complete "neutrality" during the conflict.

- Sent to the Department. Repeated to Tokyo.

GAUSS

KLP

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

[CONFIDENTIAL]

CONFIDENTIAL

PARAPHRASE

Telegram (no. 1012) of November 24, 2 p.m., from the American Consul General at Shanghai, reads substantially as follows:

The American Consul General refers to Department of State telegram no. 570, November 22, 8 p.m., and to the Shanghai Consulate General telegrams nos. 1002 of November 22, 7 p.m., and 1008, November 23, 8 p.m., and reports that anti-Japanese activities complained of apparently have been the Kuomintang and patriotic and propaganda organizations, radical Chinese press, posters, radio broadcasting, et cetera, which the police of the Settlement and Concession have been forbidding or suppressing for some days in a manner which in the Consul General's opinion leaves no ground for reasonable complaint at this time. The municipal authorities are doing their utmost in this direction. The Municipal Council of the Settlement is in a difficult position. The Council includes Japanese and Chinese members. The burden of the present situation falls largely on the American and British members and the department executives. Secretary General tells the Consul General he advised strongly against proposal to march Japanese troops through the Settlement. The Council has made no official request to the interested consuls general to make representations but such consuls have been informed.

AS

793.4711280

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

-2-

As to the French Concession, the French Consul General stated he is unable to allow the passage of armed troops. He has not disclosed whether attempts to pass will be resisted by force.

It appears to the American Consul General that, from a legal viewpoint, the forces now occupying the Shanghai area are not entitled to claim the rights of a belligerent army of occupation, insofar as the French Concession and the International Settlement are concerned. In arriving at this opinion, the Consul General is influenced by the fact that both the Chinese and Japanese authorities as well as third parties have carefully avoided the recognition of a state of war. The International Settlement and French Concession have long enjoyed a special status related to the treaties and extraterritoriality and have been recognized as neutral areas by long usage. The areas under the protection of "neutral" foreign forces are those which have in the past been set aside in defense plans by mutual arrangement. The foreign forces have protected and guarded these areas since defense positions were taken up by the Japanese in that sector which was originally assigned to them under the same defense plans but which was later used by the Japanese as a base for their military operations. It does not seem unreasonable, however, to assent to the proposition that as the Japanese are now in
 military

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

-3-

military occupation of the area around Shanghai, Chinese activities within the foreign protected area should be discontinued except by agreement and that all propaganda and activities calculated to cause disorders or to prejudice the interests of the Japanese military forces should be forbidden. On the other hand, government organizations furnishing public services such as the posts, cables, telegraphs, and wireless should not be unreasonably interfered with or restricted.

On the question of the movement of Japanese troops into areas south of the Creek, the Consul General directs attention to the last sentence of section 3, part 2 of the Shanghai defense plan which provides that any commander desiring to arrange special protection for his nationals in a (?) other than his own shall first obtain the (?) of the sector commander concerned. Under existing conditions such consent might reasonably be withheld or postponed on the ground that the introduction of the troops (?) (?) thickly populated area at this time would actually constitute a grave danger to peace and order in the (?) where there are foreign interests to be recognized and protected other than those only of the forces seeking to enter and where all interests are already (?) protected under those (?) and the foreign forces.

The

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-4-

The United States Marine Corps detachment (?) American owned electric power plant in the Japanese sector is permitted and provided for in the note under sector a, section 3, part 2 of the Shanghai defense plan.

But leaving aside all legal arguments, the Consul General supposes that the rules of common sense, reason and respect for other foreign rights and interests should dictate that no effort be made to march or station Japanese troops in the areas south of the Creek at this time. Chinese armed forces have been carefully excluded from such areas and in addition it would be an appropriate friendly gesture if the Japanese would abstain from seeking to enter the areas at the time. With the huge Chinese population heavily augmented by refugees forced to leave the countryside during hostilities and not yet permitted to return there, the problems of the authorities of these foreign areas are tremendous. No matter how earnestly and efficiently they may endeavor to prevent it, there would certainly be "incidents" likely to lead to most serious difficulties. The Consul General cannot subscribe to the theory that the marching or stationing of Japanese troops in the areas would subdue the Chinese population and be beneficial. The proposed action would seriously prejudice the safety of foreign residents.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

-5-

residents. This problem should not be added to the already overwhelming responsibility of the authorities of the foreign areas to place those areas in a state of reasonably complete "neutrality" during the conflict.

793.94/11880

ACR
FE:ARR:VCI:HES
11-266.96

FE

0504

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

49-5

PREPARING OFFICE
WILL INDICATE WHETHER

TELEGRAM SENT

Collect

Charge Department

OR

Department of State

TO BE TRANSMITTED
✓CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTAIR
PLAIN
A1

Charge to
This cable was sent in confidential Code.
It should be carefully paraphrased before
being communicated to anyone.

NOV 26 PM 5 43

Washington,

November 26, 1937.

6pm

AMERICAN CONSUL, DIVISION OF
COMMUNICATIONS
SHANGHAI (China).

579

Your 1012, November 24, 2 p.m.

793.94/11280
206
293.1028

One. With reference to paragraph one of the Department's 570, November 22, 8 p.m., the Embassy at London telegraphs under date November 25 that according to the reports received by the British Foreign Office the local authorities at Shanghai seem to be taking all practicable steps and that the British Foreign Office does not repeat not contemplate sending at least for the present any specific instructions from London.

Two. Your telegrams received by the Department subsequent to the dispatch of its 570, November 22, 8 p.m., indicate that you and the other representatives at Shanghai of interested governments and the local authorities are discussing these matters there with the Japanese authorities. We hope that such discussions will result in reasonably satisfactory local adjustments and we desire that you continue your efforts to that end.

Three. Inasmuch as press dispatches from Shanghai in regard to reported Japanese actions directed toward assuming

793.94/11280

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 60

1-1402 U. S. GOVERNMENT PRINTING OFFICE

F/F/G

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Quastrom NARS, Date 12-18-75

PREPARING OFFICE
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 Charge Department
 OR
 Charge to
 \$

TELEGRAM SENT

Department of State

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PARTIAL
 PLAIN

- 2 -

Washington,

QUOTE control of the Settlement UNQUOTE, interfering with
 the functions of the International Settlement authorities
 and abridging American and other foreign rights are being
 featured in the newspapers here, we find your telegrams
 most helpful. / Please continue to keep the Department fully
 informed, especially in regard to any action by the Japanese
 in impairment of American rights and interests.

Four. / Please repeat to Tokyo.

Three

✓
 CR
 NOV 26 1937.PM

FE:MMH:EJL:ZMK

Walter Jones
 FE
m.m./d.

AW
BRW

Enciphered by _____

Sent by operator _____ M., _____, 19____

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TRANSFERED TO 693.002/444

793.94/11281

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

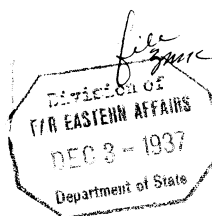
DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

November 24, 1937.

Mr. Anderson, Washington
representative of the Standard
Oil Company of New York, called
this morning and said that he
had just been informed by tele-
phone from the New York office
of the Standard Oil Company
that the New York office had
received a telegram from its
Shanghai representative stating
that the Shanghai representative
had learned that Japan would
declare war on China on December 1.

793.94
EE:MMH:EJL



793.94/11232

F/FG

0510

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

50-1

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OR
Charge to
\$

TELEGRAM SENT

Department of State

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN
A-1

Washington,

1937 NOV 24 PM 5 46

November 24, 1937.

AMEMBASSY,
DIVISION OF
COMMUNICATIONS
TOKYO (Japan) RECORDS

315

This cable was sent in confidential Code.
It should be carefully paraphrased before
being communicated to anyone. A

The Department is informed that the Standard Oil

Company of New York has received a telegram from its
Shanghai representative stating that Shanghai representative
has learned that Japan will declare war on China on December 1.

The Department would welcome your comments.

Free

793.94

793.94/11232

NOV 24 1937. PM

FE:MMH:EJL

FE

A-W
4kw

Enciphered by

Sent by operator M., 19

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

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OR
Charge to
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TELEGRAM SENT

Department of State
DEPARTMENT OF STATE

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
A-1 PARTIAL PLAIN

Washington,
1937 NOV 24 PM 5 31 November 24, 1937.

AMERICAN CONSUL, DIVISION
SHANGHAI (China) COMMUNICATIONS
RECORDS

This cable was sent in confidential code.
It should be carefully paraphrased before
being communicated to anyone. **A**

576
The Department is informed that the Standard Oil
Company of New York has received a telegram from its
Shanghai representative stating that ^{its} Shanghai representative
has learned that Japan will declare war on China on December 1.
The Department would welcome your comments.
Please repeat this telegram and your reply to the
Ambassador.

Free

793.94/11282

✓
CR
NOV 24 1937 PM

FE:MMH:EJL

mmh
FE
m.m.h.
A-W
HRW
5

Enciphered by _____
Sent by operator _____ M., _____, 19 _____

F / FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Canton/117 FOR #89

FROM Canton (Linnell) DATED Oct. 25, 1937
TO NAME 1-1127 ***

REGARDING: Sino-Japanese conflict!

Relations between China and Japan: Reports developments
in-, for month of Sept.

mr

790.94/ 233

1123

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Quisenberry NARS, Date 12-18-75

1. Relations with Japan:

- (a) Relations involving Japan and China only.
(1) Handover of Hong Kong Office by Consul General Nakamura.

Under date of September 6th, Consul General T. Nakamura notified the undersigned that the office which he had established in Hong Kong following his departure from Canton in August would be closed on September 9th and that he would return to Japan the following day.

- (2) Extensive Japanese Naval and Air Operations Undertaken against this area.

Japanese hostile operations against this area, which had previously been confined practically to one air raid on

Hankow

* Reference this office's telegram of May 7, 9 a.m., 1936.

** Telegram of September 4, 7 p.m.

- 3 -

August 31st, were undertaken on an extensive scale, particularly in the latter half of the month during which period there were about twenty-five air raids in the Canton locality alone. Though undertaking no major operations, Japanese warships supplemented their enforcement of the blockade of Chinese shipping by numerous attacks and raids along the Kwangtung coast, while the Japanese air force directed its energies to the bombing of Chinese aerodromes, the Canton-Hankow Railway and other military and non-military objectives. As far as could be learned, the naval force engaged in the operations along the Kwangtung coast consisted of two or three light cruisers, from ten to twenty destroyers, and, during the latter part of the month, two aircraft carriers. Aside from a few possible visitations of planes from Formosa or bases near Shanghai, it was understood that the planes engaged in raiding the province came from the cruisers and aircraft carriers.

The more important features and operations of the Japanese naval and air forces are summarized in the following sections.

(3) Occupation of Pratas Island*:

As an initial step in operations against South China, Japanese warships on or about September 4th occupied Pratas Island, lying between Formosa, Hong Kong and Manila. The important meteorological station maintained on the island by the Chinese Government was closed and its staff, together with other Chinese on the island, allegedly handled in rough fashion and then compelled to leave in small boats. It was reported that the Japanese Navy thereafter used the island as a refuelling base for its warships and seaplanes in their

operations

*Telegram of September 6, 5 p.m./Hong Kong's 7, 11 a.m.

- 4 -

operations against South China, but that it found the place unsuitable as an airport.

(4) enforcement of Naval Blockade*

Following the announced extension of its blockade of Chinese shipping to include the entire Kwangtung coast (excepting foreign leased territories) as from 6 a.m., September 5th, the Japanese Navy took immediate action in the way of enforcing suppression of Chinese shipping and impeding the Province's maritime foreign trade in so far as that could be accomplished by means short of direct action against foreign owned ships and leased territories. Patrolling by Japanese warships was extended to a point near the border of French Indo-China and Chinese shipping apparently kept fairly effectively confined to the upper Pearl-River Delta and other coastal estuaries. Even the small-junk fishing fleets were disorganized to a considerable extent by what appeared to be deliberate attempts to terrorize them into inactivity.

(5) attacks on Chinese Maritime Customs**

With the apparent object of further disorganizing Canton's maritime foreign import trade, the Japanese Navy made several attacks on the Chinese Maritime Customs in the vicinity of Hong Kong territory. On September 5th, Destroyer No. 29, while in British waters in or near Deep Bay, shelled a Chinese Customs launch in Chinese waters of the lower Pearl River Delta and later seized the boat and another Customs launch in Chinese waters. British employed as captains of the vessels were ordered ashore. From September 5th to 11th inclusive, Japanese warships forced

the

*Telegram of September 10, 2 p.m.

Hong Kong's September 15, 6 p.m.

**Telegrams of Sept. 5, 5 p.m.; 11, 11 a.m.; and Hong Kong's 6, 3 p.m.; 12, Noon; 13, 6 p.m.

- 5 -

the abandonment of the Chinese Customs sub-station on Ling Ting Island (near Deep Bay) and destroyed two other hulk sub-stations at Taishan (泰山, also near Deep Bay) and Samun (三門, 32 miles northeast of Hong Kong near the entrance of Bios Bay).

(6) Japanese Interference with British River Steamers and other Naval Operations affecting Hong Kong:

(See Section II B 1b)

(7) Naval Raids on Kwantung Coast*:

a another feature of their naval operations in South China waters, the Japanese carried out a series of raids on numerous reportedly unfortified coastal points in the region of Hong Kong and Pearl and West River deltas. These included attacks on Swatue (east of Bios Bay), Chekwan (赤灣, near Deep Bay in the Pearl River Delta), Otan (澳頭) and a number of other points on Bios Bay, and, according to unconfirmed reports, Taishan (台山 west of Macao). Some of the attacks consisted merely in brief naval bombardment of the coastal points; some involved the cooperation of bombing planes; and some - notably those at Swatue and Bios Bay - were reported to have included attempts to effect landings of marines. The Chinese authorities stated that all attempted landings were repelled by the coastal garrisons or village militia. As far as could be ascertained, none of the attacks represented any serious effort at invasion. Competent observers doubted that the Japanese would attempt such without a large force of troops and were inclined to view the actions as either exploratory operations to test the practicability of subsequent invasion or as harassing tactics undertaken with the idea of demoralizing the province and keeping troops in South China

which

*Telegrams of September 8, 5 p.m.; 10, 2 p.m.; 14, 11 a.m.;
Hong Kong's 12, Noon; 13, 6 p.m.

- 6 -

which would otherwise be sent to northern battlefronts.

(8) Bombardments of Bocca Tigris and Whampoa*:

The Bocca Tigris Forts guarding the entrance to the Pearl River was subjected to several bombardments by Japanese warships and planes. One series of attacks were made on September 13th, 14th and 15th, a cruiser, several destroyers and a few seaplanes being reported to have participated in the bombardment. The forts returned the warships' fire and Chinese bombing planes from Canton dropped a considerable number of bombs at the ships. The Japanese action appeared more in the nature of testing or harassing tactics than a determined assault; and, despite Chinese claims of having sunk one destroyer and damaged others, it was believed that neither side succeeded in inflicting important damage.

During the last three or four days of the month (and early days of October) the Japanese undertook a second series of attacks on the forts, again utilizing a force of about four warships and small groups of bombing planes. In conjunction with these bombardments, Japanese planes repeatedly bombed a small Chinese gunboat lying near the river barrier above the forts as well as other gunboats anchored near Whampoa and Chinese government establishments at Whampoa, including principally the military and naval academies. The engagements with the forts were again of moderate and indecisive character and were understood to have had no important military consequences. Damage to the Whampoa land establishments was also reported slight, but the Chinese gunboat CHAO HO at Whampoa and one or two smaller Chinese naval vessels were sunk after repeated bombings from low altitudes in the face of a negligible Chinese anti-air defence.

*Telegrams of 14, 11 a.m.; 15, 2 p.m.; 15, 3 p.m.; 20, 8 p.m.; 30, 9 p.m. and Oct. 1, 2 p.m.; 2, 3 p.m. and Hongkong's Oct. 1, 1 p.m.

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The only apparent important effect of these attacks on the river defenses was to render the Chinese definitely apprehensive of renewed assault of determined nature supported by a force of some twenty more warships which, they claimed, were concentrating in and near the Delta. It was evidently this fear which led them to close the river on October 1st (See Section II B 1(a) (20)).

(9) Air Bombing of Seventh Day Adventist Mission at Haichow

(See Section II B 1b)

(10) Air Raids of September 15th and 16th - assistance by traitors:

On the nights of September 15th and 16th small groups of Japanese planes, said to be seaplanes from a cruiser, raided the eastern suburbs of Canton and the vicinity. The second night's raid was directed chiefly at the Tien Ho military aerodrome, twelve bombs being dropped at that objective. The raids were reported to have done little damage of military consequence. The Chinese authorities, however, were much disturbed by the fact that the invaders were guided to the aerodrome by a series of rockets and flares sent up by traitors evidently hired by the Japanese. Strenuous efforts were made to round up these guilty and a number of executions of convicted persons were subsequently reported. While further such offences occurred during later raids, they appeared to be on a less extensive scale.

(11) Intensive Air Raiding of Canton City - September 21 - 27

From September 21st to 27th, inclusive, large fleets of planes carried out a series of fourteen raids on Canton and its suburbs, some of which were of severe character.

The

*Telegram of September 16, 6 p.m.; 17, 8 p.m.
#Telegrams of September 21, 5 p.m.; 22, 4 p.m.; 23, 3 p.m.;
24, 4 p.m.; 25, 6 p.m.; 27, 6 p.m.

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The planes were understood to have come from two aircraft carriers which apparently arrived off the coast near Macao about the twentieth and remained in that vicinity except for a temporary absence of one for three days (24th-26th) on a trip reported to be to Formosa for re-fuelling purposes. The raids were evidently timed to coincide with the severe bombings of Hanking and Hankow and, like them, to be more in the character of general punitive "strafings" than purely military operations. The bombing planes usually operated in groups of three and were often accompanied by protecting pursuit planes. The raiders concentrated their main efforts on the Tien Ho and White Cloud Mountain aerodromes and the Saichuan factory district which constitutes the northwestern suburb of Canton. Other objectives, however, included the Sun Yat Sen University to the east of the city, police and other civil government quarters and the Sun Yat Sen Memorial Hall in the city proper, the arsenal, a military academy, and the Wong Hsia (Canton-Hankow Railway terminal) station. As far as could be learned, the military accomplishments of the raids were relatively slight and chiefly confined to destruction of airfield hangars understood to be practically empty of planes. Damage to civic and public institutions was also slight, little being reported aside from minor damage to the Sun Yat Sen University and Memorial Hall, the water works and a few buildings forming part of the Wong Hsia terminal facilities. Civilian casualties and destruction of civilian property was heavy, however, particularly on the 22nd, when a number of bombs, through either very poor aim or deliberate intent, fell in thickly populated poorer residence sections. It was claimed by the Chinese authorities that the raiders on several occasions used machine guns on the street populace and

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An American doctor confirmed the correctness of this charge in one instance. While reports of casualties varied greatly, HATTEND's estimate of many thousands killed was a gross exaggeration and the best available information indicated that the estimate announced by the Mayor of 300 killed and 800 wounded was reasonably accurate.

(12) Building Operations against Canton-Hankow Railway - September 27/30:

For their week's intensive bombing of Canton, the Japanese bombing squadrons turned their main energies to raids on the Canton-Hankow Railway, this change following logically Tokyo's official notification that offensive operations against that railway would not be undertaken before 10 a.m., September 28th. While the attacks were directed chiefly at the larger railway bridges at Ichohong, Shichow, et cetera, bombs were dropped at many other places along the line, including the Canton terminal station (see foregoing section) and a number of points where towns and villages at varying distances from the railroad appeared to be the objective rather than the track itself. Civilian casualties from these raids were reported to be considerable, but ^{up} to the end of the month ascertainable damage of military consequence was limited to the minor damaging of two small bridges near Canton which caused a three day interruption of through rail service. Simultaneously with the raids along the railway, however, planes were reported to have several times bombed a newly constructed military airfield at Chungta (northwest of Canton) and damaged it to a considerable extent.

(13) Attack on Hainan and Pechel Forts:

Japanese naval patrolling of western Kwangtung coastal waters, including the Hainan Straits, to a point beyond Pechel

continued

*Telegrams of September 27, 6 p.m.; 28, 3 p.m.; 29, 8 p.m.; 30, 9 p.m.; Oct. 1, 8 p.m.; Oct. 7, 3 p.m.
#Telegrams of Sept. 10, 2 p.m.; 17, 6 p.m.; 27, 6 p.m.; 30, 9 p.m.; Oct. 2, 3 p.m.; and Hongkong's 17, 10 a.m.

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commenced about September 7th and Japanese warships frequently appeared off the eastern and northern coasts of Hainan during the remainder of the month. The forts at Hailow (northern Hainan) were subjected to periodic naval and air bombardment, most if not all of the attacks being made by one cruiser assisted by a plane which it carried on board. Attacks were reported to have been made on September 16, 24, 26, 27 and 28. The forts replied to the shelling to some extent. None of the engagements appeared to have been of severe character and damage was reportedly confined to non-combatant communities adjacent to the forts. The following excerpt of a letter dated October 1st from an American resident of Hailow provides a first hand impression of the nature and effect of the attacks:

"The situation remains uncertain here, due to the periodic attacks of the Japanese. On Tuesday of this week, a plane dropped four bombs on the military headquarters in Hailow and in Kungchow (adjoining town) doing considerable property damage but no lives were lost and only one person injured by flying glass. The bombs missed the Deputy General Office building by about three hundred yards. Business is practically at a standstill many of the shops being closed. Due to confusion of signals announcing the approach of Jap planes, bells are now used instead of large firecrackers..."

A press despatch from Hainan under date of September 30th reported a Japanese cruiser just outside of Yulin Harbor (榆林港), the island's only deep water (undeveloped) port, which Japan has in recent years given signs of coveting as a naval base.

It was reported by the press but not officially confirmed to the Consulate General that the forts at Pakhoi (western Kwangtung beyond the Hainan Straits) were subjected to smaller bombardment by a cruiser and plane on September 15th and

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and 26th and that the warships took the opportunity to seize a number of fishing junks near the port.

Although continuing to anticipate a Japanese attempt to occupy Hainan, local officials confidentially reiterated that the defence of the island was well provided for by large garrisons of Kwangtung troops on the island itself and strong forces of Kwangsi troops on the Luichow Peninsula just across the straits.

(14) Attacks on Non-Combatants*

Chinese sources, both private and official, reported numerous instances of deliberate Japanese attacks on undefended non-military objectives such as urban resident sections, interior villages, civilian crowds, passenger junks, civic and educational institutions, et cetera. While the Consulate General had neither the time nor the facilities to check the majority of these reports, there appeared good reason to believe that in many cases the reported civilian casualties and property destruction were either exaggerated or the result of poor Japanese marksmanship. In certain cases, however, information from independent trustworthy sources seemed to confirm beyond any reasonable doubt that attacks were made on non-military objectives which could not be explained on the basis of any legitimate military motive or excusable mistake. The more notable of such cases may be briefly recapitulated for convenient reference as follows:

The air bombing of the Seventh Day Adventist Mission at Luichow on September 18th (See Section II B 1b).

The air bombing of the undefended towns of Shuntak (順德) and Taileong (大良) in Shuntak District on September 21st.

at Canton, during the period from September 21st to 30th, the air bombing of Sun Yat Sen University (repeatedly), Sun Yat Sen Memorial Hall and several civil government quarters, and the machine gunning by planes of a civilian crowd in the Caihuen district (as described in a foregoing section).

The

Telegrams of September 6, 8 p.m.; 12, 6 p.m.; 14, 11 a.m.; 22, 4 p.m.; 23, 3 p.m.; 24, 4 p.m.; 25, 6 p.m.; 26, 3 p.m.; 30, 9 p.m.; Oct. 1, 3 p.m.; Oct. 2, 3 p.m.; and Hongkong's 12, noon; 13, 6 p.m.; 20, 11 a.m.

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The air bombing in successive raids from September 27th to 30th of the undefended and militarily non-important town of Chingyuen (清遠), located about ten miles from the Canton-Hankow Railway, 45 miles north of Canton. The German Consul, who vouches for the correctness of this, stated that the attack on the night of the 29th included the dropping of a bomb on the German Mission 1/2 mile distant from the town, resulting in damage to the mission and the killing of twelve Chinese.

The air bombing of a large river passenger junk near Kongsan on September 30th.

Estimates of total civilian casualties from air raids in Kwangtung during the month were very divergent, but a study of available information indicated that they probably amounted to at least a thousand killed and several thousand wounded.

(15) Estimate of Results Achieved by Japanese Naval and Air Force Operations:

In view of the military control of news and the wide divergence between Chinese claims and those appearing in Japanese papers, it was difficult to estimate to what extent the Japanese naval and air forces were accomplishing their aims. From a study of their operations, it was evident that the Japanese were thus far attempting no real invasion of South China and that the principal objects of their activities were: 1) to prevent foreign military supplies from reaching Central China, by stopping their shipment by boat from Hong Kong and by crippling the Canton-Hankow Railway; 2) to prevent the despatch of South China troops to northern battlefronts, by harassing and threatening invasion of the southern coast and by raiding the railway north; 3) to destroy South China's air force; 4) to demolish Chinese coastal fortifications and gunboats; 5) generally to terrorize the populace and disrupt the area's trade and economic life.

With respect to the first named object, the Japanese undoubtedly succeeded in delaying and to some extent reducing

the

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the volume of shipments of military supplies to the north - their efforts in this direction, however, having been gratuitously assisted by the disastrous typhoon of September 2nd*. This was proven by the confidential testimony of foreign shippers and by the huge stocks of war munitions destined for China which were known to be accumulating at Hong Kong and Singapore as a result of the inability of the overburdened Hongkong-Canton-Hankow rail route to maintain service of sufficient volume and regularity to make up for the loss, for military supply purposes, of the water route to Canton. The ability of the Japanese to do more than interrupt rail service for brief periods remained to be proven, however. In this connection, moreover, it was learned that, as a result of recent highway construction work, most if not all of the few unfinished sections of serviceable motor roads between Hong Kong and Canton and between Canton and the Hunan and Kwangsi trunk highways had been completed, and that these roads could be and undoubtedly were being used to considerable extent to supplement rail transportation.

It appeared doubtful that the Japanese operations had succeeded in materially affecting the Chinese program for despatch of troop reinforcements to the northern fronts, since substantial numbers of South China troops continued to move regularly north, and since - including the large reserves of well trained Kwangsi militia - the forces left available for the defense of Kwangtung seemed ample to cope with any invasion which Japan then appeared likely to undertake.

In regard to Japan's success in crushing the South China air forces, there was great difference of opinion. On the one hand, it was obvious that Chinese planes were rarely reported by reliable eyewitnesses as having been seen in action.
*See Section II RI (a) (IV) below.

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action, particularly in the last part of the month; and that Chinese accounts of spectacular victories in 'dog fights', downing of Japanese planes, destruction of warships, et cetera, were in most cases exaggerated if not unfounded. It was understood, also, that the Chinese lost a considerable number of planes - some shot down, but probably more which accidentally crashed or became otherwise unfit for service; and that, by the end of September, the Japanese had fairly well demolished the plane housing and servicing facilities of the aerodromes in the vicinity of Canton. On the other hand, Japanese press claims such as that asserting the destruction of nineteen Chinese planes at Canton on September 22nd were obviously preposterous. Sufficient reliable information was obtained to justify belief that Japanese losses of planes from Chinese gunfire, engine failure or accident were by no means inconsiderable, and the official record issued at Nanking of seven Japanese planes shot down at Canton during September is believed to be a very conservative estimate. It could be said for the Chinese, moreover, that while their anti-aircraft fire during the initial raids was atrocious, many observers commented on its steady improvement and the fact that it was beginning to force Japanese aviators to do their bombing from high altitudes. This was an important factor, since observers unanimously agreed that, even from low altitudes, the percentage of hits scored by the Japanese bombs was astonishingly low. (In this connection, it may be added, on the basis of evidence from many sources, that 25% or more of the Japanese bombs failed to explode at all.)

Summing up available information - one could safely say: that the Chinese air force in Kwangtung had comparatively few

combat

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combat planes in use in the first place; that the Japanese, while not succeeding in destroying the force, caused it considerable losses and, by damaging its Canton air bases, at least prevented its effective employment at Canton; that the Japanese themselves probably sustained losses in planes at least equal to those of the Chinese. There were many reports, some from usually reliable sources, of the arrival at Canton of new planes from abroad and Hanking. Definite information was lacking, however, and whatever the truth of the reports, new planes were not in evidence at Canton. The Canton anti-aircraft defence was reinforced by one or more large caliber batteries.

As regards the destruction of Chinese coastal fortifications and naval vessels, the only known Japanese accomplishment of consequence was the sinking of a few gunboats of which the CHAO HU was the only one of any importance.

From the point of purely material military achievements, it accordingly seemed doubtful that the results achieved by the Japanese were worth the effort, expense, Chinese indignation, irritation of Britain and offence to world sensibilities which they entailed.

(16) Japanese achievements economic rather than military:

Observers generally agreed that the more serious consequences for China of the Japanese naval and air operations in South China were economic rather than military. As a result of the intensive air raiding of Canton in the second half of September, the already greatly reduced population of the city was depleted by further exodus to less than half its normal size*, and practically all commercial establishments completely or partially suspended business. Other Kwangtung towns were

similarly

*Telegram of September 26, 6 p.m.

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similarly though not equally affected. These developments, combined with the effects of the blockade, dislocation of trade with Shanghai and Hong Kong, et cetera, produced a serious breakdown of the business life and economic structure of Kwangtung. Allowing for the extraordinary ability of the Chinese to survive punishment and economic hardships, it was problematical how long such a state of affairs could continue.

Far from weakening Chinese morale, however, the Japanese raiding tactics in general seemed to intensify popular interest in the war and to fill the people with indignation and increased determination to resist Japan.

(17) Japanese Designs on May thwarted by Kwangtung Army's Coup

News was received of the sudden occupation of the May area by the 157th Division of the Fourth Route (Kwangtung) Army under General Huang Tao (黃濤) in the latter part of August, which coup was claimed by local officials to have anticipated Japanese plans, arranged through bribery of pro-Japanese May authorities, to take over the port by a bloodless occupation. It was further reported that 3,000 East Fukien "ex-communist" bandits were to be placed under the command of General Huang*.

(18) Continued Despatch of South China Troops to the Fronts

Following the despatch to Shanghai in late August and early September of three Kwangsi divisions comprising the Seventh Kwangsi Army, and two divisions (159th and 160th) and at least one independent brigade of the Fourth Route (Kwangtung) Army, four more Kwangsi regular divisions were sent north during the latter half of September. According to the press, several Kweichow divisions under General Hsieh Yo (薛岳) also left for North China near the close of the month. It was learned

from

*See Political review for July, 1937, for background of this development.
#Intelligence of Sept. 10, 2 p.m.; 15, 2 p.m.; Embassy's 21, 5 p.m.;
18, 8 p.m.; 27, 8 p.m.; Oct. 1, 2 p.m.; Oct. 4, 8 p.m.

REF: 17-

from the local Kwangsi military representative that the four Kwangsi divisions comprised Kwangsi's remaining regular army units - the three divisions of the Forty-eighth ray, and the independent division which was formed during the 1936 South-western Movement with a nucleus of veterans of the Nineteenth Route ray; that the units all proceeded directly to Kiangsu; and that by the end of the month the total number of Kwangsi troops sent north, including both the seven regular divisions and groups of trained militia sent to maintain their strength, exceeded 100,000 men. According to a reliable source, between September 21st and the end of the month two Kwangsi divisions appeared on the Taiyuan front and relieved crack "Salt Guard" troops. It was not known whether these divisions belonged to the Seventeenth or Forty-eighth ray. As the Kwangsi regular divisions left Kwangsi for the north, their duties in garrisoning Kwangsi and western Kwangtung were taken over by divisions formed of trained militia reserves.

As far as could be ascertained, except for groups of replacements for the Kwangtung divisions at Shanghai, there were no additional Kwangtung forces sent to the northern fronts.

(19) Importation of Military Supplies Interrupted by Typhoon

The catastrophic typhoon which struck Hong Kong on September 2nd, while causing only minor damage at Canton, was of serious consequence for the Chinese military authorities since it caused a large washout on the British section of the Canton-Kowloon Railway and a consequent ten day interruption of the through railway service so much depended upon for the importation of vital military supplies.

(20) Chinese Precautionary Restrictions on Navigation in Pearl River and West River Channels

The Kwangtung military authorities took precautionary

measures

Telegram of Sept 4, 7 P.M.: 16419 6 M. 110 8 P.M.: Hongkong 2, 3 11 am.
17484998 of Sept 4, 7 P.M.: 16419 6 M. 110 8 P.M.: Hongkong 2, 3 11 am.

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measures progressively restricting navigation between Canton and the lower delta waters. As from September 9th navigation by foreign vessels between Canton and the Bocca Tigris Forts was restricted to daylight hours and by other limitations with respect to anchorage and compulsory use of especially designated pilots. Under a series of notifications issued between September 11th and 22nd, navigation through the Pearl River above Bocca Tigris and the main West River channels leading to the bay was made subject to further restrictions and on the latter date it was announced that all the main West River channels had been blocked - leaving Bocca Tigris as the only remaining waterway communicating with the outside world. On October 1st, by official announcement confirming a warning given informally the preceding day, the Pearl River was closed to all navigation between Canton and Bocca Tigris. At the same time the river was physically blocked about half way between Bocca Tigris and Whampoa by a barrier of temporary nature. While it was intimated in the press that the closing of the river was for the purpose of providing an opportunity for the military to make certain alterations in the Bocca Tigris defences, the authorities refused to give any assurance of the early reopening of the river; and it was learned on high authority that their real reason for closing it was the fear that the Japanese were planning a large scale naval assault on the Bocca Tigris Forts with a view to forcing entrance of the Pearl River and attempting an attack on Canton.

In connection with these restrictions on navigation, it was intimated by the authorities that mines had been laid in the Pearl River above Bocca Tigris.

(21) Brasilia

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(21) Drastic "Purge" in Kwangsi:

In early September a drastic "purge", in Kwangsi government, administrative and educational circles, of "traitor" elements reportedly charged with a plot to seize control of the province was carried out with a swiftness and severity resembling Soviet methods. There was much mystery about the affair. Several hundreds were arrested and many of them shot, including a few fairly prominent officials. From information gleaned from the press and later supplemented by the testimony of American missionaries coming from Kwangsi, it appears that there were certain groups known to be not in sympathy with the Kwangsi military leaders' foreign policy. These groups included, according to the missionary informants, not only the pro-Japanese minority which in the summer of 1936 had apparently endeavored to turn the abortive Southwestern "anti-Japanese" expedition into a movement actually assisting Japanese policies, but also anti-foreign and radical elements in educational and political circles - described as "Pro-Trotsky" by one source, which may or may not have lately been cooperating with the pro-Japanese group in a move to sabotage General Pai's present war program. Well informed quarters were inclined to attach little importance to the affair and to view the Kwangsi authorities' action as being probably in the nature of a precautionary measure to ensure maintenance of the solid support of the province during the period of absence at the front of its military leaders and the armies normally charged with the preservation of order in the province. They were agreed that, whatever the nature of the reported conspiracy, it had no important popular following, and that, in view of General Pai's firm hold, his immense personal popularity and the intense anti-Japanese sentiment prevailing in the province, it could in any event have had no prospects of success.

(22) Continued

*Telegram of September 21, 5 p.m.

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(22) Continued Evidence of National Solidarity and War Spirit:

According to all visible signs, the complete solidarity with the National Government and wholehearted support of the war which had been manifested by the leaders and the public in general in both Kwangtung and Kwangsi continued and, if anything, strengthened. The people evinced a keen interest in the war, justifiable pride in the achievements of the South China troops at the front and a readiness to continue to face hardships and military set-backs in the faith that obstinate resistance would ultimately gain more for the nation than concession to Japanese demands. The press continued to call for no relaxation in patriotic effort and leading officials encouraged the public by numerous fighting speeches. Publicity and popular activities were devoted to the sale of National Salvation Bonds and it seemed probable that Kwangtung and Kwangsi would fully subscribe the quotas assigned to them. While profiteering, incompetence, and cowardly behaviour on the part of officials who should have set an example were all too frequent features of Canton's response to wartime demands, the fact remained that this area of China was in general coping with the crisis patriotically and to the best of its ability; and there appeared to be no basis whatever for rumors that South China was contemplating a separate peace with Japan.

(23) Commencement of September 18th Incident:

Under the leadership of General Li Tsung-jen at Kweilin, mass meetings were held in every district of Kwangsi at which the officials and public took oath to unite in resisting Japanese aggression. At Canton the day was also marked by a

END

Telegram of September 28, 3 p.m.
Telegram of September 28, 6 p.m.

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mass meeting and oath taking of similar character and by patriotic editorials in all the vernacular papers.

(c4) Return of Ch'en Chi-t'ang and other leaders to support of Nanking:

It was learned that Ch'en Chi-t'ang was on his way back to China to offer his services to Nanking. Several other prominent military and political leaders who had been estranged from the Central Government before the outbreak of the Sino-Japanese crisis passed through Canton on their way back to Nanking. These included Li Chi-sen, Ch'en Ming-shu, Chiang Kwang-nai, Dr. Lo Wen-kun and Fang Chen-wu.

(b) Relations with Japan involving also Other Foreign Powers:
(1) Bombing of American Seventh Day Adventist Mission at Nanchow:

On September 18th three Japanese planes, coming reportedly from an aircraft carrier near Kasei, raided Nanchow. Of the total of eight bombs which they were reported to have dropped in the raid, four landed in the compound of the American Seventh Day Adventist Church and Hospital and two extremely close to the compound. Since the only conceivable military objectives in the area were nearly two miles away, it appeared certain that the compound was the main objective of the raid. That the raiders could have mistaken the compound for a military establishment seemed most unlikely, since the planes flew very low, visibility was exceptionally good, and the buildings, aside from being marked by American flags displayed on vertical poles, were of distinctive occidental architecture which included a prominent church spire. As a result of the bombing, two Chinese members of the Hospital were injured and damage in the value of about U\$1,500 suffered by the Mission property.

(2) American

*Telegram of September 23, 3 p.m.

**Despatches Nos. 97 of Sept. 9, 98 of 18th and 99 of 27th.

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(2) American Lives and Property not Generally Endangered:

With the exception of the Seventh Day Adventist Mission at Walchow, no American property was reported damaged in consequence of the Japanese air raids. Despite the intensity of the raids at Canton from September 21st to the end of the month, moreover, American lives were not seriously endangered - this being due, at Canton, to the circumstance that the bombing was concentrated in areas devoid of American residents. Anti-aircraft shrapnel and bullets, however, occasionally fell in the other sections of the city, including Shamen.

(3) Evacuation of Americans:

Under date of September 5, the Consulate General circularized Americans in the consular district informing them of the Department's advice to evacuate China while communications and facilities were available, as set forth in the Embassy's circular telegraphic instruction of September 4, 4 p.m.

Under date of September 18, the Consulate General again circularized Americans in the district, notifying them of the availability of the Naval transport U.S.S. CHATHAM for the evacuation of Americans and again urging them to leave China.

Americans who had not replied to these and earlier circulars were, under date of September 28, sent a form asking them to state their intentions with respect to remaining in China and to verify their exact addresses and telephone numbers.

While it was impossible to obtain a complete record of Americans who evacuated during the month, the number of formally registered Americans (including Chinese Americans) and their American dependents understood to be in the consular district

stood

*Telegram of September 28, 5 p.m.

†Despatches Nos. 97 of September 9, 98 of Sept. 16 and 99 of 27.

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stood at about 450 at the end of September as compared with 750 at the beginning of the month (and 932 as of January 1, 1937). This indicated that about 300 had evacuated during September, of whom probably about two thirds were Americans of white race. Most of the latter went to Hong Kong and the Philippine Islands.

Lingnan University opened as usual on September 30th, despite the doubts of some of the staff as to the wisdom of doing so. Its campus population included a group of about sixty-five Americans, consisting of faculty members and their families and students.* Some of these subsequently returned to America.

(4) assistance to American Refugees from other Consular Districts:

In addition to the Americans evacuating from this consular district, about two hundred American refugees, including families of American Foreign Service Officers and American Naval personnel, from Hankow, Hanking and other points in consular districts of Central and North China passed down the Canton-Hankow Railway through Canton in their evacuation of China. These Americans were met at the railway station by officers of the Consulate General, assisted in continuing their further journey and helped in various other ways. By the end of the month a total of 232 Americans had been so assisted since evacuation commenced in August.

Until September 27th the evacuation of refugees by way of the Canton-Hankow Railway presented no problems in view of the instructions given to the Japanese Air Force to refrain from operations against the line prior to 10 a.m., September 26th**. Since September 27th numerous air raids on the line

rendered

*Telegram of September 21, 5 p.m.

†Telegram of Sept. 30, Noon, and numerous other telegrams regarding the arrival, et cetera, of refugees.

**Hankow's 21, 5 p.m. embodying Tokyo's 20, 6 p.m.

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rendered its utilization uncertain and somewhat hazardous though, until very recently, the raids included no attacks on trains.

(5) Internment of U.S.S. MINNAN O in Pearl River:

The closing of the Pearl River on October 1st (See Item (20) above), while believed to be only temporary, resulted in a situation under which the American Naval authorities would have been unable to move the U. S. S. MINNAN O out of Canton waters in case they had wished to do so for the purpose of evacuating Americans or other reason. It was evident that even with the reopening of the river the risk of such a development would remain, since the Chinese authorities were known to be constantly considering the advisability of permanent closure of the river and since, in reply to an inquiry whether, in the event of such closure, sufficient advance notice might be obtained to permit the U. S. S. MINNAN O to get out of the river, Military Headquarters intimated that, while it would endeavor to give such notice, it could not give any absolute assurance thereof.

(6) Response of Local Americans to Japanese Air Bombings:

Americans at Canton and elsewhere took a leading part in the response of foreign communities to the Japanese air bombings of Kwangtung cities. Their activities in this relation included the holding of a meeting of protest, the transmission of telegrams to Washington asking for measures to restrain Japan and organization of movements to provide for relief of the victims of air raids. Canton American hospitals performed a large share of the work of furnishing emergency treatment of the large number of civilians injured as a result of the raids. In this connection, particular mention should be made of the splendid work done by Dr. J. E. Bates of the local Seventh Day Adventist Hospital. His tireless activity in gathering wounded in an improvised

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improvised ambulance and providing them with emergency treatment and hospitalization was commented on with admiration by Chinese and foreigners alike.

(7) Local Reactions to Developments Indicative of American Attitude:

Developments indicative of American governmental attitude and American popular opinion with respect to the Sino-Japanese conflict were very carefully followed by local Chinese circles and received much publicity.

The local Chinese authorities, referring to consular circulars warning Americans to leave China and a statement attributed to President Roosevelt to the effect that all Americans must leave China at once, expressed fears that this indicated that the United States was completely abandoning her interests in China and "washing her hands of the whole business". Chinese circles in general manifested a similar concern over American policy, which developed into widespread indignation when news was received of the restrictions against transportation of munitions on American government owned ships, warning to private owned vessels and the detention of the WICHITA bearing planes for China. A spokesman of Military Headquarters inquired as to the significance of the restrictions and intimated that they would result in seriously handicapping China by preventing or delaying shipment of large quantities of military supplies which she had ordered in good faith and upon the prompt arrival of which she depended greatly. The press became bitter, and one Hongkong paper with a large local circulation accused America of preaching "Open Door" and Chinese territorial integrity while at the same time supplying Japan with munitions with which to carry on her aggression.

The American Government's protests against the bombing of Nanking and other cities, news that the American Embassy staff

was

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was remaining in Hanking and Admiral Yarnell's strong statement regarding the Navy's determination to protect Americans had an excellent local reaction serving markedly to restore Chinese faith in American policy. As the month progressed, the press and government spokesmen showed an increasing tendency to talk of a "new" and "stronger" American attitude and even to predict that the United States would soon take positive action to restrain Japan. Movements in America in the way of organizing medical assistance and calling for adoption of punitive measures against Japan to implement the protests against activities of her air force, as well as the similar activities of local Americans, were given much publicity.

(8) British River Steamers stopped by Japanese*:

On September 3th the river passenger steamer T. I. KAN, operating between Hong Kong and Canton, shortly after leaving Hong Kong waters sighted Japanese destroyers engaged in shelling the coast near Chekwan. Anticipating trouble in view of the fact that the steamer was carrying 3,000,000 rounds of ammunition to Canton, the owners ordered the boat back to Hong Kong where it discharged this cargo before proceeding to Canton. Three days later the same ship was stopped by a Japanese destroyer. After several shots had been fired across the steamer's bows, a party from the warship boarded the steamer and made a most extensive search of its papers, manifests, etc. etc. A local British consular official, in commenting on the incident, took great care to mention that the Japanese Captain had apologized for his action and had explained it as resulting from mistaking the identity of the ship. Two days later another British owned river steamer was similarly stopped by a Japanese destroyer near the mouth of the Pearl River. On
the

*Telegram of September 9, 4 p.m.; 10, 2 p.m.

- 27 -

the same day it was learned from the British consular authorities that the British passenger vessels TAIKAI and FATAH, the largest ships on the Canton-Hongkong run, had stopped accepting munitions as cargo. There was no further interference with British shipping thereafter reported.

(9) British Concern Over Japanese activities affecting Hong Kong

The before described interference with British river navigation, tactfully disguised though it was, together with the use made by Japanese warships of British waters in the shelling of a Customs launch and their reportedly frequent practice of retiring to them - after raids in the Delta - as a place of refuge from retaliatory action by Chinese planes, were understood to have caused the Hong Kong authorities considerable concern. Aside from these specific activities, the British were manifestly disturbed by the generally increasing scale of Japanese operations along the Kwangtung coast and Hainan Island, by the disastrous economic consequences suffered by Hong Kong as a result of the general breakdown of the latter's trade with South China, and by the ominous possibilities which continuation of Sino-Japanese hostilities held in store for them.

(10) British embarrassed by inability to oppose Japanese activities

Local Chinese government spokesmen and the vernacular press publicized Japanese activities appearing to jeopardize British interests and did their utmost to incite the British authorities to take strong action against Japanese naval operations in Hong Kong waters, interference with British shipping, bombing of the Canton-Hankow Railway (on the ground

that

*Hong Kong's 3, Noon, 7, 11 a.m.; and 15, 8 p.m.
#Section II B 1(a) (5) above.
**Telegram of September 15, 2 p.m.

- 28 -

that it was built with British capital), et cetera. So far as is known, the only definite action taken by the Hong Kong Government was to request London to protest the activities of Destroyer No. 23 in British waters, and London's action on such request, if any, was not made known. It was obvious that European complications were preventing Britain from taking stronger action, and the local British were greatly embarrassed by this situation and the loss of British prestige in Chinese eyes which it was causing.

(11) British Efforts to prevent Chinese restrictions on River Navigation:

British shipping interests, which have long owned and operated most of the passenger and cargo steamers on the Pearl River, were much affected by the progressive restrictions on navigation between Canton and Hong Kong imposed by the Chinese military authorities, forcing them first to abandon night passenger service and, on September 30th, all service between those ports. The British authorities endeavored to persuade the Chinese authorities against adoption of such measures and made strenuous efforts to secure the reopening of the river.

(12) French Disapproval of Japanese activities in Hainan Waters:

Press despatches from Tokyo stated to the effect that, following Japanese naval bombardment of Hainan (northern Hainan)*, the French Ambassador at Tokyo had indicated to the Japanese Foreign Office that France did not look with approval upon the extension of Japanese operations to Hainan. It was also reported that Japan was showing an interest in the Paracel Islands, lying south of Hainan, which was believed to be causing

anxiety

*Telegram of September 4, 6 p.m.
See Section II B1 (a)(13) above.

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anxiety to the French.

(13) Anti-Italian Sentiment increased by Rumors of Italian Air Pilots. Et cetera:

There were very persistent reports that a dead Italian pilot had been found in one of the Japanese planes which was shot down while participating in a raid on Canton during the latter part of September; that he had been identified as an Italian formerly stationed at Canton in an advisory capacity; and that it was he who had guided the Japanese raiders to their objectives. The report was affirmed by Chinese official sources and denied by other Chinese official sources. According to my German Consular Colleague, the Italian Consul promptly asked to be allowed to examine the evidence in order that he might immediately report the affair to his Government for suitable action; and the authorities thereupon showed a desire to let the matter drop. Regardless of the basis of the allegations or of their significance had they been true, local Chinese circles in general were convinced that they were true, and this conviction, together with other reports of Japanese use of Italian planes and of suspicious behaviour by the Italian Consul, served to heighten an already marked anti-Italian sentiment.

(14) German Colony Embarrassed by Charges of Assistance to Japanese Planes:

The local German colony was put in a very embarrassing position as a result of police charges that in Canton's first severe night air raid, on September 21st, flares were set off at a number of German residences in the Tungshan (east) section of Canton to assist in guiding the Japanese raiders to the Tien Ho military aerodrome. The charges of having committed the offence were not brought against the German house owners themselves, but against their Chinese servants; and since the Germans, along with most other members of the large Tungshan German

- 30 -

German community, had evacuated to Shansen, leaving the servants in their homes, they were not in position effectively to refute the authorities' claims. The servants, including those of a German consular official, were immediately arrested and not subsequently heard from. The local German Consul was much exasperated and disturbed by the affair and made great efforts to counteract the growing local Chinese suspicions of Germany and convince the authorities that, as proved by her provisionment of military advisers and great quantities of munitions, Germany was assisting rather than hampering China in her present conflict. He privately informed a member of this office staff that, under the circumstances, however, he had felt estopped from making any strong protest against the servants' arrest.

(15) Hopes of Foreign Help encouraged by Officials and Press:

Numerous editorials and published statements of Chinese official spokesmen showed an increasing tendency to look to foreign powers for stronger action against Japan and, in general, to encourage the public to expect it. For example, much was said of the probability of the despatch of British, American and French fleets to the Far East, of the likelihood of the League of Nations applying sanctions against Japan, and of the necessity of joint international restraint of Japan to avert a world war. News of movements in foreign countries to assist China, such as the resolution adopted by New Zealand labor groups, received much optimistic publicity.

(16) Canton Organs' Cabled Protest to League of Nations:

Canton Organs, including the Chamber of Commerce and the Y.M.C., were reported to have cabled the Secretary General
of

*Telegram of September 15, 2 p.m.

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of the League of Nations, protesting against the Japanese bombing of unfortified towns in this area.

(17) Measures for Protection and Regulation of Foreigners at Canton:

In his capacity as Senior Consul, the undersigned had occasion to carry on a considerable correspondence with the local authorities regarding measures for the protection of foreigners and such matters as emergency police regulations, compliance with air defence regulations, and river navigation restrictions. Of importance in this connection was a communication received (in late August) from the Commander-in-Chief of the Fourth Route Army, stating, in response to the hope expressed by the undersigned, to the effect that he would do all within his power to assure the protection and safety of foreigners.

1/- (translation is attached.)

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 741.62/196 FOR Tel 279- 2pm

FROM Germany (Dodd) DATED Nov. 23, 1937
TO NAME 1-1127 cpo

REGARDING: Sino- Japanese conflict. Respecting the Far East, Germany is not offering herself as a mediary in the, -. Despite, however, her anti- Communist agreement with Japan, or in any way because of it, Germany is in a position to exercise good offices between the two parties inasmuch as Germany perhaps more than any other power desires an end to the conflict.

fp

793.94/ 11284

11284

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

51-1

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214

RECEIVED
DEPARTMENT OF STATE

DEPARTMENT OF STATE
Memorandum of Conversation

1937 NOV 23 PM 2 52

DATE: Nov. 19, 1937.

SUBJECT: Division of Consular Affairs
Tender of good offices by Great Britain and the
United States to Japan and China.

PARTICIPANTS: The Under Secretary;
The British Ambassador, Sir Ronald Lindsay.

COPIES TO:

793.94

NOV 23 1937

THE UNDER SECRETARY
NOV 23 1937
DEPARTMENT OF STATE

1-1403

The British Ambassador called to see me this morn-
ing in order that I might give him the reply of this
Government to the aide-mémoire of November 18 of the
British Embassy with regard to the possible tender of
good offices by Great Britain and the United States to
Japan and China.

I likewise read to Sir Ronald Lindsay appropriate
portions of Mr. Grew's cable of November 17, reporting
his conversation with the British Ambassador in Tokyo
concerning this same matter.

The Ambassador read over twice, very attentively,
the aide-mémoire which I handed him, asked certain

11

793.94/11285

F/HG/1285

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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-2-

clarifications of the points contained therein and expressed himself as entirely satisfied as to the wisdom of the course therein indicated. He emphasized the fact that in his own belief it would be preferable to divorce this present step, if it proved to be feasible, completely from the Brussels Conference. I stated in reply that it seemed to me that had this possibility developed some ten days ago and had there been ample time for our two Governments to determine the basis for such possible tender of good offices and the procedure involved therein in the event of a favorable reply from Japan, it would have been helpful if the Conference when it recessed had been able to take note of the fact that good offices were under way. I said that in my judgment that would have avoided the impression which will be created inevitably in certain circles throughout the world that the Conference has recessed without practical achievement and solely with a reaffirmation of principles. I said, however, that in view of the shortness of time before the next session of the Conference, it seemed to me altogether impossible that the Conference could be in a position to take note of any prior agreement and that for that reason as well it was of the utmost importance that the whole possibility be regarded by the British Government and our own as of the most highly confidential

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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-3-

character since any suspicion of this possibility would jeopardize any successful result. Finally, I made it clear that it was my own personal belief that the chances of any approach along these lines was for the time being excessively remote.



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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

52-1

PREPARING OFFICE
WILL INDICATE WHETHER
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OR
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TELEGRAM SENT

Department of State
DEPARTMENT OF STATE

Gray
TO BE TRANSMITTED
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NONCONFIDENTIAL CODE
PARTIAL
PLAIN

Washington,

1937 NOV 24 AM 4 59

November 24, 1937.

NOTE
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AMEMBASSY,

TOKYO (Japan).

DIVISION OF
COMMUNICATIONS
RECORDS

314
The New York Herald Tribune today carries an article
by Fleisher, under Tokyo date line November 23, the first
sentence of which reads as follows: QUOTE That Japan's
political idea is to establish a United States of Asia is
the argument advanced in a pamphlet being distributed to
foreign correspondents SUBQUOTE with the compliments END
SUBQUOTE of Premier Prince Fumimaro Konoye UNQUOTE.

Please endeavor to obtain a copy of the pamphlet
and forward it to Department by pouch with the Embassy's
comment thereon.

Hull
MRW

793.94

793.94/11285A

CR
NOV 24 1937 PM

FE:MMH:ZMK

FE

Enciphered by _____

Sent by operator _____ M., _____, 19____

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

52-2

NEW YORK HERALD TRIBUNE
 November 24, 1937.

Konoye Leaflet Pictures Japan In 'U. S. of Asia'

Premier Gives Reporters
 in Tokio Friend's Plan
 for Federation of East

Soviets 'Common Foe'

Russia Is Seen as Playing
 'Music of Hate' for China

By Wilfrid Fleisher

By Telephone to the Herald Tribune
 Copyright, 1937, New York Tribune Inc.

TOKIO, Nov. 23.—That Japan's political idea is to establish a United States of Asia is the argument advanced in a pamphlet being distributed to foreign correspondents "with the compliments" of Premier Prince Fumimaro Konoye. The pamphlet, which is written under the pseudonym of Fuko-an, is said by the Premier's secretary to have been written by a personal friend of Prince Konoye and to accord in general with his views.

"Our political idea," the writer says, "is to establish a United States of Asia after the model of the United States of Europe dreamed of by the late Aristide Briand. Though it is a distant dream at the present state of progress, it is bound to come true some day. This is our strong faith. A lesser United States of Asia is already springing up in such regions as Corea, Formosa and the new Empire of Manchukuo, where half a dozen different Asiatic races are living in perfect harmony and fruitful co-operation."

"Dancing Death Dance"

Fuko-an wants Japan and China to co-operate against "the common foe" within the Soviet Union.

"As the war with China proceeds," he writes, "we realize with increasing clearness that our poor enemy are only dancing their death dance to the music of hate and war being played in the unseen background. There is every evidence to identify this invisible piper with that element in the Soviet Union which distinguishes itself from the rest of the Russians by its relentless hate of religion and its fierce apotheosis of matter and force."

"We are fighting in order to make the Chinese realize the presence between us of the common foe, and to direct our concerted energy against the treacherous enemy instead of against one another."

Admiral Nobumasa Suetsugu, member of the cabinet advisory system and former commander in chief of the Japanese combined fleet, called on Premier Konoye yesterday and urged that Japan formally declare war against China so that Japan would be able to blockade completely the China coast. He also suggested that "Japan must make the punishment of China thorough, pursuing the Chinese not only as far as Nanking, but as far inland as they wish to go." In an interview afterward, Suetsugu said:

"The Chinese are quickly retreating, but we cannot stop at halfway measures. In the Shanghai area, of course, the Japanese will go on to Nanking. In the North China region, too, any sort of settlement which does not eliminate the root evils which led to the present hostilities must be rejected. Whether we shall issue a declaration of war depends on military developments."

Great Britain was condemned as a "camouflaged enemy" of Japan in a resolution adopted by a mass meeting in Hibiya Park yesterday held under the auspices of the "Allied Comrades of Policy Toward Britain," a reactionary group sponsored by Lieutenant General Yoshitugu Tatekawa, Teigiro Yamamoto, executive of the Seiyukai party; Baron Takeo Kikuchi, member of the House of Peers; Mitsuru Toyama, veteran reactionary leader, and others. The resolution, which was later presented to the British Embassy, follows:

"Whereas, the imperial forces are waging a holy war to awaken China from its idle dream of joining the Communists and resisting Japan, and thereby the aim of the imperial forces is to bring about a state of everlasting peace and tranquillity in the Far East, it is clear beyond any doubt that the policy of Great Britain lies in attempting to influence and protect the Nanking government in its efforts to continue an armed struggle of resistance against us."

Britain Called Confused

"In the West, already the foundations of Great Britain have been shaken by the spectacular advances made by Germany and Italy. In the Far East also Britain has been startled and confused by the emergence of Japan as a nation developing and progressing with the might of the Rising Sun. Anxious to sell the monopolistic interests that Britain has obtained in China as the result of years of lawless plunder, the British government at present is endeavoring to save the regime of General Chiang Kai-shek by opposing the Japanese campaign and its cause for peace."

"In order to accomplish this aim, Britain is resorting to various methods which are unthinkable for a neutral power, such as propagating anti-Japanese ideas through official and private channels in China, asking the Chinese to resist Japan, and at the scene of hostilities furnishing the Chinese forces with financial assistance and materials of war."

"Furthermore, it is to be noted that Great Britain has, by applying diplomatic pressure on the United States and the League of Nations, led the nations of the nine-power treaty to call the conference in Brussels designed to restrain Japan."

"In spite of this attitude of the British government, we, in respect of the traditional amity existing between the two countries since the time of the Anglo-Japanese alliance until recently elected to bear with patience what would ordinarily have been impossible to bear. On October 30 last, however, unable to maintain our generosity any longer, we raised our first voice reprimanding Great Britain."

"We now regret to admit that Great Britain has shown no signs of repenting. We now propose to rise with the masses of the people to adopt a firm resolve toward Great Britain, a third power and a camouflaged enemy who stands behind the anti-Japanese actions of China and is helping China in an actual way to foster the sovietization of the Far East, unable because of its unlimited greed to acknowledge our great mission of peace."

793,944/11285A

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Department of State letter, August 10, 1972
By Milton D. Hueston NARS, Date 12-18-75

SEVENTY-FIFTH CONGRESS
1ST SESSION

SAM D. McREYNOLDS, TENN., CHAIRMAN
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EDITH NOURSE ROGERS, MASS.
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COMMITTEE ON FOREIGN AFFAIRS
CAPITOL BUILDING, GALLERY FLOOR
HOUSE OF REPRESENTATIVES UNITED STATES
WASHINGTON, D.C.

1937 NOV 26 AM 9 37

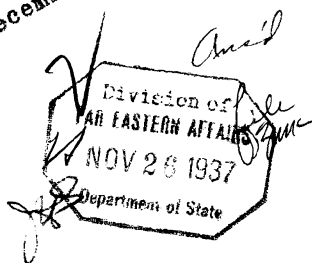
November 25, 1937.

DIVISION OF
COMMUNICATIONS
AND RECORDS
I. R. BARNES, CLERK



December 4 1937

The Honorable
Cordell Hull
Secretary of State
Washington, D.C.



My dear Mr. Secretary :

Will you kindly furnish the Committee on Foreign Affairs,
a report in duplicate, on the enclosed measure, H. Res. 364
"Requesting certain information from the President of the
United States".

Under the House Rules this information, as called for in the
resolution, must be submitted to the House of Representatives
within seven legislative days. (not received the Dec. 7)

Very respectfully,

I. R. Barnes
I. R. BARNES
Clerk, Committee on Foreign Affairs.

793.94/11286

DEC 7 1937

OFFICE OF ARMS AND MUNITIONS CONTROL

11-286

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

75TH CONGRESS
2D SESSION

H. RES. 364

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 24, 1937

Mr. CASE of South Dakota submitted the following resolution; which was referred to the Committee on Foreign Affairs and ordered to be printed

RESOLUTION

- 1 *Resolved*, That the President of the United States is
2 requested, if not incompatible with the public interest, to
3 transmit to the House of Representatives at the earliest
4 practicable moment the following information, namely:
- 5 1. Has Japan seized Chinese territory by force of arms?
6 2. Is Japan pressing deeper into Chinese territory?
7 3. Is the United States moving or preparing to move its
8 legation from the capital of China?
9 4. Has the Department of State advised citizens of the
10 United States in China to leave that country?
11 5. Has consideration of the removal of the legation and
12 citizens of the United States been caused by a conflict of
13 armed forces? If so, between whom?

793.94/11286

1 6. Are arms and ammunitions and implements of war
2 being sold by or shipped by United States citizens to any
3 such armed forces? Are they going by cash or credit?

4 7. Does a state of war exist in China?

5 8. Is it a fact that the Department of State is using the
6 Neutrality Act as an instrument of policy as indicated by the
7 following statements of the chairman of the Committee on
8 Foreign Affairs on the floor of the House of Representatives
9 on November 17, 1937, to wit:

10 "I think it will aid Japan and aid the Fascist countries
11 of Europe more by putting this law into effect now than by
12 not putting it into effect."

13 And again

14 "I am not saying that we should help China, but I want
15 to stick a dagger in these countries that are trying to create
16 dictatorship and trying to ruin the world."

17 9. What armed forces of the United States are in
18 Chinese or Japanese territory and for what purpose?

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

75TH CONGRESS }
2D SESSION }

H. RES. 364

RESOLUTION

Requesting certain information from the President of the United States.

By Mr. CASE of South Dakota

NOVEMBER 24, 1937

Referred to the Committee on Foreign Affairs and
ordered to be printed.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

R
DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
December 3, 1937.

Mr. Barnes, Clerk of the
Committee on Foreign Affairs,
has just telephoned and has said
that the Committee would like
to receive the Department's reply
to this letter tomorrow, Decem-
ber 4, in order that the Committee
may consider the reply on
Monday, December 6.



FE:MMH:ZMK

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

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December 4 1937

In reply refer to
 FE 793.94/11286

My dear Mr. McReynolds:

The receipt is acknowledged of a letter of November 25 from Mr. I. R. Barnes, Clerk of the Committee on Foreign Affairs, asking that the Department furnish the Committee on Foreign Affairs a report, in duplicate, on H. Res. 364, "Requesting certain information from the President of the United States."

Information which has been and is constantly made publicly available through the press and official statements affords the answers to most of the questions listed in H. Res. 364. However, for convenience of reference, there is offered comment in regard to the questions as follows:

With regard to the first question, it is a matter of public knowledge that Japanese armed forces are in control over certain areas of Chinese territory. In connection with this question, reference is made to a statement issued on October 27, 1937, by the Japanese

Foreign

The Honorable

Sam D. McReynolds,

Chairman, Committee on Foreign Affairs,

House of Representatives.

793.94/11286

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

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Foreign Office in which it is declared, "Japan never looks upon the Chinese people as an enemy nor does she harbor any territorial designs." (New York Times, October 28, 1937.)

With regard to the second question, the armed forces of Japan have, as stated in reports appearing currently in the press, advanced in north China as far west as the rail head at Paotow (in Suiyuan Province) and as far south as some fifty miles beyond Taiyuanfu in Shansi Province, as the northern tip of Honan Province and as the Yellow River in Shantung Province. In the Shanghai area, Japanese forces have advanced in the direction of Nanking and now occupy a line approximately seventy-five miles distant from Nanking.

With regard to the third and fifth questions, there are enclosed (a) a statement issued by the Chinese Foreign Office on November 20, 1937, in reference to the removal of the capital of China from Nanking, and (b) a statement issued by the Department of State on November 22, 1937.

With regard to the fourth question, the Department of State and American diplomatic and consular officers in China have from the beginning of the present conflict between China and Japan urged that American citizens in China, because of the dangers incident to continued

residence

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 Department of State letter, August 10, 1972
 By Milton O. Huefner NARS, Date 12-18-75

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- 3 -

residence there, withdraw, and the American Government has facilitated in every way possible an orderly and safe removal of American citizens from areas where there is special danger. Furthermore, the Department is not for the present issuing passports valid for travel to and in China save in certain exceptional circumstances.

With regard to the sixth question, there is enclosed a copy of the statement issued by the Department covering the exportation for the month of ~~NO~~October 1937 of arms, ammunition and implements of war from the United States to foreign countries, including China and Japan. These statements are issued monthly. While exporters of such arms and munitions are not required under existing law to inform the Department of State whether such sales are made on a cash or on a credit basis, it is the understanding of the Department that the transactions involving shipments to China and to Japan are on a cash basis.

With regard to the seventh question, neither the Chinese Government nor the Japanese Government has declared war on the other. The President of the United States has not found "that there exists a state of war" (see Public Resolution No. 27, 75th Congress, approved May 1, 1937).

With regard to the eighth question, the entering into force of the restrictive provisions of the Neutrality Act of May 1, 1937, is left to and is dependent upon

decision

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Quisenberry NARS, Date 12-18-75

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- 4 -

decision of the President by a finding that "there exists a state of war." The policy of the Department of State in reference to this Act is dependent upon that decision. The Department of State keeps constantly in mind the fact that the principal purpose of the Act is to keep the United States out of war.

With regard to the ninth question, the United States maintains no armed forces in the Japanese Empire. In China, there are armed forces of the United States at Peiping (527 U.S. Marines), at Tientsin (784 U.S. Army), and at Shanghai (2701 U.S. Marines). The American Government maintains small detachments at Peiping and at Tientsin, and other interested governments maintain similar detachments, pursuant to the provisions of the so-called Boxer Protocol of 1901 which was concluded between China and the representatives of the interested governments, including the American Minister to China. These troops are maintained for the general purpose of providing protection to American nationals (including the Embassy personnel) and, in case of emergency calling for evacuation, making available an armed escort. At Shanghai, the Government of the United States (as well as various other governments) has since 1927 maintained in the International Settlement at that place a small detachment of armed forces for the purpose of assisting in protecting the large number of American citizens residing in that area from the dangers incident

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

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incident to serious disorders beyond the control of the local authorities. Also, there are naval vessels of the United States in Chinese waters. These vessels form a part of the United States Asiatic Fleet based on Manila, and the distribution and movements of these vessels are under the control of the Commander-in-Chief of that Fleet. Normally, except in times of trouble in which American lives and property are endangered, these vessels, with the exception of a few small gunboats on the Yangtze River and in south China waters, cruise between Chinese ports and the Philippine Islands. The authority for stationing naval vessels of the United States in Chinese waters is found in the Sino-American Treaty of 1858 and in somewhat similar provisions of treaties between China and other foreign powers, which provisions inure to the benefit of the United States through most-favored-nation treatment. American armed forces in China are there for the protection of American nationals, primarily against mobs or other uncontrolled elements. They have no mission of aggression. It has been the desire and the intention of the American Government to remove these forces when performance of their function of protection is no longer called for, and such remains its desire and expectation. During the current situation of emergency in China, these forces have rendered important service in protecting the lives of American

nationals,

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nationals, together with and including our diplomatic and consular establishments, and in making possible the maintenance of uninterrupted communications with our nationals and our diplomatic and consular establishments in the areas involved.

There are also enclosed for convenience of reference various public documents, as indicated below, which contain statements in regard to the attitude and policy which the Government is following.

Sincerely yours,

Cordell Hull

Enclosures (in duplicate):

1. Chinese Foreign Office statement, dated November 20, 1937;
2. Department of State press statement, dated November 22, 1937;
3. Department of State press statement, dated November 4, 1937;
4. Statement by Secretary of State, dated July 16, 1937;
5. Department of State press statement, dated August 23, 1937;
6. White House press statement, dated September 14, 1937;
7. Address by Secretary of State, dated September 19, 1937;
8. Address by Secretary of State, dated September 20, 1937;
9. Address by Secretary of State, dated October 22, 1937.

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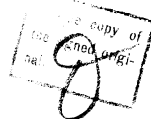
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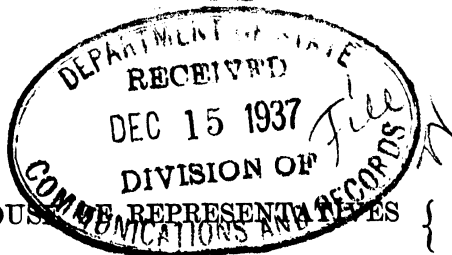
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75TH CONGRESS } HOUSE OF REPRESENTATIVES } REPORT
2d Session } } No. 1651

REQUESTING THE PRESIDENT OF THE UNITED STATES TO FURNISH CERTAIN INFORMATION TO THE HOUSE OF REPRESENTATIVES RELATIVE TO THE CONFLICT BETWEEN JAPAN AND CHINA

DECEMBER 6, 1937.—Committed to the Committee of the Whole House and ordered to be printed

Mr. McREYNOLDS, from the Committee on Foreign Affairs, submitted the following

ADVERSE REPORT

[To accompany H. Res. 364]

The Committee on Foreign Affairs, to whom was referred the resolution (H. Res. 364) requesting certain information from the President of the United States, having considered the same, submit the following report thereon with the recommendation that it do not pass.

The action of the committee is based upon the following letter to the chairman from the Secretary of State dated December 4, 1937. The letter is as follows:

DEPARTMENT OF STATE,
Washington, December 4, 1937.

The Honorable SAM D. McREYNOLDS,
Chairman, Committee on Foreign Affairs,
House of Representatives.

MY DEAR MR. McREYNOLDS: The receipt is acknowledged of a letter of November 25 from Mr. I. R. Barnes, clerk of the Committee on Foreign Affairs, asking that the Department furnish the Committee on Foreign Affairs a report, in duplicate, on House Resolution 364, requesting certain information from the President of the United States.

Information which has been and is constantly made publicly available through the press and official statements affords the answers to most of the questions listed in House Resolution 364. However, for convenience of reference, there is offered comment in regard to the questions as follows:

With regard to the first question, it is a matter of public knowledge that Japanese armed forces are in control over certain areas of Chinese territory. In connection with this question, reference is made to a statement issued on October 27, 1937, by the Japanese Foreign Office in which it is declared, "Japan never looks upon the Chinese people as an enemy nor does she harbor any territorial designs."—(New York Times, October 28, 1937.)

With regard to the second question, the armed forces of Japan have, as stated in reports appearing currently in the press, advanced in north China as far west as the rail head at Paotow (in Suiyuan Province) and as far south as some 50 miles beyond Taiyuanfu in Shansi Province, as the northern tip of Honan Province and as the Yellow River in Shantung Province. In the Shanghai area, Japanese

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forces have advanced in the direction of Nanking and now occupy a line approximately 75 miles distant from Nanking.

With regard to the third and fifth questions, there are enclosed (a) a statement issued by the Chinese Foreign Office on November 20, 1937, in reference to the removal of the capital of China from Nanking, and (b) a statement issued by the Department of State on November 22, 1937.

With regard to the fourth question, the Department of State and American diplomatic and consular officers in China have from the beginning of the present conflict between China and Japan urged that American citizens in China, because of the dangers incident to continued residence there, withdraw, and the American Government has facilitated in every way possible an orderly and safe removal of American citizens from areas where there is special danger. Furthermore, the Department is not for the present issuing passports valid for travel to and in China save in certain exceptional circumstances.

With regard to the sixth question, there is enclosed a copy of the statement issued by the Department covering the exportation for the month of October, 1937, of arms, ammunition, and implements of war from the United States to foreign countries, including China and Japan. These statements are issued monthly. While exporters of such arms and munitions are not required under existing law to inform the Department of State whether such sales are made on a cash or on a credit basis, it is the understanding of the Department that the transactions involving shipments to China and to Japan are on a cash basis.

With regard to the seventh question, neither the Chinese Government nor the Japanese Government has declared war on the other. The President of the United States has not found "that there exists a state of war" (see Public Res. 27, 75th Cong., approved May 1, 1937).

With regard to the eighth question, the entering into force of the restrictive provisions of the Neutrality Act of May 1, 1937, is left to and is dependent upon decision of the President by a finding that "there exists a state of war." The policy of the Department of State in reference to this act is dependent upon that decision. The Department of State keeps constantly in mind the fact that the principal purpose of the act is to keep the United States out of war.

With regard to the ninth question, the United States maintains no armed forces in the Japanese Empire. In China, there are armed forces of the United States at Peiping (527 United States marines), at Tientsin (784 United States Army), and at Shanghai (2,701 United States marines). The American Government maintains small detachments at Peiping and at Tientsin, and other interested governments maintain similar detachments, pursuant to the provisions of the so-called Boxer Protocol of 1901 which was concluded between China and the representatives of the interested governments, including the American Minister to China. These troops are maintained for the general purpose of providing protection to American nationals (including the Embassy personnel) and, in case of emergency calling for evacuation, making available an armed escort. At Shanghai, the Government of the United States (as well as various other governments) has since 1927 maintained in the International Settlement at that place a small detachment of armed forces for the purpose of assisting in protecting the large number of American citizens residing in that area from the dangers incident to serious disorders beyond the control of the local authorities. Also, there are naval vessels of the United States in Chinese waters. These vessels form a part of the United States Asiatic Fleet based on Manila, and the distribution and movements of these vessels are under the control of the commander in chief of that fleet. Normally, except in times of trouble in which American lives and property are endangered, these vessels, with the exception of a few small gunboats on the Yangtze River and in south China waters, cruise between Chinese ports and the Philippine Islands. The authority for stationing naval vessels of the United States in Chinese waters is found in the Sino-American Treaty of 1858 and in somewhat similar provisions of treaties between China and other foreign powers, which provisions inure to the benefit of the United States through most-favored-nation treatment. American armed forces in China are there for the protection of American nationals, primarily against mobs or other uncontrolled elements. They have no mission of aggression. It has been the desire and the intention of the American Government to remove these forces when performance of their function of protection is no longer called for, and such remains its desire and expectation. During the current situation of emergency in China, these forces have rendered important service in protecting the lives of American nationals, together with and including our diplomatic and consular establishments, and in making possible the maintenance of uninterrupted communications with

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our nationals and our diplomatic and consular establishments in the areas involved.

There are also enclosed for convenience of reference various public documents, as indicated below, which contain statements in regard to the attitude and policy which the Government is following.

Sincerely yours,

CORDELL HULL.

Enclosures (in duplicate):

1. Chinese Foreign Office statement, dated November 20, 1937.
2. Department of State press statement, dated November 22, 1937.
3. Department of State press statement, dated November 4, 1937.
4. Statement by Secretary of State, dated July 16, 1937.
5. Department of State press statement, dated August 23, 1937.
6. White House press statement, dated September 14, 1937.
7. Address by Secretary of State, dated September 19, 1937.
8. Address by Secretary of State, dated September 20, 1937.
9. Address by Secretary of State, dated October 22, 1937.

TEXT OF A STATEMENT ISSUED BY THE CHINESE GOVERNMENT ON NOVEMBER 20, 1937, IN REGARD TO THE REMOVAL OF THE NATIONAL CAPITAL FROM NANKING TO CHUNGKING

The chain of events following the Lukouchiao incident on July 7 and culminating in the seizure of Tientsin and Peiping has opened a new phase in Japan's program of continental conquest. Realizing that Japan's aggression knows no bound except that of force, the Chinese Government has finally resolved to take up arms in self-defense. The Government's decision, it is most gratifying to note, has received hearty endorsement and support of the whole Nation, which has turned out like one man in the common struggle against invasion. Wherever the Japanese forces chose to make their attacks, they have invariably encountered stubborn resistance of Chinese defenders who would rather die than surrender an inch of territory. The instances of heroic sacrifices in different provinces are too numerous to be mentioned here.

In the Shanghai-Woosung area, the Chinese held their enemy at bay for fully 3 months. Responding to the call of the Government, units of fighting forces from all over country rushed to the front and fought shoulder to shoulder against the common enemy. Despite the concerted attacks by the Japanese forces from land, air, and sea, the Chinese troops have maintained an excellent morale. Many of them trusting to nothing more than their blood and patriotism remained at their posts even after their defense works had been completely destroyed by Japanese bombardment. In the valor and loyalty of these officers and men the indomitable spirit of the Chinese people finds its most eloquent expression. Upon the bodies of the heroic dead the foundation of a new and independent Chinese nation may be said to have been firmly laid.

Of late, the Japanese forces have shown a disposition of advancing farther westward evidently with the intention of coercing the Chinese Government into accepting the humiliating terms by directly threatening the safety of Nanking, capital of China. In this, the Japanese calculations are greatly mistaken. For in embarking upon the present course of action after all peaceful means had proved fruitless, China has fully made up her mind that her salvation lies in fighting the invaders even to the last man. Our submission to Japan is neither compatible with our national existence and honor nor with the maintenance of international justice and peace. "To be a broken jade rather than a whole tile" is today the determination of every patriotic Chinese.

In order to conform to the requirements of the present state of hostilities as well as to be in a more advantageous position to direct national affairs as a whole and put up prolonged resistance, the Government has this day been removed to Chungking. There can be no doubt that hereafter China's resistance will be on an even wider extent and of greater effectiveness than heretofore and with vast man power and natural resources at her command and with full determination of her people to give up their lives for the country, she is fully united against the Japanese invader.

In her present struggle, China has behind her fully sympathy of foreign nations and solid support of her people. There can be no question that she will ultimately attain the object of maintaining her national existence and independence.

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DEPARTMENT OF STATE,
November 22, 1937.

The Chinese Government having announced in a statement issued on November 20, 1937, the removal of the seat of the National Government as of that day to Chungking, in Szechuan Province, the American Ambassador at Nanking, together with certain members of his staff, will leave tomorrow for Hankow, where it is expected that the Chinese Ministry of Foreign Affairs will be established. The Ambassador and the members of his staff accompanying him will proceed by the U. S. S. *Luzon*, which will also take on board all American citizens who wish to leave Nanking. It is understood that the heads of other foreign diplomatic missions and members of their staffs will leave Nanking for Hankow at about the same time.

The Embassy at Nanking will continue to function, and Secretaries George Acheson, Jr., and J. Hall Paxton and Clerk Emile P. Gassie, Jr., are remaining at Nanking to carry on the work of the office, including the rendering of assistance, if needed, to American citizens who do not wish to leave. The U. S. S. *Panay* is remaining at Nanking.

DEPARTMENT OF STATE,
November 4, 1937.

The table printed below indicates the number of export licenses for arms, ammunition, and implements of war issued by the Secretary of State from October 1 to October 31, 1937, inclusive, and the character of the arms, ammunition, and implements of war exported, their value, and the countries of destination:

Country of destination	Number of licenses issued	Cate-gories	Value	Total
Angola.....	2	V (1) (2)	\$3,000.00 25.00	\$3,025.00
Argentina.....	6	III (1) IV (1) (2) V (1) (2) (3)	527,001.00 116.88 2.63 6,500.00 2,145.00 10,500.00	
Australia.....	15	I (1) (4) IV (1) (2) V (2)	1,333.00 52.22 80.00 6.00 7,500.00	
Bahamas.....	1	IV (2)	30.00	
Barbados.....	7	I (1) (4) IV (1) (2)	26.00 9.09 227.38 261.00	523.38
Belgium.....	7	I (1) (4) IV (1) V (3)	35.00 58.00 14.88 38,060.00	
Bermuda.....	1	V (2)	1,500.00	
Bolivia.....	6	I (4) IV (2) V (2) VII (2)	120.00 31.00 1,000.00 938.00	
Brazil.....	17	I (1) (4) IV (1) (2) V (2) (3)	1,336.00 2,080.00 33,615.90 10,201.00 14,239.06 11,400.00	77,271.96
British Guiana.....	2	IV (1)	144.75	
British Honduras.....	1	I (4)	9.00	
Burma.....	1	I (1)	71.00	

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Country of destination	Number of licenses is- sued	Cate- gories	Value	Total
Canada.....	189	I (1) (4) IV (1) (2) V (1) (2) (3) VII (1) (2)	\$3,757.87 2,795.36 394.44 1,271.73 52,187.15 32,843.80 3,873.50 1,470.00 13,294.85	\$111,888.70
Chile.....	1	I (4) IV (2)	37.00 381.00	418.00
China.....	16	I (2) III (1) V (1) (2) (3) VII (2)	2,100.00 127,000.00 120,000.00 1,400.00 4,000.00 435,840.00	690,340.00
Colombia.....	6	IV (1) V (1) (2) (3) VII (1)	941.68 43,000.00 1,800.00 22,000.00 44.25	67,785.93
Costa Rica.....	7	VII (2)	698.50	698.50
Cuba.....	5	IV (1) (2)	36.00 195.00	231.00
Curacao.....	1	V (1)	160,000.00	160,000.00
Czechoslovakia.....	1	V (1)	225,000.00	225,000.00
Dominican Republic.....	2	I (3) IV (1)	15,000.00 1,275.00	16,275.00
Ecuador.....	2	IV (1) (2)	28.05 26.00	54.05
Egypt.....	2	IV (1) V (3)	12.75 900.00	912.75
El Salvador.....	2	IV (1)	4,037.00	4,037.00
Federated Malay States.....	3	I (4) IV (1) (2)	3.00 73.95 14.00	90.95
Fiji.....	1	I (4) IV (2)	68.00 6.00	74.00
Finland.....	1	I (4) IV (2)	99.00 9.00	108.00
France.....	2	I (4)	65.40	65.40
French Indochina.....	1	I (4) IV (1) (2)	1.37 29.50 2.59	33.46
Germany.....	10	I (4) IV (1) (2) V (2) (3)	70.00 202.45 73.00 14,800.00 56,700.00	71,845.45
Great Britain and Northern Ireland.....	8	I (4) IV (1) (2) V (1) (2)	57.00 14.88 21.00 1,500.00 1,062.00	2,654.88
Guatemala.....	2	I (4) VII (2)	4.00 705.00	709.00
Haiti.....	1	I (4)	6,500.00	6,500.00

¹ In addition one license was issued in October authorizing the export to China of a shipment of articles falling under Category V (1) valued at \$906,300. This license replaced a license issued in August 1937, which authorized the exportation of this shipment.

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Country of destination	Number of licenses is- sued	Cate- gories	Value	Total
Honduras.....	10	I (2) (4) III (2) V (1) (2) (3)	\$12,350.00 39,500.00 1,000.00 19,500.00 810.00 8,800.00	\$31,060.00
Hong Kong.....	1	IV (1)	1,345.00	1,345.00
India.....	13	I (1) (4) IV (2) V (1) (2) (3)	453.65 1,471.75 79.00 50,000.00 250.00 5,273.90	57,528.30
Iraq.....	7	IV (1) (2)	128.78 20.50	149.28
Irish Free State.....	1	I (4)	10.00	10.00
Italy.....	1	V (3)	114,165.00	114,165.00
Jamaica.....	5	I (1) IV (1)	108.46 164.00	272.46
Japan.....	10	III (1) IV (1) (2) V (2)	49,100.00 31,728.39 732.00 3,817.70	85,378.09
Latvia.....	1	V (2)	1,075.00	1,075.00
Leeward Islands.....	1	VII (2)	55.00	55.00
Macao.....	3	I (2) (4) (5) IV (1) (2)	3,165.00 3,449.00 1,500.00 2,320.00 959.00	11,393.60
Mauritius.....	1	I (1)	92.40	92.40
Mexico.....	44	I (1) (2) (3) (4) IV (1) (2) V (1) (2) VII (1) (2)	1,409.10 73,750.00 55,668.00 31,969.00 10,709.65 8,528.00 214,250.00 300.00 1,034.00 8,997.00	406,614.75
Mozambique.....	2	I (1) (4) V (1) (2)	210.00 60.00 1,500.00 25.00	1,795.00
Netherlands.....	6	V (1) (2) (3)	524,800.00 10,060.00 5,526.00	540,386.00
Netherlands Indies.....	4	IV (1) V (1) (2)	10,277.00 240,000.00 1,900.00	252,177.00
New Caledonia.....	2	I (1) (4)	71.55 447.00	518.55
Newfoundland.....	1	I (1)	146.00	146.00
New Guinea, Territory of.....	3	I (1) (4) V (1) (2) (3)	27.00 4.00 16,500.00 4,562.88 5,500.00	26,393.88
New Hebrides.....	1	I (4)	213.00	243.00
New Zealand.....	13	I (1) (4) IV (2) V (1) (2)	451.19 225.30 60.50 7,000.00 50.00	7,786.99

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Country of destination	Number of licenses is- sued	Cate- gories	Value	Total
Nicaragua.....	2	I (2) V (1)	\$1,600.00 1,500.00	\$3,100.00
Norway.....	3	IV (2) V (1) (2)	10.52 1,500.00 400.00	
Panama.....	3	IV (2) VII (2)	111.00 1,596.00	1,910.92
Paraguay.....	2	I (4) IV (2)	102.00 858.00	1,707.00
Peru.....	6	I (3) (4) IV (1) V (2)	1,700.00 1,200.00 8.00 5,357.00	960.00
Poland.....	2	I (1) V (2)	78.00 1,395.70	8,265.00
Portugal.....	2	V (1) (2)	1,500.00 25.00	1,471.70
Rumania.....	2	I (5) V (1)	200.00 10,500.00	1,525.00
Siam.....	18	IV (1)	2,879.43	10,700.00 2,879.43
Southern Rhodesia.....	2	I (4) IV (2)	71.86 19.00	90.86
Straits Settlements.....	3	IV (1) (2)	917.15 9.00	926.15
Sweden.....	8	I (1) III (1) V (1) (2)	33.75 15,000.00 3,000.00 417.20	18,450.95
Switzerland.....	2	IV (1) V (1)	25.50 4,677.00	4,602.50
Trinidad.....	10	IV (1) (2) V (1)	443.98 45.00 1,500.00	1,988.98
Turkey.....	2	III (1)	2,670,000.00	2,670,000.00
Union of South Africa.....	23	I (1) (4) IV (1) (2) V (1) (2) (3)	135.00 169.22 788.90 42.00 1,500.00 14,460.00 53,500.00	70,595.82
Union of Soviet Socialist Republics.....	5	V (1) (2)	855,000.00 4,974.80	859,974.80
Uruguay.....	6	I (1) (2) (4) III (1) IV (1) (2) V (1)	22.00 7,680.00 598.00 109,920.00 663.00 654.00 1,500.00	121,037.00
Venezuela.....	14	IV (1) (2) V (1) (2) (3) VIII (1) (2)	3,371.98 140.82 18,000.00 245.00 8,000.00 84.00 352.00	30,193.80
Windward Islands.....	1	I (4) IV (2)	10.00 7.00	17.00
Total.....	565			7,437,692.60

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The table printed below indicates the number of import licenses of arms, ammunition and implements of war issued by the Secretary of State from October 1 to October 31, 1937, inclusive, and the character of the arms, ammunition, and implements of war imported, their value, and the countries of origin:

Country of origin	Number of licenses issued	Catego-ries	Value	Total
Belgium.....	2	I (4)	\$3,234.60	\$3,234.60
Canada.....	2	I (4)	5.00	
		IV (2)	5.00	
		V (2)	450.00	460.00
Egypt.....	1	V (3)	400.00	400.00
Germany.....	2	I (4)	4,548.83	4,548.83
Great Britain and Northern Ireland.....	3	I (4)	4,245.00	
		V (2)	1,500.00	5,745.00
Mexico.....	2	I (2)	550.00	
		(4)	120.00	
		V (1)	35,000.00	35,670.00
Netherlands.....	1	V (2)	3,500.00	3,500.00
Peru.....	1	V (3)	14,610.00	14,610.00
Portugal.....	1	V (3)	14,000.00	14,000.00
Total.....	15			82,168.43

The categories of arms, ammunition, and implements of war in the third column of the above tables are the categories into which those articles were divided in the President's proclamation of May 1, 1937, enumerating the articles which would be considered as arms, ammunition, and implements of war for the purposes of section 5 of the joint resolution of May 1, 1937, as follows:

CATEGORY I

- (1) Rifles and carbines using ammunition in excess of caliber .22, and barrels for those weapons;
- (2) Machine guns, automatic or autoloading rifles, and machine pistols using ammunition in excess of caliber .22, and barrels for those weapons;
- (3) Guns, howitzers, and mortars of all calibers, their mountings and barrels;
- (4) Ammunition in excess of caliber .22 for the arms enumerated under (1) and (2) above, and cartridge cases or bullets for such ammunition; filled and unfilled projectiles for the arms enumerated under (3) above;
- (5) Grenades, bombs, torpedoes, mines and depth charges, filled or unfilled, and apparatus for their use or discharge;
- (6) Tanks, military armored vehicles, and armored trains.

CATEGORY II

Vessels of war of all kinds including aircraft carriers and submarines, and armor plate for such vessels.

CATEGORY III

- (1) Aircraft, unassembled, assembled, or dismantled, both heavier and lighter than air, which are designed, adapted, and intended for aerial combat by the use of machine guns or of artillery or for the carrying and dropping of bombs, or which are equipped with, or which by reason of design or construction are prepared for, any of the appliances referred to in paragraph (2) below:

- (2) Aerial gun mounts and frames, bomb racks, torpedo carriers, and bomb or torpedo release mechanisms.

CATEGORY IV

- (1) Revolvers and automatic pistols using ammunition in excess of caliber .22.
- (2) Ammunition in excess of caliber .22 for the arms enumerated under (1) above, and cartridge cases or bullets for such ammunition.

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CATEGORY V

- (1) Aircraft, unassembled, assembled, or dismantled, both heavier and lighter than air, other than those included in category III.
- (2) Propellers or air screws, fuselages, hulls, wings, tail units, and under-carriage units.
- (3) Aircraft engines, unassembled, assembled, or dismantled.

CATEGORY VI

- (1) Livens projectors and flame throwers.
- (2) (a) Mustard gas (dichlorethyl sulphide), (b) Lewisite (chlorvinylchlorarsine and dichlorovinylchlorarsine), (c) Methylchlorarsine, (d) Diphenylchlorarsine, (e) Diphenylcyanarsine, (f) Diphenylaminechlorarsine, (g) Phenylchlorarsine, (h) Ethylchlorarsine, (i) Phenylbromarsine, (j) Ethylbromarsine, (k) Phosgene, (l) Monochloromethylchlorformate, (m) Trichloromethylchlorformate (diphosgene), (n) Dichlorodimethyl Ether, (o) Dibromodimethyl Ether, (p) Cyanogen Chloride, (q) Ethylbromacetate, (r) Ethyliodoacetate, (s) Brombenzylcyanide, (t) Bromacetone, (u) Brommethylethyl ketone.

CATEGORY VII

- (1) Propellant powders.
- (2) High explosives as follows: (a) Nitrocellulose having a nitrogen content of more than 12 percent; (b) Trinitrotoluene; (c) Trinitroxyene; (d) Tetryl (trinitrophenol methyl nitramine or tetranitro methylaniline); (e) Picric acid; (f) Ammonium picrate; (g) Trinitroanisole; (h) Trinitronaphthalene; (i) Tetranitronaphthalene; (j) Hexanitrodiphenylamine; (k) Pentaerythritetranitrate (Penthrate or Pentrite); (l) Trimethylenetrinitramine (Hexogen or T4); (m) Potassium nitrate powders (black saltpeter powder); (n) Sodium nitrate powders (black soda powder); (o) Amatol (mixture of ammonium nitrate and trinitrotoluene); (p) Ammonal (mixture of ammonium nitrate, trinitrotoluene, and powdered aluminum, with or without other ingredients); (q) Schneiderite (mixture of ammonium nitrate and dinitronaphthalene, with or without other ingredients.)

In compliance with article II of the convention between the United States and Cuba to suppress smuggling, signed at Habana, March 11, 1926, which reads in part as follows:

"The High Contracting Parties agree that clearance of shipments of merchandise by water, air, or land, from any of the ports of either country to a port of entry of the other country, shall be denied when such shipment comprises articles the importation of which is prohibited or restricted in the country to which such shipment is destined, unless in this last case there has been a compliance with the requisites demanded by the laws of both countries."

and in compliance with the laws of Cuba which restrict the importation of arms, ammunition, and implements of war of all kinds by requiring an import permit for each shipment, export licenses for shipments of arms, ammunition, and implements of war to Cuba are required for the articles enumerated below in addition to the articles enumerated in the President's proclamation of May 1, 1937.

(1) Arms and small arms using ammunition of caliber .22 or less, other than those classed as toys.

(2) Spare parts of arms and small arms of all kinds and calibers, other than those classed as toys, and of guns and machine guns.

(3) Ammunition for the arms and small arms under (1) above.

(4) Sabers, swords, and military machetes with cross-guard hilts.

(5) Explosives as follows: Explosive powders of all kinds for all purposes; nitrocellulose having a nitrogen content of 12 percent or less; diphenylamine; dynamite of all kinds; nitroglycerine; alkaline nitrates (ammonium, potassium, and sodium nitrate); nitric acid, nitrobenzene (essence or oil of mirbane); sulphur; sulphuric acid; chlorate of potash and acetones.

(6) Tear gas ($C_6H_5COCH_2Cl$) and other similar nontoxic gases and apparatus designed for the storage or the projection of such gases.

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By Milton D. Gustafson NARS, Date 12-18-75

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The table printed below indicates the number of licenses issued between October 1 and 31, 1937, inclusive, for exportation to Cuba of the articles and commodities listed in the preceding paragraph:

Number of licenses	Sections	Total value
38.....	(1) (2) (3) (5)	\$1,447.60 72.60 13,287.00 14,425.03
Total.....		29,232.23

The table printed below indicates the number of licenses issued between October 1 and 31, 1937, inclusive, for the exportation of tin-plate scrap under the provisions of the act approved February 15, 1936, and the regulations issued pursuant thereto:

Country of destination	Number of licenses issued	Quantity in long tons	Total value
Japan.....	1	30	\$500

The table printed below gives the essential information in regard to the licenses issued during the period October 1-31, 1937, inclusive, authorizing the exportation of helium gas under the provisions of the act approved on September 1, 1937, and the regulations issued pursuant thereto:

Applicant for license	Purchaser in foreign country	Country of destination	Quantity in cubic feet	Total value
The Ohio Chemical & Manufacturing Co.....	Oxygen Co. of Canada, Ltd.	Canada...	52	\$6
American Zeppelin Transport, Inc.....	Deutsche Zeppelin Reederei (G. m. b. H.).	Germany.	1,500	200
The Girdler Corporation.....	Griesogen Griesheimer Autogen Verkaufs (G. m. b. H.).	do.....	3,000	375
Total.....				581

DEPARTMENT OF STATE,
July 16, 1937.

STATEMENT BY THE SECRETARY OF STATE

I have been receiving from many sources inquiries and suggestions arising out of disturbed situations in various parts of the world.

Unquestionably there are in a number of regions tensions and strains which on their face involve only countries that are near neighbors but which in ultimate analysis are of inevitable concern to the whole world. Any situation in which armed hostilities are in progress or are threatened is a situation wherein rights and interests of all nations either are or may be seriously affected. There can be no serious hostilities anywhere in the world which will not one way or another affect interests or rights or obligations of this country. I therefore feel warranted in making—in fact, I feel it a duty to make—a statement of this Government's position in regard to international problems and situations with respect to which this country feels deep concern.

This country constantly and consistently advocates maintenance of peace. We advocate national and international self-restraint. We advocate abstinence by all nations from use of force in pursuit of policy and from interference in the internal affairs of other nations. We advocate adjustment of problems in international relations by processes of peaceful negotiation and agreement. We advocate faithful observance of international agreements. Upholding the principle of the sanctity of treaties, we believe in modification of provisions of treaties, when need

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therefor arises, by orderly processes carried out in a spirit of mutual helpfulness and accommodation. We believe in respect by all nations for the rights of others and performance by all nations of established obligations. We stand for revitalizing and strengthening of international law. We advocate steps toward promotion of economic security and stability the world over. We advocate lowering or removing of excessive barriers in international trade. We seek effective equality of commercial opportunity and we urge upon all nations application of the principle of equality of treatment. We believe in limitation and reduction of armament. Realizing the necessity for maintaining armed forces adequate for national security, we are prepared to reduce or to increase our own armed forces in proportion to reductions or increases made by other countries. We avoid entering into alliances or entangling commitments, but we believe in cooperative effort by peaceful and practicable means in support of the principles hereinbefore stated.

DEPARTMENT OF STATE,
August 23, 1937.

CONFIDENTIAL RELEASE FOR PUBLICATION AT 8 P. M. EASTERN STANDARD TIME.
NOT TO BE PREVIOUSLY PUBLISHED, QUOTED FROM OR USED IN ANY WAY

At his press conference on August 17, the Secretary of State announced that (1) legislative action to make available funds for purposes of emergency relief necessitated by the situation in the Far East had been asked and that (2) this Government had given orders for a regiment of marines to prepare to proceed to Shanghai. The Secretary then discussed at some length the principles of policy on which this Government was proceeding.

The situation at Shanghai is in many respects unique. Shanghai is a great cosmopolitan center, with a population of over 3,000,000, a port which has been developed by the nationals of many countries, at which there have prevailed mutually advantageous contacts of all types and varieties between and among the Chinese and people of almost all other countries of the world. At Shanghai there exists a multiplicity of rights and interests which are of inevitable concern to many countries, including the United States.

In the present situation the American Government is engaged in facilitating in every way possible an orderly and safe removal of American citizens from areas where there is special danger. Further, it is the policy of the American Government to afford its nationals appropriate protection, primarily against mobs or other uncontrolled elements. For that purpose it has for many years maintained small detachments of armed forces in China, and for that purpose it is sending the present small reinforcement. These armed forces there have no mission of aggression. It is their function to be of assistance toward maintenance of order and security. It has been the desire and the intention of the American Government to remove these forces when performance of their function of protection is no longer called for, and such remains its desire and expectation.

The issues and problems which are of concern to this Government in the present situation in the Pacific area go far beyond merely the immediate question of protection of the nationals and interests of the United States. The conditions which prevail in that area are intimately connected with and have a direct and fundamental relationship to the general principles of policy to which attention was called in the statement of July 16, which statement has evoked expressions of approval from more than 50 governments. This Government is firmly of the opinion that the principles summarized in that statement should effectively govern international relationships.

When there unfortunately arises in any part of the world the threat or the existence of serious hostilities, the matter is of concern to all nations. Without attempting to pass judgment regarding the merits of the controversy, we appeal to the parties to refrain from resort to war. We urge that they settle their differences in accordance with principles which in the opinion not alone of our people but of most peoples of the world should govern in international relationships. We consider applicable throughout the world, in the Pacific area as elsewhere, the principles set forth in the statement of July 16. That statement of principles is comprehensive and basic. It embraces the principles embodied in many treaties, including the Washington Conference treaties and the Kellogg-Briand Pact of Paris.

From the beginning of the present controversy in the Far East, we have been urging upon both the Chinese and the Japanese Governments the importance of refraining from hostilities and of maintaining peace. We have been participating

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constantly in consultation with interested governments directed toward peaceful adjustment. This Government does not believe in political alliances or entanglements, nor does it believe in extreme isolation. It does believe in international cooperation for the purpose of seeking through pacific methods the achievement of those objectives set forth in the statement of July 16. In the light of our well-defined attitude and policies, and within the range thereof, this Government is giving most solicitous attention to every phase of the Far Eastern situation, toward safeguarding the lives and welfare of our people and making effective the policies, especially the policy of peace, in which this country believes and to which it is committed.

This Government is endeavoring to see kept alive, strengthened, and revitalized, in reference to the Pacific area and to all the world, these fundamental principles.

SEPTEMBER 14, 1937.

The President today, following a conference with the Secretary of State and the Chairman of the United States Maritime Commission, issued the following statement:

"Merchant vessels owned by the Government of the United States will not hereafter, until further notice, be permitted to transport to China or Japan any of the arms, ammunition, or implements of war which were listed in the President's proclamation of May 1, 1937.

"Any other merchant vessels, flying the American flag, which attempt to transport any of the listed articles to China or Japan will, until further notice, do so at their own risk.

"The question of applying the Neutrality Act remains in statu quo, the Government policy remaining on a 24-hour basis."

DEPARTMENT OF STATE,
September 15, 1937.

ADDRESS OF THE HONORABLE CORDELL HULL, SECRETARY OF STATE, AT A MEETING HELD UNDER THE AUSPICES OF THE NATIONAL PEACE CONFERENCE, AT THE WEST FORTY-FIFTH STREET THEATER, NEW YORK CITY, ON SUNDAY, SEPTEMBER 19, AT 4 P. M., DAYLIGHT SAVING TIME

WORLD PEACE AND ECONOMIC COOPERATION

I am glad to have an opportunity to express my keen interest in this campaign in behalf of peace through economic cooperation.

When bombs are exploding and desperate armies are marching, it is difficult to talk of peace and of the conditions upon which peace must rest. The rules and attitudes by which peace may be kept may seem buried in the ground, ignored or destroyed by those who recognize or fear no other rule but force. In country after country life seems to have no organized end except that of war preparation, and nations rear their children and spend their toil for the greater upbuilding of those armaments, which may prove to be the great destroying idol.

It is this situation and this outlook that all who are desirous of peace must reckon with and must overcome by all the strength of their spirit and influence. On this our faith must rest—that most people everywhere, in every nation, do not want war. War comes as the great failure of man, out of fear, lust for power, injustice or misery left unrectified. The forces demanding peace, willing to accept the principles and policies which make it possible, have grown steadily and tremendously during recent decades. This is one of the testing periods for those forces. Now must every government, school, church, and family, in every country at peace, join in support of the determination to promote and to remain at peace, and above all else to make this determination effective by applying the principles of conduct by which peace may be maintained.

The principles and methods essential for peace are simple. They are not those of extreme isolation on the one hand or aggression by force on the other. It is a great temptation in some countries, such as our own, to believe that peace may be had merely by maintaining such isolation apart from the rest of the world both in time of peace and in time of war. We are determined neither to thrust ourselves into or be drawn into armed conflicts between other nations. This is a basic and sound determination. It should not be relaxed. But this policy must be supplemented. We must make our contribution toward the realization of the conditions upon which peace everywhere can be maintained, or ultimately

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we shall have to sustain and protect ourselves amidst an outside world ridden by war and force. In such a world would we always be assured of our own security? Is it not evident that if the rule of law gives way to international anarchy, the security of this country would become seriously jeopardized?

A policy of complete isolation from the outside world would, in its ultimate effects, be as ineffective as the opposite extreme of ill-advised and unnecessary intervention in the affairs of the outside world would be unwise. The world is small. Each and every country is stirred by the emotions and thoughts of others. Each can now be threatened by the fighting weapons of others. Each will naturally claim and contend for reasonable rights and advantages throughout the whole world and not merely in some small section of it. For any nation which shows no concern for the safety or activities of its nationals abroad would soon expose itself to the flouting of even elementary rights.

Still more vital, any nation which completely fails to show interest in, and to give support for, the existence of international order would lose its influence for peace and thus neglect its part in sustaining any civilized basis of relationship between nations. Moreover, complete isolation, even were it practicable, would mean the withdrawal of the resources—economic, cultural, educational, and moral—of each country from the others, thus making it harder for all to improve their situations, and consequently contributing to the dissatisfactions which foster war.

Another notion of peace—a false notion, deceptive and harsh—that men sometimes attempt to justify, is that of peace through aggression and conquest; the imposed and temporary peace that might be enjoyed by those who for a time may have the mightier force to impose their will and ambitions upon others, and for the others the tragic fate of repression or destruction. In a few exceptional instances in the past there have been, perhaps, periods of peace of this character for the survivors. But in the contemporary world, which cannot be conquered by any one nation or small group of nations, it is an illusory idea, a conception which leads not to peace but to unending battle. For acts of conquest leave behind ruined, hostile, and bitter peoples. They create fear everywhere, and this fear prevents friendship and stimulates the rival war preparations that make for future conflict. A country which embarks upon war with the thought that lasting peace lies in the complete overcoming of its enemies will find that the future still holds enemies.

The great task is for peoples and governments to grasp clearly and follow steadfastly the principles which are essential to peace. Never has the need for keeping them alive in fullest vigor been greater. Never has there been more needed the reassurance that would come from proof that governments are ready to pursue them in the actual conduct of their affairs. I have tried on various occasions to summarize them to the best of my understanding: (national and international patience and self-restraint) avoidance of force in the pursuit of policy; noninterference in the internal affairs of other nations; the use of peaceful methods to adjust differences; the faithful observance of agreements; the modification of such agreements, when essential, by mutual understanding and orderly process; the reduction and limitation of over-burdening military armaments; and cooperation and interchange in the economic field.

These are the real terms of peace. They emerge from the record of history, that chronicle of long struggle between war and peace. They cannot be effaced from the mind of those whose aim is peace. Neither clever diplomacy nor immense armies can be an adequate substitute. They are the chief mainstay of peace, order, progress, and civilization.

This Government is pledged to them. Within the last few weeks more than 50 other governments have placed themselves on record in their support. By their test the utterances and actions of statesmen can be measured. Each country must apply them in its own actions, scrutinize and judge itself. This, alas, is so much more difficult than to find the cause of all difficulty and evil in others and to rally national unity upon simple fear or hatred of someone else.

Through economic interchange and cooperation the opportunity is presented for all nations to live a satisfactory and improving type of life. Today the growing economic productiveness of the world is being absorbed in large part to make armaments, is being used to prepare ruin. Turn these resources and energies into the things that go into peaceful living and all countries will find that the conditions of life can be and will be vastly improved. Economic betterment brings hope and extended opportunity to our individual lives, and so fosters the wish for peace. Peoples that are employed and prosperous are not easily incited to either internal or international strife. But peoples living in want and misery come to hold life cheaply and stand ready to gamble upon the use of force.

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In recognition of this fundamental relationship between peace and the economic well-being of the citizen, our Government 3 years ago entered upon its policy of rebuilding our own foreign commerce and international trade generally through the medium of trade agreements. We have made headway in that program despite difficult economic conditions at home and disturbed political and economic conditions elsewhere. We shall go on with it. The benefits of trade need no armies. They injure none. On the contrary, they are calculated to bind together the people of different countries by a mutual interest that calls for peace. They can greatly lessen the effect of the inequalities and limitations of territories and resources as between different countries—and war can never do that except to the uncertain advantage of a very few countries at the expense of others. Through enlarged trade there can come an equilibrium of peaceful interest more stable than the equilibrium of matched cannon and airplanes. And so I express the earnest hope that this campaign by the National Peace Conference for world economic cooperation will go forward with accelerated vigor and success here and elsewhere.

The United States stands somewhat apart from the deep fears and hostilities that are found in the world. That gives us our great opportunity to be a leader in the effort to make effective the conditions of peace and sanity. I am sure no other ideal is closer to the emotions and dreams of the American people. We must give to these purposes all the effect they may have as a policy of a great, unified, and thriving country. Each individual American citizen can do something toward making them great and effective. For as each individual makes an unselfish contribution toward proving the belief of our founders that our free and liberal democracy is the best form of government in the world, he will be endowing them with life and influence. And further, as a united nation we must keep ourselves strong, fearless in spirit, and wholly adequate in the matter of self-defense, so that all may know that these principles represent the wish for peace of a country unafraid but devoted to peace.

DEPARTMENT OF STATE, September 18, 1937.

ADDRESS OF THE HONORABLE CORDELL HULL, SECRETARY OF STATE, AT THE NATIONAL COMMANDER'S DINNER OF THE AMERICAN LEGION, IN THE HOTEL PENNSYLVANIA, IN NEW YORK CITY, ON MONDAY, SEPTEMBER 20, AT 8:30 P. M., DAYLIGHT SAVING TIME

It is my privilege tonight to bring to you of the American Legion personal greetings from the Chief Executive of our Nation. The President regrets his inability to be with you in person, to reminisce with you over the events of 20 years ago and to discuss the pressing problems of the present day. He has asked me, however, to tell you that he is following your convention with keen interest. He is ready, as always, to give serious thought and careful consideration to your suggestions and resolutions.

You represent a great cross section of American life. You embrace all races, creeds, and colors. Joined by the bond of common service during the World War, you have associated yourselves in a patriotic organization that transcends partisanship and has only the well-being of our great Nation in view.

If I talk to you for a few brief minutes tonight about the international situation, it is not primarily to tell you what we have done these past 4 or 5 years, but to sketch for you the world situation as I see it, and to outline some of the problems that confront us.

You can all remember the hope that was in our hearts when the Armistice was declared. We believed that we were on the threshold of a new world, and that the old discords, greeds, and bigotries, had once and for all been destroyed. We pictured the commencement of an era, with the passions of the war gradually subsiding, and with a growing realization that each nation stood to gain by the prosperity of other countries. We envisaged a rising standard of living, a liberalization of legislation, an increasing flow of trade, a growth in mutual confidence, and an abiding respect for the pledged word. And now, less than 20 years later, these hopes have almost turned to ashes. We see that in all too many sections of the world the standard of living is being lowered, democracy is being supplanted by other types of government, trade is being stifled, fears and suspicions are rampant, and even treaties—the most solemn interchanges of nations' promises—are being torn to shreds. The world as we see it today bears scant resemblance

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to the world we all longed for—to the world which you members of the Legion felt you fought for.

But it would be doing an ill service merely to point out symptom after symptom of international deterioration. It is only of use if we can draw from it certain lessons which will help us to avoid a new catastrophe, one which might well engulf the civilization we have built up through centuries of patient effort. We must look at it not from the point of view of despair but as a challenge to constructive statesmanship.

Peace must always be our goal; not peace for ourselves alone but peace throughout the world, for nations today are so interdependent that the repercussions of war affect neutrals only a few degrees less than they affect belligerents. The dislocation of the whole economic structure, the artificial expansion in war industries, the abnormal prices paid for key products, the strain on currencies, the destruction of capital, all these affect nations thousands of miles from the scene of actual conflicts. Peace is not only the goal of the idealist; it is at the same time the cornerstone of international self-preservation.

What can we do to help? I believe that we can do more than in any other way by avoiding the two extremes of policy. One extreme would be utter isolation, which would mean closing our eyes to the realities of the world today and assuming, like the courtiers of King Canute, that the rising tide of international anarchy can be stopped before it reaches us; the other extreme would be a kind of internationalism, which would mean abdicating our independence of judgment, abandoning our traditional policy of nonentanglement and being drawn into the rivalries and disputes of other nations. No, neither of these extremes offers us a solution. We must draw the best from each and follow a middle course. This I have termed "enlightened nationalism."

Let us review our role for a moment and see if we have in fact been taking this course and at the same time doing our full part in lightening the burden and easing the fears from which the world is suffering. We have taken part in every effort for disarmament and are prepared today to lend our full weight in any genuine renewal of a drive to limit and reduce the bankrupting burden of arms. We are negotiating a series of treaties designed to reduce the excessive barriers to world trade, in order to restore to its natural flow commerce that has been artificially diverted or obstructed. We have assisted in the stabilization of currencies through the tripartite agreement. We have restated the principles on which normal international intercourse is based, at a time when discouragement was rife and when nations were forgetting their pledged word in the pursuit of contrary policies. We have avoided involvement in the disputes of others, and yet shown that we demand respect for our rights and safety for our nationals. We have made it clear that while we are resolved by every means to avoid war, we are not and cannot be indifferent to policies that lead to war, or to instances of international lawlessness that disturb the peace.

These policies I have listed are but a few of the landmarks on the road we are following; it is not always easy to avoid a turn-off, but if we keep to this road without faltering, and if other nations in their own ways will follow similar paths, then the youthful generation throughout the world today will be spared the experiences you had to live through 2 decades ago.

There is one other thought I would leave with you tonight, and that is to emphasize the price we all attach to keeping our American traditions and beliefs untouched. We are a young country, with infusions of blood from many nations of the world, often with conflicting philosophies and divergent senses of value. And it has been the genius of America that instead of losing vitality from a mixture of these different elements, we have drawn new strength from them, and merged them into a single nation, having its own traditions, its own beliefs, and its own institutions. Men who have come to our shores and settled in our midst have not looked backward to the lands from which they have come but forward to their future and their children's future in the United States. They have become an integral part of us, anxious to adopt our ways, to think our thoughts, to acquire our tolerance, and to share in our national life. If ever our population of foreign birth should put America second, if ever it should subordinate American interests to the interests of some other country, by accepting directions given by governments or political parties abroad, then indeed a situation would arise that would fill us with foreboding.

You, members of the American Legion, learned by experience and sacrifice, as perhaps no other group, the true meaning of the American ideal. You can hold high the torch, in case others should forget. You can impart knowledge to those who wish to learn the true meaning of our beliefs. And you have a still greater opportunity, for, as during the war you helped to forge new traditions for

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us, you can by precept in time of peace carry on the work of perfecting our Americanism.

DEPARTMENT OF STATE,
October 18, 1937.

ADDRESS OF THE HONORABLE CORDELL HULL, SECRETARY OF STATE, AT THE
UNIVERSITY OF TORONTO, TORONTO, CANADA, AT 3 P. M., EASTERN STANDARD
TIME, OCTOBER 22, 1937

I am deeply appreciative of this opportunity to visit the University of Toronto. Institutions of learning have, of necessity, much briefer history on our side of the Atlantic than they do across the sea. Yet, building upon the foundation of a cultural heritage far older than the national existence of their countries, many universities of the Western Hemisphere have developed splendid traditions of scholarship and public service. Among these, your university occupies a deservedly high place. Your city, your Province, your whole country are justly proud of its attainments. And I am delighted to be admitted to the distinguished company of those upon whom you have chosen to bestow the honor of which I am the recipient today.

In these days, when tragic and menacing world developments beat relentlessly upon the consciousness of each one of us, it is well to find a brief respite in an atmosphere far removed from the gruelling pressure of day-to-day, almost minute-to-minute problems constantly clamoring for solution. In such an atmosphere, it is well to renew one's faith and hope through a calm contemplation of what is fundamental in man's unceasing search for a better world.

I

The all-embracing preoccupation of all of us may be summed up in one word—order. By that word I mean such an arrangement of human relations as is conducive to the greatest possible development of human welfare—material, moral, and spiritual.

Civilizations, ancient and modern, have always been basically concerned with the problem of order. The origins of law, the origins of government, are found in man's eternal striving to place the relations of individuals, bound by communal ties, upon a basis of recognized and accepted rights and obligations with respect to each other, as well as with respect to the community as a whole.

Today most of us know, almost by instinct, the precious worth of order in our individual lives and in our national existence.

We have become accustomed to measuring progress by our success in evolving those forms of social organization which confer upon the individual, in greater and greater degree, the benefits of material improvement, of decent ethical relations, of intellectual development, and of spiritual growth. Theoretically, it is possible for an individual to lead a hermit existence, and for a family or a community to segregate itself and attempt to live solely within and unto itself. But in the end, an inexorable price must be paid for such isolation; and, directly or indirectly, that price is always paid by the individual. The activities of individuals and of communities are so intricately interdependent that the fullness of the individual's life is powerfully determined by the character of the social organization of which he is a part.

Social organization must necessarily be based upon laws as the instruments of defining the commonly accepted rules of individual and social conduct. We have discovered through long experience that none of us can share more than precariously in the benefits of the higher forms of social organization toward which humanity has evolved through centuries of costly effort, unless the laws upon which that organization is founded are devised equitably and constructively and are administered wisely and fairly. We have also discovered that none of us is secure in the pursuit of his profession or employment; in the maintenance of family and neighborly relationships; or in the enjoyment of intellectual or religious companionship, unless the community in which we live and the nation which comprises the aggregate of such communities be free from breach or defiance of the laws by which they are governed.

Order within a community or a nation must necessarily be based upon a general observance of law by the individual citizens. Let such observance waver through a flouting of the existing laws by any substantial portion of the community or nation, and the whole structure of civilized existence in that community or nation will become impaired and will ultimately disintegrate. All the immeasurable

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benefits conferred by social organization will then be brought down in ruin, and man will again revert to what we are now accustomed to regard as barbarism.

Finally, we have discovered, from long and bitter experience, that only such laws will produce order in the true sense of that word as derive their authority from the consent of the governed and are subject to change only by the will of a majority of the people. Ambitious individuals may usurp that authority and arrogate to themselves an unchallengeable right to impose or alter laws. But such usurpation and arrogation, though in some instances they may be accompanied by an outward semblance of order, are in fact supreme acts of lawlessness.

No community and no nation can continue to base its organized existence in part on order and in part on chaos, in part on law and in part on lawlessness. Sooner or later one or the other must triumph.

II

In the evolution of our civilization, the development of the concept of order based on law, as applied to the internal life of a nation, far antedates the recognition and acceptance of that concept in the sphere of relations among nations. International law, as we know it today, is of comparatively recent origin. The vital need of internal order is far more deeply embedded in our social and political consciousness than that of international order.

Yet order in international relations is just as vital as it is in relations within a nation. The interdependence of nations is as much a fundamental factor in the organization of civilized existence as the interdependence of individuals comprising communities and of communities comprising nations. Theoretically, a nation can isolate itself from the rest of the world. But just as in the case of an individual who would lead a hermit existence and of a family or a community which attempts to segregate itself, an inexorable price must be paid, and, in the end, paid by individuals through a lowering of their material, moral, and spiritual standards.

In the world of today, nations are parties to numerous mutual relationships. If these relationships are to be conducive to the promotion of human welfare, it is necessary that the rules of international conduct be defined and that these rules be honored and observed. The behavior of nations toward each other has a crucial significance for each and all of them.

International law is the instrument by means of which the rights and duties of nations become generally recognized and accepted, and, therefore, the rules of international conduct become defined. It is the basis of international order in the same way that domestic law is the basis of internal order.

International law grows out of negotiated agreements by means of which nations pledge themselves to the acceptance of definite rights and duties in those spheres of action with which the particular agreements deal. A significant aspect of progress, as we have become accustomed to view it, relates to the degree of completeness with which such agreements tend to cover all basic relationships among nations. Hence progress is closely linked up with the extent to which the area of international conduct, unregulated by law, grows smaller and smaller.

III

The maintenance of international order depends not only upon the acceptance by nations of agreed rules of conduct, but also upon their observance of such rules. Both of these are sovereign acts on the part of the national entities concerned. Back of them there must be certain indispensable attitudes.

There must be a firmly established sense of mutual respect and consideration of nation for nation. The very essence of an international agreement is destroyed, if any one party to it arrogates to itself a position of superiority with regard to the other parties, or the right, solely by its own decision, to denounce it or to alter the application of its terms.

There must be a firm belief in the inviolability of the pledged word. International law is not enforceable in the same sense as domestic law. The observance of the duties which it imposes, and the safeguarding of the rights which it confers, rest primarily upon voluntarily accepted self-discipline on the part of the nations which are parties to it.

There must be a willingness to adjust differences by peaceful means—without the exaction of victory or the infliction of humiliation. No conflict is really settled unless the terms of its settlement are reasonably acceptable to both sides.

18 REQUESTING CERTAIN INFORMATION OF PRESIDENT

All these may be called considerations of abstract morality. They are, and as such they represent, a tremendous historic force in the relations among individuals as well as among nations. But they are also the very foundations of progress and civilization in every phase of human existence. In a profound sense they are determining factors of the material and cultural well-being of mankind.

Our economic civilization has developed on the basis of a substantial interchange among the nations of commodities, services, and ideas. This development has not been fortuitous. Because of natural endowment and climatic conditions, the basic materials of sustenance and production are unevenly distributed among the different areas of the earth. Similarly, the progress of invention and the acquisition of the various skills which enter into the productive process proceed unevenly in different nations. Economic advancement in any nation is greatly affected by whether or not the people of that nation have access to the natural resources and to the gifts of inventive genius and technical progress of the whole world, rather than merely those circumscribed by its national boundaries.

Nor can the flowering of science, intellect, and the arts, attain its highest and its rounded development when confined within the frontiers of a single nation. The records of history, as well as the testimony of observation, offer striking evidence of the universality of culture and of the surpassing value of learning from the experience and attainment of others no matter how many national frontiers may intervene.

Only in a world in which international order prevails can individuals of any nation obtain access to all these gifts of economic and cultural advancement. Impair that order, and there will be a universal lowering of both material and cultural standards—a growing and deepening decadence in all phases of life.

IV.

International order may be impaired in many ways. Widespread violation of treaties or agreements which embody the law of nations will quickly bring the very concept of such law into disrepute and destroy its immense usefulness. Suspicion and distrust will lead nations into courses of action, harmful alike to themselves and to others.

Economic policies directed, not toward the promotion of mutually beneficial commercial and financial intercourse among nations, but toward the wresting of apparent immediate advantages at the expense of long-range benefits, inevitably push nations in the direction of isolation or other forms of economic warfare. This, in turn, inexorably results in increasing economic and social strain within nations, which may lead to a break-down of orderly processes of government and may even lend the appearance of attractiveness to military adventures. Economic warfare only too frequently is the precursor of armed conflict.

Interference by one nation in the domestic affairs of another, refusal by a nation to recognize and respect the independence, sovereignty, and territorial integrity of another, represent still other types of lawlessness in international relations which destroy order based on law. They, too, frequently result in armed conflict.

No matter what form it assumes, and no matter from what causes it springs, war represents the most complete negation of order in both the internal and the international life of nations. Armed conflict disrupts and destroys all those numerous relationships which advance and ennoble the lives of individuals and of nations. It harnesses to the chariot of its death-dealing fury the energies and abilities which should be devoted to the promotion of human welfare. It draws irresistibly into its vortex of destruction the material resources of mankind. It sweeps aside moral and spiritual values cherished zealously through periods of peace. It lowers every standard of civilized existence.

Under modern conditions, no group of the population within a nation engaged in a conflict escapes the ravages of war. Warfare today is no longer primarily a matter of armed forces hurled against each other on the battlefield. Entire populations become active participants and potential victims. The line of demarcation between combatants and noncombatants tends to disappear as the advancing technique of war provides ever more powerful weapons of destruction.

Under modern conditions, no nation escapes the repercussions of a major armed conflict anywhere in the world. However far they may be removed from the seat of actual fighting, all nations feel their morale weakened by the horrors of war and their well-being impaired by the processes of disruption and ruin which spread in ever-widening circles from the territories being laid waste by war. Once the engines of war are brought into action in any portion of the earth, there is no security, no confidence, no buoyancy of energy or spirit anywhere.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

REQUESTING CERTAIN INFORMATION OF PRESIDENT 19

V

There is a grim paradox in the trends which are so clearly discernable today. As civilization moves to higher and higher levels, as the march of progress opens wider and wider horizons of material and cultural advancement, war becomes more relentlessly cruel, more thorough and effective in its unrestrained savagery.

Yet in this very paradox, in this soul-shattering contrast, there are seeds of hope. No more than a community or a nation can the world of today base its existence in part on order and in part on chaos, in part on law and in part on lawlessness. And just as, sooner or later, the outraged conscience of a community or a nation sets into motion forces which reestablish order under law, so, I firmly believe, the outraged conscience of mankind will set into motion forces which will create, in the sphere of international relations, unshakable order based on law.

There is a special appropriateness in my saying all this on the soil of a great member of the British Commonwealth of Nations. My country and the countries which compose your mighty union are among the protagonists of the idea that peace rather than war is the normal state of human relations, within and among nations. A strong conviction that the forces of order based on law are the forces of peace, and that peace, in turn, is indispensable to civilization and progress, is deeply ingrained in the individual and collective consciousness of our peoples.

Modern civilization has survived and has gone ever forward because the violators of order, the breakers of the peace, have always been the exception rather than the rule. Whatever tragedies they have caused during their brief appearances on the stage of history, in the end they have always bowed to the will of that overwhelming majority of mankind which desires a continuing advance, rather than an inglorious decline, of man's civilized existence.

○

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

75TH CONGRESS
2D SESSION

H. RES. 364

[Report No. 1651]

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 24, 1937

Mr. CASE of South Dakota submitted the following resolution; which was referred to the Committee on Foreign Affairs and ordered to be printed

DECEMBER 6, 1937

Reported adversely and laid on the table

RESOLUTION

1 *Resolved*, That the President of the United States is
2 requested, if not incompatible with the public interest, to
3 transmit to the House of Representatives at the earliest
4 practicable moment the following information, namely:

5 1. Has Japan seized Chinese territory by force of arms?

6 2. Is Japan pressing deeper into Chinese territory?

7 3. Is the United States moving or preparing to move its
8 legation from the capital of China?

9 4. Has the Department of State advised citizens of the
10 United States in China to leave that country?

11 5. Has consideration of the removal of the legation and
12 citizens of the United States been caused by a conflict of
13 armed forces? If so, between whom?

★12-9-37

793.94/11286

2

1 6. Are arms and ammunitions and implements of war
2 being sold by or shipped by United States citizens to any
3 such armed forces? Are they going by cash or credit?

4 7. Does a state of war exist in China?

5 8. Is it a fact that the Department of State is using the
6 Neutrality Act as an instrument of policy as indicated by the
7 following statements of the chairman of the Committee on
8 Foreign Affairs on the floor of the House of Representatives
9 on November 17, 1937, to wit:

10 "I think it will aid Japan and aid the Fascist countries
11 of Europe more by putting this law into effect now than by
12 not putting it into effect."

13 And again

14 "I am not saying that we should help China, but I want
15 to stick a dagger in these countries that are trying to create
16 dictatorship and trying to ruin the world."

17 9. What armed forces of the United States are in
18 Chinese or Japanese territory and for what purposes?

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

75TH CONGRESS }
2D SESSION } **H. RES. 364**

[Report No. 1651]

RESOLUTION

Requesting certain information from the President of the United States.

By Mr. CASE of South Dakota

NOVEMBER 24, 1937

Referred to the Committee on Foreign Affairs and
ordered to be printed

DECEMBER 6, 1937

Reported adversely and laid on the table

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

EG

COMYANGPAT

FROM November 26, 1937

Rec'd 2 a. m.

ACTION: OPNAV
INFO: SECOND BRIGADE USMC
YANGPAT
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMSOPAT
USS MARBLEHEAD
AME BASSY NANKING
ALUSNA PEIPING

COPIES SENT TO
O.N.I. AND M.I.D.



793.94

0025. Evacuation civilian population Nanking
continues. Three heavy bombers raided military air
field Nanking at 1340. Other river ports quiet.
2220.

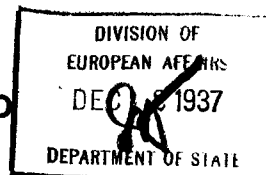
CA

793.94/11287

FILED
F/FG
NOV 1 1937

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED



JR

This telegram must be closely paraphrased before being communicated to anyone. (C)

FROM

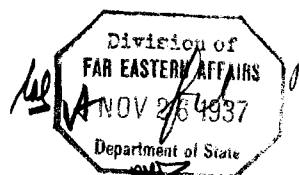
Riga

Dated November 26, 1937

Rec'd 7:50 a.m.

Secretary of State,

Washington.



793.94
note
793.94 Adv. Comm.

141, November 26, 1 p.m.

Results of Munters' visit to Paris not yet known here at Foreign Office where I was informed this morning by a responsible official that he believed Munters would oppose proposed convening at this time of League Committee on Far East of which he is chairman.

PACKER

CSE

793.94/11288

FILED
EC 2 1937

F/FG

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

CORRECTED COPY

JR

This telegram must be closely paraphrased before being communicated to anyone. (A)

FROM Nanking via N. R.

Dated November 25, 1937

Rec'd 12:41 p.m.

Secretary of State

Washington.

of paraphrase
COPIES SENT TO
O.N.I. AND M.I.D.
in confidence

954, November 25, 11 a.m.

FROM ROBERTS FOR SECRETARY OF WAR.



"Very reliable source gives following: Japanese planes previously reported as Heinkel bombers are actually modifications of Junkers 86 and Mitsubishi pursuit are modifications of French de Havilland but Japanese make extensive changes in copying in the models so that it is often difficult to distinguish. However, I consider this information as expert opinion. Italian Breda are much too slow and are hard to land. Both types are good for about a year only. English planes are quickest used up. Curtis Hawk model 2 are now used only for training and combat planes are model 3 with only one model 75. These American planes are by far most successfully used by Chinese because of simplicity, durability and ease of handling and landing. See also McHugh's report this date to Navy Department for details of new battle planes".

ATCHESON

CSB

F.W. 795.94/11289

FILED

F.W. 11289

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

[CONFIDENTIAL]

PARAPHRASE

A telegram (no. 954) of November 25, 1937, from the American Embassy at Nanking quotes a telegram for the Secretary of War from Roberts which reads substantially as follows:

From a source which is considered very reliable information has been received that Mitsubishi pursuit planes are modifications of French de Watine and planes reported previously as Heinkel bombers are in fact modifications of Junkers 86 but that in copying the Japanese change the models extensively, making it difficult often to distinguish. Captain Roberts considers the above as expert opinion however. Italian Breda are difficult to land and are entirely too slow. Both types last only about a year. English airplanes give out the quickest. At the present time Curtis Hawk model 2 airplanes are used for training only; combat planes are model 3 with one model 7E only. Because of ease of handling and landing, durability, and simplicity the Chinese are able to use these American planes by far most successfully. For details of new battle planes attention is invited to report of November 25 to the Navy Department from Captain McHugh.

P.W. 795.64/11289

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 FE:EOG:HES
 11-29

ACR
 FE

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Shinn & Mayer Mayer
Nov. 26.

FE

TELEGRAM RECEIVED

EG

This telegram must be closely paraphrased before being communicated to anyone. (A)

Nanking via N. R.

FROM Dated November 25, 1937

Rec'd 12:41 p. m.

Secretary of State,
Washington.

954, November 25, 11 a. m.

FROM ROBERTS FOR SECRETARY OF WAR

"Very reliable source gives following: Japanese planes previously reported as Heinkel bombers are actually modifications of Junkers 86 and (?) su (?) hi pursuit are modifications of (?) de rhettine but Japanese make extensive changes in copying in the models so that it is often difficult to distinguish. However, I consider this information as expert opinion. Italian Breda are much too slow and are hard to land. Both types are good for about a year only. English planes are quickest used up. Curtis Hawk model 2 are now used (?) training (?) ava planes are model 3 (?) (?) (?) (?). These American planes are by far most successfully used by Chinese because of (?) durability and ease of handling and landing. (?) Hugh's report this date to Navy Department for details of new battle planes".

ATCHESON

KLP:CSB

NOTE: Repetition of entire message has been requested.
Tel. Sec.



793.94/11289

NOV 26 1937

FILED

F/EG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

54-1

TELEGRAM RECEIVED

JR

PLAIN

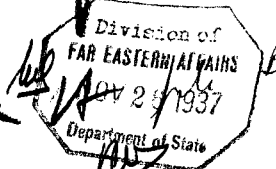
FROM Nanking via N. R.

Dated November 26, 1937

Rec'd 9:20 a.m.

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.



958, November 26, 9 a.m.

Embassy's 944, November 23, 10 p.m., Nanking

safety zone. German Embassy here under date November 23rd requested German Consulate General Shanghai (1) to communicate committee's proposal to local Japanese authorities and unofficially but warmly support it on humanitarian grounds and (2) to ask German Embassy Tokyo enter similar action. Under date 25th German chairman of the committee sent an appeal to Chancellor Hitler and former Shanghai Consul General Kriebler that they interest themselves in the proposal and say a good word for it to the Japanese Government.

Repeated to Ambassador, Peiping, Shanghai. Peiping kindly repeat to Tokyo.

ATCHESON

CSB

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NOV 1 1937

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

SPECIAL GRAY

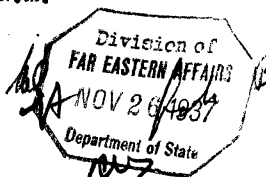
FROM: Tientsin via N. R.

Dated November 26, 1937

Rec'd 10:15 a.m.

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.



80, November 26, 4 p.m.

It is reported that during daylight hours from
November 17th to 23rd Japanese brought in from Manchuria
3,000 troops; sent out by sea 900 casualties and sent
out to Manchuria 3,500 troops.

CALDWELL

KLP

793.94/11291

F/FG
FILED
DEC 1 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

UNITED STATES DEPARTMENT OF AGRICULTURE December 8 1937
AGRICULTURAL ADJUSTMENT ADMINISTRATION
WASHINGTON, D.C.

RECEIVED
DEPARTMENT OF STATE

1937 NOV 24 AM 9 31

November 24, 1937.

DIVISION OF
COMMUNICATIONS
AND RECORDS

State Department,
Washington, D. C.

Gentlemen:

We have a letter from Miss Peggy Jean Dryden, 512A South Lincoln Street, Santa Maria, California, who states that she is studying about industries and products of the United States and asks, among other questions, "Just what effect does the China-Japanese war have on the U. S. its imports & exports and industries."

We would appreciate your sending Miss Dryden any material you may have on this subject. This is also being brought to the attention of the Department of Commerce.

Very truly yours,

Paul R. Preston
Paul R. Preston, Chief,
Correspondence Unit,
Division of Information.

Letter to P.R. Preston 12/3/37
Division of
FAR EASTERN AFFAIRS
NOV 26 1937
Department of State

793.94/11292

FILED

F/FG 11292

HEF
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

December 8 1937

In reply refer to
FE 793.94/11292

My dear Miss Dryden:

We have received from the Department of Agriculture a letter under date November 24 in which reference is made to your recent communication addressed to that Department. You ask, among other questions, "Just what effect does the China-Japanese war have on the U. S. its imports & exports and industries."

As you are doubtless aware, the present conflict in China has occasioned a sharp decrease in both the import and export trade of that country. As the United States has for a number of years held the leading position in the foreign trade of China, our trade, along with that of other countries, has been affected adversely.

Miss Peggy Jean Dryden,
512A South Lincoln Street,
Santa Maria, California.

793.94/11292

F/MR

11292

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-2-

adversely. This Department does not possess in form available for dissemination exact figures covering Chinese-American trade for the recent period in which conflict in China has occurred. However, it is possible that the Department of Commerce, to which, it is understood, your inquiry was also referred, may be in position to provide you with an estimate of the situation.

Sincerely yours,

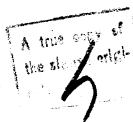
For the Secretary of State:

M. M. H.
Maxwell M. Hamilton
Chief
Division of Far Eastern Affairs.

new
FE:RCM:VCI
12/7/37

Jim
FE

CR
DEC 1937.



DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 845.00 P.R./4 FOR #438

FROM Calcutta (White) DATED October 4, 1937
TO NAME 1-1127 GPO

REGARDING: Far Eastern Developments.
English and Indian press comment on the --.

lec

793.94/11293

11293

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Chusoff NARS, Date 12-18-75

Niedermyer Award would be fulfilled.

The Nationalist Press did not view the acceptance of this Report with favor, the general consensus of opinion being that it merely perpetuates the existing administration system, its intricate organization and high salaries. /

Indian Reaction to Far Eastern Developments

793 94
Both English and Indian owned newspapers throughout the country roundly condemned the present action of Japan in China. The British press urged the home government to take action instead of continuing to confine itself to notes of protest. The Indian journals demanded that a boycott of Japanese products be begun at once as a protest against Japanese imperialist action and ambitions and Pandit Nehru called for the celebration of an All-India-China day on September 26th as a special day of protest against Japan. On that day a large meeting was held in Calcutta and a resolution adopted condemning the Japanese.

The AMRITA

-23-

The AMRITA BAZAR PATRIKA was particularly sharp in its editorial condemnation of Japan. The STATESMAN was a close second in this regard but condemned the British Government almost as much for its inaction. an AMRITA BAZAR PATRIKA editorial entitled "Will British Intervene" contained some interesting observations and is transmitted herewith as enclosure No. 1.

On September 27th, 800 Indias, former residents of Shanghai, arrived in Calcutta. The company comprised about 150 men, 300 women and 350 children. Most of them being from the Punjab they proceeded without delay to their inland homes.

Maharaja of Bikaner

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

ENCLOSURE NO. 1.

FROM THE ASHITA BAZAR PATRIKA of September 8, 1937.

WILL BRITAIN INTERVENE ?

WHILE the Japanese Prime Minister is talking of breaking China's back and paralysing China's will to fight, the Minister for Foreign Affairs is busy proving to the world that it is China that had been all along spoiling for a fight and that Japan has never had any other object than to maintain the most peaceful relations with her bellicose neighbour. "Ever since the beginning of the present affair," said Mr. Koki Hirota at the last opening session of the Imperial Japanese Diet, "the Japanese Government in pursuance of their policy of local settlement and non-aggravation, have exerted every effort to effect a speedy solution." This policy of local settlement which is so much after Japan's heart means, however, a denial of China's political integrity. The Nanking Government will have to be content with only nominal sovereignty over the provinces, and must look disinterestedly on while Japan makes her own peace terms with the provinces, bringing them practically under her sway. It is this wonderfully simple arrangement to which Mr. Hirota refers when he says that "the basic policy of Japanese Government aims at the stabilization of East Asia through conciliation and co-operation between Japan, Manchukuo and China for their common prosperity and well-being." Unfortunately this process of stabilization which would put her under an obligation to have her limbs lopped off one by one for Japan's benefit was not to China's taste, and it was only natural that she gathered her resources to resist Japanese aggression. This, in Japan's eyes, is an unpardonable offence. She has therefore decided to "take a resolute attitude and compel China to mend her ways." At the same time, however, Mr. Hirota has proclaimed for the benefit of all whom it may concern that "Japan has no other objective than to see a happy and tranquil North China" and to see Sino-Japanese relations so adjusted as to enable Japan to carry out her peaceful mission!

This peace propaganda is now being carried on by a liberal use of bombs on combatants and non-combatants alike, and it is Japan's earnest desire to convert China to a reasonable frame of mind before other Powers think of interfering with her peaceful designs. So far, however, as can be seen at present, none of the great European Powers who talk quite glibly of collective security seem either disposed or ready to intercede on China's be-

half. It looks as if Marshal Chiang-Kai-Shek has overcome his anti-Soviet prejudices and has come to some sort of understanding with Russia. But it must not be forgotten that Russia is too far off from the scene of action to take any direct part in the fight against Japan just at present and all the help that the Nanking Government can expect from her is a supply of war materials. If, however, Japan fails to deal a knock-out blow in the near future, and if the Chinese can manage to prolong the hostilities for a fairly long period without losing their morale, Soviet help may take a more substantial shape. Whether Britain and America who have extensive financial commitments and trade interests in China will continue to look passively on to the end or will be compelled to

take sides in the war by the turn of events is a problem which only the future can decide.

British foreign policy seems to be wavering. While there is a large and influential section of British statesmen who favour an alliance with the United States against Japan, the fact remains that upto 1930 at any rate Britain supported Japanese aggression diplomatically, not only because she was anxious to play off Japan against the United States, but also because Japan was the strongest military force in the Far East against the revolutionary movement in China and eventually against the Soviet Union. British co-operation with Japan has till recently been based on the calculation that Japan would act as Britain's watch-dog in the Far East while Britain's own possessions and interests would remain intact. It was thought possible that an amicable division of spoils could be effected with Japan conducting her expansion in Northern China, and Britain remaining dominant in Central and Southern China. There was also the lurking hope that Japan's further ambitions of expansion might be diverted against the Soviet Union.

It is now clear, however, that Japan was ready to use the anti-Soviet stalking horse in order to win British support for her policies. She was fully determined to establish her monopolist control over the whole of China and was by no means willing to remain for ever a convenient tool in British hands. A Japanese Foreign Office statement declared in 1934: "To keep peace and order in Eastern Asia we must act alone on our own responsibility. . . Any joint operations undertaken by foreign Powers, even in the name of technical or

financial assistance, are bound to acquire political significance." The meaning is perfectly clear. It is a warning - the other Powers to keep their hands off China on pain of incurring Japan's imperial displeasure.

Thus a sharp dilemma has arisen for British policy. The original betrayal of collective security over the Japanese attack on Manchuria is coming home to roost. During 1935 Britain still wavered between attempting to find a basis of compromise with Japan for the joint spoliation of China or attempting to reach an independent basis of understanding with the Nanking Government against the monopolist domination of Japan. Proposals for a joint international loan to China in the beginning of 1935 sought to counter the attempted exclusive domination of the Nanking Government and maintain British financial leadership in China. But the proposals met with a sharp "Hands Off" warning from Japan. The warning for a time tended to drive British opinion to favour Anglo-American co-operation against Japan; but there is in British naval and military circles a strong tendency against the Anglo-American alliance. Captain D. M. Kennedy writing in the *Daily Telegraph* on January 31, 1935, pointed out that in the event of an actual clash with Japan "Hong-kong, isolated as it is, would be liable to become a second Port Arthur while our handful of troops in Shanghai and North China would be cut off from all possible relief. Even Singapore would be in none too happy a position. . . . This is not a pleasant prospect, but it is one that has to be faced if we followed the advice of those who urge an Anglo-American front against Japan."

Need we wonder why Britain finds it difficult to make up her mind and why Japan is being given practically a free hand in dealing with China?

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

EG

CINCAF
FROM

November 26, 1937

Rec'd 12:12 p.m. 2080038 GWA

COPIES SENT TO

O.N.I. AND M.I.D.

ACTION: OPNAV
INFO: SECOND BRIGADE USMC
ANCON SHANGHAI
COMSUBRON FIVE
CONDESRON FIVE
COMYANGPAT
COMSOPAT
AMERICAN AMBASSADOR CHINA
ALUSNA PEIPING
USS MARBLEHEAD

793.94



0026. Japanese have occupied Shihchwangkiao
breaking Kiangyin Wusieh defense line, now attacking
Wusieh from east and north. Capture both Kiangyin
Wusieh expected near future. Southwest Lake Tawu
Japanese forces reached Changhing joining forces at
Kiapu Chinese offering strong resistance all along
front. Extensive bombing raids Chinese lines and
inland cities conducted last two days. Conditions
Settlement unchanged. 1910.

KLP

793.94/11294

F/EG
REC 1 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

TELEGRAM RECEIVED

EG

FROM GRAY

Nanking via N. R.

Dated November 26, 1937

Rec'd 6 a. m.

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.

959, November 26, 10 a. m.

From Roberts for Secretary of War.

"November 25, 2 p. m.

Ceiling unlimited, weather clear but hazy, cold
northwest wind five miles on the ground. Three light
bombers raided airfield area using power dives dropped
about six probably hundred pound bombs. Damage negligible.
Visibility too poor for identification. These planes are
reported to have been part of squadron which raided the
Chuyuf field. Anti-aircraft close but no hits.

Chinese preparations to defend Nanking continue
with no change in the situation in this area".

Sent to the Department and Peiping for American
Military Attache.

ATCHESON

KLP



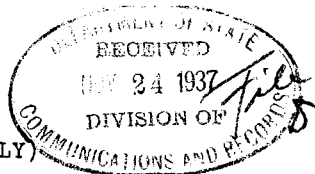
793.94/11295

DEC 1 1937

FILED

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



(NOT FOR THE PRESS)
(FOR DEPARTMENTAL USE ONLY)

Department of State
Division of Current Information No. 223

MEMORANDUM OF THE PRESS CONFERENCE, TUESDAY, NOVEMBER 23, 1937

FAR EASTERN SITUATION

At the press conference this afternoon, the Secretary informed the correspondents that since yesterday morning the Department had received somewhat further information from the American Consul General, Mr. Gauss, at Shanghai and that in an effort to be a little more helpful to the correspondents he had jotted down some notes which undertook to re-state what he had said in substance sometime ago concerning the way the Shanghai area has been developed. He said that the correspondents could use this historical data as coming from the Department. He stated that, as he had indicated in his statement of August 23, the situation in Shanghai is in many respects unique. He pointed out that Shanghai is a great cosmopolitan center with a population of over 3,000,000, a port which has been developed by the nationals of many countries, at which there have prevailed mutually advantageous contacts of all types and varieties between and among the Chinese and the peoples of almost all other countries of the world and that at Shanghai there exists a multiplicity of rights and interests which are of inevitable concern to many countries, including the United States. Continuing, he said that it is divided into three separately governed areas: the International Settlement, governed by an elected Council, the French Concession, under French control, and the municipality of Greater Shanghai, under Chinese control. He said that the American Government had direct interest in the International Settlement by virtue of the fact that the Shanghai Land Regulations under which the International Settlement is governed were originally negotiated by the foreign consuls, including the consular representatives of the United States, and the local authorities at Shanghai. He said that these Regulations were subsequently approved by the diplomatic body in China, including the Minister of the United States, and the Chinese Government. He reiterated that the International Settlement is administered by a municipal Council which is elected by the local taxpayers and has an international personnel and that authority for the administration of the International Settlement lies, in the first instance, with the Municipal Council. He said that consequently matters affecting the administration of the International Settlement are handled primarily by the Municipal Council. He said that in some instances the Municipal Council refers the matters to the Consuls at Shanghai and that as a result of the cooperation between the International Settlement authorities and the foreign Consuls practically all the problems which arise at Shanghai are adjusted locally, but that in some cases the consular representatives refer the matters to their respective governments for consideration. He said, however, that in the great majority of cases questions of interest are worked out at Shanghai. He added that this was substantially what he had said to the correspondents many times in substance without going into the details. He informed the correspondents that Mr. McDermott would give them FOR BACKGROUND purposes the substance of the Japanese proposals concerning the International Settlement at Shanghai.

A correspondent enquired whether, in view of the Japanese proposals with respect to the International Settlement at

793.94/11296

F/FG

11/27

-2-

Shanghai, any steps have been taken or were contemplated by this Government. The Secretary replied in the negative. He added that as he had said before most questions affecting the International Settlement are handled ordinarily by the Municipal Council and that the present questions involving the Settlement are now in the hands of the Council.

NINE-POWER CONFERENCE

A correspondent enquired whether the Secretary could make any comment on the reported plan of the Brussels Conference to dissolve without further action. The Secretary replied that it was his impression that the delegates to the conference were discussing the question of a recess which would be subject to a reconvening of the conference by the Chairman or other delegates. He added that he could not speak authoritatively upon this point because he did not know whether the delegates to the conference had reached a decision.

A correspondent enquired whether the Secretary thought that the Conference would meet again at a later date. The Secretary replied that he could add nothing further to what he had already said.

A correspondent enquired whether Ambassador Davis had advised him when he would like to come home. The Secretary replied in the negative.

MEXICO

A correspondent enquired whether the Secretary had seen the Ambassador of Mexico this morning. The Secretary replied in the affirmative. Asked whether he could say anything about the subject of the conference, the Secretary replied that the Mexican Ambassador came in to present a visiting official from Mexico which was the only business that came up.

M. J. McDermott.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

COMSOPAT

FROM

November 26, 1937

Rec'd 2:05 p.m.

COPIES SENT TO
O.N.I. AND M.I.D.

ACTION: OPNAV

INFO: SECOND BRIGADE USMC
CCMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMYANGPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING



0126. South China ports quiet. 2000.

CSE

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DEC 1 1937

FILED

F/FG

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MM

FROM GRAY

COPIES SENT TO
O.N.I. AND M.I.D.

Tsingtao via N.R.

Dated November 26, 1937

Rec'd. 1:17pm.

Secretary of State

Washington, D.C.

November 26, 5pm.

Tsingtao enjoyed yesterday and today the usual

tranquility. The American community particularly was relieved that Thanksgiving Day passed without any incident and generally felt a lessening of the tension which had existed for the past week.

In Tsinanfu all was also quiet yesterday and nothing of interest has occurred there today. Sent to Nanking, Peiping, Chefoo.

SOKOBIN

CSB



793.94/11298

FILED

F/FG

1937

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



DIVISION OF
DEC 1 1937
EMBASSY OF THE MEXICAN REPUBLIC
DEPARTMENT OF STATE
UNITED STATES OF AMERICA

Rio de Janeiro, November 19, 1937.

No. 150

Subject: Transmitting Article Entitled "The Japanese Phenomenon."

ORIGINAL & THREE COPIES BY AIR MAIL - CONFIRMATION COPY BY STEAMER.

RECEIVED
DEPARTMENT OF STATE

1937 NOV 26 PM 3 07

DIVISION OF
EASTERN AFFAIRS

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DEC 9 - 1935

Division of
FAR EASTERN AFFAIRS
NOV 27 1937
Department of State

The Honorable,

The Secretary of State,

Washington, D.C.

DEPARTMENT OF STATE
ASSISTANT SECRETARY
OF STATE
DEC 8 1937

I have the honor to enclose copy of an article entitled "The Japanese Phenomenon - The Conquest of the Pacific", which appeared in the Integralista (fascist) newspaper A OFFENSIVA on November 18th. This article, which is extremely sympathetic to the Japanese viewpoint and is an apology for Japanese action in the present conflict in China, was written by the Italian journalist Fillipo Tajani and its publication in the A OFFENSIVA is in line with the latter's Rome-Berlin-Tokyo tendencies.

Respectfully yours,
For the Ambassador,

R. M. Scotten,
Counselor of Embassy.

File No. 800.B
TAX/LEF.

Enclosure - Clipping from A OFFENSIVA of November 18, 1937.

793.94/11299

F-A

11299

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Lustig NARS, Date 12-18-75

Source: 1. OFFENSIVA
November 18, 1937.

O PHENOMENO JAPONEZ

A CONQUISTA DO PACIFICO

FILIPPO TAJANI

Os acontecimentos que estão na ordem do dia, ao mesmo tempo que tornam de absoluta actualidade o artigo que segue, evidenciam o acerto e a agudeza de observação de seu autor, que nos explica, outrossim, tantas coisas até agora desconhecidas, ou envolvidas no véo do mysterio — que determinaram o actual conflicto.

Eis o artigo:

"Kiki", esse disyllabo que, para nós, poderia representar o gentil diminutivo de um nome de moça, tem, na lingua japoneza, uma significação terrível. Quer dizer: desespero, raiva, agitação. O vencimento do "Kiki" foi marcado para o 1936. A tragedia japoneza, pois, se approxima do seu epilogo.

Emquanto a Europa está a debater-se numa crise de hysteresismo senil, entre proposito de paz e prodromos de guerra, o joven Japão prosegue em seu programma, que é simplesmente o de tornar-se a mais poderosa nação do mundo: programma confessado, explicito e não ar-

culos intransponíveis, de alfandegas e de prohibições. Não lhe fica senão o caminho das armas: em guarda, pois, oh palzes ricos e egoistas!

PRIMEIRO MOVENTE: — A FOME

O Japão tem um territorio assaz reduzido e cujas quatro quintas partes são representadas por zonas estereis, compostas de montes escarpados e com largas fendas (dos quaes o terreno muda, a breves intervallos de tempo a physionomia); de indevassaveis serras; de frias alturas rochosas e estereis, onde não se sentem a contento nem os homens e nem os animaes.

O encantador paiz das cerejeiras

como a Belgica e a Italia, ficam muito aquem desse numero.

Um estado paradoxal das coisas

No Japão insular, propriamente dito, se atropelam 60 milhões de homens (95 milhões, se se incluem a Corea, Formosa e Sakalin) e, cada anno, o numero dos habitantes augmenta de um milhão. Não existe para tanta gente material bastante para a sua nutrição. Nem é o caso de tentar se explicar o phenomeno da perpetuação dessa desproporção, entre população e produção. Em realidade, aqui, se verifica o caso inverso dos palzes, com grandes e ricos territorios, que hospedam uma população numericamente reduzida. Algumas das terras que se espalham no Pacifico e para a conquista das quaes se inspiram as directrizes japonezas, são, de facto, opulentas e pouco povoadas. A guerra deverá remediar esse paradoxal estado de coisas.

O Japão é julgado, a miudo, como sendo um brutal tyranno da China inerme; como um paiz de aventureiros sem escrúpulos, que querem se apoderar das terras dos outros, para enriquecer; na realidade, porém, o Japão não passa de uma victima de uma situação natural insustentavel.

O movente essencial da conducta do Japão é a fome. De certa, agora que o mundo cresceu em potencial e em experiencia, impõe-se, cada vez mais, uma revisão das injustiças da natureza; se a terra, em seu complexo, é sufficiente para todos, não é justo que alguns povos não disponham de quanto é indispensavel para a vida, emquanto tantas riquezas permanecem inexploradas e tantas terras cultivaveis são deixadas improductivas.

O "standard" de vida do camponio japonez ficou reduzido ao increditoavel. Sua nutrição consiste num pouco de arroz, e como o seu producto é de optima qualidade, o arroz nacional, é vendido, para comprar o arroz coreano, que, por imprestavel, é vendido a preço muito baixo.

Terrivel destino de um cultivador que não pode se alimentar com o fructo que fez surgir através do seu trabalho.

Se cedesse a esse legitimo desejo, não poderia pagar os impostos com os quaes o governo o opprime para construir os couraçados e adquirir instrumentos de guerra e enriquecer o aparelhamento economico do paiz.

Ao arroz, o agricultor não pode acrescentar outro elemento, a não ser um pouco de peixe, quando não é obrigado a saciar a fome com mataria ainda menos nutritiva. Foi espalhada a photographia de um bosque com as arvores espoliadas de sua casca, que servira de auxilio ao arroz.

O camponio japonez não possui uma cama; dorme sobre um pouco de palha. Sua casa não tem moveis. Sua indumentaria acha-se reduzida á expressão mais simples: ás vezes, com uma só palha, mal tecida, elle se defende contra o sol e contra o gelo.

A industria japoneza

A má sorte do camponio japonez fez surgir a tendencia para a industrialização. Creou-se, assim, uma classe obreira que deu, logo, prova de excepcional habilidade.

O Japão já possuía um artesanato que se distinguia pelos seus dotes artisticos, refinados e pacientes, produzindo os kimonos multicores, as



Quando o principe herdeiro Isugu-No-Miya fôr imperador, o que será o Japão?

guido de apreciações ou de induções.

Els como, em 1932, falava o general Araki, então ministro da

em flor não produz o sufficiente para o consumo de seus habitantes e que fiels ao principio da força demographica, continuam a desenvolver-se

- c) Segurança
- 352 agentes
- 2 motocicletas
- 2 automoveis.
- Abastecimento e Alojamento:
- 51 camisas-verdes
- 1150 camas
- 19 bivaques
- 10 acantonamentos
- 1 acampamento

O Integralismo está definitivamente implantado em Pernambuco pela disciplina e ordem revelada no magnifico espectáculo de civismo que o povo presenciou e aplaudiu.

Ponto facultativo no "Dia da Bandeira"

Recebemos do Departamento de Propaganda a seguinte comunicação:

"O chefe do governo nacional determinou que amanhã,

USAS-

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a secreta-
bitura, e o
estilho, ca-
lmos dos
ebida do

o general
demos di
acaba de
ouja Villa

Provin-
naldo

Brasileira
unaldo —
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stração da
espírito de
cará como
lritos bem

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

LE DE CAMISAS-VERDES E BLUSAS- ENTE EM RECIFE

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- c) Segurança
352 agentes
2 motocicletas
2 automóveis.
Abastecimento e Alojamento:
51 camisas-verdes
1150 camisas
19 biquinhos
10 acantonamentos
1 acampamento

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pela disciplina e ordem revelada
no magnífico espectáculo de civi-
lização que o povo presenciou e aplau-
diu.

Ponto facultativo no "Dia da Bandeira"

Recebemos do Departamen-
to de Propaganda a seguinte
comunicação:
"O chefe do governo nacio-
nal determinou que amanhã,
19, "Dia da Bandeira", o
ponto seja facultativo na
repartições publicas."

EM SÃO PAULO DESRESPEITA-SE A NOVA CONSTITUIÇÃO

Remanescentes do separatismo da 2.ª Republica

NA INAUGURAÇÃO DO GRUPO ESCOLAR "FRONTI- NO GUIMARÃES" CANTADOS O HYMNO PAULISTA E O HYMNO DA REVOLUÇÃO DE 1932 — O ARTI- GO NÚMERO 2 DA NOVA CONSTITUIÇÃO

Realizou-se, no dia 15, a
inauguração do Grupo Escolar
"Frontino Guimarães", no dis-
trito de Sant'Anna, á rua
Paulo Gonçalves, esquina da
rua Conselheiro Moreira de
Barros.

Constituiu motivo de sur-
presa para todos o facto do di-
rector desse novo estabeleci-
mento, sr. Antonio Mario
Rosa, ter determinado que se
cantasse os hymnos Paulista
e da Revolução de 1932, quando,
de accordo com a nova Consti-
tuição só existe um hymno, uma
bandeira e um escudo, que são
os nacionaes.

De facto, o art. 2º da Com-
stituição de 10 do corrente,
prescreve a existencia exclusiva
desses symbolos nacionaes, sen-
do abolidos os demais que
existiam em cada unidade da
Federação.

Estados representa simples-
mente um attentado contra o
novo regimen constitucional.

Ora, o Brasil atravessa um
dos momentos mais graves de
sua vida. Não se comprehende,
portanto, que quem quer que
seja ando por ahi a fomentar
dissenções e a tentar deflagrar
uma nova campanha separa-
tista. Isso constitue um cri-
me de lesa-Patria e deve ser
rigorosamente reprimido pelas
autoridades competentes.

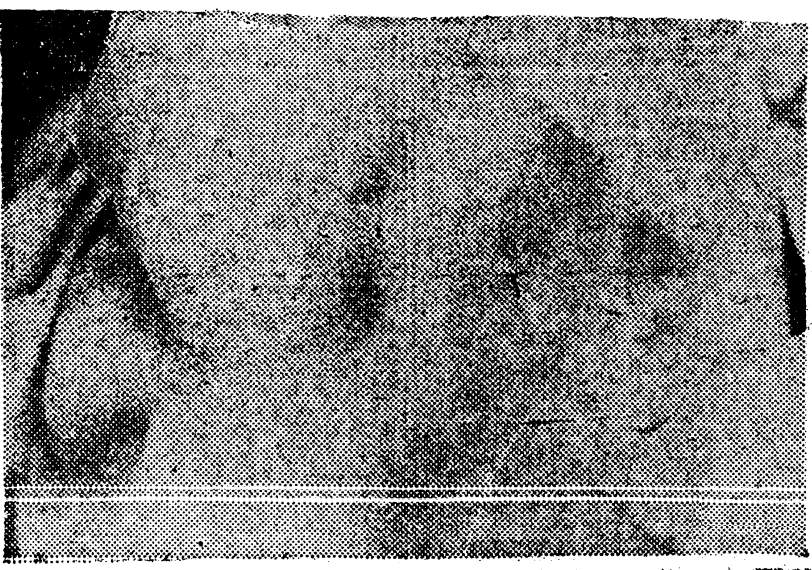


imo do Sigma

ALISTAS !

SSOS AMIGOS, OS VOS- DOS OS SYMPATHIZAN- VIMENTO NACIONALIS- A SALVAR O BRASIL.

UBSCRIPTORES DEVEM
DIARIAMENTE DAS 14
ESCRITORIO DA J. E.
ODEON, NO 11.º ANDAR,



Quando o principe herdeiro Isugu-No-Miya fôr
imperador, o que será o Japão ?

guido de apreciações ou de indu-
ções.

Els como, em 1932, falava o ge-
neral Araki, então ministro da
Guerra: "O nosso paiz está resolv-
do a propagar o seu ideal nacional
através os sete mares e a estendel-o
sobre os cinco continentes da terra
embora se para isso conseguir
torne necessario empregar a força."

Lendo essas palavras, não pode-
mos eximir-nos de um esforço de
fantasia, que nos deixe ver a figura
e o rosto desse, para nós desconhe-
cido, chefe das forças japonezas.

Elle deverá ser, certamente, um
pequeno homem de rosto amarello e
sem expressão, que pronuncia a
grande ameaça sem pestanejar. Um
povo ouve-o; os marinheiros enfilei-
rados sobre os navios; os soldados,
em marcha, ou aquartelados; os
operários, nas fabricas e os campoi-
nos, sobre os campos, repetem, só-
mente com o trilhar de seus grossei-
ros dentes, o juramento do chefe.

Elle disse o verdadeiro, o inevitá-
vel: ninguém duvida. O supremo
proposito exige muitas vidas: os ou-
vintes sabem-no, mas estão decidi-
dos.

Ninguém hesitará um só minuto
em cumprir quanto a sua patria, seu
imperador e seu chefe lhe ordenam.

Primeiro ponto: a con- quista do Pacifico

O primeiro numero do program-
ma é constituído pela conquista do
Pacifico; e o pequeno Japão esten-
de, cada vez mais, sua predominan-
cia no oceano immenso, em cuja
volta se postam as potencias mais
formidaveis do mundo.

O Japão que tem contra si os Es-
tados Unidos; que deverá aplacar
ou enfrentar a insidia russa, e o re-
celo inglez, aninhado no vizinho
Oceano Indiano, mas, que importa?

Da China, nem paga a pena falar,
de bocado em bocado, o immenso
imperio chinês passará a ser, muito
proximamente, tudo japonês. Não é
difficil encontrar um pretexto, para
dar a palavra ao canhão. Será a
ferrovia, será a Mandchuria, o acto
hostil de um bandido, uma demon-
stração de estudantes ou coisas se-
melhantes que permitirão ao Ja-
pão instituir, mais cedo do que a
gente pensa, nas assim denominadas
cinco provincias chinezas do norte
(gorda quota da Mongolia) um go-
verno autonomo, com conselheiros
japonezes. O resto, virá de per si.

Não colonias, não mandatos, mas
conquistas, como Formosa, como Sa-
kalin, como a peninsula da Corea.

A Australia, ao sul e a Siberia, ao norte

Assistiremos, pois, numa data
muito breve, a uma grande guerra,
que poderá ser somente uma grande
victoria, sem o disparar de um tiro?
Porque não está excluido que os ini-
migos se retirem deante desse povo
decidido e invencivel, que quer, além
de todo o resto, a Australia, ao sul
e a Siberia, ao norte. Que importa se
observando o mappa-mundi, o Ja-
pão nos apparece uma coisa trans-
curavel defronte de uma serie de
extensos continentes? É e vontade
são forças moraes que centuplicam
as forças materiaes.

Se ameaças, como essas, viessem a
ser feitas por um outro paiz, ellas se-
riam acolhidas pelo ridiculo que mata.
Chamar-lhes-lamos fanfarronadas.

Pronunciadas, porém, por um paiz
que encontra, na sua população e de
centenas, os homens-torpedos e os ho-
mens-bombas, dispostos, na guerra, a
se votar, com a maxima serenidade, a
morte certa, essas ameaças fazem
medo. De resto, o Japão chega á guer-
ra de sangue, depois de haver pedido
razão, por outros caminhos. Primei-
ro, pediu para os seus filhos a liber-
dade de imigração, e lhe foi denega-
da; depois, procurou viver, espalhan-
do em todo o mundo productos indus-
triaes de incrível barateza, alcançada
através do sacrificio de sua laboriosa
população, e foram-lhe essas obstá-

na cedesse... não poderia pagar os impostos com
os quaes o governo o opprime para
construir os couraçados e adquirir
instrumentos de guerra e enriquecer
o aparelhamento economico do
paiz.

Ao arroz, o agricultor não pode
acrescentar outro elemento, a não
ser um pouco de peixe, quando não
é obrigado a saciar a fome com ma-
terias ainda menos nutritivas. Foi
espalhada a photographia de um
bosque com as arvores espalhadas
de sua casca, que servira de auxilio
ao arroz.

O camponio japonês não possui
uma cama: dorme sobre um pouco
de palha. Sua casa não tem mo-
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duzida á expressão mais simples: ás
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tra o gelo.

A industria japoneza

A má sorte do camponio japonês
faz surgir a tendencia para a indus-
trialização. Creou-se, assim, uma
classe obrreira que deu, logo, prova
de excepcional habilidade.

O Japão já possuía um artesanato
que se distinguia pelos seus dotes
artísticos, refinados e pacientes, pro-
duzindo os kimonos multicores, as
delicadas gravuras em madeira, os
cofrezinhos de lacca, as preciosas
porcellanas.

Posto ao lado das machinas, esse
artezão comprehendeu-lhes immo-
datamente os segredos, tornou-se-lhes,
num volver de olhos, seu dono
absoluto.

A industria, mais do que dos ho-
mens, utilizou as mulheres, contra-
tando-as na idade entre os 15 e os
20 annos e ali encontrrou seres do-
ceis, com a attenção sempre des-
perta. Uma moça japoneza controla
até quinze teares automaticos, em-
quanto as regras da "Trade Union"
não consentem que um operario in-
telez seja addido a mais de cinco
teares.

(Conclue na 2.ª pagina)

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DCR

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

W.N.

NOV 22 1937
November 22, 1937

MMH

With reference to EA's comments, it was not doubted that Japan would not allow the participation of foreign capital in North China "except on terms dictated by Japan herself", that is, except in enterprises controlled and managed by Japanese. It was sought in the memoranda of November 8, 1937, only to draw attention to the apparently large body of opinion in Japan which realizes the need for foreign capital and for the adoption of a relatively free economy for North China (as compared to that in Manchuria controlled closely by the State) which will attract foreign capital, and thus to suggest an argument which might be advanced to persuade Japan to adopt a moderate course. The probability that Japan does not contemplate the participation of foreign capital in independent enterprises would not seem to destroy the force of the principal argument. The validity of the terms of an argument would not seem to be dependent upon the probabilities of its being accepted by any person or group of people.

John J. ...
JMJ/JAB

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

ADVISER-ON
Division of
INTERNATIONAL ECONOMIC AFFAIRS

NOV 19 1937

November 18, 1937.

Mr. Fess:

The misgivings expressed in certain Japanese quarters regarding the feasibility of a new Manchukuo regime in North China as quoted in JMW's memorandum are well worth noting; and the declaration of intent by Japanese apologists might be diplomatically accepted as a basis for such arguments as presented by JWB.

In view, however, of Japan's policy of reserving Manchukuo exclusively for Japanese capital and enterprise, and of her apparent determination to make development in China strictly subservient to the interests of her own imperial economy and defense, I have serious doubts as to her willingness to consent to peace terms which would give entrance to foreign capital except on terms dictated by Japan herself. The sentiment will doubtless be strong in Japan, but having incurred heavy sacrifices in order to make the resources and potentialities of China more accessible, Japan should be entitled to enjoy preferential privileges. It seems to me probable that she would prefer to proceed more slowly relying on Japanese capital than to pursue a more rapid program of development involving considerable dependence on foreign capital.

EA: H.S.PATTON :EB

HF

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE
ADVISER ON
INTERNATIONAL ECONOMIC AFFAIRS

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

EA

FE/HH

Nov. 9

EA:

Mr. Feis:

How does this
strike you, especially
Ballantine's comments
on the 5"x8" covering
memo?

2/14/76

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

November 8, 1937.

The difficulty of Japan's attaining its economic objectives in North China without the aid of foreign capital, as described in the attached memorandum, may account in part, at least, for the strenuous efforts that Japan is making to promote American good will through propaganda, good will missions, et cetera. It also suggests a line of argument upon which there is a chance that Japan may be persuaded to accept reasonable peace terms.

The argument may be stated briefly, as follows: We approve of the Japanese desire for Sino-Japanese cooperation and feel that we as well as the whole world will benefit therefrom. We recognize that the development of the natural wealth of China, particularly North China, will be of advantage both to Japan and China. This will also mean more trade for us, but Japan because of the advantages of propinquity will reap the greatest benefit. We envisage, however, that after peace has been restored the greatest need will be for foreign capital to finance reconstruction in the Far East. Capital, however, is not venturesome, and European and American capital is not likely to seek investment in the Far East unless future stability and security becomes assured. The best provision for future stability and security is a just peace based upon terms which are mutually

satisfactory

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

-2-

satisfactory and which both parties are likely to respect. Any changes in political status which are unlikely to be generally recognized by world powers would naturally adversely affect prospects of stability. Nor is foreign capital likely to seek investment in areas where there is no guarantee of equality of opportunity or the open door.

It is believed that arguments such as these might be most effective in private conversation not only between official representatives but also between Americans in private life and unofficial Japanese "good will" emissaries.

fun
FE:JWB:SMJ

FE

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Qualen NARS, Date 12-18-75

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS



NOV 26 1937 November 8, 1937.

Memorandum Concerning Possible Economic Limitations
upon a Japanese Political Settlement in North China

793.94
Evidence has been accumulating for some time of the dire need of Japan for capital for the development of Manchuria, for the expansion of productive power in Japan, and now for the financing of the conflict in China. Although the five-year plan for the development of Manchuria calls for an expenditure of five billions of yen, the South Manchuria Railway Company has been unable to sell any of its new debentures this year and the previously planned expansion of its enterprises has proceeded only to the extent to which the company has been provided with funds by the Japanese Government. At this critical time the Government must acquire from some source at least three and one-half billions of yen (from the sale of bonds) to finance the year's budget deficit. Productive power cannot be expanded without capital and increased expenditures cannot be financed except with greater productive power -- and there is relatively little capital available to Japan.

The future political status of North China is at the present time a matter of widespread conjecture and considerable

793.94/11300

F/FG 1300

-2-

considerable importance. This memorandum seeks only to indicate that there may be economic limitations to the establishment and protection of a new "Manchukuo", and that there appears to be a respectable body of opinion in Japan which recognizes these limitations. The cost of stationing in North China Japanese military forces sufficient to maintain Japanese control would in itself be a strain upon Japanese finances; and there seems to be insufficient capital either in North China, Manchuria, or Japan for the economic development of the former area on a paying basis.

The Japan-Manchukuo Year Book, 1937, has a section (hitherto undiscovered, I believe) entitled "Japan's Industrial Outlook in North China", written as though with prevision of the events of the year which appear now as likely to offer Japan the opportunity of choosing the type of political and economic organization to be set up in China.

"It has been made no less clear", observes the Year Book, "that whatever may be Japan's political interests in North China, she is first and foremost interested in the development of that part of China as an important factor in that economic structure which she evidently intends to erect, and without which the 'Japan-Manchou Bloc' or

whatever

-3-

whatever else she might conceive or attempt would be without meaning or value".

But in carrying out her continental policy what form of political and economic organization is to be established in North China? In considering this problem the Year Book refers to the confusion of Seichi Kojima, a well-known Japanese economist, who after extended study found a great diversity of opinion among the various men directly concerned, "even on such a fundamental question as determining the objectives of exploiting North China". However, he grouped the various opinions which he found into three schools of thought:

"1. The first school of thought, according to the same economist, is opposed to any idea of developing or fostering North China as an entity independent of the rest of China. North China is conceived only as being involved in the policy to be directed to the economic development of the whole country, as a link in the chain forming the economic bloc of Japan, Manchuria and China. Importance is attached to the matters of division of industry and of interdependency between Japan and Manchuria, on one hand, and Middle and South China, on the other. Above all, emphasis is laid on the idea of expanding Japan's activity in North China to the end of drawing the Nanking

Government

-4-

Government into more intimate economic relations with Japan. North China, therefore, should not be isolated, economically or politically from Central China. Here Japan must strengthen her foothold; but at the same time she must aim at friendly cooperation with the remaining part of China.

"2. A diametrically opposite view is held by those experts who are working for Manchoukuo, says the same writer. These men insist on the development of North China as an economic entity independent of the rest of China as much as of Japan or Manchoukuo. The area may be developed by mobilizing its own resources, seeking little from outside beyond capital and technical aids at early stages. Institutions of revolutionary character should be set up, it is held, in order adequately to meet the needs and wishes of the inhabitants. It is only when the populace has become well alive to the rule of benevolence and justice that the inroad of Communism from the west may be effectively checked. From the same point of view importance is attached by this school to the economic relief of the agrarian population. It is also this school, says the writer, that embraces those who unsuccessfully hoped to develop Manchoukuo in her early years as an independent economic organism potent enough to give cause to great economic changes

-5-

changes in Japan herself.

"3. The military in Tientsin, observes Kojima, take a position nearer, if anything, to the first school of thought. While not opposed to an autonomous North China, they scout the isolationist policy of the second school as infantile. They are well aware of the importance of capitalistic cooperation of Japan and Manchuria. From strategic and other considerations, they attach the greatest importance to the construction of railways and harbours and to the exploitation of resources for heavy industries."

Conclusion of the Year Book: "Whoever has followed the work of the Japanese military in Manchuria can have little doubt which of these three bodies of opinion will eventually prevail. It is in evidence that more liberal views are being taken with regard to North China than those which were obtaining in the case of Manchoukuo in her early days. It is also of interest that it has been given out as the opinion of high military authorities in Tokyo that the development of North China should be approached as it was done toward Manchuria, not after the incident in 1931, but after the war with Russia. Controlled economies as in Manchoukuo are discountenanced, official promises being given for inducement of free income of capital from outside."

Another

-6-

Another well-known Japanese writer on economics, quoted in the same section of the Year Book, Professor Masutaro Kimura, has the following to say on the subject: "It is perhaps inescapable that our Continental policy which aims at consolidation and adjustment of the economies of Japan, Manchoukuo and China for the purpose of intensifying our national policy of industry and defence has to be recognized as an established and inexorable fact. But it would be wrong to expect that such policy would bear fruit in the near future. Unless we should prepare ourselves to meet continuing expenditures in manifold forms over a fairly long period of time and lay the foundations from the same point of view, our whole scheme might end in disaster such as can not be foreseen."

In this connection it is interesting to recall the Associated Press despatch from Paris which appeared in the Evening Star, October 28, 1937, and which quoted "a high Japanese authority" as follows: ".....that does not mean that Japan has territorial designs in that region (North China) or that she seeks to create an independent state like Manchukuo. On the contrary Japan desires to collaborate with Chinese, Americans and Europeans because Japan's national economy imposes the necessity of keeping open Chinese markets". (The "high Japanese authority" was the Japanese Ambassador in Paris, and the statement was believed to

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

-7-

to have been prepared in advance and to have had the
authority of Tokyo.- Telegram No. 1540 from Paris, Octo-
ber 29, noon.)

Joseph M. Jones

Jmj
FE:JMJ:SMJ

Jmb

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

GRAY

AMEMBASSY NANKING
AMEMBASSY PEIPEI
AMEMBASSY HANKOW

FROM Shanghai via N. R.

Dated November 26, 1937

Rec'd 12:05 p.m.

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.

Division of
FAR EASTERN AFFAIRS
NOV 28 1937
Department of State

1022, November 26, 3 p.m.

My 1015, / 11269 November 24, 5 p.m.

Japanese have taken Wuhsing and advanced westward
within two miles of Changhing. They claim to have taken
Wusih.

Japanese bombed Thing west of Taihan Lake and
bombed and shelled the Kiangyin boom yesterday but the
boom is still effective. Haiyen or Hangchow Bay was
bombarded by Japanese naval vessels and attacked from
the land but remains in Chinese hands.

Chinese 105th, 107th and 108th Divisions composed
of former northeastern troops reported to have mutinied
and to have been withdrawn from the Wusih-Kiaching Line.
Eight hundred men of the 108th Division executed according
to unconfirmed reports.

GAUSS

GW:CSB

F/FG
FILED
NOV 1 1937

793.94/11301

793.94
note
893.22

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

STRICTLY CONFIDENTIAL

UNDER SECRETARY OF STATE

NOV 22 1937

STRICTLY CONFIDENTIAL

STRICTLY CONFIDENTIAL

The following is from the Asst. Naval Attache at Nanking and has been sent to the usual Asiatic Distribution:-

AT DINNER ON SEVENTEENTH DISAGREEMENT REPORTED BETWEEN GERMAN ADVISORS AND CHIANG AND AS A RESULT GERMANS ARE LEAVING HERE SATURDAY FOR HANKOW THEN HENGYANG IN SOUTHERN HUNAN PERIOD CHIANG IS APPARENTLY STILL DETERMINED MAKE DOGGED DEFENSE THIS AREA DESPITE CONTRARY ADVICE. GERMANS BELIEVE HIM NOW VULNERABLE. FRESH JAP PUSH DOWN PINCHEN ADDS POSSIBILITY COLLAPSE THIS AREA AS WELL AS PENETRATION THROUGH KIANGYIN BARRIER, PLANK MOVE HANGCHOW LUHU, or INEFFECTIVENESS FRONT LINE TROOPS IN WHOM THEY HAVE NOT CONFIDENCE. DESPITE NATURAL STRENGTH PRESENT POSITION LOCAL GOVT UNEASY PROBABLE DEFECTION RETREATING SOLDIERS THOUGH NO SUCH CONDITION EXISTS AS YET. 19 RUSSIAN PURSUIT PLANES PLUS A FEW BOMBING PLANES ARRIVED HERE. FEW OF THE BOMBERS WERE FORCED DOWN WHILE ENROUTE WITH NO DAMAGE. THE IMMEDIATE DEPLOYMENT OF THE BOMBERS IS PREVENTED BY CHINESE LACK ----- HOWEVER MANUFACTURE IS BEING RUBBED WITH EXAGGERATED AVAILABILITY OF PLANES BY THE TWENTIETH OF THE MONTH.

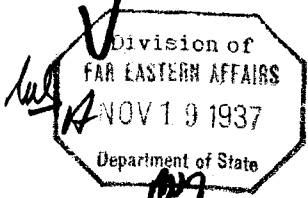
E.O. 11652, Sec. 3(D)

OSD letter, May 3, 1972

NARS Date



STRICTLY CONFIDENTIAL



NOV 22 1937

Confidential File

793.94/11302

11302

793.94

107

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 033.4411 Konoe, Fuminaro/43 FOR Letter

FROM President () DATED Nov. 15, 1937
TO NAME 1-1127 670

REGARDING:

Reply to message from Prince Konoye to President.

Draft of suggested - which contains comment on present
hostilities between China and Japan.

1w

793.94 / 11303

11303

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 124,93/389 FOR Tel. #960 3pm

FROM China (Nanking) (Atcheson) DATED Nov. 26, 1937
TO NAME 1-1127 470

REGARDING: Ten special police assigned each functioning Embassy in
Nanking; sixteen furnished American Embassy by reason of
its location.

mc ✓

793.94 / 11304

11304

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

EG

PLAIN

Nanking via N. R.

Dated November 26, 1937

Rec'd 12:10 p. m.

Secretary of State,
Washington.

960, November 26, 3 p. m.

Commissioner of Police has voluntarily assigned ten special police to each functioning Embassy for protection in case of need against unruly elements, increasing police on Embassy premises to sixteen. While some disadvantages may accrue later on, I have gladly accepted the additional men because Embassy is situated on one of the main traffic lanes, if the refugee zone scheme succeeds we will be near large camps of refugees, and my colleagues were in favor of general agreement with the plan.

Sent to Department, repeated to Ambassador and Peiping.

ATCHESON

KLP

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

LMS

FROM COMYANPAT

COPIES SENT TO
~~O.N.I. AND M.I.D.~~ *egz*

November 26, 1937

Rec'd 5:24 p. m.

ACTION: OPNAV, WASHINGTON
INFO: 2nd BRIGADE USMC
COMYANPAT
COMSUBRON 5
COMDESRON 5
CINCAF
COMSOPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING



0026 Situation Nanking remains unchanged as evacuation civil population continues. Other river ports quiet
2251

NPL

793.94/11305

REC'D
F/FG
NOV 1 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

FE

TELEGRAM RECEIVED

LMS

FROM GRAY

Tsingtao via N. R.

Dated November 26, 1937

Rec'd 3:31 p. m.

COPIES SENT TO
O.N.I. AND M.I.D.

Secretary of State,
Washington.

November 26, 8 p. m.

A violent explosion occurred at 7 o'clock tonight at the headquarters of the municipal street-cleaning department where there had been stored grenades and probably other explosives. Explosion probably accidental. Damage has occurred to foreign lives and property. Americans here are calm and all is quiet at this moment.

Sent to Peiping, Hankow.

SOKOBIN

GW:CSB



793.94/11306

100-1-1037
FEB 1 1937

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

55-1

FR

TELEGRAM RECEIVED

JR

GRAY

FROM Tokyo

Dated November 27, 1937

Rec'd 7 a.m.

Secretary of State
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.



571, November 27, 2 p.m. *egl*

Several American correspondents are cabling extended accounts of an interview which the Prime Minister gave yesterday to Japanese press representatives. The following are summarized excerpts of statements on principal points of interest:

One. Negotiations with China: Japan does not insist that she cannot negotiate for peace because either Chiang Kai Shek or the Nationalist Party is in power. If, however, the Chinese Government pins its hope on a war of endurance, Japan is prepared for that.

Two. Foreign government offices: There is no change in the Japanese attitude that peace must be attained through direct negotiations and without mediation, but there would be no objection to the gap being bridged by a third party.

Three. Nine Power Treaty: It has long been evident that the treaty does not meet actual conditions in the Far East, and it is to be regretted that Japan did not at

SOME

793.94/11307

FILED
F/FG
1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

55-2

-2- #571, November 27, 2 p.m., from Tokyo.

some time past propose some suitable revision. Although the Brussels Conference adjourned without formulating any plan, Japan may go so far as to withdraw from the Treaty.

Four. Declaration of war: The Government has been studying the matter, but no conclusion has been reached; for the time being no action will be taken.

Repeated to Manking.

GRE

CSB

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

56-1

*This message was m.
Vn. 27 shown to Admiral
Holmes of ONI. & Major
Mayer of M.I.D.*

FST

TELEGRAM RECEIVED

EG
This message must be
closely paraphrased be-
fore being communicated
to anyone. (B)

FROM Tokyo

Dated November 27, 1937

Rec'd 7:25 a. m.

Secretary of State,
Washington.

569, November 27, noon.

STRICTLY CONFIDENTIAL



Yesterday evening a prominent member of the Italian Embassy, with whom I have close and cordial personal relations, prefacing his remarks with injunctions of strictest secrecy, especially as regards the British, told me that the Japanese Navy had now made up its mind definitely to declare war; he did not state when but the inference was that it would be in the reasonably near future; that this decision had been made within the last few days and constituted the first step in the prosecution of an understanding of the first magnitude. When asked whether he meant war with Soviet Russia the informant replied in the affirmative; he also added, and repeated for emphasis, that "he wouldn't give a nickel for Hong Kong". He elaborated his remarks by stating that the navy was becoming restive in its role of being merely a beast of burden for the army which has reaped all the glory since 1931, and that the Naval authorities had now determined to take advantage

of

793.94/11308

NOV 2 - 1937

FILED

F/FG

56-2

-2- No. 569, November 27, noon, from Tokyo

of the war pitch to which the nation was aroused to complete Japan's absolute domination of East Asia by removing her opponents from the sphere; that the navy had come to the conclusion that England, which was now paying for lagging behind in her armament program during the past 15 years, was helpless; and that, most important of all, whereas until a week ago the navy had been deterred by fear of what the United States might do, and the American fleet was the only force of which Japan took notice, the Japanese had now reached the conclusion that the United States was determined not to become involved in the Far East and that she "would not move at any price".

I am cabling the foregoing for what it may be worth but it is impossible at this time to apprise its true value. The informant is perhaps prone to exaggeration but on the other hand it may be assumed that he is in a favored position to have access to sources of information not available to others. I am inclined to believe that he may reflect the views of younger naval officers and that their observations are likely to be a question of the wish being father to the thought.

GREW

CSB

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Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

TRANSFERED TO 693.002/397

793.94/11308

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

EG

GRAY

FROM

Nanking (USS LUZON)

Dated November 27, 1937

Rec'd 10 a. m.

COPIES SENT TO
O.N.I. AND M.I.D.

Secretary of State,
Washington.

3, November 27, noon.

Following from Hong Kong.

"November 26, 3 p. m. Following for the Ambassador
from Bishop Hammaker:

"Press despatches mention the possibility of the
establishment of a neutral zone in Nanking which will in-
clude the new residential section adjacent to the American
and Italian Embassies. It would appear to be easy to add
to this proposed neutral zone the Nanking Theological
Seminary, the Woman's Union Bible Training School, the
Presbyterian Girls School, the Presbyterian Church and
the Methodist Compound in the midst of which my own home
is situated. Since the American Embassy is on Shanghai
Road as are also the Seminary and the Bible Training
School and since Motsoulu marks continuation of Shanghai
Road, beginning at the corner where the Theological
Seminary is situated, it would therefore be possible to
add to the neutral zone the section which I have in mind.

For



793.94/11309

F/FG
FILED

NOV 1 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-2- No. 3, November 27, noon, from Nanking (USS LUZON)
-2- No. 3, November 27, noon, from Nanking

For the past week I have been negotiating with the Japanese Consul General at Hong Kong concerning Methodist property in my administrative area. The Japanese Consul General on November 24th stated that his government wanted more details and held out some hope that they would give consideration to Methodist property. I am addressing a letter to the Japanese Consul General, at his request, setting forth my idea concerning Nanking and the additional territory which I wish added to the proposed neutral zone".

JOHNSON

CSB

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

PLAIN

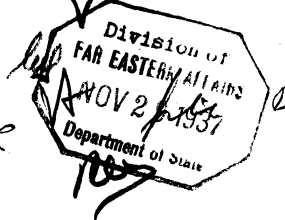
FROM Nanking (USS LUZON) via N.R.

Dated November 27, 1937

Rec'd 10 a.m.

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.



4. November 27, noon.

Your November 26, 11309
3 p.m.

Please thank Bishop Hammaker and inform him that as I am in no way responsible for limitation of neutral area at Nanking which was attempted by a local committee interested in safety of civilian life, especially women and children, I am repeating his message to Nanking for information of Committee. Proposed neutral area has nothing to do with protection of American property at Nanking, all of which was some time ^(ago?) any marked on map and communicated to Japanese.

Sent Hongkong. Repeated to Nanking and Department.

JOHNSON

PEG:ALC

793.94/11310

FILED / FG
DEC 2 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

793.94

DOCUMENT FILE

NOTE

SEE 793.94 Conference/301 FOR Despatch #3597

FROM Great Britain (Johnson) DATED Nov. 19, 1937
TO NAME 1-1127 ***

REGARDING: Sino-Japanese situation and Nine Power Conference:
Comments on effect Conference may have had on
Japanese determination to crush Chinese resistance.

aa

793.94/ 11311

11311

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

MJD

TELEGRAM RECEIVED

Action: Opnav

FROM Info: 2nd Brigade
Yangtze Patrol
Comsubron 5
Comdesron 5
Cincaf
Comsopat
USS Marblehead
AmAmbassador China
Amembassy Nanking
Alusna Peiping

COPIES SENT TO
O.N.I. AND M.I.D.

Rec'd. November 28, 1937.

7 a. m.

0028 Yangtze River ports quiet 0080.

CSB



793.94/11312

793.94

F/FG
FILED
DEC 1 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

MJD

TELEGRAM RECEIVED

Opnav
Info 2nd Brig USMC
Comsubron five
Condesron 5
Cincac
Comyangpat
USS Marblehead
Amembassy Nanking
Alusna Peiping

FROM

Rec'd. November 27, 1937
9:09 p. m.

0127 South China ports quiet 2000.

793.94

NPL

COPIES SENT TO
GENERAL M.L.D.



793.94/11313

1001 1937

FILED

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MJD

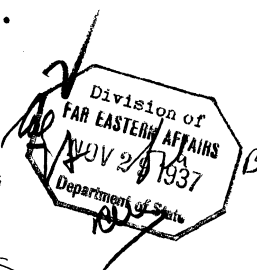
COMSOPAT

Action: Opnav
Info: 2nd Brigade USMC
Comsubron 5
Comdesron 5
Comyangpat
Marblehead
Amembassy Peiping
Alusna Peiping

FROM Rec'd. November 28, 1937.

11:20 a. m.

Secretary of State,
Washington.



793.94

0128 Air fields vicinity Canton bombed traffic Kowloon
Canton railroad interrupted temporarily result of bombing.
Other south China ports quiet 2000.

CSB

793.94/11314

F/FG
ATTEND
NOV 1 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

CA

Plain

CINCAF

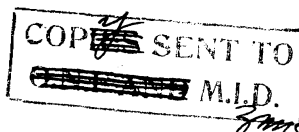
TELEGRAM RECEIVED

Dated Nov. 27, 1937

Recd 9:12 p.m.

FROM

Action Opnav,
Info 2nd Brigade USMC,
Amcon Shanghai,
Comsubdiv 5,
Comyangpat,
Comsopat,
USS Marblehead,
Amembassy Nanking,
Alusna, Peiping.



0027 Japanese advance from Chanring toward Ishing and
from Wusih toward Wutsing making considerable progress.
Chinese still hold Kiangkin and Haiyen which reported
heavily shelled by Japanese ships. Conditions Settlement
unchanged. Japanese not yet assumed control Chinese post
telephone radio offices in Settlement. 1910.

793.94

793.94/11315

CA

Alusna,
Amcon Shanghai,
Comsubdiv 5,
Comyangpat,
Comsopat,
USS Marblehead,
Amembassy Nanking,
Alusna, Peiping.

F/FG
FILED
DEC 1 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Hunsaker NARS, Date 12-18-75

TELEGRAM RECEIVED

MJD

CINCAF

Action: Opnav
Info: 2nd brigade USMC
Amcon Shanghai
Comsubron 5
Comdesron 5
Comyangpat
Comsopat
American Ambassador China
Marblehead
Amembassy Peiping
Alusna Peiping

FROM Rec'd. November 28, 1937.

11:25 a. m.

Secretary of State,
Washington.



793.94

0028 Japanese drives toward Wutsin Ising Kwangteh
continue make progress aided by extensive bombing Chinese
front and reserve positions. Unconfirmed report Japanese
gunboats have passed Kiangyin barrier. Japanese state
since already control Shanghai radio posts customs in
principal no extension control contemplated at present
1928.

CSB

793.94/11316

F/FG

FILED
NOV 1 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

CA

This telegram must be
closely paraphrased be-
fore being communicated
to anyone (A)

NANKING VIAN.R.

TELEGRAM RECEIVED

Dated Nov. 27, 1937

Recd 3:43 p.m.

Secretary of State,
Washington.

FROM *of paraphrase*
COPIES SENT TO
O.N.I. AND M.I.D.
in confidence

961, November 27, 1 p.m.
FROM ROBERTS FOR THE SECRETARY OF WAR



"Chinese defense of Nanking includes so-called

38th Division in the city and outer defense line extending
roughly from Chuyun to Kangching in semicircle of about
30 miles radius, now garrisoned by about four divisions,
two of which are Szechuan troops under Liuhsiang who last
night became violently ill and left for Hankow attended by
foreign doctor and nurse. Despite talk of defending Nanking
to bitter end many observers believe outer defense will
fold up at Japanese approach. However, Tang Sheng Chih
in command of Nanking defense is reputed very stubborn and
troops within city excellent *so that* there is a possibility
of strong defense of city itself. Generalissimo and wife
still here but all preparations made for quick departure
by air. Higher officials almost all gone. Fairly reliable
source states tentative plan evacuation police first then
gendarmes finally military. Since no adequate facilities
prepared for crossing river retirement must be toward Wuhu.

Italian newspaperman just from Shanghai states

Japanese

793.94/11317

F/FG

FILED

NOV 27 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

CA --2--961 from Nanking Nov 27....

Japanese now unable to use mechanized units and very little motor transportation at front on account of conditions of terrain and destruction bridges and roads and estimates it would take Japanese ten days to reach Nanking even with no resistance. Chinese to organize 37 divisions on Hangchow-Kiangyin line according to British source."

Sent to the Department, Peiping and Hankow.

ATCHESON

NPL

1635

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

[CONFIDENTIAL]

CONFIDENTIAL

P A R A P H R A S E

A telegram (no. 961) of November 27, 1937, from the American Embassy at Nanking quotes a telegram for the Secretary of War from Roberts which reads substantially as follows:

The higher officials have almost all left Nanking. General and Madame Chiang Kai-shek are still in the city but have preparations all made for quick departure by airplane. The Chinese defense of the city includes the so-called thirty-eighth division in the city and an outer defense line extending in a semi-circle of about thirty miles radius roughly from Chuyung to Kangshing. This outer defense line is now garrisoned by approximately four divisions, two of which are troops from Szechuan Province under Liuhsiang who became very ill on the night of November 26 and departed for Hankow under the care of a nurse and a foreign doctor. In spite of the talk of defending Nanking to the bitter end, it is the opinion of many observers that at the approach of the Japanese the outer defense will fold up. There is a possibility, however, of strong defense in the city itself, as Tang Sheng Chih, who is in command of Nanking defense, is said to be very obstinate and the troops within the city are excellent. According to a fairly reliable source the tentative plan for the evacuation

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-2-

evacuation of Nanking is police first, gendarmes next, and military last. Retirement from the city must be in the direction of Wuhu, since no adequate facilities for crossing the river have been prepared.

According to a British source the Chinese are to organize thirty-seven divisions on Hangchow-Kiangyin line. On account of the destruction of bridges and roads and conditions of the terrain the Japanese are now unable to use mechanized units and very little motor transportation at the front, according to statements made by an Italian newspaperman who has just returned from Shanghai. This newspaperman is of the opinion that even with no resistance it would take the Japanese ten days to reach Nanking.

egc:
FE:EGC:HES
11-29

ACR
FE

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

MJD

SPECIAL GRAY AND PLAIN
TELEGRAM RECEIVED
Nanking via N. R.

Dated November 27, 1937.

FROM
Rec'd. 9:08 p. m.

Amembassy Hankow,
Amembassy Peiping,
Amconsul Shanghai,
Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.



963, November 27, 2 p. m.

One. There are indications that Municipal Government, Telephone Administration, water works and possibly police may shortly cease to function. Commissioner of Police stated last evening at our daily meeting with officials that when the "emergency" should occur, police would leave first, gendarmes second and troops last. Commissioner of Police is also deputy gendarmerie Commander and as Commander is ill in Hankow Commissioner's departure would leave both the police and the gendarmes without a head. The Commissioner is obviously anxious to be off as is the mayor who paid me this morning what I suspect was his farewell call.

Two. Chang Chun left last night. His secretary, Tuan ^{Mao} ~~Evans~~ Lan, who is also a secretary of the Foreign Office is leaving this evening. If the Ministers of Communications

793.94/11518

F/FG

FILED
NOV 29 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

MJD -2- No. 963, November 27, 2 p. m. from Nanking

Communications and Railways are still here, they are expected to depart tomorrow or next day. The Minister of Health, however, has been ordered to return and is due here from Hankow this evening to look after the wounded soldiers mentioned in Embassy's 952, November 24, 4 p. m.

Three. Although exodus of the population continues, the mayor informs me that there still remain between three and four hundred thousand civilians in Nanking.

Four. Repeated to Hankow, Peiping, Shanghai.

ATCHESON

CSB

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

MJD

TELEGRAM RECEIVED

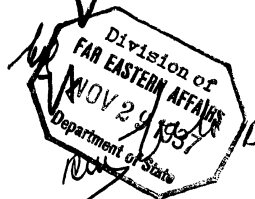
Hankow via N. R.

FROM Dated November 28, 1937.

Rec'd. 7 a. m.

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.



966, November 28th, 10 a. m.

793.94
Reported here that Chinkiang was heavily bombed yesterday some one hundred thirty bombs being dropped on the city. According to both Missionary and Chinese reports Suancheng Anhwei were bombed November 26th and forty civilians including train passengers were killed. One Chinese official states that Chang Tao Fan, Interior Vice Minister, lost his life in this bombing.

Repeated to Hankow, Peiping, Shanghai.

ATCHESON

CSB

793.94/11319

F/FG
FILED
NOV 1 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JS

Gray and Special Gray

NANKING Via N. R.

FROM

Dated November 28, 1937

Rec'd 5:30 p.m.

Secretary of State,
Washington, D.C.

968, November 28, noon.

FROM ROBERTS FOR SECRETARY OF WAR:

"Military sources confirms withdrawal Chinese from
Wuseh but states Kiangyin still holding, also severe
fighting south of Ithing. No confirmation reported Japan-
ese move toward Kwangteh.

Local Commander reiterates intention to defend
Nanking to the last and states that only Central Govern-
ment troops will be allowed inside city and they must be
prepared to die in the defence. Preparations incalculable
sand bag barricades traps at city gates and supply wire
obstacles. Szechuan troops reported withdrawing through
Wuhu, not known whether from Nanking area or farther
East."

Sent to the Department, Peiping, Hankow.

ATCHESON

JLS

COPIES SENT TO
O.N.I. AND M.I.D.



793.94/11320

F/FG

FILED
NOV 1 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

22605

COPIES SENT TO
O.N.I. AND M.I.D.

TELEGRAM RECEIVED

MJD

Peiping via N. R.

FROM dated November 27, 1937. as marked

Rec'd. 7 a. m., 28th.

A-M/C

RECORDING DESK

FILE -

Division of
FAR EASTERN AFFAIRS
NOV 29 1937
Department of State

Secretary of State,
Washington.

789, November 27, 5 p. m.

Embassy's 776, November 28, 4 p. m.

One. According to statements of persons on the fringe of the local political circle Major General Kita has complied with his (?) for a new regime for North China which he hopes will also include the lower Yangtze areas, has obtained the assurance of participation by certain Chinese and has submitted the plan and the proposed personnel to Tokyo for approval. Although Wu Pei Fu's name is mentioned by some informants as the probable head, others claim that Tsao Kun has been selected and has agreed to serve. Recent activities of former subordinates of Tsao Kun tend to support this report. Presumably if Tsao Kun comes out, he will do so on the grounds that his previous term as chief executive was not completed. This might lead to an assembling of some of the members of the old parliament. The above reports however are not confirmed. It seems probable that (*) of a regime awaits the occupation of Nanking, ~~city~~.

Two. Some observers are of the opinion that Kita is accelerating

703.94/11321

F/F/G

OF STATE

OF STATE

WTS
3-25-38

MJD -2- No. 789, November 27, 5 p. m. from Peiping

accelerating matters here to hasten the establishment of a new regime at Mankang by Japanese military there after that city falls. He may be influenced also by the establishment November 22 at Kalgan of a joint committee of the new regime in South Chahar, North Shansi, and inner Mongolia in Chahar's Suiyuan. From the regulations of the joint committee, it would appear to be a regime superior to and in control of the three above-mentioned regimes and the purpose of its creation seems to be the consolidation by the Kwantung army of the sphere over which it has recently extended its control. Without the creation of this joint committee South Chahar and North Shansi would presumably come under a regime at Peiping directed by the Japanese North China army. Control of the important Peiping Suiyuan railway would thus be lost by the Kwantung army.

Go
Treasury
+
Commerce

Three. It is reported that a bank for the three regimes was established November twenty-three, which will absorb other banks in the three areas, including the Bank of South Chahar which was established October first and whose banknotes are Manchukuo banknotes with the words "Bank of South Chahar" superimposed on them. It is assumed that Manchukuo money will gradually supersede Chinese notes

STRICTLY CONFIDENTIAL

MJD -3- No. 789, November 27, 5 p. m. from Peiping

notes circulating in those areas.

Four. It is definitely learned that construction of a railway between Tungcho, twelve miles east of Peiping, and the Great Wall Pass of Kupeikou is proceeding rapidly. Presumably Kupeikou will be connected by rail with Chanteh, capital of Jehol. The value is primarily strategic.

Commerce [Five] The Peiping Hankow railway now has passenger and freight service between Peiping and Shihkiachwang; the Tientsin Pukow railway has passenger service between Tientsin and Tsangchow, but not freight; and the Peiping Suiyuan railway has passenger and freight service from Peiping to Kalgan, but from Kalgan to Paotou only passenger service which is confined to daytime.

Six. The local Japanese military spokesman continues to give out no (repeat no) military information. Competent observers visiting the Peiping Hankow railway area report frequent cutting of the railway. One town near Shuntefu has changed hands four times in the past month. According to less authentic reports similar clashes are occurring in Shansi.

Repeated to Ambassador, by courier to Tokyo.

LOCKHART

CSB

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

57-1

TELEGRAM RECEIVED

MJD

GRAY

FROM

Paiping via N. R.

Dated November 27, 1937.

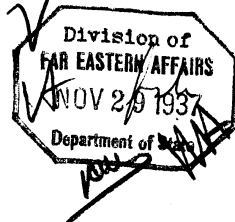
Rec'd. 8:46 p. m.

COPIES SENT TO
O.N.I. AND M.I.D.

Secretary of State,
Washington.

790, November 27, 5 p. m.

Embassy's 693, October 24, 4 p. m.



I am informed by the French Embassy that the deaths of the Europeans at Chengtingfu were investigated by Japanese military in company with a French priest from Tientsin and that the French priest's report is as follows: the nine Europeans of the French Mission which is within the city of Chengtingfu were taken by ten men in Manchukuo uniform some twelve hours after the city had been occupied by Japanese forces, were blindfolded, were taken in a motor truck to a nearby spot where the bodies of Japanese soldiers were being cremated, were then stabbed with bayonets, and then burned. The dead included one Dutch Bishop and two Dutch, one Austrian, one Polish, one Czech, and three French priests. The motive for the killing has not been established. I am further informed by the French Embassy that, although the Japanese military who investigated agreed with the findings of the priest, the French Embassy

793.96
note
393.0023
393.0011

793.94/11322

FILED

F/F/G

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

57-2

MJD -2- No. 790, November 27, 5 p. m. from Peiping

Embassy at Peiping has received no communication from the
Japanese Embassy notwithstanding the French Embassy has
addressed several communications to it on the subject.

Repeated to the Ambassador.

LOCKHART

CSB

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

58-1

76

TELEGRAM RECEIVED

MJD

Shanghai via N. K.

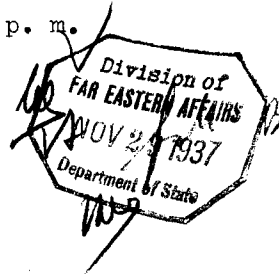
This telegram must be
closely paraphrased
before being communicated
to anyone. (A)

Dated November 27, 1937.

FROM Rec'd. 4:03 p. m.

Secretary of State,
Washington.

of paraphrase
COPIES SENT TO
O.N.I. AND M.I.D.
in confidence. E.J.L.



1023, November 27, 9 a. m.

Reference your 576, November 24, 6 p. m.

793.94

The general manager at Shanghai of the company named
tells me that he has sent no such message to New York
and has received no such information from Tokyo. I
learn, however, from well informed sources in touch with
the Japanese that the question of a declaration of war
against China has been under discussion at Tokyo and that
there is some feeling that it may eventuate. The opinion
is expressed that a declaration of war would permit of an
effective blockade against the munitions traffic through
Hong Kong and that it would give a better legal basis for
many measures such as the seizure of the customs and other
Chinese interests, complete freedom of action in China by
The Japanese being obstructed by foreign rights and inter-
ests which could be more readily suspended or ignored under
the historical precedents of international law governing
belligerent armies of occupation. A general blockade under
a declaration of war could of course completely disrupt

the

793.94/11323

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

58-2

MJD ~~22~~³ No, 1028, November 27, 9 ~~a.m.~~ from Shanghai
the foreign position in China and facilitate any desired
uprooting of foreign interests if the Japanese military are
prepared unwisely to sacrifice the position of Japanese
abroad for complete domination in China. A declaration
of war would of course present serious problems for the
International Settlement of Shanghai and bring about
Japanese military dictation or control. An immediate
question would be the status and disposition of our armed
forces ashore. One Japanese source is quoted as saying
that no decision on the question of a declaration of war
is likely to be made until after the occupation of Nanking
(which the Japanese expect to come off by Christmas) and
the further continued refusal of China to negotiate peace.

Repeated to Ambassador at Hankow.

GAUSS

CSB

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

58-3

CONFIDENTIAL

ConfidentialPARAPHRASE

A telegram (No. 1023) of November 27, 1937, from the American Consul General at Shanghai reads substantially as follows:

The American Consul General has been informed by the General Manager of the Standard Oil Company at Shanghai that the report that he sent a message to New York to the effect that Japan would declare war on China as of the first of December is without foundation, and that Tokyo sent him ^{no} such information. However, from sources well-informed and in touch with the Japanese the Consul General has learned that the matter of a declaration of war has been discussed at Tokyo and that there is a certain amount of belief that such a step will be taken. The opinion is expressed that if war is declared (1) many measures such as the seizure of the customs and other Chinese interests would be given a legal foundation, (2) the Japanese, now being obstructed by foreign rights and interests, could obtain complete freedom of action in China and could readily suspend or ignore such rights and interests under historical precedents of international law governing belligerent armies of occupation, and (3) an effective blockade against the munitions traffic through Hong Kong could be established. If the Japanese military are so unwise as to be ready to sacrifice at the altar

793.94/11323

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-2-

altar of complete domination in China the position of Japanese abroad, then a general blockade under a declaration of war would naturally facilitate any desired uprooting of foreign interests in China and completely disrupt the foreign position in that country. A declaration of war would of course bring about dictation or control by the Japanese military and present serious problems for the Shanghai International Settlement. The status and disposition of American armed forces ashore would be an immediate problem. According to one Japanese source, a decision as to whether or not to declare war will probably be withheld until after the further continued refusal of the Chinese authorities to negotiate peace terms and after the occupation of Nanking. The Japanese anticipate that Nanking will be taken by the twenty-fifth of December.


FE:ARR:VCI


FE

TELEGRAM RECEIVED

MJD

GRAY
FROM

COPIES SENT TO
O.N.I. AND M.I.D.

Shanghai via N. R.

Dated November 28, 1937.

Rec'd. 7 a. m.

Secretary of State,
Washington.

1029, November 28, 1 p. m.

My number 1022, November 26, 3 p. m.

One. North of Lake Taihu the Japanese claim to have advanced to a point approximately ten miles west of Wusih and to have pierced the Kiangyin Wusih line in several places. It is believe, however, that some Chinese troops are still holding out in Wusih city while the Kiangyin forts remain in Chinese hands. South of the lake the Japanese claim to have driven west beyond Wuhsing and to be within 25 miles of Kiangsi. Little change is reported on the sector south of Wuhsing.

Two. Although it was announced at a recent Japanese press conference that such communications facilities of the Chinese Government as the postal, radio and telegraph services would be taken over, the Japanese thus far have merely inspected these offices and it is not yet clear precisely what manner they intend to take over. At the press



793.94/11324

FILED

F/FG

MJD -2- No. 1029, November 28, 1 p. m. from Shanghai

press conference yesterday a Japanese Embassy spokesman said he hoped the Chinese staffs would remain in order that there might be no interruption of these essential services.

Three. Chinese sources report the departure of Yui former mayor of Shanghai and T. V. Soong. Other prominent Chinese including a number of professional and business men and educators have also left.

Four. By arrangement with the Japanese authorities parties of Americans were taken to inspect their properties in the Kiangwan, Chapei and Hungjao districts during the week. It appears likely that passes for the Hungjao and Nantao districts will shortly be issued. Entry into the Hongkew and Yangtzepoo districts and the removal of goods therefrom continues on the same restricted basis as heretofore.

Repeated to Nanking, Hankow.

GAUSS

CSB

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

57-1

~~SECRET~~

Telegram to Tokyo
Shanghai Dec 1

TELEGRAM RECEIVED

JS

Gray

SHANGHAI, Via N. R.

FROM

Dated November 28, 1937

Rec'd 7:07 p.m.

Secretary of State,

Washington D.C.

COPIES SENT TO
O.N.I. AND M.I.D.



1031, November 28, 8 p.m.

Reference 3rd paragraph of your 579 November 26,

6 p.m., there have as yet been no Japanese demands of the serious character suggested by such press despatches. The Japanese announce their intention to supervise or control the Chinese posts telegraphs and radio services but so far have moved slowly and done no more than inspect these activities. So far as I can ascertain the present plans do not contemplate more than supervision, control of revenues and some censorship the extent of which is not yet indicated. It must be remembered that the Chinese have exercised such supervision control and censorship in the past and the Japanese claim merely to be taking over Chinese rights.

Two. Japanese Consul General has informed Municipal Council of intention to place a Chinese police force under Japanese officers in the western areas beyond the western boundary of the International Settlement but within the British and Italian defense sectors. Japanese do not deny the

793.94/11325

793.94
note
193.1028

59-2

JS

-2-

From Shanghai, #1031.

the right of Settlement police to function on the extra Settlement roads in such areas but claim the right in succession to the Chinese authorities to police the enclaves bounded by such roads. The proposal is ill-advised at this time as likely to lead to incidents involving the Chinese residents and the Japanese-officered Chinese police. No question has been raised as to the Japanese right to do this but it would be preferable to wait until the situation is more settled and a municipal authority and municipal police force have been set up to replace the Chinese municipal government.

Three. I am endeavoring to keep Department fully informed of developments and of my views. For the present I am recommending no action. Sent to the Department, repeated to Tokyo.

GAUSS

JLS

0658

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

PREPARING OFFICE
WILL INDICATE WHETHER

TELEGRAM SENT

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

Collect

Charge Department

OR

Charge to

\$

Department of State

This cable was sent in confidential Code.
It should be carefully paraphrased before
being communicated to anyone. **A-1**

1937 DEC 1 PM 6 24

Washington,

December 1, 1937.

DIVISION OF
COMMUNICATIONS
AND RECORDS

AMEMBASSY,

TOKYO, (JAPAN).

✓ 325
Reference 'Shanghai's' 1031, November 28, 8 p. m.,
paragraph two.

The Department is telegraphing the Consul General at
Shanghai as follows:

QUOTE (Telegraph Section: Please insert here the text
of the attached telegram to Shanghai) UNQUOTE.
518, Dec 1, 7 pm

793.94/11325

Hull
(M.H.)

793.94/11325

FE:MMH:SMJ

FE

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. O. R.—No. 80

1-1462 U. S. GOVERNMENT PRINTING OFFICE

F/E/G

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

59-3

TELEGRAM SENT

PREPARING OFFICE
 WILL INDICATE WHETHER
 Collect
 Charge Department

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PARTIAL
 PLAIN

Department of State
 Charge to
 This cable was sent in confidential Code.
 It should be carefully paraphrased before
 being communicated to anyone. *AI*
 1 PM 6 23
 1937 DEC

Washington, *AI*
 December 1, 1937.
7pm

AMERICAN CONSUL, DIVISION OF
 SHANGHAI, (CHINA). *COMMUNICATIONS*
598

793.94/11325
note
893.1028

Your 1031, November 28, 8 p. m., paragraph two.

On December 1 the British Embassy handed the Department an aide-memoire in regard to Japanese plans for policing the area between the extra-Settlement roads. According to the aide-memoire the British Ambassador in Tokyo has been instructed to urge upon the Japanese Government the desirability of allowing the Municipal Council to police the area in question. The British Government inquires whether we would be prepared to take similar action.

In reply we are informing the British Embassy here that it seems advisable to us that ^{at the present stage} our approach be made at Shanghai rather than at Tokyo. Accordingly, the Department desires that you discuss the matter with your British colleague and that you make an informal approach to the Japanese Consul General there. The Department suggests that, without raising any question with regard to the legalities involved in the Japanese plans, you endeavor to impress upon the Japanese Consul General the advisability ^{at the present stage} from a practical standpoint and ^{to the end} that possible disturbances or incidents may be

793.94/11325

F/FG

Enciphered by

Sent by operator M., 19.....

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

59-4

*PREPARING OFFICE
WILL INDICATE WHETHER

Collect.

Charge Department
OR

Charge to

\$

TELEGRAM SENT

Department of State

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTAIR
PLAIN

Washington,

-2-

avoided, of having the Municipal Council police the area in question for the time being. You may in your discretion inform the Japanese Consul General that you have consulted the Department in this matter and that the Department has authorized you to express the foregoing views.

Hull

FE:MMH:SMJ

for MMH
FE
m.m./h.

Enciphered by _____

Sent by operator _____ M., _____, 19____

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 711.00/740 FOR Letter

FROM NATIONAL LAWYERS GUILD (.....) DATED November 24, 1957
TO (New York, N.Y.) NAME 1-1127 670

REGARDING: Foreign policy of the United States with respect to
Chinese and Spanish conflicts.

Report on - prepared by a Special Committee on
International Law.

793.94/11326

F / W / R

11326

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.00 P.R.Amoy/121 FOR Desp.#139

FROM Amoy (Altaffer) DATED Oct.18,1937.
NAME 1-1127 ***
Hd//

REGARDING: Relations between China and Japan: Reports regarding
naval and aerial attacks on Amoy, and other
incidents.

fpg

793.94/11327

F/MR

//327

- 3 -

Section

2. Foreign Relations

A. Relations with the United States.

Nothing to report.

B. Relations with other countries.

1. Relations with Japan.

(a) Relations involving Japan and China only.

(1) Japanese naval and aerial attacks on Amoy.

*At about six o'clock on the morning of September 3rd, two Japanese destroyers moved into the outer Amoy harbor and bombarded the Amoy and Ssu Tzu Wei forts for about fifteen minutes and the forts replied with about ten shots. About 8 a.m. two bombing planes from ^aJapanese cruiser flew over Amoy and dropped about eight bombs in the vicinity of buildings occupied by the city administration killing one civilian, but doing very little damage to buildings. At about 9:30 a.m. the cruiser resumed the naval bombardment of the forts for about a half hour and again at 1:15 p.m., when these positions were the target for a joint naval and aerial bombardment until 2 p.m. Considering the number of shells fired and bombs dropped surprisingly little damage was done. A part of the wall of Hu-li-shan fort was reduced, and the casualties amounted to three killed and four wounded.

**On the afternoon of September 6th, two seaplanes from a Japanese cruiser dropped seven bombs near the Old Naval Headquarters of Amoy and the wireless station. On the following morning four bombs were dropped

* Telegram of September 3 - 6 p.m.

** Telegram of September 8 - 6 p.m.

- 4 -

dropped on the wireless station. The Japanese have left Amoy in absolute peace and quiet since that time.

(2) Chinese fishing junks seized.

On September 3rd, the local newspapers reported that four Chinese fishing junks were seized by the Japanese outside the harbor. It was reported that their masts were sawn off and the fishermen left to drift or scull their way back to Amoy.

(3) Air and sea attacks cause exodus of Chinese.

The general panic and exodus from Amoy caused by the occupation of the city by the 187th Division of Chinese troops, continued unabated during the Japanese aerial and sea attack on the city in the first part of September. Amoy City was almost depopulated until well after these raids were discontinued. All the banks and foreign business offices transferred from Amoy to Kulangsu and practically all Chinese shops ceased business. Several thousand Chinese departed to Hongkong, Manila, and Singapore. However, the cessation of attacks on Amoy since the middle of September and the moderate attitude of the military have done much to restore confidence and many Chinese had returned to their homes and shops by the end of the month.

(4) Few patriotic demonstrations in Amoy.

The present conflict does not appear to have engendered any particular nationalistic fervor, nor have there been many patriotic demonstrations
in

- 5 -

in Amoy. War measures and taxation for war funds have been accepted passively. An Enemy Resistance Society was of course formed in the early part of August. This Society passed a resolution on September 30 to register all Japanese goods in stock in Amoy, with the idea of stopping the import of Japanese goods and to prevent the sale of smuggled goods.

(b) Relations with Japanese involving the United States.

Evacuation of Americans.

From the middle of August, the Consulate consistently urged missionaries to leave places near troop concentrations in the interior, but missionaries did not heed this advice until the bombing of Changchow (漳州) on August 31st. In accordance with the Consulate's advice, all the women and children and most of the men in the Amoy Mission of the Reformed Church in America left Changchow (漳州), Chuanchow (泉州), and Tung An (同安) and concentrated at Kulangsu in the first week in September.

Following the joint Japanese naval and aerial attack of September 3rd, the Consulate complied with the Embassy's telegraphic instruction of September 4th to concentrate Americans at Kulangsu and urge their withdrawal from China as soon as facilities became available.

The Amoy Mission of the Reformed Church in America, whose members comprised 50 out of 61 American citizens registered in this Consulate, proposed to evacuate about 24 of its people from
China

- 6 -

China and to halt seven others who had expected to return from Japan and India to Amoy.

This mission has cooperated with the Consulate to effect the withdrawal of all but a minimum force of sixteen of its members. Although the Consulate intimated that naval transports would be available in October for the transporting of Americans from this district, American citizens informed me that they preferred to use commercial transportation facilities as merchant passenger vessels have offered better facilities for moving their effects, and have been available at fairly regular intervals. However, since September 8th there has been a complete cessation of Japanese attacks on Amoy, and conditions have been such that Americans could quietly leave China for a temporary stay in Manila, or proceed to the United States. So far, a total of twenty-five Americans in this district have left China.

2. Relations with the International Settlement of Kulangsu.

(1) Meeting of Consular Body and Naval Commanders to consider safety of Kulangsu.

As reported in my political report for August, the Consular Body and the Chairman of the Kulangsu Municipal Council have been apprehensive over rumors that the 137th Division Chinese troops might occupy the Settlement. As a result of various incidents and rumors, the Consular Body met with the Officers Commanding U.S.S. "TULSA" and H.M.S. "DIAMOND" on

September 6th

- 7 -

September 6th to consider the situation. At that time I stated that there was a possibility that the Consulate might be closed after Americans had withdrawn from the District. It appeared useless to consider the question of the armed defence of Kulangsu, particularly as during previous times of tension it had always been decided to evacuate but not to defend Kulangsu. The Senior (British) Consul thought that occupation by the 157th Division would not involve immediate danger to life or property, and there would be time to consider the question of evacuation later should they occupy it.

(2) Local newspaper reports Kulangsu unsafe.

Enclosures
(1) & (2)

On September 6th, a local newspaper (Kiang Sheng Pao) published an article questioning the safety of Kulangsu. A rough translation of this enclosed for reference. When called to account for untruthfulness of the article, a reporter for the paper stated that it was inspired by the Chinese Garrison Commander in Amoy, and as there was a censorship the paper could not be called to account. However, an explanation was published in a later article correcting the first. (Rough translation enclosed).

(3) Spy and traitor hunts in Amoy and Kulangsu.

Fifty persons were reported to have been executed in Amoy during September on charges of treason, espionage and of being Japanese sympathisers. The spy hunt was also taken by the Chinese in Kulangsu who reported irregularities on the part of three individuals alleged to be Formosans and Japanese sympathisers,

- 8 -

Enclosure
(3)

sympathizers, and the Kulangsu Police visited the residence of these individuals on September 18th and searched their premises. A small electric massage set and one map of the world, one of Japan, one of Chihli and one of Chekiang, were found. In another story of the house, but not connected with the part of the house where the three Formosans were living were found two old and rusty revolvers, presumably left there by a former tenant. Captain Bass, the Superintendent of Kulangsu Police, and Mr. H. J. P. Anderson, Chairman of the Kulangsu Municipal Council, examined the three alleged Formosans and released them because of lack of incriminating evidence. However, these three individuals were frightened owing to the attention drawn to them and appealed to Captain Bass for protection.

(4) Arrest of fugitives in Kulangsu.

Enclosure
(4)

On September 21st a Secretary in the Mayor's office telephoned to the Secretary of the Kulangsu Municipal Council (Mr. Bass, Chief of Police) to say that eight armed soldiers were coming to Kulangsu and requesting that they be met by Police of Kulangsu to arrest nine Chinese suspects who had escaped to Kulangsu. The Secretary also telephoned the Senior Consul to the same effect. It was pointed out to the Mayor that the proposed procedure for the arrest of criminals escaped to Kulangsu was contrary to the laws of the Settlement and copies of the relevant parts of Articles 12 and 14 of the Kulangsu Land Regulations were forwarded to him.

On

- 9 -

On the following day a warrant was issued by the Chinese Authorities in Amoy and forwarded to the Senior Consul for countersignature. The Senior Consul immediately requested Captain Bass to send Kulangsu Police to arrest the nine Chinese wanted by the Amoy Authorities. Captain Bass declined to send detectives to execute the warrant pending reference to the Chairman of the Kulangsu Municipal Council, who refused to order its execution because he suspected that the warrant was one for the three alleged Formosans to which reference has previously been made. By the time the whole position had been explained to the satisfaction of these two officials, two hours had elapsed and a large crowd had collected where the arrest was to be made, and all but one of the suspects escaped.

- (5) Amoy detectives seize three Formosans from Kulangsu Police Chief.

As it turned out, the three Formosans protected by the Kulangsu Police were not included in the warrant, but the incident aroused the ire of the Amoy authorities, and when Captain Bass, without consulting higher authority, decided to deport these three individuals and was taking them to a Norwegian ship, his sampan was stopped in the harbor by Amoy detectives and the three men forcibly taken from him. He followed the detectives into their boat and all four were taken to the Amoy side. This incident was witnessed by many Chinese on the Amoy side and the whole episode brought him unwanted publicity and unfavorable criticism.

The Consular Body late made plain to Mr. Anderson
and

Enclosure
(5)

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 10 -

Enclosure
(6)

and Mr. Bass that the law in Kulangsu applied to
Formosans in the same way that it did to Chinese,
and Captain Bass was reprimanded for resisting the
arrest of Chinese off foreign territory. Corres-
pondence and reports relating to both incidents are
enclosed as of possible interest to the Embassy and
the Department.

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Department of State letter, August 10, 1972
By Milton O. Quisenberry NARS, Date 12-18-75

- 10 -

Enclosure
(6)

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enclosed as of possible interest to the Embassy and
the Department.

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Department of State letter, August 10, 1972
By Milton D. Chastain NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

COMYANGPAT

FROM November 28, 1937

Rec'd 6:39 p.m.

ACTION: OPHAV

INFO: SECOND BRIGADE USMC
YANGPAT
COMSUBRON FIVE
COMDESRON FIVE
CIRCAF
COMSOPAT
AMEMBASSY CHINA
USS HARELEHEAD
AMEMBASSY NANKING
ALUSMA PEIPING

COPIES SENT TO
O.N.I. AND M.I.D.



793.94

0028. Yangtze River ports quiet. 2355.

JLS

793.94/11328

RECEIVED
NOV 27 1937

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

ACTION: OPNAV

INFO: SECOND BRIGADE USMC

AMCONSUL SHANGHAI

COMSUBRON FIVE

COMDESRON FIVE

COMYANGPAT

COMSOPAT

USS MARBLEHEAD

AMEMBASSY SHANGHAI

AMEMBASSY NANKING

ALUSNA PEIPING

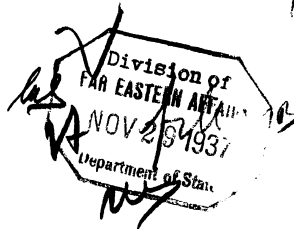
FROM

CINCAF

November 29, 1937

Rec'd 8:20 a.m.

COPIES SENT TO
O.N.I. AND M.I.D.



793.94

0029. Japanese believed have occupied Kiangyin Wutsin Ihang and to be five miles east Kwangten, rapid advance westward continuing. Several Japanese gunboats reported about Kiangyin barrier. Japanese bombing raids continue. Conditions Settlement unchanged. 1910.

CSB

793.94/11329

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FILED
NOV 30 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

60-1

COPIES SENT TO
O.N.I. AND M.I.D.

TELEGRAM RECEIVED

JR

A portion of this telegram ^{FROM}
must be closely paraphrased
before being communicated
to anyone. (A)

Nanking via N. R.

Dated November 28, 1937

Rec'd 5:30 p.m.

Secretary of State,

Washington.

965, November 28, 9 a.m.

One. My British and German colleagues and I called
yesterday evening on General and Mrs. Chiang Kai Shek who
yesterday morning ^{were planning to leave} today but who are still here.
(GRAY) We inquired concerning plans for the administration
of the city and related questions affecting foreign
residents. Early in the conversation Chiang said that the
administration of the city would be turned over to the
military; later he stated that a small part of the
Municipal Government would continue to function. He
said that preparations had been made to defend the city
from both outside and inside the walls. The German
Secretary asked if some high civil official could not
remain during the turning over. Mrs. Chiang stated that
official would then become a hostage to the Japanese and
that after the Chinese left the city responsibility for
whatever happened and for maintenance of order would rest
with the Japanese.

Two

1.

a paraphrase
in confidence

Division of
FAR EASTERN AFFAIRS
NOV 29 1937
Department of State

793.94/11330

F/FG

793.94
not
793.102 Nanking

60-2

-2- #965, November 28, 9 a.m., from Nanking via N. R.

Two. Toward us they were very candid and friendly (END GRAY) but toward any of the problems suggested by our inquiry we received the impression that they were really indifferent; that they had accepted as fact that Nanking would fall, that its fate was no longer any concern of theirs. (GRAY)

Three. At the daily meeting of foreigners with Chinese officials defense commander General Tang Sheng Chih stated that, (one) foreigners who have no urgent business here should leave for their own safety, (two) there had been and will be disorders in the city because many of the troops in the area are of comparatively poor training and discipline, (three) strict precautions have been and will be taken to keep the soldiery in hand, (four) any troops falling back from the front and entering the city will do so in the knowledge that they will not leave Nanking alive, (five) he was determined to afford all possible protection to foreign lives and property. He explained that his warning under (one) above was personal and not official. As consequence of the warning the British evacuation plans are being expedited. (PLAIN)

Four. In response to questions he and the mayor said that water and telephone services would be maintained

by

60-3

-3- #965, November 28, 9 a.m., from Nanking via N. R.

by skeleton staffs. According to the Postal Commissioner, postal service there will cease in about two days.

Five. Minister of Health returned yesterday evening but plans to leave again tomorrow.

Six. Repeated to Hankow, Peiping, Shanghai.

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Department of State letter, August 10, 1972
By Milton D. Huatlen NARS, Date 12-18-75

[CONFIDENTIAL]

60-4

P A R A P H R A S E

A telegram (no. 965) of November 28, 1937, from the American Embassy at Nanking reads substantially as follows:

On the evening of November 27 the Secretary in charge of the American Embassy at Nanking and his British and German colleagues called on the Generalissimo and Madame Chiang who had planned to leave Nanking on November 28 but who have not as yet left. The callers inquired with regard to plans for the administration of Nanking and related questions affecting foreign residents. Early in the conversation Chiang said that the administration of the city would be turned over to the military; later he stated that a small part of the Municipal Government would continue to function. He said that preparations had been made to defend the city from both outside and inside the walls. The German Secretary asked if some high civil official could not remain during the turning over. Mrs. Chiang stated that official would then become a hostage to the Japanese and that after the Chinese left the city responsibility for whatever happened and for maintenance of order would rest with the Japanese.

The General and Madame Chiang were very candid and friendly toward their callers but gave the impression that they were really indifferent toward any of the problems

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 Department of State letter, August 10, 1972
 By Milton D. Hueston NARS, Date 12-18-75

-2-

problems suggested by their callers' inquiries. It appeared that they had accepted as fact that Nanking would fall and that they considered as no longer any concern of theirs the fate of the city.

At the daily meeting of foreigners with Chinese officials defense commander General Tang Sheng Chih stated that (1) foreigners who have no urgent business here should leave for their own safety, (2) there had been and will be disorders in the city because many of the troops in the area are of comparatively poor training and discipline, (3) strict precautions have been and will be taken to keep the soldiery in hand, (4) any troops falling back from the front and entering the city will do so in the knowledge that they will not leave Nanking alive, (5) he was determined to afford all possible protection to foreign lives and property. He explained that his warning under (1) above was personal and not official. As consequence of the warning the British evacuation plans are being expedited.

In response to questions he and the mayor said that water and telephone services would be maintained by skeleton staffs. According to the Postal Commissioner, postal service there will cease in about two days.

Minister of Health returned yesterday evening (November 27) but plans to leave again tomorrow.

793.94/11330

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11-29

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

EG

This message must be closely paraphrased before being communicated to anyone. (A)

FROM Nanking via N. R.

Dated November 29, 1937

Rec'd 7 a. m.

Secretary of State,
Washington.

of paraphrase
COPIES SENT TO
O.N.I. AND M.I.D.
in confidence



793.94
971, November 29, 11 a. m.

From Roberts for Secretary of War.

Local defense command has taken over control of both police and gendarmerie. Nanking defense plan now calls for use of twelve divisions including four Kwangtung and possibly two Szechuan.

Kiangyin still standing. Japanese advance continues slowly toward Wutsin northwest of Wusih and toward Kwangteh. Chinese offering stiff resistance at Thing.

ATCHESON

CSB

793.94/11331

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F/HG
1937

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

CONFIDENTIAL

PARAPHRASE

A telegram from the American Embassy at Nanking numbered 971, under date November 29, containing a message for the Secretary of War from Roberts, reads substantially as follows:

Control of both the gendarmerie and police has been taken over by the local defense command. The use of twelve divisions including four Kwangtung and possibly two Szechuan is now called for by the Nanking defense plan.

Advance by the Japanese continues slowly toward Wutsin northwest of Wusih and toward Kwangteh. Stiff resistance is being offered by the Chinese at Ihing and Kiangyin is still standing.

Wuz
FE:RCM:REK
11/29/37

FE



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 1444

Peiping, October 28, 1937.

Subject: Views of Japanese Official on
Sino-Japanese Relations.

793.94

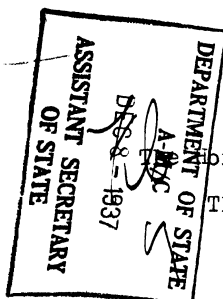
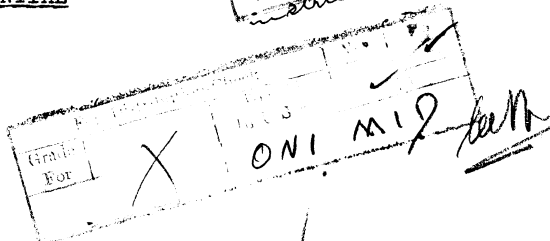
STRICTLY CONFIDENTIAL

RECEIVED
DEPARTMENT OF STATE
6

NOV 29 PM 12 56
1937

DIVISION OF
COMMUNICATIONS
AND RECORDS

COPIES SENT TO
ONI AND M.I.D.
strict confidence



Honorable
The Secretary of State,
Washington, D. C.

Sir:

I have the honor to enclose a copy of a memorandum of a conversation which took place on October 24, 1937, between a member of the Embassy and Mr. Toru Hagiwara, Japanese Consul at Tientsin, in charge of the Consulate's study of Sino-Japanese economic cooperation in North China. Mr. Hagiwara, who is regarded by his colleagues as one of the most intelligent younger Japanese diplomats, is also the liaison officer of his Consulate with the Japanese military at Tientsin.

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

The remarks of Mr. Hagiwara are summarized in the memorandum. He discussed the questions of the future status of North China, economic cooperation, the power of Generalissimo Chiang Kai-shek, the military situation, and the League of Nations.

Respectfully yours,

For the Ambassador:


Frank P. Lockhart
Counselor of Embassy

✓
Enclosure:

Memorandum dated
October 24, 1937.

Original and 4 copies to Department.
Copy to Embassy, Nanking.
Copy to Embassy, Tokyo.

710

LES-SC

4 Carbon Copies
Received F.P. Lockhart

MEMORANDUM OF CONVERSATION

Peiping, October 24, 1937

Subject: Sino-Japanese Relations.

Present: Mr. Toru Hagiwara, Japanese Consul at
Tientsin
Mr. Salisbury

With regard to the allegedly impending new regime for the administration of North China, Mr. Hagiwara said that the delay in its organization is due to the fact that there are important elements among Japanese civil and military authorities who wish to delay establishment because they believe that, following a decisive defeat of the Chinese in the Yangtze Valley, which the Japanese expect to inflict, it will be possible to treat directly with the National Government for a settlement of the North China question, that the Tokyo and Nanking Governments will be able to reach an agreement satisfactory to Japan whereby anti-Japanese activities will be ended and economic development of North China will take place. Mr. Hagiwara said that this view is based on the mistaken premise that anti-Japanese activities have been primarily the result of instigation by the Chinese Government.

With regard to economic development of North China, Mr. Hagiwara stated that Japanese in Japan proper are now becoming interested in the question under the mistaken belief that the situation in North China has returned to normal. He believes that no important economic development will take place in the near future and he does not regard

that

- 2 -

that development, when it does take place, with optimism, believing that it will not have the significance for Japan which many observers attach to it. He said that the iron in Chahar is not practicable for exploitation in peacetime but that in case of a war, when Japan's sources of imported iron were cut off, then the Chahar deposits would be important to Japan as they would then be worth exploiting and would be an important source of material for the manufacture of armaments which she would otherwise be unable to make.

Mr. Hagiwara indicated that Japanese believe that General Chiang Kai-shek is no longer the power in the Chinese Government that he was prior to the Sian Affair of December 1936. Mr. Hagiwara feels that General Chiang prior to the Sian Affair could alone decide for or against friendliness toward Japan and could effectively carry out his decision, whereas now, even though he might wish to be friendly with Japan, he would be unable to be.

Mr. Hagiwara believes that the Japanese will achieve a decisive victory in the Yangtze Valley, that if a Sino-Japanese agreement is not reached just at that time or immediately before that victory, then the situation will be bad for at least two or three years thereafter.

Mr. Hagiwara believes that the Japanese military were in error in taking military action in North China, that Japan instead should have thrown all its military strength against the Chinese in the Yangtze. He believes that the Chinese maneuvered the Japanese into fighting at Shanghai but that the Japanese were so maneuvered with a realization of what fighting there would mean.

Mr. Hagiwara said that the people in Japan were too

excited

- 3 -

excited to think during the first month or two of hostilities but that now the Japanese are thinking about when will the hostilities end.

Mr. Hagiwara believes the League of Nations made a serious mistake in including in its resolution about Sino-Japanese hostilities the clause with regard to other nations' extending help to China. This clause, in his opinion, will be used by Soviet Russia as justification for its aid of China and will be used as justification of continued aid in the future when China may have a communist government. He believes that Soviet Russia is responsible for the existence of this clause and that other Powers, sentimental toward China, approved it, not realizing its true purport but thinking in terms mainly of non-military help to China. If in the future, according to Mr. Hagiwara, Japanese should stop a foreign ship or a train from carrying military supplies to China, the powerful munition interests in foreign countries will approach their governments to point out that such action on the part of Japanese is against the League resolution. These munition interests will attempt to obtain action by their governments on the basis of that resolution.

LES-SC

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

December 21, 1937.

~~MSM:~~
~~LOV:~~
~~TWB:~~
~~ROM:~~
MMH:

Peiping's despatch No. 1451, November 6, 1937, on the subject "Position of Outer Mongolia in Regard to the Sino-Japanese Conflict."

Mr. Clubb discusses the policy of the Soviet Government vis-à-vis Outer Mongolia, including the rumor that the Soviet is about to return the control of Outer Mongolia to Chinese jurisdiction with a view to (1) freeing Moscow from an embarrassing position in the event of an attack on Outer Mongolia from either Inner Mongolia or Manchuria, and (2) strengthening the hand of Moscow in her dealing with China. He seems to be of the opinion that the legal subterfuges of recognition or non-recognition would have little effect on Japan in her present state of mind. He feels that the Japanese have no intention of attacking either Siberia or Outer Mongolia until the situation in China clears up, and that the present concentration of forces in Manchuria is purely a defensive measure.

ARR
ARR/REK

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 1451

Peiping, November 6, 1937.

Subject: Position of Outer Mongolia in Regard to
the Sino-Japanese Conflict.

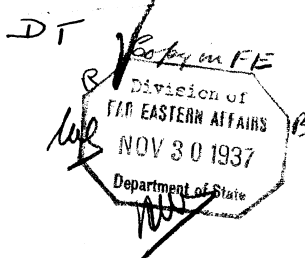
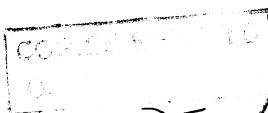
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DEPT OF
COMMUNICATIONS
AND RECORDS



DEPARTMENT OF STATE
ASSISTANT SECRETARY
OF STATE
NOV 29 1937

Honorable
The Secretary of State,
Washington, D. C.

Sir:

I have the honor to refer to the Embassy's despatch
No. 1425/ of October 15, 1937, in regard to the Japanese
1/ military campaign in Northwest China, and to enclose for
the information of the Department a copy of an editorial
from the PEKING & TIENTSIN TIMES (British, Tientsin) under
the title "A New Axis?" in the issue of October 27, 1937.

The editor discusses "the new dilemma" which faces
Moscow in regard to the alleged problem as to future policy
regarding Outer Mongolia. The alternatives, as he sees it,

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-2-

are two: 1) the Soviet Union might "cancel the independence of Outer Mongolia and 'return the territory' to Nanking", thus at one and the same time freeing Moscow from an embarrassing position in the event of conflict between the Mongolians of Inner and Outer Mongolia, and strengthening the commitment of Nanking to the anti-Japanese front;* or 2) there might be maintenance of the status quo and the avoidance of direct participation in the struggle. The writer of the editorial believes, however, that events are approaching so close to the border (of Outer Mongolia) that the second alternative is hardly now practicable; and, concentration on the despatch by the Soviet Union to China of needed supplies would tend to divide China more definitely into factions, one pro-Japanese and "fascist", and the other anti-Japanese and "popular". The denunciation of the Protocol of Mutual Assistance of April 1936 between Moscow and Urga (Ulan Bator) and the participation of the "Outer Mongolian Army" on the Chinese side in the present struggle, although desirable from one Moscow point of view in that responsibility would be shifted from Moscow to Nanking, would nevertheless, the writer points out, possibly lead to a distressing situation later should the pro-Japanese faction in Nanking again come out on top. The matter could be settled to the satisfaction of the Soviet Union along the mooted lines, concludes the editorial, only if Japan itself was not prepared to take issue over the matter.

Mr. Owen Lattimore, editor of PACIFIC AFFAIRS and expert on the subject of Mongolia, in a letter to the editor printed in the PEKING & TIENTSIN TIMES of October 31 took

issue

* Cf. Nanking's telegram No. 871, November 1, 9 a.m.

-3-

issue with the interpretation offered in the above-mentioned editorial. He held that the Soviet Union had expressly recognized Chinese sovereignty over Outer Mongolia, and that the Soviet Union's treating directly with the Mongolian People's Republic as a sovereign State was not in conflict with that express recognition, for:

"It is not the Soviet Union's business whether Outer Mongolia belongs to China or not. Its only honest business is to maintain peaceful and non-aggressive relations with both China and the Mongols."

The issue, he said, was not prejudiced by the Soviet Union's policy, but was instead left open for settlement by the only two peoples concerned - the Chinese and the Mongols. The Soviet Union therefore, Mr. Lattimore suggested, was not in a position to "cancel the independence of Outer Mongolia", and the choice was up to the Mongols and the Chinese, who might do one of two alternative things: 1) the Mongols could recognize Chinese sovereignty and 'take orders', or 2) the Chinese could recognize Mongolian independence and offer a defensive alliance. He continued:

"In either case, if both China and the Mongol People's Republic decide that their present fear of Japan outweighs any past agreement with each other, what on earth is to stop them from coming to terms with each other?"

It was Mr. Lattimore's contention that an improvement in relations between Outer Mongolia and China would not make necessary the cancellation of the Russo-Mongol Mutual Assistance Pact of 1936, and that, contrariwise, there was nothing in the Mutual Assistance Pact which would require the Soviet Union to send actual troops to assist the Outer Mongolians in the event the latter came to the assistance of the Chinese. In fact, he concluded,

"Public demonstration of the fact that the Mongol

People's

-4-

People's Republic is not a puppet government would challenge a similar clarification of the status of Manchoukuo. For another thing, if the Mongols came to the assistance of the Chinese in such a manner as to make it necessary for Japan itself to decide whether or not to attack the Soviet Union, how would the problem be decided?"

It is believed that Mr. Lattimore's criticism casts out of the discussion in too facile a manner some of the anomalies inherent in the position of the Mongolian People's Republic. The status of that political organization was defined in 1924 by the Soviet Commissar for Foreign Affairs, Mr. Chicherin, as follows:

"We recognize the Mongol People's Republic as part of the Chinese Republic, but we recognize also its autonomy in so far-reaching a sense, that we regard it not only as independent of China in its internal affairs, but also capable of pursuing its foreign policy independently."*

As stated by the writer cited, Mr. Gerard M. Friters, there would seem to be "only two reasons for the fact that the Soviet Union continues to recognize Chinese sovereignty in Outer Mongolia, although the Mongols themselves do not; it is not necessary to offend Chinese pride, and the continued recognition of Chinese sovereignty is a convenient legal fiction which prevents direct relations between Outer Mongolia and foreign states." It would seem to the observer of Japan's present acts on the Asia continent that the legal fictions and subterfuges to which China and the Soviet Union might resort would probably be accorded very little respect by the Japanese leaders, who have chosen the more abrupt way of hewing through the Gordian knot compounded of treaties and legal provisos.

Recent despatches have told of an increase of Japanese military activity in Manchuria.** The two interpretations

^{most}
* Quoted by Friters, Gerard M., "The Development of Outer Mongolian Independence", PACIFIC AFFAIRS, Sept. 1937, pp.315-36.
** Cf. Mukden's despatches No. 154, Oct. 11, and No. 155, Oct. 21; Harbin's despatch No. 370, Oct. 21, 1937.

-5-

most favored by political observers of the pronounced increase of Japanese troop strength are 1) Japan fears an attack by the Soviet Union during the time when the former is engaged in the struggle with China, and 2) the Japanese military leaders are planning to attack the Soviet Union immediately upon the conclusion of the campaign in China, it being presumed that dominant in the minds of those militarists is the anticipation that the day of the completion of the major part of the conflict in China may be not far removed. The Embassy is disposed to believe that the first-named condition is most likely the governing factor.

It is the activities in "Manchukuo" itself which naturally command the chief attention of observers interested in the particular problem of Russo-Japanese relations, and it is axiomatic that the forces in that region would play a leading role in the event of hostilities between the two States; nevertheless, as the writer in the PEKING & TIENTSIN TIMES indicated, there exists also the possibility that, at least in its initial stages, the hypothetical conflict between the two Powers would take the form of a clash between the two "puppet" Mongol States. It is obviously not without significance that the Japanese drive into Suiyuan Province, bringing all of Inner Mongolia west to Paotow (at the end of the P'ing-Sui Railway) into the hands of the Japanese-controlled Mongol forces, should have been nominally a Mongol movement constituting a resurgence of the Mongol will to rule, and that the regime established October 28 at Kweisui (now to be "Hohogoto" - 厚和浩特) in Suiyuan Province in the form of a "Federated Autonomous Government

of

-6-

of Mongolia" (蒙古聯盟自治政府) should have as its avowed purpose the building up of a new nation under the leadership of Japan and the assisting of Asia to "cast off the yoke of the white man and resist communism."*

2/ According to a Tokyo report dated October 30, point was given to that general program by the adoption by the Mongolian Assembly of a resolution asserting sovereignty over Outer Mongolia** - which would conceivably provide a convenient fiction which might be of no small political value to Japan at some later date. (A copy of the "Basic Principles" of the "Federated Autonomous Government of Mongolia" is enclosed, in DOMEI's English translation.)

Various factors operate to postpone, for the time being at any rate, any aggressive plans that the Japanese military may harbor in regard to a conflict with the Soviet Union. As pointed out in Tokyo's despatch No. 2616 of October 1, 1937, in regard to Soviet-Japanese relations, although the China campaign is being waged with the realization that the Soviet Union may become an active enemy at any time, it would appear to be the intention of the Japanese military to deal with China with such speed that China would constitute no danger to Japan if and when a conflict with the Soviet Union should arise. The completion of the campaign in Shansi, and the accomplishment of Japanese aims in Shantung by either political or military means, would theoretically mark the achievement of the military part of Japan's campaign in North China, and the Japanese could presumably then turn their attention (as in Manchuria in the post-1932 period)

* PEKING & TIENTSIN TIMES, October 30, 1937.

** CH'EN PAO (MORNING NEWS, Peiping), November 1, 1937.

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period) to the tasks of political organization and of the establishment in that vast territory of a military organization which would be oriented in the direction of the Soviet Union. Such a development would depend, however, on a settlement between Tokyo and Nanking which would terminate hostilities in the Yangtze Valley and release some 200,000 Japanese troops and the Japanese Army and Naval air forces from their commitment in the Shanghai sector. That denouement is not to be ruled arbitrarily outside the realm of possibility, especially when due consideration is given to the pressure being exerted on the National Government by financial as well as military factors; nevertheless, it must also be acknowledged that the conservative elements in Nanking which would ordinarily give most weight to such considerations are at present evidently dominated by nationalistic (and potentially radical - in the true sense of the word) leaders such as Feng Yu-hsiang, Pai Ch'ung-hsi, Li Tsung-jen, Chang Fa-k'uei, Ch'en Li-fu, Ts'ai T'ing-k'ai, Li Chi-shen (Li Chai-sum), et cetera. It would appear highly improbable at this stage that the Nanking Government under its present control could or would, if public and private views as expressed by officials can be relied upon, accede to the Japanese demands - even if they were much more moderate than those allegedly put forward by the "right" group in Tokyo.* The probability would seem rather to be that even should one group of the Chinese leaders desire to sign a definitive peace there would be a strong group of "bitter-enders" in favor of going as far in the direction of an all-embracing Sino-Russian alliance as would prove agreeable

* Nanking's telegram No. 483, October 20, 6 p.m.


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agreeable to the Soviet Union. This tendency would very probably be stimulated in the event, which also seems probable, that China's hopes of aid to be received from the Nine-Power Treaty signatories (except Japan) at the Brussels Conference should fail to achieve fulfillment of what the Chinese believe to be their just deserts.

In short, it is hardly to be expected that the Japanese forces in Manchuria or their Mongol minions in Inner Mongolia will launch an attack on the Soviet Union or the Mongolian People's Republic until there has been a radical change in the situation in China in favor of the Japanese. It is possible that Japan will be fully occupied with the establishment of its political and economic power in North China for fully a decade. The present moves in "Manchukuo" would appear to be largely by way of insurance against attack by the Soviet Union, at present, with the future implementation of any military program to depend upon the course of events in China and perhaps in Europe as well.

Respectfully yours,

For the Ambassador:


Frank P. Lockhart
Counselor of Embassy

Enclosures:

- 1/ Newspaper clipping, PEKING & TIENTSIN TIMES, Oct. 27, 1937.
- 2/ Newspaper clipping, PEKING DAILY NEWS, Nov. 4, 1937.

Original and 4 copies to Department.
Copy to Embassy, Nanking.
Copy to Embassy, Tokyo.

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1451

PEKING & TIENTSIN TIMES, WEDNESDAY, OCTOBER 27, 1937.

Tientsin, Wed., Oct. 27, 1937.

A NEW AXIS?

THE Japanese papers have lately been filled with speculations in regard to Soviet policy in Outer Mongolia, with which, in turn, its general Far Eastern policy is intimately related. We do not profess to know whether they really know much about it, but when almost identical information emanates from Japanese sources so widely distant as Tsitsihar and Shanghai, we know well enough that it is an official link that binds them. There was a time when Moscow cried its wares and its feelings from the top-most towers of its Ilum, and in its own distinctive idiom. It has now become silent. All the news we get from the Soviet Union nowadays refers to the Great Purge. It would be much better if Mr. Stalin would set forth the new dilemma in adequate terms and tell us what he proposes to do about it. As things are, we are forced to depend on indirect sources.

There are two courses open to Moscow, apparently, each having its own protagonists among the group capable of influencing policy. The first is to cancel the independence of Outer Mongolia and "return the territory" to Nanking. This, it is assumed, would enable Nanking to order the Mongol Army to participate in the present struggle, guarantee Moscow against any defection on the part of Nanking from the "anti-Japanese front," and at the same time rescue the Soviet from the still more invidious position it would occupy in the event of fighting between the

Inner Mongols, supported by Japan, and the Outer Mongols, backed by the Soviet.

It would, in other words, continue the "localisation" of military events and prevent a direct clash between Japan and the Soviet along the whole Siberian border. Instead of a Moscow-Urga axis there would be a Moscow-Nanking axis. The Outer Mongolian army would be sent to the first line of the front against Japan, just as has happened in the case of the Eighth Route Army. Incidentally it is passing strange that the Chinese Red forces should have been sent to the extreme north-east of Shansi, with the Shansi forces on their left flank, when it seems so obvious that the dispositions should be reversed. It indicates that Nanking and Shansi trust the Communists just about as much as they trusted the Kuomintang during the anti-North Expedition, when there was a mutual conspiracy to keep Feng Yu-hsiang out of Shantung and out of Peking and Tientsin.

The second policy is the maintenance of the *status quo*, the preservation of the present position of Outer Mongolia and the avoidance of direct participation in the struggle. It is suggested that an alteration of the existing status of Urga would involve difficulties with the Mongol Government. Possibly they might prefer an understanding with the Inner Mongols under Prince Wang, whom we may dub the Franco of the Mongol National Front—rather than return to Nanking. It is realised, however, that events are moving too near the border now for Moscow to be able to preserve even an air of detachment. Accordingly, since the advice to do nothing does not seem very helpful, it is argued that the best course would be to keep Outer Mongolia out of the war and instead to concentrate on despatching supplies to China, in the hope that this would be equally effective in preventing her from going over to the policy of the Anfu Government during intervention in Siberia. Unfortunately it would not. This policy could only mean that the ideological struggle which we may suppose is destined to follow the chastisement of the "outrageous Chinese" will be concentrated in China instead of along the Siberian border and in Outer Mongolia. This would be ruinous to China.

Indeed, in spite of all that has been said and done, it would constitute the finest pos-

8, 1936, between Moscow and Urga, as stated in the preamble, was to provide for "mutual assistance by all means in the matter of averting and preventing the menace of military attack and also rendering to each other aid and assistance in the case of attack by any third State upon the U.S.S.R. or the Mongolian People's Republic." The Protocol was to remain in force for ten years.

It is held by its advocates that if the Outer Mongolian army are enlisted in China's support, the Sino-Japanese struggle will be prolonged, the front be greatly extended and Japan's military and economic strength severely taxed. The repudiation of the independence from China of the Urga regime not only enables the latter to participate in the "anti-Japanese national salvation struggle" but passes the responsibility from Moscow to Nanking, thus freeing the Kremlin from international complications—if Japan prefers to continue the "local" technique.

Moscow, it is said, is not so anxious as Nanking is over the matter, which rather surprises us, for we are not at all sure that Nanking gets the better bargain in this characteristic exercise in modern statecraft. Of course, once Moscow has dropped Urga, there might be a rather distressing *contretemps* if, later on, a controversy arose in this country over the policy and the pro-Japanese faction formerly so influential in the entourage of the Generalissimo again got on top. But at worst, we suppose, it would be possible for the Soviet to take military action to prevent "betrayal" in Urga, which is all-important in a strategic sense as the gateway to the Baikal corridor—the most vulnerable point of the Soviet's position in the Far East.

It is, however, in the light of the contribution such a solution might make to the mutual aim to involve the other Powers in a collective security system that it is most seriously considered. As things are, neither the Soviet nor the Urga Republic could cause tears to flow in Geneva on the plea that they had been wantonly attacked. Was it not there that the business of direct security began? It is true that the Pact between Manchoukuo and Japan antedated the Urga Protocol, but that Protocol in turn admittedly merely transferred into writing the "gentlemen's agreement" which formally existed from November

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

vention in Siberia. If it were not for this, it would not. This policy could only mean that the ideological struggle which we may suppose is destined to follow the chastisement of the "outrageous Chinese" will be concentrated in China instead of along the Siberian border and in Outer Mongolia. This would be ruinous to China.

Indeed, in spite of all that has been said and done, it would constitute the finest possible argument for those who would prefer the rôle chosen by Tuan Chi-jui two decades ago. There would then be a Fascist Front in China of some importance, and a Popular Front. The former would support Japan and be supported by her. If the Soviet failed to support the Popular Front it would in the end inevitably suffer the same fate as will in the end befall that Front in Spain. This policy has the merit of meeting the real desires of Stalin himself, save that it is fundamentally conditioned on the rather far-fetched assumption that Japan would agree to forget "the Soviet menace" if it remained quiescent in Urga and contented itself with a fairly substantial entry into the armaments business in China Proper. And that is hardly likely.

It has since been stated in a Shanghai message to the *Nichi Nichi* that the Soviet Dictator has made up his mind about the problem, and has decided in favour of the first course, whereby the Mutual Assistance Pact is to be renounced and the Outer Mongol regime, with its army, placed under the control, or rather the orders, of the Nanking Government. It may be recalled that the sole purpose of the Protocol of Mutual Assistance of April

1937, the Soviet Republic could cause tears to flow in Geneva on the plea that they had been wantonly attacked. Was it not there that the business of direct security began? It is true that the Pact between Manchoukuo and Japan antedated the Urga Protocol, but that Protocol in turn admittedly merely transferred into writing the "gentlemen's agreement" which formally existed from November, 1934, but actually from the very beginning of Soviet intervention in Outer Mongolia. The "return" of the territory to China nominally wipes out this Imperialistic splurge on the blameless red of the Soviet escutcheon. But in vain is the snare set in sight of the bird: unless the bird wants to be caught. That, in turn, will depend on whether Japan attacks or refrains from attacking the legitimate rights and interests of the Powers concerned in this country. The Simon-pure principles of territorial integrity and independence have been under a process of depletion for a long time in the Far East: in fact we have to go far back to Russian achievements in the 60's and 70's of the past century to establish the beginning of it. That is one reason why most of us become ironical rather than stirred to pity by attempts at present to invoke these principles on the peculiarly unsuitable scene of Outer Mongolia.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

ENCLOSURE No. 2
TO DESPATCH NO. 1451

THE PEKING DAILY NEWS,

November 4, 1937.

DOMFI report of Basic Principles of
the "Federated Autonomous Government of Mongolia"

Art.1: The Federated Autonomous Government of Mongolia shall have the Chairman and Vice-Chairman to be elected by the Assembly of Mongols. They shall be persons of high integrity enjoying great popularity, who have contributed much toward the national welfare of Mongolia.

The Chairman shall be the Chief of the Federated Autonomous Government of Mongolia. When he is unable to attend to his official duties on account of an untoward event, the Vice-Chairman shall function in his stead.

Art.2: The Federated Autonomous Government of Mongolia shall rule over the territory originally possessed by Mongolia, but for the time being it will function over the Ulan Chap, Silinghol, Payentala and Ikh Chao Leagues as well as the cities of Khukhu Hoton and Paotow.

Art.3: The Federated Autonomous Government of Mongolia shall be founded on the policy of the prevention of communism and racial unity, whilst its administrative principles shall stand upon mutual existence, harmony, education, development, subsistence and sanitation.

Art.4: The background of the banner of the Federated Autonomous Government of Mongolia shall be dark blue with red, yellow and white horizontal stripes on the left upper corner.

Art.5: The year of the Federated Autonomous Government of Mongolia shall be the Genghiskan Era.

Art.6: The Federated Autonomous Government of Mongolia shall be established at Khukhu Hoton.

Art.7: The rights of the Federated Autonomous Government of Mongolia and those of its local government shall be fixed separately by law.

Art.8: Regulations for the organization of the Federated Autonomous Government of Mongolia shall be separately drawn up.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

COMSOPAT

FROM November 29, 1937

Rec'd 1:12 p.m.

ACTION: OPNAV

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O.N.I. AND M.I.D.

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USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING



0129. South China ports quiet. 2000.

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

FROM

GRAY

Shanghai via N. R.

Dated November 29, 1937

Rec'd 1:03 p.m.

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.



1034, November 29, 5 p.m.

My number 1029, November 28, 1 p.m.

Japanese columns are reported to be within 10 miles of Kwangteh and, on the Shanghai-Nanking Railway, within 7 miles of Wutsin. Columns advancing from both north and south are reported to be approximately 15 miles from Ihing. Unconfirmed reports state that small Japanese boats have gone through ^{THE} Kiangyin boom. Haiyen is still being shelled by naval guns.

Since November 15 large fires have occurred continually in Nantao.

Sent to the Department, repeated to Nanking, Peiping and Hankow.

GAUSS

WWC:HTM

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NOV 29 1937

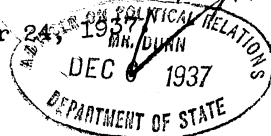
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



LEGATION OF THE
UNITED STATES OF AMERICA

Ottawa, Canada.

November 24, 1937



No. 1746

Subject: Further Canadian press comment on Far Eastern situation and Nine Power Conference.

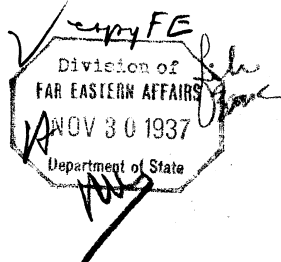
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DEPARTMENT OF STATE

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DIVISION OF
COMMUNICATIONS
AND RECORDS



793.94/11336

The Honorable
The Secretary of State,
Washington, D. C.

Sir:

I have the honor to refer to the Legation's despatch No. 1722 of November 10, 1937, analyzing press comment on the Far Eastern situation and the Nine Power Conference, and to report that while developments in China continue to be followed with close attention, interest in the Nine Power Conference has perceptively diminished, virtually all hope of any successful outcome of the Brussels meeting having been abandoned.

1/

For example, the Ottawa JOURNAL, Conservative,

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in an editorial of November 15th, discussing the Brussels outlook, observes:

"In the politest of Oriental diplomacy Japan has told . . . the conference . . . to take a jump into the North Sea.

"The world may be disappointed; it can scarcely be surprised. Japan didn't march its legions into China merely to march them out again . . .

"What will Brussels do about it? Not much."

2/ A similar pessimistic tone is evident in an editorial of November 15th appearing in the Winnipeg TRIBUNE, Independent Conservative, which declares:

"It is symptomatic of the times that hardly an eyebrow should be raised over the proceedings of the Brussels conference. Events there have moved according to the dead level of expectations . . .

"Meanwhile, Japan is 'mopping up' Northern China. . .

". . . the most that can be hoped for is another piecemeal settlement, another attempt to keep the war isolated, and at the very best a poor compromise."

3/ In an editorial entitled "Sir John and Sir Samuel May Be Permitted to Smile", the Toronto EVENING TELEGRAM, Conservative, on November 13 draws attention to the similarity between the position taken by Sir John Simon in 1932 with reference to the Manchurian dispute and the stand now taken by Mr. Anthony Eden in respect to the Sino-Japanese conflict. The TELEGRAM clears Sir John Simon of the charge that he failed to cooperate with the United States in stopping the Manchurian invasion and draws attention to the fact that Mr. Eden, desirous of avoiding the repetition of any such

- 3 -

such "misconception" this time announced that Great Britain would go as far as "the other great English-speaking nation" but no further. As to the present attitude of the United States, the editorial remarks:

"Recently a declaration by the President . . . induced a belief in some quarters that the American republic was at last going to take a strong line. . . . To date, (it) . . . has shown no inclination to go very far . . ."

4/ A gloomy view of the prospects for the Brussels Conference is also reflected in an editorial from the Montreal GAZETTE of November 19, entitled "Frittering Off Into Nullity". This Conservative newspaper asserts:

"The Nine-Power conference . . . is prepared to acknowledge its futility as a mediator for peace. . . . It was obvious at the outset that the outcome of the deliberations . . . would be nothing more than what has become usual at all international conferences . . . The Nine-Power conference must be content to stand aloof and maintain an attitude of moral condemnation of Japan's course. The Chinese are to be left to defend their own country as best they may."

5/ In a leading editorial of November 22, the Montreal DAILY STAR, Conservative, alleges that Japan's real objective in China "is the rich Yangtze Valley, where Great Britain's main interests in China lie". While giving full credit to the Chinese for the brave fight which they have waged under "grave disadvantages", the STAR foresees a victory for the Japanese, but expresses the belief

- 4 -

belief that in order to terminate the present financial and economic strain Japan might be willing to offer sufficiently attractive terms to lure a certain section of the Chinese authorities to consider them. Great Britain and France, the editorial asserts, are awaiting the outcome of the conflict "with the determination of securing their own rights and interests as far as is possible". Meanwhile, it is manifestly to Japan's advantage "to win the cooperation of the Powers rather than to continue to alienate foreign sympathy and - inevitably - foreign trade".

6/ In the same issue of the Montreal STAR there appeared a cartoon under the caption "Why Not Both Together?", depicting "Alphonse Sam" and "Gaston Bull" each suggesting that the other take the lead in throwing a lifebuoy marked "peaceful compromise" to the two Oriental disputants floundering in the sea of "undeclared war".

7/ The Ottawa JOURNAL, Conservative, in an editorial of November 23rd, sounds the depths of pessimism by asserting that China is going the way of Ethiopia. Quoting a recent despatch from Brussels to the effect that despite Dr. Koo's dramatic appeal, the delegates were doubtful whether anything positive could be done to halt the Far Eastern conflict, the editorial goes on to say:

"That brave Chicago speech by Mr. Roosevelt, in which he called upon the world to 'quarantine' nations like Japan, apparently meant less than it said. There

is

- 5 -

is to be no quarantine. Nor - if we are to take the word of the Chairman of the United States Foreign Relations Committee - little else of consequence. "Thus the state of civilization in 1937. Over large tracts of the earth there is the law of the jungle . . ."

8/ In the Winnipeg FREE PRESS, Liberal, of November 22, there appeared a lengthy article entitled "U.S. Leadership and the Eastern Crisis" which undertakes comprehensively to review American policy vis-a-vis Japan from the time of the Manchurian crisis in 1932 up to the present moment and which takes the view that the present "lack of leadership" on the part of the United States is in large measure responsible for the "anarchic world situation of today".

Discussing Mr. Stimson's efforts to bring about collective action against Japan in 1932 the article asserts:

"The failure of the British Government to go along with the American Government at that time was a mistake of the first order. The British defence for this failure is understood to be that it was thought better to leave the matter in the hands of the League. Whatever the reasons, Great Britain refused to act to the complete destruction of the American plan."

Pointing out that the restrictions which held back the United States in 1932 are not now present, the FREE PRESS inquires "what has become of the American will, once evident, to see that the engagements of the treaty are respected?" The present American attitude, according to the FREE PRESS, consists merely of a return to the

"defensive

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"defensive strategy" to which "American publicists and politicians are addicted when a dangerous international situation arises", i.e. to assume that the United States "has no interests and no responsibility" and to interpret every suggestion for cooperation as an attempt to "trap" Uncle Sam into pulling other people's chestnuts out of the fire.

The article then goes on to say:

"The case for the acceptance by the United States of responsibility for leadership in dealing with the crisis in the Orient can not be met by the most ingenious apologist for a policy of inaction. America's interests in China, present and prospective, outrank those of any other power. . . . We are not talking about material interests - though the trade figures show that as a market China is more valuable to the United States than to Great Britain - but of moral values. Modern China is the child of the United States."

In support of this assertion, quotations from Mr. Stimson's book, "The Far Eastern Crisis" are reproduced designed to prove "the very special relationships of the United States with China, both moral and material". This condition, it is insisted, calls for "active American leadership at Brussels", particularly since the "British countries certainly would go the whole way with the United States". However, for lack of American leadership the Brussels conference "gives promise of being the most contemptibly futile of all the conferences looking towards peace which have been held in the post-war period", there having been
evident

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evident "not a trace of the American spirit of 1932".

In concluding, the article asserts:

"It is now pretty evident that Japan is nearing her objective: the beating of China to her knees. China will then become a vassal state of a Fascist Oriental power and the Orient will be closed alike to the trade and the civilization of the West. This will be a considerable responsibility for the United States to assume before posterity, in addition to the responsibility for other defaults since 1919 which have played a large, if not a dominant part, in creating the anarchic world situation of today."

Respectfully yours,



Norman Armour.

Enclosures:

1. From the Ottawa Journal,
Nov. 15, 1937. (Single copy.)
2. From the Winnipeg Tribune,
Nov. 15, 1937. (Single copy.)
3. From the Toronto Evening Telegram,
Nov. 13, 1937. (Single copy.)
4. From the Montreal Gazette,
Nov. 19, 1937. (Single copy.)
5. From the Montreal Daily Star,
Nov. 22, 1937. (Single copy.)
6. From the Montreal Daily Star,
Nov. 22, 1937. (Single copy.)
7. From the Ottawa Journal,
Nov. 23, 1937. (Single copy.)
8. From the Winnipeg Free Press,
Nov. 22, 1937. (Single copy.)

(In quintuplicate to
Department.)

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 1 to despatch
No. 1746 of Nov. 24, 1937,
from the Legation at Ottawa.

NOV 15 1937

The Ottawa Journal

TOKYO SCORNS BRUSSELS: SO WHAT?

In the politest of Oriental diplomacy Japan has told the Nine-Power Brussels conference that its honorable delegates may go and take a jump into the North Sea.

The world may be disappointed; it can scarcely be surprised. Japan didn't march its legions into China merely to march them out again at the instance of some conference held in Belgium. Japan's legions are in China on real business; the business of slicing up North China and Shanghai—and perhaps even Nanking—just as Manchuria was sliced or gobbled up six years ago.

What will Brussels do about it? Not much. Brussels will write Tokyo another note; a sort of declaration saying it's too bad Japan is doing what she is doing, and that she ought to stop. That over and done with, Japan will go on with her job. Go on with it exactly as she went on with her job in Manchuria after the League and Washington's Mr. STIMSON said she ought to stop. Also exactly as Signor MUSSOLINI went on with his job in Ethiopia after the League said he ought to stop. It's the new way of the world.

Meanwhile Britain's Lord HALIFAX, able and good man, will travel to Berlin, talk with Herr HITLER. Purpose of the talk, despatches say, is to find out what the Fuehrer wants. Just why there should be a fresh talk with HITLER to find that out, isn't exactly clear; seeing that HITLER has been telling what he wants for all of three years now, and often doing more than telling it. However, it's hardly for laymen and outlanders to tell diplomatists their business; they can't know all that's behind the scenes. Also, while Lord HALIFAX will be talking to HITLER, Signor MUSSOLINI will be reading another letter from Mr. CHAMBERLAIN, and the British Ambassador and the Italian Foreign Minister will be having a talk of their own.

After all the talk and talks of the past two years, it may all seem futile. On the other hand, talking is preferable to bombing. And it may be that Britain isn't ready yet to stop the talk.

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Enclosure No. 2 to despatch
No. 1746 of Nov. 24, 1937,
from the Legation at Ottawa.

NOV 15 1937

The Winnipeg Tribune

The Brussels Conference

It is symptomatic of the times that hardly an eyebrow should be raised over the proceedings of the Brussels conference. Events there have moved according to the dead level of expectations. Britain, France and the United States have drafted a resolution condemning Japan for not admitting that the war in China falls within the scope of the Nine Power Treaty. Italy opposes. Italy, by the way, is the only representative at Brussels of the German-Italian-Japanese "anti-Communist" bloc.

It may be argued that, once again, a "democratic front" has emerged. That is true, but it is equally true that the democratic powers are unable effectively to intervene in the Far East. If they show a certain unity, they show also their impotence in the face of the hard realities.

Meanwhile, Japan is "mopping up" Northern China. Any settlement upon the basis of accepting the present situation would mean that Japan had gained her immediate objective. The speculation now turns upon whether Japan may come to grips with Russia in the area around Vladivostok, on the borders of Mongolia, or even as far inland as Lake Baikal. However, it is usually argued that if Japan intended to strike at Russia, it would not choose the time of the freeze-up when climatic conditions are heavily in favor of the northerners.

The London Times argues that Japan may soon be prepared to accept mediation by a single power. Presumably this refers to the repeated suggestion that Germany might offer its good offices. The Times feels that Japan may not care to risk the increasing distrust of other nations provoked by its Chinese adventure. American opinion, for example, would have demanded that some attempt be made at peaceful settlement along the lines of the Brussels conference, after which, The Times thinks, American opinion is bound to harden. But American opinion showed fairly

clearly that it was not prepared to follow President Roosevelt along the more heroic lines of his Chicago speech. The "retreat from Chicago" by the President himself has been significant.

If we may take The Times as guide, the most that can be hoped for is another piece-meal settlement, another attempt to keep the war isolated, and at the very best a poor compromise.

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Enclosure No. 3 to despatch
No. 1746 of Nov. 24, 1937,
from the Legation at Ottawa.

From Toronto EVENING TELEGRAM (Conservative) of November 13, 1937,
forwarded to the American Legation, Ottawa, on November 15, 1937,
by the American Consulate General, Toronto.

**SIR JOHN AND SIR SAMUEL
MAY BE PERMITTED TO SMILE**

Sir John Simon may be pardoned if he permits himself a smile at the deliberations of the Brussels conference. In the Manchurian affair, he was blamed for not stopping the Japanese invasion. Without any grounds whatever for the belief, critics asserted that if he had taken a strong line, both the League and the United States would have given him support. All they had to support their contention was the fact that the nations of the League had firmly refused to be drawn into the affair, and that the United States, ever since the war, had even more firmly refused to be drawn into any affair that was not their own.

Recently a declaration by the president of the United States induced a belief in some quarters that the American republic was at last going to take a strong line. A conference was called to settle the new Sino-Japanese dispute. Anthony Eden, in the seat once occupied by Sir John, made sure that there would be no misconception this time. He announced that Great Britain would go as far as the other great English-speaking nation, but no farther. To date, the other great English-speaking nation has shown no inclination to go very far. It is now proposed that, if Japan proves obdurate the remedy shall be to supply China with arms. That is exactly the position taken by Sir John Simon.

In the affair he had to deal with, Britain put an embargo on trade in arms with both China and Japan. Critics contended that this favored Japan, and he announced in the House that, if the other League nations followed suit, the embargo would be made applicable to Japan only. None other followed suit, none other showed any intention to do more than talk, and Japan was permitted to go her way. In spite of these facts, and of the now admitted fact that the League, as at present constituted, is powerless to prevent aggression, the critics persist in blaming Simon and in talking nonsense to the effect that all aggression—of Japan, Italy and Germany—would have been prevented if Britain had only stopped Japan in Manchuria.

Sir John may share his smile with Sir Samuel Hoare. Sir Samuel was Foreign Minister at a time when it was obvious that the League of Nations would not back Britain in any effective measures to check Mussolini. With war threatening, he agreed with Premier Laval, of France, on a mediation plan by which Mussolini was to be bought off with some Ethiopian territory. The price was not high—Mussolini termed the territory contemptuously "a collection of deserts." The critics would have none of it, Sir Samuel was thrown to the wolves, and Mussolini gobbled up the whole of Ethiopia, deserts and all.

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Enclosure No. 4 to despatch
No. 1746 of Nov. 24, 1937,
from the Legation at Ottawa.

NOV 19 1937

The Montreal Gazette

FRITTERING OFF INTO FUTILITY.

The Nine-Power Conference which convened in Brussels in the hope that, through its deliberations, a way might be found to bring the war in China to a close is prepared to acknowledge its futility as a mediator for peace. The mediation the delegates did offer, Japan refused to consider. Further persuasion in that direction seems hopeless, and as all thought of threats of punitive measures is out of the question, the conference has decided to recess or adjourn without making any new move, convinced that a protraction of deliberations could only raise false hopes. The Japanese, in the realization of their own might, are becoming not only more aggressive in China, but their Government is adopting an aggravating attitude towards powers that are seeking a basis for peace, as is revealed (1) in Japan's warning through diplomatic channels in Brussels that assistance by the powers to China would be regarded as a hostile act, justifying her "right under international law" to blockade the Chinese coast to ships of the nations striving to aid China with supplies, and (2) in Japan's threat to occupy Hainan Island off French Indo-China "if the slightest aid be sent by France to China."

If, as is not improbable, these warnings and threats were just barefaced bluff to scare away the powers from offering material help to China, Japan's motions were superfluous as far as the Brussels conference might be concerned. England and France have their hands full elsewhere than in the Far East; the United States is unlikely to leap gallantly to the fore and direct an offensive against Japan, and it has been evident all along that other nations represented at Brussels would not take the initiative in aiding China with supplies and in other material ways. It was obvious at the outset that the outcome of the deliberations at Brussels would be nothing more than what has become usual at all international conferences of this kind. The Nine-Power Conference must be content to stand aloof and maintain an attitude of moral condemnation of Japan's course. The Chinese are to be left to defend their own country as best they may. It is scandalous, but, international divisions and antagonisms being what they are today, it is difficult to imagine what else the nations assembled at Brussels can do. In the circumstances, China's best hope seems to be that her soldiers may prolong the war to exhaust Japan's military and capital resources. This may be a remote hope and certainly it is not likely to be realized unless accompanied by real defensive endeavor.

Meanwhile, Japan surely if slowly is moving her expansion forward. Exuberant in her recent successes, she is contemplating early attainment of a point of vantage where she can dictate her own terms of peace. Her estimate of the time it would take to overcome the defence of Shanghai was singularly at fault. March to final conquest may not be made as speedily as Japan desires if General Chiang Kai-shek decides to direct the Chinese forces toward a guerilla war of attrition, which is probable should China's present palpably bad position become worse. It is a mad world and expectations of returning sanity may not be entertained unless and until certain nations recover the instinct for justice and order and moderate their ambitions for empire and domination.

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Enclosure No. 5 to despatch
No. 1746 of Nov. 24, 1937,
from the Legation at Ottawa.

NOV 22 1937

The Montreal Daily Star

JAPAN'S REAL OBJECTIVE

IT is becoming increasingly apparent that Japan does not intend to stop at the Yellow River. Her real objective is the rich Yangtze Valley, where Great Britain's main interests in China lie. She has given all the Powers concerned notice that it is her intention to claim sovereign rights in Shanghai. Her armies have driven the forces of Chiang Kai-shek back from Shanghai far on the road to Nanking, and have taken the last strong defensive position before the Chinese capital, the site of which was shifted last week seven hundred miles westward. She now dominates the greater part of the five provinces of Northern China which were originally set forth as her objective, and she has crossed the Yellow River at some points, and is fighting on the Yangtze line on others. The fate of the rich Province of Shantung—the prize of the lot, whose mineral wealth will give Japan the supplies she so badly needs—has been hanging in the balance, but there is very little hope that Chiang Kai-shek will be able either to stay the Japanese advance or prevent them from over-ruling the wobbly General Han, overlord of that province.

The Chinese have fought bravely; indeed, having due regard for the grave disadvantages under which they have been labouring from the outset—shortage of mechanized equipment, shortage of trained troops, of munitions; lack of co-ordination between the various armies, and a woeful lack of heavy artillery and, now, of airplanes—the soldiers of Chiang Kai-shek have done wonderful work. But the most courageous and determined troops in the world cannot stand forever against the combined attack of overwhelming aerial bombing and heavy land artillery and equally brave and tenacious enemy forces. Despite every desire on the part of Chiang to make a stand to the last, it is to be feared that unless he is fortunate beyond the vision of any of the trained foreign military observers or some utterly unforeseen disaster befalls the Japanese armies, he cannot hope to hold out much longer as a serious obstacle to Japan's advance. Today the Japanese are appealing to him to surrender. That is not likely—for the present at any rate. Should the Japanese forces continue their victorious march, however, and should they succeed in isolating large bodies of his already sadly depleted and demoralized forces, he may be compelled by circumstances beyond his control to yield.

Japan seeks an early conclusion of the unequal conflict. The burden upon her has been terrific, both in finances and in supplies, though she must have been better equipped for this war than most foreign authorities had led the world to believe. What she wants now is a swift end and to secure that it is wholly probable that she might make her terms sufficiently attractive to lure at least a certain section of the Chinese authorities to consider them.

Britain and France have the biggest stakes at issue, and their statesmen are naturally looking ahead. If there were any way of stemming the Japanese aggression short of actual war, they would have taken it long ago. But they know perfectly well that there is none. They are awaiting the outcome with the determination of securing their own rights and interests as far as is possible. And Japan, who will have a tremendous task on her hands as soon as the war is over, is not likely to invite their anger by trying to impose conditions that will not be tolerated.

Already British reaction to the Japanese declaration of full sovereignty at Shanghai has been swift. The Foreign Minister, Capt. Anthony Eden, told the House of Commons today that Britain would not grant Japan's demand without the consent of the Chinese Government. It is manifestly to Japan's advantage to win the co-operation of the Powers rather than to continue to alienate foreign sympathy and—inevitably—foreign trade.

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

Enclosure No. 6 to despatch
 No. 1746 of Nov. 24, 1937,
 from the Legation at Ottawa.

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The Montreal Daily Star

WHY NOT BOTH TOGETHER?



ALPHONSE SAM:—But you usually take the lead in throwing lifebuoys, my dear Gaston!

GASTON BULL:—After you, my dear Alphonse!

"The attitude of the American delegation at Brussels, in the face of flat Japanese defiance and Mr. Eden's challenging pledge to go as far as Washington will, does not encourage us to hope that it will take any very practical form. Here is a case in which the ultimate perils of the United States are far graver than those of Great Britain, and yet Eden's challenge has not been accepted."

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

The Ottawa Journal

Enclosure No. 7 to despatch
No. 1746 of Nov. 24, 1937,
from the Legation at Ottawa.

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CHINA GOES THE WAY OF ETHIOPIA.

The story of Ethiopia, appealing vainly to the world, the while being massacred by a merciless aggressor, is being told again in China. Reeling back before mechanized legions, the perhaps oldest and most peace-loving people in the world have fled their capital city, see the map of their country being rolled up by Japan. Said a despatch yesterday from Brussels:

"Despite a dramatic, eleventh-hour effort by Dr. Wellington Koo, the Chinese delegate, to salvage some kind of aid for China, delegates of various countries were doubtful anything positive would be done in the way of effective action to halt the Far Eastern conflict."

Washington confirmed Brussels. That brave Chicago speech by Mr. ROOSEVELT, in which he called upon the world to "quarantine" nations like Japan, apparently meant less than it said. There is to be no quarantine. Nor—if we are to take the word of the chairman of the United States Senate foreign relations committee—little else of consequence.

Summed up, the story is that the world is not in a position to help China, will not help. Sympathy it will give, just as it gave sympathy to HAILE SELASSIE, but for the time being, the state of the earth being what it is, Japan will be allowed to do in China what MUSSOLINI's bombers and poison gas did in Abyssinia.

And Japan, judging by the tale that comes, is well on her way. Nanking—chosen capital of SUN YAT-SEN and CHIANG KAI-SHEK, symbolizing the break with the past, the effort to liberate China from foreign exploitation—is being lost, and there is terrible pathos in the cabled words of a Chinese official: "What is the use? We have tried hard to pull our country up to the standards of others. It now appears that all these efforts are coming to naught."

Thus the state of civilization in 1937. Over large tracts of the earth there is the law of the jungle, and much as millions of good-will may want to prevent it, they are apparently powerless to do so. After two thousand years of groping, often blood-stained, towards peace, it is a solemn thing.

Enclosure No. 8 to despatch
No. 1746 of Nov. 24, 1937, NOV 22 1937
from the Legation at Ottawa.

The Winnipeg Free Press

U.S. Leadership and the Eastern Crisis

At the conference in Brussels of the signatories of the Nine Power pact there was an obvious attitude of expectancy that the United States would offer some degree of leadership. And apparently there was a disposition on all hands to accept and follow this leadership. The stage was thus set and the times were opportune for the United States to step out and display a bit of initiative in a situation which, failing this, could not be dealt with, as must have been evident to all present.

The intimation that action of this kind by the United States was looked for has been received in the United States with a nationwide shrinking of horror coupled with amazement that it should occur to anybody that America could, would or should play such a role. But why should the United States back away from a course which, we have been told many times, that country was eager to take some five years ago?

It has become a matter of almost universal belief in the United States that that country was prepared and ready to give leadership in the Manchuria affair in February, 1932, but was held back by the refusal of Great Britain to co-operate. This rests upon statements of fact to be found in "The Far Eastern Crisis" by Henry L. Stimson, who was Secretary of State for the United States from 1928 to 1932 and thus writes with knowledge and authority.

What Mr. Stimson tried unavailingly to do in February, 1932, against the passive resistance of the British government was to get

together a conference of the powers that had signed the Nine Power treaty, for a purpose that he frankly states:

"If a situation should ultimately arise when the American government felt it necessary to recommend the imposition, in co-operation with the rest of the world, of an embargo upon Japanese goods, I believed that such a measure would have more chance of being adopted by Congress if it were recommended following the invocation of the Nine Power treaty than if it had been recommended solely by the League of Nations."

On February 8, Mr. Stimson got President Hoover's consent to his plan; on February 9, he advised the British Ambassador about the American intention; on February 11, he talked over the telephone with Sir John Simon (the British Foreign Secretary) at Geneva, "explaining at length the main reasons which actuated him in desiring to make such a demarche under the Nine Power treaty"; on February 12, he talked again to

Sir John Simon and cabled him a draft of a joint statement which it was proposed Great Britain and United States should make in calling the conference. "As I explained to the British Foreign Minister," writes Mr. Stimson, "its main purpose was to make clear our faith in and intention to live up to the covenants of the Nine Power treaty respecting the future sovereignty and integrity of China." Further conversation over the telephone with Sir John Simon on February 13 and February 15 brought neither acceptance or definite refusal. At that point Mr. Stimson gave up. "My plan," he writes, "was therefore blocked."

* * *

It is on the strength of these facts that Americans have been rather pluming themselves on having been ready to go farther in 1932 than Great Britain in protecting China against Japanese aggression. There is nothing to suggest that Mr. Stimson was not in earnest. The failure of the British government to go along with the American government at that time was a mistake of the first order. The British defence for this failure is understood to be that it was thought better to leave the matter in the hands of the League. Whatever the reasons Great Britain refused to act to the complete destruction of the American plan.

But if the United States was prepared to take action in defence of China in February, 1932, against aggression in Manchuria provided she could command the co-operation of the other signatories, why does that country, in the much more serious situation of November, 1937, decline to give a lead when the conference of the signatories to the treaty is in actual being? The restrictions that held back the United States in 1932 are not now present; but what has become of the American will, once evident, to see that the engagements of the treaty are respected?

The present attitude of the American people, as reflected in their press and in statements by the politicians in Washington, is one of amazement at what they seem to regard as the impudence of other nations in assuming that the United States is called upon to do anything more than to put in an appearance at Brussels and wish hopefully that something will happen that will solve the difficulty without any involvement of them in responsibility.

There is in this a return to the defensive strategy to which American publicists and politicians are addicted when a dangerous international situation arises. This is

to assume that the United States has no interests and no responsibility and to interpret every suggestion that their country should take part as an attempt to trap generous, noble, simple-minded Uncle Sam into pulling other peoples' chestnuts out of the fire. So far as European troubles are concerned there might be elements of plausibility in such an argument; but with respect to the Orient, intelligent Americans, who are familiar with the facts and with the long series of moral commitments by the American people to the people of China, cannot but be humiliated by such an attitude towards an issue which, when it is viewed in retrospect, will be seen to have been one which affected the future of mankind.

* * *

The case for the acceptance by the United States of responsibility for leadership in dealing with the crisis in the Orient can not be met by the most ingenious apologist for a policy of inaction. America's interests in China, present and prospective, outrank those of any other power. This is not to be answered by putting forth a statistical contrast between British and United States investments in China. We are not talking about material interests—though the trade figures show that as a market China is more valuable to the United States than to Great Britain—but of moral values. Modern China is the child of the United States; and that country can not afford, without present dishonor and continuing shame, to look on with indifference while it is being destroyed. References to the United States' special relation to China abound in Mr. Stimson's book. Some may profitably be quoted:

"Several European powers have far larger commercial and territorial interests in China than we, but geographically they are remote. We are adjacent. They are in a sense absentee landlords; we, a neighbor. The repercussions which are possible in a modernization of the Far East can directly affect us in ways which would not affect them."

"Japan's attack upon China in September, 1931, was of interest to the American people not only because it was an attack upon the fundamental basis of collective action in the modern world—fidelity to treaty obligations—but because it was also a destructive assault upon the good relations which must exist between neighbor nations if order and stability are to be preserved in the North Pacific. In other words, the shock of our interest in collective fidelity was much accentuated because the trouble was in our part of the world."

The Winnipeg Free Press

"The essentially peaceful character of China's domestic internal structure is now the main stabilizing of Asia. Its loss would be a blow which would directly affect the peace of her neighbors, including America. It would be a very shortsighted policy if that loss should come through a disregard of its treaty obligations by the American government."

"The most widespread interest of our people in China is not commercial, although our commerce with that country is of long standing and of late years has been rapidly growing. . . . It came through the great missionary movement—religious, educational and medical—which had been carried on for nearly a century by the churches and humanitarian organizations of this country."

"By virtue of our propinquity and of our historic interest in the opening up of both China and Japan to the modern world we had in some ways a greater direct interest than any other nation in the world."

"Roughly speaking, the United States possessed one-third of the world's trade with Japan; all the other nations combined, two-thirds."

* * *

These quotations are conclusive as showing the very special rela-

tionships of the United States with China, both moral and material. These called for American leadership at Brussels; and there were other sound reasons why the chief responsibility for framing an active policy rested at Brussels on the United States. The United States is much the most powerful country in the world. It is not beset with enemies waiting for an opportunity to strike which is the case with the other great civilized powers. It is the only country which, in the present state of the world, could command the support of enough other countries to make it dangerous for Japan to persist in her present course. The British countries certainly would go the whole way with the United States.

For lack of American leadership the Brussels Conference gives promise of being the most contemptibly futile of all the conferences looking towards peace which have been held in the post-war period. There was in this conference not a trace of the American spirit of 1932 as expressed by Mr. Stimson. The forcibly-feeble representations to Japan have apparently been a source of amusement to the Japanese authorities. The official comment upon these representations with its cheap insults and studied insolence marks new low levels in international communications. All of which the countries in conference at Brussels take with unruffled calm. Presumably they hope that despite their inaction the situation will be saved for them by the valor and sacrifice of the Chinese.

This is becoming increasingly a vain hope. It is now pretty evident that Japan is nearing her objective: the beating of China to her knees. China will then become a vassal state of a Fascist Oriental power and the Orient will be closed alike to the trade and the civilization of the West. This will be a considerable responsibility for the United States to assume before posterity, in addition to the responsibility for other defaults since 1919 which have played a large, if not a dominant part, in creating the anarchic world situation of today.

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

No. 1028

OFFICE OF THE ADVISER ON INTERNATIONAL ECONOMIC AFFAIRS JAN 13 1938 DEPARTMENT OF STATE	LEGAL ADVISER JAN 12 1938 DEPARTMENT OF STATE
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AMERICAN CONSULATE GENERAL

Shanghai, China, October 20, 1937.

SUBJECT: Rough Estimate of Probable Damage
Resulting from Two Months of
Hostilities at Shanghai.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

While it is still impossible to estimate with a reasonable degree of exactitude the material damage suffered as a result of the first two months of hostilities in the Shanghai area, I have the honor to report that the probable magnitude of the material damage done is much greater than that suffered in 1932 as are likewise the losses due to unemployment, financial restrictions, and the interruption of trade and communications.

Wu Ta-chun, Chief of the Chinese Department of Statistics, made exhaustive investigations after the Shanghai Incident of 1932 and placed the total damage resulting from that conflict at Yuan \$1,560,049,871, which equaled approximately U. S. \$343,130,000 at the average exchange rate for March 1932. Several conservative American business men regard this figure as being too high by not less than thirty percent nor more than fifty percent, but they all agree that the material damage caused by the present hostilities is already at least three times as great as that suffered in 1932. In other words the most conservative estimate of these

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men would place the probable material damage already suffered in the Shanghai area at over Yuan \$2,340,000, 000, which amounts to more than U. S. \$500,000,000 at the 1932 rate of exchange. At the average rate of exchange for September 1937 it equals approximately U. S. \$690,000,000. Formal reports of losses submitted by Americans to the Shanghai Consulate General up to date total only U. S. \$527,638.95; but it must be remembered that much American property lies in areas which have not been open to the owners for inspection of damage since the early days of the undeclared war and that many reports covering damage already suffered will not be formally presented until the extent of the damage can be more accurately assessed. While American property owners seem to have been more fortunate so far than British property owners, it must not be forgotten that a single night of heavy bombing or bombardment might reverse this position. In spite of their good fortune, American property owners in the Shanghai area are believed to have lost at least U. S. \$2,000,000 during the past two months.

Although these losses are of major importance, the potential effect upon the economy of Shanghai of material damages of this magnitude might be regarded less seriously if it were not for the concomitant unemployment, financial restrictions, and disruption of trade with foreign countries and the hinterland; for Shanghai gave evidence of remarkable recuperative powers after the 1932 incident. Her recuperative powers following the present incident seem likely to depend largely upon the duration and inten-

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-3-

sity of the disruption of trade and industry during the conflict and the political and economic outlook for Shanghai resulting from the terms of settlement.

During the past two months Shanghai's foreign trade amounted to only twenty percent of the average for recent months, ninety percent of her industrial workers have been unemployed, trade with her hinterland has been almost completely shut off, and emergency restrictions on the withdrawal of demand deposits from Chinese banks have thrown business financing into a difficult and uncertain state. Some three million five hundred thousand people living in this area depend directly or indirectly for their livelihood upon the transportation, processing, repacking, storing, selling, financing, or transshipping of either native goods and raw materials from the hinterland or foreign goods and raw materials from distant ports. Those who are not directly engaged in the promotion of the steady flow of goods in and out of Shanghai supply goods and services for those who are actively engaged in that process. The break down of the system for any length of time spells ruin for many, since the present system is at balance with a narrow margin of profit for the majority of the middlemen and a wage close to the level of subsistence for most of the laborers. If the present severe disruption continues much longer, too many Shanghai entrepreneurs will have exhausted their small reserves of capital and too many skilled laborers will have dispersed to the four winds after exhausting their scanty savings to permit rapid recovery. Already most of the stocks carried in Shanghai warehouses at the beginning

-4-

beginning of the incident (estimated value Yuan \$50,000, 000) have been exported or consumed and there is little prospect of early replacement. These stocks formed the raw material which the Shanghai economic machine was developed to handle, and when they become exhausted the machine must stop.

Although efforts are now being made to reopen some of the closed shops and factories, there is little prospect for a marked increase in employment until it is possible to move goods into Shanghai from the interior and out of Shanghai into the interior for distribution with much greater freedom than is now possible. Small shipments of silk and other "high value per pound and cubic foot goods" are being carried by the three small foreign owned steamers which ply between Shanghai and Ningpo. An experiment in the reopening of trade on the Yangtze is now being carried out, but it involves an expensive transshipment from river boat to barge below the barrier near Kiangyin and another transshipment to a river boat above the barrier. (See this office's political report for September, page 33, for a description of the nature and significance of this barrier.) Either the substantial relaxation or the complete abolition of the existing impediments to trade with the interior in the near future might materially change Shanghai's economic position and save the destruction of much of the producing and consuming capacity of the port, which seems likely to be lost if an early change is not forthcoming.

Perhaps even more important than the material loss and the potential partial loss of producing and consuming

capacity

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Department of State letter, August 10, 1972
By Milton O. Hueston NARS, Date 12-18-75

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capacity will be the loss of confidence in the security of Shanghai which will result unless the political and economic terms of settlement of the present incident are such as to make improbable the recurrence of armed conflict in the Shanghai area. During recent months the attitude of neither the Japanese nor the Chinese authorities has been such as to encourage investment in Shanghai from abroad. It seems doubtful whether conservative foreign institutions which could assist vitally in the recuperation of Shanghai will consider investment here worth the risk involved unless the political and economic outlook for Shanghai can be based upon a wise and seemingly permanent solution of the present incident.

The longer the present conflict continues the heavier will be the material damage that may be expected, the greater will be the disruption of Shanghai's economic life, and the more serious will be Shanghai's need for outside assistance in reconstruction.

This despatch, prepared by Consul Horace H. Smith, represents the result of his careful study of the situation on the basis of available material and information.

Respectfully yours,


C. E. Gauss
American Consul General

HHS:CEG:DTM

In quintuplicate to Department
Copy to Embassy, Nanking
Copy to Embassy, Peiping

NO. 1029

AMERICAN CONSULATE GENERAL,

Shanghai, China, October 19, 1937.

For Distribution of
Grade For ☐ ☐ ☐ ☐ ☐ ☐
In U.S.A. ☒ ☐ ☐ ☐ ☐ ☐
ONI MID

SUBJECT: Casualties in the International Settlement
from August 13 to October 10th.

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DEPARTMENT OF STATE
NOV 29 1937

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

WASHINGTON.

793.94/11338
Division of
EASTERN AFFAIRS
NOV 30 1937
26

I have the honor to refer to my telegram number 567 of October 18, 7 p.m., and to enclose detailed tables, compiled by the police of the International Settlement, which indicate that between August 13 and October 10, 1937 Chinese and 16 Foreigners have been killed by missiles falling within the International Settlement and the extra-Settlement areas south of Soongow Creek while 15 Chinese and 3 Foreigners have been killed by mobs. During the same period 2731 Chinese and 25 Foreigners were wounded by falling missiles in the area and 69 Chinese and 8 Foreigners injured by mobs. It may be of interest to note that during the period January 28, 1932 to March 1, 1932 only two aerial bombs and three hundred and twelve projectiles were reported by the police of the International Settlement to have fallen in the Settlement and together with stray bullets, these missiles caused

ASSISTANT SECRETARY
OF STATE

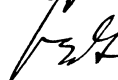
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

| 312 casualties of which only 61 proved fatal.

There is also enclosed a translation of the table of casualties in the French Concession from August 14 to October 12, provided by the authorities of that Concession.

Respectfully yours,



C. E. Gauss,
American Consul General.

Enclosures:

- 1/- Statistics covering wounded from August 13 to October 10, 1937.
- 2/- Statistics covering assaults by mobs.
- 3/- Statistics covering casualties caused by aerial bombs.
- 4/- List of names and nationalities of foreigners killed and injured.
- 5/- List of foreigners injured by falling missiles.
- 6/- Translation of table of casualties of French Concession.

IN QUINTUPLICATE
Copy to Embassy, Nanking
Copy to Embassy, Peiping

800.
HHS/Tsj

Enclosure No. 1 to despatch No. 1029 of C. E. Gauss, American Consul General at Shanghai, China, dated October 19, 1937, on the subject: "Casualties in the International Settlement from August 13 to October 10th.

(C O P Y)

SHANGHAI MUNICIPAL POLICE.

Sino - Japanese Hostilities.

-- 1937 --

Statistics of persons killed and wounded from August 13 to October 10, 1937 inclusive, in the Settlement and extra-Settlement areas, SOUTH OF THE SOOCHOW CREEK.

	Chinese		Foreigners		Remarks
	Killed	Injured	Killed	Injured	
(1) Assaults by mobs	15	69	3	8	See supplementary lists attached
(2) Persons killed and injured by falling missiles	1974	2731	16	25	

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Compared with *Y.*

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Department of State letter, August 10, 1972
By Milton D. Quattrone MARS, Date 12-18-75

Enclosure No. 2 to despatch No. 1029 of C. E. Gauss, American Consul General at Shanghai, China, dated October 19, 1937, on the subject: "Casualties in the International Settlement from August 13 to October 10th."

(C O P Y)

SHANGHAI MUNICIPAL POLICE.

Sino - Japanese Hostilities.

-- 1937 --

Assaults by mobs.

Foreigners killed and injured.

K I L L E D.

Name	Nationality	Remarks
Mr. T. Callaco	Portuguese	Mistaken for a Japanese by a mob on Fokien Road.
Mr. T. Seki	Japanese	Both killed by a Chinese mob on Brenan Road.
Mr. H. Kawaguchi	"	

I N J U R E D.

Name	Nationality	Remarks
Mr. I. B. Kaminsky	Russian	All assaulted by Chinese mobs for various reasons connected with hostilities
Mr. N. Chirikoff	"	
Mr. Lin Shi Shei	Formosan	
Mr. S. Yamada	Japanese	
Yee Fuku Do (female)	Korean	
Mr. I. Petroff	Russian	
Mr. J. Ribeiro	British	
Mr. N. Hirayashi	Japanese	

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Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

Enclosure No. 3 to despatch No. 1029 of C. E. Gauss, American Consul General at Shanghai, China, dated October 19, 1937, on the subject: "Casualties in the International Settlement from August 13 to October 10th."

(C O P Y)

SHANGHAI MUNICIPAL POLICE.
Sino - Japanese Hostilities.

-- 1937 --

Casualties caused by aerial bombs dropped in the Settlement, SOUTH OF THE SOOCHOW CREEK.

Location	Date	Chinese		Foreigners	
		Killed	Injured	Killed	Injured
Nanking Road & The Bund	14-8-37	721	858	8	7
Yu Ya Ching Road & Ave. Edward VII	14-8-37	1008	1003	5	5
Corner of Nanking & Chekiang Roads (Sincere Co.)	23-8-37	212	565	3	5

N.B. (A) These figures are included in Sheet No. 1.

(B) List of Foreigners killed and injured under this heading is attached.

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Compared with *[Signature]*

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Department of State Letter, August 10, 1972
By *Milton D. [Signature]* NARS, Date 12-18-75

Enclosure No. 4 to despatch No. 1029 of C. E. Gauss, American Consul General at Shanghai, China, dated October 19, 1937, on the subject: "Casualties in the International Settlement from August 13 to October 10th."

(C O P Y)

SHANGHAI MUNICIPAL POLICE.

Sino - Japanese Hostilities.

-- 1937 --

Names and nationalities of foreigners killed and injured in the three aerial bomb catastrophes in the Settlement, SOUTH OF THE SOOCHOW CREEK.

LOCATION and DATE	K I L L E D		I N J U R E D	
	Name	Nationality	Name	Nationality
Nanking Road & The Bund 14-8-37	Mr. A.A. Williams Miss J. Hatten Prof. R. Reischauer Mr. A. Nastashevsky Mrs. R. Belinky Mr. J. I. Karkatsky Mr. H. Kock Mr. M. Jacoby	British " American Russian " Polish German "	Dr. G. Schaefer Mr. E. Kock Mr. N. Lipinsky Mr. T. Yamaguchi Mrs. K. Yamaguchi Master H. Yamaguchi Mr. M. Matsuo	German " Russian Japanese " " "
Yu Ya Ching Road & Av. Edward VII 14-8-37	Mr. H. J. Honigsberg Mrs. H. J. Honigsberg Dr. F. J. Rawlinson Mr. A. S. Estrin Mr. A. da Silva	American " " Russian Portuguese	Mr. R. Montague-Smith Miss E. Farrell Mr. G. Bajenoff Mr. L. Choquet Mr. Daniecke	British " Russian French "
Corner of Nanking & Chekiang Roads 23-8-37	Mr. A. U. Brunner Master C. Eckert Sikh Police Constable No. 54.	Swiss German British Indian	Mr. A. J. Billingham Miss V. Glasser Miss B. Tenney Mr. M. Zimmerman Sikh Havildar No. 352.	American Polish American Russian British Indian

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Total killed 16.

Total injured 17.

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Department of State letter, August 10, 1972
By Milton D. Chavira NBS, Date 12-18-75

Enclosure No. 5 to despatch No. 1029 of C. E. Gauss, American Consul General at Shanghai, China, dated October 19, 1937, on the subject: "Casualties in the International Settlement from August 13 to October 10th."

(C O P Y)

SHANGHAI MUNICIPAL POLICE.

Sino - Japanese Hostilities.

-- 1937 --

Foreigners injured by falling missiles (i.e. shells & bullets) from August 13 to October 10, 1937 inclusive, in the Settlement and extra-Settlement areas, SOUTH OF THE SOOCHOW CREEK.

Location & Date	NAME	Nationality
485 Brenan Road 22-8-37	Jagat Singh	British Indian
Toyoda Cotton Mill 200 Jessfield Road 20-8-37	British soldier (Name unknown)	British
Peking Rd & The Bund 3-9-37	Mr. V. M. Kosnireff Mr. L. H. Richards Sham Singh (Watchman)	Russian British British Indian
Shanghai Race Course 3-9-37	Pte M. Doyle S.V.C. Pte W.G. Nicholl S.V.C.	British "
Bubbling Well & Seymour Roads corner 3-10-37	Mr. R. Nelson	American (Not reported to the Police

Total injured 8.

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Department of State letter, August 10, 1972
By Milton D. Quade for NARS, Date 12-18-75

Enclosure No. 6 to despatch No. 1029 of C. E. Gauss, American Consul General at Shanghai, China, dated October 19, 1937, on the subject: "Casualties in the International Settlement from August 13 to October 10th."



(C O P Y)

SECRETARIAT OF FRENCH CONCESSION, SHANGHAI.
Sino-Japanese Hostilities.

-- 1937 --

Statistics of persons killed and wounded from August 14 to October 12, 1937, in the French Concession.

	Chinese		Foreigners		
	Killed	Injured	Killed	Injured	
I. Victims of the bomb which fell at the corner of Avenue Edward VII and Boulevard de Montigny (on the French side of the street)					
Killed on the spot	451		4		
Died of wounds later	220				
Injured		776		5	
II. Persons injured by anti-aircraft and other projectiles in other parts of the Concession					
	16	72		2	
Totals to October 11th	687	848	4	7	

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Department of State letter, August 10, 1972
By William O. Qualley NARS, Date 12-18-75

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

December 13, 1937.

~~MSM~~
~~JCV~~
~~JWB~~

Education in Peking is being modified to create friendliness for Japan and elimination of Chinese nationalistic feeling. The study of Japanese has been made compulsory in all middle schools at the expense of the study of English and French; text books for the study of Chinese classics, history and geography have been altered; and even physical training exercises have been modified. Appropriations and school attendance have fallen off sharply.
Note marked passages.

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Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75



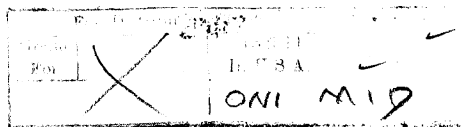
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UNITED STATES OF AMERICA

No. 1443

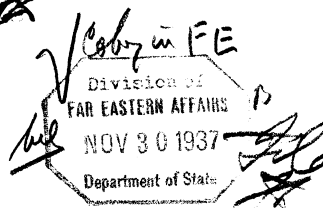
DEPARTMENT OF STATE Peiping, October 28, 1937.

1937 NOV 23 PM 12 32
Subject: Effect of the Japanese Occupation on
Primary and Middle School Education
in Peiping.
COMMUNICATIONS
AND RECORDS

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The Honorable
The Secretary of State,
Washington, D. C.



Sir:

I have the honor to describe the effect on education in the primary and middle schools of Peiping of the Japanese military occupation of North China. The situation with respect to universities will be discussed in a subsequent despatch.¹

The method of Japanese control of education:

The enforcing of the Japanese educational policy in primary and middle schools in Peiping lies principally in

1. No Government universities have opened this autumn. Six private universities have opened, with greatly reduced attendance and with a precarious future.

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- 2 -

in the hands of two Japanese civilians, Akira Takeda and Tokio Hashikawa. The former is a Japanese in his middle thirties who, although he speaks Chinese and has had considerable education, is scarcely fitted to deal with Chinese, is often given to rudeness, and is known to treat his Chinese associates in a manner which offends them. Hashikawa is of better caliber; he has lived many years in Peiping, having been at one time editor of the now defunct Shun T'ien Shih Pao (Chinese), and being at present an officer of the little known Modern Scientific Library. Hashikawa, although not an educator, does know something of Chinese cultural life and has friends among Chinese engaged in cultural work. Both these men are attached to the Japanese Special Military Affairs Organ. It is doubtful, however, whether the military officers of that organ are paying much attention at present to their activities.

The power of Takeda and Hashikawa in educational affairs arises from their being "advisers" of the Cultural Affairs Section of the Peiping Local Maintenance Society. The Cultural Affairs Section has charge of such matters as education, the press, museums, and libraries. The two Japanese make known their wishes to the Cultural Affairs Section, which then instructs the Education Section of the Social Affairs Bureau of the Peiping Municipal Government to put those wishes into effect. It may be mentioned that, prior to the Japanese occupation, education in the primary and middle schools in Peiping was under the direction of the Education Section of the Social Affairs Bureau

of

- 3 -

of the Peiping Municipal Government, which in turn was under the direction of the Ministry of Education of the National Government at Nanking. General Sung Che-yuan's regime, which collapsed in August of this year, did not interfere in educational work.

Effect of Japanese control on curricula:

The purpose of Japanese policy in education in Peiping appears to be the creation of friendliness toward Japan and the Japanese on the part of the Chinese and the elimination of Chinese nationalistic feeling. To achieve this purpose several changes in curricula have already been introduced, some of them being achieved only at the expense of intellectual honesty.

Study of the Japanese language two hours weekly in middle schools has become compulsory since about the middle of October. This has been done chiefly at the expense of the study of English, although in those few middle schools where French is taught the study of that language has suffered. Reduced budgets, resulting from the Japanese occupation, has made it impossible to add the study of Japanese without affecting other language study.

Text books for the study of Chinese classics, history, and geography have been altered. While the new text books are in preparation, the old text books are still in use, with the undesirable information in them torn out, blocked out, or pasted over. Chinese teachers have informed the Embassy of certain changes

which

- 4 -

which indicate the character of the alterations; for example, they state that in geography text books the word "Manchukuo" is used in place of the names of the four northeastern provinces and that the names of Chahar and Suiyuan are not mentioned, while in history text books the word "Kuomintang" has been eliminated as well as references to a number of developments of the past thirty years.

Although text books are not yet available, the Embassy has received a copy of the instructions of the Social Affairs Bureau of the Peiping Municipal Government which describes the deletions in text books which must be made. From these instructions it is evident that important changes in subject matter have been made. When the new text books become available, the Embassy will attempt to make an analysis of the changes. Meanwhile it is of interest to note that the deletions ordered affect in history the following subjects: Mongolia, Russo-Japanese negotiations, Japanese piracy on China's coasts, the partition of China, the Shantung question, the League of Nations, the emancipation of the weaker races, the growth of Japan, the Washington Conference, the future of nationalism, socialism, the humiliation of China, the abolition of the Anglo-Japanese agreement, the United States and China's participation in the European War, the independence movement in Korea, international aggression in China, the Paris Conference, Sino-Japanese negotiations with regard to railways in Manchuria, the power of Sun Yat-sen, unequal treaties,

tariff

- 5 -

tariff autonomy, the restoration movement, government by the National Government, financial difficulties of the National Government, the New Life Movement, and Japanese gifts to the Chinese imperial court. Changes in geography text books relate to such subjects as Japanese residents in China, the South Manchuria Railway, the Sino-Japanese war, Tokyo after the earthquake, Russo-Japanese Treaty of Peking, national defense and national humiliation, the significance of lost territories, the original condition of the border between China and Japan, concessions, migration to the northeast, overseas migration, foreign trade, changes in the northeast and their effect, postal administration and aviation, boycott of Japanese products, Mukden, mines in the northeast, and the United States and China.

The course in civics has been abolished and has been replaced by "personal individual culture". The civics course aimed at teaching pupils to become good citizens through instruction in party (Kuomintang) principles and certain aspects of history, social science, and economic affairs. The new course consists of the teaching of the "Analects" and the "Classic of Filial Piety" in primary schools, the "Great Learning" and the "Doctrine of the Mean" in junior middle schools, and the "Book of Ancient Rites" and a part of "Tso Chuan", a commentary on the Confucian "Spring and Autumn Annals", in senior middle schools.

Courses in physical culture have been replaced by courses in physical exercise. According to the head of

the

- 6 -

the Education Section of the Social Affairs Bureau of the Peiping Municipal Government, this change has resulted in the elimination from classwork of those sports, such as basket-ball, which require the forming of teams. Such games have not yet been forbidden, however, from being played outside of school hours. Boy Scout and Girl Guide organizations, which were a part of school curricula and were under the direction of the National Government, have been abolished and their place taken by instructions in old-style Chinese boxing.

Effect of Japanese occupation on school attendance:

There are 78 middle schools and 110 primary schools in the Peiping municipality. The autumn term began August 20, but all schools were delayed in opening. At present all have opened with the exception of 14 primary schools outside the city walls, which cannot open because of disturbed conditions, although four will reputedly open on November 1, and one primary school within the walls which has not opened because of its proximity to a Japanese barracks.

School attendance is considerably below what it was prior to the Sino-Japanese hostilities. Although complete statistics are not available, the decrease is indicated by the fact that 1,980 students were attending the 11 municipal middle schools in Peiping (the other 67 are private schools) on September 28 of this year, five weeks after the scheduled opening of the autumn term, whereas 3,542 students were attending those 11 schools a

year

- 7 -

year ago. In the most popular American mission school in Peiping (of primary and middle school grade), 1400 pupils were in attendance on October 23 of this year, whereas 1800 pupils had been in attendance a year ago.

The decrease is thought to be primarily due to the uneasiness of the children's parents in the present uncertain political situation which makes them afraid to have their children abroad in the city. However, other factors include the dissatisfaction of some parents with the character of instruction now given, the inability to pay school fees, as a result of the economic depression resulting from the Japanese occupation, and the inability of some former pupils now in the South to come to Peiping. With a lessening, now evident, of the fear among the local population, it may be expected that school attendance will increase.

Effect of Japanese occupation on school finances:

Municipal, as distinct from private, primary and middle schools in Peiping received prior to the outbreak of hostilities \$52,000 monthly from the Peiping Municipal Government and \$50,000 monthly from the National Government. Hostilities brought to an end the contributions of the National Government and greatly reduced those of the municipal government. For example, tuition fees for this term amount only to about \$10,000 instead of the former \$32,000 and, as these fees were turned over to the municipal government and returned to the schools as a part of the government's contribution, the municipal government's ability to contribute has naturally

been

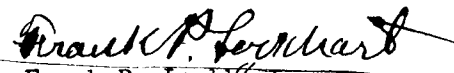
- 8 -

been curtailed thereby. This reduction in income has seriously handicapped the schools, an instance being the fact that teachers were paid during September only from 30 to 50 percent of their fixed salaries. A local educational official has expressed the belief that it will be possible for teachers to receive 80 percent of their October salaries as he expects the Peiping Local Maintenance Society to contribute the monthly \$50,000 formerly given by the National Government. That the Peiping Local Maintenance Society will be able to make so large a contribution is open to doubt in view of the city's curtailed income.

Statistics with regard to the financial condition of private primary and middle schools is unavailable, but it is thought that many of them have been as seriously affected as the municipal schools inasmuch as the reduced attendance has resulted in reduced income from tuition fees, an important source of their income. They have also been adversely affected by the increased cost of living resulting from the Japanese seizure of North China.

Respectfully yours,

For the Ambassador:

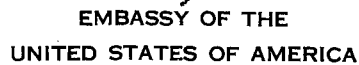

Frank P. Lockhart
Counselor of Embassy

Original and 4 copies to Department.
Copy to Embassy, Nanking.
Copy to Embassy, Tokyo.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



Peiping, November 8, 1937.

Subject: Difficulties Experienced by Members
of Tsing Hua University vis-a-vis
the Japanese Military.

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1957 NOV 29 PM 1 32

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the
U.S. DEPARTMENT OF
EASTERN AFFAIRS
10030187
Department of State

The Honorable

Sir:

I have the honor to refer to the Embassy's telegram No. 516, September 7, 4 p.m., paragraph 2, which contained the statement that "according to members of Tsing Hua University, the Japanese military did not and apparently will not occupy that University". I shall now report such facts as the Embassy possesses in regard to the difficulties experienced by the members of the University vis-à-vis the Japanese military.

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- 2 -

of the teaching staff having proceeded to Changsha where, it is understood, the University is functioning, together with the National University of Peking (Peita), and Nankai University, formerly at Tientsin, under the name of "The Temporary University."

The Embassy has been informed that on October 8, Mr. Robert Winter, an American citizen, a senior professor of the University and a member of the Committee for the Preservation of Grounds and Property of the National Tsing Hua University, having heard that Japanese soldiers had visited Tsing Hua for the fourth time and had removed truckloads of property, visited Mr. C. H. Pi, Chairman of the Committee above-mentioned, in his office at Tsing Hua. He was given a list of the property removed. This list is said to be incomplete since on three of the visits the Japanese refused to allow the college authorities to see what they had taken away. Mr. Winter brought this matter to the attention of Mr. Shima, Third Secretary of the Japanese Embassy, who said that two Japanese advisers of the Peking Peace Preservation Society had accompanied the soldiers on the first and probably on the subsequent visits. Mr. Shima was also of the opinion that the Peace Preservation Society was entirely responsible for the visits. Mr. Winter next took the matter up with that society. Mr. Takeda, the Japanese adviser to the society, said that he had authorized all four visits. Moreover, he later informed Mr. Winter that responsible authorities would shortly occupy Tsing Hua campus and that there would therefore be no question as to the official character of any ensuing acts.

Mr. Winter

- 3 -

Mr. Winter, in a letter to Mr. Shima of the Japanese Embassy dated October 14, 1937, stated as follows:

"... October 12th, while I was at Tsing Hua University, about six officers and twenty-five soldiers arrived for the purpose of selecting quarters for the billeting of the troops that the Peace Preservation Committee were sending to guard the University.

"While one of the officers was speaking with a member of the Tsing Hua Committee for the Preservation of Grounds and Property in his office, the other officers and soldiers ordered the servants of Tsing Hua University to unlock all the doors of the first and second courts. As a large number of the rooms in these courts had university property stored in them, I accompanied them, and on entering one of the rooms, found three soldiers throwing things about in their search for valuables, some of which - a cigarette case, a bronze ink holder, an ink stone, some old coins, among other things - they had already put in their pockets. I immediately ordered them to replace the things and leave the room, locked it, and reported them to an officer, who reprimanded them in my presence and asked me if everything had been returned. I answered that I thought it had, and thanked him.

"While this was going on, I observed some soldiers trying doors and windows of the locked engineering buildings, which contain very valuable property."

On October 20, in a letter to the Peace Preservation Society, a copy of which he furnished the Embassy, Mr. Winter reported that on October 18 he visited the university to get some of his personal property from his room. Arriving there he found that the door had been broken open, the room was in complete disorder, and a number of objects of small value were missing. Mr. Winter adds that the house of Miss Anna Billie, an American citizen and professor at present on furlough in America, had also been broken into, but so far as he was able to ascertain nothing had been removed therefrom.

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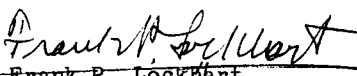
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 4 -

The evidence is obviously far from conclusive
that the pilfering was done by Japanese; consequently
I do not feel justified in taking the matter up with the
Japanese Embassy until more conclusive evidence is at
hand.

Respectfully yours,

For the Ambassador:


Frank P. Lockhart
Counselor of Embassy

Original and 1 copy to Department.
Copy to Embassy, Nanking.
Copy to Embassy, Tokyo.

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 1455

Peiping, November 8, 1937.

Subject: Review of Military and Political
Activities in North China during
October, 1937.

793.94

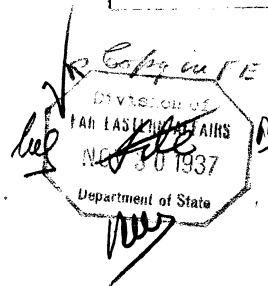
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DEPARTMENT OF STATE

1937 NOV 29 PM 12 40

DIVISION OF
COMMUNICATIONS
AND RECORDS



The Honorable

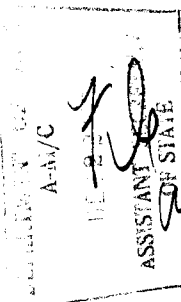
The Secretary of State,
Washington, D. C.

Sir:

I have the honor to refer to the Embassy's despatch No. 1417 of September 30, 1937, describing military and political developments which took place during September in North China, and to report herein developments of this character which occurred during October.

Political and military developments in North China were less precipitate during October than had been anticipated. Evidently the Japanese authorities concerned were delaying final action in the north in the belief

that



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- 2 -

that a decisive victory in the Shanghai area would alter the entire Sino-Japanese situation in such a way that certain military action in the North would be rendered unnecessary and that definitive political action prior to that time might be rendered unwise. This hesitation did not obtain with respect to either Shansi or Suiyuan. In Shansi the Japanese fought vigorously throughout the month without reaching their objectives and in Suiyuan, their military ends being attained with comparative ease, a puppet Mongol regime was established.

Military progress:

a. The Tientsin-Pukow Railway front:

Japanese forces on the Tientsin-Pukow Railway front were in occupation on October 1 of Sangyuan, a town on the railway just within the northern border of Shantung. It seemed that they would advance without major difficulty either to the Yellow River or to the Lunghai Railway, depending on which might be their objective. Techow, an important city 15 miles south of Sangyuan, fell to the Japanese October 3. Thereafter the Japanese advance slowed down, but not because of Chinese resistance. P'ingyuan, 20 miles south of Techow, did not fall until about October 15; and by the end of the month the Japanese forces had progressed only some 20 miles further, to Changchuang, which is 35 miles by rail north of the Yellow River. During this period Japanese forces also occupied various points east and west of the railway and approximately parallel to Changchuang. Japanese planes continued also to bomb towns and cities south of the Chinese front. Evidently the Japanese hoped that Shantung would come under

their

- 3 -

their control without serious fighting, either as a result of a Japanese victory at Shanghai or as a result of defection to the Japanese on the part of General Han Fu-chu or other leaders in Shantung.

b. The Peiping-Hankow Railway front:

After the capture of Paoting, which occurred September 24, the southward advance of Japanese forces operating along the Peiping-Hankow Railway in Hopei Province was somewhat interfered with by the necessity of engaging Chinese forces on the Japanese flanks. Chinese operations were not a serious deterrent, however, and Japanese forces entered on October 10 the city of Shihkiachwang, some 75 miles south of Paoting and the important junction of the Peiping-Hankow Railway and the Cheng-t'ai Railway which leads westward to Taiyuan, the capital of Shansi Province. From this point some forces participated in the drive on Taiyuan, which will be discussed subsequently, and other forces continued south along the Peiping-Hankow Railway. Meeting with no real resistance, these forces reached the southern border of Hopei, approximately 125 miles south of Shihkiachwang, entered Honan Province, crossed the Chang River, and occupied on October 24 or 25 the town of Fenglochen, which is 2 or 3 miles within the border and some 7 or 8 miles north of the important town of Changteh (Anyang) on the Peiping-Hankow Railway. No further important advance occurred in October, although fighting was reported in progress on the last day of the month northwest of Changteh. This engagement evidently resulted in Japanese control of the Liuhokou coal mines,

which

- 4 -

which are in that area and which are an important source of coal for the Peiping-Hankow Railway and the Hankow Water Works.¹ The intentions of the Japanese with regard to that part of Honan Province lying north of the Yellow River or of the Lunghai Railway was not apparent at the end of October.

c. The Peiping-Suiyuan Railway front:

The principal objective in Suiyuan of the Japanese military was Kueisui, the provincial capital. At the beginning of October Japanese and Mongol forces were moving across the province in Mongol territory north of the railway, other Japanese forces, which had captured on September 24 P'ingtich'uan on the Peiping-Suiyuan Railway, were moving along that railway in the direction of Kueisui, and still other forces in northern Shansi were approaching the city from the southeast. Chinese forces in the province apparently presented no serious problem. Kueisui fell October 13. It was reliably reported that the city had been deserted by Chinese forces some days previously, that Chinese communist troops had then entered the city, and that the unimportant resistance which the Japanese met with was made by them. Other Japanese and Mongol forces had meanwhile advanced from the northeast on Paot'ou, the western terminus of the Peiping-Suiyuan Railway, and that city was occupied by October 16.

In Japanese announcements of military successes it was pretended that Mongol forces had achieved the victories.

A

1. Hankow's telegram November 5, 4 p.m.

- 5 -

A meeting of representatives of various Mongol leagues and banners was opened at Kueisui October 27 and a Japanese-controlled Mongol regime was organized on the following day. This regime allegedly included all leagues within Chahar and Suiyuan Provinces.

d. The Shansi front:

Only on the Shansi front did Japanese forces in North China meet real resistance during October. Three different forces, which had penetrated with comparative ease Shansi's strongest barrier, the Inner Wall in north Shansi, were advancing at the opening of October in the direction of Taiyuan. One of these forces, which held at the beginning of the month the town of Taichow, 90 miles north of Taiyuan on the main highway, had advanced by October 15 thirty miles to Yuanp'ing. Thence they advanced to Hsink'ou, a pass some 15 miles south of Yuanp'ing. At Hsink'ou the Japanese met with strong resistance, although the topography is not so well suited for defense as is that along the Inner Wall to the north. Not all of the Chinese positions at Hsink'ou had been captured when October came to a close. Meanwhile, however, to the east of Taiyuan Japanese forces had advanced along the Chengchow-Taiyuan Railway, which connects Shihkiachwang and Taiyuan, as far as the formidable Niangtzukuan Pass. There Chinese forces offered resistance so effective that the Japanese had to resort during the closing days of the month to flanking movements which would enable them to reach the Chengchow-Taiyuan Railway to the west of the pass. As the month ended, the fall of Taiyuan appeared to be inevitable.

e.

- 6 -

e. Numerical strength: partial Japanese withdrawal:

The rate of increase of the number of Japanese troops in North China declined greatly during October until it became evident that only replacements for vacancies in units already in North China were arriving. Meanwhile, a withdrawal of some units took place, until by the end of October it was estimated that from 30,000 to 40,000 troops had left North China. It seemed probable that some at least were troops which had been despatched to North China from Manchuria in the early weeks of the North China conflict and that their presence was no longer needed, either in view of the Japanese military victories in North China or in view of the subsequent arrival of adequate numbers of Japanese forces from other areas.

Political developments:

a. The new Mongolian regime:²

The only concrete political achievement of importance in North China during October was the organizing on October 28 at Kueisui of the "Federated Autonomous Government of Mongolia", already referred to. Prince Yun, Chairman of the Ulanbatai League, was made Chairman of the regime and Prince Teh, of the Silingol League, who is the most influential Mongol of Inner Mongolia, was made Vice Chairman. The "federation" included apparently all or most of the Mongol leagues and banners in Chahar and Suiyuan but did not include leagues and banners west of Suiyuan or in Outer Mongolia and "Manchukuo". Presumably the federated

form

2. Embassy's telegram 711, October 30, 12 noon.

- 7 -

form of government was decided on by the Japanese creators of the regime in order that its future disposition might be flexible; that is, a federated form of government would permit more easily than other forms the inclusion in the future of leagues and banners in Ningsia Province, for example, or even of those in Outer Mongolia and "Manchukuo", while the new regime itself could more easily be incorporated, if the Japanese in control should decide on such a course, under some other regime, such as, for example, "Manchukuo". It was evident that political and military affairs in Chahar and Suiyuan Provinces were under the control of the Kwantung Army, while military and political affairs in the rest of North China were under the control of the North China District Army, with both armies responsible to the Tokyo General Staff.

b. Postponement of a regime for North China:

As in September, reports were in circulation throughout October that a new political regime was about to be set up in North China under the nominal leadership of some retired official of the old Peking Government. Such reports gained an appearance of authenticity from various statements of Chinese allegedly concerned and from a number of minor occurrences. For example, Mr. T'ang Erh-ho, former cabinet minister, informed a reputable American during October that Japanese were urging him to accept the leadership of a new regime; an official of the East Hopei Anti-Communist Autonomous Government stated in private conversation that General Ts'ao K'un, former chief

executive

- 8 -

executive of China, was being pressed by Japanese to come out of retirement; seemingly genuine reports were received that a few thousand Chinese were being recruited to form a token army or bodyguard for Ts'ao K'un in preparation for his impending elevation; a visit to Shantung of Chang Pi and a visit to Hong Kong of Ch'en Chung-fu, both well-known political intriguers, might well have been connected with plans for establishing a regime in North China; and the return from North China to Tokyo on a brief visit in early October of Major General Seiichi Kita, in charge of political affairs in North China, was naturally interpreted as being significant politically.³

It became increasingly clear, however, as October progressed, that important elements among the Japanese in authority believed delay in the establishment of a regime advisable. Allegedly those elements hoped that a decisive Japanese victory in the Shanghai area would make possible the settlement of North China questions through direct negotiation with Chinese authorities in Central China and that the existence of a new regime in North China would be an obstacle to such negotiation. Other factors contributing to delay in the establishment of a regime were (1) the continued preoccupation of the Japanese military with military affairs, (2) seeming delay in the fruition of political maneuvers in Shantung and (3) the difficulty of finding Chinese to serve in the proposed regime who were both suitable for

Japanese

3. Upon his return, Major General Kita established his headquarters in the building in Peiping which had been the Foreign Office under the old Peking Government.

- 9 -

Japanese purposes and willing to serve. The scarcity of Chinese of adequate caliber was especially significant if the Japanese assertion was true that they hoped a new regime in North China would be more Chinese in character than that in "Manchukuo" and would administer affairs with less Japanese interference. That those Japanese in favor of delay in establishing a regime might impose their views successfully on those Japanese opposed to delay was rendered probable by the fact that certain Japanese military officers, who have in the past acted in political affairs seemingly without reference to higher Japanese authorities, were in active service at various military fronts.

4

c. Maneuvers for peace:

It became evident during October that some Japanese elements in North China were hopeful that Sino-Japanese hostilities might be brought to an end through making use of local Chinese officials. Allegedly so urgent were representations of Japanese to the Chinese concerned to persuade the National Government to come to terms with Japan that some Chinese interpreted them as an indication of Japanese weakness, linking the representations to the withdrawal of some Japanese units from North China and to the reputed increase of Japanese military strength in North Manchuria. The Japanese concerned apparently believed the time opportune because of Japanese victories in North China, the seeming inevitability of a Japanese victory

4. Embassy's telegrams 653, October 13, 5 p.m.; 659, October 15, 5 p.m., 697, October 26, 6 p.m., and 705, October 27, 6 p.m.

- 10 -

victory at Shanghai, the expense of a prolonged conflict, the approach of winter, and the unsatisfactory state of Japanese foreign relations. Evidently as a result of Japanese representations, a joint declaration was issued October 13 by the Peiping and Tientsin Local Maintenance Societies which, referring to defeats of the Chinese, destruction of Chinese property, and the evils of prolonged resistance, alleged that only communists would benefit from further fighting, advocated Sino-Japanese friendship and cooperation, and appealed to the two governments to suspend hostilities immediately and settle their differences by diplomatic and peaceful means. The Chairman of the Peiping Local Maintenance Society, together with some of its members, called subsequently on various diplomatic missions, apparently for the purpose of emphasizing the desirability of an early peace, and the Chairman gave an address on October 25 over the radio urging the resumption of peaceful relations with Japan. It was also suggested that the visits, already referred to, of Chang Pi to Shantung and of Ch'en Chung-fu to Hong Kong, as well as a trip to Shanghai by Li Shih-hao for the alleged purpose of conferring with intimate friends and advisers of Generalissimo Chiang Kai-shek, were efforts in the direction of some undefined peaceful solution of the situation. What other measures may have been taken by local Chinese officials were not known, but it was not apparent at the close of the month that their efforts would influence the National Government nor that any proposals for peace could yet be evolved which would be acceptable to both sides.

d.

- 11 -

d. The dubious position of Shantung:

Notwithstanding General Han Fu-chu's reaffirmation on October 9 of loyalty to the National Government, most factors in the Shantung situation pointed to the probability that the province would come under Japanese control without serious fighting. As already mentioned, the Japanese advance along the Tientsin-Pukow Railway was suspended, obviously not because of any effective Chinese resistance. Furthermore, no landing of Japanese forces took place at any Shantung port nor at the eastern terminus of the Lung-hai Railway, which would presumably be strategically advisable if the Japanese intended to take Shantung by force; the Japanese avoided the bombing of towns along the Tsingtao-Tsinan Railway; Chinese troops withdrew during October to the south of the Yellow River, with the exception of one Szechuan division of doubtful quality and a part of General Han Fu-chu's army; most of the Chinese troops stationed along the Tsingtao-Tsinan Railway withdrew southward; allegedly views of General Han's divisional commanders with regard to resistance to the Japanese differed seriously; and preparations were in progress - if not actually completed - for the forming at Tsinan of a peace preservation committee of Chinese for the apparent purpose of effecting a peaceful turnover to Japanese control. Presumably also, as in so many matters affecting North China at present, the question whether Shantung would come under Japanese control peacefully depended in some measure for its answer on the course of Sino-Japanese hostilities in the Yangtze Valley.

Conditions

- 12 -

Conditions in Peiping:

a. Treatment of Chinese by Japanese:

Instances of oppressive measures by Japanese soldiers against Chinese individuals in Peiping became rare during October, with the result that the streets of the city assumed a normal appearance from morning to sun-down. After night-fall, however, the streets continued to be largely deserted, with shops closed, restaurants little patronized, and theatres open only occasionally for an evening performance. Chinese gave as their reasons for staying within doors after dark fear of robbers and fear of molestation by Japanese soldiers.

Reports of arrests and torture under Japanese direction of a number of Chinese students and former members of Chinese military units were not confirmed. Impressing of Chinese for labor decreased, although it was known that some hundreds of Chinese soldiers in hospitals in the city were removed by the Japanese military and set to work doing coolie labor. Although such Chinese were promised a daily wage of 30 or 40 cents, there was reason to believe that they received little else but their rations.

b. Finance and economics:

There was no change in the financial situation, the Japanese authorities apparently reaching no conclusion as to how to deal with the confused and uncertain financial situation described in previous reports. Economically the situation of the people improved but little. Although the price of meats declined slightly, the price of coal maintained a high level, and the price of grains increased.

Shops

- 13 -

Shops did a somewhat better business, but unemployment continued grave, money scarce, and spending greatly restricted.

c. ⁵Education:

Although by early October all but 15 of the 110 primary schools and all the 78 middle schools of Peiping had opened for instruction, attendance was considerably below normal and the financial situation of the schools was stringent. There was reason to believe, however, that both would gradually improve.

Under Japanese direction, the work continued of deleting from history and geography text-books all matter which might arouse ill-feeling toward Japan. The study of the Japanese language two hours a week in middle schools was made compulsory. Changes in physical culture and the abolition of boy scout and girl guide organizations indicated that the Japanese in authority wished to prevent school children from having organized sport.

The situation of universities and technical schools of university grade is indicated by the fact that, of the 21 such institutions which were open during the last school year, only 10 were open during October. The total attendance had dropped from 12,197 to 1,760, while of those 1,760 students, 500 were in attendance at Yenching University (American) and 530 at the Catholic University (Papal). Regulations for the control of education in universities were drafted during October but were not put into effect.

d.

5. Embassy's despatch 1443, October 28.

- 14 -

d. The press:

Japanese control of the press became increasingly effective during October, culminating at the close of the month with the sale, obviously to Japanese interests, of the British-owned, British-edited Peiping Chronicle.

There was apparent one improvement, however: anti-western propaganda in the vernacular press declined, allegedly by order of the local authorities. It should be remarked that the anti-western attitude of the local press was brought informally to the attention of the Japanese Embassy by this Embassy several weeks ago.

e. Banditry in the vicinity of Peiping:

As the month under review progressed, the sound of artillery employed by the Japanese military against Chinese bandits or volunteers became less and less audible within the city. Travel east and south of the city walls grew comparatively safe. In the direction of the hills to the west and north, however, robberies and the kidnapping of Chinese continued, although it was evident that the bandits and volunteers were being forced by Japanese contingents to withdraw into the hills to a degree greater than that which had existed during September. The remaining three of the ten Europeans who had been kidnapped on August 30 were released during October voluntarily by their captors, without ransom having been paid.

Conditions in the occupied areas:

According to reliable reports, the condition of Chinese in Peiping was far better than that of Chinese in many places occupied by Japanese military forces. A large

proportion

- 15 -

proportion of the people of numerous towns and cities fled into the country-side before the approach of Chinese and/or Japanese troops; large numbers of them did not return; some Chinese were looted by their own soldiers and were subsequently looted again by Japanese; the economic situation in the depopulated towns and cities was serious, and will become increasingly so with the arrival of winter, notwithstanding the fact that trade in some places where Japanese troops are stationed is reputedly brisk. If the claim of reputable Japanese is authentic that Japanese soldiers are instructed to treat the Chinese in a manner which will cause the Chinese to like Japan, this order was in many cases disregarded. Reports, believed to be reliable, were received of promiscuous shooting by Japanese soldiers of Chinese civilians, rape, and lesser forms of ill-treatment.

Communications: further interference with the postal service:

Train service in the occupied areas of North China continued to be inadequate. There was no improvement during October in the service between Tientsin and Peiping and Tientsin and Mukden, although a noticeable improvement, as yet considerably short of normal, has been effected since November 1. It became possible for civilians to travel as far as Kalgan by rail, as well as some distance south on the Peiping-Hankow Railway. The service

was

- 16 -

was unsatisfactory, however, in respect to the number of trains available, the length of time taken, and interference with travelers by Japanese authorities. Freight service was resumed on the Peiping-Suiyuan Railway as far as Kalgan.

Telephone service between Peiping and Tientsin continued to be confined at the Tientsin end to phones in the Japanese Concession.

Fresh interference with the postal service occurred during October. The Postal Commissioner at Peiping was visited October 13 by two Japanese officials who demanded \$100,000 worth of Chinese stamps for the Kalgan office, which had been under Japanese control since the occupation of that city in the latter part of August. The Commissioner finally acceded to the demand on October 19 to the extent of handing over \$50,000 worth of stamps. Subsequently it was demanded of him that he surrender the plates from which postage stamps are printed and which have been deposited since the latter part of July in the Chartered Bank of India, Australia, and China, located in the Legation Quarter. In an effort to force surrender, the Custodian of the Bureau of Engraving and Printing, a Russian by the name of Tomaeff, was taken into custody by the Chinese police and detained throughout the latter part of October. Failing by this means to obtain the plates, the Japanese reportedly ordered new plates to be made, which should be ready for use by the end of the year, the intention of the Japanese concerned being apparently the running of the postal service in North China on an autonomous basis.

(Note:


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Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

- 17 -

(Note: As the Embassy at Nanking has handled the question of Japanese interference with the Chinese Customs Administration in North China that subject is not dealt with in this despatch.)

Respectfully yours,

For the Ambassador:


Frank P. Lockhart
Counselor of Embassy

Original and 4 copies to Department.
Copy to Embassy, Nanking.
Copy to Embassy, Tokyo.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

December 7, 1937.

In despatch No. 2857, November 10, 1937, the Embassy discusses the probability of an Imperial Headquarters being established. Although the Embassy pointed out that a declaration of war is not an essential prerequisite to the establishment of such an agency, it notes that there is plenty of basis for the belief that important groups are advocating a declaration of war for reasons of facilitating action in China especially for the purpose of making a more effective blockade. The Embassy further points out that the establishment of the Imperial Headquarters would serve to unify certain differences of military policy advocated by different groups in the army particularly in relation to the questions of demolishing the government of China, the inevitability of war against the Soviet Union, the role of the Japanese Government in manufacturing a government in North China, and the limits to which the occupation of Chinese territory should extend.

J. H.
JWB/REK:SMJ

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton C. Gustafson NARS, Date 12-18-75



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THE FOREIGN SERVICE
DEPARTMENT OF STATE
UNITED STATES OF AMERICA

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AMERICAN EMBASSY

No. 2657.

DIVISION OF
COMMUNICATIONS
AND RECORDS

Tokyo, November 10, 1937.

SUBJECT: IMPERIAL HEADQUARTERS.

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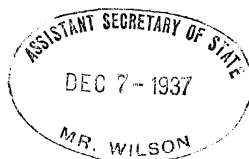


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The Honorable

The Secretary of State
Washington.



Sir:

In telegrams 509 November 2, 2 p.m., 521 November 5, 2 p.m., and 524 November 6, 6 p.m., the Embassy has reported current discussion of probable establishing of Imperial Headquarters, a Japanese supreme command for the coordinated prosecution of hostilities. The proposal as set forth in the press is again to put into force the regulations which were in effect during the Russo-Japanese war of 1904-1905 providing for that supreme command, at that time established at Hiroshima.

Imperial Headquarters as it functioned in the war against Russia was established by ordinance of December 28, 1903 (enclosure 1), suspended after the peace. The provisions of that ordinance are few and simple. Imperial Headquarters is set up directly

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directly under the Emperor; the army and the navy chiefs of staff, with the upper levels of their general staffs, are assigned to such headquarters; the function is to win the war; acting as the supreme war authority, Imperial Headquarters devises war plans and directs and coordinates execution; there is also provision for the assigning to Imperial Headquarters of those in charge of organs other than the army and the navy, and for the subordinating of the activities of such other organs to the authority of Imperial Headquarters. The goal of Imperial Headquarters during the war of 1904-1905 was clearly the successful prosecution of the war.

The reestablishment of Imperial Headquarters in some form or other in the near future appears fairly certain. The press assumes that the matter will be carried through, and conversations of members of my staff with Japanese officers and officials in general bear out that assumption. Among reasons given for the delay is mentioned failure to agree on whether or not to declare war. Imperial Headquarters in 1904-1905 was a war establishment; but the Embassy inclines to the view that the legalistic argument must have small weight in whatever discussions are going on among leaders for there seems to be no intrinsic objection on this score to Imperial Headquarters as a centralized command for the conduct of the hostilities in China even though not declared as war. Other war measures have gone ahead in Japan without hindrance, and this measure also might.

This is not to assert that a declaration of war is not being considered. There is plenty of basis for the belief that important groups are advocating the declaring of war, for reasons of facilitating action in China. The Department will recall that Japanese statements made in connection with the blockade of the China coast (Embassy's despatch 2591, September 17, 1937) referred to respect for peaceful commerce

carried

-3-

carried on by other countries, but left the way open for more stringent enforcement if the future should demand it. A statement on the blockade handed by the Vice Minister for Foreign Affairs to the French Ambassador on August 30, 1937 bears repeating in this regard (Embassy's despatch 2591, September 17, 1937, enclosure 1, paragraph 3):

The present declaration, as stated above, does not apply in the case of the ships of third Powers, and the Japanese Government do not, for the present, contemplate taking any action to prevent the importation of arms and ammunitions into China by foreign vessels. But in view of the fact that such importation of war supplies is bound to increase Chinese opposition against Japan, future developments may compel the Japanese Government to devise more effective and suitable measures to stop all importation of arms and ammunitions into China.

With the unexpected prolongation of the conflict in China Japan is becoming more and more concerned with the cutting off of the entry of war supplies into China, and in the current press vituperation against Great Britain there is emphasis on Hong Kong as a channel of voluminous trade in foreign-made munitions to China. The Japanese Government is undoubtedly considering a declaration of war against China as a means of making possible a more effective blockade. Possibly, too, the establishing of Imperial Headquarters is looked upon as a desirable occasion for such a declaration if it is to be made; but the surmise that the setting up of Imperial Headquarters is necessarily conditional upon and subordinated to a war declaration would be academic.

That Imperial Headquarters should be determined upon dominantly for the purpose of completion of the conflict against China is not unreasonable, and the Embassy believes that thus far such is the ruling consideration. In addition to the economy of effort which always is an inviting aspect of simple organs of concentrated authority, a supreme command would in the present juncture remove from the field of debate

certain

-4-

certain differences of military policy advocated by different groups in the army. There are differences of view among army leaders on the subject of the necessity of demolishing the government of China, on the inevitability of an eventual war against the Soviet Union, on the role of the Japanese army in manufacturing a government in north China, on the limits to which the occupation of Chinese territory should extend. Given army zeal in political questions, there is always the danger of too great independence of certain officers in the field in pursuit of their respective political philosophies; and that danger might be expected, in view of Japanese tradition, to be reduced by the degree of directness with which the Emperor is believed to be exercising his authority.

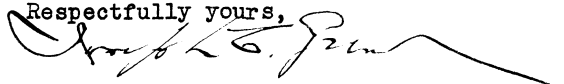
The provision for representation in Imperial Headquarters of organs other than the army and navy staffs offers unlimited possibility for the subordination of departments of government to the war plan. The wartime legislation which has been enacted to give the government wide economic powers in case of necessity must inevitably require some direction from Imperial Headquarters; and that legislation is so extensive that most departments of government are in one way or another affected, making possible a pervasive influence of Imperial Headquarters throughout the government. In this very point, the degree of general governmental control which the Imperial Headquarters should assume, there has without question been a serious division of opinion, perhaps responsible for the delay in establishing the headquarters. Many army leaders see in the present the opportunity for expanding the control of the military over political affairs. The navy, on the other hand, would have Imperial Headquarters strictly limited to military affairs (according to the press and to private statements). It is the old question again to the front: again the army pressing

-5-

pressing itself forward as promoter of a totalitarian state, and again reluctance on the part of others to allow the army the dominating role, however inevitable may be some form of government powerful in economic control and coercive in political authority.

Should there be a war against the Soviet Union or another great power there can be no question that some rigidly centralized supreme command would be unavoidable -- if not Imperial Headquarters dominated by the military, then some similarly concentrated authority. The logic of the case leads to that conclusion. Any ordeal substantially exceeding the economic strain already imposed by the hostilities in China must immediately necessitate the severest centralized control. Thought of the possibility of such an enlarged conflict no doubt enters into the consideration which is being given to the establishing of Imperial Headquarters.

Respectfully yours,



Joseph C. Grew

Enclosure:

Translation of ordinance 293, December 28, 1903.

800.

CC:mg

Copy to Embassy, Peiping.
" " " Nanking.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

Enclosure No. 1 to despatch
No. , November , 1937,
from the Embassy at Tokyo.

Translation by the American Embassy, Tokyo,
of Japanese text as printed in the Japanese
newspaper ASAHI, November 2, 1937.

CC:

Wartime Imperial Headquarters Regulations.

(Ordinance 293, December 28, 1903.)

Article 1. Under the supreme authority of the Emperor there shall be set up a supreme command, and it shall be designated the Imperial Headquarters.

Article 2. The higher bureaus of the general staff and of other organs shall be set up in the Imperial Headquarters. Organization shall be determined by separate regulations.

Article 3. The Chief of Staff and the Chief of the Naval General Staff, as heads of their respective staffs, shall perform headquarters functions, shall direct the prosecution of war, and, with a successful conclusion as object, shall coordinate action by the army and navy.

Article 4. The army and navy general staffs, under direction of their respective chiefs, shall perform duties connected with the formulation and carrying out of plans.

Article 5. The higher bureaus of other organs represented shall, under direction of their respective staffs, perform the duties assigned to them.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

JWB
Dec. 3, 1937

Tokyo's 2665, Nov. 13, 1937
supplies the detail of matters
already reported by telegraph
and is useful to have in the file
for reference purposes - but it
need not be read.

JMJ
JMJ

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



THE FOREIGN SERVICE
DEPARTMENT OF STATE
UNITED STATES OF AMERICA

1937 NOV 29 PM 12 43

AMERICAN EMBASSY

No. 2665

DIVISION OF
COMMUNICATIONS
AND RECORDS
Tokyo, November 13, 1937.

SUBJECT: RECOMMENDATIONS MADE AND STEPS TAKEN BY THE
AMERICAN EMBASSY AND STEPS TAKEN BY THE
BRITISH EMBASSY IN TOKYO WITH RESPECT TO
THE SINO-JAPANESE CONFLICT.



For Distribution Check	
Grade	For
For	In U.S.A.

The Honorable

The Secretary of State
Washington.

Copy in FE

Sir:

With reference to my despatch No. 2643 of October 29,
1937, I have the honor to enclose outlines prepared by
a member of my staff on the following subjects:

- I. Recommendations made and steps taken by the
American Embassy in Tokyo with respect to the
Sino-Japanese conflict from October 29 to
November 11, 1937, inclusive.
- II. Steps taken by the British Embassy in Tokyo
with respect to the Sino-Japanese conflict
from October 29 to November 11, 1937, inclusive
(so far as known to this Embassy).

Respectfully yours,

Joseph C. Grew
Joseph C. Grew.

Enclosures:
as listed.
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GDA:v.

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NOV 2 1937

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Enclosure No.1 to despatch
No.2665 of November 13, 1937,
from the Embassy at Tokyo.

STRICTLY CONFIDENTIAL

SECTION I -- RECOMMENDATIONS MADE AND STEPS TAKEN BY THE
AMERICAN EMBASSY IN TOKYO WITH RESPECT TO
THE SINO-JAPANESE CONFLICT FROM OCTOBER 29
TO NOVEMBER 11, 1937, INCLUSIVE.

It was reported by the Consulate General at Shanghai on October 29 that the Methodist Episcopal Mission at Sungkiang, approximately eighteen miles southwest of Shanghai, had been bombed on the morning of October 29 by Japanese airplanes, that no casualties had resulted but that the girls' school had been destroyed and other buildings which were all plainly marked by American flags had been damaged; that no Chinese troops had been in or near the property; and that the Consul General was protesting the bombing to the Japanese authorities. In response to the suggestion of the Consul General at Shanghai, the Embassy made representations on October 30 against this aerial bombing. (Telegram to the Department from the Consulate General at Shanghai No.906, October 29, and Embassy's telegram No.504, October 30, 1937).

Following a telegraphic request received from the Consulate General at Shanghai, on November 1 the Embassy made oral representations to the Japanese Foreign Office urging that since all Chinese forces had withdrawn from the proximity of the Hongkew and Yangtzepoo areas of the International Settlement, those districts should now be thrown open without delay or restrictions in order that merchants might remove or otherwise deal with their cargo and look after their factories, plants, and other properties. The Foreign Office stated that the districts in question were still under the control of the Japanese military; that while the Chinese might have been driven out of those districts, they

continued

-2-

continued to fire into them; and that the Japanese military were loath to allow foreigners more facilities to enter the districts because of the danger to which they would be exposed. (Shanghai's telegram No.904, October 29, and Embassy's telegram No.513, November 2, 1937).

In his telegram No.503 of October 30 the Ambassador stated that in his opinion the most effective way of ascertaining the mind of the Japanese Government with respect to peace terms with China would be for him to ask for an appointment with Mr. Hirota at the Foreign Minister's official residence in order to avoid publicity, and to say that he had come on his own initiative and without instructions, and to remind Mr. Hirota of a remark made by Mr. Grew to him on August 6 to the effect that Mr. Grew hoped Mr. Hirota would let him know if at any time he could be personally helpful. (Embassy's telegram No.248, August 6). In reply to the Ambassador's recommendation, the Department suggested that he make no special and separate approach but take occasion to make inquiry in regard to the Japanese Government's attitude toward peace terms when approaching the Foreign Office on some other matter.

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Department of State letter, August 10, 1972
By Milton D. Hueston NARS, Date 12-18-75

STRICTLY CONFIDENTIAL

SECTION II - STEPS TAKEN BY THE BRITISH EMBASSY IN TOKYO
WITH RESPECT TO THE SINO-JAPANESE CONFLICT
FROM OCTOBER 29 TO NOVEMBER 11, 1937, INCLUSIVE
(SO FAR AS KNOWN TO THE AMERICAN EMBASSY).

According to the Japanese press, on October 29 the British naval authorities in Shanghai protested against the killing by Japanese shells of four British soldiers in that city on October 29. As far as the Embassy is aware, no protest was made by the British Embassy in Tokyo. In any case, the Japanese Minister for Foreign Affairs addressed to the British Ambassador in Tokyo a note dated November 1 in which it was stated that the Japanese Government profoundly regretted the occurrence of the incident in the western sector of Shanghai in which British soldiers had been killed and wounded as the result of accidental firing by the Japanese forces on October 29. The note stated further that the Japanese Government offered an apology in the name of the Japanese forces, had taken the necessary precautions to prevent the recurrence of such incidents, would "deal in an appropriate manner with those concerned in this affair", and was prepared to pay the necessary compensation to the British soldiers who were killed or wounded. (Embassy's telegram No.517, November 4, 1937).

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By Milton D. Gustafson NARS, Date 12-18-75

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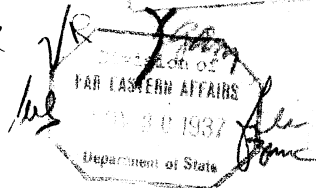
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DIVISION OF
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AND RECORDS

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A FEW MAJOR EVENTS OF THE 1937 INCIDENT WHICH
ARE REPORTED TO HAVE HAPPENED IN AND NEAR
SHANGHAI DURING OCTOBER AS CULLED FROM THE
NEWSPAPERS AND ARRANGED IN A DAY-TO-DAY
CHRONOLOGICAL ORDER.

From:

Clarke Vyse
Clarke Vyse, American Consul.

American Consulate General,
Shanghai, China.

Date completed: November 8, 1937

Date mailed: NOV 9

APPROVED:

C. E. Gauss
C. E. Gauss,
American Consul General.

793.94/11344

FILED

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

A FEW MAJOR EVENTS OF THE 1937 INCIDENT WHICH ARE REPORTED TO HAVE HAPPENED IN AND NEAR SHANGHAI DURING OCTOBER AS CULLED FROM THE NEWSPAPERS AND ARRANGED IN A DAY-TO-DAY CHRONOLOGICAL ORDER.

October 1, Friday

A press release from the Commander in Chief of the United States Asiatic Fleet stressed the necessity of establishing a safe route by which foreigners in the Yangtse Valley may reach a China coast port.

Japanese army units in the Civic Center area started a rapid and puzzling withdrawal in the direction of Woosung and Yangtszepoo. Vacated area is reoccupied by Chinese Army.

With Frenchtown and private schools seriously considering reopening for the fall season, the special committee of the Shanghai Municipal Council, formed to locate premises for municipal schools, are searching for desirable buildings. Soldiers are billeted in the regular school houses. The Kaiser Wilhelm Schule, a German educational institution is holding limited classes for pupils.

Mr. P. R. Josselyn, American Consul General at Hankow, in a cable sent today, requested Miss Shirley Temple, 8-year old American movie star and the idol of Chinese movie fans, to solicit funds for the relief of Chinese children war victims.

October 2, Saturday

The beginning of the eighth week of war in Shanghai finds little change in the general military situation, says the NORTH CHINA DAILY NEWS.

Foreign telegrams in code are again accepted by the Chinese Telegraph Administration but must first be certified by respective foreign consuls that the messages contain no political or military intelligence.

Mr.

-2-

Mr. O. K. Yui, Mayor of Shanghai, categorically denied rumors circulating in the city to the effect that a peace conference between Chinese and Japanese officials had taken place at the Park Hotel.

A Chinese report stated yesterday that Japan's war machine in the Shanghai area is being fed and kept going by a steady stream of munitions and man-power from Manchuria, according to THE CHINA PRESS.

With a Japanese machine-gun corps at their backs, Chinese bandits and irregulars from the Three Eastern Provinces are being forced to act as Japan's "cannon fodder" in the Wentsaopang, Liuhang, Yanghang and Lotien Lines, the Chinese report added.

Chinese soldiers at different places on the Lotien Liuhang front had also found during the past few days a number of shells which bear the imprint, "Made in Fengtien (Mukden) Eleventh Year of the Chinese Republic." These projectiles, said to be freely used in the Japanese heavy bombardment, were made in the Mukden arsenal and seized by the Japanese when they occupied Manchuria in 1931.

October 3, Sunday

In a telegram received from Dr. C. T. Wang, Chinese Ambassador to Washington, addressed to Dr. F. C. Yen, superintendent of the Chinese Red Cross General Hospital, it is stated that a sum of U.S.\$100,000 has been appropriated by the Red Cross Society of America for aiding medical relief work in the Shanghai and North China War Zones and that medical supplies are also being sent to China aboard a naval transport.

Four Japanese planes, with the Chinese insignia distinctly painted on their wings, attempted to raid Nanchang, provincial capital of Kiangsi, around 5 o'clock in the afternoon

-3-

afternoon, according to information from the Chinese Air Force Headquarters and published in the SHANGHAI EVENING POST AND MERCURY.

October 4, Monday

Six American evacuees left Shanghai this afternoon aboard the U.S.S. PECOS for Manila. About 30 other Americans left the day before on the U.S.S. CANOPUS bound for Kobe where most of them expect to sail for U.S.A. on the PRESIDENT WILSON.

Sir Hughe Knatchbull-Hugessen, British Ambassador to China, who is recovering from a machine-gun bullet wound in his spine, left for Netherlands East Indies today aboard the H.M.S. FALMOUTH in company with his family.

According to a message received from Geneva, a proposal to grant \$100,000 to fight epidemics in China was approved by the Budget Committee of the League of Nations today.

October 5, Tuesday

Heaviest bombardment in the history of Shanghai was unloosened today by Japanese planes in Chapei. Chinese lines said remained unchanged. 16 U. S. Marines had to retreat from their outposts along the West Soochow Creek when Japanese planes bombed the Tsoong Hua Flour Mill just across the Creek.

"Following close upon a denial by Admiral H. E. Yarnell, Commander in Chief of the U. S. Asiatic Fleet," according to the CHINA PRESS, "the Japanese naval spokesman today admitted that he was in error when on September 27, he declared that American Ambassador Nelson T. Johnson had informed the Japanese authorities that foreign nationals would be evacuated from Hankow and surrounding areas by September 26, thereby making it possible for Japanese planes to bomb the Canton-Hankow Railway... In making his correction, he declared that

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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it was not Ambassador Johnson but the American envoy in Tokyo who had given the information out."

October 6, Wednesday

A telegram applauding President Roosevelt's speech delivered at Chicago on Tuesday, in which the necessity of upholding international law and treaties was stressed, was sent to the President by four local Chinese organizations, the Chinese Chamber of Commerce, the Shanghai Residents' Civic Federation, the Shanghai Education Association and the Shanghai Labor Federation.



Jessfield Bridge refugees
crossing under fire of Japanese. Many
killed and wounded.

The Cosmopolitan Club, organized by foreign and Chinese residents and endorsed by Senior Consul Aall and Mayor Yui, was formally inaugurated at a luncheon meeting in the Park Hotel today.

October 7, Thursday

Further testifying to the favorable reception among the Chinese people, says the CHINA PRESS, of President Roosevelt's Chicago speech, two more influential national organizations

-5-

organizations , the National Associated Chambers of Commerce of China and the Chinese Seamen's Union, telegraphed the American Chief Executive to voice their support of his stand.

Chinese experts have ascertained that the gases which the Japanese used in their attacks on Chinese lines at Ssusiangkungmiao both on October 4 and 5, contained poisonous elements, according to a Central News dispatch.

October 8, Friday

National Government issues a mandate in which severe punishment for Lieutenant-General Chang Tse-chung, former Mayor of Tientsin and Commander of the 38th Division was decreed on charges of gross negligence of military duties, resulting in the loss of territory which he had been entrusted to defend; and Lieutenant-General Liu Ju-ming, Chairman of the Chahar Provincial Government and Commander of 143rd Division, was relieved of his duties on charges of inefficient defense, etc.

A service is inaugurated today by Jardine Matheson and Company between Shanghai and Nantungchow where an arrangement is made with a Chinese lighter company to transfer freights across the boom at Chinkiang, after which they are to be carried as far as Hankow. On the upper river the Indo-China Steam Navigation Company is maintaining a weekly service to Ichang.

October 9, Saturday

Colonel C. E DeWattville, Delegate of the International Red Cross Committee, completed his inspection of Red Cross Work in and round Soochow by a visit to the Headquarters of the International Relief Committee today. He was apprised of the difficulties facing relief work and one of the chief of these being safety to camps. It is hoped that some plan

may

-6-

may be worked out to secure some sort of guarantee from the Japanese that they will not bomb refugees nor Red Cross centers, says a NORTH CHINA DAILY NEWS correspondent.

General Chiang Kai-shek appealed to the people of whole China, in a long broadcast speech delivered on the eve of the National Day, to muster all their courage and determination to face the unprecedented crisis which now confronts the nation.

October 10, Sunday

Warships and merchant vessels in the Whangpoo except the Japanese Flagship IDZUMO were fully dressed in honor of the Double Tenth anniversary, the Chinese National Day.

Chinese hold series of demonstrations in the Settlement and the French Concession.

According to a Central News message from Nanking, many official telegrams sent by the Chinese Government to its embassy in Tokyo and consulates in various cities in Japan and Korea have been lost.

Spectacular increases continue to be noted in the prices of vegetables in the Settlement markets, some actually registering 400 per cent increases over normal.

October 12, Tuesday

The three cable companies announced that additional cables having been laid through the Whangpoo River to connect up with the seagoing cables in the Yangtze, the cable service between Shanghai and all other parts of the world is working normally.

According to the NORTH CHINA DAILY NEWS, Japanese marines were today removing steel plates from godowns in the Hongkew owned by Chinese, as had been threatened some days ago. The removal was witnessed by a large crowd standing in the south side of the Soochow Creek. One of

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the owners of steel plates stored in 120 North Soochow Road had to watch, helpless, while his property was loaded onto two trucks and taken away. This incident is believed to be typical of a number of removals which have been going on in the district.



Chinese from Chapei rushing
 into Settlement at Brennan Road

Dr. H. F. Ettinger, chief surgeon of the Nanking Red Cross Hospital, and Dr. B. Borcic, representative in China of the League of Nations Health organization, issued a statement today testifying to the use of poison gas by Japanese troops in Shanghai - a vesicant agent most likely a gas of the mustard group which was released from gas bombs or shells and struck the patients in a low state of concentration.

October 18, Wednesday

The Commander in Chief of the U. S. Asiatic Fleet announced that in order to facilitate transfers of personnel to and from the Fleet and to expedite the delivery and reception of U. S. mail, he is ordering destroyers to make trips to Kobe to contact Dollar and American Mail line ships.

British

-8-

British Consul General issues an official statement in connection with the machine-gunning of one of three British Embassy cars by Japanese airplanes yesterday on Minghong Road when the cars were on their way from Nanking to Shanghai. The statement makes it clear that due notification had been given to the Japanese authorities that the cars were making the journey.

Plans to send Shanghai refugees to reclamation districts in the interior were reported to have been approved by the Central Government and Kiangsu provincial authorities, according to the information received by the NORTH CHINA DAILY NEWS.

In an article published in the "FINANCE AND COMMERCE" of October 13th on the subject of Trade in Shanghai and the possibilities of same for the future, it is stated that there is little likelihood of change in Shanghai commercial situation for at least a year. Hard times are ahead but position is not hopeless. It is understood, according to the journal, that, in round figures in September, imports amounted to 3,800,000 gold units, or say, \$8,550,000 and exports to \$28,000,000.

October 14, Thursday

Accompanied by a terrific rumbling of field batteries, twenty airplanes and tanks, Chinese mobile land units launched a fierce attack on Japanese lines in Chapei in the evening. Chinese positions remained unchanged except at several points where slight gains were made.

Whole Shanghai is in uproar as shells raze downtown streets and buildings, especially buildings situated on Szechuen Road and the southern side of Soochow Creek. One of three bombs dropped by Japanese planes on Markham Road destroyed a railless street car taking a toll of 10 Chinese passengers

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passengers killed and 18 others wounded. Other casualties in the Settlement amounted to 30 Chinese killed and 60 wounded including several Sikh and Japanese policemen and one German.

A bursting shell from a Japanese naval gun which struck the water not far from the U.S.S. AUGUSTA wounded Radioman J. P. McMichael in his left temple at 0:30 a.m. Admiral Yarnell had a narrow escape. Formal expression of regrets was tendered by Japanese naval authorities.



Chapei in flames

According to the CHINA PRESS, "Joseph Walden, Shanghai's mystery man of 1935, better known as 'Mr. X,' and sentenced to 13 years imprisonment at Wuchang, Hupeh after being convicted on charges of espionage, has been given his freedom, according to telegraphic advices received in Shanghai from Hankow yesterday by his attorney Mr. Paul Premet. Walden had just completed the second year of his sentence when he was liberated. He was arrested in Shanghai early in June, 1935... It was the contention of the prosecution that Walden held a position of

-10-

of high importance with the communist group and that he was operating in China in much the same way that Paul Ruegg (Noulens) and Mrs. Ruegg were operating back in 1930 and 1931. The Noulens' pair was arrested and given life terms but according to reports circulated recently, both have been released since the outbreak of present hostilities."

October 15, Friday

In answering Japanese propaganda, Mr. T. V. Soong, Chairman of the Liberty Loan Committee, declared today, "More than \$250,000,000 of the Liberty Bonds have already been subscribed in this country at par, which must be considered a worthy manifestation of the patriotism of the people, as the campaign has been under way for only a few weeks..."

"Japanese are drawing on newly made munitions as a bomb fragment, picked up by a foreign resident in the Hungjao Road area Thursday, bears the inscription, '12th Year of Showa, 7th Month.' In other words, the bomb is less than three months old," says the CHINA PRESS.

During the night, Officers of the American Marine Forces announced that the roof of the Park Hotel opposite the Shanghai Race Course has been used as a Marine lookout for the past 10 days, and that strict care is being observed to keep everybody except persons attached to the Marine Corps off the roof.

October 16, Saturday

About 280 passengers, many of whom were refugees from Shanghai, returned to the city aboard the French Liner ANDRE LEBON today. Wild scenes of happiness ensued after a two months separation.

In a broadcast speech today, Dr. Chi Ta-chi, head of the

-11-

the Shanghai United Epidemiology Committee, stated that with the advent of cold weather in Shanghai, the most urgent health problem among the refugees in Settlement and Concession concentration camps is to prevent the outbreak of typhus which often follows in the wake of war; and that the chief step in the foreign Settlements is a cleanliness drive to delouse the refugees.

Total material damages done to Chinese educational and cultural institutions in Shanghai by Japanese bombing and shelling up to October 15 were estimated at Chinese \$10,942,242, according to statistics released by the local Social Affairs Bureau of the City Government. The Bureau also states that 300,000 Shanghai workers have joined the ranks of the unemployed as a result of hostilities.

October 17, Sunday

In the evening Chinese planes carried out three air raids on the Japanese position and warships in the Whangpoo. Incendiary bombs were dropped over Yangtsepoo and set fire to ten houses belonging to the Seventh Day Adventist Mission on Ningkuo Road and occupied at the time by Japanese Marines, according to the NORTH CHINA DAILY NEWS.

Aids to recruiting successful long ago but possibly still pertinent for present Sino-Japanese hostilities as noted by the NORTH CHINA DAILY NEWS:

"The Secretary for War has been inundated with suggestions intended to help the recruiting efforts. One proposal, frequently urged is that a smarter, brighter, more 'glamorous' uniform would make all the difference.

I am reminded of Gilbert's heavy dragon, in 'Patience' singing his impressions when he first put his uniform on:

It is plain to the veriest dunce
That every beauty
Will feel it her duty
To yield to its glamour at once.

The

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 By Milton D. Gustafson NARS, Date 12-18-75

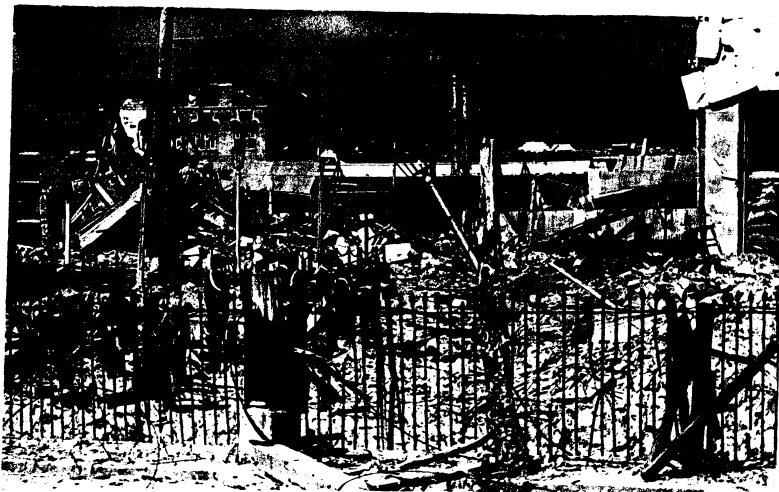
-12-

The Army uniform in those days was 'as successful in the courts of Venus as on the field of Mars,' a point Mr. Hore-Bellisha might do well to remember.

Even earlier than Gilbert's time the possibilities in this form of approach when appealing for recruits had not been overlooked. The Light Dragoon advertised in 1801:

You will be mounted on the finest horses in the world, with superb clothing and the richest accoutrements; your pay and privileges are equal to two guineas a week; your society is courted; you are admired by the fair, which, combined with the chance of getting switched to a buxom widow or brushing with a rich heiress, renders the situation truly available.

Young men, out of employment or otherwise uncomfortable, there is a tide in the affairs of men which, taken at the flood, leads to fortune. Nick it!"



Destruction at North Station
 showing Japanese in possession on
 Wednesday, October 27, 1937

October 18, Monday

British shipping companies in Shanghai are informed by the British Consulate General today that the British Admiral considered the risk to ships at the Gough Island Berth, both alongside and in the Whangpoo abreast, and in the Astrea and Woosung Channels, was no greater than that

-13-

that in the neutral anchorage between Blockhouse Buoy and the S.E. Knoll Buoys.

Coastal shipping lines continue to enlarge regular schedules for North and South China ports.

Approximately 1000 persons, a large percentage of whom being women and residents of Shanghai who evacuated to Hong-kong at the opening of the hostilities, returned here today aboard the Lloyd Triestino liner VICTORIA and the FELIX ROUSSEL of the Messageries Line.

October 19, Tuesday

Japanese bombing planes machine-gunned a motoring party, including the Italian Naval Attaché, near Soochow at 9:18 o'clock this morning.

Shanghai Municipal Council schools for both foreign and Chinese pupils will re-open on Monday, November 1, in temporary premises according to the NORTH CHINA DAILY NEWS. Curricula will be cut down for all pupils.

Monsignor Mario Zanin, Apostolic delegate to China, makes denial of the report that the Holy See had concluded an agreement with Japan in regard to the current Sino-Japanese conflict.

October 20, Wednesday

Chinese military authorities issued order that in future no foreigners may proceed to the Hungjao region farther west than the Shanghai-Nanking Line as result of Japanese bombings in this area. Foreign property owners, however, may obtain permits from their respective consulates to visit the region.

Ministry of Finance has appropriated a sum of \$10,000,000 for the establishment of a war insurance department by the Central Trust of China, also a Government organization, to extend insurance facilities for shipping, agricultural, industrial or mining products in the country.

October

-14-

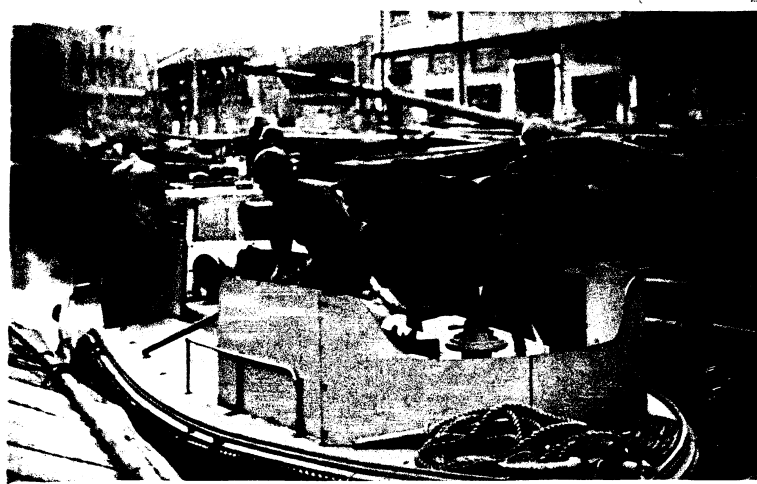
October 21, Thursday

According to the NORTH CHINA DAILY NEWS, a protest against repeated flights by Chinese planes over the International Settlement and the French Concession was made to the Ministry of Foreign Affairs by Ambassador Nelson T. Johnson on Wednesday. A similar protest was also filed with the Japanese but the information cannot be confirmed, the CHINA PRESS stated.

Chinese stage counter-offensive attacks on all Shanghai fronts.

October 22, Friday

Sergeant John Coleman, a U. S. Marine of Atkins, Arkansas, two Sikhs and 27 Chinese received burns of varying degrees of seriousness when their clothes caught fire after a Japanese plane dropped an incendiary bomb at the corner of Sinza and Myburgh Roads well inside the Boundary of the International Settlement about 4:45 p.m.



Japanese picket boat turned back
by British on Sookhow Creek on October 29,
1937, after attempting to attack the
"Lone Battalion."

October

-15-

October 22 (Cont'd)

In a radio broadcast to the United States over a hook-up with the National Broadcasting Company from Shanghai, Mr. T. V. Soong made a strong appeal to American people to take a hand in the Sino-Japanese conflict by frank and sincere cooperation with other nations and by the determination to employ economic boycott against the aggressor nation.

October 23, Saturday

In addition to the two airfields which they have built on the southern coast of Tsungming Island at the mouth of the Yangtse River, Japanese forces, according to a Central News message, are constructing a third and larger one in the western part of the Island.

Major-General A. P. D. Telfer-Smollett, commanding the British forces, makes denial of rumor circulating this morning that Chinese troops had clashed with the British forces along the boundaries in the West Hongkew area Friday night and again early this morning.

October 24, Sunday

Dr. Trautmann, German Ambassador to China issaid to be cooperating with the Shanghai German Chamber of Commerce in their effort to protect more than \$30,000,000 worth of German goods and properties stored in Yangtszepoo.

Fighting mad at the slaughter of a comrade, Rifleman W. McGowan, by a Japanese plane which swooped down from the skies and razed Post "Q" of the Royal Ulster Rifles on Keswick Road at 3:35 p.m., British soldiers returned the fire with their machine-gun, marking the first armed clash between the Japanese and a Third Power defense force in the history of the International Settlement. A mixed riding party of foreigners including Majors Allman and Rodgers, Shanghai Volunteer Corps, and Lieutenant-Commander M.S.L.

Burnett

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 By Milton D. Gustafson NARS, Date 12-18-75

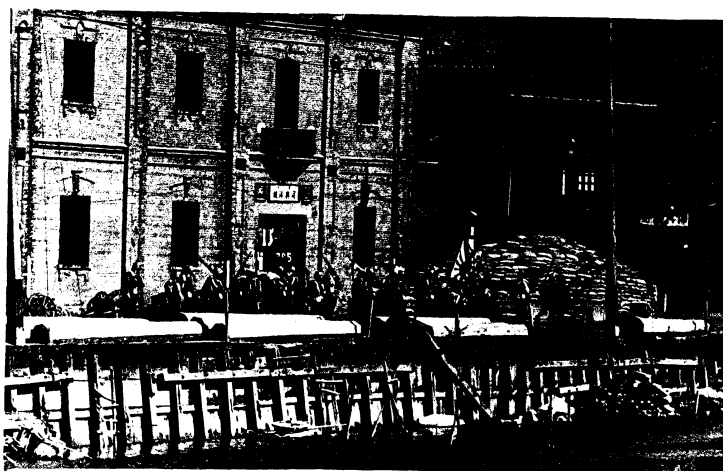
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Burnett of H.M.S. CUMBERLAND, whose mount was shot under him, had narrow escapes.

October 25, Monday

Military and naval representatives, including the admirals of the British, American and French China Fleets, of all the Shanghai defense forces, except the Japanese, paraded together in the afternoon in the funeral procession of British Rifleman W. McGowan who met his death on Sunday through a plane attack upon a British military post in Keswick Road.

According to semi-official investigations just completed, over 200 persons have been killed and 300 others wounded in Nanking as a result of 65 Japanese aerial raids during the past two months from August 15 to October 15. Eighteen big fires were started at different times by incendiary bombs and no less than 2000 civilian houses demolished.



Japanese advancing on Joint Savings Society Godown facing Soochow Creek.

It is estimated by foreign observers that more than 150 army and navy planes, most of them bombers of varying sizes

-17-

sizes, were used by the Japanese in the attack on Chinese troop positions in the Tazang and Nanziang sector during the fighting today.

October 26, Tuesday

Tazang and Miaohangchen fell to the Japanese today. The Chenju Radio Station was reported to have also fallen into Japanese hands.

According to a Reuter dispatch from New York, Chinese in the United States have spared no effort or sacrifice in contributing funds to aid their country in its struggle with Japan. Donations exceeding \$2,000,000 have already been collected, and money is likely to continue to pour into China for the duration of the war..."

October 27, Wednesday

Chinese made orderly withdrawal to new lines. Chapei and Kiangwan areas are abandoned after 75-day struggle with a "Lone Battaion" of gallant Chinese soldiers remaining in the concrete constructed godown belonging to the Joint Savings Society on the Chinese side of the North Yu Ya Ching Road. The soldiers are said to have barricaded themselves there to dispute Japan's occupation of Chapei. One Chinese flag flying in an ocean of waving rising suns.

Between 30,000 and 35,000 refugees including several hundreds of men, women and children wounded by Japanese machine-guns and aerial bombs in the Jessfield area, were admitted into the International Settlement across boundary barriers and bridges during the day.

Admiral H. E. Yarnell, Commander in Chief of the U. S. Asiatic Fleet, issued an order tonight permitting U. S. Marines to open fire upon airplanes of any nationality in self-defense in case of attack with bombs or machine-guns
on

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on the defense forces or non-combatants in the sector defended by the U. S. 2nd Marine Brigade. This authorization being an extension to that already given to the American naval vessels.

October 28, Thursday

In describing the fire started in Chapei after the withdrawal of the Chinese Army, today's CHINA PRESS says, "The burning of Rome or even the Chicago fire of 80 years ago probably never presented a spectacle more terrifying than the burning of Chapei did yesterday."



Blockhouse "Y" held by Royal Welch Fusiliers off Yu Ya Ching Road Bridge and North Soochow Road, spattered with machine gun bullets when the "Lone Battalion" evacuated Joint Savings Society Godown under fire from Japanese machine guns and field pieces.

The International Settlement south of the Soochow Creek and east of the railway track will be kept intact despite the change in the local war situation, Mr. Fessenden, Secretary General of the Shanghai Municipal Council, told Central News yesterday afternoon.

It is understood by the NORTH CHINA DAILY NEWS that
the

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the British, American, French and German Consuls-General paid a visit to the Japanese Consul General today to discuss the possibility of speedily opening up certain parts of the International Settlement in the Eastern and Northern Districts which have lately come under military occupation as the result of the present hostilities.

October 29, Friday

British troops with fixed bayonets stopped a Japanese Navy landing party from going up Soochow Creek past Chekiang Road Bridge to get at the "Lone Battalion" of Chinese soldiers in the Joint Savings Society godown this afternoon. A solid mass of junks brought quickly together by Chinese boatmen just above the bridge blocked the passage and aided the soldiers in stemming the invasion. No shots were fired by either the British or Japanese forces.

The action taken by the British military was not a desire to stem an attack on the godown but was executed because Japanese apparently were using the British guarded section of Soochow Creek traversing the International Settlement as a means of gaining a position in front of the beleaguered Chinese troops. A conference ashore among the American, British and Japanese officers lasting two hours, resulted in the withdrawal of the Japanese launch.

3,500 packages of U. S. medical supplies reached the American Embassy at Nanking and were immediately handed over to the Chinese Red Cross Society today.

Madame Kung, wife of the Minister of Finance, spoke over the C.B.S. National hook-up this morning in an address in which she thanked the American people for their sympathy and moral support, but stressed the importance of material aid as well.

Three British soldiers were killed and three others

were

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were wounded, two seriously (all are members of the Royal Ulster Rifles who are manning the boundary defenses of the western district of the International Settlement), when more than 15 shells, believed to have been fired from Japanese artillery north of Soochow Creek, landed and exploded in the Jessfield Park area shortly before 8 o'clock in the evening.



Chinese soldiers building sandbag
 emplacements after taking stand beyond
 railway line

The first ocean-going vessel to enter the inside harbor of Shanghai since the Bloody Saturday, August 14, is the American S.S. STEEL TRAVELER of the Isthmian Steamship Company, which, accompanied by an escort from the American Destroyer BULMER, arrived at 11:15 o'clock this morning bringing a cargo of steel and barbed wire from New York.

October 30, Saturday

Rapidly becoming as famous as the valiant 600 horsemen of Crimean War fame, immortalized by Lord Alfred Tennyson in "The Charge of the Light Brigade," the "doomed battalion" of the 88th Division grimly continued to hold out in the

Joint

-21-

Joint Savings Society godown on North Yu Ya Ching Road against the efforts of the Japanese navy to dislodge it and remove the Chinese flag from Chapei.

A London Reuter dispatch dated October 30, states: "The Japanese are eager to obtain an armistice in Shanghai, according to indications from trustworthy sources. Even Japanese generals are reported to be growing anxious about Japan's huge commitments in North China. It is not believed, however, that the Chinese would accede to an armistice in Shanghai, which would release Japanese troops for action in North China..."

October 31, Sunday

An article in today's CHINA PRESS says: Voluntary dissolution of the Chinese National Revolutionary League, established in November, 1933, in Fukien, by Generals Li Chi-sen, Chen Ming-chu, etc. was officially made public on October 29th. Leaders of the League, in a manifesto announcing the dissolution, pledged unwavering support to the National Government and Generalissimo Chiang Kai-shek in the task of resisting Japanese aggression.

Mayor O. K. Yui voiced the sentiment of the whole nation in expressing deep gratitude for the spontaneous assistance rendered by the foreign defense forces in Shanghai to the helpless Chinese refugees fleeing from Japanese gunfire. Particular recognition is due to the British soldiers who are posted along the western perimeter where the present clash is taking place and where the greatest burden has been imposed on them by the influx of civilian Chinese.

The Chinese "doomed battalion" in the Joint Savings Society godown evacuated under heavy fire into the Settlement at an early hour this morning.

Following

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Following the occupation of the godown, according to an article carried in the SHANGHAI EVENING POST AND MERCURY, large quantities of fresh foodstuffs, such as bread, milk and other perishable goods were said to have been found on the premises by the Japanese Landing Party who, the article adds, "cannot repress a feeling of wonder and displeasure at the presence of these provisions which must have been smuggled through the British defense lines."



Lieutenant Calvin of British Royal Engineers talking to Chinese officers inside of Hungjao area

Under the title "Lone Battalion Becomes Knotty Problem to S.M.C." the CHINA PRESS says, "The question of disposal of the 335 members of the Chinese 'Lost Battalion,' now interned in a concentration camp in the Kiaochow Road Park, is today rapidly becoming a major international political issue to which the Shanghai Municipal Council is attempting to seek satisfactory solution.

"Not being a sovereign body, the Council, according to protest put forth by the Chinese authorities, has no right to interne the soldiers. The Chinese authorities, therefore

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therefore, requested the U.S. to turn over the members of the battalion.



Chinese soldiers digging in on Hungjao area

"On the other hand, the Japanese were raising strenuous objection against any move on the part of the Council to release the interned soldiers. The Council must remain neutral, the Nipponese argued, and follow the practice of international law in keeping and feeding the soldiers inside the Settlement as long as the war lasts.

The Chinese soldiers are now in the custody of the Council, having been turned over by the British defense forces after they were disarmed. Thus the Settlement governing body must eventually settle the question of whether or not the Chinese soldiers are to be released."

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APPENDIX I

A Summary of Major Events
Said to have happened in and near Shanghai
during October, 1937

Major Bombing Incidents

Chapei and West Soochow Creek by Japanese	Oct. 5
British Embassy Motor cars on Minghong	
Road by Japanese	12
South Soochow Road, and Szechuen Road by Japanese	14
Incendiary bomb on Markham Road by Japanese	14
U.S.S. AUGUSTA by shell from Japanese	14
Ningkuo Road by Chinese	17
A Motoring Party including the Italian Naval	
Attaché by Japanese	19
Incendiary bomb at corner of Sinza and Myburgh	
Roads by Japanese	22
Defense Post "Q" of the Royal Ulster Rifles	
by Japanese	24
Jessfield area by Japanese	27
Jessfield Park area by Japanese killing 3 British	
soldiers and wounding another three	29
Shells fell into Settlement when Chinese	
"Lone Battalion" shelled by Japanese	31

Assistance from abroad

Red Cross Society of America	US\$100,000	3
League of Nations	£100,000	4
Chinese in U.S.A.	\$2,000,000	26
U. S. medical supplies reached		
American Embassy, Nanking	3500 packages	29

Chinese troops

Withdrawal from Tazang, Kiangwan and Chapei	27
"Lone Battalion" held out in Chapei	
later surrounded	27-31

Evacuation

30 Americans aboard U.S.S. CANOPUS	3
6 Americans aboard U.S.S. PECOS	4

Evacuees, Return of

280 Evacuees and passengers aboard the French	
Liner ANDRE LEBON	16
1000 Evacuees and passengers aboard the Italian	
S.S. VICTORIA and the French FELIX ROUSSEL	18

First ship to come into inside harbor

American S.S. STEEL TRAVELER	29
------------------------------	----

Poisonous

-25-

Poisonous Gas, Use of

At Ssusiangkungmiao October 4 and 5,	Oct.
by Japanese	7
Testified to by experts	12

Schools, Opening of

Chinese and foreign schools in French Concession	1
Shanghai Municipal Council Schools	Nov. 1

APPENDIX II

BORCIC, B., Doctor, Representative in China of League of Nations Health organization.
COLEMAN, JOHN, Sergeant, U.S.M.C., who received burns from a Japanese incendiary bomb on Sinza and Myburgh Roads
DEWATTVILLE, C. E., Colonel, Delegate of the International Red Cross Committee
ETTINGGER, H. F., Doctor, Chief Surgeon of Nanking Red Cross Hospital
FESSENDEN, STIRLING, Secretary-General, Shanghai Municipal Council
MCGOWAN, W., British Rifleman, who was killed by a Japanese bomb on Keswick Road
MCMICHAEL, J. P., Radioman, U.S.S. AUGUSTA who was wounded on October 14
RUEGG, PAUL (Noulens) and wife, who were sentenced to life terms on communistic charges and said to have now been released
ROOSEVELT, FRANKLIN D., President of the U.S.A.
TRAUTMANN, OSKAR P., Dr., German Ambassador to China.
WALDEN, JOSEPH, who was sentenced to 13 years imprisonment on espionage charges and said to have now been released
WANG, C. T., Dr., Chinese Ambassador to U. S. A.
YEN, F. C., Doctor, Superintendent of Chinese Red Cross General Hospital
ZANIN, MARIO, Monsignor, Apostolic Delegate to China.

800

CV:Hcc

In quintuplicate to the Department of State;
One copy to American Embassy, Nanking;
One copy to American Embassy, Tokyo, Japan.

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 Department of State letter, August 10, 1972
 By Milton D. Quatefen NARS, Date 12-18-75

Source of Information

Note: "North China" indicates NORTH CHINA DAILY NEWS, and
 "Evening Post", SHANGHAI EVENING POST AND MERCURY.

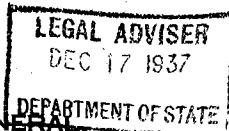
1937	Date	Item	Newspaper		Page
			Name	Date	
	Oct.			Oct.	
	1	1	China Press	2	1
		2	" "	2	1
		3	" "	2	3
		4	" "	3	1
	2	1	North China	3	10
		2	" "	2	10
		3	China Press	3	1
		4-6	" "	2	3
	3	1	China Press	4	1
		2	Evening Post	4	1
	4	1	China Press	5	2
		2	" "	5	1
		3	North China	5	5
	5	1	China Press	6	1
		2	" "	6	7
	6	1	China Press	7	1
		2	North China	7	6
	7	1	China Press	8	1
		2	" "	8	2
	8	1	China Press	9	1
		2	" "	12	7
	9	1	North China	13	3
		2	China Press	10	1
	10	1	North China	11	5
		2	" "	11	5
		3	China Press	11	1
		4	North China	11	6
	12	1	North China	13	5
		2	" "	13	6
		3	China Press	17	1
	13	1	North China	14	5
		2	" "	14	5
		3	" "	14	7
		4	" "	16	13
	14	1	China Press	15	1
		2	" "	15	1
		3	" "	15	1
		4	" "	14	7
	15	1	China Press	16	1
		2	" "	16	1
		3	" "	16	

-2-

16	1	Evening Post	16	6
	2	" "	16	6
	3	China Press	17	1 & 6
17	1	North China	18	5
	2	" "	17	5
18	1	North China	20	6
	2	" "	20	6
	3	Evening Post	18	1
19	1	North China	20	5
	2	" "	20	5
	3	" "	20	5
20	1	North China	21	5
	2	" "	21	6
21	1	North China	22	5
	2	China Press	22	1
22	1	China Press	23	1
	2	" "	23	1
23	1	China Press	24	1
	2	" "	24	1
24	1	China Press	25	1
	2	China Press)	25	1
		Evening Post)	26	1
25	1	North China	26	5
	2	" "	26	5
	3	China Press	27	1
26	1	North China	27	5
	2	" "	27	5
27	1	China Press	28,30	1
	2	" "	28	1
	3	" "	28	1
28	1	China Press	28	1
	2	" "	28	1
	3	North China	29	5
29	1-2	China Press	31	1
	3-5	" "	30	1
	6	" "	30	2
30	1	China Press	31	1
	2	North China	31	9
31	1	China Press	31	2
	2	" "	31	4
	3	" "	31	1
	4	Evening Post	31	1
	5-8	China Press	Nov.2	1

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NO. 1054



AMERICAN CONSULATE GENERAL

Shanghai, China, November 1, 1937.

1793 94

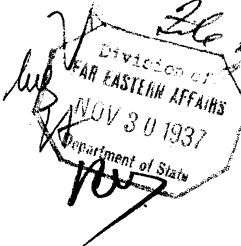
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SUBJECT: Nationality Bombing Planes causing
Destruction in Shanghai Foreign
Refuge Zones on August 14th.

RECEIVED
DEPARTMENT OF STATE
7
SIR:

HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

WASHINGTON.



793.94/11345

I have the honor to acknowledge receipt of the
Department's radio No. 449, October 2, 5 P.M., instruct-
ing me to furnish by mail a special report containing
information and evidence regarding nationality and
identity of bombing plane or planes causing deaths and
injuries to American citizens in Shanghai on the after-
noon of August 14, 1937.

It might first be stated that many people in the
streets of the city easily distinguished the Chinese
insignia on the wings of the planes which were seen to
drop the bombs on the Palace and Cathay Hotels and, a
few minutes later, to have seen a similarly marked plane
drop bombs at the intersection of Yu Ya Ching Road and
Avenue Edward VII. The newspapers carried articles
explaining that the accidents were caused by impaired
bomb racks damaged by Japanese anti-aircraft shells,
also Nanking's admission (see attached copy of Embassy's
telegram

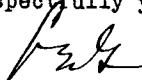
F/FG 11345

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telegram dated August 15th) of responsibility. At a later date, articles purporting to be a statement of one of the Chinese pilots concerned appeared in the Shanghai newspapers as well as in at least one magazine, THE CHINA SKY CLIPPER. Clippings from several sources 2-3/ are enclosed with this despatch.

4/ It is believed the Department will find the attached statements signed by Colonel Price, United States Marine
5/ Corps, and Superintendent MacDermott, Shanghai Municipal Police force, along with the Embassy's telegram of August 15th, the most suitable enclosures for its purpose.

Respectfully yours,


C. E. Gauss,
American Consul General.

Enclosures:

- 1/- Copy of Embassy's telegram dated August 15, 1937.
- 2/- Articles of THE CHINA PRESS dated August 15, 1937, in single copy only.
- 3/- Article of THE CHINA SKY CLIPPER dated September, 1937, in single copy only.
- 4/- Copy of statement signed by Colonel Chas. F. B. Price, U.S.M.C.
- 5/- Copy of statement signed by Superintendent W. J. MacDermott, Shanghai Municipal Police.

800

CV:Hcc

Despatch in triplicate

Copy to Embassy, Nanking

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Enclosure No. 1 to Despatch No. 1054 of C. E. Gauss,
American Consul General at Shanghai, China, dated November 1, 1937, on the subject of "Nationality Bombing Planes causing Destruction in Shanghai Foreign Refuge Zones on August 14th."

(C O P Y)

GOVT STATE SECSTATE WASHINGTON AMCONSUL SHANGHAI

438 AUGUST 15 COMMA 1 P.M.

PARAGRAPH ONE Embassy has received from Foreign Office following English text dated August 14 COLON QUOTE Referring to the Dropping of several bombs from two Chinese aeroplanes today in the International Settlement and the French Concession in Shanghai COMMA which resulted in the death and wounding of a large number of innocent people COMMA a Spokesman of the Chinese Military Command said that it was a most deplorable incident which caused as much concern and regret to the Chinese Authorities as to the Foreign Communities

PARAGRAPH Upon investigation it was found out that the aeroplanes in question COMMA while engaging in operations against Japanese warships and other military objects COMMA were fired upon by Japanese anti-aircraft guns and as a result the pilots were injured and their bomb racks were so damaged that the bombs released themselves descending upon places which had never been intended as the objective of attack PERIOD The self-release of the bombs was thus an unavoidable accident COMMA not only without the slightest intention on the part of the aviators COMMA but really against their own wish

PARAGRAPH That innocent people should bear the consequences of war in such an unexpected manner COMMA remarked the Spokesman COMMA is indeed most regrettable PERIOD It is all the more regrettable when it is learned that most of those killed and wounded by Chinese weapons of war are Chinese and that those few foreigners who unfortunately shared the same fate had been the friends of China

PARAGRAPH Renewed orders have been given to the fighting forces COMMA The Spokesman said COMMA to avoid hostilities as far as possible in that part of the International Settlement in Shanghai which is not being used by the Japanese as a base of operations and in the whole French Concession COMMA and it is to be hoped that cases of an extraordinary nature COMMA involving the loss of many innocent lives but beyond the control of the Chinese combatants COMMA might not occur again END QUOTE

PARAGRAPH TWO sent to the Department Shanghai

JOHNSON

MM

Copied by Hcc
Compared with

080

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Enclosure No. 2 to Despatch No. 1054 of C. E.
Gauss, American Consul General at Shanghai, China,
dated October 20, 1937, on the subject of "Nationality
Bombing Planes causing Destruction in Shanghai Foreign
Refuge Zones on August 14th ~~and August 23rd.~~"

THE CHINA PRESS

August 15, 1937

Government Investigating Bombing In Settlement

Facts Seem To Exonerate Pilots; Chiang Orders
Punishment If Disaster Is Due To
Poor Marksmanship

NANKING, Aug. 14.—(Reuters).—A thorough investigation into the circumstances leading to the bombing of the International Settlement was opened here this evening by the Chinese authorities.

According to the report of the Squadron-Commander, when six Chinese bombers attempted to attack the Japanese cruiser, Idzumo, this afternoon they met with a hail of shells from anti-aircraft guns.

It was subsequently found that one Chinese machine was missing and two bombers were damaged. The bombers, with their pilots wounded, barely managed to land in Chapel.

The bombs, the report stated, were dropped on the Settlement accidentally when the bomb-racks were damaged by Japanese anti-aircraft guns.

Thorough Probe Ordered

Though official reports submitted at the enquiry appear to exonerate the Chinese pilots, General Chiang Kai-shek has ordered a thorough investigation and will punish the pilots involved if it is found that the bombing of the Settlement was due to careless marksmanship.

Meanwhile, the British, French and American Governments have lodged a vigorous protest with the Chinese Foreign Office against the bombing of the Settlement.

There is some anxiety in the

capital over the fate of five of a squadron of six Chinese bombers which attempted to bomb a Japanese aircraft-carrier off Woosung this afternoon.

Late tonight only one had returned, with its landing gear damaged by anti-aircraft fire. The plane had to land "on its stomach."

But there was no news of the other five.

Most Regrettable

"That innocent people should bear the consequences of war in such an unexpected manner," remarked the military spokesman, "is indeed most regrettable. It is all the more regrettable when it is learned that most of those killed and wounded by Chinese weapons of war are Chinese and that those few foreigners who unfortunately shared the same fate had been the friends of China."

"Renewed orders have been given to the fighting forces," the spokesman said, "to avoid hostilities as far as possible in that part of the International Settlement in Shanghai which is not being used by the Japanese as a base of operations and in the whole French Concession and it is to be hoped that cases of an extraordinary nature involving the loss of many innocent lives but beyond the control of the Chinese combatants might not occur again".

THE CHINA PRESS

August 15, 1937

Palace, Cathay Hotels Hit; Heavy Death Toll Caused At Great World Building

Downtown Shanghai, crowded with thousands of refugees, became a bedlam late yesterday afternoon when four Chinese Northrop bombers dropped five bombs in the vicinity of Nanking Road and later a lone bomber flew over Frenchtown and dropped two eggs at the corner of Yu Ya Ching Road and Avenue Edward VII.

Dead and wounded in both raids number 590 killed and 838 wounded.

The first raid came about 4 p.m. when four Northrop bombers approached the Bund from the South and dropped five eggs that killed 145 and wounded 70 guests in the Palace and Cathay Hotels and Chinese pedestrians jammed on the streets below. One bomb landed squarely on the roof of the Palace Hotel, tearing a big hole. One landed on the street below in front of the arcade entrance of the Cathay Hotel and the third struck against the cornice of the Cathay Hotel on the south facade.

The other two bombs landed near the Peking Road jetty, sending huge columns of water into the air.

Lone Bomber Approaches

Fifteen minutes after the downtown raid, a lone bomber flew over Frenchtown and dropped two projectiles on the crowded corner in front of the Great World Amusement Building.

Both raids were witnessed by thousands of people who were perched on high buildings throughout the city to watch the Chinese and Japanese airplanes circulate over the city. Japanese anti-aircraft guns peppered the bombing planes over the Bund. While most of the shells exploded in the air many did not go off until they hit streets and buildings. There were no deaths but many injuries resulted from the shrapnel of the anti-aircraft guns.

Foreign Dead Listed

The foreign dead in the Nanking Road bombing are:

Mr. J. Karatasky, Russian, clerk employed by the Alexander, Clark jewelry store.

Mr. A. D. Williams, British subject, accountant, North China Daily News.

The foreign wounded are:

Dr. Robert Carl Reischauer, American, professor of International Relations at Princeton University. Lost a leg.

Dr. George Schaefer, German, resident physician at the Astor House Hotel. Cuts about wrists, legs and body lacerations.

Miss Josephine Hutton, British, daughter of Sub-Inspector Hutton of the Shanghai Municipal Police Specials. Seriously wounded about the body.

Miss Rose Nashlashevsky, Russian, telephone operator employed by the Shanghai Telephone Company. Serious wounds about the body.

Mr. M. Olivera, Portuguese, occupation unknown. Wounds serious.

Mr. Hartfield, nationality still

unknown. Wounds serious.

Mr. Herman Koch, German, unemployed, brother of a woman employee of the Palace Hotel. Serious abdominal wounds.

Mr. Feiguin, nationality unknown, wounded about the legs. Condition not considered serious.

Great World Dead Named
Known foreign dead in the Great World bombing are:

Mr. H. J. Honigsberg, American, of the West Coast Life Insurance Company, one-time well-known automobile man.

Mrs. Honigsberg, American.

Mr. Frank J. Rawlinson, American, pioneer missionary and editor of the China Recorder.

Dr. Robertson, British.

Mr. Esrin, Russian, S.M.C. Orchestra musician.

Foreigners known to have been wounded in the Great World affair:

Mr. V. Nortkorsky, Russian, occupation unknown. Wounded about body and legs.

Mrs. Bellinsky, nationality unknown, brought in dead.

Mrs. Farrell, nationality still unknown but believed to be either American or British. Badly wounded about the abdomen.

Mr. E. Anieck, French, of the Shanghai Electric Company, seriously wounded in face and left thigh.

Mr. Bananoff, Russian, badly wounded.

Besides 3 Chinese constables of the French Police.

Bank Officials Killed

Chinese known dead include:—Mr. Wu Yien-chin, Chief Auditor of the Kinchong Banking Corporation.

Mr. Yu Pa-yen, Secretary of the Kinchong Banking Corporation.

Mr. Yu Chi-chah, of the business department of the Kinchong Banking Corporation.

Mr. Wu was traveling with his two companions at the intersection of Yu Ya Ching Road and Avenue Edward VII, when they were hit by bombs.

Others Hit By Shells

It is estimated by police officials that at least ten other foreigners were wounded by falling shells or gun-fire in various parts of the Settlement and the French Concession yesterday, bringing the total of foreign casualties for the day to about 30.

Some of the names of these people were obtained by THE CHINA PRESS last night. The list is not complete for the simple reason that the police, up to a late hour last night, had not finished a check.

Mr. U.F.B. Lund, of the Whangpoo Conservancy Board, dead. Various body wounds.

Mrs. M. R. Smith, nationality unknown, wounded about the body. Condition serious. Section of the city where she received her wounds is unknown at the present time.

Mr. V. Nipinsky, Russian, wounded in the French Concession by a bursting anti-aircraft shell.

Sub-Inspector N. Bell, of the Dixwell Road Police Station. The inspector was wounded by a bursting anti-aircraft shell which fell and exploded after striking the ground in the vicinity of the station. His legs are reported to have been badly lacerated.

Mr. Briva, nationality unknown. Wounds about the arms and body. Condition serious. District where wounded is unknown.

Mrs. M. Siorara, Russian, sustained a fractured leg when struck by shrapnel during the attempted bombing of the Idzumo yesterday morning.

Montague-Smith May Die

Mr. R. Montague-Smith of the General Sales Department of the Imperial Chemical Industries (China) Ltd., who was injured in the bombing at the intersection of Yu Ya Ching Road and Avenue Edward VII, is not expected to live.

Mr. Rawlinson was killed by the Chinese bomb which fell on the corner at Avenue Edward VII and Yu Ya Ching Road.

THE CHINA PRESS

August 15, 1937

Ghastly Scene Witnessed In Air Bombing

Piles Of Dead, Mangled Seen Outside Of 'Great World'

By JAMES D. HAMMOND

Death in little bombs rained from the heavens on the International Settlement and French Concession yesterday to bring a screaming hell to hundreds of Chinese and foreign civilians such as has not been seen nor scarcely imagined in this city.

Half-thrilled, half-fearful crowds of people who gathered on the roofs of Central District buildings—these in most instances composed Shanghai's more elite residents—saw four Chinese bombers come rapidly from the south through the lower fringe of clouds over the city, follow the Bund and when almost over the Shanghai Club drop three or four bombs.

Drop In River

These landed in the Whangpoo a few hundred feet north of the Harbor Office and apparently did little damage.

Anti-aircraft guns from the Japanese flagship Idzumo started a barrage of fire that continued intermittently and deafeningly to those in the vicinity of the Bund for nearly 20 minutes.

Four or five seconds later—it may have been only two or three—a group of three additional bombs were seen slowly dropping from another of the big ships.

They landed with a loud detonation.

These deadly missiles badly damaged two Shanghai landmarks, the Cathay and Palace Hotels, and 145 Chinese known dead in the Nanking Road area and injured and maimed 70 more. Two foreigners were killed and eight injured by these same bombs.

Terrorized, Dying Humanity

Witnesses to the scenes which followed described the street as being a screaming, madly terrorized mass of wounded humanity stumbling over dead and dying fellow victims.

Fifteen minutes later 455 were killed and 827 injured just in front of the Great World Amusement Center at the corner of Yu Y. Ching Road and Avenue Edward VII (which enigmatically was being used as a haven for refugees). S. M. police squads were on the scene trying to pick out the wounded for transport to hospitals for first aid treatment.

In many places in the street police and newspapermen had to walk with care to keep from stepping on a severed foot or a half-mangled head cast some distance from its torso.

Blood Splattered Everywhere

Expressions on the faces of the majority of the killed were those of people having met an almost instantaneous death. Blood was splattered everywhere, indiscriminately mingled with articles of blown-off clothing broken from shattered windows of the hotels and pieces of brick and concrete.

Enclosure No. 3 to Despatch No. 1054 of C. E. Gauss, American Consul General at Shanghai, China, dated October 20, 1937, on the subject of "Nationality Bombing Planes causing Destruction in Shanghai Foreign Refuge Zones on August 14th. ~~and August 23rd.~~"

IN Shanghai many aerial "incidents" have occurred during the past fortnight; anyone of them would be interesting to review in retrospect, from the mass of material available, we have selected the First Bombing of Shanghai as worthy of examination. Saturday the 14th August, on this day, "Bloody" Saturday, as the Shanghai Evening Post have named it; the Nations of the world were made aware of the existence of a major conflict in Shanghai.

Never have so many guiltless people been slaughtered by the dropping of bombs in two centres of a city. Even the most terrible tragedies of the present Spanish Civil War, fail to impress when the huge total of local dead and injured, are used as a basis of terrible comparison. The explanation, apart from the poundage of the bombs, lies in the density of population within the Settlement. It also points to the huge totals of dead and maimed, which will result from every similar happening.

Prior to the engagement of both Forces, China had expressed her sincere desire to spare the Settlement and might have succeeded in giving effect to that desire, were it not for the persistence of the Japanese army to use the International Settlement as the basis of their operations—in their view—for the defense of the Settlement. This action has since then, had the opposite effect and led every foreign observer to doubt the reliability of Japanese views. Outstanding became

THE DESTRUCTION OF SHANGHAI

By Captain Jook Hung-Sing: The Pilot of the Bomber

Told in an Interview with the China Sky Clipper

was the position of the Japanese flagship H.I.J.M.S. Idzumo, moored in the Whangpoo near the heart of the Settlement and used for fighting. Japan thereby provoked the Chinese to retaliate; they, in their turn, were impelled to make use of their aerial jurisdiction over the Settlement area. Full responsibility for this action and the effect it had since had lies with the Japanese.

Flight-Captain Jook Hung-sing, of the Ninth Squadron of the Chinese Air force, flew one of the six Chinese giant bombing planes, which were launching a second surprise attack on the Japanese position and particularly the flagship Idzumo, on Saturday, August 14th, in the afternoon. Being shot through his left arm, Captain Jook still managed to set down his plane in the vicinity of Chapei, the so-called no-man's land zone, between the Chinese lines and the S.M.C. posts. While his companion, Lieutenant Liang Hung-yung was fatally hurt by the machine gun fire of one of the Japanese pursuits and soon after the plane landed, succumbed to

his injuries, Captain Jook was moved to a hospital by the Red Cross.

Referring particularly to Nanking Road and the Avenue Edward VII accidents on Saturday, August 14th, 1937, the following statement, made by Flight-Captain Jook Hung-sing, is of major importance and shows clearly that the Chinese aviators tried their best to spare the Settlement and furthermore gives proof of the fact that the bombs, which did the damage in the Foreign areas, were dropped unintentionally. It was beyond human control to avoid accidents as the plane's bomb-racks were badly damaged by the Japanese anti-aircraft fire.

A member of the editorial staff of the CHINA SKY CLIPPER was given an exclusive interview with Captain Jook, when full details of the events preceeding the first bombing of Shanghai were made available and the full story is now told for the first time. In the course of the interview the Captain made the following statement on his aerial combat with the Japanese.

"We received our orders in the morning of August 14th, 1937, at about 9 a.m. The instructions were that we should arrive in Shanghai at 10.35 a.m. to lay "eggs" on the Japanese flagship H.I.J.M.S. Idzumo. The reduced visibility resulted in a delay of our flight and it was not before 11.00 a.m. that we were circling over the Idzumo. However, thick clouds shadowing the giant battleship prevented us from hitting accurately. We saw the futility of our efforts for the time being and decided to fly eastwards over the Yangtzepoo area in order to launch an air-raid on the barracks of our enemies. Flying at an altitude of six hundred feet, we heavily bombed the place and were soon convinced we had inflicted heavy casualties on the Japanese. We then returned to our own base.

Picture)



Japanese Planes over the International Settlement, the afternoon of the bombing.



Russians Greeted by Chief U.S. Air Corps at Bolling Field
Ambassador Alexander A. Troyanovsky (at left); Valeri Chkalov, Pilot, Georgi Baidukov, Co-pilot, Maj. Gen. Oscar Westover, Chief of U.S. Army Air Corps, and Alexander Belikov, Navigator, at a reception.

Details of the First Transpolar Flight

IN our last issue we published an article by Dr. Vilhjalmur Stefansson, the world famous authority on the Arctic. In this issue we give details, that are now available, regarding the first transpolar flight. It is scarcely two months since this flight startled the world by the spectacular manner in which the Russians pioneered an over the roof of the world hop just failing to gain their final objective.

In covering the 5,288 miles which separated Moscow from their landing point in Portland, Oregon, U. S. A., Chkalov and his companions were 369 miles short of the long distance flying record at present held by two Frenchmen, Paul Codos and Maurice Rossi, which was established in 1933 when they flew from New York to Syria.

Flying the single engine monoplane with Valeri Chkalov as pilot, Georgi Baidukov, co-pilot and Alexander Belikov, navigator, the machine and crew stayed aloft for sixty-three hours and seventeen minutes in this 950 h.p. liquid cooled engine housed in a three year old monoplane. Two thousand gallons of gasoline supplied the fuel to enable them to cover the journey at an average of 100 m.p.h.

From the copyrighted story by the pilots in the New York Times we read about the airplane;

"Our plane—the same as we flew last year—is a masterpiece of our aviation technique and construction. This is the 25th machine built by A. N. Tupolev, Engineer Sukhoff, and other engineers of the Institute who carefully

worked out all the details. The plane was constructed in 1934 on special order. The chief requirement was long flying radius. This requirement necessitated others. It was absolutely necessary to have a motor which would use a minimum of fuel. The wings had to be convertible into tanks, if necessary. As a result of the scientific, experimental and research work the ANT-25 came into being. Our plane is equipped with all the latest navigation instruments for Arctic flying. Inside the fuselage and wings are airfilled rubber floats. They occupy little space and in the event of a forced landing on the sea would enable the plane to remain afloat for a long time."

The ANT-25 has been described in the Aeroplane as a monoplane, powered with one 900 h.p. M.25 liquid-cooled vee-12 motor. The fuselage is a metal-skinned structure. There is a normal cockpit forward, plenty of space for the crew behind and a small glazed turret above the wing, from which to take observations. Inside is some kind of periscopic instrument for doing so. Behind is the observer's cabin with second control stick.

By way of adding warmth, the exhaust pipes are led back through the cabin and covered with aluminium guards.

The slim lines of the fuselage are graceful and taper off to the integral fin. The wire-braced tail-plane, the incidence of which is adjustable, is high above the top of the fuselage. The rudder is covered with metal and has a trimming tab.

The undercarriage has double wheels. There is a large tailwheel carefully faired into the fuselage, but not free to orientate itself.

A number of new types of planes constructed by Tupolev have acquired fame not only in the U. S. S. R. but beyond its borders. Among those of his design have been the Land of the Soviets, in which Shestakhov made his flight, in 1929, from Moscow to New Commander Island, Aleutian Islands, Alaska and California, and the Maxim Gorky (ANT-20) which was the largest land plane in the world and crashed in May, 1935, when it was accidentally struck in the air by another plane. The ANT-25 is the same airplane in which in 1936, Chkalov, Baidukov and Balia-kov made their long-distance nonstop flight to the Arctic. The ANT-35, we are told at the embassy, is a new fast passenger plane with a cruising speed of 217.5 m.p.h. and capable of 238.5 to 261 m.p.h.

For his work in the construction of new and original types of metallic planes, the Government of the U. S. S. R. awarded Tupolev the Orders of Lenin and of the Red Star and the Government of the R. S. F. S. R. awarded him the Order of the Red Banner of Labor. He was also given the title of Honored Scientific Worker of the U. S. S. R. . . . Tupolev visited the United States in 1935. He should come again! The sooner the better.

Chkalov, Pilot, is 33 years old; Baidukov, co-pilot is 30; Belikov navigator, is 40. Chkalov and Belikov

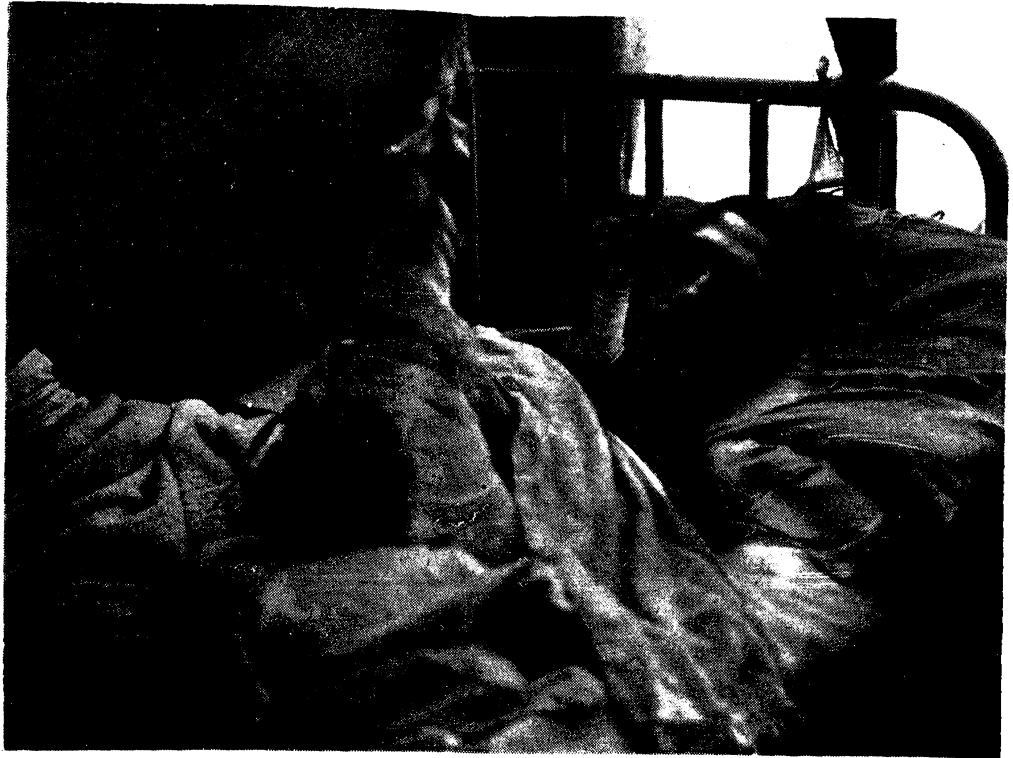
(Continued on Page 13)

"Orders came through in the afternoon at 3 p.m. of the same day, for a second attack on the original target. Heading for our destination, again the Idzumo, we were forced by the bad weather, and typhoon conditions, to fly at an altitude of no more than five hundred feet. The instant we appeared over the Idzumo an incessant anti-aircraft fire started and our bombs answered. At this moment, an enemy pursuit plane dropped out of the clouds and kept atop of my plane; covering us with a machine-gun. We replied, but it is a common knowledge that a machine-gunner, flying underneath his opponent, is much handicapped and I believe that we were not able to do much damage, to our enemy. After a couple of minutes of fighting, I discovered that my companion, Lieutenant Liang had been fatally wounded. Moreover, I discovered to my horror, that the bomb-racks of my plane were badly damaged by the anti-aircraft fire from the Japanese battleship; which resulted in the most regretful accidents at the Cathay Hotel and Palace Hotel on Nanking Road as well as of the Great World Amusement Center on Avenue Edward VII. The Final unfortunate destruction in the foreign areas induced me to hasten to a safe landing behind the lines somewhere in Chapei, lest more damage should be done by my already badly loosened bomb-racks. It was only when I set the bomber on the ground that I felt a stiffening pain in my left arm. I was hit by the Japanese pursuit plane's machine gun bullets. The rest is known I believe, to the public, a Red-Cross van conveyed ^{me} to this hospital."

This statement proves, clearer than anything else, that no harm on Foreign property and lives was intended by the Chinese. And it must be emphasized that the Japanese action was the cause of these two unfortunate disasters and accordingly moral responsibility, must lie with the Japanese authorities.

Personal sacrifice in this time of stress for the cause of the nation is the spirit of this wounded Chinese aviator subsequently revealed by a personal inscription of Captain Jook, presented to your correspondent for publication in this journal.

The H. I. J. M. S. Idzumo laying in the Whangpoo River, near the Japanese Consulate. Whilst in this position she was subject to many air-raids.



Captain Jook, the pilot of the plane which bombed Shanghai on the 14th. August, laying in the hospital.

He appeared cheerful and eager to get back to the front to see service again and he manifested complete faith in his national leaders, being confident that the ultimate victory will be China's.

When asked about his opinion of the Japanese air force, Flight-Captain Jook Hung-sing expressed the firm belief, that the Chinese air-fighters are considerably more skilful.

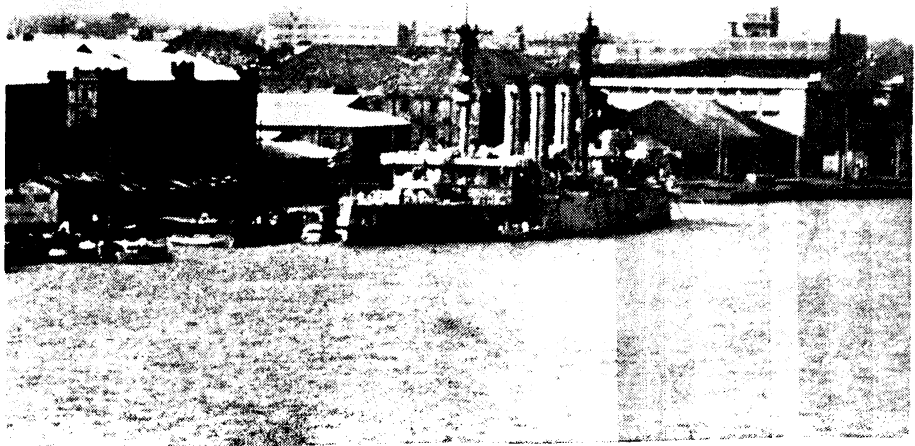
"Whatever steps the Japanese battleships and planes may take," said the Captain, "We will continue to look for our target, our marksmanship is far better than that of the Japanese and every man of the Air Force is willing to fight to the very last. To defend our own country is every man's very duty, and the Chinese airmen are not afraid to sacrifice their lives. We are determined to resist the foreign aggressor till to the last and our greatest honour

shall be to offer our lives for the welfare of our country."

"I am handicapped for the next few days, but as soon as the doctor will release me from his care, I shall go back to the front to fight for the Glory of China. At this moment Chinese airmen are fighting, from my room in this hospital I can hear the motors of our planes roaring; when the pilot puts his plane into the power dive it fills me with an even greater pride to be a member of this arm of the Chinese Army, that is bound to play the deciding part, in the engagements, which shall free China from Foreign aggression."

Flight-Captain Jook Hung-sing a native of Jehol, is rapidly nearing recovery. However, his left arm is still bandaged, but according to the doctor's advice he shall be able to leave the hospital in the near future.

(N.C.D.N.)



A "BABY" TRANSPORT

The Lambert Twin Monocoach, Details of the Model "H"
As Illustrated on the front Cover of this Issue

ON the Front Cover of this issue we show this popular plane which has been designed and flown successfully in general service, particularly so, by Airlines who use this plane as a baby transport for feeder services. The following data gives full details of the general construction and performances made on the usual standards.

A demonstration flight of nearly two thousand miles recently produced extraordinary performance data. Powered by two 90 H.P. Lambert Engines, carrying a load of four people, 200 lbs. of baggage and fuel for a range of 900 miles, the little ship cruised at 130 M.P.H. and disclosed a ridiculously small fuel consumption, totalling 10 gallons an hour. Except for its vast difference in operating expense, the MONOCOACH resembles in many details the refinements of the skyliners of the airways, being equipped with engine starters, flaps, and retractable landing gear. Indicated landing speed *without flaps* has been reported by the manufacturer to be 40 M.P.H., which is a phenomenal performance.

TYPE

4-5 place, cantilever, low wing, enclosed twin engine, Monoplane.

WEIGHTS

1. Weight empty	1882.0
2. Useful load—normal	1338.0
Payload	710.0
Passengers (3)	510.0
Baggage	200.0
Pilot	170.0
Fuel (70 U.S. Gal)	420.0
Oil (5 U.S. Gal)	38.0
3. Gross weight	3220.0

DIMENSIONS

Wing span	36'0"
Overall length	24'6"
Overall height	7'10"
Effective wing area	231.2 sq. ft.

POWER PLANT

Two Lambert R-266, 5 cylinder radial air cooled engines. Rated 90 H.P. at 2375 R.P.M. at sea level. A.T.C. No. 38.

PERFORMANCE

(Normal power)—With high pitch fixed propellers at Gross Weight
Maximum speed, sea level 150 m.p.h.
Cruising speeds:
 Sea level 72% rated power 126 m.p.h.
 8600 ft. 72% rated power 136.4 m.p.h.
Landing speeds full load:
 Flaps closed 62 m.p.h.
 Flaps open 48 m.p.h.

Rate of climb, Initial	560 ft/min
Absolute ceiling	13,250 ft.
Service ceiling	10,800 ft.
Range at cruising speed	862 mi. in 6.36 hr.

SINGLE ENGINE PERFORMANCE

With high pitch fixed propellers at Cross Weight	
Distance covered from altitudes:	
From 13,250 ft. altitude	78.5 miles
10,800 "	68.8 miles
8,600 "	59.6 miles
6,000 "	47.0 miles
4,000 "	35.0 miles
2,000 "	20.1 miles

FEATURES AND CONSTRUCTION

Wing Structure:

Wing is of one piece cantilever construction, with two wooden box spars, rigidly braced in torsion with deep wooden box drag struts and double internal tie rods. Wing is fabric covered. The ailerons are of metal structure, fabric covered, and are full frise type with differential operation. Flaps are N.A.C.A. balanced split type of metal structure, and fabric covered. Air foil basic section is N.A.C.A. 2315 combined with a semi-elliptic plan form.

FUSELAGE

The fuselage frame is welded steel tubing, so arranged that no tubes are visible in the cabin section. Ample width, length and head room is provided, and windows are of the narrow pillar type for the best visibility. Individual pilot chairs are provided, with deep cushions and are adjustable fore and aft. A single side automobile type seat is provided in the rear for the passengers. The cabin is lined with a high grade of airplane upholstering fabric. The large door extended to the roof—is on the left side and permits easy entrance and exit. A combination heating and ventilating system of ample capacity, is fitted.

LANDING GEAR

The single leg type of landing gear is provided with a simple electric motor retracting mechanism. The wheels, when retracted into the nacelles, project just far enough so that wheel up landings may be made in an emergency. Either streamline, or low pressure wheels, with hydraulic brakes, are used. The oleo strut is designed to produce very soft landings. The streamline tail wheel

swivels through 360° and is provided with an oleo unit.

TAIL UNIT

The tail surfaces are of metal structure, fabric covered and are dynamically balanced.

CONTROL SYSTEM

Dual wheel control, with dual rubber pedals, comprises the primary control system. Tab controls are fitted over the pilot's head in the roof. Flaps are operated by a lever between the pilots. The landing gear operating switch is on the instrument panel.

POWER PLANT

The two power plants are enclosed in fully cowled nacelles mounted on the wing on either side of the fuselage. The engine mounts are welded steel tubing, securely mounted to the wing structure, and provided with rubber engine mounting pads. Pressure baffles for proper cooling are provided. The accessory compartment is adequately ventilated. Exhaust rings discharge at the bottom of the nacelle. Ram type carburetor air scoops are used. An oil tank is fitted in each nacelle, while the fuel system consists of two wing tanks with individual engine fuel pumps, supplemented by a hand pump in the cockpit. A stainless steel firewall separates the power plant from the wing. Engine temperature is controlled in flight by adjustable sectors on the N.A.C.A. cowling exit opening.

BAGGAGE COMPARTMENTS

A large compartment is provided in the nose and another large one is located under the rear seat.

EQUIPMENT

The standard equipment includes. The following instruments:

Bank and turn indicator
Compass
Air speed indicator
Climb indicator
Altimeter
Clock
Tachometers (2)
Oil pressure gauge (2)
Oil thermometers (2)
Fuel gage (selective)
Fuel pressure gauge (2)
Manifold pressure gauge (2)
Thermocouple

Also 2 electric starters running lights etc., etc. . .

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Enclosure No. 4 to Despatch No. 1054 of C. E. Gauss, American Consul General at Shanghai, China, dated November 1, 1937, on the subject of "Nationality Bombing Planes causing Destruction in Shanghai Foreign Refuge Zones on August 14th."

HEADQUARTERS, FOURTH MARINES, SHANGHAI, CHINA.

EXTRACTS FROM RECORDS OF INTELLIGENCE SECTION, FOURTH MARINES,
PERIOD 1600, 13 AUGUST TO 1800, 14 AUGUST, 1937.

CONCERNING AUGUST 14 BOMBING

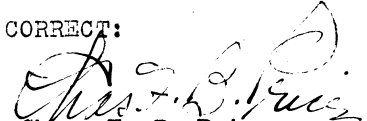
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At 1015, on August 14, 3 Chinese bombers attacked the Kung Dah Cotton Mill on Yangtzepoo Road. One Chinese bomb struck the Shanghai Power Company causing many casualties, one American being wounded.

* * * *

At 1610, 3 Chinese planes staged a dive bombing attack on the Idzumo. 2 Japanese seaplanes took the air, attempted to close with the bombers, but were too slow to catch them. Four large Chinese bombers appeared shortly. Due to their superior speed and number the Chinese planes were not greatly hampered by the older Japanese aircraft, and Japanese anti-aircraft fire, though considerable in volume was ineffective. The Chinese bombing was extremely poor. No hits were registered on the Idzumo or the Japanese Consulate. One Chinese bomb fell in Nanking Road near the Bund, doing considerable damage to the Palace and Cathay Hotels. Another Chinese bomb struck the Palace Hotel. Two Chinese bombs fell in the French Concession near the New World Building, Avenue Edward VII and Yu Ya Ching (Thibet) Roads. Hundreds of Chinese were killed by these bombs. Several foreigners including a number of Americans were killed or injured. One Chinese bomb struck the foreshore of the Bund doing little damage. Planes of both sides constantly flew over the Settlement and French Concession. Fragments from anti-aircraft projectiles, many anti-aircraft duds, and machine gun bullets fell in neutral territory. One Chinese plane was forced down behind the Chinese lines. At 1730 the Chinese planes withdrew.

CERTIFIED CORRECT:


Chas. F. B. Price,
Colonel, U. S. Marine Corps,
Commanding Fourth Marines.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Enclosure No. 5 to Despatch No. 1054 of C. E. Gauss,
American Consul General at Shanghai, China, dated November 1, 1937, on the subject of "Nationality Bombing Planes causing Destruction in Shanghai Foreign Refuge Zones on Aug. 14"
F.39CC/808 EXTRACT FROM POLICE REPORT DATED

AUGUST 14, 1937.

Aerial bombs dropped on Yu Ya Ching Road and
Avenue Edward VII on August 14, 1937.

The following is a brief version of the actual bomb dropping as witnessed by several Police officers:-

At about 4.30 p.m. 14-8-37, whilst Police officers of Chengtu Road Police Station were on the roof of the Chinese Police Quarters, Chengtu Road, they saw two monoplanes approaching from an Easterly direction as if they had come from the Southern part of the Whangpoo River, at the same time anti-aircraft guns apparently from the Whangpoo River were in operation; the bursts, as a result of the firing, could be clearly seen near the two monoplanes, the latter suddenly diverged, one proceeding in a Westerly direction the other continuing North West. This latter plane was then observed to drop two bombs which fell one slightly below the other. A loud explosion followed which was believed to have been caused by the bombs dropping onto the Race Course Apartments, No. 1000 Av. Edward VII, therefore the Police officers proceeded to this vicinity and located the place on which the bombs fell.

Police officers of Louza Station under exactly similar circumstances to the above witnessed the dropping of the bombs.

Certified true extract:

W. Mac Dermott
P.S. to C.C. (China)

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

EXTRACT FROM POLICE REPORT DATED

AUGUST 14, 1937.

Aerial bombs dropped in Nanking Road near the Bund
on August 14, 1937.

At about 4.30 p.m. on August 14, 1937 the noise of aeroplane engines was heard in the Central District followed almost immediately by the firing of anti-aircraft guns from the direction of the Whangpoo River in the vicinity of the Garden Bridge.

An aeroplane was then observed flying from South to North following the Whangpoo River. Low flying clouds concealed the plane at intervals and it is believed that other planes were flying higher as other aeroplane engines could be heard.

Suddenly four large bombing planes flying in "V" formation appeared from the same direction flying low and following the Whangpoo River towards the North. Their objective appeared to be the cruiser H.I.J.M.S. "Idzumo", lying off the N.Y.K. Wharf near the Garden Bridge. Four bombs were seen to drop from the planes followed almost immediately by terrific explosions. The bombs appeared to have fallen in the vicinity of Nanking Road near The Bund.

A party of Police proceeded immediately to The Bund and Nanking Road corner and there, extending about 100 yards West along Nanking Road, found the bodies of hundreds of Chinese and some foreigners strewn about the roadway and in heaps in doorways of the shops and entrances to the Palace and Cathay Hotels.

Certified true extract :

Wm. C. Smith

P. J. C. C. C.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Quatefen NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

~~MSM~~
~~ST~~
~~ROM~~
~~MMH~~

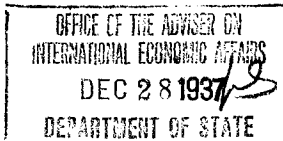
at Jintan

To note marked passages in the attached despatch. The enclosure to the despatch is an interesting account of the negotiations between the Customs and the Japanese authorities. Please read the marked passages on Pages 8 and 9 of the enclosure which discuss the final arrangement made with the Japanese, and which may serve as a basis for a settlement at Shanghai.

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



No. 1059.

AMERICAN CONSULATE GENERAL,

Shanghai, China, November 7, 1937.

STRICTLY CONFIDENTIAL.

Subject: The Customs Service and Sino-Japanese Hostilities in China.

For Distribution-Check

Grade	7M	To E		
File		In U S A		

James
Boyle in F.E.

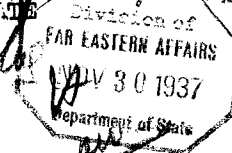
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NOV 29 PM 2:07

THE HONORABLE

THE SECRETARY OF STATE
WASHINGTON.

CONFIDENTIAL
AND RECORDS



I have the honor to inform you that an officer of the Shanghai Customs called on me yesterday afternoon, saying that he did so with the knowledge of the Inspector General, to acquaint me of the present Customs situation at Tientsin. He had with him a dossier of the telegraphic exchanges between the Shanghai Inspectorate General and the Customs, covering the subject, and as it was rather lengthy he agreed to leave it with me for a brief time in order that I might examine it and brief the information in it for future reference. I have found it desirable to copy most of the messages in the enclosed memorandum, which I request be held as strictly confidential.

I inquired of my informant whether it was expected that if the Japanese obtain control at Shanghai they are likely to demand the same arrangement as is now in effect at Tientsin. He pointed out that whereas it is understood that the Japanese desire to set up an autonomous state in North China, they have announced no such intention with respect of the Shanghai area and for this reason it is his personal opinion that a somewhat more

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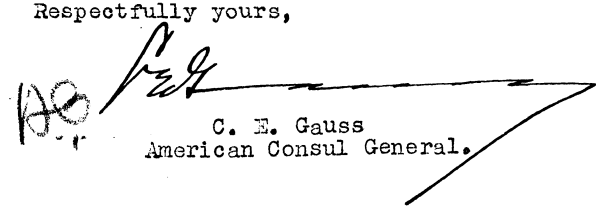
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-2-

more acceptable arrangement may be possible here.

My Japanese colleague mentioned a few days ago that the question of the Shanghai Customs is now being studied, in anticipation of Japanese occupation of the Shanghai areas in the near future, but he did not suggest what solution for the question would be found. I find it difficult to believe, however, that the Japanese can be prevailed upon to release any loan quotas for internal loans; nor do I believe that they would be content to have the Customs revenues deposited in a British bank; they might consent to deposit in some other third country bank, but it is more likely that they will insist upon deposit in Japanese banks.

Respectfully yours,


C. E. Gauss
American Consul General.

Enclosure:

Memorandum of telegraphic correspondence.

In quintuplicate to the Department.
Copy to Embassy, Nanking (by hand)
Copy to Embassy, Peiping (by hand)
Copy to Consul General at Tientsin (by hand)

CEG/ceg

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

By telegram No. 429 of August 30, 1937, the Commissioner of Customs at Tientsin reported as follows:

Japanese Consul General communicated following today verbally: Japanese authorities have no desire to interfere with our Customs service provided these conditions in Japanese occupied or controlled areas are respected: (a) regular quotas for foreign loans may be remitted but surplus must be retained on deposit in an acceptable bank pending general settlement situation. (b) The Customs to pass no arms and ammunition for Chinese within these areas even if covered by huchao. (c) Yokohama Specie Bank to be utilized as bank for deposit of above surplus, or other acceptable means be devised to guarantee surplus will not be improperly administered. Against this Japanese agree to give full protection and assistance to Customs properties and offices, suppressing all attempts at smuggling in these areas by Japanese and not require any alteration in existing tariff until this matter can be dealt with by negotiation. A refusal to accept these conditions would entail taking over of Customs administration in these areas and a pure Japanese controlled service. Internal loan quotas will not be considered except in so far as they concern foreign nationals or groups or until international agreement may be reached. Issue at present covers only Tientsin and Chinwangtao but extension down to Tsingtao and even Shanghai and further is contemplated by Japanese. Can see no alternative but to suggest acceptance of (1) and (2) and to negotiate for retention of surplus in Hongkong & Shanghai Bank under some form of international guarantee. The terms outlined have been drawn up by Japanese military commander and Consul General and no modification is probable

On August 31st, a reply was sent to Tientsin that the question had been referred to higher authorities.

On September 7th, by telegram No. 441, Tientsin reported that: Japanese authorities are pressing for reply. While they have given Customs assistance to function and have taken definite steps to curb smugglers they indicate they cannot continue doing so much longer. Chinwangtao reports agitation on the part of Japanese in Chitung group against Customs there and local Japanese authorities are showing great reluctance to suppress Chitung activities unless agreement on the lines proposed is reached. An early and favorable reply is urged otherwise situation will become impossible.

September 9th, The Commissioner of Customs at Tientsin was instructed that his message No. 441 was receiving careful consideration; meanwhile he should avoid an impasse.

September 11th, by telegram No. 613, the Commissioner was told confidentially to "spin out negotiations, maintain contact and keep door open. "Have you any suggestion for local compromise between yourself personally and local Japanese authorities? I might be able to arrange something on such informal lines."

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September 16th, the Commissioner at Tientsin was instructed by strictly confidential telegram No. 620, as follows:

"If pressed by Japanese authorities for decision would further delay be secured if you on your own initiative stated since Inspector General has not issued instructions you intend provisionally to deposit in neutral bank surplus revenue after deduction of local cost of collection and Tientsin and Chinwangtao quotas for indemnity and loans? Communicate views by wire.

September 17th, Tientsin wired as follows (No. 450):

"Confidential: . . . Japanese authorities will come to definite terms but only on one condition, namely, that our revenue is deposited with Yokohama Specie Bank. Their requirement is that such deposits shall remain untouched except what is required to meet foreign loan quota and local current expenses until present situation is liquidated. They are prepared through the Consul General to give a written guarantee that these moneys deposited with Yokohama Specie Bank will not be seized and the ultimate disposal will be arranged together with the settlement of the present incident. They require an undertaking that revenue moneys in the Hongkong & Shanghai Bank and Gold Unit revenue in Central Bank of China will not be remitted except as part of foreign loan quota. In all other respects with common sense give and take on both sides I and Japanese authorities find it possible to work harmoniously. Our general regulations are respected and I have every reason to believe that from now on we may expect support without interference and complete check of smuggling which has arisen through existing abnormal conditions provided I am put in a position to agree to the one outstanding condition. Strongly recommend you give me your PERSONAL authority to come quietly to a final settlement on lines indicated. Also suggest for time being you do not insist upon any quota remittance and leave such moneys here in suspense. Apart from Service integrity consideration banking with Yokohama Specie Bank will help solve local currency problem. Large quantities Japanese imported cargo not necessarily of Japanese origin are frozen as Japanese merchants accounts are all in yen and insufficient standard dollars are available to meet our demands. Under proposed arrangement merchants can come to a settlement with Yokohama Specie Bank and probably there will be a gradual general movement of cargo and legal tender. Yokohama Specie Bank will invariably credit us with standard dollars. Sincerely hope you will agree to this suggestion as no other is acceptable to the Japanese who are now impatient for settlement. Post Office and Salt Gabelle have already come to settlement on comparatively similar lines."

On September 18th, a message was sent to Tientsin referring to telegram No. 620 (mentioned at the head of this page) and reading as follows: "Have you made overtures on lines indicated? If you on your own initiative can secure acceptance of some such plan favorable settlement may be possible but deposit in non-Japanese bank is essential. Continue conversations."

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On September 23d, the following message (No. 456) was received from Tientsin:

"My telegram No. 450: Japanese authorities demand a definite yes or no to their terms. They will not listen to any suggestion of a neutral bank as substitute to the Yokohama Specie Bank. I advise give an immediate answer otherwise terms will be withdrawn and we must face the consequences. I recommend you give me your permission to arrange best terms possible and remove permanently the danger of the break up of the Service here. I am convinced that the only means of maintaining Service here intact is immediately to agree to terms as already outlined. If we do not agree immediately afraid there will be no service here when the time for the final settlement arrives."

On the same date (September 23d) confidential instructions (Nos. 632 and 633) were sent to Tientsin as follows:

"Confidential. You are authorized to negotiate with Japanese authorities on the following lines, viz:

1. All revenue collection funds to be banked in neutral non-Japanese bank,
2. Deduct and remit cost of collection.
3. Deduct and remit Tientsin and Chinwangtao quotas for service of indemnity, foreign and domestic loans.
4. After above deductions the surplus remaining is to be held on deposit in above neutral non-Japanese bank until present crisis is liquidated.

"For your guidance: Very important that you cite argument in favor of including domestic loans is that domestic loans form one of the main bases of the currency structure of China which it is in the interest of all foreign powers to maintain. I trust you will exercise every endeavor secure acceptance of above terms.

"Further argument in favor of including domestic loans in the arrangement is that all domestic loan bonds are in the hands of the public and none in Government hands which could be used for war purposes."

September 25th. Message No. 460² received from Tientsin:

"Confidential. Your telegram No. 632. The situation is as stated in my telegram No. 456 which has crossed yours remains unchanged. I have used all arguments cited by you over and over again but to no avail. Japanese military have laid down the terms and Japanese Consulate refuse again to approach them for any alteration in these terms. I cannot see any possible likelihood that Japanese military will change their present attitude unless perhaps you find it possible to bring pressure to bear from some outside source. If this pressure can be brought it should be immediate and effective if the situation is to be saved."

September 26th. (No. 636 to Tientsin). Your confidential telegram of 24th. An answer will be sent as soon as possible.

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Oct. 2 (No. 641 to Tientsin):

"My telegram No. 636. Hope to be in position send you more satisfactory instructions today; meanwhile if possible pressed keep question open."

Oct. 2 (No. 644 to Tientsin):

"Your telegrams Nos. 429 (c) and 456, and my telegram No. 641. Present proposal is to accept original terms in telegram No. 429 (C) providing in effect for safe custody of surplus revenue by making acceptable provision for its retention during hostilities, e.g., in neutral bank. Continue discussion on these lines."

October 4; following (No. 464) received from Tientsin:

"Confidential. Your telegram No. 644. No further negotiations are possible and Japanese absolutely refuse to consider any other bank than the Yokohama Specie Bank. If we accept now it is practically certain we save everything; if we refuse it is equally certain we lose everything. I urge your immediate authority to accept. If we delay much longer we can only accept the consequences."

October 4th. Telegram No. 645 to Tientsin:

"Confidential. Provided we agree to Yokohama Specie Bank under consular guarantee will Japanese agree to include domestic loans? Wire reply immediately."

October 8th. Telegram No. 654 to Tientsin:

"My telegram No. 645; reply yes or no delay causing inconvenience."

October 8th, following (No. 467) received from Tientsin:

"Confidential. Your telegram No. 645. Japanese Consul General regrets that no more negotiations are possible. He has given me up to the evening of 9th October to accept the terms offered. Acceptance is now imperative without further equivocation. I need no more than a telegram from you saying you leave matters in my hands generally and I am to act as I think best. The non-receipt of any reply from you by the time the time limit expires I shall interpret as acquiescence and acceptance of the terms and I shall proceed immediately to act on this assumption."

October 8th, following (No. 656) sent to Tientsin:

"Your telegram No. 467; we are referring to Nanking for instructions, without which you may not act."

October 9th, No. 657 sent to Tientsin:

"I am informed that the Chinese Foreign Minister has communicated certain views to the British Charge d' Affaires in Nanking concerning a possible plan re settlement of Tientsin Customs case, and it is understood that the Charge d' Affaires is immediately conveying the views of the Foreign Minister on the subject to the Japanese authorities concerned."

October 11th received No. 470 dated Oct. 9, from Tientsin:

"My telegram No. 467. British Consul General is endeavoring to keep channels open for further negotiations. I think there is a good chance he will succeed."

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October 12th. Following telegram No. 472, October 11, received:
"Your message re new proposals has been duly received from British Consulate. I have seen Japanese Consul General who wishes the terms to be put down immediately in defined form to be communicated to him by me, otherwise he will not approach the military on the subject. I have obtained 3 days respite. It is therefore necessary that your instructions should be in my hands by Wednesday, 13th October, at the very latest.

Same date (12th) message No. 661 to Tientsin stated that instructions would follow.

October 13th. No. 663 to Tientsin:

"You may inform the Japanese authorities that you are authorised to offer the following terms which if accepted you will take steps immediately to carry out:

1. The procedure now in force is that all of the Customs revenues are deposited with the Central Bank of China. The Chinese Government is willing to instruct on its own initiative the Central Bank of China to authorize as a provisional measure a bank of a third country as custodian bank to receive such revenues, details of arrangements to be fixed by the two banks.

2. The monies to be deposited in the custodian bank shall comprise the whole Customs revenue including that of Tientsin and Chinwangtao Customs.

3. The period for which authorisation is given will only cover the duration of present hostilities.

4. The custodian bank shall be responsible to Central Bank of China for safe custody of all Customs revenues so deposited. With regard however to revenues collected by Tientsin and Chinwangtao Customs the custodian bank is permitted to deposit them with another bank.

5. The custodian bank shall during the period of authorisation mentioned in No. 1 above make necessary monthly payments as heretofore. As regards however the revenues deposited temporarily with the other bank mentioned in No. 4, it may draw by cheque on such other bank as they fall due the necessary amounts for payment of quota of foreign loans assigned to Tientsin and Chinwangtao, and for defraying of necessary current local expenses of those stations.

6. The custodian bank shall not concern itself with matters other than the custody of Customs revenue.

For yourself: (a) You should understand the procedure described is intended as applicable to the whole of China, with special treatment for Tientsin and Chinwangtao provided for in 4 and 5.

(b) Assuming Hongkong & Shanghai Bank is third country bank referred to in proposal (1) you should ask local agent of that bank to request his Shanghai office to arrange with Head Office of Central Bank of China necessary details for carrying out proposal (4) without holding up settlement.

(c) All new revenue accounts to be in name of Inspector General of Chinese Customs.

(d) All such accounts to be kept in terms of Chinese legal tender.

(e) For "another bank" in proposal (4) you are to understand Yokohama Specie Bank is meant.

*6 points
referred to
later*

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(f) The first sentence of proposal (5) refers to the general scheme for all ports while the second paragraph provides specifically for your port and Chinwangtao.

(g) Am informed terms now offered are utmost to which China can go and I rely on your good judgment to see all essentials safeguarded.

(h) Telegraph promptly exact terms of settlement arranged referring any matters requiring elucidation.

(i) Chinese text of proposals will follow by telegram.

October 15; message No. 666 sent to Tientsin:

"Strictly confidential. My telegram No. 663. In case either you or Japanese authorities do not find terms clear in any respect endeavor to postpone decision pending further elucidation. N.B. Minister Kung is returning very shortly and his influence will no doubt promote settlement."

On October 16th, the following telegram No. 477 of October 15th was received:

"Confidential. Your telegram No. 663. Japanese Consul General has received from Tokio a copy of the 6 terms. Strong objection is taken to the fact that arrangement for custodian banks covers all China. It is claimed so I am told by military in Tokio and here that such arrangement nullifies all means of controlling Tientsin and Chinwangtao revenue since the custodian bank in Shanghai is to make necessary monthly payments as heretofore and there is nothing to prevent that bank advancing any monies against credits held in Yokohama Specie Bank here. The Consul General was adamant and said that it was almost impossible to convince the military that they were not being tricked, first by the Chinese Government and secondly by the British Embassy from whom the terms were received in Tokio. He said there was only a slight chance that an agreement would be reached if the terms were made to cover Tientsin and Chinwangtao only as was the original understanding. He doubts even if the original proposal of putting the money direct into the Yokohama Specie Bank without the intermediary of a custodian bank would now go through. The Consul General said that if I were put in immediate possession of authority to revert to the original proposal and place the revenue in the Yokohama Specie Bank he would do everything he could to help but he was certain no amount of explaining would clear away the suspicion held by the military or that the way would again open to allow the question of a neutral custodian bank again to be discussed. I urge I be given this immediate authority as I am absolutely convinced no other solution is now possible. Your telegram No. 666: Is it possible to get Minister Kung's authority at once as I fear any delay will wreck all?"

October 17th, following telegram No. 478 dated October 16th, was received:

"Confidential. My telegram No. 477. I am informed by the Japanese Consul General that it will be futile to expect that there can be any agreement possible on any other basis than the original proposal to bank Tientsin and Chinwangtao revenue direct with Yokohama Specie Bank and

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even that will be impossible if despatch of authority to act is delayed over 17th October. Japanese military are in no mood to allow Consul General to continue negotiations in any form and I shall have the utmost difficulty keeping the door open if matters are delayed in any way. We are now faced with the questions whether the Service is to be saved or is it to be allowed to disintegrate. There is only one way to save disintegration and that is to agree at once to place Tientsin and Chinwangtao revenue in Yokohama Specie Bank under the conditions already communicated. A further refusal in any form will be taken by Japanese authorities to mean that you agree to the closing of the door to any further negotiation.

October 17th, No. 672 to Tientsin:

"Your telegram No. 478 just received. Impossible secure Government acceptance before tonight time limit. I have been throughout and am still recommending compliance with original terms and you must try obtain necessary respite."

October 17th, a further message, No. 673 was sent to Tientsin:

"Your telegram No. 477. Chinese Government proposal to deposit Customs revenue in a third country bank is based on recommendations made by British, American and French Governments and contains no tricks nor intentions to ask the bank to issue credit against funds deposited in Yokohama Specie Bank. Although proposal (2) applies to all Customs revenue yet in latter part of proposal (4) it is stated that Tientsin and Chinwangtao Customs revenue may be deposited in another bank and in proposal (5) it is laid down that only foreign loan and indemnity quotas and cost of collection will be drawn on funds deposited in the other bank which is not in accordance with present procedure governing appropriations from revenue in other ports. What Chinese Government have offered are in reality exactly the same as that demanded by Japanese authorities and the only difference is in the manner. British Charge d' Affaires Nanking requested to endeavor to discuss matter with Japanese authorities. It is hoped that respite will be obtained so that there will be time to settle the case. Do your utmost to meet situation without bringing up negotiations. Government reply to your telegram No. 478 not yet received."

October 18th, telegram No. 674 sent to Tientsin:

"Your telegram No. 478: Do your utmost to keep way open for a few days for further negotiations. Strictly confidential for yourself: Government wish leaving question to Minister Kung who is expected momentarily and may be able to settle question satisfactorily."

October 18th, following telegram No. 479 received:

"Your telegram No. 673: The Japanese flatly refuse to listen to any further arguments or explanations. The original terms MUST be accepted, i.e., we deposit direct with Yokohama Specie Bank otherwise they take matters in their own hands. I am given time to get a reply to this telegram and if the reply is evasive and not in the affirmative that ends everything. Japanese military are irritated and impatient and an immediate reply is demanded."

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October 19th, telegram No. 480, dated October 18th, received:
"Your telegram No. 674. I can only refer you to my telegram No. 479 sent today. I cannot warn you of our dangerous position and of the impossibility of further negotiations in clearer words than I have done in that telegram."

Same day, following (No. 676) sent to Tientsin:

"In an interview granted this morning the Minister of Finance who only returned to China last night has specially asked me to convey to you his appreciation of your faithful services to the Government and to inform you that he has the fullest confidence in you. His instructions regarding the Customs will follow. I wish fully to associate myself with the Minister's personal remarks."

Same day, telegram No. 677 sent as follows:

"My telegram No. 674. H.E. The Minister of Finance is unable to authorize any concession beyond what is set out in the 6 points communicated to you in my telegram No. 663. Please strongly urge acceptance of that basis by the Japanese authorities pointing out present and prospective collections for all China are less than amount required for collection costs and service of external obligations, hence there will be no surplus available for any other purpose."

Also telegram No. 678 sent same day:

"Confidential. In case you fail to secure agreement on lines of my telegram No. 677 and having regard to the difficult position you are in the Minister had privately authorized as a final alternative that you may use your own discretion in depositing the Tientsin and Chinwangtao customs revenue locally in a reliable bank of good standing but remittance of cost of collection, foreign and internal loans and the indemnity and regular local obligations such as conservancy and quarantine are to be made therefrom as due and if considered necessary by you any balance remaining is to be left to accumulate in the bank."

October 25th: Telegram No. 681 sent through British Consulate:
"Wire present position."

Same day, further wire, No. 682:

"Urgent. My telegram No. 678 sent through British Consulate: The word "due" after the words "therefrom as" and the word "is" after the words "balance remaining" were inadvertently omitted owing to failure of carbon paper on carbon copy of telegram which was sent to British Consulate here for transmission to you. Make correction accordingly."

October 27th, No. 487 received from Tientsin:

"Your telegrams Nos. 678 and 681: Situation is as follows: Being unable to come to any other arrangement I informed Japanese Consul General that having been given authority to select a bank of good standing into which Tientsin and Chinwangtao Customs revenues might be deposited temporarily, I had selected the Yokohama Specie Bank and that I would make arrangements forthwith

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to deposit daily all pure revenue in this. All other collections made by the Customs such as tonnage dues, conversancy dues, etc. would continue to be deposited daily into the Hongkong & Shanghai Bank. Any local requirements would be met from the deposits made in Yokohama Specie Bank. In regard to withdrawals from Yokohama Specie Bank for any loan purposes this was entirely at my discretion. For the time being I was exercising my discretionary powers to the extent that I did not contemplate making any withdrawals for these purposes and therefore the question of withdrawals did not arise. After consultations with military authorities Consul General issued instructions to Yokohama Specie Bank to open an account for Tientsin and Chinwangtao Customs revenues on these lines. The first payments into this account with Yokohama Specie Bank were made yesterday 25th October. In regard to loan service withdrawals I can consider I have met the requirements of both sides. I have not admitted Japanese contention that there should be any differentiation of remittances for our loan obligations but at the same time I have found a formula which satisfied the Japanese. The whole question is still open for a complete discussion when final settlement is being reached. In the meantime Customs Service in North China has been saved. The integrity of the Service will be maintained and we can pursue our normal functions assisted and not impeded by the Japanese authorities. Japanese military have issued instructions already to all Japanese shipping that, transports excepted, all vessels entering this port must conform to accepted Customs regulations and pay the regular duties on the cargo carried. They have emphasized the fact that the idea that there would be a reduction in Customs tariff in these parts is erroneous. I feel confidence that if permitted to proceed as I am doing within six weeks the entire Customs in this district will be working on normal lines and I shall even be able to restore our control at the Great Wall. The Japanese contend with fair reason that temporarily they desire Japanese to board their vessels. For this reason I sent you my telegram No. 483 asking for the appointment of eight Japanese recently on Tsingtao staff and I can only conclude by expressing the sincere hope that nothing will be done to upset the common sense arrangement that I have made which I feel preserves Chinese rights in the best way possible and I know will preserve our Service integrity."

October 28, telegram No. 687 sent to Tientsin:

"Confidential. Thanks for your telegram No. 487 which has been submitted to the Government. As service of foreign and internal loans and indemnity has to be provided on monthly basis to conform to loan agreements confirm that under proposed new procedure remittances revenue from Tientsin and Chinwangtao will come forward regularly for this purpose. Are proceeds of Revenue Surtax and Flood Relief Surtax still to be deposited with Hongkong & Shanghai Bank? Define nature of formula you have found and submit full report for transmission to the Government."

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October 29th; following telegram (No. 490) received:

"Your telegram No. 687; the formula was as stated in my telegram No. 487, namely that we retained our right to remit all loan quotas but for the time being this right was not being exercised. In the meantime revenue (which includes Revenue Surtax and Flood Relief Surtax) would remain deposited with Yokohama Specie Bank pending further conversations in due course. In actual fact any attempt at remittance, agreement or no agreement, either from Hongkong & Shanghai Bank or from Yokohama Specie Bank at this particular juncture would entail immediate seizure of all Customs functions here. There is on the other hand every reason to feel confident that the Customs will remain intact under the present arrangement and that the query re resumption of remittances is only subject to a certain amount of unavoidable delay which can be overcome by time and continued negotiations. Under present arrangements the Service may be saved and there will be revenues available for eventual distribution; if this arrangement is repudiated the Service is wrecked and there will be no revenue to distribute."

On October 29th, a wire was sent to the Commissioner at Tientsin (through the British Embassy, Shanghai) as follows:

"Confidential. Personal to yourself. In view of Generalissimo's remarks as quoted in British Charge d' Affaires telegram No. 588 of 19th October to Foreign Office, which was relayed to Consul General at Tientsin (of which I assume you are cognizant but which was available at Shanghai only on the 26th October) it may be undesirable to regard your present tentative arrangement with Yokohama Specie Bank as being necessarily binding. Possibility of overriding of Minister's offer given in my telegram No. 678 must in these circumstances be envisaged and door must accordingly be kept open for further negotiations. Furthermore, present tentative arrangement must of course allow for regular remittance of to Shanghai of full Tientsin and Chinwangtao shares of foreign and internal loans and indemnity to conform to conditions laid down by Minister. General view, with which I agree, is that 6-point procedure in my telegram No. 663 provides most desirable solution in present case and in event of later application for extension southwards, so that if present arrangement is turned down and you are unable to negotiate further on six points you should invoke aid of British Consul General in facilitating settlement through discussion at Tokyo where I understand ground was well prepared a short while ago."

On October 30th, telegram No. 688 to Tientsin:

"Your telegram No. 490. Seeing that original Japanese offer (your telegram No. 429) provided for regular remittance of Tientsin and Chinwangtao quotas of foreign loans and indemnity your present assertion that you are unable to remit any sum whatever is not understood. If I submit your telegram under reply to the Government they may consider you have acted ultra vires and it would be difficult to explain departure from the conditions laid down for deposit of revenue with bank of good standing stipulating that remittances are to come forward periodically for internal as well as foreign loans and indemnity (my telegram No. 678). Thus unless you can obtain

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compliance with the terms of my telegram No. 678 or make Remittances forthwith without differentiation (your telegram No. 487) you should again endeavour to introduce the six point procedure (vide my telegram No. 677) and in any case try to keep question open locally in view of foreign and Japanese support evident in Tokio.

On the same date, telegram No. 689 was sent to Tientsin reading: "Your telegram No. 490. How much revenue have you already deposited in Yokohama Specie Bank to date?"

On October 31st, telegram No. 491 was received, reading: "Your telegram No. 688. Japanese military here disclaim all knowledge of any support for six points. They have insisted that their agreement concerns only Tientsin and Chinwangtao whereas six points are for the whole of North China. There is a strong section which denounce the delay in settling the question of the local position. I had to move quickly to save the situation and I believe my action has saved it. Remember when you speak of ultra vires that I am in a region where only the word of Japanese military is supreme and where I am fighting alone to save everything against somewhat formidable odds. I suggest that since there is Japanese as well as foreign support for the six points at Tokyo Japanese Foreign Office should prevailed upon to communicate their views to the military here and to request latter to hold their hand and await a settlement at Tokyo. The military and I would then await our respective instructions as to the final terms of settlement. May I have your instructions to inform the Japanese authorities that henceforth the settlement is in your hands? It is necessary of course that Japanese Consul General should receive simultaneous instructions (from) Japanese Foreign Office. As soon as a settlement on the six points is reached the present local arrangement with Yokohama Specie Bank can be speedily and simply adjusted by changing the name of the bank to conform to the requirements of the six points and foreign loan quotas can immediately go forward instead of being held temporarily in suspense. As regards the safety of funds in Yokohama Specie Bank it would seem that the good will being shown by the Japanese in Tokyo provide ample guarantee for this. I await your instructions."

November 1, telegram No. 690 was sent as follows:

"Your telegram No. 491. Local integrity of northern Customs without local mobility of action in respect of revenue remittances for loans would advantage Japanese --not Chinese interests--, and the principle of such mobility was recognized in the first instance by Japan (your telegram No. 429). Your difficulty is realized and while it may be possible to arrange for further support in Tokyo which may hear of through local foreign sources we cannot abandon local efforts in Tientsin to effect favorable settlement; this premised your conversations must continue and question must be kept open."

November 2; telegram No. 492 from Tientsin:

"Your telegram No. 689. Total revenue deposited in Yokohama Specie Bank Tientsin, Standard \$400,672.37; total in cashier orders of Central Bank of China for safe custody of Gold Units 27,516.75. For Chinwangtao, nil."

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November 4th: Telegram No. 696 to Tientsin:

"Your telegrams Nos. 487 and 490. Provided you now exercise your discretion and effect periodical remittances situation might improve. Telegraph immediately present position."

November 6th: Following telegram dated Nov. 5th received from Tientsin:

"Your telegram No. 696: Present position is that everything is now working toward a return to normalcy. I have just been Japanese Consul General and received his assurance that the military will give Customs full cooperation both here and at Chinwangtao and that the integrity of the Customs will be fully maintained. I am remitting tomorrow \$200,000."

November 6th: Telegram sent to Tientsin:

"Your telegram No. 499: No remittance having been received from your port since September 23rd, please note that it is essential that substantial remittances should now come forward regularly to meet loan payments falling due and arrange accordingly. Inform me telegraphically of future remittances as made and wire immediately bank from which present token remittance of \$200,000 has been drawn, also present revenue balance in (1) Hongkong & Shanghai Bank and (2) Yokohama Specie Bank."

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Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

NO. 1060

AMERICAN CONSULATE GENERAL,

Shanghai, China, November 8, 1937.

SUBJECT: Transmitting Intelligence Summaries for
the period October 16th to November 7th.

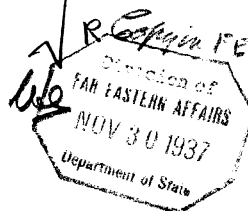
THE HONORABLE
THE SECRETARY OF STATE,

WASHINGTON.

RECEIVED
DEPARTMENT OF STATE
NOV 10 1937

NOV 10 1937

COMMUNICATIONS
AND RECORDS



793.94/11347

I have the honor to refer to my despatch No. 1010
of October 15, 1937, transmitting the intelligence
summaries prepared by Captain R. A. Boone, Intelligence
Officer, for the period September 26th to October 15th.

1/ There are now enclosed copies of Captain Boone's
daily reports for the period October 16th to November

Respectfully yours,

C. E. Gauss,
American Consul General.

DEPARTMENT OF STATE
ASSISTANT SECRETARY
OF STATE
DEC 1 1937

Enclosures:

1/- Copies of Captain Boone's daily reports
from October 16th to November 7th.

IN TRIPLICATE
Copy to Embassy, Nanking.

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Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

16 October 1937

RESTRICTED

B - 2 REPORT

PERIOD 0800, 15 OCTOBER, TO 0600, 16 OCTOBER 1937

1. Operations

There is little evidence of any great change in the lines. Steady artillery pounding on the Dazang-Nanzhang line indicates that the heavy Japanese effort continues in that region. It is believed that the Japanese attack has made a little progress westward on the Liuhang-Nanzhang road and in the direction of the railroad, farther to the south. The southward advance toward Dazang has progressed very slowly, held up by extremely vigorous resistance.

Positions in the Kiangwan area remain unchanged. Other than an occasional artillery shell, this sector was quiet yesterday. To the south of the town, there was a little fighting near the Ai Kuo Girls School and the Eight Character Bridge.

In Chapei ground operations were confined to routine shelling of the usual targets by the Hongkew Park batteries during the daylight hours yesterday, and infrequent small-arms fire last night. During the night the Japanese warships fired into Kiangwan, and a Chinese battery near the Markham Yards shelled Hongkew.

This morning the shelling was resumed on a large scale in the Dazang sector, and there have been bursts in Chapei.

2. Aircraft

Aerial activity over Chapei was carried out on a considerably smaller scale yesterday. In the morning a number of bombs fell in the Markham Yards, and south of the Chapei Electric Sub-station where an artillery gun was located on the 14th. In the afternoon there was intermittent bombing of eastern Chapei and the Pah

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Date Mar 19, 1973

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Tz Chiao area. Chinese anti-aircraft guns fired a few rounds at each approach of the planes, but with no apparent effect.

From 0850 to 1030 Japanese planes bombed in Pootung. The greatest concentration was in the vicinity of Yang Kung village from which region a Chinese artillery battery has been seen to fire on several occasions.

The principal aerial operations of the day were confined to the Dazang-Nanziang line. Bombers were active in this sector throughout the day. At 1530 a group of three dive bombers attacked the area south of Mang Ka Zah.

The captive balloon was noted in the air on several occasions yesterday.

On the 14th the Kowloon-Canton railway was bombed. It was quickly repaired but Japanese bombers put it out of commission again yesterday.

This morning Japanese planes were busy bombing shortly after daybreak. At 0520 three bombs were dropped in Haskell Road, and the Commercial Press area was bombarded between 0700 and 0800.

3. Miscellaneous

At 0945 on the 15th Captain Fujita, staff officer of the Japanese Naval Landing Party, called at Brigade Headquarters and conveyed an apology to General Beaumont for the incident of the 14th, when two Japanese bombs fell in the American sector.

It is reported that there has been considerable disaffection among the Chinese troops in this area occasioned by the policy of Nanking in keeping the aircraft almost entirely for defense of the capital, and not using it offensively against the Japanese.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

The 3rd Division has been transferred from Kwangtung into the Shanghai area.

Efforts are afoot among leading Japanese mill owners to arrange for reopening of their concerns.

The 2nd Battalion Royal Welsh Fusileers will relieve the 1st Battalion Royal Ulster Rifles in "B" sector at 1400 today.

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

17 October, 1937

RESTRICTED

B - 2 REPORT

PERIOD 0800, 16 OCTOBER, TO 0800, 17 OCTOBER, 1937

Map Reference - Plan of Shanghai, Scale 4"=1 mile,
Sheet 1, British War Office.

1. Operations

The general military situation has shown little change in the past 24 hours. Heavy fighting continued yesterday in the Woosung Creek area with the Japanese attack meeting stiff resistance. A small advance southward on the front between Dazang and Nanziang is reported, but otherwise there is no change in the lines. Artillery shelling in this area was continuous throughout all of yesterday and the use of smoke was noted on several occasions. Commencing at 1815 the barrage increased in intensity, and lasted until about 2130, when the firing abated somewhat. The heavy bombardment west of Dazang recommenced this morning shortly after 0500 and continues at the close of this report.

Chapei and Kiangwan were shelled intermittently yesterday. Last night the Japanese guns were answered by a Chinese battery located north of the Southern Baptist Mission School which fired into Hongkew and Yangtzepoo. Between 0400 and 0600 this morning there was heavy small arms fire in the Pah Tz Jao area.

Japanese ships fired an occasional shot into Pootung yesterday and last night. At 1325 a destroyer secured off the NYK Wayside wharf shelled the Pootung cemetery,--37.50-48.25.

2. Aircraft

The customary bombing activities took place in Chapei yesterday. Between 1000 and 1045 eighteen bombs dropped on the Markham Yards, and at least two direct hits scored on the railroad track. In the afternoon several bombs were dropped in Pootung near Tsang Ka Zah.

The Nanziang-Dazang line underwent a steady aircraft bombardment during most of yesterday. A number of the large army bi-motor bombers took part in the attack.

Chinese planes appeared over Yangtzepoo at 2350 last night and 0516 this morning, drawing fire from the Japanese anti-aircraft batteries.

Yesterday at 1445, Japanese planes bombed the Nanking Military airdrome. The day also marked the extension of bombing operations into Kwangsi, where Kweilin and Lucho were attacked.

This morning, beginning about 0700 there has been intensive bombing from Chapei to Nanziang. In Chapei six dive bombers concentrated on the intersection of Poo Say and Liu Ying Roads, --32.85-50.50, while three horizontal bombers dropped bombs in the Pao An Dong Cemetery. At the same time six planes have been bombing the region between Dazang and the Chenju Wireless Station.

Apparently to avoid Chinese bombs and artillery shells, most of the Japanese planes were removed from the Baptist College airdrome to a field near Moosung at dusk last night. The planes returned this morning.

3. Miscellaneous

It is reported that General Liu Shih, one of the Commanders on the Pinghan front, has been severely censured by Generalissimo Chiang Kai-shek for incompetence in his part of the defense.

One Japanese transport arrived on the 15th, discharging supplies at the DKK Whangpoo Wharf.

Japanese spokesmen yesterday produced Chinese trench mortar shells alleged to contain phosgene gas.

208 foreigners returned to Shanghai yesterday.

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

18 October 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 17 OCTOBER, TO 0800, 18 OCTOBER 1937

1. Operations

Aside from a continuous heavy artillery bombardment of the Chinese lines between Nanziang and Dazang, there is little of note to report. There is no definite information of any change in the lines, although the Japanese barrage is now very near to Nanziang.

There was occasional shelling in Kiangwan and Chapei yesterday, followed by sporadic machine-gun fire last night.

On several occasions Japanese ships fired into Pootung. At 1403 a destroyer moored off the NKK Mail wharf fired about ten rounds into the area adjacent to the junction of Tung Chung and Pootung roads.

2. Aircraft

The region between Nanziang and Dazang was vigorously bombed yesterday. The section around the Chenju Wireless Station received a particularly heavy pounding. Several of the bombs were apparently of an incendiary nature, for a number of fires were started.

Nearer Shanghai there was considerable activity in the Hungjao district where Japanese planes bombed and strafed. Their objective was several thousand troops which are said to have been in transit from Lungwa to the Nanziang front.

Roads were the principal bombing targets in Chapei yesterday. Approximately 70 bombs were distributed along Chung San, Liu Yang, Loo Tai and Chung Shing Roads. Five bombers concentrated on the Chung San-Poo Say road junction. The North Station area, and Pootung both received an occasional bomb.

Chinese planes made five visits to the Shanghai area last night beginning at about 1850 and lasting until 0205 this morning. They drew vigorous anti-aircraft fire, while dropping bombs in the Yangtzepoo area. The bombings started several fires in the Ningwu Road district.

This morning Japanese aircraft resumed intensive bombing operations near Nanziang, while planes over Chapei concentrated on the Markham Yards.

3. Miscellaneous

The following Chinese troop movements are reported: The 13th Division and the Headquarters of the 25th Army from Shensi to the Nanking-Shanghai area.

The 19th Division from Kashing to the Nanziang area.

The 93rd Division from Changchow to the Liuhang front.

One light tank detachment (24 Tanks) from Nanking to the Shanghai region.

At about 1445 yesterday a number of Japanese bombs, dropped in the Nanziang salient, produced a mild explosion followed by a low hanging, slate colored smoke cloud which persisted for about 15 minutes. These characteristics coincide with those of phosgene gas.

On the 15th a Japanese submarine repair ship landed several very heavy artillery pieces at the Changpoo Conservancy Dock, while four transports discharged supplies.

It is interesting to note that during the past week almost no Japanese reinforcements have arrived in Shanghai. Significantly coupled with this are the persistent reports of preparations for a landing north of Liuhc. Considering the slow progress of the present offensive, a commitment from that direction seems entirely logical.

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

19 October 1937

RESTRICTED

B - 2 REPORT

PERIOD 0800, 18 OCTOBER, TO 0800, 19 OCTOBER, 1937

Map Reference - Plan of Shanghai, Scale 4"=1 mile,
Sheet 1, British War Office.

1. Operations

There was heavy fighting yesterday in the region northwest of Dazang where Japanese forces, supported by a heavy artillery barrage, endeavored to open a breach in the Chinese line and push toward the railroad. The best information available indicates a Japanese advance of about a quarter mile attended by heavy losses on both sides. The artillery concentration in the Dazang area was not halted by darkness, but continued throughout last night, and the steady pounding can be heard undiminished at this time.

Nearer the city there was little activity during the period of the report. The Hongkew Park batteries shelled the Markham Yards occasionally yesterday while Japanese guns in the Civic Center fired into Kiangwan. Last night there was a light artillery exchange in Chapei when a Chinese battery near 32.00-51.50 answered the shelling from the Landing Party Barracks. During the early hours of the morning small arms fire was heard in the North Station area.

2. Aircraft

Aerial activity yesterday followed much the same lines as on the day previous. Light, heavy, and dive bombers operated continuously in the Dazang-Nanziang sector. Between 1000 and 1200 a small area about 1000 yards north of the Chenju Wireless Station was heavily bombed.

In Chapei yesterday, the bombing was somewhat less vigorous than usual. Dive bombers attacked the Hungjao area, the North Station buildings, and the Woosung Railway tracks as far north as the Sikh Gurdwara.

Horizontal bombers dropped a few bombs near the Cantonese Cemetery in the morning, and between 1245 and 1345 dropped 25 bombs along Woo Tai Road in the vicinity of 32.2-50.6. Eight bombs were dropped in Pootung between 1500 and 1545.

The Nanking Military airdrome and the Hankow airport were both bombed by Japanese planes yesterday.

During the air raids on the night of the 17th and 18th 26 bombs were dropped. A number of these were aimed at the Japanese auxiliary airdrome near Woosung.

This morning the usual vigorous aerial activity between Nanzhang and Chapel began shortly after daylight.

3. Miscellaneous

There are persistent reports declaring in effect that the Japanese are nearing the limit of their present territorial desires in North China, and are endeavoring to institute peace discussions.

We are informed that Japanese businessmen who were involuntarily evacuated from Shanghai in early August are evidencing considerable discontent because of the great financial losses they are sustaining, and it is said that they have caused representations to be made to the Diet, requesting an early termination of the Shanghai operations.

It is reported that the 23rd and 54th Divisions of the 9th Army have been transferred from the vicinity of Soochow to northern Shansi.

There are between 18,000 and 20,000 men of the 18th Route Army now in the Shanghai area.

Two Japanese transports arrived on the 17th, discharging munitions and supplies at the NTK Wayside Wharf. Yesterday the Hospital Ship "Asahi Maru" arrived, together with one transport which secured to the Jukong Wharf.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Yesterday the Messageries Maritimes vessel Felix Roussel anchored at Woosung, carrying about 500 passengers, the greater number of whom had evacuated Shanghai at the beginning of the present trouble. Among the returning evacuees were 176 British and American women and children.

Dr. H.H. Kung, Chinese Minister of Finance, arrived in Shanghai from Europe yesterday.

J. H. Boone
102 R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

20 October 1937

RESTRICTED

B - 2 REPORT

PERIOD 0800, 19 OCTOBER, TO 0800, 20 OCTOBER 1937

1. Operations

The Japanese offensive northwest of Dazang, supported by a continuous artillery and aircraft bombardment, continued to make slow progress yesterday. The pressure on the Chinese defense has increased due to the gradual movement of Japanese mechanized units across Woosung Creek. The advance along the Liuhang-Dazang road is now within 1000 yards of Dazang on the north, and has penetrated to a point 2500 yards due west of the town. Shells from the Japanese supporting artillery were noted to fall considerably south of the village yesterday. Last night the fighting in this area continued unabated, and for the first time, small arms fire from the Dazang sector was clearly audible along the Marine lines. This morning the steady rumble of artillery can be heard coming from the same region.

In Chapei, the principal artillery target was the North Station Administration Building. More than fifty shells fell in the immediate vicinity of the structure, and 13 direct hits were counted. At about 1630, a fire was noted in the east wing of the Pah Tz Jao area all came in for their usual share of the shelling.

2. Aircraft

The heavy bombing in the Dazang-Chenju area which has been proceeding for several days was intensified yesterday. The region southwest of Dazang behind the Chinese front line was subjected to a steady bombardment throughout the day. The

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Dunlap NARS, Date 12-18-75

Nanking Railway, between Chenju and Nanziang, was attacked on several occasions by dive bombers. At 1610 a Japanese plane fell in flames near Chenju village.

Nearer the city there was considerable activity in the Hungjao area during the morning hours yesterday, when several bombs were dropped. In Chapei, Japanese aircraft accompanied the artillery in redoubled destructive efforts against the North Station. At 0825 three bombs struck the Administration Building. At 0944 three more direct hits were scored, and at 1019 two more. A fire started by the bombs in the east wing of the structure burned all day yesterday and most of last night. Other targets in Chapei were Liu Ying, Chung San, Wootai and Pao Shing Roads. Between 1430 and 1445, fifteen bombs were dropped near the intersection of Liu Ying and Pao Shing Roads. Scattered anti-aircraft fire was heard from time to time. During the attacks on Chapei, Japanese planes made their approaches over the Settlement on at least two occasions.

Chinese aircraft was heard over Yangtzepoo at about midnight. Several bombs were dropped, but the extent of the damage is not yet known.

Nanking was attacked from the air yesterday at 0230, 0300 and 1300. Bombs fell on the Military Airdrome and on the Pukow side of the river.

The Japanese continue to remove a large number of planes from the Baptist College airdrome each night.

This morning the bombers were in the air shortly after dawn, pounding the Dazang sector.

3. Miscellaneous

It is reported that General Lu Ling, former commander of the 87th Division, has been executed for cowardice in permitting the Japanese to effect the crossing of Woosung Creek about 10 days ago.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Three Japanese transports arrived yesterday,
carrying both troops and supplies.

On the 18th the Lloyd-Triestino SS "Victoria"
brought about 450 more foreigners back to Shanghai.
Of these, 254 were British and American women and
children. This makes a total of over 1500 foreig-
ners to return to Shanghai in the past three weeks.

RA Boone

R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

21 October 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 20 OCTOBER, TO 0800, 21 OCTOBER 1937

Map Reference - Plan of Shanghai, Scale 4"=1 mile,
Sheet 1, British War Office.

1. Operations

Heavy fighting still continues in the Dazang sector, and west of Liuhang, near Kwangfu. There are reports, as yet unconfirmed, that Dazang village has been entered by Japanese troops. To the west and northwest of Dazang, Japanese forces made slow progress yesterday with the aid of heavy artillery support, but a well co-ordinated Chinese defense, coupled with small counter attacks, prevented any sustained advance. Artillery was active in the area last night, and increased in intensity after daylight.

There was occasional shelling in Kiangwan yesterday from the Civic Center batteries, and from a Japanese cruiser moored off the Shanghai Baptist College. The Hongkew Park batteries shelled the Commercial Press area, Markham Yards, North Station, and the region around the Eight Character Bridge. There was little small arms activity on the Chapei front until about 1900, when sporadic firing began, continuing through the night.

2. Aircraft

The same aircraft support was provided the Japanese Dazang offensive yesterday as on the day before. Between three and fifteen planes were continually active over the area from Nanziang to Kiangwan. Between 0900 and 1030 Japanese bombers concentrated on the Eight Character Bridge area and Kiangwan Railway Station.

Chapei was heavily bombed yesterday, with greatest attention being centered on the Commercial Press and Pao Shan Road areas. At 1030, and again at 1300 bombs were dropped south of the Sinza Refuge, in the vicinity of Changan Road, starting a fire in a Chinese godown. Shortly before 1600, two bombers concentrated on the area at 31.50-50-50 near Yang Kaung. In all, 99 bombs were counted in the immediate Chapei area yesterday.

Last night, between 1909 and 0218 Chinese aircraft made repeated flights over Yangtzepoo, and the region to the northward. At 0120 and 0150, fires were caused in the Yangtzepoo area by their incendiary bombs.

This morning aerial activity was resumed on a large scale on both the Chapei and northern fronts. Shortly before 0800 three direct hits were scored on the North Station Administration Building.

Nanking was bombed on two occasions yesterday. Japanese bombers also carried out bombing raids on Sunkiang and other points on the Hangchow railroad between Shanghai and Kashing.

3. Miscellaneous

The Japanese puppet regime in Inner Mongolia appears to have been launched and reports persist that its counterpart in North China is about to come into being. The names of Tsao Kun, former President of China and Wu Pei-fu are prominently mentioned for positions in the projected government.

Eighteen Japanese transports were seen between Woosung and the Jukong Wharf on the 18th. Yesterday four transports secured to wharves in Yangtzepoo and discharged supplies, and several heavy artillery pieces.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

The reported Japanese "retreat" on the Tsinpu front may actually be ascribed either to the need for additional troops on the Shansi front, or to the conclusion of an agreement between the Japanese and Han Fu-chu, Governor of Shantung, rather than to the activities of the opposing Chinese forces.

R. A. Boone

R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

22 October 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 21 OCTOBER, TO 0800, 22 OCTOBER, 1937

1. Operations

There was severe fighting on the front north of Shanghai from the vicinity of Kwangfu to Dazang yesterday. Darkness did not deter the combatants, and the activities continued undiminished last night. Yesterday afternoon Japanese authorities claimed advances both north and south of Nanziang, while the Chinese declared that they had successfully warded off the assaults, and were launching a counter offensive on their own part. Actually the character of the lines is obscure, with heavy fighting still in progress.

There was little activity, aside from desultory shelling, in the immediate Shanghai area yesterday until after nightfall. Beginning at about 2000 the Chinese batteries in Pootung shelled Hongkew bringing down a vigorous reply from the Japanese warships. The exchange lasted until after 2200. At the same time Naval Landing Party units covered by continuous artillery and trench mortar fire launched an attack into the Paoshan road area and toward the North Station. Although the drive appears to have carried forward slightly in the Paoshan road district, it fell well short of the North Station.

In general the immediate Shanghai military situation gives evidence of drawing to a head in the near future with the decisive activity taking place around Dazang. Heretofore, the discussed evacuation of Kiangwan and Chapei by the Chinese, though perhaps tactically sound, has not been obligatory, but a further Japanese advance through Dazang would practically isolate these areas.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

2. Aircraft

The most extensive bombing noted in the operations to date took place in the Dazang sector yesterday. The attack, which lasted from 1150 until 1400 extended from the Hungjao airdrome to about 1 mile east of Dazang (south of Miaohang). Twelve of the large army bombers took part in the bombardment, together with numerous smaller planes. Several large fires were started by the bombing, and one plane was seen to crash north of Chenju. Between 1400 and dusk the assault continued on a reduced scale, with at least three planes flying over the Dazang area at all times.

Aerial operations in Chapei followed much the same pattern as on the previous two days. At 1016, three bombs which were dropped a short distance south of the Cantonese Cemetery appear to have struck an ammunition dump or some land mines, as they caused an extraordinarily loud explosion.

Chinese planes visited Yangtzepoo and the area north of that district on six occasions last night between 2215 and 0300. Incendiary bombs dropped during these visits started a number of fires, including a particularly large one at the intersection of Pingliang and Meichow roads.

Between 15 and 18 Japanese bombers raided Nanking yesterday at about 1300, dropping bombs near the Military Airdrome and on the Pukow side of the river. Attacks were also made along the Kowloon-Canton Railway.

3. Miscellaneous

We are informed that Han Fu-chu has either concluded an agreement with the Japanese, or is in the process of doing so. One division of Shantung provincial troops has been disarmed, and the commanders of two others have made peace overtures. The withdrawal of some of the Japanese troops from the Shantung front is interpreted by some to be an indication that the Japanese plan to utilize the province, at least for the present, as a buffer between their holdings north of the Yellow River, and Central China.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

The 55th Division which has been in the Pootung region for some time, has been moved to the Dazang front, being replaced by the 50th division, recently arrived from Hangchow.

The Chinese entrenchments along the right bank of Soochow Creek, west of Shanghai, have been materially strengthened and improved during the past week. If forced to leave the Kiangwan-Chapei region, it is indicated that the Chinese may make their next stand south of this stream.

R. A. Boone

R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

23 October 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 22 OCTOBER, TO 0800, 23 OCTOBER, 1937

Map Reference - Plan of Shanghai, Scale 4"=1 mile,
Sheet 1, British War Office.

1. Operations

Yesterday saw a continuation of the heavy fighting in the Nanziang-Dazang region. The Japanese light and heavy artillery kept up a steady pounding of the Chinese positions, and the Japanese claim small advances south of Kwangfu. The Chinese military, however, state that their activities of Thursday night and yesterday resulted in several gains in this area. The Chinese defenders of the Dazang sector have been heavily reinforced and are offering extremely stubborn resistance. Yesterday at about noon, a Japanese Army staff officer stated that Nipponese troops were less than 1000 meters from the town, and expected it to fall shortly. This morning vigorous shelling was resumed in the Dazang area. A continuous line of shrapnel bursts could be seen running east and west from a point north of Chenju to the Dazang Cantonese Cemetery between Dazang and Kiangwan.

Japanese artillery shelled the Pao Shan road sector in Chapei heavily yesterday morning, and succeeded in starting a number of fires. Several large shells fell around the Municipal School, 35.50-49.60, showing that this region is still held by the Chinese. Although there has been no Chinese activity in the Pao An Dong Cemetery for several days, it was heavily shelled yesterday between 1400 and 1430. Small arms fire was audible from the vicinity of Pah Tz Jao occasionally during the day, increasing in volume last night.

2. Aircraft

On the morning of the 22nd, Japanese planes were in the air bombing in the Dazang area despite the low fog. Their activities in this region continued throughout the day, and as on the day previous, started several fires in the wooded section northeast of the Chenju Wireless Station.

An appreciable increase in the bombing activities around Kiangwan was noted yesterday. Over 30 bombs were dropped in the vicinity of the Kiangwan Railway Station. Hungjao, Chenju, and Jessfield all were visited by the Japanese bombers, as was Pootung, where bombs were dropped near Yang Kyung, and across from the Nantao Bun.

The three planes which ordinarily operate in the Chapel sector were augmented by a fourth yesterday. They bombed extensively in the Pao Shan and Pao Chong Road salient, around the North Station, and at 31.65-50.50, near Yang Kaung. During these attacks Chinese anti-aircraft guns fired vigorously. On one occasion, high explosive fuzed shells were used. Shortly after 1600 an incendiary bomb fell in "C" sector at the intersection of Sinza and Myburg roads, causing about 30 civilian casualties.

This morning, beginning at about 0700, Japanese bombers began a vigorous attack on the Pah Tz Jao area, using much heavier bombs than usual.

On the 22nd the Military Airdrome at Nanking, and the Hongkong-Canton Railway were once more raided by Japanese bombers.

Japanese planes were noted over the Settlement on four occasions yesterday.

Last night, between 1800 and 0020, Chinese planes made four air raids between Yangtzepoo and Woosung, starting several fires.

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

3. Miscellaneous

Four Japanese transports arrived at Shanghai on the 21st. One secured at the DKK Whangpoo Wharf and three more unloaded at Jukong Wharf.

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

24 October 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 23 OCTOBER, TO 0800, 24 OCTOBER 1937

Map Reference - Plan of Shanghai, Scale 4"=1 mile,
Sheet 1, British War Office.

1. Operations

Under the most concerted artillery barrage of the fighting to date, the Japanese launched a drive yesterday from their positions south of Fengcheng Creek to the southwestward between Nanziang and Dazang. Both light and heavy artillery fired steadily until about 1100, when the heavy guns ceased, while shrapnel weapons continued at an even more rapid rate. The barrage extended from the Nanking Railroad, south of Nanziang, to Dazang. From the best information available, it appears that the infantry drive which followed the artillery preparation succeeded in penetrating farther into the salient toward the railroad, and is still continuing, but there is no evidence of a further advance toward Dazang. The Chinese have greatly reinforced their troops defending this place, and it is believed that the Japanese forces, after two days of successful frontal attacks, are now endeavoring to drive southward, west of the Liuhan-Dazang road, and thus outflank the town.

There was sanguinary fighting in the vicinity of Kwangfu, which is in Japanese hands, but the opposing positions remain virtually unchanged.

Small arms fire and the burst of grenades was noted in the area between North Station and the Commercial Press frequently on the 23rd. Japanese artillery near the Hongkew Barracks concentrated on the small area between the Pao An Dong Cemetery and the

Woosung Railway. It is interesting to note that either by accident or design no artillery shells fell east of the railway in the Municipal School area where heretofore there has been constant shelling.

2. Aircraft

With the continuation of excellent weather, Japanese planes carried out extensive bombing operations over the Chenju-Nanziang-Dazang area in conjunction with the artillery concentration. The region immediately around Dazang village received the most vigorous attack, at least 75 bombs falling there during the day.

In Chapei shortly after 0800 the section about 500 yards west of the Japanese Crematorium was heavily bombed. Following this, bombing attacks were made on the Jukong Road and North Station areas. At 1115, three incendiary bombs started a fire near the Southern Baptist Mission School. Chinese anti-aircraft guns in Chapei were considerably less active yesterday than on the day previous.

Pootung was raided by Japanese bombers on several occasions on the 23rd. Between 1630 and 1700, six bombs were dropped at 38.50-47.00 near Loo Ka Pang Creek.

The Nanking Military airdrome was raided at about 1330 yesterday by six heavy bombers.

Japanese anti-aircraft guns opened fire for a few minutes at about 2215 last night, but there is no report of any bombs having been dropped.

3. Miscellaneous

It is reported that the 48th Brigade of the 16th Chinese Division has been transferred into Pootung from Lunghwa.

Yesterday morning Commander Nishida, Assistant Chief-of-Staff of the Japanese Third Fleet, called on Brigadier General Beaumont to convey the regrets of Admiral Hasegawa for the occurrence of Friday afternoon when a bomb from a Japanese plane fell in "C" Sector.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Two Japanese transports arrived in Shanghai on the 22nd, one securing to the NYK Mail Wharf and the other to the CMSN Company Lower Wharf. Both discharged munitions and supplies.

A highly placed Japanese recently declared, when interrogated concerning the Japanese view of the Pootung situation, that Chinese snipers and artillery were there only for harrassing purposes and were doing no material damage to the Japanese.

80 Japanese residents were returned to Shanghai from Japan on the 22nd.

R. A. BOONE
R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

25 October 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 24 OCTOBER, TO 0800, 25 OCTOBER 1937

1. Operations

Developments of the past twenty four hours point to a definite break in the stalemate that has existed on the Shanghai front for the past three weeks. Following the Chinese assaults of 21 and 22 October, Japanese forces on the 23rd began a general offensive extending from Kwangfu to Kiangwan. The entire area was subjected to a continuous artillery barrage, behind which infantry and mechanized units advanced. Steady progress was made all during yesterday, and it is believed that Japanese troops are now in Dazang. The attack has pressed southward to a point where direct Chinese communication between Nanziang and Dazang is cut off, and the Kiangwan positions have become so untenable that it is believed preparations for a general withdrawal from that salient are in progress. Japanese sources claim that the withdrawal from Kiangwan has already begun, while Chinese spokesmen deny any such movement, although they admit Japanese advances in the Dazang and Nanziang regions.

Last night the artillery pounding, accompanied by heavy small arms fire, continued and although the precise character of the opposing lines is not known as the report closes, it is believed that as the day progresses, material changes will become evident.

2. Aircraft

Aerial activity was further intensified yesterday when Japanese planes, in addition to their usual missions on the Dazang front and in Chapei, were busily occupied in bombing routes of communication west and northwest of the city. Throughout

the day Japanese bombers attacked the Nanking Railway between Chenju Station and the Shanghai-Ningpo railway crossing. They further bombed and strafed the Hungjao and Jessfield areas. The important Chung San Road bridge was struck, and it is believed that bombs also fell on the Rubicon bridge. Planes swooped low over the countryside, machine-gunning tree clumps and terrain where troops might be hidden. During the flights, planes with loaded bomb racks frequently flew over the Settlement. These vigorous operations against communication arteries in the western area further substantiate the belief that a Chinese withdrawal is imminent. Principal targets in Chapei were the North Station and Paoshan Road areas where incendiary bombs started two large fires. At about 1000, fourteen bombs were dropped 400 yards south of the Night Character Bridge.

Last night Chinese planes flew over the Yangtzepoo district on five occasions. Japanese anti-aircraft fragments fell in the International Settlement, and a few have been found in "C" Sector.

The airdromes at Nanking and Hankow were raided yesterday.

It is interesting to note that while heretofore Japanese naval planes have been assigned the bombing missions around the city, yesterday army planes, including the large bi-motor bombers, took part in the Hungjao-Jessfield attacks. The army planes are aloft in that area this morning continuing yesterday's activities.

3. Miscellaneous

On the 24th seven Japanese transports were noted discharging supplies at docks in Yangtzepoo. Three more were being unloaded at Jukong Wharf.

We are informed that the 83rd and 85th Chinese divisions are being transferred from the Socchow area to Shansi.

During the Japanese strafing operations west of the perimeter, one British soldier was killed by machine gun fire from a Japanese plane.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Madame Chiang Kai-shek arrived in Shanghai on the 24th.

It is reported that Obergeneral Von Faulkenhysen, head of the German Military Mission is now in this region, advising the Chinese leaders on tactics of the withdrawal from Kiangwan and Dazang.

100000
R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

26 October 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 25 OCTOBER, TO 0800, 26 OCTOBER 1937

1. Operations

The Japanese drive continues to progress southward and westward in the Nanziang-Dazang sector. Retreating Chinese troops have offered stubborn rear-guard resistance to the advance, and land mines and tank traps have had considerable effect in slowing down the Japanese attacks. The vanguard of the offense is now about 2 kilometers from Nanziang, and has driven southward from Tsaoapang Creek toward Chenju in the area west of Dazang. By 1700, the Japanese shrapnel barrage was within 500 yards of the Chenju Wireless Station. At 1800 yesterday street fighting was reported to still be in progress in Dazang.

Farther west, in the Miaohong-Kiangwan region, both army and navy units launched an attack yesterday afternoon. Japanese military spokesmen state that this offensive resulted in the capture of several villages near Kiangwan, although Chinese authorities claim that no ground was given. It is believed that Japanese forces in this area actually have made small advances. The activity in the Kiangwan sector was vigorously supported by naval gunfire from vessels moored off Jukong Wharf.

Aside from occasional shelling, the Chapei area was quiet during the daylight hours yesterday. Beginning shortly after nightfall, small arms fire could be heard from the North Station to Pah Tz Jao. A number of reports received during the night describe heavy movements of loaded trucks to the westward in Chapei. This morning, however, there is no indication of a Chinese retreat from the North Station.

2. Aircraft

Both army and navy aircraft units took part in intensive bombing operations in the Chenju-Dazang region again yesterday. The Nanking Railway line south of Nanziang and the Hungjao district were vigorously attacked, as on the 24th.

In Chapei, the North Station area was given less attention by the Japanese bombers than on any other day in the past two weeks. Very little bombing took place around the Administration Building, most of the Chapei activity being concentrated in the Pah Tze Jao sector. Between 1200 and 1630, about 30 bombs were dropped in this region.

In the afternoon three bombers dropped a cargo of bombs in the vicinity of Kiangwan, showing that Chinese troops were still entrenched there at that time.

The Canton-Kowloon Railroad was bombed yesterday and the Canton-Hongkong line on the day before. The continuous raids on these rail routes have succeeded in greatly curtailing traffic.

Chinese planes appeared over Yangtzepoo on three occasions last night, drawing anti-aircraft fire on each visit. A number of incendiary bombs were dropped and several fires were started in the Yangtzepoo district.

Japanese aircraft were seen flying over the International Settlement on five instances yesterday.

3. Miscellaneous

It is reported that the 122nd, 123rd, and 124th, Chinese Divisions, and the 7th, 8th, 9th, and 10th Independent Brigades are being transferred to the Shanghai-Nanking area from Kweichow.

Since 1 October, 1,619 foreign evacuees have returned to Shanghai. This number includes 979 British and 194 Americans.

1901500-211
R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

27 October 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 26 OCTOBER, TO 0800, 27 OCTOBER, 1937

Map Reference - Plan of Shanghai, Scale 4"=1 mile,
Sheet 1, British War Office.

1. Operations

The land operations of yesterday marked the most important developments since the success of the Japanese landing at Liuho. Dazang village, with its important road junctions and its great moral significance fell to the Japanese. After two days of futile attacking on the northern edge of the village, Japanese forces advanced around the city to the westward, and finally succeeded in dislodging the defenders. Simultaneously, the Chinese were being driven back toward Nanziang, the Nipponese line having progressed to a point less than a mile from the city last night. Farther south, the spearhead of the advance drove to the Nanking Railroad, and the Japanese front line was less than a thousand yards from the Chenju Wireless Station.

In the region east of Dazang, Japanese army forces succeeded in capturing the stronghold of Miaohong, and, in conjunction with the Naval Landing Party troops, advanced toward Kiangwan from both the north and south.

Chapei was generally quiet through the daylight hours, but after nightfall Japanese batteries began a general shelling of the area, keeping up a steady interdiction of the area north of Markham Yards. Under the continuous artillery barrage, infantry units of the Naval Landing Party advanced into the two months old no-man's-land and, at 0615, occupied the North Station.

Their advance is progressing steadily westward and at this time has reached the Markham Yards. All during the night there was a steady procession of Chinese troops and equipment moving south past Jessfield on Chung San Road. It is estimated that by 0800, 50,000 Chinese soldiers had crossed Soochow Creek west of the city. The retreat has been quite orderly, with Japanese advance units making prisoners of the stragglers, and machine-gunning a few remaining troops near the Cantonese Cemetery.

2. Aircraft

The largest scale air activities that Shanghai has yet seen were carried out in the Chenju-Nanzhang area yesterday. At one time forty nine planes were counted in the region immediately over Chenju. While the large bi-motor bombers dropped their heavy missiles on the communication lines, smaller planes attacked troops with light bombs and machine gun fire. Japanese authorities state that the full force of their naval aircraft in this area was mustered yesterday to assist army aviation in supporting the infantry advance.

In Chapei the North Station was again left undisturbed by the bombers, but heavy concentrations were dropped near the Markham Yards and at the intersection of Sing Tsung and Moo Tai Roads (51.80-51.07). At 1630, five bombs were dropped along Chang Ka Daung Creek in Pootung.

Last night Chinese planes made numerous raids on the Yangtzepoo district and the region toward Moosung. Anti-aircraft fragments fell in the Settlement, one fatally wounding an Italian Grenadier of Savoia.

This morning the intensive bombing was resumed in the sector west of the city, while small planes strafed the retreating Chinese.

3. Miscellaneous

It is reported that 5,000 Japanese troops with artillery, munitions, and sundry supplies arrived in Shanghai on the 25th.

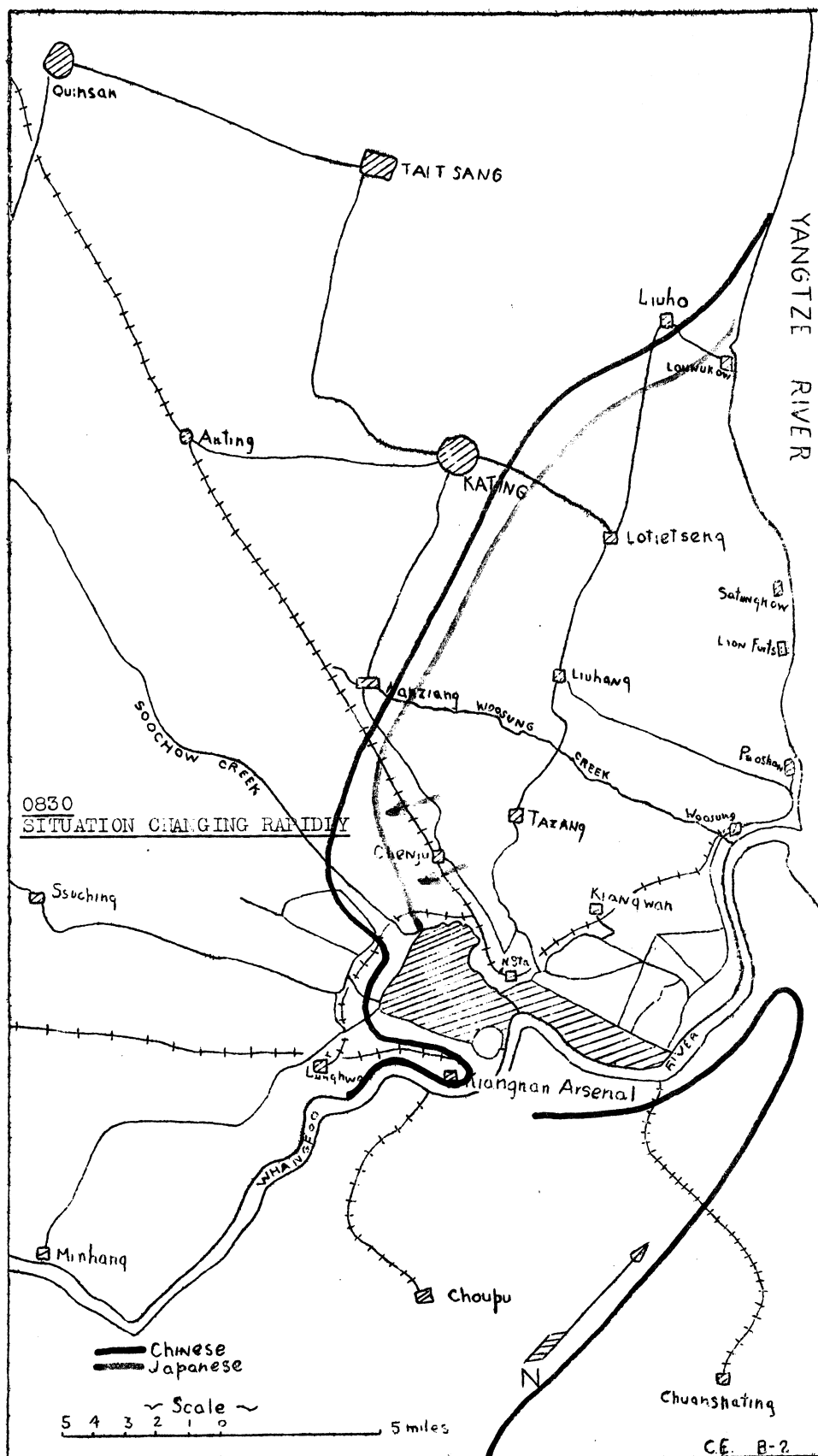
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Japanese mill owners in Yangtzepoo are making every effort to secure the early resumption of operations in that area. Leading Chinese employees have been met in conference, and, as an inducement, one half month's advance salary has been paid. As yet, no decision has been reached.

We are informed that some of the Chinese planes which take part in the evening raids over Shanghai are kept hidden in a small airdrome between here and Sunkiang.

1761/600/11
R. A. BOONE,
Captain, U.S. Marine Corps.
Brigade Intelligence Officer.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75



DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

28 OCTOBER 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 27 OCTOBER, TO 0800, 28 OCTOBER, 1937

1. Operations

The Japanese advance through Chapei which was in progress at the close of the last report continued westward along Soochow Creek and last night was noted to have reached the Jessfield Crossing. Coincident with the Chapei advance, army forces driving down both sides of the Nanking Railroad took Chenju village and penetrated to the north bank of Soochow Creek, which they controlled as far west as Sung Kyi Creek, at 1800 yesterday.

At various points in the newly occupied areas, the Japanese are still engaged in mopping-up operations against isolated groups of Chinese troops. One instance, in plain view from "C" Sector, was noted when about a company of Japanese Marines made repeated attempts to wipe out a Chinese detachment marooned in the Bank of China Godown, near Yu Ya Ching Bridge. It appears to be the Japanese policy to take no prisoners, as on several occasions it was observed that surrendering stragglers were executed.

In Chapei, the general area encompassed by Chung Shing Road and Soochow Creek has been set on fire. Inevitably, a number of foreign owned buildings are included with Chinese structures in the conflagration.

The pressing question now is at what point the Chinese will make their next stand. The south bank of Soochow Creek appears to be the most logical, and there was considerable activity in the area last night to substantiate this.

Some of the troops that retreated across the creek have moved into the Hungjao district, with their supplies and field pieces. It is believed that Soochow Creek, partially denuded of its bridges, may sufficiently delay the attackers to permit the Chinese to organize another strong defense.

In the Nanziang area, and to the northward, there appears to have been little fighting yesterday. Japanese spokesmen claim to be only 600 meters from the town now.

Last night the warships in the Whangpoo fired intermittently into Pootung, receiving infrequent return fire from Chinese guns.

This morning Japanese artillery, located between Chenju village and Soochow Creek, took up a steady pounding of the Hungjao Road area to the west of the city.

2. Aircraft

Preceding the Japanese advance into Chapei, bombers vigorously covered the area, gradually working westward ahead of the infantry.

The Jessfield-Hungjao region was subjected to vigorous aerial attacks both by heavy and light bombers and by strafing planes through all of yesterday. In the morning one Japanese plane crashed and in the afternoon two more collided and fell to the ground.

Last night about 2030 anti-aircraft guns from the Whangpoo fired for a short time at what appeared to be one Chinese airplane.

Japanese planes were in the air shortly after dawn this morning, observing and bombing the Hungjao area.

3. Miscellaneous

One Japanese transport arrived yesterday, discharging supplies in Yangtzepoo.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

It is interesting to note that none of the Chinese soldiers who retreated from the Kiangwan-Chapel front have been seen to enter Nantao. Their movements have all been in a southerly and westerly direction.

190730011
R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

29 October 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 28 OCTOBER, TO 0800, 29 OCTOBER 1937

1. Operations

Little of military importance occurred during the 28th. Japanese artillery from the north of Soochow Creek fired into the Hungjao area during the morning. At the same time there were intermittent exchanges of small-arms fire across the creek. There was some entrenching activity along the south bank of the creek, but Chinese troops were not noted there in any force. Large numbers were seen resting and sleeping farther to the southward, around Siccawei Station. One significant fact is reported by a foreign observer who, after an inspection of the area south of the creek, declared that there were no fresh troops in evidence. However last night saw a great intensification of the Chinese entrenching activities. Behind the front line, on Soochow Creek, there are two more parallel lines, strongly fortified, between the creek and Hungjao Road. This morning the 46th Division, which was transferred from Pootung to Chapei last week, was reported to be bivouacked west of Siccawei Station. The 88th Division holds the right flank, adjacent to the railroad, with Salt Gabelle troops on their left.

The Chinese made further attempts to destroy the Jessfield railway bridge this morning at 0130 and 0430. Beginning at about 0600 this morning, Japanese artillery took up shelling of the Hungjao area.

Pootung was shelled on several occasions yesterday and last night by the Japanese warships. During the hours of darkness, Chinese guns fired back into Wayside.

2. Aircraft

Before noon, Japanese bombers dropped explosives at various points in the Hungjao Road area. Pootung also received a few bombs, but on the whole, Japanese aircraft was considerably less active than on any other day during the past two weeks.

In the direction of Nanking, Wusih, Changchow, and Soochow were bombed, but Japanese planes did not reach the capital.

Last night Chinese planes flew over the Wayside and Yangtzepoo districts twice, drawing anti-aircraft fire each time.

3. Miscellaneous

On the 27th about 3500 Japanese troops, along with supplies and munitions were disembarked at wharves in Yangtzepoo.

Madame Chiang Kai-shek arrived in Shanghai at 1000 yesterday.

There is considerable evidence to indicate that the Chinese withdrawal was executed several days before the original plan provided. The 18th and 61st Divisions, which held key positions at Dazang are said to have defected, facilitating the Japanese drive, and making it necessary to evacuate Kiangwan and Chapei on short notice. It is known that arms, field pieces, and munitions, were left behind in considerable quantities.

The Chinese troops in the Joint Savings and Trust Company Godown, North Soochow Road, still remain, despite Japanese efforts to dislodge them.

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

30 October 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 29 OCTOBER, TO 0800, 30 OCTOBER, 1937

1. Operations

During the daylight hours of the 29th the Shanghai area was comparatively quiet. Before noon, desultory artillery firing was heard from the region north of Soochow Creek, where Japanese forces have brought up tanks and light batteries.

The Japanese have, for some reason, failed to avail themselves of the inevitable confusion attendant on the Chinese withdrawal, and it is now apparent that the Chinese are making a stand behind Soochow Creek. Only the 88th Division and Salt Gabelle guards are manning the creek line, and units of two or perhaps three divisions remain in the Lunghwa-Siccawei area. The whereabouts of the remainder of the troops which retreated on the night of the 26th/27th is still obscure, although the Japanese claim to have located the main body near Sunkiang. After 1700 last night a large number of artillery shells fell in the Jessfield area. Shortly after 1900 the shelling reached its greatest intensity, and in the progress of the inexplicably inaccurate firing, three members of the Royal Ulster Rifles were killed and two others seriously wounded. There were at least thirteen Chinese casualties.

In the sector north of the creek, toward Nanziang, there was sporadic fighting during all of yesterday, with the Japanese claiming a further advance to the westward from Chenju. Nanziang, from the best available information, is in Chinese hands.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

The small Chinese force in the Joint Savings Society Godown continue to irritate the Japanese. Frequent efforts have been made by Naval Landing Party units to dislodge them, but to no avail.

Japanese warships near Jukong Wharf fired into Pootung several times yesterday morning. The Idzumo joined in the shelling for a short time at 0940.

2. Aircraft

On the morning of the 29th bombs were dropped in the Hungjao area, and behind the Chinese lines west of Chenju.

3. Miscellaneous

Three Japanese transports arrived on the 28th, discharging about 400 troops, some artillery, munitions and supplies at wharves in Yangtzepoo.

Nantao remains quiet, with no Chinese soldiers reported in the area.

The SS "Steel Traveller", first vessel flying the American flag to call at Shanghai since the latter part of August, secured to the Shanghai-Hongkew Wharf Company Pootung Wharf yesterday.

[Signature]
R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

31 October 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 30 OCTOBER, TO 0800, 31 OCTOBER, 1937

1. Operations

The military situation is unchanged except for the evacuation of Chinese soldiers from the Joint Trust Godown. Japanese efforts, which were culminated by point blank artillery fire last night, plus pressure exerted by neutrals endangered by the Chinese stand, effected the evacuation of some 450 soldiers who left the building and surrendered to British forces prior to 0210.

In the Soochow Creek sector, operations were confined to small arms exchanges, apathetic artillery shelling by Japanese batteries, and entrenching activities in the Chinese area. It now appears that in accordance with their customary principles Chinese have organized a deep defense, with successive lines as far south as Sunkiang.

There were detached skirmishes in the region between Nanziang and Kiating, where Chinese forces have, at two points, made small withdrawals to the southwestward.

Japanese warships shelled the Pootung area last night from 1930 to 2130. At the same time, Chinese batteries fired a number of rounds into Yangtzepoo and Wayside.

2. Aircraft

Beginning shortly after 0800 yesterday, Japanese planes bombed the Hungjao-Soochow Creek area almost continually. At about 1400, nine heavy bombers joined the attack, which lasted until dark.

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Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

At 1305 and again at 1600 bombs were dropped about 1500 yards east of the Chinese Eastern Railway Yangkatu Wharf in Pootung.

Farther from the city bombing raids were made over Nanziang and Kiating, while the Sunkiang region was vigorously assaulted by a group of planes which dropped over 50 bombs.

3. Miscellaneous

At about 1500 on October 29th two Japanese armored picket boats each containing approximately 20 armed sailors started up Soochow Creek. They were stopped by the boom at Yu Ya Ching Bridge, which the British authorities refused to open. After some parleys between British and Japanese authorities the boats returned downstream at about 1800.

It is reported that the Chinese have placed a boom across Soochow Creek near Poh Sing Kyung, about three miles upstream from Jessfield.

Y. H. Kurlak
for R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

1 November 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 31 OCTOBER, TO 0800, 1 NOVEMBER 1937

1. Operations

The 31st marked the first determined attack on the new Chinese Soochow Creek positions. Beginning at about 0700, and continuing through the entire day, Japanese artillery shelled the Chinese defenses from the creek line to Hungjao. Chinese guns located west of Siccawei replied vigorously from time to time. Troops entrenched on either bank of the creek along a four mile line fired into the opposing emplacements at point blank range. Japanese assault units made several attempts to advance across the stream during the morning, but it was not until 1400 that a foothold was secured on the South bank. The crossing was effected near Rubicon village, and the salient soon built up despite continued fire from the defenders. The heavy fighting was not stopped by darkness, and steady artillery and small arms fire were audible throughout last night.

Reports indicate that there has been little change in the situation along the line farther to the north. It is apparent that the Japanese forces are concentrating their efforts on the Soochow Creek sector, with a view to driving the Chinese troops away from the city.

2. Aircraft

The Japanese attack was supported by bombing flights over the entire defense area yesterday. Chinese anti-aircraft weapons fired on the planes on numerous occasions. As a result several shells and fragments fell in the Settlement, one on the roof of Marine billet number 21.

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Bombing raids were also staged in and around Nanzhang, and south of Kiating.

3. Miscellaneous

British forces manning the western perimeter suffered farther casualties from the inaccurate fire of the combatants yesterday when three men of the Royal Ulster Rifles were wounded.

It is reported that the Chinese 7th Army (Kwangsi Provincial Troops) has been transferred to the Nanking-Shanghai region, with headquarters at Quinsan.

One Japanese transport docked at the CMSN Company Lower wharf on the 30th, carrying about 500 troops and various military supplies.

176150014
R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

2 November 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 1 NOVEMBER, TO 0800, 2 NOVEMBER 1937

1. Operations

There have been no material changes in the military situation during the past 24 hours. The Japanese have been busy bringing up supplies and munitions to the Soochow Creek front. Japanese assault troops carrying the attack south of the Creek have met strong opposition, but under cover of heavy artillery barrages at 1400 and again at 1700 succeeded in further widening their salient. The entire day, and most of last night was marked by intensive machine gun and mortar fire. This morning at dawn vigorous artillery fire was resumed, shells falling in the area between Monument and Rubicon Roads.

There was intermittent fighting yesterday in the area east of the Kiating-Nanziang road where the Chinese claim they have withdrawn several small salients to further consolidate their line.

2. Aircraft

Poor weather conditions reduced both the number and effectiveness of the Japanese bombers yesterday. A few planes were in the air during the day, flying low over the Chinese lines. This morning, with improved weather, 35 planes were counted prior to 0800. As the report closes, heavy bombers are actively attacking the Rubicon Road area, while smaller planes are engaged in ground strafing.

3. Miscellaneous

At 1205 a Japanese sentry from the north bank of Soochow Creek fired over the heads of Chinese coolies who were unloading sampan on the south side

of the Creek. Japanese sentries then crossed the stream via the closely packed boats and sampans, and took the sampan in question to the north bank of the Creek.

A protest was lodged with the Japanese Naval Landing Party. Admiral Okhoti apologized to General Beaumont and gave assurances that similar incidents would not recur.

The following naval craft are reported to have been seen between the Saddle Islands and Woosung yesterday.

- 2 10000 ton aircraft carriers (Soryu Class)
- 2 Cruisers (Notoro Class)
- 7 10000 ton cruisers (6 at Saddles, 1 at Woosung)
- 7 Auxiliaries (At Woosung)
- 74 Motorized Landing Boats came up the Whangpoo and secured in the Point Island Canal.

One Japanese transport docked in Yangtzepoo yesterday.

We learn that the 88th Division troops which evacuated the China Saving's Society Godown on the night of 30 October, did so on their own initiative without orders from Nanking, as was generally reported.

Since 18 October, 433 foreign evacuees have returned to Shanghai via Japan and Hongkong. Of this number 161 were American and British.

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

3 November 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 2 NOVEMBER, TO 0800, 3 NOVEMBER 1937

Map Reference - Plan of Shanghai, Scale 4"=1 mile,
Sheet 1, British War Office.

1. Operations

Reports concerning the progress of the fighting along Soochow Creek are widely variant. Chinese military spokesmen, while admitting that Japanese troops have consolidated a wedge on the south bank, claim that the advance has been stopped. Japanese authorities, on the other hand, declare that they have moved between 12 and 14 battalions (6000 to 7000 men) across the stream, and are steadily pushing southward. It actually appears that the Japanese have forced three principal salients into the region south of the creek, at points approximately 2, 3½, and 4 ½ miles upstream from Jessfield, and have advanced 500 yards or more in each case. They are busily engaged in constructing pontoon bridges in order that their mechanized units may be brought to bear against the Chinese resistance, which has proved consistently stubborn.

However, Chinese defenses in the Hungjao area while organized in depth are not strongly constructed nor are they strongly held behind the front line. The trenches are narrow and shallow and little barbed wire is in evidence.

Little fighting of note is reported in the Nanziang region and to the northward.

Japanese naval guns and the Pootung batteries exchanged fire between 2030 and 2300 last night.

2. Aircraft

Yesterday between 0800 and 1230 Japanese planes were exceedingly active bombing in the region between Rubicor and Monument Roads, and as far south as Hungjao village. Extensive reconnaissance flights were carried out over Siccawei and Nantao. Pootung was also included in the aerial attacks. The area around Dong Ka Pang at 39.70-46.445 was heavily bombed at 0945, as was the Dong Jao Tseng region.

3. Miscellaneous

On the 1st, five Japanese transports docked at wharves in Yangtzepoo, discharging about 3400 troops and large quantities of motor transportation.

Fourteen of the landing boats noted in yesterday's report have been moved up to the NYK Wayside Wharf. These boats are undoubtedly being prepared for a landing in Pootung or a move upstream through the Whangpoo Boom.

We are informed that the Chinese military has issued orders for the Paoantui in Nantao and Siccawei regions, (whom they declare are the only troops in those sectors), to move out the southwestward. The Japanese command has been apprised of this order, the purpose of which seems to be to keep the area in question out of active hostilities.

General Chang Fah-kwei, who has been in command of the Chinese forces in Pootung, has assumed command of troops in the Shanghai area, vice General Chu Shao-liang, who has been sent to North China.

220 Japanese residents of Shanghai, who evacuated to Japan at the beginning of the present trouble, were returned here on the "Shanghai Maru" on the 31st.

An American missionary who left Sian on 23 October states that on several occasions he saw fleets of trucks, sometimes as many as a hundred,

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Department of State letter, August 10, 1972
By Milton D. Huie NARS, Date 12-18-75

carrying gasoline from Sian toward Lanchow, Kansu.
He also states that he saw several bus loads of
young Chinese aviators leaving Sian for Lanchow.
Our informant added that the Sian-Lanchow highway
is being improved and made into an all weather road.
All bridges are to be strengthened sufficiently to
carry a load of ten tons.

R. A. Boone

R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

4 November 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 3 NOVEMBER, TO 0800, 4 NOVEMBER 1937

1. Operations

Unfavorable weather conditions have curtailed operations on the Soochow Creek front during the past 24 hours. The principal Japanese effort is being concentrated along a front between Poh Sing Kyung and Yao Ka Zah, pressing in a southwesterly direction. The deepest penetration is estimated at about one kilometer. All during the day supplies and additional mechanized units were being brought to the Japanese lines through Chapei. Artillery activity increased during the night, and at dawn a vigorous shelling of the Chinese lines was begun.

In connection with the rumored reduction of the number of Chinese troops in the Hungjao area, observers as far south as Minghang have noted a slow but steady movement of soldiers toward Sungkiang.

No operations of importance are reported from the Nanziang region.

2. Aircraft

Poor flying conditions prevented large scale air activities yesterday. A few bombs were dropped in the Nanziang and Soochow Creek sectors in the morning and at about 1140, 3 planes dropped a number of bombs near Yang Kyung Creek in Pootung.

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

3. Nantao

Nantao remains quiet. Negotiations toward making part of this area a neutral zone continue, but the best information available indicates that no agreement has yet been reached.

4. Miscellaneous

One Japanese transport discharged supplies at the C.M.S.N. Company Lower Wharf on the 2nd.

for *T. H. Krulak*
R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

5 November 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 4 NOVEMBER, TO 0800, 5 NOVEMBER 1937

Map Reference - Plan of Shanghai, Scale 4" - 1 mile,
Sheet 1 & 2, British War Office.

1. Operations

In the forenoon of the 4th, fighting in the Soochow Creek region was confined to small arms sniping and an occasional artillery exchange. After noon, as weather conditions improved, Japanese artillery batteries north of the creek began a steady shelling of the area between Monument Road and Warren Road. The Sung Sing Cotton Mill (28.25-54.60), a Chinese stronghold on the Creek, was also vigorously shelled. Between 1830 and 2030 the artillery activity was the most intensive yet seen on the Soochow Creek front. Chinese batteries near Yau Kaung Laung (29.00-43.20) and Wong Ka Leu (27.20-43.70) replied to the Japanese fire. During the exchange a number of shrapnel shells, apparently Chinese strays, burst in the vicinity of 6th Marines Post 1-A, fragments falling in Soochow Creek and in "C" Sector. There were no casualties.

The Japanese infantry effort in the Soochow Creek sector appears to have made little progress during the daylight hours yesterday, despite Japanese claims of penetrations up to 2000 yards. Last night however, following the heavy artillery concentration, Japanese forces in the Dien Doo-Tso Ka Jao area launched an infantry drive which carried beyond the junction of Pearce and Monument Roads.

In the region farther north, there was considerable fighting along the Shanghai-Nanking Railway, this side of Nanziang, but at Nanziang and beyond there was little activity.

2. Aircraft

Due, undoubtedly, to muddy ground on the air-dromes, there was almost no aerial activity during the morning yesterday, but following a half day of warm dry weather Japanese planes were aloft in force by 1400. Over 30 ships, of varying sizes carried on a continuous attack on the region north of Hungjao Road.

Three planes were noted over the Settlement during the course of the day.

The Canton-Hongkong Railway was attacked twice yesterday by three Japanese seaplanes.

The Japanese captive balloon is now located near the Nanking Railway at 29.90-50.50.

3. Miscellaneous

It is reported that the 27th Chinese division has been transferred from the vicinity of Nanking to Sungkiang. It is further reported that the 67th division has been moved from Kiangsi to the Shanghai front, south of Nanziang.

Fresh Chinese troops were observed entering the fighting zone south of Soochow Creek yesterday coming from the direction of Tsingpu. The Hungjao Road area appeared more heavily held yesterday than it has for several days.

The discussions concerning the partition of Nantao continue. A highly placed Chinese source declared yesterday that the present conversations are acceptable to the Chinese, and that there is an "even chance" that the Japanese will be forced to acquiesce in order to save face.

One Japanese transport seized to the Jukong Wharf yesterday.

A group of 500 Japanese military laborers were brought to Shanghai on the Nagasaki Maru Wednesday.

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By Milton O. Gustafson NARS, Date 12-18-75

On the 3rd, the Messageries Maritimes "President Doumer" and the Lloyd Triestino "Conte Verde" brought back to Shanghai 815 foreign evacuees who had left the city at the beginning of the present trouble. Of the group, 350 were British and 49 were American.

T. H. Keelate
for R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

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Department of State letter, August 10, 1972
By Milton D. Quelefer NARS, Date 12-18-75

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

6 November 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 5 NOVEMBER, TO 0800, 6 NOVEMBER 1937

1. Operations

Reliable reports indicate that the Japanese command is trying a new tactical move to break the costly stalemate in the Shanghai region, and hasten the progress of hostilities. The long awaited offensive against Pootung appears to have been launched yesterday, when a landing was effected on the seaward side of the peninsula near Zaoching Tseng. Fragmentary information indicates that the landing, heavily supported by aircraft and naval gunfire, was not strongly opposed.

Along the Soochow Creek front the Japanese infantry attack advanced slowly in the Monument Road area, meeting vigorous resistance. Japanese authorities claim that they now have about 25,000 men south of the creek between Jessfield and Tien Doo. This figure appears much too great. 12000 to 15000 may be taken as a maximum. Despite heavy rain, artillery fire continued through all of last night, and beginning at 0430, Japanese batteries north of the creek took up a heavy bombardment of the Chinese positions from the front line as far south as Hung Jao Village. The artillery shelling was accompanied by a great volume of small arms fire, indicating resumption of large scale infantry operations.

2. Aircraft

There was little aerial activity in the immediate Shanghai area on the 5th. Bombs were dropped on Pootung at 0630 and 1100. During the first raid, one of the bombers crashed to the ground.

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

3. Miscellaneous

It is reported that the Salt Gabelle troops which have been on the Soochow Creek line, have been withdrawn into reserve, while troops of the 37th Independent Brigade have moved to the front from the support line.

Japanese forces now operating in the Shanghai area are said to include troops from the 1st, 2nd, 5th, 6th, 8th, 9th, 10th, 12th, and 16th Divisions, and the 43rd and 46th Brigades of the Formosan Garrison. The 6th and 16th Divisions have recently been dispatched to this front from North China.

The Nantao "Refugee Zone" plan has been approved by both the Chinese and Japanese. The area will be policed by the French.

230 Japanese residents returned to the city on the 4th via the Nagasaki Maru. This brings the net total of Japanese to return to over 1100. The same vessel also carried 400 troops.

RATSON
R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

7 November 1937

RESTRICTED

B - 2 REPORT

PERIOD 0800, 6 NOVEMBER, TO 0800, 7 NOVEMBER 1937

Map Reference - Plan of Shanghai, Scale 4"= 1 mile,
Sheet 2, British War Office.

1. Operations

The Japanese landing between Tsaoxing and Chingsan on the seaward Pootung coast has definitely developed as a major commitment. Taking the Chinese by surprise, the Japanese force has landed at least 10,000 men, with accompanying artillery and motorized units. It is believed that the Japanese plan provides for putting about 40,000 men on the beach in that area. The units which have already landed, have pressed inland in a northerly direction to the Whangpoo River northeast of Kinshan, within seven miles of the vital Shanghai-Hangchow Railway. This swift offensive seriously menaces the security of the Chinese forces south of Soochow Creek, and in the Pootung area, and a withdrawal, at least of the Pootung troops, may be expected unless the rapid Japanese advance is halted.

On the Soochow Creek front Japanese forces brought additional troops across the stream and advanced south on Monument Road, about to the bridge at 22.65-44.77. The units which had crossed at Rubicon Village and Warren piece succeeded in effecting a junction, but were unable to make any considerable advance.

2. Aerial Operations

Yesterday afternoon between 1400 and 1530 Japanese heavy bombers attacked the Chinese positions between Hungjao Road and Lincoln Avenue. Large bombs were dropped in the vicinity of Tsu Ka Zah and Siau Kyung Kaung.

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By Milton D. Gustafson NARS, Date 12-18-75

The Japanese northward drive from Hangchow Bay was assisted yesterday by aviation which bombarded villages from Chapu to Fengking (on the Hangchow Railway).

3. Miscellaneous

On the evening of the 4th Chiang Kai-shek conferred in Quinsan with Generals Ku Chu-tung and Chang Fah-Kwei.

About 1000 Japanese troops were disembarked at the OSK Wharf on the 5th.

Forty nine foreign evacuees, including 21 British and 3 Americans, returned to the city on the 4th via the Shanghai Maru.

J. H. Kunkel
J. H. Kunkel
A. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

61-1

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JR

TELEGRAM RECEIVED

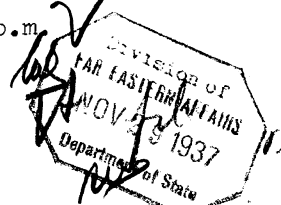
Nanking via N. R.

FROM Dated November 29, 1937

Rec'd 2:26 p.m.

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.



974, November 29, 8 p.m.

Embassy's 944, ¹¹²³¹ November 22, 10 p.m., and 958, ¹¹²⁹⁰

November 26, 9 a.m. Please expedite communication of following message to Japanese Ambassador: "The International Committee, which forwarded to the Japanese authorities through the courtesy of the American Embassy on 22 November a proposal for a safety zone in Nanking, would again respectfully request favorable consideration of its proposal. In order that proper arrangements may be made for the care of the thousands of civilians who have no other recourse than the proposed safety zone, it is necessary that the committee should begin its work at the earliest possible moment. For humanitarian reasons therefore an early reply to the Committee's proposal is earnestly desired. Signed John H. D. Rabe, Chairman".

Sent Shanghai, Hankow, Peiping. Peiping kindly expedite repetition to Tokyo. For the Ambassador.

ATCHESON

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Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

62-1

TELEGRAM RECEIVED

JR

FROM GRAY

Hankow via N. R.

Dated November 29, 1937

Rec'd 12:45 p.m.

Secretary of State,
Washington.

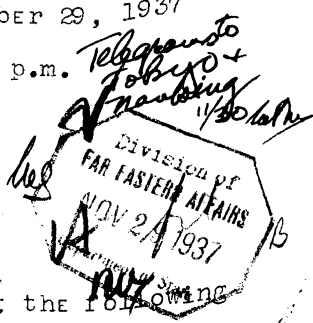
COPIES SENT TO
O.N.I. AND M.I.D.

7, November 29, 3 p.m.

My British colleague has just given me the following message from British Consul at Nanking: "I am to evacuate British subjects and hope that it can be tomorrow except for Military Attache and myself who will remain in Embassy for the present. There are 21 British subjects of whom 5 are accommodated on gunboat and the remainder on Jardine Matheson and company's hulk. At my German colleague's request I am admitting to hulk himself, two members of his staff and eleven others under protection of German Embassy. At my United States colleague's request I am admitting 5 American ladies and possibly several other Americans. Three. Dutch nationals are also being admitted.

Unless outlook improves Butterfield and Swire steamer WHANGPAO due here November 30th will be detained and be near hulk to relieve congestion on latter which will be acute. Hulk lies four miles up river from Nanking bund.

It



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Department of State letter, August 10, 1972
By Milton O. Huie NARS, Date 12-18-75

62-2

-2- #7, November 29, 3 p.m., from Hankow via N. R.

It is inevitable that a certain number of Chinese craft will collect in its vicinity. I suggest that Japanese authorities be informed of location of hulk and of the fact that it is serving as place of refuge ~~from~~ ^{for} British and other nationals as described above, and that they also be informed that at present members of your staff are remaining in Embassy and one of His Majesty's ships is lying off Nanking bund".

I have sent following message to Atcheson: "November 29, 4 p.m., I have just seen a telegram addressed to the British Embassy by Prideaux Brune stating that he is arranging to evacuate a number of people including five American ladies and other Americans by tomorrow. I do not want you or Paxton or Gassie to remain on Embassy premises any longer than you feel safe. I want you to know that I appreciate the burdens which you are bearing at this time". I think it would be timely if the Department could ask Embassy at Tokyo to request Japanese authorities to take particular interest in the presence at Nanking of Atcheson, Paxton, Roberts, McHugh and Gassie, and of the presence there of USS PANAY.

JOHNSON

CSE

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Department of State letter, August 10, 1972
By Milton D. Huatzen NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 033.9311 Hu Shih/8 FOR Letter

FROM Dr. Hu Shih () DATED Nov 24, 1937
TO NAME 1-1127 670

REGARDING:

Hostilities in Far East.

Quotes message on - from General Chiang Kai-shek, for
transmittal to Secretary of State and the President.

1w

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MICROCOPY

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ROLL

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