

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 47

1930-39

793.94/11671-11850
Nov.-Dec. 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

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

CA

Plain and Gray
TELEGRAM RECEIVED
CANTON VIA N.R.

Dated Dec. 16, 1937

1-1236

FROM
Recd 10:45 p.m.

Secretary of State, Washington

Amembassy, Peiping,
Amembassy, Hankow,
Amconsul, Shanghai.

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



793.94

December 16, 5 p.m..

61X

December 15, employing about twenty planes, Japanese twice raided Canton Hong Kong Railway between Cheung Muk-tou and Fukut (seven miles from Hong Kong border) and Canton Hangkow railway southern section. Minor damage, both lines remain intact.

Press reports Madame Feng Yu Hsiang has arrived at Kweilin for propaganda work.

Government paper advises populace to regard peace talkers as traitors. Rumors of the appearance of Japanese transports and ~~the~~ ^{imminent} invasion of South China continue to circulate. Military headquarters states they are unfounded. Another exodus from Canton led by families of officials has begun however; and there are ^{other} signs that the authorities fear Japanese invasion in the near future.

Mailed Hong Kong, Swatow.

LINNELL

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793.94/11671

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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

793.94/11672

Date

Nov. 26, 1937

From

American Embassy, Tokyo (Haw)

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

P. E. Huss

Authority

4-17-73

Date

GENERAL SERVICES ADMINISTRATION

GSA FORM 7117 (2-72)

GSA DC 72.10421

WITHDRAWAL NOTICE

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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.

Tokyo's despatch No. 2670, November 18, 1937, deals largely with the Embassy's efforts in connection with the convening of the Brussels Conference, and in regard to questions relative to mediation. As background a résumé is given of hitherto unreported conversations between Mr. Dooman and Mr. Yoshizawa, Director of the American Bureau of the Foreign Office.

The following are points of current interest developed in the conversations:

Ambassador Saito had reported from Washington that the American Government would not permit itself to become involved independently of other signatories of the Nine Power Treaty in any peace effort.

Mr. Kurusu, Japanese Ambassador at Brussels, had reported that the American delegation at the Brussels Conference was taking a leading role in the proceedings, as was particularly illustrated by a report from a Chinese source current in Brussels that the "American delegation had advised the Chinese delegation that continued resistance by China would bring from the United States something more than moral support". Mr. Yoshizawa had discounted the report owing to its Chinese source. He did express fear that the impression that the American delegation had assumed a position of leadership in the

Conference

793.94/11673

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

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Conference might become known in Japan, and that "the animus of the Japanese people which is now directed at Great Britain would be transferred to the United States". He thought it would be unfortunate for the good relations existing between the United States and Japan if they were given grounds for believing that the American delegation was responsible for the Conference's recommending united action against Japan.

In this situation Mr. Yoshizawa had thought it would be extremely helpful if definite assurance could be obtained from the American Government that it was neither responsible for the Conference nor leading its proceedings, together with further assurance that the United States was not actively promoting a plan for united action. He had thought of instructing Mr. Saito to call on the Secretary in the hope of eliciting some such assurances.

He added that there was the further danger that radical elements in the Nanking Government might gain a position of control, ruling out the possibility of peace negotiations. He thought that no settlement reached with an alternate régime that might be set up could be regarded as final; and stated that this view was held by important Japanese, including leading military officers.

In

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DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

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In a subsequent conversation between Mr. Grew and the Foreign Minister, the latter said that the reported plans of the Chinese Government to evacuate Nanking were regarded as most unfortunate, because if chaos should result, hostilities would be indefinitely prolonged. He added: "We want to talk with Chiang Kai-shek. This will now be very difficult."

The last two pages, 13 and 14, report a conversation between the American and British Ambassadors in regard to an Anglo-American offer of good offices, and should be referred to directly.

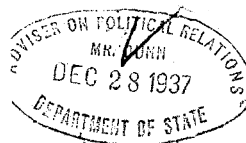
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



THE FOREIGN SERVICE
DEPARTMENT OF THE STATE
UNITED STATES OF AMERICA

1937 DEC 16 PM 2 29

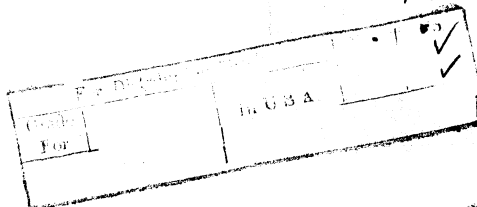


DIVISION OF COMMUNICATIONS
AND RECORDS Tokyo, November 18, 1937.

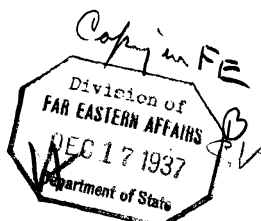
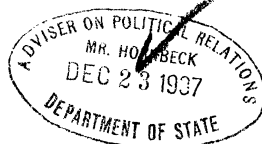
AMERICAN EMBASSY

No. 2670.

SUBJECT: SINO-JAPANESE CONFLICT.



STRICTLY CONFIDENTIAL.



The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to supplement herewith my telegrams
No. 544 of November 16, 1 p.m. and No. 548 of November 18,
10 a.m. reporting my conversations with the Minister for
Foreign Affairs with regard to the Sino-Japanese conflict.

It will be recalled that on August 6 I expressed to Mr.
Hirota the hope that he would call on me if he ever saw ways

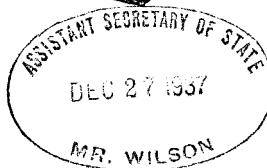
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by which I could be helpful in the situation existing between Japan and China. (See my No. 250, August 6, 9 p.m.) I had, of course, been giving constant study to developments, both in Japan and abroad, with a view to seizing an opportunity to remind Mr. Hirota of the statement which I had made to him on August 6. When the Japanese Government expressed its intention to decline the invitation of the Belgian Government to be represented at the Brussels Conference, and when the Japanese Government confirmed in its note dated October 27, 1937, to the Belgian Government evidences of intention to refrain from cooperating with the Brussels Conference, it became evident to me that, in line with the desire of the American Government, as expressed both to the Japanese and Chinese Governments, to be helpful to the combatants in bringing to an end the current hostilities and finding a mutually satisfactory basis for a lasting peace between the two countries, I should endeavor to ascertain unofficially and cautiously whether the widespread confidence of the Japanese Government and people in the disinterestedness and impartiality of the United States could in some way be profitably employed in the direction of peace.

The Counselor of the Embassy had at various times had several informal conversations with Mr. Yoshizawa, Director of the American Bureau of the Foreign Office, to explore the possibility of a further conversation taking place between the Minister for Foreign Affairs and myself along the line of the above-mentioned conversation of August 6. They had agreed that circumstances were not favorable. On November 8 Mr. Dooman called, with my knowledge and approval, on Mr.

Yoshizawa

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Yoshizawa and suggested to Mr. Yoshizawa that it ^vmight be useful to examine the situation in the light of developments then current. Mr. Yoshizawa heartily concurred. It was agreed between them, however, that any conversations which they might have would be entirely unofficial and were not to be a matter of record. However, in view of my recent calls of November 16 and November 18 on the Minister for Foreign Affairs, Mr. Yoshizawa has consented to my reporting to the Department the general substance of the conversations between him and Mr. Dooman which took place on November 8 and on November 16, as hereinafter described.

Mr. Dooman began by describing the circumstances which led to the opening of the way by President Theodore Roosevelt to the peace negotiations between Japan and Russia in 1905, and he related how Mr. Minister Griscom had, on his own initiative, obtained from the Japanese Prime Minister, Prince Katsura, an engagement to reveal to President Roosevelt the Japanese peace terms if Russia were also prepared to present simultaneously its peace terms to President Roosevelt. Mr. Dooman stated that the analogy between the situation which existed at that time and the situation existing today could not be pushed too far, but that it seemed important to consider whether the events of 1905 did not suggest some method which might be used today. Mr. Yoshizawa said that it was the policy of the Japanese Government not to permit mediation by any third Power or Powers between Japan and China. The military situation was, Mr. Yoshizawa continued, in process of undergoing a change. The Chinese Government was aware that it would be unwise for the Japanese military forces to penetrate very deeply into China from the north, for the reason that the Japanese army had constantly to bear in mind the possibility

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possibility of danger to its right flank from the direction of Soviet Russia. The Japanese army was now disposed to accept the challenge of the Chinese army to make Shanghai and the Yangtze region the principal theatre of military operations. Mr. Yoshizawa said that what the Japanese would regard as the perfect solution would be for the Chinese Government, following military reverses in that area, to propose to Japan direct negotiations for peace. The military situation which might lead to some such overture on the part of the Chinese Government had not yet been developed, and even if the Japanese forces inflicted severe reverses upon the Chinese forces, it might take considerable time; and also, notwithstanding such reverses, the Chinese Government might still be determined to continue the hostilities. Mr. Yoshizawa, therefore, thought that until a situation had developed which was calculated to bring about what he had previously described as the "ideal solution", there would be little likelihood of the Japanese Government giving consideration to any proposed move toward peace involving the United States or any other third Power.

On November 16, at the request of Mr. Yoshizawa, Mr. Dooman called on Mr. Yoshizawa for a further conversation. Mr. Yoshizawa referred to the conversation of November 8, and asked Mr. Dooman whether we understood the attitude of the Japanese Government with regard to the part which third party powers are desired by Japan to take in promoting peace negotiations between Japan and China. Mr. Dooman said that it was his understanding that the Japanese Government hoped that the United States and other powers would persuade the Chinese Government to enter into direct negotiations with

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with the Japanese Government. Mr. Yoshizawa replied that that was so, but that the statement did not completely cover the Japanese Government's position: that position is that Japan would be willing to consult with the United States or with any other power having important interests in the Far East, such consultation to be either with such powers individually or collectively, but that Japan would not participate in any discussion or consultation within the framework of any system of collective security such as the League of Nations or the Brussels Conference. Mr. Yoshizawa then showed Mr. Dooman a telegram from Mr. Saito, the Japanese Ambassador at Washington. Mr. Saito reported that the opinion of well-informed observers in Washington was that the American Government would not permit itself to become involved, apart from the other powers party to the Nine Power Treaty, in any effort to bring about peace between Japan and China; that a suggestion had been advanced to the effect that a useful move would be for Mr. Johnson at Nanking and for me at Tokyo to sound out simultaneously the views of the Chinese and Japanese governments respectively with regard to the prospects of peace. Mr. Saito concurred in the opinion of the observers above-mentioned in respect of the attitude of the American Government and believed that any concerted move by Mr. Johnson and by me along the line above suggested would be extremely hazardous. Mr. Dooman offered the comment that he felt certain that the American Government would view with the greatest distaste any proposition which might

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might be made looking toward the assistance of the American Government in legitimatizing the results of a Japanese military victory in China. He thought that this point should be given consideration at all times by the Japanese Government in connection with any plan for participation by the United States in a move toward peace. Mr. Yoshizawa agreed, and said that he would present the thought to Mr. Hirota.

Mr. Yoshizawa said that reports received by the Foreign Office from Brussels tended to give the impression that the American delegation had been taking a leading role in the proceedings of the Conference. Mr. Kurusu, Japanese Ambassador at Brussels, has excellent contacts among press correspondents covering the Brussels Conference, and it could be surmised that the Italian delegation is keeping the Japanese Ambassador fully informed of developments within the conference. Mr. Kurusu is also receiving information from one or two other delegations. The purport of the information available to Mr. Kurusu is that the American delegation is taking a leading role in the proceedings of the conference. As an illustration of some of the reports current in Brussels, Mr. Yoshizawa said that Mr. Kurusu had heard from a Chinese source that the American delegation had advised the Chinese delegation that continued resistance by China would bring from the United States something more than moral support. Mr. Yoshizawa made the comment that the Foreign Office did not attach much importance to this report, as it had come from a Chinese source. Mr. Yoshizawa said that happily the Japanese people are convinced that, not-

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withstanding the President's speech at Chicago on October 5 and the Department of State's announcement of October 6, the American Government and people have a just appreciation of the causes of the conflict between Japan and China, and that their concern toward the conflict does not arise from material and selfish reasons. On the other hand, it was well known that the Japanese people deeply resented the attitude of the British Government and of the British press, which has been actively encouraging some form of joint action by the Powers against Japan. He was now very much afraid that the impression which generally prevails in Brussels, that the American delegation has assumed a position of leadership in the conference, would become known in Japan, and that the animus of the Japanese people which is now directed at Great Britain would be transferred to the United States. The resolution drafted at the Brussels Conference carried a sting in its tail, and it would be unfortunate from the point of view of maintaining good relations by the United States and Japan if there were given grounds for believing that the American delegation was responsible for the conference's recommending some form of united action against Japan.

Mr. Dooman agreed that it would be extremely unfortunate if an impression such as that suggested by Mr. Yoshizawa were permitted to arise, and he wondered whether Mr. Yoshizawa had any thoughts as to some step which might be taken to remove the impression, which he was sorry to say was widely prevalent in Tokyo, that the United States had

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had taken the initiative in organizing the Brussels Conference and is now active in directing the proceedings of the Conference. Mr. Yoshizawa said that, in his view, definite assurance from the American Government that it was neither responsible for holding the Conference nor leading the proceedings of the Conference, added to some further assurance that the United States is not actively promoting a plan for "united action", would be extremely helpful and would effectively dispel any fear of Japan's resentment being turned against the United States. He had been turning over in his mind the possibility of instructing Mr. Saito to call on the Secretary of State and to make a frank statement of Japan's position in the hope of eliciting from the Secretary some assurance along the lines just described. Mr. Dooman reminded Mr. Yoshizawa that there exists conclusive evidence that, whoever was responsible for organizing the Brussels Conference, it was not the United States: that fact is clearly demonstrated in the opening sentence of the invitation of the Belgian Government to the Brussels Conference. With regard to suggestions that the American delegation is playing a leading role in the Conference, it seemed entirely likely that an impression to that effect was being deliberately fostered by parties who conceive it to be in their own interest to promote the idea of American leadership. He thought it would be unfortunate if the American Government were requested to confirm the accuracy of the statements of its own officials, such as the statement issued by Mr. Sumner Welles on November 2.

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ber 2. Further, if the Japanese Government wished, in spite of these considerations, to ascertain the position of the American Government, an approach by the Japanese Ambassador at Washington would excite undesirable conjecture and speculation.

Quite apart from the question of the relations of the American Government with the Brussels Conference, it seemed to Mr. Dooman that there were other circumstances which needed to be considered. It seemed that the rapidly developing military situation around Shanghai required that, if the Japanese Government, as stated by Mr. Yoshizawa, were willing to consult with the United States as a nation having important interests in the Far East, any great delay in initiating any such consultation might result in the loss of an opportunity for opening the way to peace. It seemed highly unlikely that General Chiang Kai-shek would be in any mood to consider peace if the Chinese Government were evicted from Nanking by the Japanese military forces. Mr. Yoshizawa agreed. He said that there was a further danger, and that was the possibility that radical elements in the Nanking Government might be able to assume a position of control, in which event any possibility of peace being negotiated would have to be abandoned. If the Chinese Government were to retreat from Nanking into the remote interior of China, the need for some Chinese authority to assume responsibility for the maintenance of order would bring about the organization of some sort of new regime; and there were several Chinese prepared

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prepared to organize such regimes. It was obvious, however, that no settlement reached with these regimes or, indeed, with any political figure in China other than Chiang Kai-shek could be regarded as a final settlement; and this view is being held by many important Japanese, including leading military officers.

Mr. Dooman said that he would report to the Ambassador the substance of the conversation which he had just had with Mr. Yoshizawa. It seemed to Mr. Dooman, and he would so inform me, that the moment appeared to have come when I might usefully remind Mr. Hirota that he could confer with me in any situation in which he thought I might be helpful in bringing about the restoration of peace. Mr. Yoshizawa stated that he would, for his part, consult with his superiors, and that he would exchange views with Mr. Dooman the following morning.

Mr. Dooman immediately reported to me the substance of his conversation with Mr. Yoshizawa. He had hardly completed his report when the private secretary to the Minister for Foreign Affairs telephoned and requested me to call on Mr. Hirota at the official residence at 9.30 the following morning. I thereupon addressed to the Department my telegram No. 543, November 15, 7 p.m., suggesting that consideration be deferred of any plan to implement the resolution drafted by the Brussels Conference. I called on Mr. Hirota on November 16 at half-past nine in the morning, at the official residence of the Foreign Minister. An extended account of our conversation was cabled to the Department (see my 544, November 16, 1 p.m.).

In

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In accordance with the Department's instruction No. 300, November 16, 8 p.m. I called this morning on the Minister for Foreign Affairs at his official residence and precisely carried out the Secretary's directions. I read to him the text of the final paragraph of the declaration drawn up by the Brussels Conference and pointed out that nowhere in the declaration did the phrase "united action" appear. I remarked that the term "common attitude" is quite a different matter and I hoped that this clearing up of an erroneous impression would completely set at rest the fears which he had expressed to me the other day. Mr. Hirota assented.

I then said that in the message from Mr. Hull which he had asked me to communicate directly to Mr. Hirota it was made clear that there was not an atom of truth in any allegation that the initiative in convoking the Brussels Conference was taken by the United States. It is Mr. Hull's understanding that neither the United States nor any other Power represented at the Conference has gone farther than to assume its share of the common responsibility for an exchange of views concerning the situation in the Far East. I then once again spoke of the originally inaccurate press reports concerning Mr. Eden's speech in the House of Commons and I also repeated to Mr. Welles's statement to the press definitely correcting the misunderstanding. I said I feared that an effort was being made in various quarters to injure the relations between the United States and Japan by spreading rumors to the effect that the United States had not only taken the initiative in convoking the Conference but is also taking active leadership in
the

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the Conference, and I appealed to Mr. Hirota, on behalf of good relations between our countries, to do everything possible to counteract the effect of these rumors and to let the actual facts be known. Mr. Hirota said that he would take definite steps in that direction and that he would also convey to his colleagues what I had said to him.

I then read to Mr. Hirota Mr. Hull's message concerning their mutual efforts to maintain and develop good relations between our countries and Mr. Hull's apprehension lest the present situation in the Far East would injure those relations. Mr. Hirota expressed great pleasure at this message and asked me to thank Mr. Hull for it. He asked if he might have the paper on which I had written the message but as the message had come in confidential code and would have to be paraphrased I said to Mr. Hirota that I would write him the message later on the plea that the paper in my hand was not sufficiently neat to leave with him.

Mr. Hirota then referred to our conversation the other day and said that reports are now coming in to him that Chiang Kai-shek and the Chinese Government are evacuating Nanking. He repeated that he felt this to be most unfortunate because if chaos should result it would mean an indefinite prolongation of the hostilities. He said "we want to talk with Chiang Kai-shek and this will now be very difficult." I merely inquired once again whether diplomatic channels between the two Governments are not still in existence to which Mr. Hirota smilingly assented but without comment.

I

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I had today an extended conversation with my British colleague (see my 549, November 18, 6 p.m.) It will have been noted that Sir Robert Craigie had suggested that he be authorized to press the Japanese Foreign Office for a reply to certain questions which he had put to Mr. Horinouchi, the Vice Minister for Foreign Affairs, calculated to clarify the attitude of the Japanese Government toward any Anglo-American offer of good offices, if made. It seemed to me, in the light of the indications of Japanese attitude given us by Mr. Yoshizawa, that the procedure which Sir Robert was suggesting overlooked the holding of a discussion which the Japanese considered to be an essential preliminary to any official indication by them of departure from the formal Japanese attitude - that third countries could best promote peace by persuading the Chinese Government to enter into direct negotiations with the Japanese Government. It seemed to me, further, that it would be logical to assume that the Japanese would not answer frankly the hypothetical questions put to them by Sir Robert unless and until the British Government (or the American Government) were prepared itself to answer - and to answer in a sense which the Japanese Government would regard as satisfactory - the hypothetical question: Would the offer of good offices be made by the British Government (or the American Government) within the framework of a system of collective security or as independent agents? Sir Robert's response to those thoughts was that he expected that the Japanese Government would realize the difficulty that

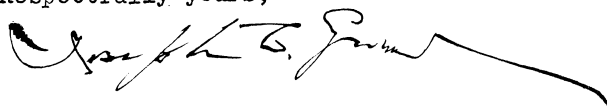
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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that the British Government would have in stating, in advance of some Japanese manifestation of a spirit of receptiveness to an offer of good offices, that the offer would be made by the British Government independently of the League of Nations or of the other Powers party to the Nine-Power Treaty. He thought it possible, however, that the Japanese Government might make a point of this question, and he said that he would express to his Government the hope that it would not emphasize the principle of peace by collective action even at the cost of ruling out peace by negotiation outside the Brussels Conference.

Respectfully yours,



Joseph C. Grew.

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EHD:C

Copy to Ambassador Johnson.
" " Peiping.

Carbon Copies
Received 4-12-76
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THE FOREIGN SERVICE
DEPARTMENT OF STATE
UNITED STATES OF AMERICA

1937 DEC 16 PM 2 14

No. 2671.

DIVISION OF AMERICAN EMBASSY
COMMUNICATIONS Tokyo, November 26, 1937.
AND RECORDS

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.

793.94

Copy in 7E



793.94/11674

The Honorable

The Secretary of State

Washington

Sir:

With reference to my despatch No. 2665 of November 13,
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 November 12 to
November 25, 1937, inclusive.
- II. Steps taken by the British Embassy in Tokyo
with respect to the Sino-Japanese conflict
from November 12 to November 25, 1937, inclusive
(so far as known to this Embassy).

Respectfully yours,

Joseph C. Grew.

Enclosures:
as listed.
710.
GDA:mg

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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

Enclosure No. 1 to despatch
No. 2671 of November 26, 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 NOVEMBER 12
TO NOVEMBER 25, 1937, INCLUSIVE.

As reported to the Department in the Embassy's telegram No. 537 of November 12, on the evening of November 11 the Embassy received the Foreign Office's reply to its representations of October 30 concerning the bombing by Japanese airplanes on October 29 of the Methodist Episcopal Mission at Sungkiang. The Foreign Office's note stated that the Japanese forces, in carrying out their bombing of the Sungkiang area, were duly heedful of foreign rights and interests but had at the time no data concerning the location of the property of the American church in the area; that, for the sake of safety, flying at a very low altitude had to be avoided in the vicinity of the area occupied by the Chinese forces; that on this account the Japanese forces were unable to recognize the markings of the Mission; that the incident was very sincerely regretted but that it was clear that it was wholly due to a mistake; that the Japanese Government would exert its best efforts not to repeat such actions; and that the Japanese Government was ready to give adequate consideration in regard to the damages sustained by the Mission.

Following a request from the Consulate General at Shanghai, on November 12 the Embassy addressed a memorandum to the Foreign Office stating that according to information just received, the property of the American Church Mission at Sungkiang had been bombed and destroyed by Japanese airplanes on November 2, and protesting against an unwarrantable attack which exposed to grave danger the lives of Americans and other
non-combatants

-2-

non-combatants and inflicted damage upon a humanitarian establishment. (Telegram to the Department from the Consulate General at Shanghai No. 959, November 11, and Embassy's telegram No. 534 of November 12, 1937).

A telegram from the Embassy at Nanking stated that, according to information furnished by the Rev. H. A. McNulty, Chairman of the Soochow International Relief Committee, the Japanese military through notices dropped from planes had warned Soochow that after November 13 they would bomb that city indiscriminately. The Embassy at Nanking reported further that Soochow was filled with civilian population and civilian refugees. Nanking's telegram, which was repeated to Shanghai and Tokyo, requested that Mr. Gauss and Admiral Yarnell get in touch with the Japanese Embassy and military and see whether anything could be done to prevent such a disaster, or at least to give time for some arrangement to be made between the Japanese and Chinese military for a mutually agreed upon safe area for refugees to be taken to. On November 13 the Embassy made representations to the Foreign Office in the sense of the above-mentioned telegram. (Telegram from the Embassy at Nanking No. 907, November 12, and Embassy's telegram No. 539, November 13, 1937).

Pursuant to the Department's instructions, the Embassy addressed a memorandum to the Foreign Office on November 19 stating that, according to information received by the Embassy, buildings of the American Church Mission at Wusih, marked clearly with American flags on the roofs, had been bombed on November 12 by Japanese planes, and protesting against an unwarrantable attack which had exposed to grave danger the lives of Americans and other non-combatants and might have inflicted damage upon a humanitarian establishment. (Telegram from the Embassy at Nanking No. 908, November 12, Department's telegram No. 301, November 18, and Embassy's telegram No. 552, November 19, 1937).

On

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-

On November 17 the spokesman of the Japanese Foreign Office informed press representatives that the Shanghai newspaper correspondents, in attributing to General Matsui, Commander of the Japanese forces in the Shanghai area, the statement that Japan might occupy the International Settlement, had not correctly quoted the General. (Embassy's telegram No. 547, November 17). Pursuant to the Department's instructions, on November 20 the Embassy made an informal approach to the Japanese Foreign Office, referring to the Foreign Office spokesman's statement of November 17 and expressing confident hope that the Japanese Government had 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. (Department's telegram No. 303, November 18, and Embassy's telegram No. 558, November 20, 1937).

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Department of State letter, August 10, 1972
By Milton D. Gustafson 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 NOVEMBER 12 TO NOVEMBER 25, 1937, INCLUSIVE
(SO FAR AS KNOWN TO THE AMERICAN EMBASSY).

According to information furnished by the British Embassy, on November 19 the Vice Minister for Foreign Affairs told the British Ambassador that the Japanese representatives at Shanghai had been instructed to discuss the question of the Shanghai Customs with the local authorities in a conciliatory spirit.

Acting under his Government's instructions, on November 22 the British Ambassador addressed to the Vice Minister a note requesting that instructions be sent to Shanghai by the Japanese Government to insure that Mr. Okazaki* would collaborate fully with Mr. Hall-Patch, Financial Attaché of the British Embassy at Nanking, who had been authorized by the British Government to arrange a basis of settlement of the Customs issue.

The British Ambassador's note of November 22 invited the Vice Minister's attention to a report received from the British Consul General at Shanghai to the effect that the Japanese naval authorities had seized the customs preventive fleet in Shanghai. In addition, with reference to a report that the Japanese naval authorities had seized a large dredger of the Whangpoo Conservancy Board, the note expressed the British Government's hope that the Japanese Government would send instructions for the dredger to be released, in view of the importance to international shipping interests of a deep channel for seagoing vessels calling at Shanghai. The British Ambassador added that in the present circumstances the maintenance of such a channel could be of no military assistance to China as against Japan.

* Mr. Okazaki, Japanese Consul at Amoy, is now temporarily assigned to the Japanese Consulate General at Shanghai.

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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 20, 1937

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Tokyo's despatch no. 2678, November 29, 1937, confirms the establishment of Imperial Headquarters previously reported by the Embassy, and transmits a translation of the ordinance promulgated on November 17, 1937 in this connection.

The ordinance is brief and provides for the establishment of a supreme command for the prosecution of hostilities "in time of war or when necessitated by incident". The chief of staff and the chief of the naval general staff are charged with the formulation of plans for the coordination of military and naval operations.

No conspicuous change in the conduct of the hostilities in China is seen as a result of the establishment of Imperial Headquarters. Further, the question of a declaration of war against China appears not to be affected by this event.

The Embassy's despatch makes clear that the Japanese Navy has favored and the Army

opposed

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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-

opposed a declaration of war, the latter "true to its persistent principle that the use of Japanese arms in Manchuria and in China over the past six years has not been war". The difference of view between the Army and the Navy on a declaration of war is reported to ^{be} introduced an "internal political issue": supporters of the Navy's view on the one side and of the Army's view on the other.

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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



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

Tokyo, November 29, 1937.

No. 2678.

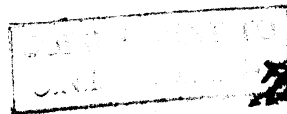
SUBJECT: IMPERIAL HEADQUARTERS.

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DEPARTMENT OF STATE

1937 DEC 16 PM 2 31

DIVISION OF
COMMUNICATIONS

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The Honorable
The Secretary of State,
Washington.

Sir:

In reference to despatch No. 2657, November 10, 1937,
and the Embassy's telegram No. 561, ¹¹⁻²³ November 23, 3 p.m.
with regard to the establishment of Imperial Headquarters,
1/ I have the honor to transmit herewith the Embassy's trans-
lation of the ordinance promulgated under date of November 17,
1937, for the establishment of Imperial Headquarters.

This

DEC 22 1937

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This ordinance, in three brief articles, provides for the establishment of a supreme command for the prosecution of hostilities in time of war or when necessitated by incident. The chief of staff and the chief of the naval general staff are charged with the formulation of plans and the coordination of military and naval operations. Provision is made for the setting up of detailed regulations in separate form. Such separate regulations have not been made public.

Imperial Headquarters commenced functioning on November 20. At that time a statement was issued (Embassy's telegram No. 561, November 23, 3 p.m.) explaining that the new institution is simply a supreme command for the exercise of the Emperor's authority over the army and the navy, that the division of functions and responsibilities as between the military and the civilian Government remains unaffected and that members of the Cabinet are not to be assigned to Imperial Headquarters although they will on occasion be invited to confer.

No conspicuous change in the conduct of the hostilities in China in consequence of the establishment of Imperial Headquarters has so far been observable.

The question of whether or not Japan will declare war against China appears not to be affected by the establishment of Imperial Headquarters.

In despatch No. 2657, November 10, 1937, the Embassy expressed the view that Imperial Headquarters as a centralized command for the conduct of hostilities in China would be carried out regardless of a declaration of war, and this has proved correct. Some discussion of the possibility of an impending declaration of war is nevertheless still heard.

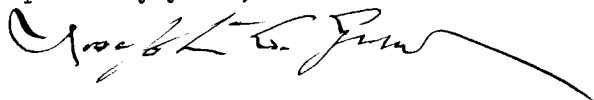
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-3-

It is believed that the navy generally favors a declaration of war as making easier the enforcement of a stricter blockade of China, and that the army continues opposed to a declaration of war, true to its persistent principle that the use of Japanese arms in Manchuria and in China over the past six years has not been war. The Premier in an important interview on November 26 (as reported in the ASAHI, November 27) frankly stated that a declaration of war has been carefully considered by the authorities and that for the time being decision opposed to that action has been arrived at. In view of the already demonstrated Japanese willingness to take, without declaring war, armed and other action usually associated only with war, it is difficult to see why any further action which may now be contemplated by Japan should make a declaration of war inevitable. Japan has set new precedents in the scope of actions in undeclared war and can hardly be concerned at this stage with legalistic arguments if she contemplates a further extension of new precedents. But an internal political issue has now been introduced by the division of opinion on the argument: the navy group favoring a declaration of war, the army group opposed.

Respectfully yours,



Joseph C. Grew.

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CC:C

Enclosure:

1. Embassy's translation of Military Ordinance No. 1, November 17, 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

Enclosure No. 1 to despatch
No. 2678 dated November 29, 1937,
from the Embassy at Tokyo.

Translation by the American Embassy, Tokyo, of Japanese text
as printed in the KAMPO, Japanese official gazette, issue of
November 18, 1937, page 478.

CC:C

The Imperial Headquarters ordinance is hereby promulgated
and ordered to be enforced:

Imperial Signed Manual

November 17, 1937.

Countersigned by: Admiral Mitsumasa Yonai,
Minister of the Navy,

General Hajime Sugiyama,
Minister of War.

Military Ordinance No. 1.

Imperial Headquarters Ordinance.

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.

Imperial Headquarters shall be set up in time of war
or as may be necessitated by any incident.

Article 2. The chief of staff and the chief of the
naval general staff, as heads of their respective staffs,
shall perform headquarters functions, shall formulate plans,
and, with a successful conclusion as object, shall coordinate
action by the army and navy.

Article 3. Organization and duties shall be determined
by separate regulations.

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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 22, 1937.

*For
R.A.M.
M.D.H.*

Tokyo's 2680, November 29, 1937 -
"Pamphlet Distributed with the Compliments
of the Premier".

The attached despatch transmits a copy of the pamphlet entitled "Plea for Peace and Conciliation", which Wilfred Fleisher commented upon in an article in the New York Herald Tribune on November 23. The author of the pamphlet is Mr. Shun Akimoto, formerly a writer of signed articles for the Japan Advertiser. According to the last named newspaper, the author is a friend of the Premier and the pamphlet expresses the views of the Premier.

Wilfred Fleisher's article opened with the following sentence: "That Japan's political idea is to establish a United States of Asia is the argument advanced by a pamphlet being distributed to foreign correspondents 'with the compliments' of Premier Prince Fumimaro Konoye". This opening sentence gives a misleading impression of the contents of the pamphlet; the idea expressed in the opening sentence is itself incidental. (See page 11 of the pamphlet) The contents of the pamphlet are, according to the Embassy, "fatuous and commonplace" and "hardly worth noting". For a brief summary of the pamphlet, see page 3 of the despatch.

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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. Qualen NARS, Date 12-18-75



THE FOREIGN SERVICE
DEPARTMENT OF STATE
UNITED STATES OF AMERICA

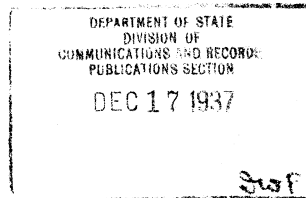
1937 DEC 16 PM 2 30

AMERICAN EMBASSY

No. 2680.

DIVISION OF
COMMUNICATIONS AND RECORDS
Tokyo, November 29, 1937.

SUBJECT: PAMPHLET DISTRIBUTED WITH THE COMPLIMENTS OF THE PREMIER.



The Honorable
The Secretary of State
Washington

Sir:

The Department's telegram 314/ November 24, 5 p.m.

- 1/ instructed the Embassy to endeavor to obtain and forward to the Department, with the Embassy's comment, copy of a pamphlet which was referred to in a NEW YORK HERALD TRIBUNE article by Wilfrid Fleisher under Tokyo date line of November 23. The first sentence of Fleisher's article stated: "That Japan's political idea is to establish a United States of Asia is the argument advanced by a pamphlet being distributed to foreign correspondents 'with the compliments' of Premier Prince Fumimaro Konoye."

The pamphlet upon which Mr. Fleisher based his article is a pamphlet in English which has had fairly wide distribution to foreign correspondents and other foreign representatives. One came, in fact, to me. The envelope in

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which the pamphlet was received bears a printed letter-head reading "Premier's Official Residence, Nagato-cho, Tokyo, Japan". Inside the front cover of the pamphlet a printed tab is pasted reading, "With the compliments of Prince Fumimaro Konoye, Premier's Official Residence, Nagato-cho, Tokyo." The pamphlet bears no statement of name and address of publisher, which is contrary to Japanese law. The title of the pamphlet is PLEA FOR PEACE AND CONCILIATION. It is dated Tokyo, November 3, 1937 and the author is put down as "Fuko-an" (an obvious pen-name). The Embassy has ascertained that the actual author is Mr. Shun Akimoto, formerly a writer of signed articles for the JAPAN ADVERTISER. The envelope in which the pamphlet came to Mr. Fleisher bore the words, penned beneath the printed letterhead, "Per S. Akimoto".

2/ The JAPAN ADVERTISER ran a story about the pamphlet. Before doing so, and by way of authenticating the document, the paper telephoned to the press bureau of the Foreign Office to ask about it. The press bureau had no information, but undertook to inquire of the Premier's office. Some minutes later the press bureau telephoned back to the JAPAN ADVERTISER to state that permission had been given to distribute the pamphlet "with the compliments" of the Premier, that it had been written by one of the Premier's friends, and that the views of the Premier are expressed in it.

Following receipt of the Department's telegram the Embassy exhibited to an official in the Foreign Office a copy of the pamphlet and asked for information with regard to its origin. The official of the Foreign Office had not before

-3-

before seen it and had to make inquiries before replying. He later informed the Embassy, informally and in confidence, that no record with regard to the pamphlet is on file at the Premier's office, and that it is supposed by his staff that the publication was simply the result of some informal consent given orally by the Premier to Mr. Akimoto. It hardly need be added that both the Foreign Office and officials of the Premier's staff were annoyed at this irregular procedure.

The contents of the pamphlet are, like the contents of many other pamphlets which are now flooding Japan on account of the incident in China, hardly worth noting. The contents are fatuous and commonplace, and the aspect which was featured by Mr. Fleisher in his article are incidental to other points. The argument is not closely reasoned: Everywhere nations are rearming; discontent and a desire for parity have superseded the idea of peace; the Japanese are by nature religious and have always responded enthusiastically to the introduction of religions from abroad; fear of godlessness is at the base of Japan's attitude toward the Soviet Union; it is Chinese hostility which dragged Japan (who hates war) into the armed clash in China; Japan, deeply religious, must take this stand against the godless influence of the Soviet Union; a united states of Asia is Japan's wish, and the friendly cooperation of China is ardently desired; such cooperation would make for the peace not only of Asia but of the world.

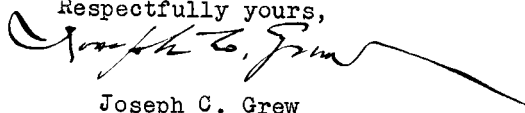
Except for the attention given it by the JAPAN ADVERTISER
and

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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and by Mr. Fleisher in the capacity of newspaper correspondent, other note of this pamphlet has not come to the attention of the Embassy.

Respectfully yours,



Joseph C. Grew

Enclosures:

1/ Pamphlet, PLEA FOR PEACE AND CONCILIATION. (One copy only sent.)

2/ Clipping, U.S. of Asia Given as Ideal of Japan, JAPAN ADVERTISER, November 23, 1937.

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CC:v

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. 2680 dated November 1937.
from the Embassy at Tokyo.

The Japan Advertiser.

Tokyo, Tuesday, November 23, 1937.

U.S. OF ASIA GIVEN AS IDEAL OF JAPAN

Pamphlet Distributed With Premier's Compliments Assails
Scramble for Parity

SPIRITUAL PANACEA URGED

China Said Dancing to Music
of Element in U.S.S.R.
That Hates Religion

Japan's political ideal "is to establish a United States of Asia after the manner of the United States of Europe dreamed of by the late Mr. (Aristide) Briand," states a pamphlet titled 'Plea for Peace and Conciliation' by "Fuko-An," apparently a pseudonym, copies of which have been distributed among foreign newspaper correspondents here "with the compliments of Prince Fumimaro Konoe." Contrary to the usual practice required by law, no indication is given of who had the pamphlet printed.

Inquiry in official quarters yielded the information that the pamphlet was written by a personal friend of the Premier and accords in general with his views.

Seventeen years ago, every man, woman and child in the world rejoiced over the end of the World War and told one another that never again would they fight. But today there is fighting, the pamphlet points out.

"Discontent is at the root of it all," it continues. "Not satisfied with what we have, or instead of trying to make the most of what we possess, we want to get as much as we possibly can. Thus every nation at all strong or ambitious is crying for 'parity' against some country which, it thinks, possesses more than a fair share of this world's good. The United States wants parity with Great Britain; Germany wants parity with France; Italy wants parity with England, and so forth. In the Far East, China is now actually fighting for parity with Japan."

Satisfaction Difficult

"This scramble for parity must be arrested, or there will be no end to war and preparations for war. But nations are like men in that their wants are illimitable. The more they have, the more they crave. Will Italy, who declares that her land appetite has been 'satisfied' with the recent annexation of Ethiopia, rest content with that? No, she is now clamoring for 'our ocean,' and it is a question how long even her sense of land-satisfaction will last. So it will be with Germany now screaming for the return of her old colonies."

The writer offers as the only solution for all this "contentment of a spiritual order such as religion may generate in the bosoms of devout persons." For Japan, he makes the claim that "no people have ever breathed on earth who are intrinsically more religious-minded." Thus he thinks it natural that "there should be something real and poignant in the Japanese fear and apprehension for that political State which denies all religions and glories in the state of godlessness and which is dedicated to the worship of physical power and material greatness, and which, moreover, makes it part of its declared national policy to convert the rest of the world to its own doctrines."

Commenting on Nicolai Lenin's comparison of religion to opium, "Fuko-An" sees no objection and says "to destroy this spiritual comfort—religion—to which all men, rich and poor, wise and otherwise, have easy access, would seem to me very hard and unkind, and destructive of half the human bliss to which mankind seems to be entitled."

Fraternization Impossible

He hopes "that the day will come soon when the people of our dear respected neighbor, Soviet Russia, may regain their God * * * but while the craze of unreason and wanton persecution rages, we cannot fraternize with that element or faction which is so antagonistic to what our national traditions hold as most sacred and inviolable."

Love of peace is a marked characteristic of a religious community, says the writer. Japan loves peace. The hostilities in China were "caused by a little spark, as it were, falling on the smouldering cinders of mutual fear and distrust."

"We came to blows because we were driven to it by the spur of a force working outside us and in spite of ourselves," he continues. "As the war proceeds, 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 so direct our concerted energy against this treacherous enemy instead of against one another."

In conclusion, "Fuko-An" says that Japan has before it the ideal of a United States of Asia as "the first necessary step toward the realization of that larger ideal which has been expressed in the oft-quoted phrase: 'The Parliament of man, the Federation of the world.'"

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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

to the
No. 2680d Nov. 29, 1957, from the
Embassy at Tokyo;

PLEA FOR PEACE
AND CONCILIATION

By

FUKO-AN

DECLASSIFIED: E.O. 11652, Sec
Department of State letter, Au
By Milton O. Gustafson NA

With the Compliments of
PRINCE FUMIMARO KONOYE

Premier's official residence :
Nagata-cho, Tokyo

. 3(E) and 5(D) or (E)
August 10, 1972
RS, Date 12-18-75

Enclosure No 1 to despatch
No 2680 of November 29, 1937 from the
Embassy at Tokyo;

PLEA FOR PEACE AND CONCILIATION

BY

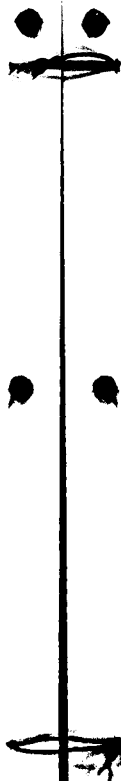
FUKO-AN



Tokyo, November 3rd, 1937

PLEA FOR PEACE AND CONCILIATION

By FUKO-AN



Those who have visited Japan may remember the famous figures of Three Monkeys at Nikko, representing the old precept: "See not, hear not, speak not!" They symbolize the three emotional tendencies of men, namely, to weep, to laugh, to anger. They illustrate also three types of men. We know how in life the same incident affects different persons in different manners—some take a serious, others a humorous and yet others a pessimistic view of it.

This rule holds true about this strange world we inhabit. The ruling passion today would seem to be that of an angry monkey glaring at you with a ferocious look of hostility. There is no disarming look of geniality in the honorable countenance of Reichsfuehrer Adolf Hitler, Premier Benito Mussolini, Mr. Josef Stalin, Mr. Neville Chamberlain, or, for that matter, General Chiang Kai-shek or even our own Premier Konoye. And we all know both the cause and the effect of it are being dramatically exhibited in the armed conflicts now raging in Spain, North China, Shanghai and elsewhere. There is apparently no immediate sign of these great men recovering their happy look or of the armed conflict ceasing. As for the spectators who were, not so long ago, cheerfully discussing disarmament and peace, they have not only begun to talk about re-arma-

PLEA FOR PEACE AND CONCILIATION

ment and possible wars, but have already decided to re-arm and to compete one with another in intensive armament construction. They have discarded the post-war faith, "armaments tend to cause the wars which they are meant to prevent," but openly declare the opposite doctrine, "armaments are cheaper than actual war and re-armament is the only practical key to security and peace."

THE CAUSE OF THE DISCONTENT

What is the cause of all this? Why such complete and sudden change? It was only 17 years ago when every man, woman and child in the world rejoiced over the end of the world war and sang the joyous song of peace, saying to one another: "Never again—never will we fight again!" The nations, large and small, swore to seek the peaceful solution of international problems by signing numerous treaties and pacts. They drank to one another's long life in the perennial reign of peace and good will. What, then, has brought all this dreadful change in national mood and international action?

Discontent is at the root of it all. Not satisfied with what we have, or instead of trying to make the most of what we possess, we want to get as much as we possibly can. Thus every nation at all strong or ambitious is crying for "parity" against some country which, it thinks, possesses more than a fair share of this world's goods. The United States wants parity with Great Britain; Germany wants parity with France; Italy wants parity with England, and so forth. In the

(2)

PLEA FOR PEACE AND CONCILIATION

Far East China is now actually fighting for parity with Japan.

This scramble for parity must be arrested, or there will be no end to war and preparations for war. But nations are like men in that their wants are illimitable. The more they have the more they crave. Will Italy, who declares that her land appetite has been "satisfied" with the recent annexation of Ethiopia, rest content with that? No, she is now clamouring for "our ocean," and it is a question how long even her sense of land-satisfaction will last. So it will be with Germany now screaming for the return of her old colonies. It is the common British view that Germany would never be satisfied, for if she had one colony returned to her, she would immediately cry for another and so forth. So there will be no end to our craving for more unless we have contentment of a spiritual order such as religion may generate in the bosoms of devout persons. As long as the nations remain in the grip of materialism or crass self-seeking, so long will there be no end to their lust for land and sea conquest. Here then is the need of religion alike for individuals and nations.

HOW BUDDHISM CAME TO JAPAN

Now I must say something about the religious life of Japan both as a nation and individual people, for this is the aspect of Dai-Nippon least understood by foreigners. People of Christendom are in the habit of regarding all people outside it as heathen, bereft of all religious sentiment. This is a great illusion. No people have ever breathed on earth who are intrinsically more

(3)

PLEA FOR PEACE AND CONCILIATION

religious-minded than the Japanese. To recount briefly the religious history of Japan: It was in the sixth century, to be exact, in A.D. 552, (in the 13th year of the reign of Emperor Kinmei) that Buddhism was first brought to Japan from the Kingdom of Kudara, and in less than a century, that is, in 621 A.D. in the height of Empress Suiko's happy reign, assisted by the great Shotoku Taishi, Buddhism had already become "the established religion of Japan." Another century, and Japan had gained the zenith of glory and the flower of art and culture, founded on the doctrines of the Lotus. You will see in the city of Nara today many wonderful monuments of Buddhist Nara of the eighth century, such as Daibutsu and Shosoin. At first the impact of Buddhism on the native faith of Shinto (the Way of the Gods) caused great friction, and for a brief period even a military clash between their respective champions, i.e., the Sogas on the one hand and the Mononobes and the Nakatomis on the other. But once the initial conflict was over, perfect unity was effected between the two religions. The Nakatomis, the hereditary champions of Shinto, became zealous defenders of Buddhism, and a species of Buddhified Shintoism was developed under the name of Ryobu Shinto.

CHRISTIANITY IN JAPAN

Later, in the 16th century, Japan was caught by another religion. The arrival of Francis Xavier at Kagoshima in August of 1549 marked an epoch in the religious history of medieval Japan. Hardly had half

(4)

PLEA FOR PEACE AND CONCILIATION

a century passed after Xavier's arrival before 300,000 Japanese had been converted to Christianity. They included some of the greatest rulers of the land, and all the greatest names in Kyushu. Had it not been for the discovery of the alleged political designs of some European nations on Japanese sovereignty, it would be easy to imagine that Japan would have become one of the foremost Christian nations in the world and would have been spared the fate of national isolation for nearly three centuries. The other religions also suffered. However, with the dawn of the Meiji Restoration in 1868, marked by the release of long-confined native energy, Christianity was restored to Japan, and the progress it has since made under the protection of the Constitution which guarantees perfect freedom of faith, is little short of the miraculous. It will be no exaggeration to say that there is today hardly an educated Japanese but is acquainted with and deeply in sympathy with the humanitarian principles of Jesus Christ, and that in spirit, if not in name, Japan is one of the most Christian nations on earth. With the progress of Christianity in the new era of enlightened regime, Buddhism and Shintoism kept pace, and indeed Japan proves herself a congenial home for all the religious faiths on earth, just as England is said to provide a welcome shelter for all political refugees who may flee to it for protection.

JAPAN'S FEAR OF GODLESSNESS

In short, Japan is an intensely religious-minded nation. Reverence for the Mikado, the first quality

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PLEA FOR PEACE AND CONCILIATION

that goes to make the Japanese people, is nothing less than a religious sentiment, and the Government of Japan may be described as a form of religious practice, called "Matsurigoto" in Japanese, in which the Emperor reigns (does not directly attend to the administrative detail) in the name of the gods and Imperial ancestors. Ministers of State in ancient days were regarded as high priests, and like the Jewish prophets they were the "middle men" between gods and people. By the way, our present Premier, Prince Fumimaro Konoye, represents one of the original Nakatomis who in 669 A.D. were honored with the famous family-name of Fujiwara, now branched into the five princely families of Konoye, Takatsukasa, Kujo, Nijo and Ichijo.

Is it any wonder then that there should be something real and poignant in the Japanese fear and apprehension for that political state which denies all religions and glories in the state of godlessness and which is dedicated to the worship of physical power and material greatness, and which, moreover, makes it part of its declared national policy to convert the rest of the world to its own doctrines?

IS RELIGION OPIUM?

The late Mr. Lenin, the deified father of Soviet Russia, was quoted as having declared religion was nothing but opium, paralyzing the human mind with soothing delusions. I personally have not experienced the taste or after-effect of opium, but judging from the accounts of those who have, like those of the English author, Thomas De Quincey, it would seem that opium

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PLEA FOR PEACE AND CONCILIATION

gives its devotees a pleasurable sensation which it is impossible to compare with any other earthly bliss imaginable. Some have gone so far as to declare that it brings to the mind a veritable illusion of heaven on earth. If so, I, for one, can see no reason why religion should not be compared with opium, the one acting on the soul much in the same way as opium is on the body. To the majority of insignificant human beings, such as we are, doomed to a short and uncertain span here below, the solace of religion is indispensable. To destroy this spiritual comfort—religion—to which all men, rich and poor, wise and otherwise, have easy access, would seem to me extremely cruel, and destructive of half the human bliss to which mankind seems to be entitled.

GERMANY AND ITALY

However, I understand that the Russian people, if not the present Russian rulers, are now gradually returning to the old religious ways of thinking. I earnestly hope and pray that the day will come soon when the people of our esteemed neighbor, the Soviet Union, may regain their God and the freedom to worship Him in the open synagogues as in the days of religious freedom. We know that a great political upheaval often involves the discrediting, even the disestablishment, of a religion identified with the old regime. At the time of our Restoration, for instance, Buddhism was for a while terribly discredited, many of its temples and monuments being destroyed by fanatic reactionaries against the Tokugawa regime. Some of

(7)

PLEA FOR PEACE AND CONCILIATION

the old observances and customs were also officially "discontinued," but only to be revived with the return of normalcy. Thus in the long run abnormal political aberrations will right themselves according to rules of reason and humanity, but while the craze of unreason and wanton persecution rages, we cannot fraternize with that element or faction which is so antagonistic to what our national traditions hold as most sacred and inviolable, be it in the Soviet Union, China or any other country, east or west. Hence it is we are being drawn towards such countries as Germany and Italy whose abhorrence of Bolshevism is as great as ours.

POETRY OF PEACE

One marked characteristic of a religious community is love of peace and hatred of fighting. Because they believe God is a friend of the poor, the weak and lowly, which is the all-pervading idea of the Old Bible and the New Testament as well as of the Buddhist sutras, all those who sincerely believe in religion of whatever kind are the natural enemy of tyrants and oppressors of the poor and weak. So if they fight at all, they do so as a rule in self defense or in the defense of the poor and weak against their oppressors. This is one of our oldest and most cherished spiritual inheritances. Of the numerous poetical and artistic expressions of this deeply religious anti-war sentiment I shall quote the following famous poem from the eighth-century Manyoshu anthology.

(5)

PLEA FOR PEACE AND CONCILIATION

Arasoye ba	Let's cease quarrelling,
Kami mo ni ku masu	Or the gods will be wroth.
Yoshie yashi	Be it as it may:
Yosofuru kimi ga	You who pretend love for me
Niku kara nakuni	I don't quite dislike—I own.

It is a love verse expressive of the somewhat complex sentiment of a woman who suspects that her lover does not love her as much as she would like him to love her, but who, however, loves him too much to let him go. If translated into political language, it might be interpreted as follows: "I will not fight with you because it will be displeasing in the sight of the gods, so I shall content myself by regarding you as a friend, though you might have in your heart a sentiment not altogether friendly to me." The poem is often quoted to illustrate the typical sentiment of the highly polished people of the eighth-century Yamato whose love of peace and fear of fighting was only equalled by their fervent loyalty to the throne and their bravery once they were called to defend their country against invaders.

WHY WE FIGHT

Why then is there this armed clash in North China and in Shanghai? I am not here to refute the petty anti-Japanese propaganda constantly broadcast by our would-be adversaries or their champions. I am concerned only with the fundamentals. Anyone who has followed the events since the outbreak of hostilities on July 7th, in the light of the recent Far Eastern politics, will realize that the combat was caused by a little

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PLEA FOR PEACE AND CONCILIATION

spark, as it were, falling on the smouldering cinders of mutual fear and distrust. What must appear a great anomaly in the present conflict is the total absence of personal hate for China, or the Chinese people, in the minds of the Japanese at the front or at home. It has been said over and over again that this combat is being waged to dispel Chinese misunderstanding and to promote Sino-Japanese friendship so as to bring peace and prosperity in East Asia. It sounds paradoxical in the face of the fierce fighting going on, and Japan may be charged with arrant hypocrisy.

But pause for a moment and reflect if it is possible for Japan to live in prosperity, even in peace, if China remains hostile to Japan. Nor can China thrive without Japan's friendship or good will. Friendly relations are essential to the existence of Japan and China. It has been so in the past, so will it be always. We came to blows because we were driven to it by the spur of a force working outside us and in spite of ourselves. As the war proceeds, 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 so direct our concerted energy against this treacherous enemy instead of against one another.

(10)

PLEA FOR PEACE AND CONCILIATION

WORLD PEACE OUR AIM

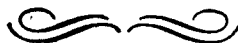
So we appeal to the nations looking on to make a penetrating survey of the scene and do all they can to bring the conflict to the earliest conclusion, or, what is better, to refrain from doing anything likely to prolong the tragic situation. Our political ideal is to establish a United States of Asia after the manner of the United States of Europe dreamed of by the late M. Briand. Though a distant dream at the present stage of progress, it is bound to come true some day. That is our strong faith. A lesser United States of Asia is already springing up in such regions as Korea, Formosa or in the new Empire of Manchukuo, where half a dozen different Asiatic races of men are living in perfect harmony and in fruitful co-operation. In the great commonwealth of Asiatic nations we are dreaming of the nations might differ from one another in race and polity, in manners and customs or in cultural inheritances, but that would not prevent our being united in the common traditions of honor, justice and equity. This would be the first necessary step towards the realization of that larger ideal which has been expressed in the oft-quoted phrase: "The Parliament of man, the Federation of the world."

So I appeal to the conscience of the whole world, including our esteemed neighbors, the Chinese, with whom our nation is now unfortunately entangled in armed conflict, and the people of the Soviet Union, to exert its most humane and serious efforts in bringing about a speedy and peaceful solution of the present dilemma. This is no time for Japan and China to be

(11)

PLEA FOR PEACE AND CONCILIATION

fighting. Their common action is wanted elsewhere; for the two nations, if united in peaceful co-operation, will prove a power strong enough to render signal assistance in solving any difficult problems that may hereafter arise anywhere in the world. Peace in Europe, for instance, will depend largely on peace in Asia, and vice versa. Some persons have prophesied that a United States of Europe could only come after another terrible world war. But is it not worth while striving to help Europe achieve its universal peace without another Armageddon? The first decided step towards this great objective will be for Japan and China to work together and assure peace in East Asia, and whoever will give even a scrap of paper or half a penny's worth of service in bringing about peace and conciliation in the Far East shall hereafter earn the lasting gratitude of the two countries as well as the respect of mankind as true "peacemakers" and "children of God."



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

COMYANGPAT

1-1336

FROM December 17, 1937

Rec'd 8:03 a.m.

ACTION: OPNAV
INFO: 2ND BRIG USMC
YANGPAT
COMSUBRON 5
COMDESRON 5
CINCAF
COMSOPAT
AMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEI PING

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

Division of
FAR EASTERN AFFAIRS
DEC 17 1937
Department of State

0016 Chinese resisting Japanese on north bank Yangtze
between Wuhu and Pukow. Other river ports quiet 2300.

HPD:

793.94/11677

DEC 21 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

47-1

TELEGRAM RECEIVED

EG

1-1830

GRAY
FROM
Tokyo

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

Dated December 17, 1937

Rec'd 11:10 a.

Secretary of State,
Washington.

650, December 17, 5 p.m.

Press despatches from Washington published here

last night and this morning report that the Secretary
at the press conference on December 15 stated that the
American Government is not (repeat not) contemplating
any kind of naval move either independently or jointly
in the Far East.

GREW

HPD

*Tel drafted
to Tokyo
Dec 16, 1937
Jep*
Division of
FOR EASTERN AFFAIRS
DEC 17 1937
Department of State

793.94
note

811.31

793.94/11673

F/F/G

DEC 18 1937
RECEIVED

704

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

1-138
PREPARING OFFICE
WILL INDICATE WHETHER

TELEGRAM SENT

1-138
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Collect
Charge Department
OR
Charge to
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Department of State

DEPARTMENT OF STATE

Washington,

1937 DEC 18 PM 3 48

December 17, 1937.

DIVISION OF
COMMUNICATIONS
AND RECORDS

18
5 PM

✓ AMEMBASSY,

TOKYO (Japan)

360

793.94/11678

Your 650, December 17, 5 p.m.

At the Press Conference on December 15 a correspondent inquired whether there was anything in the nature of a consultation between this Government and the British Government on the Far Eastern situation and whether or not any consideration was being given to a naval demonstration in the Far East by the two Governments either jointly ^{along} parallel ^{lines} or independently. The Secretary replied that he could only repeat what he had said so many times since the commencement of the difficulties in the Far East, that is that this country and other countries like Great Britain which have common interests, common purposes and common objectives with this country in the Far East were working along parallel lines, were exchanging information, were collaborating with respect to facts and conditions in the Far East and were acting concurrently. He added that this Government, of course, reserves its own freedom and independence of action, that this has been the policy of this Government from the beginning, and that so

793.94/11678

F/mR

Enciphered by _____

Sent by operator _____ M., _____, 19____

704:

TELEGRAM SENT

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TO BE TRANSMITTED
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NONCONFIDENTIAL CODE
PLAIN

Department of State

Washington,

Tokyo - Japan

December 17, 1937.

-2-

far as he knew (this represented) a course that was not objectionable to other countries.) The correspondent inquired if this statement by the Secretary represented a matter of general principle or applied to the question regarding a naval demonstration. The Secretary replied that the only way to avoid confusion was to keep in mind the formula upon which this Government has been operating from the beginning of the Far Eastern conflict and in this connection he referred the correspondents to statements which he had made at an earlier date (see Radio Bulletin No. 161 of July 13 last).

A correspondent inquired if the memorandum from the President implied that a reply was expected from the Emperor of Japan. The Secretary replied that, in order to be strictly accurate, he could only let the President's memorandum stand for itself. He added that he did not know how he could give it ^{interpretation} ~~interpret it~~ with any particular advantage either to the correspondent or to himself.

At the President's Press Conference on December 14 a

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

47-4
TELEGRAM SENT

Department of State

Washington,

1-138
PREPARING OFFICE
WILL INDICATE WHETHER

Collect
Charge Department
OR

Charge to
\$

1-138
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Tokyo - Japan

December 17, 1937.

-3-

/correspondent inquired if anything had been received from the Emperor of Japan, to which the President replied in the negative. Asked if his message to the Emperor meant that he desired an answer, the President replied that what has been given out at the State Department speaks for itself. In response to an inquiry as to whether the incident would mean any change in the policy of evacuating our nationals from China, the President replied in the negative. m.m.d.

H-ee
S-ee

WBS -
FE:LDS-VTS:SS.

FEJMB
m.m.d.

PA/H
A-W

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

DOCUMENT FILE

NOTE

SEE 394.115 PANAY/94 FOR Tel #345. 11pm

FROM Japan (Grew) DATED Dec. 14, 1937
TO NAME 1-1127 GPO

REGARDING: Far Eastern Situation.

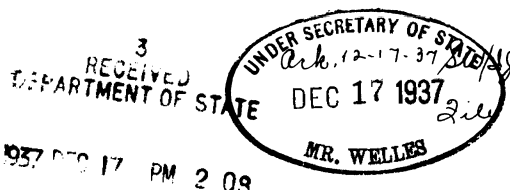
Japanese interference with rescue work at Hohnsien: Instructs with regard to joint representations with England insisting that Japanese military forces desist from operations against Hohnsien until survivors, together with vessels, etc., connected with their evacuation, shall have been removed to a distance of comparative safety.

mr

793.94/11679

1179

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



BRITISH EMBASSY,
WASHINGTON, D.C.

December 16th, 1937.

DIVISION OF
COMMUNICATIONS
AND RECORDS

Dear Mr. Under Secretary of State:

In continuation of our conversation
of yesterday I enclose to you a copy of the

British note to the Japanese Government on
the subject of the incidents on the Yangtze.

I do this in accordance with my instructions,
though for reasons which may easily be imagined,
the text of the note has already appeared in the
press.

Very sincerely yours,

R. L. Lindsay

The Honourable

Sumner Welles,

Department of State,

Washington, D.C.

793.94/11680

F/A

11680

DEC 17 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

Text of note dated 16th December, 1937
from His Majesty's Ambassador at Tokyo
to Japanese Minister for Foreign Affairs.

I have the honour on instructions from His Majesty's Government in the United Kingdom to address Your Excellency on the subject of attacks made by Japanese aircraft and land forces on British warships and merchant shipping at Wuhu and near Nanking on December 12th. These incidents clearly raise grave issues.

At Wuhu a British tug which had conveyed from Nanking His Majesty's Consul, the British Military Attaché and the Flag Captain to the British Rear Admiral, Yangtze, was attacked by Japanese machine gun fire after transferring these officers to H.M.S. "Ladybird". The latter proceeded to join the tug in order to protect her, when she observed a Japanese field gun battery firing on merchant ships concentrated above the Asiatic Petroleum Company's installation. Firing continued and was directed at H.M.S. "Ladybird" herself.

There were four direct hits on this vessel: one naval rating was killed, another was seriously wounded and there were several minor casualties including the Flag Captain. A direct hit was also seen to be sustained by the British merchant ship "Suivo". H.M.S. "Bee" then arrived on the scene and was also fired on by the shore battery. The Commander of H.M.S. "Bee" landed to protest and was informed by Colonel Hashimoto, the

senior/

-2-

senior Japanese military officer then at Wuhu that the firing on the warships was due to a mistake but that he had orders to fire on every ship on the river. At a later interview the same officer stated categorically that if any ships moved on the river they would be fired on and despite protests His Majesty's Ships "Bee" and "Ladybird" after berthing remained covered by guns at point blank range.

Near Hsia Sanshan above Nanking where British merchant ships were concentrated in a part of the river previously designated by the Commander-in Chief as a safety zone, three separate bombing attacks were made by Japanese aircraft on them and on His Majesty's Ships "Cricket" and "Scarab" which were with them.

His Majesty's Government have now been glad to receive Your Excellency's note of December 14th offering the profound apology of the Imperial Japanese Government for the attacks on His Majesty's Ships, stating that measures were immediately taken to prevent the recurrence of such incidents and adding that they will deal suitably with those responsible and pay the necessary compensation.

His Majesty's Government observe that Your Excellency's note makes no mention of the attacks on British merchant vessels and I am instructed to request that an assurance may be given that all that is said in that note applies equally to these attacks.

His Majesty's Government take particular note of the statement that those responsible will be suitably dealt with. Adequate punishment of those

responsible/

-3-

responsible for the particular attacks under discussion seems indeed to His Majesty's Government to be the only method by which further outrages can be prevented. His Majesty's Government cannot but recall previous incidents in which Japanese Government have expressed regret for attacks made on British nationals and property and have given assurances that adequate steps had been taken to prevent any repetition. They call to mind the attack made on His Majesty's Ambassador in China while travelling by road from Nanking to Shanghai, the subsequent attack on motor cars conveying British officials on a similar journey, the attacks on British civilians and military posts on the defence perimeter at Shanghai, as well as other incidents, and the repeated assurances of the Japanese Government of their intention fully to respect the interests of third Powers in the present conflict with China. It is clear that steps hitherto taken by the Japanese Government to prevent such attacks have so far failed in this purpose and His Majesty's Government must now ask to be informed that measures have actually been taken of a character which will put a definite stop to the incidents of which they complain.

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 17, 1937

793.94
My dear Mr. Ambassador:

I am very much indebted to you for your kindness in sending me in accordance with your instructions with your letter of December 16 a copy of the British note to the Japanese Government on the subject of the recent incidents on the Yangtze River.

Believe me

Yours very sincerely,

Sumner Welles

His Excellency
The Honorable
Sir Ronald Lindsay, P.C.,
G.C.M.G., K.C.B., G.V.O.,
British Ambassador,
Washington.

U SW:IJ



793.94/11680

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

DOCUMENT FILE

NOTE

SEE 741.94/151 FOR Despatch #2681

FROM Japan (Grew) DATED Nov.30,1937
TO NAME 1-1127 470

REGARDING: Far Eastern situation- Sino-Japanese conflict. Hostile feelings being entertained in Japan towards Great Britain since outbreak of undeclared war with China. Published statements attacking Britain's Far Eastern policy and mass meetings held both in Hibiya Public Hall and Shiba Park denouncing Britain for "encouraging bolshevism in China and disturbing the Far East".

fp

793.94/11681

11681

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 394.115 PANAY/106 FOR Tel #0015-2045

FROM Navy Department () DATED Dec. 15, 1937
TO NAME 1-1127 GPO

REGARDING: Sino-Japanese conflict.

Sino-Japanese situation: Yangtze area quiet.

m_r

700.04/11682

11682

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

FE

MBO

COMYANGPAT

December 15, 1937

Rec'd 2:40 p.m.

note
193.94

ACTION: OPNAV WASHN
INFO: SECOND BRIG USMC
YANGPAT
COMSUBRON 5
COMDESRON 5
CINCAF
COMSOPAT
AMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

0015 Situation Yangtze area Wuhu and above quiet.
Additional river barriers being laid above Nanking and
navigational aids removed. USS OAHU and HMS LADYBIRD
with PANAY and Standard Oil survivors escorted by Japanese
gunboat HOZU anchored five miles above Nanking for the
night; expect continue to Shanghai tomorrow morning 2045

106

HPD:

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

COPY SENT TO

~~STANDARD M.I.D.~~

EG

CINCAF

1-1236

FROM December 17, 1937

Rec'd 1:25 p. m.

ACTION: OPNAV
INFO: SECOND BRIGADE USMC
AMCOM SHANGHAI
COMSUBRON FIVE
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMEMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

Division of
ASIAN AFFAIRS
DEC 17 1937
Department of State

793.94

0017. Reliable reports Japanese now about twelve miles north Kiangyin, fifteen miles north Chiengkian, and have crossed river at Wuhu, in considerable forces. Two columns advancing toward Hanchow numerous transports off Woosung. Settlement quiet. 1850.

RR:WWC

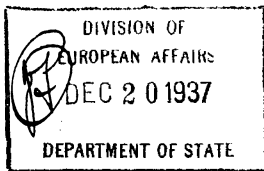
793.94/11683

F/FG

FILED

DEC 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

JR

GRAY

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

FROM Berlin

Dated December 16, 1937

Rec'd 12:20 p.m.

Secretary of State,
Washington.

297, December 16, 3 p.m.

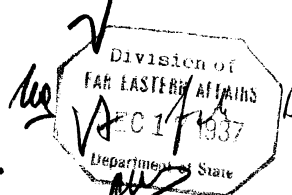
Embassy's 295 / 1166 / December 16, noon.

The officially inspired German press continues for the most part to remain neutral in the Far Eastern conflict as far as comment is concerned, the paper VOLKISCHER BEOBACHTER however betraying a slight pro-Japanese bias in its display of news and pictures. While the press as a whole has confined itself to factual treatment of the PANAY incident, the above mentioned paper in an article distinguished by forced humor concluded yesterday that "true neutrality consists in the warships one leaves at home". Yesterday's BORSEN ZEITUNG endeavored to explain the Japanese error as quite understandable from a military point of view.

The press gives little prominence to reports of the recent killing of a German citizen and makes no mention of a protest having been made to the Japanese which as the Department is aware was made.

DODD

PEG:CSB



793.94/11684

DEC 20 1937

FILED

F/FC

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 893.20/6451 FOR Letter

FROM Heath, Edward T. () DATED Dec 15, 1938
TO NAME 1-1127 076

REGARDING: Proposed organization of volunteer unit of Americans to fight
on side of Chinese military.

Informers concerning-, Allegedly justifiable, asks that U.S.
government not hinder efforts in the premises.

FRG.

793.94/ 11684 L
2

11684 1/2

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

EDA

1-1236

COMINT TO
C.I.D.

FROM COMSOPAT

December 17, 1937

Received 8:28 p.m.

COMSOPAT 17

OPNAV WASH D C
INFORMATION: 2ND MARBRIG
COMDESRON 5
COMSUBRON 5
CINCAF
COMYANGPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

Division of
FAR EASTERN AFFAIRS
DEC 18 1937
Department of State

793.94
0017 Eight bombs dropped airfield northeast of Canton.
Other South China ports quiet 2000.

NPL:EMB

793.94/11685

F/F G
FILED
DEC 22 1937

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

TELEGRAM RECEIVED

JR

GRAY

Hankow via N. R.

FROM Dated December 17, 1937

Rec'd 1:55 p.m.

Secretary of State, *egz*
Washington.

74, December 17, 1 p.m.

FOLLOWING FROM COLONEL STILLWELL FOR WAR DEPARTMENT:

"Military situation Yangtze valley unchanged. Chinese entirely at sea about future Japanese operations. Japanese have not yet moved west of Wuhu. Large number of replacements concentrated along river just east of Hankow; mostly Kwangsi, Kweichow and Szechuan troops. Believe Chinese preparing a front in southern Anhwei".

JOHNSON

OSB

793.94/11636

FILED
DEC 21 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

TELEGRAM RECEIVED



JR

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

FROM GRAY

Hankow via N. R.

Dated December 17, 1937

Rec'd 1:50 a.m., 18th.

Secretary of State,
Washington.

74, December 17, 3 p.m.

Following from Colonel Stillwell for War Department.

"Military situation Yangtze Valley unchanged. Chinese entirely at sea about future Japanese operations. Japanese have not yet moved west of Wuhu. Large number of replacements concentrated along river just east of Hankow; mostly Kwangsi, Kweichow and Szechuan troops. Believe Chinese preparing a front in southern Anhwei".

JOHNSON

WEC:HPD

F.W. 793.94/11636

F/FG
DEC 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

MB

GRAY

1-1236

FROM

Shanghai via N.R.

Dated December 17, 1937

Rec'd 3:43 p.m.

Secretary of State,
Washington.

1171, December 17, 2 p.m.

My No. 1163, December 16, 4 p.m.

Kawagoe and Hasegawa are reported to have indicated
in Japanese press interviews on the occasion of the fall
of Nanking that hostilities will be continued because
Chinese resistance has not been ended. Commenting on the
new regime in Peiping, Kawagoe is reported to have said
Wang Keh Ming is "the right man in the right place" and
to have added that similar developments may occur in
Central and South China.

That similar developments may occur, Japanese forces
are advancing on Hangchow along the Grand Canal and the
Shanghai-Hangchow Railway and that they are no more
than ten miles from the city. In the Nanking Wuhu area
mopping-up operations are being continued.

Sent to the Department. Repeated to Hankow and
Peiping.

GAUSS

SMS:NPL

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

E.W. 793.94/ 11687

12 9 9 1937

E/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

TELEGRAM RECEIVED

LMS

GRAY

1-1222

FROM Shanghai via N. R.

Dated December 17, 1937

Rec'd 3:43 p. m.

Secretary of State,
Washington.

1171, December 17, 2 p. m.

My No. 1163, ¹¹⁶⁶³ December 16, 4 p. m.



793.94
Kawagoe and Hasegawa are reported to have indicated in Japanese press interviews on the occasion of the fall of Nanking that hostilities will be continued because Chinese resistance has not been ended. Commenting on the new regime in Peiping, Kawagoe is reported to have said Wang Keh Ming is "the right man in the right place" and to have added that similar developments may occur in Central and South China.

That similar (?) forces are advancing on Hangchow along the Grand Canal and the Shanghai-Hangchow Railway and that they are no more than ten miles from the city. In the Nanking Wuhu area mopping-up operations are being continued.

Sent to the Department. Repeated to Hankow and Peiping.

GAUSS

SMS:NPL

793.94/11687

F/F/G

DEC 21 1937

FILED

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

DOCUMENT FILE

NOTE

SEE 893.01 Provisional/10 FOR Tel #832, 5pm

FROM China (Lockhart) DATED Dec. 17, 1937
TO NAME 1-1127 GPO

REGARDING: Leaders of the new regime went to Tientsin yesterday for purpose of finding a leader for the regime. The opinion is that the regime in its present form cannot function long.

793.94/11688

wb

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

FE

TELEGRAM RECEIVED

LMS

PLAIN

1-1236

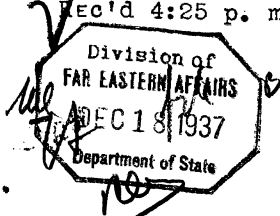
COPIES SENT TO
O.N.I. AND M.I.D.

FROM Hankow via N. R.

Dated December 17, 1937

Rec'd 4:25 p. m.

Secretary of State,
Washington.



77, December 17, 4 p. m.

793.94

Central News Agency has published translation of a long manifesto issued by General Chiang December sixteen. Manifesto is a spirited call to the Chinese to continue resistance to Japanese aggression. Salient features follow: Chinese military dead and wounded have exceeded three hundred thousand and loss of civilian lives and property beyond computation. Japan has abandoned piecemeal for wholesale aggression but the present situation is favorable to China because strength for prolonged resistance is found in the villages not in the big cities and in the determination of the people. China's fight is for independence and self-preservation and is unavoidable. The object of the present invasion is occupation of territory, massacre of people and destruction of Chinese culture and civilization as well as suppression of revolutionary spirit. Submission would kill this spirit and extinguish the nation. Continued resistance may end in defeat but capitulation now means national

793.94/11689

DEC 21 1937

FILED

F/FG

48-2

LMS 2-No. 77, December 17, 4 p. m., from Hankow.

national ruin and the status of the nation once lost could never be regained. The deeper the enemy penetrates the interior the greater will be his difficulties and tenacious resistance everywhere will ultimately exhaust Japan's military strength. China's resistance is the first obstacle to Japan's plan for world conquest. Although no international sanctions have been imposed world opinion has clearly decided which nation is in the right and which is in the wrong. There must be no further dependence on help from other nations but if justice still survives in the world China's resistance will finally be successful. I have pledged myself to unswerving pursuance of this course.

Repeated to Shanghai and Peiping. Peiping please transmit by mail to Tokyo.

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

49-1
STRICTLY CONFIDENTIAL

DEC 1 1937

STRICTLY CONFIDENTIAL

RECEIVED
DIVISION OF
FAR EASTERN AFFAIRS
DEPARTMENT OF STATE

DEC 9 - 1937
Department of State

ASSISTANT SECRETARY OF STATE
DEC 11 1937

DIVISION OF
COMMUNICATIONS
AND RECORDS

The following information has been received from the Naval
Attache at Peiping as of 8:20 p.m., under date of 8 December, 1937:

An official of the Nipponese Army in Manchukuo stated
himself with emphasis that there is unrest and also
bitterness towards the Japanese rule there. He also said
that there was no Japanese secret service in Siberia which
fact increases their worry. Native troops have been shifted
to the south, mostly to the North China area, in order to
avoid any possible revolts in the immediate rear border forces.

The concentration of 14 divisions of Japanese soldiers
about 350,000 in Manchuria the majority east of Harbin plus
others sent from the north China area has been confirmed
by many reports. The Russian Government is satisfied with
the present disposition of their forces on the same front.

The Kwantung army leaders openly resent Hasegawa's Shanghai
operations and fear their major objective may be thus compro-
mised. The strength of the Soviets is fully recognized and
no longer underestimated consequently any action by Russia
is now feared.

The Russians are planning to keep on delaying on any fishing
agreement with Japan thus making Japan assume the role of an
aggressor nation. The Soviets are confident of military
success but are anxious for favorable foreign opinion.

STRICTLY CONFIDENTIAL

NOTE: The Naval Attache left Peiping for Harbin at 9:30 a.m.
on December 9, 1937.

DEC 23 1937

FILED

F/A

11690

793.94/11690

793.94
etc
761.96

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

1-1326

FROM COMYANGPAT

December 18, 1937

Rec'd 1:50 a.m.

ACTION: OPNAV

INFO: SECOND BRIGADE USMC
YANGPAT
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

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

Division of
FAR EASTERN AFFAIRS
DEC 18 1937
Department of State

0017. Yangtze River ports quiet. 2132.

DDM

793.94/11691

DEC 21 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

1-1336

FROM

MBo

PLAIN

AMEMB HANKOW PEIPING

Tsingtao via N.R.

Dated December 18, 1937

Rec'd 9:00 a.m.

Secretary of State,

Washington.

Eighteenth 8 p.m.

Japanese mills on fire, explosions occurring.

SOKOBIN

WWC:KLP

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

Division of
FAR EASTERN AFFAIRS
DEC 18 1937
Department of State

793.94/11692

FILED
DEC 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

EG

1-1336

FROM GINCAF

December 18, 1937

Rec'd 9:11 a. m.

ACTION: OPNAV
INRO: SECOND BRIGADE USMC
AMCON SHANGHAI
COMSUBRON FIVE
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

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



0017. Military situation unchanged Japanese
continue clearing occupied areas of Chinese troops
extending patrols along front north of Yangtze river.
Effort in direction Hangchow concentrated along
Shanghai-Hangchow Railway and Grand Canal. Air raids
Nanchang, Hangchow and other inland cities conditions
Settlement unchanged. 1900.

JLS

793.94/1693

F/F/G
FILED
DEC 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

DOCUMENT FILE

NOTE

SEE 893.01 Provisional/11 FOR Tel #654, 11am

FROM Japan (Grew) DATED Dec. 18, 1937
TO NAME 1-1127 ***

REGARDING: Japanese Government has no present intention of recognizing
the so-called provisional government in North China.

793.94/11694

wb

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

1-1334

PLAIN

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

Tsingtao via N. R.

Dated December 18, 1937

Rec'd 9:40 a. m.

Secretary of State,

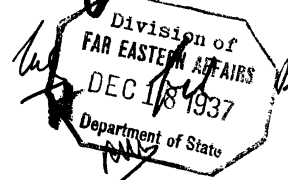
Washington.

Eighteenth, 9 p.m.

Destruction so far confined to Japanese mills
only. No. danger to American property or lives need
be expected. All Americans safe and remaining indoors.

SOKOBIN

HPD



793.94/11695

F/FG
FILED
DEC 22 1937

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

TELEGRAM RECEIVED

MBo

1-1838

FROM

GRAY

COPIES SENT TO

NO. 10

Tsingtao via N.R.

Dated December 17, 1937

Rec'd 4:05 a.m., Dec. 18

Secretary of State,
Washington.

December 17, 3 p.m.

No change in the quiet situation in this city.

However, considerable activity among Chinese officials
and troops in Tsinanfu is reported from that place today.
The reports state that the Chinese forces are still
leaving Tsinanfu for the south possibly in connection with
reported northwards advance of Japanese along Tsinfu
Railway from Pukow. Otherwise no change.

Sent to Peiping, Hankow.

SOKOBIN

DDM:WVC



793.94/11696

DEC 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 D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

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

EG

FROM
GRAY

Tsingtao via N. R.

Dated December 18, 1937

Rec'd 9:13 a.m.

AMEMBASSY HANKOW
AMEMBASSY PEIPING
AMCON SHANGHAI

Secretary of State,
Washington.

PRIORITY

December 18, 4 p.m.

Unfavorable turn of situation has taken place and
possibly tonight damage will be done to the cotton mills.

SOKOBIN

PEG:HPD

793.94/11697

F/FG

DEC 22 1937

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

MSM
TELEGRAM RECEIVED

EG
This message must be
closely paraphrased be-
fore being communicated
to anyone.

(now at Yungtao)
USS SACRAMENTO
FROM
December 18, 1937

Rec'd 11:35 a.m.

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

Division of
EASTERN AFFAIRS
DEC 18 1937
Department of State

ACTION: CINCAF

PASSED BY CINCAF TO NAVDEPT FOR INFORMATION

793.94
0018. Enormous fire in factory district. Heavy
explosions. Landing force standing by. Assured Chinese
police will maintain order. 2000
klp

793.94/11693

RECEIVED
DEC 20 1937

F/F G

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

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

EG

GRAY

FROM Tsingtao via N. R.

Dated December 18, 1937

Received 4:08 a.m.

Secretary of State,
Washington.

Division of
THE EASTERN AFFAIRS
DEC 18 1937

December 18, 9 a.m.

Last night still another Chinese of high standing reported to me that the Mayor of Tsingtao had again received instructions from the Government.

The Generalissimo just what instructions have been issued to the local authorities in respect to the protection of foreign property or the destruction of Japanese holdings (?) on Thursday from the central (*) to proceed with the destruction of property belonging to Japanese subjects. We are desirous for the Embassy to ascertain directly.

Sent to Hankow, Peiping, Shanghai.

SOKOBIN

HPD
(*) OMMISSION

793.94/11699

DEC 22 1937

FM/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

miss

TELEGRAM RECEIVED

MB

1-1536

2
Division of **FROM**
EASTERN AFFAIRS
DEC 20 1937
Department of State

COMYANGPAT

REC'd December 18, 1937

10:30 p.m.

Action: OPNAV

INFO: 2ND BRIGADE, COMSMBRON 5, COMDESRONS, CINCAF,
COMSOPAT, AMBASSADOR CHINA, USS MARBLEHEAD,
ALUSNA PEIPING.

0018 Yangtze River ports quiet. 2355

SNS

11
A
793.94/ 11700

DEC 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 D. Gustafson NARS, Date 12-18-75

50-1

TELEGRAM RECEIVED

HM

1-1236

FROM

CINCAF

UnDated

COPY ~~5~~ 5
O.N.I. AND M.I.D.

Action: OPNAV

Info: COMYANGPAT

Division of
AFRICAN EASTERN AFFAIRS
DEC 20 1937
Department of State

Received 8:20 am
December 19, 1937

0119 An officer Japanese Navy informed Admiral
Holt at Nanking that the channels through Mudfort
and Kiangyin barriers have been made solely for use
of the Japanese forces and not (repeat not) for the
use of neutral shipping and that passage of HMS
LADYBIRD, USS OAHU and others of that convoy cannot
be taken as a precedent 1600

RR

793.94/11701

F/FG

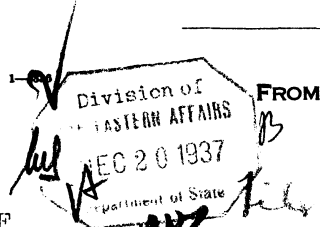
EC 2 8 1937

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

und *MSAT* *X*

TELEGRAM RECEIVED

MN



USS SACRAMENTO

Rec'd December 19, 1937

4:50 a.m.

TO CINCAF

PASSED TO OPNAV BY CINCAF FOR INFORMATION

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

DT

1019 Quiet during night. Rigid curfew enforced
from 1800. Air alarm sounded twice this morning. No
planes sighted or heard. Inner harbor mouth blocked
by four sunken gunboats one dredge. Conditions appear
normal now 0950.

JS

793.94 / 11702

FILED
DEC 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

psa ✓
he
DEC 20 1937
rev
TELEGRAM RECEIVED

EDA

1-1226

This telegram was received FROM
in Navy code and must be
closely paraphrased before
being communicated to anyone

Seungtao
USS SACRAMENTO

December 18, 1937

Received 8:30 p.m.

FROM: USS SACRAMENTO

TO: CINCAF

PASSED BY CINCAF TO NAVY DEPARTMENT FOR INFORMATION

0018 Information apparently good Chinese will declare
martial law and destroy Japanese property tonight 1716

SIS

793.94

not

893.00 Martial Law

793.94 / 11703

F/FG
FILED
DEC 23 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

mid

ASAT *KE*

TELEGRAM RECEIVED

MB

2
File
DEC 20 1937

FROM

CINCAF

Rec'd December 19, 1937

4:50 a.m.

ACTION: USS SACRAMENTO

INFO: AMEMBASSADOR CHINA- OPNAV

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

0019 MARBLEHEAD and POPE sailing for Tsingtao today 1208

JS

793.94/ 11704

**FILED
DEC 27 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

Handwritten: Miel

TELEGRAM RECEIVED

MB

1-1826

FROM

Handwritten: FE

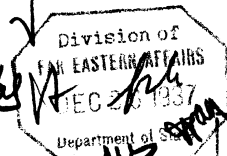
2ND BRIGADE USMC

December 19, 1937

Rec'd 11:17 a.m.

ACTION:OPNAV

INFO ALCON SHANGHAI
COMSUBRON 5
CONDESRON 5
COMYANGPAT
COMSO PAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSMA PEIPING.



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

8619 Sporadic fighting on Grand Canal north of Hangchow,
mopping up in areas between Nanking and Wuhu continued.
On north bank of Yangtze in Wuhu vicinity Japanese columns
driving Chinese northwest along railroad toward Luchow.
Chinese reported burning Japanese mills Tsingtao 1917.

RR

793.94 / 11705

F/FG

FILED

DEC 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

Handwritten: 793.94

TELEGRAM RECEIVED

EDA

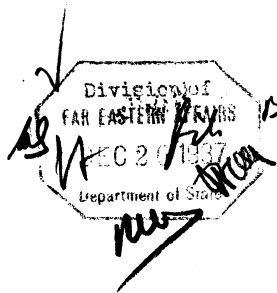
1-1236

FROM COMSOPAT

December 18, 1937

Received 8:30 p.m.

FROM: COMSOPAT
ACTION: CPMV
INFO: 2ND BRIGADE
COMSUBRON 5
COMDESRON 5
CINCAF
COMYANGPAT
AMBASSADOR CHINA
USS MARBLEHEAD
ALUSMA PEI PING



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

Handwritten: DT

0118 At 1300 eight BLP and three FLP bombed area
north of Canton. Other South China ports quiet 2100

SMS

793.94/ 11706

DEC 20 1937

TELEGRAM RECEIVED

a Corrected Copy

HM

1-1536

FROM

GRAY

TSINGTAO via N.R.

Dated December 18, 1937

Received 1:10 a.m.
Dec. 19

SECRETARY OF STATE

WASHINGTON

Division of
FAR EASTERN AFFAIRS
DEC 22 1937
Department of State

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

December 18, 9 a.m.

Last night still another Chinese of high standing reported to me that the Mayor of Tsingtao had again received instructions on Thursday from the Central Government to proceed with the destruction of property belonging to Japanese subjects.

Would it be possible for the Embassy to ascertain directly from the Government or from the Generalissimo just what instructions have been issued to the local authorities in respect to the protection of foreign property or the destruction of Japanese holdings.

SOKOBIN

JS

793.94/ 11707

F/FG
FILED
DEC 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

mini site *MSA* *FE*

TELEGRAM RECEIVED

rr

PLAIN

1-1236

FROM -Tsingtao via N.R.

December 18, 1937

Amembassies Hankow and Peking. Rec'd. Dec. 19, 7:10 a.m.

Secretary of State,

Washington.

Division of
FAR EASTERN AFFAIRS
DEC 26 1937
Department of State

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

December 18, 5 p.m.

Mayor has just informed consulate strict curfew
for all must be observed from six p.m. tonight.

SOKOBIN

RR

793.94/ 11708

DEC 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 D. Gustafson NARS, Date 12-18-75

on 12/19

MSA

X

TELEGRAM RECEIVED

EDA

1-1236

FROM

PLAIN

TSINGTAO VIA N.R.

Dated December 19, 1937

Received 8:30 p.m. 18th

Secretary of State

Washington

December 19, 3 a.m.

Night has passed entirely orderly. No looting, no damage to American lives and property. All Americans safe and sound. No Japanese forces in sight

SOKOBIN

SMS

Division of
FAR EASTERN AFFAIRS
DEC 22 1937
Department of State

*79394
note
393.1115*

DT

793.94/ 11709

DEC 22 1937

F/ESG

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

on istr

MSM

FE

CA

TELEGRAM RECEIVED Plain

TSINGTAO VIA N.R.

1-1236

Dated Dec. 20, 1937

Recd 9:46 p.m. Dec. 19.

Secretary of State

Washington

Ambassy Hankow, Peiping, Amconsul Shanghai.

FROM
Division of
EASTERN AFFAIRS
DEC 21 1937
W
TA
W

Monday, 9:15 a.m.

An American citizen has just reported looting of
Japanese shops near Japanese Temple which is in Japanese
section of town back of American Consulate.

SOKOBIN

KLP

793.94/ 11710

DEC 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. Huie NARS, Date 12-18-75

one str

MSM

TELEGRAM RECEIVED

1-1336

FROM

HM

GRAY

TSINGTAO

DATED DECEMBER 19, 1937

RECEIVED 2:03 AM

793.94

les
Division of
EASTERN AFFAIRS
DEC 21 1937
Department of State
ms

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

Secretary of State
Washington

December 19, 10 a.m.

Chinese have stationed five small gunboats at
entrance to the commercial harbor where the wharves
are located.

Two Japanese planes flew over Tsingtao at eight
a.m. Absolute quiet and orderliness in city continues.

SOLO IN

793.94/ 11711

FILED/FG
DEC 22 1937

4

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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. Yunnan/108 FOR #15

FROM Yunnanfu (Meyer) DATED Oct. 12, 1937
TO NAME 1-1127 GPO

REGARDING: Sino-Japanese conflict:

Reports developments in-, for month of Sept.

mr

793.94/11712

11712

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

B. Relations with Other Countries

1. Japan

Anti-Japanese agitation continued during the month with propaganda organizations extending their activities into the country districts. The boycott of Japanese goods in Yunnanfu and in other of the larger cities appears now to be complete. Feeling is running high against the Japanese. There were demonstrations during the month by student groups and Boy Scouts and Girl Scouts. Recruiting and training of new soldiers for duty against the Japanese has commenced. The provincial authorities appear to be solidly behind the National Government in this crisis (see also Section III. INTERNAL POLITICAL ACTIVITIES, A. National).

2. France

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

J3

Plain, Gray and Special Gray.

TELEGRAM RECEIVED

—Dated December 17, 1937

1-1336

Rec'd 18th 10:30 p.m.
FROM

Secretary of State,
Washington, D.C.

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

Division of
AMERICAN EASTERN AFFAIRS
AMCONSUL SHANGHAI
DEC 20 1937
Department of State

December 17.

Small groups of planes raided Canton Hong Kong Railway at Tuto^g, Canton Hankow Railway at ~~Shanghai~~ ^{KUANTIEN} and Canton ~~Shanghai~~ ^{SAMSHUI} Railway. Later raided Canton Hong Kong Railway about fifty miles from Canton, Canton Hankow Railway near Yingta^K and the two Canton military aerodromes. No important damages reported. Today about fifteen planes reported to have raided Canton Hankow Railway interrupting service to Hankow.

The account confirms press reports that Japanese now occupy San Chau Island (fifteen miles southwest of Macao) as well as nearby ^HXopao and Kaulan and states they have a force of 2,000 on San Chau.

Organization of more active students propaganda work to assist in combating traitors and peace advocates is under way. "Traitor purging" student mass meeting held at Canton 17th and local student propaganda units reported already active. Kwangsi student army of 300 which recently completed special course of training for front line propaganda and other work left for the northern front a few days ago after ~~marked effect~~ ^{mass meeting sent off} statements at Kweilin.

Press reports that Kwangsi authorities telegraphed

755.94/ 11713

F/FG

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

JS

-2-

From Canton, Via NR Dec. 17.

wholehearted support of Chiang's December 16 broadcast.

Local press generally treats Japanese attacks on
American and British ships as move to demonstrate Occident-
al ~~importance~~ *impotence* but sees signs of Japanese weakening in face
of strong American reaction and alleged forthcoming Anglo-
American solidarity.

T. V. Soong recently visited Canton.

Mailed Hong Kong, Swatow.

LINNELL

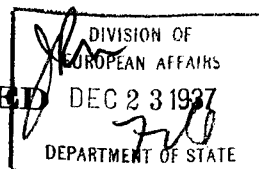
SMS

WB
3-2-38

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

52-1

TELEGRAM RECEIVED



This telegram was received Hankow
in confidential code and
must be closely paraphrased ~~FROM~~ Dated December 18, 1937
before being communicated
to anyone (B)

REC'd 19th 7:23 a. m.

Secretary of State,
Washington.

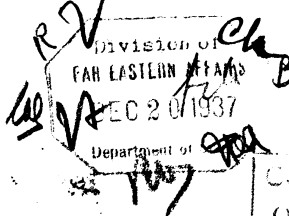
82.

December 18, 5 p. m.

One. A responsible well informed Chinese official

states that all sections of China and several political factions are represented in continual discussions now in progress in Hankow and it would appear that, although there is unanimous acceptance of the leadership of Chiang Kai Shek and of continued resistance to Japan, there are differing views regarding methods, and that argument relates principally to the advisability of admitting the Chinese Communist Party on an open and equal basis into the Government as a means of inducing Russia to begin hostilities against Japan. It is admitted that Moscow feels reluctant to fight at present and that the new Ambassador and Military Attache, while they are military men trusted by Stalin and Blucher, have been sent to China mainly to serve Russian interests if Russia decides to fight and not because fighting has already been decided upon.

Informant



793.94/ 11714

FILED
F/FG

793.94
793.00
761.93
761.94

82, December 18, 5 p. m. from Hankow. (2) 52-2

ant said the Ambassador will wait in West China until this question is decided at an important conference now being held or shortly to occur in Moscow.

Two. Another informant^t, believed reliable, who belongs to the faction which advocates internal reorganization in such a way as to induce Russia to commence hostilities against Japan, admitted recently that the Russian flyers here have been deliberately shirking their duties and said they would undoubtedly refrain from real fighting until the Ambassador arrives with a decision from Moscow, that Russia intends to afford real assistance to China or to commence hostilities on Russia's own part. Moscow was displeased by the possibility that the recent mediation by the German Ambassador might moderate the resistance policy and one condition of aid from Russia would be elimination from the Government of all advocates of submission or conciliation and the admission of the Chinese Communist Party into the Government not in the hope of communizing China but only to ensure the union of all political factions in determination to continue armed resistance to Japan. This informant, like the first one quoted, was confident that Russia believes war with Japan is inevitable in the near future but before committing itself irrevocably to war desires that conditions in China and in Europe should be as favorable as possible.

Russia

52-3

82 December 18, 5 p. m. from Hankow (3)

Russia wishes to feel positive that a united China will by unremitting resistance effectively engage an important part of the Japanese forces, thus weakening their combative strength and that no danger of attack, threatens in Europe. Informant stated Russia had asked its ally France for promise of protection from Germany but France was unable to give any commitment unless assured of the position which Great Britain would take if Germany evidenced intention to attack Russia. (Note. The German Ambassador here recently stated confidentially he was informed that France had strongly advised Russia not to enter the Far Eastern hostilities .) Informant said Great Britain was unwilling to promise any action which would interfere with its present hope of estranging Germany from Italy and that Great Britain moreover would take no positive position in reference to Japan's imperialist expansion unless given some assurance that the United States would intervene, if at all, on the side of China. Informant thought that Great Britain would be satisfied by a comparatively slight indication of American attitude, such as some action facilitating acquisition by China of military supplies in the United States. He thought, therefore, that the course taken by events would be

52-4

82 December 18, 5 p. m. from Hankow (4)

would be vitally affected by the attitude of the United States as by inaction or by steps taken of whatever nature.

118-38
Three. I can see no evidence here of any weakening in the determination to continue resistance to Japanese invasion. Indeed, Japanese cooperation with newly organized governments in North, forces such a policy, even though there is full realization of the almost insuperable difficulties in the way of reorganizing the forces, obtaining military supplies and conducting the Government in different places in the Interior. In other words, while Japanese pressure is intended to produce a Rightist Government in North China, Soviet pressure appears to us to be producing a movement to the Left elsewhere.

Four. Interviews referred to in paragraphs one and two above were held by McHugh - and he requests that substance of this message be communicated to the Navy Department. Repeated to Tokyo. December 19, 11 a. m.

JOHNSON

PEG

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

52-5

P A R A P H R A S E

A telegram (no. 82) of December 18, 1937, from the American Ambassador at Hankow reads substantially as follows:

According to statements made by a well-informed responsible Chinese official, several political factions and all parts of China are represented in continual discussions which are now going on in Hankow and it would seem that there are differing views regarding methods, although continued resistance to Japan and leadership of General Chiang Kai-shek are unanimously accepted, and that the principal argument is with regard to the advisability of taking the Chinese Communist Party into the Government on an equal and open basis as a way to induce the Soviet Government to start hostilities against Japan. It is conceded that the Soviet Government is averse to fighting at the present time and that, although the new Soviet Ambassador and Military Attaché are military men trusted by Bluecher and Stalin, they have been sent to China principally for the purpose of serving Soviet interests in case the Soviet Government decides to fight and not because it has already decided to fight. According to this informant, the Soviet Ambassador will wait in West China until this question is determined at an important conference at Moscow which will shortly be held or which is now being held.

It was conceded recently by another informant, who belongs to the faction which favors internal reorganization in such a way as to induce the Soviet Government to begin hostilities against Japan and who is believed to be reliable, that

793.94/11714

-2-

that the Russian flyers in China have been shirking their duties deliberately. This informant said that until the Soviet Ambassador arrives with a decision from Moscow to the effect that the Soviet Government intends to begin hostilities on its own part or to afford real assistance to China the Russian flyers would undoubtedly refrain from real fighting. The possibility that the recent mediation with the German Ambassador might soften the resistance policy displeased the Soviet Government. One condition of assistance from the Soviet Government would be the elimination from the Chinese Government of all those who advocate conciliation or submission and the admission into the Chinese Government of the Chinese Communist Party, not in the hope of communizing China, but only for the purpose of making certain the union of all political factions in determination to continue resisting Japan by force of arms. Like the first informant cited above, the second informant felt certain that the Soviet Government considers war with Japan in the near future inevitable but desires that, before committing itself irrevocably to war, conditions shall be as favorable as possible in Europe and in China. The Soviet Government wants to feel sure that by unremitting resistance a united China will engage an important part of the Japanese troops effectively, in this way weakening their fighting strength and that there is no danger of attack threatening in Europe. According to this informant the Soviet Government had asked its ally France to promise to afford protection against

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-

against Germany, but France could not make any such commitment unless assured with regard to the position which the British Government would take in case Germany showed signs of an intention to attack the Soviet Union. (Note: Recently the German Ambassador in China stated confidentially that he had ^{the} information to the effect that/Soviet Government had been advised strongly by France not to enter into hostilities in the Far East.) According to the informant the British Government would not take any positive position with regard to the imperialist expansion of Japan unless some assurance were received that the United States would intervene, if at all, on the Chinese side and furthermore the British Government was not willing to promise any action which would interfere with the hope it now holds of alienating Germany from Italy. It was the informant's opinion that a comparatively slight sign of American attitude, such as some action making easier the acquisition by China of military supplies in the United States, would satisfy Great Britain. He thought, therefore, that the attitude taken by the United States, as inaction or steps taken of any nature, would vitally affect the course of events.

The American Ambassador sees nothing to indicate any weakening on the part of the Chinese in the determination to keep on with resistance to the invasion of the Japanese. Indeed, although the almost insuperable difficulties in the way of obtaining military supplies, reorganizing the forces, and carrying

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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-

carrying on the Government in different places in the interior is fully realized, Japanese cooperation with newly organized governments in North China forces a policy of continued resistance. In other words, at the same time that Japanese pressure is intended to bring about a rightist government in North China, Soviet pressure seems, in the Ambassador's opinion, to be bringing about elsewhere a movement to the left.

Captain McHugh, who held the interviews referred to in the first and second paragraphs of this telegram, asks that the Navy Department be informed of the substance of this message.

793.94/11714

89C.
FE:EGC:HES
12-20

ACR
FE

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

RECEIVED
DEPARTMENT OF STATE
State of Minnesota
HOUSE of REPRESENTATIVES
GEORGE W. JOHNSON, SPEAKER
1938 JAN 5 PM 12 27
SAINT PAUL

S. A. STOCKWELL
32ND DISTRICT
520 E. 11ST ST.
MINNEAPOLIS

DIVISION OF
POLICE
AND RECORDS

Division of
FAR EASTERN AFFAIRS
JAN 7 1938

ack'd

2103 Garfield Ave
December 16 1937

793.94

The President,
The White House,
Washington D.C.

RESPECTFULLY REFERRED
FOR ACKNOWLEDGMENT
AND CONSIDERATION

M. M. Gustafson

Dear Mr. President:

We urge you to call home
our marines and our nationals in
China - This prevents there being
perils our country at this critical
hour - Do not delay but act
at once!

Yours respectfully
Mand L. Stockwell

S. A. Stockwell

FILED
JAN 1 1938

F/FG

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

In reply refer to
FE ~~70-111689-1~~

January 18 1938

My dear Mr. Stockwell:

I have received, by reference from the White House, the letter of December 16, 1937, signed by you and Mrs. Stockwell, in which you urge the withdrawal of American marines and American citizens from China.

The question of the types and degrees of protection which this Government should afford to its citizens abroad presents many difficulties and is one in regard to which opinions may very readily differ. In a situation such as has prevailed in the Far East there have been developed during more than a century certain rights, certain interests, certain obligations, and certain practices. In the light of peculiar features inherent in the situation, all of the major powers have developed and employed, with authorization by the Chinese Government, methods for safeguarding the lives and interests and property of their nationals believed to be appropriate

The Honorable
S. A. Stockwell,
2105 Garfield Avenue,
Minneapolis, Minnesota.

793.94/11714

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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

-2-

appropriate to the situation and warranted by the peculiarities thereof. Thus, for instance, there came about and there is still in existence the system of extraterritorial jurisdiction and various of its concomitants. Concurrently, many nationals of this and other countries have, during several generations, gone to China, established themselves there in various occupations and activities, and subjected themselves both to the advantages and to the disadvantages of the conditions prevailing there; and the American Government has, along with other governments, accepted various rights and incurred various obligations. In a situation such as now prevails, many of our nationals cannot suddenly cut themselves off from the past nor can the American Government suddenly disavow its obligations and responsibilities. The American naval vessels and the small contingents of American landed forces which have been maintained in China were placed and have been kept there solely for the purpose of assisting in the maintenance of order and security as affecting the lives, the property, and the legitimate activities of American nationals, especially in regard to conditions of local disorder and unauthorized violence. These vessels and troops have never had in any sense any mission of aggression. It has long been the desire

-3-

desire and expectation of the American Government that they shall be withdrawn when their appropriate function 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. During the current situation in China the American military and naval forces have rendered important service in protecting the lives of American nationals, in assisting in evacuating Americans from areas of special danger, and in making possible the maintenance of uninterrupted communications with our nationals and our diplomatic and consular establishments in the areas involved.

It may be stated also that a cardinal principle of our foreign relations and one which is never lost sight of is to avoid being entangled in hostilities and that the Administration is endeavoring to follow an unbiased course in connection with the Far Eastern situation and is giving close attention to every phase of that situation toward making effective the policies, especially the policy of peace, in which this country believes and to which it is committed.

As

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

-4-

As of interest in this connection, there is enclosed a copy of a statement given to the press by the Department of State on August 23, 1937, outlining the policy on which this Government is proceeding with reference to the situation in the Far East, together with a copy, as given to the press, of a letter of January 8, 1938, addressed to the Vice President on this subject.

Sincerely yours,

For the Secretary of State:

Sumner Welles

Under Secretary

Enclosures:

Press releases of
August 23, 1937, and
January 10, 1938.

FE:EGC:HES
1-12, 15, 17

FE

JAN 17 1938.PM

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

ML

TELEGRAM RECEIVED

GRAY

Hankow via N.R.

FROM

Dated December 18, 1937

Rec'd 2:37 p. m.

Secretary of State

Washington

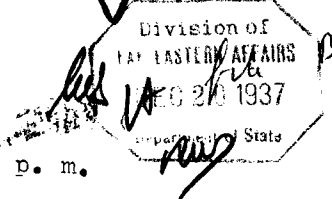
85, December 18, 8 p. m.

It would be difficult if not impossible to obtain information desired and I suggest that you let matter stand with representations which you have already made.

Sent to Tsingtao, repeated to Department and Peiping.

JOHNSON

KLP:SMS



793.94/11715

F/FG
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DEC 22 1937

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

mid

~~ASAM~~ ~~AF~~

TELEGRAM RECEIVED

rr

1-1836

FROM

USS SACRAMENTO

December 19, 1937

Rec'd. 12:40 p.m.

TO: CINCAF

INFO: CTFAY USS MARBLEHEAD.

753.94

0019. Situation quiet. Curfew at 2200 tonight. Residents apprehensive and nervous due to three air alarms today. Planes made no attacks. Rumors of further destruction not confirmed. Passengers arriving today not permitted to land. 1801.

PEG:

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

Division of
FAR EASTERN AFFAIRS
DEC 20 1937
Department of State

DT

753.94/11716

DEC 22 1937

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F/F G

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

53-1

TELEGRAM RECEIVED

ML

This telegram must be
closely paraphrased before
being communicated to any-
one. (B)

London

Dated December 18, 1937

Rec'd 12:55 p.m.

Secretary of State

Washington

785, December 18, 3 p. m.

Your 493, December 15, 7 p. m. / 115-48

The Foreign Office has again requested me urgently to inquire of the Department whether they have by this time had a more specific request from China in regard to financial assistance and perhaps the same memorandum, or a similar one, as that received by the Foreign Office from the Chinese Ambassador here on December 6. The Foreign Office states that it would be very interested to know the Department's reactions to such a memorandum if it has been received or anything that could possibly be said of what the Department's reactions would be. It was stated that the Foreign Secretary must place this matter before the Cabinet on Wednesday.

JOHNSON

SMS:EMB

F/FG
FILED
DEC 23 1937

793.94/11717

193.94
786
593 51

~~DEB~~ ~~AE~~

Division of
East Asian Affairs
DEC 20 1937
Department of State

Telegram to London
Dec 20, 1937
JMS

h

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

54-1

TELEGRAM RECEIVED

JR

1-1338

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

FROM

Hankow via N. R.

Dated December 20, 1937

Rec'd 1 a.m.

Secretary of State,

Washington.

90, December 20, 10 a.m.

My 87, December 20, 10 a.m.

Have just received official notification from Foreign

Office stating river has been effectively blocked below
Kiukiang as of 12 noon today. Steamer connection between
Hankow and Shanghai now cut off. Communication by rail and
air remains.

Repeated to Peiping, Shanghai, Peiping repeat to
Tokyo.

JOHNSON

RR

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

in confidence

793.94/11718

FILED

NOV - 8 1937

F/FG

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793.94

NOTE

793.94112

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

CONFIDENTIAL.

54-2

PARAPHRASE

A telegram (No. 90) under date December 20, 1937, received from the American Ambassador, Hankow, reads substantially as follows:

The Chinese Ministry of Foreign Affairs has just officially notified the American Ambassador at Hankow that, as of twelve o'clock noon of December 20th, the Yangtze River has been effectively blocked below Kukiang. Although communication by steamer between Shanghai and Hankow has now been cut off, there remains communication by air and by rail.

793.94/11718

ARR
FE:ARR:REK

RAA
FE

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

TELEGRAM RECEIVED

MBo

1-1236

FROM

GRAY

Tsingtao via N.R.

Dated December 20, 1937

Rec'd 6:00 a.m.

Secretary of State,
Washington.

December 20, 4 p.m.

With reference to my telegram of December 20, 1 p.m.,

I am now informed that in spite of blockade of inner
commercial harbor usual coastal steamships under British
flag will call at Tsingtao and anchor in outer harbor.
Nevertheless evacuation of Americans would be expedited
if it were known transportation was immediately avail-
able to Shanghai on naval vessel.

Sent to Peiping, Hankow, Shanghai.

SOKOBIN

RR:

793.94/11719

F/E
G

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

Dis

TELEGRAM RECEIVED

rr

1-1336

FROM COMSOPAT

December 19, 1937

Rec'd 12:40 p.m.

ACTION: CPTAV

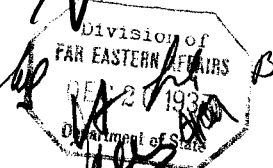
INFO: 2nd BRIGUSMC, COMSUCRON 5, COMDESRON 5, COMYANGPAT
AMAMBASS CHINA, USS MARBLEHEAD, ALUSNA PEIPING NITE WP

0119. South China Ports quiet. 2000.

PEG

X SENT TO
M.L.D.

PT



793.94

793.94/11720

FILED
F/FG
DEC 27 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

one etc.

55-1

ASAM

15

CA

TELEGRAM RECEIVED

Gray

TSINGTAO VIA N.R.

1-1236

FROM Dated Dec. 19, 1937

Recd 3 p.m.

Secretary of State,
Washington.

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

Division of
FAR EASTERN AFFAIRS
DEC 20 1937
Department of State

December 19, 4 p.m.

One.

In Tsingtao itself nothing of special interest has occurred since this morning other than the appearance of several Japanese planes flying at no great height but which were not fired upon by the Chinese.

Two. Vice Consul Hawthorne and myself made a tour of the cotton mill district without any molestation. The mills have been completely destroyed. We witnessed an enormous exodus of Chinese on foot but observed no unusual military activity. The Huahsin mill which was transferred to an American corporation last week was not damaged in any way.

Three. The Mayor is still in Tsingtao. Curfew will again be observed from 10 p.m. until 6 o'clock Monday morning.

Four. In statement appearing in local Chinese newspaper dealing with last night's destruction of mills, the Mayor referred to "encirclement of Tsingtao and adjacent districts by the enemy, its inclusion within a military zone being compelled by the direct threat from that encirclement. We had long ago determined that not an inch of territory would

793.94/11721

F/FG

793.94
note
793.6551

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

55-2

CA

--2--from Tsingtao Dec 19, 4 p.m.,,

would be conceded lightly to anybody." He would guard the territory and repel the enemy. In other words he would defend Tsingtao against any attack.

Five. Everything quiet in Tsinanfu with continued movement of troops southward and frequent visits by Japanese planes for observation purposes only.

Repeated to Hankow and Peiping.

SOKOBIN

KLP

56-1

TELEGRAM RECEIVED

CA

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

HANKOW VIA N.R.

FROM

Dated Dec. 18, 1937

Division of
FAR EASTERN AFFAIRS

Recd 4:15 p.m. Dec. 19.

Secretary of State,
Washington.

DEC 21 1937
Department of State

of paraphrase
in confidence

85, December 18, 6 p.m.

Following for War Department from Colonel Stillwell:

General Feng Yu Hsiang stated today that the Chinese are prepared to continue their resistance for at least six months, that the munitions supply, while not plentiful, can be made to do, that a total of 120 divisions are available, that 23 divisions have not yet been in action at all, that a line will be formed north and south of the Yangtze extending roughly from Pengpu through Wuhu to Hangchow, and any Japanese advances toward Hankow resisted. He said that while outside help would be welcome, China is prepared to carry on alone, that the country is united as never before, and that he expected increasing trouble for the Japanese on their lines of communication as they penetrated deeper into the country." December 19, 3 p.m.

Repeated to Peiping.

JOHNSON

KLP

793.94/11722

DEC 23 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

[CONFIDENTIAL]

56-2
CONFIDENTIAL

P A R A P H R A S E

A telegram (no. 83) of December 18, 1937, from the American Ambassador at Hankow transmits a message from Colonel Stilwell for the War Department which reads substantially as follows:

According to a statement on December 18 by General Feng Yu Hsiang, the Chinese are ready to continue their resistance for six months at least; 120 divisions altogether are available; 25 divisions have not as yet been in action at all; although not plentiful, the munitions supply can be made to do; a line extending roughly from Pengpu through Wuhu to Hangchow will be formed north and south of the Yangtze River; and resistance will be made to any Japanese advances in the direction of Hankow. General Feng stated that China is united as never before, that he looked for increasing trouble for the Japanese on their lines of communication as they advanced farther inland, and that China is prepared to carry on alone although outside help would be welcome.

793.94/11722

793.94/11722

29C-
FE:ECC:HES
12-20

ACR
FE

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

57-1

TELEGRAM RECEIVED

rr

Hankow via N.R.

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

FROM

December 19, 1937

Rec'd 12:40 p.m.

Secretary of State,

Washington.

88, December 19, 4 p.m.

My 82, December 18, 5 p.m.

Report believed to be reliable is that the President of the Control Yuan has demanded the resignation of Kung, Minister of Finance; Wang Ching Wei, Chairman of the Central Political Committee, and of Chen Li Fu, Director of the party Publicity Department and all prominent party leaders. Demand is backed by Chang Fa Kuei and other military leaders regarded as pro-communist and includes release of political prisoners, withdrawal of all ^{on} restriction/mass movements and general change in military strategy, although this information was received by Stillwell from the recognized Chinese communist agent in Hankow who added that the Reds hope to gain control of the Party Publicity Department. Please communicate substance to the War Department. Repeated to Peiping for relay to Tokyo.

JOYTON

KLP:

DEC 21 1937

FILED

F/E/G

793.94/11723

793.94
243.00

ON 1
MID
CD
December 21 1937
Copy to Treasury
of paraphrase
in confidence

Division of
AN EASTERN AFFAIRS
DEC 19 1937
Department of State

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

57-2

[CONFIDENTIAL]

P A R A P H R A S E

A telegram (no. 88) of December 19, 1937, from the American Ambassador at Hankow reads substantially as follows:

According to a report from a source believed to be reliable, the President of the Control Yuan has made the following demands: (1) the release of political prisoners; (2) a general change in military strategy; (3) the withdrawal of all restrictions on mass movements; and (4) the resignation of the Chairman of the Central Political Committee, Wang Ching-wei; Director of the Party Publicity Department, Chen Li-fu; Minister of Finance, Kung Hsiang-hsi; and all prominent Party leaders. These demands are backed by military leaders regarded as pro-communist, including Chang Fa-kuei. Colonel Stilwell received the above information from the recognized Hankow agent of the Chinese communists who stated that it is the hope of the communists to gain control of the Publicity Department of the Party. The Ambassador requests that the substance of the telegram be repeated to the War Department.

793.94/11723

793.94/11723

FE:ARR:HES
12-20

25A
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

December 21 1937

In reply refer to
FE 793.94/11723

CONFIDENTIAL

The Secretary of State presents his compliments
to the Honorable the Secretary of the Treasury and, with
reference to previous correspondence in regard to the
financial situation in China, encloses, for his confiden-
tial information, a copy of a paraphrase of telegram
No. 88, under date December 19, 1937, received from the
American Ambassador at Hankow.

793.94/11723

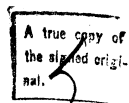
Enclosure:
Paraphrase of
telegram No. 88,
December 19, 1937,
from Hankow.

OR ✓
DEC 21 1937

FE: ~~RCM~~ VCI
12/20/37

RM
FE
W.H.

EA
HF



F/A

mm

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

rr

COMYANGPAT

1-1235

FROM:

December 19, 1937

Rec'd. 3 p.m.

ACTION: CPMAY.

INFO: 2ND BRIG. USMC, YANGPAT, COMSUBRON 5, COMDESRON 5,
CINAF, COMSOPAT, AMAMBAESCHINA, USS MARBLEHEAD,
ALYONA PEIPING.

0019. Yangtze river ports quiet. 2025.

KLP:

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

Division of
FAR EASTERN AFFAIRS
DEC 20 1937
Department of State

793.94/11724

DEC 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

rr

1-1236

COMYANGPAT

FROM:

December 19, 1937

Rec'd. 3 p.m.

ACTION: OPMAY.

INFO: 2ND BRIG. USMC, YANGPAT, COMSUBRON 5, COMDESRON 5,
CINAF, COMSOPAT, AMAMBAESCHINA, USS MARBLEHEAD,
ALYONA PEIPING.

0019. Yangtze river ports quiet. 2025.

KLP:

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

Division of
EASTERN AFFAIRS
DEC 20 1937
Department of State

793.94/11724

DEC 22 1937

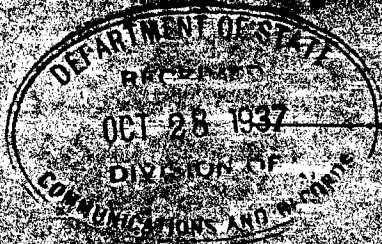
F/FG

7124

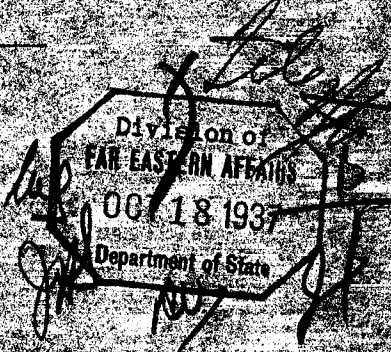
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

793.94

What Is Japan Fighting For?



THE TRUTH ABOUT THE SINO-JAPANESE CONFLICT



Japanese Association of America
Japanese Association of San Francisco

September 28th, 1937

793.94/11725

F/AR

OCT 28 1937

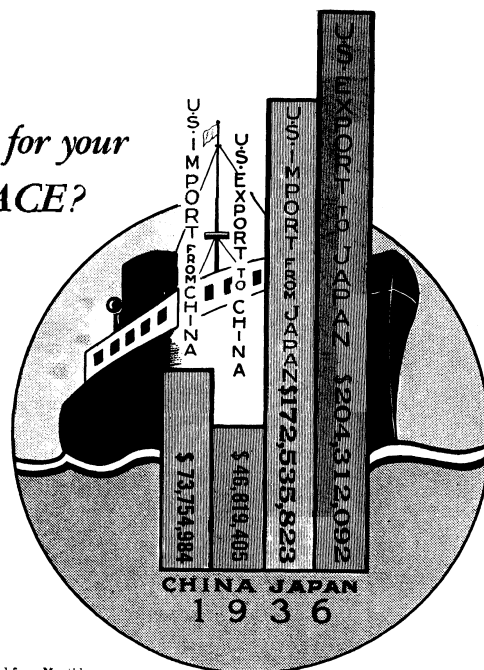
FILED

*Which is better for your
 friend IN PEACE?*

See!

U. S.

Exports.



Figures of Amount Copied from Monthly
 Summary of Foreign Commerce
 of The United States.

What Is Japan Fighting For?

THE TRUTH ABOUT THE SINO-JAPANESE CONFLICT

1. Chaos in China

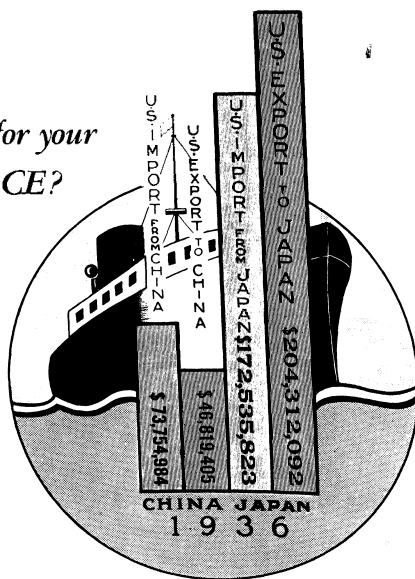
When the Boxer uprising occurred in 1900, the imminent danger of massacre of foreign residents in North China was only averted by the allied armies of the Powers concerned. A result of this affair was the conclusion of the Boxer Protocol by which the Powers, including America and Japan, were authorized to station troops in Peiping and Tientsin areas. In addition to these troops, foreign Powers maintain naval forces and detachments of marines in Shanghai and other points on the sea coast, as well as in the Yangtze River, to protect the safety of their respective nationals. They hold extraterritorial rights and maintain settlements in which Chinese jurisdiction over foreign nationals is excluded. Foreign Powers still exercise these rights because China has not as yet attained a state of organized national control capable of according protection to life and property of foreign nationals. Except in a few cities like Shanghai, peace and order in the interior of China has incessantly been disturbed by internal

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

Which is better for your
 friend IN PEACE?

See!

U. S.
 Exports.



Figures of Amount Copied from Monthly
 Summary of Foreign Commerce
 of The United States.

"Buy from your best Customer"

U. S. Foreign Trade between Japan and China 1936
 Statistics According to U. S. Chamber of Commerce
 Washington, D. C.

U. S. Export to Japan and China



U. S. Import from Japan and China



"Business is maintained by mutual trade"

feuds among war-lords as well as chaos due to banditry. There have frequently occurred untoward incidents in which foreign nationals were subjected to violence even by Chinese military forces. The most significant of these was the Nanking affair of 1927. Lawless elements in the National Revolutionary Army, then under the command of Chiang Kai-shek, attacked and looted foreign consulates in Nanking, and subsequently American and British gunboats bombarded the city. Thus, in China it has been evident that foreign Powers have had to resort to their own forces to protect the safety of their nationals.

2. Revolutionary Foreign Policy of the Nanking Government

The foreign policy of the Nanking Government and the Nationalist Party has been guided by the ideology of the so-called anti-imperialism movement and propaganda for the immediate abolition of the so-called unequal treaties, thus imperiling the legitimate rights and interest of the foreign Powers in China. To attain their ends, the Chinese have resorted to unilateral and direct action, instead of peaceful diplomatic methods. Acting upon this principle, they started in 1927 a vigorous anti-British movement which caused bitter conflict with England. In recent years the same movement has turned toward Japan with increasing severity.

The method of the anti-Japanese campaign of the Nanking Government and the Nationalist Party is systematic. Anti-Japanism is taught in schools, from grammar school to college. Enmity against Japan is inculcated in the minds of the Chinese soldiers. Student, civic, vocational and other groups have been organized for anti-Japanese activity. The anti-Japanese leaders have thus inflamed enmity against Japan among the Chinese populace. Boycotting of Japanese goods ensued. Numerous instances occurred in which Japanese were assaulted or murdered. Chinese high officials who desired peaceful relations with Japan were sometimes subjected to terrorism and even murder by radical elements.

3. Fascistic Anti-Japanese Movement

Among those in the Nationalist Party who take a leading part in the anti-Japanese campaign is an organization called the Blue Shirts. In 1931 a group of young military officers, graduates from the Whampao Military Academy in Canton, secretly organized a society named the Blue Shirts and offered the leadership to their former director of the academy, Chiang Kai-shek. The Society backs the establishment of the dictatorship of Chiang Kai-shek, foments anti-Japanese activity and demands war with Japan. Its membership totals more than 10,000. It now holds key positions in the Nationalist Party, the Administration

and the Army. It has overwhelming power in the ranks of the armies of the Nanking Government, and the Peace Preservation Corps, the armed police force.

4. Communistic Anti-Japanese Movement

While directly opposed to the Blue Shirts from a political standpoint, the Communist Party of China, under direct control of the Third International in Moscow, has stronger influence with the Chinese populace in its anti-Japanese campaign. The Communist Party of China was inaugurated at Shanghai in September, 1920. It is a well-known fact that the Northern expedition of the Nationalist Revolutionary Army, the forerunner of the present Nanking Government, which started from Canton in 1926, attained success through the support, financial as well as military, of the Third International. The revolutionary theory and methods of the Nationalist Party have much in common with the teachings of the Third International in Moscow.

After having contended with the Nationalist Party for political supremacy in 1927, the Communist Party started to organize its own "Red" army in order to sovietize China. In November of that year a Soviet Government of the Chinese Republic was first established in Juichin, Kiangsi Province. There are now more than 200,000 communist soldiers scattered in various parts of China. The main force

numbers 100,000 and is centered in the northwestern part of China. Apart from Outer Mongolia and Sinkiang, or Chinese Turkestan, now under the complete control of the Soviet Russia, a vast area in Shensi and Kansu Provinces extending over 150,000 square miles, constitutes the territory dominated by the Soviet Government of the Chinese Republic.

At the Seventh World Congress of the Third International held in Moscow in the summer of 1935, it was decided that the anti-imperialistic movement should be concentrated upon Japan. According to this resolution, the Communist Party of China organized a movement whereby a United Front was to carry out more aggressive anti-Japanese campaign. It must be added that since the Sian incident, in which Chiang Kai-shek was kidnaped by the army of Chang Hsueh-liang in December, last year, the relations between the Nanking Government and the Communist Party have gradually become closer and on more friendly terms.

5. Direct Causes of the Present Conflict

It is but natural to expect that assault, murder and similar untoward incidents affecting Japanese nationals would increase during the past two years and it was this state of affairs that provoked the present con-

flict. On the night of July 7th of this year a small unit of Japanese soldiers was suddenly attacked by the Chinese troops in the vicinity of Lukouchiao, a few miles southwest of Peiping, while they were engaged in their usual maneuvers under the authorization of the international agreement of 1902. Meanwhile in Shanghai the safety of Japanese nationals became endangered because the Nanking Government was centering armed forces in the demilitarized zone in violation of the Shanghai Truce Agreement of 1932, concluded between Japan and China and countersigned by the representatives of America, Great Britain, France and Italy. On August 9th, an officer and an orderly of the Japanese naval landing force were murdered and mutilated by a Chinese armed force when they were driving an official car on regular inspection duty on the International Settlement extension where Chinese jurisdiction is excluded. A few days later, the Chinese military force opened fire on the Japanese naval landing force in the Japanese residential section of Shanghai and on August 14th, the Chinese Army started an aerial bombardment upon Japanese men-of-war, the Headquarters of the Japanese landing force and the building of the Consulate General, thus precipitating the present Shanghai conflict.

6. Japan's Desire for Peace

From the outset of the trouble in North China, the Japanese Govern-

3(E) and 5(D) or (E)
1st 10, 1972
3, Date 12-18-75

ment has endeavored to reach a peaceful settlement, but such efforts have been ignored by the Nanking Government. In view of the growing anti-Japanese agitation and the imminent danger to the safety of Japanese residents throughout China, the Japanese Government ordered their nationals to evacuate as a precautionary measure to avert any recurrence of untoward incidents. Japanese nationals, numbering over 50,000, have been evacuated from many parts of China, except from Shanghai and a few other points, leaving behind investments and business interests built up after many years of arduous toil.

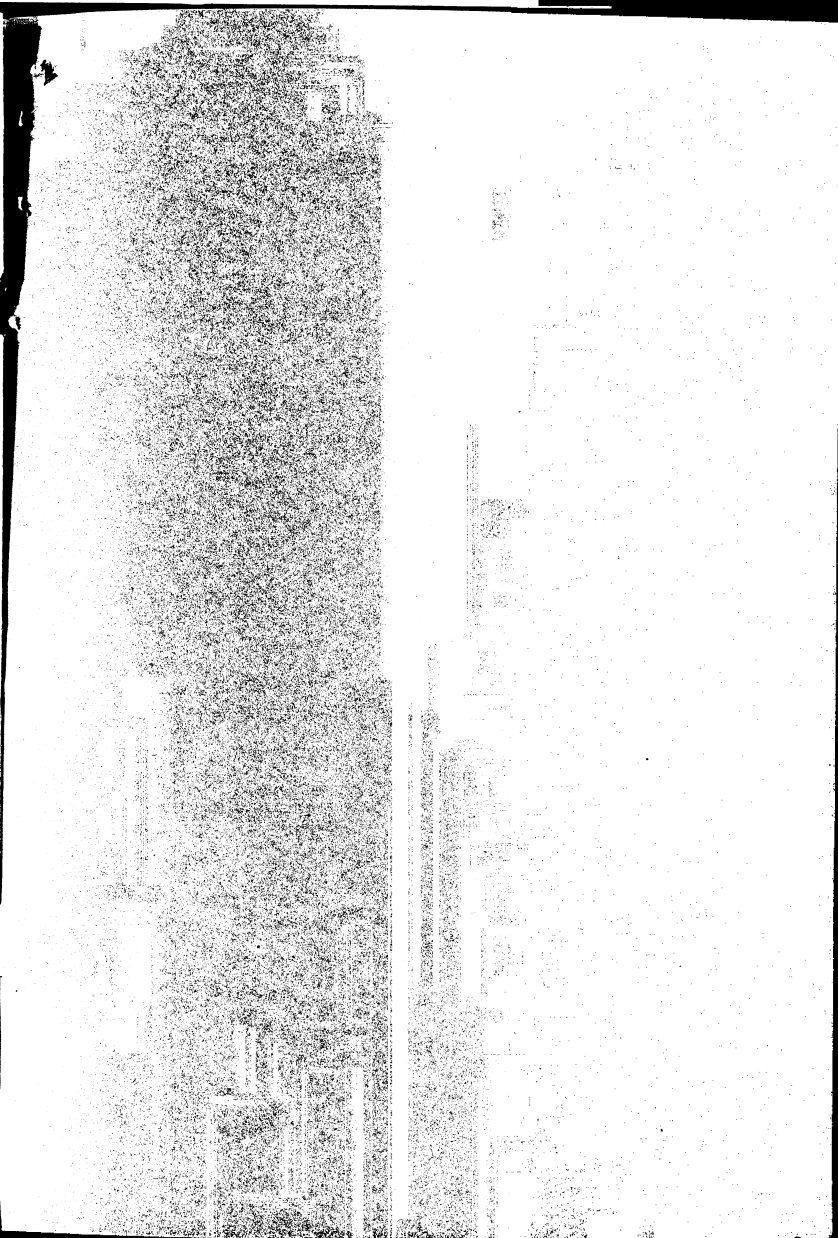
The Sino-Japanese hostilities now cover a wider range notwithstanding the attempt on the part of Japan to localize the fighting. The Japanese forces were obliged to attack military works and establishments in such points as Nanking and Canton. However, the rumors that the Japanese army attacked and murdered indiscriminately large numbers of innocent Chinese civilians and non-combatants are entirely unfounded. These are simply parts of an insidious propaganda carried on with the sinister intention of creating ill-will toward Japan in the minds of the American people. Japan is not fighting the Chinese people but rather with the Nanking Government controlled by those who have provoked hostilities.

Japan's position in the present conflict is to protect legitimate rights and interests. She is fighting for the purpose of defending her economic

existence. She has vital interests on the Asiatic mainland as her investment amounts to \$1,400,000,000 or 80 per cent of her total foreign investment. It is her earnest desire that China abandon once and for all the anti-Japanese revolutionary policy which is threatening Japan's existence and which is essentially an aspect of anti-foreignism, with communistic influence in the background.

If this can be accomplished, Sino-Japanese relations will be on a basis of permanent peace built upon the foundation of the mutual economic inter-dependence of the two nations.

3(E) and 5(D) or (E)
August 10, 1972
ES, 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. Hunt NARS, Date 12-18-75

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TELEGRAM RECEIVED

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

MBc

1-1236

FROM PLAIN

AMEMBASSY HANKOW, PEIPING

Tsingtao via N.R.

AMCONSUL SHANGHAI

Dated December 20, 1937

Rec'd 10:20 p.m., Dec. 19

Secretary of State,

Washington.

793.94

Twentieth, 9:40 a.m.

Looting has stopped and all quiet in town.

SOKOBIN

DDM:

Division of
FAR EASTERN AFFAIRS
DEC 20 1937
Department of State

793.94/11726

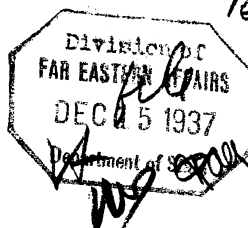
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DEC 20 1937

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

58-1

~~Return to FE~~ (WAA)



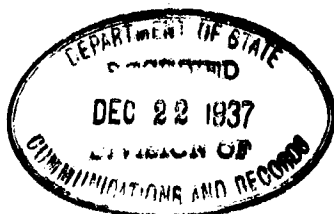
STRICTLY CONFIDENTIAL

The following information has been received from
the Commander in Chief of the Asiatic Fleet as of 14 December,
1937:

The French Ambassador Shanghai has made representations
to the Japanese Embassy regarding a safety concession in Hankow
and I have conferred with British, French and Italian represent-
atives on the same subject. In view of the recent incidents and
the gravity of the situation I believe the safety of nationals
not only in Hankow but all river ports should be taken up by
Governments either individually or jointly with the Japanese
Government. Incidents will probably continue until the Japanese
Government impresses upon its army and navy leaders the necessity
for some respect for neutral lives. A copy of your dispatch was
delivered to each of the naval representatives with whom I
conferred and these officers were to take the matter up with
diplomatic officials.

793.94
note
893.122 Hankow

793.94/11727



STRICTLY CONFIDENTIAL

RECEIVED
DEC 26 1937

JMR

11727

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

DOCUMENT FILE

NOTE

SEE 711.652/163 FOR Communication

FROM Italy (Phillips) DATED Dec. 20, 1937
TO NAME 1-1127 ***

REGARDING: Relations between China and Japan. Conversation with Ciano concerning the PANAY incident in which he referred to the somewhat natural though serious mistake which the Japanese bombers had made, and sought to explain the difficulty of observing the American insignia from a high altitude.

fp

793694/ 11727

11727

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

PASW

MBo

TELEGRAM RECEIVED

2ND BRIGADE

December 20, 1937

1-1236

FROM Rec'd 6:00 a.m.

ACTION: CINCAF

INFO: COMYANGPAT
AMAMBASSADOR CHINA
OPNAV
ALUSNA PEIPING

Division of
ASIAN AFFAIRS

DEC 20 1937

COPIES SENT TO
DND AND M.I.D.

793.94
793.6551

8620 Digest Monday press.

DT

Local press reports according Domei News Agency Chinese troops at Tsingtao early 19 December set fire and destroyed 9 Japanese textile mills in and near Tsingtao causing damage estimated 3 hundred million yen and closed commercial harbor by sinking 5 cruisers in entrance. Local Japanese authorities state no Japanese naval or transport concentration is near Tsingtao, that they have not approached port due consideration 300 American and 500 British nationals there. Japanese army units reported at Hohsien and Hanshan on north bank Yangtze River preparing ford drive along Hwienan Railway. Other units which captured Yangchow 19 December attacked Chinese positions north Yangchow forces operating along grand canal attacking Kaoyu 45 kilometers north Yangchow. Japanese Embassy spokesman night 19 December stated about 20,000 Chinese plainclothes soldiers remain in Nanking engaging in sniping and many hiding in safety zone.

Transocean Hanchow reports Chinese official communication states Japanese forces advancing northward toward

Hwaiian

793.94/11728

F/FG

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

2- DECEMBER 20 from 2ND BRIGADE.

Hwaiian are meeting still, resistance at Chuchow and Wuhu. Reuter Hankow reports all Yangtze river booms above Anking being closed. Strongest boom yet built reported at Matang near Kiukiang where 400,000 Chinese laborers have filled river with boulders and other material instead of sinking vessels. Chinese and Soviet sources deny arrival in Hankow of new Soviet Ambassador stating he is en route to Sinkiang from Moscow.

Domei Tokyo reports according Metropolitan Press Chiang Kai Shek is continuing resistance due to pressure from generals Pai Chung Hsi, Chang Fah Kwei and other military leaders. Same report states Pai Chung Hsi returned Canton recently will take command military operations that Province while T. V. Soeng appointed head Kwangtung Provincial Government will control administration. Sun Fo, President Legislative Yuan, reported left Hankow for Moscow recently 0955.

DDM

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

No. 190

AMERICAN CONSULATE

Hamilton, Bermuda, December 15, 1937

Division of
EASTERN AFFAIRS
DEC 21 1937
Department of State

CONFIDENTIAL

RECEIVED
DEPARTMENT OF STATE

1937 DEC 18 AM 11 38

DIVISION OF
COMMUNICATIONS
AND RECORDS

1173 - file

SUBJECT: Attitude in Bermuda Towards Sino-
Japanese Conflict.

For Distribution Check		Yes	No
Grade	For	In U.S.A.	

THE HONORABLE

THE SECRETARY OF STATE.

WASHINGTON.

SIR:

On the premise that the Department is interested in correlating world wide opinion as regards the present conflict in China, I have the honor to report concerning the attitude prevalent here. The insularity and unimportance of Bermuda is admitted but, when it is recalled that a cross section of opinion may be obtained here not only of the Colonists themselves but of those British officials serving in the navy, army and in a civil capacity, perhaps the significance of the views is not altogether negligible.

As to the conflict itself, there has never from the beginning been any doubt of where the sympathies of the people of various walks of life lay. The same condemnation that met Italian seizure of sovereign territory in Ethiopia has been strongly evident as concerns Japanese aggression in China. Much bitterness has existed that the various world organisms for peace,

- such

793.94/11729

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11729

-2-

such as the League of Nations, Briand-Kellogg pact and above all the nine power treaty, were not only helpless to prevent the onslaught upon China but have been openly flaunted by Japan.

However, this sentiment, gratifying as it may be from the standpoint of international morals, leads to no immediate end. More interesting to the Consulate has been the potentially constructive opinion manifest as regards the unprovoked attacks by Japanese forces on British and American persons and ships. I think I am correct in stating that there has been no shade of differentiation in the indignation, whether the deprivations took place against one or the other of the Anglo-Saxon powers. The assaults have been matter of common conversation by all sections of the public. No where has the resentment been more pronounced, if at the same time more sane as relates to the realization of the practical limitations of retaliatory action, than in navy circles, with which the Consul entertains particularly close relations.

It is not necessary to review the conversations evoked by the repeated incidents, commencing with the shooting of the British Ambassador to China. The attitude is sufficiently exemplified by the remarks made to the Consul last night when he attended a dinner given at Admiralty House upon the occasion of the King's birthday. In addition to the Governor and Admiral the Captains of each of the British war ships, comprising the America and West Indies Squadron, were present.

- Each

-3-

Each officer in turn at some time during the course of the evening took occasion voluntarily to speak to the Consul regarding the issues which have probably been most flagrantly evinced in the sinking of the United States gun boat Panay.

The trend of remarks, which of course must be regarded as purely personal, was to the effect that in the general situation Great Britain and the United States are mutually aggrieved. There was no tendency to consider that because the ship sunk happened to be American rather than British we are more concerned than they or that it is more incumbent on us to take the initiative. No officer wants or seeks a pretext for war, but it is extremely galling to them that the two countries have thus far been condemned to accept insults which in former years would have constituted sufficient provocation for punitive measures. They believe that Japan, swollen headed by its successes in China, appreciates that the hands of the Anglo-Saxon countries are tied and that Tokyo feels it may brazenly carry on its "bluff." How far, they ask, must we submit to successive outrages before taking a firm stand?

British officers realize only too well that with the understanding between Japan and Germany and Italy, Great Britain may not risk single handed coercive action by its fleet against Japan. To take any considerable portion of the fleet away from European waters at the present juncture would be to invite attack at home.

- Incidentally

-4-

Incidentally any cooperation with the Soviet as a pseudo ally would not be welcomed. Equally, it is apparent to the British here that the United States could not on its own engage in action which might develop into open hostilities so many thousand miles away from its base unless it were prepared to commit itself to a much more serious and costly undertaking than American public opinion is yet disposed to accept.

There is, therefore, an almost wistful desire, that if conditions continue to progress as they are at present, some way may be found for a joint demonstration short of war in oriental waters by portions of the two Anglo-Saxon fleets in a common front. Such manoeuver, it is felt, would not be defied by Japan. The wisdom and practicability of a step of this kind is naturally for events and the Governments concerned to dictate. What is welcome is the apparently sincere feeling on the part of British naval officers stationed at this not unimportant base that for all practical purposes the American and British fleets in emergencies such as the present are or should be one and that they have no secrets to withhold from one another. Further, it is held that the two English speaking nations are now the only two (and the British alliance with France is not lost sight of) which have common ideals and interests. Perhaps due in part to expediency, in part to the growing racial understanding of latter years and not unappreciably to the cordial welcome these

- British

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-

British ships have been given in American ports, there is a concrete friendliness for the United States which I have not previously noted. In consequence, if the situation in Bermuda is a fair index, the Japanese by their unfortunate tactics have materially contributed to a solidarity of sentiment between the United States and Great Britain, especially as concerns British military and civil officials, which it is to be hoped will prove stable and progressive.

Respectfully yours,

Harold L. Williamson
Harold L. Williamson,
American Consul.

800.
HLW/pj.

2 - Carbon Copies
Received 4/12

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

For Distribution-Check			
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No. 356.

AMERICAN CONSULATE GENERAL

Hankow, China, November 3, 1937

Subject: Military operations in Shansi

Honorable

The Secretary of State,
Washington.

Division of
EASTERN AFFAIRS
DEC 20 1937
Department of State

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

I have the honor to enclose herewith, as of possible interest, a copy, in quintuplicate, of despatch No. 517 of today's date addressed to the Embassy at Nanking in regard to military operations in Shansi.

Respectfully yours,

P. R. Josselyn
P. R. Josselyn
American Consul General

Enclosure:

1. Despatch No. 517 to the Embassy, Nanking, November 3, 1937.

In quintuplicate

800

RYJ/MYH

702.04/11730

E/EG

FILED

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11730

No. 517.

AMERICAN CONSULATE GENERAL

Hankow, China, November 3, 1937

Subject: Military operations in Shansi

The Honorable Nelson Trusler Johnson,
American Ambassador,
Nanking.

Sir:

1/ I have the honor to transmit herewith an excerpt from a letter written on October 22nd by a usually well-informed foreign resident of Shansi which contains some interesting observations on military operations in that province.

Shansi has been the scene of the only prolonged resistance to the Japanese invasion of North China, apart from the Chinese stand at Nankow (南 口) and in the hills west and southwest of Peiping. Its mountainous terrain is easily defensible and its position flanking the Hopeh-Honan plain and threatening the Peiping-Hankow Railway gives it great strategic importance. Nevertheless it seemed at first as if it would fall to the Japanese as easily as Chehar, Suiyuan and Hopeh.

Nankow fell on August 24th, and Chehar was taken almost without a blow. Japanese and "Menchukuo" troops entering Shansi along the Peiping-Suiyuan Railway and by the Hwaiien (懷 安)-Yuh sien (蔚 縣) highway occupied Tatung (大 同) and Kwangling (廣 靈) during the second week of September, advancing without opposition at the rate of 9 or 10 miles a day. From Tatung columns were

sent

-2-

sent north along the railway into Suiyuan to cooperate with Japanese, "Manchukuo" and Mongol forces operating in that province and west to Yuyu (右玉) and Pinglu (平鲁) to secure the rear and right flank of the troops moving south in Shansi.

In North Shansi the first line of defence is the mountains, 50 miles from the Suiyuan border, that divide the upper waters of the Seng Kang (桑乾) and Huto (滹沱) rivers. Along this range, which on the map follows the pattern of a rude scroll, runs a portion of the Great Wall. Its passes were supposed to be strongly fortified. The Japanese attacked the principal passes (the Pinghsinkwan (平型關) in the east and the Yenmenkwan (雁門關) in the centre) and while the Chinese concentrated their forces there slipped through lightly-held subsidiary passes and taking the defenders in the rear forced them to retire south into the Wutai Mountains (五台山) and down the Huto River towards Yuanping (原平). By October 7th North Shansi as far south as Ningwu (寧武) and Yuanping was in Japanese hands.

Below Yuanping, near Hsinkow (忻口), 70 miles north of Taiyuan, the Japanese ran into difficulties. Central Government and provincial troops entrenched in the hills through which the motor road and the light railway run have held up the Japanese advance for over three weeks. Frontal attacks have failed to dislodge them and the terrain offers insufficient scope for the encircling movements that drove the Chinese from Hankow and Yenmenkwan. Further north units of the 8th Route

Army

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

-3-

Army have emerged from the Wutai Mountains to harass Japanese communications north of the Inner Great Wall; the importance of their operations can be easily exaggerated but the ex-Communists are skilled in guerilla warfare and may be able to hamper the Japanese considerably.

Although the Japanese drive down the Peiping-Hankow Railway did not get under way until the middle of September (when the Japanese crossed the Yungting (永甯) and Chuma (拒馬) rivers south of Peiping and nearly enveloped the Chinese on the railway and in the hills above Chohsien (涿縣)) it took less than a month to reach Shihkiachweng, and the Japanese were attacking Niangtzekwan (娘子關), the eastern gate to Shansi, only a few days after their comrades had launched the first assaults on the Chinese positions at Hsinkow. Niangtzekwan was held by Central Government units supported by Northeastern Army troops. For a fortnight Japanese frontal attacks made no headway but a flanking movement made it untenable and the Chinese withdrew, in the last days of October, to new positions around Yangchuan (陽泉), 75 miles from Taiyuan. Yangchuan is only 25 miles from Shouyang (壽陽) (altitude, 3500 feet) where the railway begins to descend towards the Taiyuan plain, 1600 feet below. The fall of these two places would clear the way for a rapid advance on Taiyuan and would oblige the Chinese at Hsankow to fall back on the capital.

Respectfully yours,

P. R. Josselyn
American Consul General

Enclosures:

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

-4-

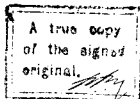
Enclosures:

1. Excerpt from letter,
dated October 22, 1937.
2. Map(1 copy only to Department).

Original to Nanking;
Copy to Peiping;
5 copies to Department (despatch
No. 356, November 3, 1937).

800

RYJ/MYH



Enclosure No. 1 to despatch No. 517, November 3, 1937,
from Consul General P. R. Josselyn, Hankow, China, to
the Embassy, Nanking, in regard to military operations
in Shansi.

C O P Y

October 22, 1937

* * * * *

"We are still peaceful here. Had our first air
raid yesterday, about 50 bombs aimed at the air field.
Total damage was a mule carter who got his head bashed
in but is still alive.

"There was a real crisis in Shansi the first week
of this month. Gov. Yen who had imagined he could
hold the J's at Nankow for 6 months, Kalgan for 6
months, and then Yenmenkuan - the pass through the
inner wall - north of Taiyuan for a year (!) had at
last come to his senses. His troops had retired from
Kalgan and Tatung without firing a shot - literally -
hardly waited to catch sight of the enemy.

"Then he guarded only five or six of the 9 or 10
passes through the wall! It sounds incredible but is
true. The Government had given him several million
dollars to fortify the borders of this province. He
took good Government money and spent a much smaller
amount of his own local fiat currency for fortifica-
tions of the three largest passes. The enemy - bally
nuisances - didn't follow the proper rules of warfare
(according to Yen's theories of 25 or 30 years ago)
and walked in large numbers through the smaller un-
guarded passes. The first this side knew of the
fortified passes was that the enemy was in their rear.
They threw down their guns and took to the hills,
again not a shot fired.

"Yen finally decided to call for Nanking's help
which he had steadily refused before. Gen'l Chiang
asked if he could hold for two weeks until troops
could come in from Honan. Yen replied "no". He asked
if Yen could hold one week. He would try. So Chiang
instantly pulled six divisions away from the Shihchia-
chuang area and sent to Taiyuan - trains were arriving
one every half hour for about two days. Even so they
would have been too late except for one brigade now
attached to Yen's troops but originally Wu Pei-fu's
troops which sacrificed itself almost totally to delay
the enemy at Yuanping - and then Gen'l Li Hsien-chou of
the 21st Division who in person led four of his regi-
ments in assault after assault and inflicted enormous
losses. He got a bullet through the lung.....
It can be said that two men really saved the province at
least for the moment, Gen'l Chiang, of the brigade,
who was killed, and this General Li. Their men
fought like demons when their leaders led. Now
Szechuan troops are beginning to come in from the
south. They don't look very promising. The Japanese
had about 40,000 in the province south of the wall -
about 2/3 Mongolians and Manchurians. The Japanese

officers

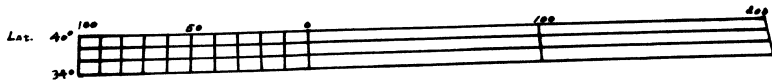
-2-

officers come behind their men and shoot down any of these Chinese that falter. In addition they threaten to kill all the men's relatives who are at home in Manchuria - perhaps actually do it. Anyway, they have their men under control. About 2,000 of these Manchurians, et al - were surrounded, disarmed, and offered a chance to go to the Chinese rear for reorganization as Chinese troops - they refused even under penalty of death. The Chinese troops executed the whole outfit and none of them wavered. I wonder what kind of medicine the J's are able to give to produce such results. If they capture China, or even North China and are able to organize its man power into such fighting units, they cannot be stopped. The _____ would do well to wake up.

"General Chiang Kai-shek has certainly been in a tough spot. If he sent Government troops into these provinces, one group criticized him for establishing distatorship, oppressing these northern peoples, etc. etc. If he didn't send them in, other groups criticized that Nanking didn't care for North China's fate - only tried to use N. China as a buffer to save itself. He has managed to stop the invasion for the present - but cannot get the J's driven back north of the wall again I think. If he could send Government troops and leaders continue to direct regardless of Yen - there is real hope. Shansi should be the easiest province in China to defend - save perhaps Szechuan. He saved it though at the cost of Shihchiachuang. If he can hold Shansi, I think it will prove to have been good strategy, for the Japanese will have difficulty in extending their lines still further south into Honan if they are constantly subject to raids from the Shansi border. How we hope the borders can be held!

"One further point is of tremendous interest. All three of the most heavily defended places north of the Yellow River Tsangchow, Paotingfu and Shihchiachuang fell through treachery or failure of the north eastern army. At Tsangchow two divisions were sent in to relieve one division of the 29th that had been fighting for almost two months. Within one hour they threw down their arms and fled. At Paotingfu a brigade of Wan Fu-lin's mutinied, cut back and broke the railroad south of Paofu rendering it untenable. At Hwailu just west of S.C.C. another unit of Wan Fu-lin's mutinied allowing the enemy to get behind S.C.C. and the troops barely succeeded in getting out at all. In addition these men of Chang Hsueh-liang's led the enemy into Niangtzekuan, the main eastern pass to Shansi - They were the ones who had prepared the fortifications there!! So knew the ground perfectly. The Chinese there did not realize the treachery until the enemy following Wan's troops were already in the pass. It can be truthfully said that the Japanese have not yet won a major battle. The Chinese have lost several through incompetency or treachery of their own troops. When these units get gradually weeded out, I believe the story elsewhere will be more like that in Shanghai. It must be terribly discouraging to Nanking at times. The North cannot complain at its fate. It was lost by its own worthlessness."

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

Main lines of Japanese advance

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

No. 357.

For Distribution-Check		Yes	No
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<u>Javis</u>		<u>ONI-MID</u>	

AMERICAN CONSULATE GENERAL

Hankow, China, November 9, 1937

Subject: Japanese air operations

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

RECEIVED
DEPARTMENT OF STATE

1937 DEC 18 AM 10 26

The Honorable

DEPARTMENT OF
COMMUNICATIONS
AND RECORDS

Secretary of State,

Washington.

Division of
EASTERN AFFAIRS
DEC 20 1937
Department of State

Sir:

I have the honor to transmit herewith, for the information of the Department, a copy, in quintuplicate, of my despatch No. 519 of today's date addressed to the Embassy at Nanking in regard to Japanese air operations.

Respectfully yours,

P. B. Josselyn
P. B. Josselyn
American Consul General

Enclosure:

1. Despatch No. 519 to Embassy, Nanking, November 9, 1937.

In quintuplicate
800
RYJ/MYH

793.94/11731

F/P/G

FILED

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AN 13 1938

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

No. 519.

AMERICAN CONSULATE GENERAL

Hankow, China, November 9, 1937

Confidential

Subject: Japanese air operations

The Honorable Nelson Trusler Johnson,
American Ambassador,
Nanking.

Sir:

I have the honor to submit a brief report on Japanese air activities in this consular district.

Japanese air raids into the district began on August 15th with an attack on Nanchang, capital of Kiangsi Province. Kiukiang was attacked twice and Nanchang once again during August, and an attempt was made on Hankow and on the airfield at Siaoken (孝感), north of Hankow. A three weeks' lull in September was ended by the Japanese announcement that air operations would be intensified. Raiding into Kiangsi and Hupeh was resumed on a larger scale and operations were extended to Hunan. Nanchang, Yukiang (餘江), Kweiki (貴溪), Iyang (弋陽), Shangjee (上饒), Yashan (玉山) and Changshu (樟樹) in Kiangsi; Liling (醴陵), Chuchow (株洲), Lukow (淞口) and Hengyang (衡陽) in Hunan; and Hankow were attacked. Nanchang averaged a raid a week. At Hankow only two attacks materialized out of nine alarms.

Little of military advantage has been accomplished in these nine weeks. At Hankow the first raid failed several miles short of the town; the second killed and wounded

-2-

wounded 900 civilians; the third destroyed three 'planes on the airfield, one of them a commercial machine; and the fourth destroyed two 'planes on the field. In these four raids no military objective except the airfield was touched. The airfields at Kiukiang and Nanchang have been attacked, and railway lines and bridges in Kiangsi and Hunan. Bombs have been dropped on a few places in the country away from railway and without military significance, like Yukiang in Kiangsi, where American mission property was damaged. Traffic on the Canton-Hankow Railway and the Hunan-Kiangsi, Nanchang-Kiukiang, and Kiangsi-Chekiang lines has been delayed from time to time but only for brief periods while the necessary repairs were being made. The Japanese have not seriously hindered the carriage of troops, munitions or supplies in this district. No military objective of any consequence has been destroyed. The most serious loss is the 'planes; although only a few have been destroyed, China can not afford to lose them. The air raids have stiffened rather than weakened Chinese morale. They have brought the war home to many remote districts and helped greatly to unite the people in a common hatred of the foe and a common will to resist. The Japanese airman has been described to me as potent recruiting sergeant a visit from whom would do good elsewhere (in Szechuan, for example).

In their raids the Japanese have not been greatly hampered by the Chinese air force. At Hankow there has not been a single engagement between Japanese and Chinese machines. On September 24th, when so many civilians were
killed

-3-

killed in Hanyang and Hankow, the Chinese pilots were at a party in town and did not leave until the emergency warning sounded; the Japanese 'planes had come and gone before they reached the airfield. On October 18th Chinese pursuit 'planes took the air and flew off towards the east whence the previous attack had come; the Japanese 'planes appeared from the southwest and flying in perfect formation released their bombs as they passed over the airfield unhindered by Chinese 'planes. The next raid on the airfield was at night (between 3:30 and 4:30 a.m. on October 24th) and Chinese 'planes remained on the ground. In view of Japanese superiority in the air the Chinese can not afford to lose 'planes. Their tactics here are to conserve them. When the alarm is given the bombers are generally flown off, north or west, until the danger is over, while the pursuit 'planes also take the air but are seldom risked in combat, thus remaining a potential if not very powerful threat. A number of 'planes have been cracked up by careless Chinese pilots and one bomber was mistaken for a Japanese machine and shot down by a Chinese pursuit 'plane. Some new 'planes have been received by rail from the South. Anti-aircraft fire from the ground has improved in volume and direction since the first raid.

In North China the Japanese have used aircraft extensively against Chinese position, retreating troops, lines of communication, and centres of supply, but these operations have not extended into this district. No attempt has been made to interfere with the Peiping-

Hankow

-4-

Hankow Railway south of the Yellow River, although Suchow (徐州) in Kiangsu, at the junction of the Lunghai and Tientsin-Pukow Railways, half way between Tsinan and Nanking, has been bombed several times.

Japanese communiqués on air raids into the interior are unreliable. For example, they ascribed to fog the failure of the first raid on Hankow, which took place in bright moonlight, and they claimed that the first attack on the airfield destroyed 19 'planes on the ground instead of the 3 that were actually destroyed (as the writer, who was on the field and examined the wreckage before the "all clear" was sounded, can testify). On the other hand the Chinese will try to conceal or minimize damage done to military objectives while playing up the effect on non-combatants and civilian property. It is more difficult, however, for them to suppress knowledge of what happens locally than for the Japanese to deceive the public in Japan (or superior officers in Shanghai) with exaggerated accounts of achievements in the interior of China. The heaviest loss of life was in the raid on Hankow on September 24th when 308 persons were killed (185 men, 52 women and 71 children) and 615 were injured (329 seriously, 286 slightly).¹ In Nanchang, according to the semi-official Central News Agency, 58 people were killed and 130 wounded in 8 raids between August 15th and October 31st. The Hankow debacle of September 24th, which

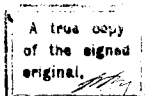
¹ These figures are a revision of those given in my despatch No. 303 of October 4, 1937. They are taken from detailed figures supplied to me by the Mayor of Hankow.

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-

which was either a deliberate attempt to terrorize the civilian population or an exceedingly unskillful attempt on the Arsenal, contributed to the indignation aroused in America and Europe by Japan's method of conducting aerial warfare. There are signs that the protests by foreign governments and condemnation by foreign public opinion have caused the Japanese to limit their operations (in this district at any rate) more closely to military objectives. These, however, are widely dispersed as well as distant from the Japanese air bases and it is doubtful if a great deal can be accomplished against them.

Respectfully yours,

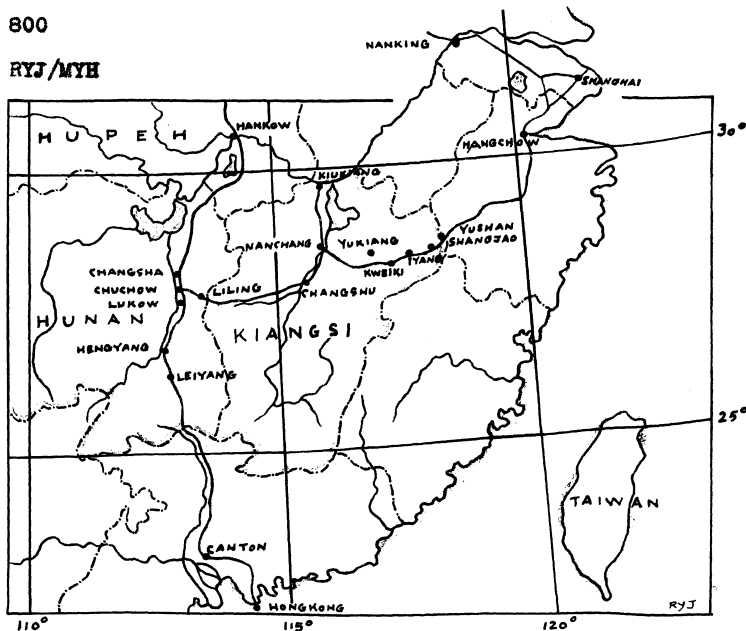


P. R. Josselyn
American Consul General

Original to Nanking;
Copy to Peiping;
5 copies to Department (despatch
No. 357, November 9, 1937).

800

RYJ/MYH



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

ASW

X

TELEGRAM RECEIVED

JR

1-1236

AMEMBASSY HANKOW
AMEMBASSY PEIPING
AMCONSUL SHANGHAI

FROM

PLAIN

Tsingtao via N. R.

Dated December 20, 1937

Rec'd 8:30 a.m.

Secretary of State,
Washington.

Division of
FAR EASTERN AFFAIRS
DEC 22 1937

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

Twentieth, 6:30 p.m.

DT

More explosions occurring and there are some large
fires residential districts here. American residents
are some distance from where fires and explosions are
occurring. It is reported damage will be done to wharves.

SOKOBIN

RR

*793.94
note
393.1115*

793.94/11732

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FILED
DEC 22 1937

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

Congress of the United States

House of Representatives

Washington, D. C.

December 17 1937

Hon. Cordell Hull

The Secretary of State

Sir:

The attached communication

is sent for your consideration.

Please investigate the statements

contained therein and forward me

the necessary information for re-

ply, returning the enclosed corre-

spondence with your answer.

Yours truly

Ans. 12-28-37
Curran

4th District Missouri

Division of

FAR EASTERN AFFAIRS

DEC 20 1937

Department of State

793.94/11733

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DEC 28 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

[COPY:HES]

Kansas City, Mo.

Dec. 15, 1937

Hon. Jasper Bell

Please support the Ludlow Bill.

Why doesn't the President order our people out of China? Why should we be involved in a foreign war because of a few selfish people, who insist on staying where they have no business.

Sincerely

MRS. C. BUTTERWORTH

3830 E 63rd

793.94/11733

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

In reply refer to
FE 793.94/11733

December 28 1937

My dear Mr. Bell:

I acknowledge the receipt of your communication of December 17, 1937, with which you enclose a letter received by you from Mrs. C. Butterworth inquiring why the President does not order American citizens out of China.

As you are no doubt aware, the President has no authority to order American citizens out of any foreign country in which they may be traveling or residing. 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. That practice and that effort still obtain. The Department is not at present issuing passports valid for travel in China except in certain exceptional circumstances.

I

The Honorable

Charles Jasper Bell,

House of Representatives.

793.94/11733

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

-2-

I hope that the above comment on this matter may be of assistance to you in replying to Mrs. Butterworth's letter.

In accordance with your request Mrs. Butterworth's letter is returned herewith.

Sincerely yours,

Cordell Hull

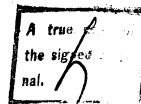
Enclosure:

CR *any*
DEC 27 1937.

routine

egc.
FE:EGC:HES
12-23

From Mrs. Butterworth,
December 15, 1937.



WJ
FE
M.W.H.

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

THOMAS C. HENNINGS, JR.
11th Dist. Missouri

COMMITTEE
FOREIGN AFFAIRS

Congress of the United States
House of Representatives
Washington, D. C.

December 18, 1937.

Ans'd

December 30 1937

Division of
FAR EASTERN AFFAIRS

DEC 20 1937

Department of State

File

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DEPARTMENT OF STATE

1937 DEC 23 AM 9 46

RECORDS
DIVISION OF
FAR EASTERN AFFAIRS

Honorable Cordell Hull,
Secretary of State,
Washington, D. C.

Dear Mr. Secretary:

793.94
The enclosed letter received
today from my constituent concerning the
Japanese situation.

Inasmuch as I am receiving
many letters of similar content, I will ap-
preciate a letter from your Department which
I may forward to these constituents writing
me relative to this matter.

With kind regards, I am

Sincerely yours,

TCH

TCH-Jr.
M.

793.94/11734

F/FG

FILED
DEC 31 1937

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

[COPY:HES]

Hon. Thos. C. Hennings.
Washington, D.C.

Dear Mr. Hennings -

We are asking your help, feeling sure that you'll keep a cool head in the alarm that is now felt in regard to the Sino-Japanese war.

Why don't we bring our ships and boys home? If any of our people want to risk their lives in China, permit them to stay, at their own risk.

Why should we furnish convoys for the Standard Oil? Everyone knows that Smedley Butler told us he did most of his fighting for the Standard Oil. Let the Standard [Oil] hire convoys--let the English muddle thru--but do bring our men and boats home. They can keep in excellent condition policing their own country.

Why should we police China, or Japan--let those Orientals have it out among themselves. The last war was a bitter futile war, let's not risk one of our boys for something that simply is none of our business.

Please, Mr. Hennings, urge what we ask--we are depending on you.

With all good wishes and thanks.

Sincerely yours,

MRS. MARY P. RICK

4115 McPherson
St. Louis, Mo.

12/13/37.

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

December 30 1937

In reply refer to
FE 793.94/11734

My dear Mr. Hennings:

I acknowledge the receipt of your letter of December 18, 1937, with which you enclose a letter received by you from Mrs. Mary P. Rick in regard to the withdrawal of American vessels from Chinese waters. I hope that the following comment on this matter may be of assistance to you in replying to Mrs. Rick's letter and letters of similar content.

The question of the types and degrees of protection which this Government should afford to its citizens abroad presents many difficulties and is one in regard to which opinions may very readily differ. In a situation such as has prevailed in the Far East there have been developed during more than a century certain rights, certain interests, certain obligations and certain practices. In the light of peculiar features inherent in the situation, all of the major powers have developed

The Honorable

Thomas C. Hennings, Jr.,
House of Representatives.

793.94/11734

F/F/G

11734

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-

developed and employed, with authorization by the Chinese Government, methods for safeguarding the lives and interests and property of their nationals believed to be appropriate to the situation and warranted by the peculiarities thereof. Thus, for instance, there came about and there is still in existence the system of extraterritorial jurisdiction and various of its concomitants. Concurrently, many nationals of this and other countries have, during several generations, gone to China, established themselves there in various occupations and activities, and subjected themselves both to the advantages and to the disadvantages of the conditions prevailing there; and the American Government has, along with other governments, accepted various rights and incurred various obligations. In a situation such as now prevails, many of our nationals cannot suddenly ~~extricate~~ cut themselves off from the past nor can the American Government suddenly disavow its obligations and responsibilities. The American naval vessels and the small contingents of American landed forces which have been maintained in China were placed and have been kept there solely for the purpose of assisting in the maintenance of order and security as affecting the lives, the property and the legitimate activities of American nationals, especially in regard to conditions

of

1164
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-

of local disorder and unauthorized violence. These vessels and troops have never had in any sense any mission of aggression. It has long been the desire and expectation of the American Government that they shall be withdrawn when their appropriate function 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. During the current situation in China the American military and naval forces have rendered important service in protecting the lives of Americans nationals, in assisting in evacuating Americans from areas of special danger, and in making possible the maintenance of uninterrupted communications with our nationals and our diplomatic and consular establishments in the areas involved.

There is enclosed for possible transmission to Mrs. Rick a press release issued by the Department on August 23 outlining the policy on which this Government is proceeding with reference to the situation in the Far East.

As you may wish to retain Mrs. Rick's letter for your files I return it herewith.

Sincerely yours,

Cordell Hull

CR *sm*
DEC 29 1937. PM
ROUTING

Enclosures:

1. Press release of August 23, 1937.
2. From Mrs. Rick, December 13, 1937.

EGC
FE:EGC:HES
12-21. 29

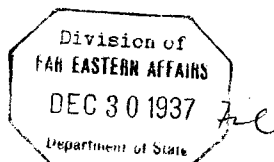
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WRT

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



. In regard to the second point raised in the attached statement of the Rochester Peace Council, you are doubtless aware that the Neutrality Act prohibits the export to belligerent nations of arms, ammunition, and implements of war only, and that the Act specifically provides that the term "arms, ammunition, and implements of war" shall not apply to raw materials, such as iron, oil, and cotton. Even if, therefore, the President should find that a state of war exists in the Far East, the United States could not, as the statement of the Peace Council itself points out, participate in an international embargo on the export of such raw materials to a belligerent country or countries until additional legislation had been enacted by the Congress authorizing such an embargo.

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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

GEORGE B. KELLY
38TH DIST NEW YORK

323 HOUSE OFFICE BLDG.

FRANK J. MUENCH, JR.
SECRETARY

COMMITTEE
INTERSTATE AND FOREIGN COMMERCE

⁶
Congress of the United States
DEPARTMENT OF STATE
House of Representatives

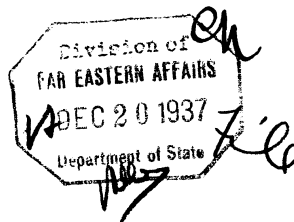
1937 DEC 20 AM 9 Washington, D. C.

DIVISION OF
COMMUNICATIONS
AND RECORDS

December 19, 1937

Ans'd
December 29 1937

793.94
Honorable Cordell Hull,
Secretary of State,
Washington,
D.C.



Dear Mr. Secretary:

I have pondered over the attached letter from Professor Walden Moore together with statement of the Advisory Committee of the Rochester Peace Council but not being an authority on international affairs I was not quite sure as to just how best to reply to it.

Would it be possible for one of your staff to outline a suitable reply reflecting only as far as you can safely do so the attitude of the Administration in regard to their recommendations.

I will be personally grateful to you for this assistance.

With expressions of my highest esteem, I am

Very sincerely yours,

George B. Kelly
George B. Kelly, M.C.

GBK/LN

P.S. Kindly return attached letter with your reply.

End

793.94/11735

DEC 30 1937

FILED

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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

[COPY:MLM:SS]
[COMP: XCH]

THE UNIVERSITY OF ROCHESTER
COLLEGE OF ARTS AND SCIENCE
ROCHESTER, NEW YORK

DEPARTMENT OF GOVERNMENT

November 18, 1937

Hon. George H. Kelly,
House Office Building,
Washington, D. C.

Dear Mr. Kelly:

I enclose a copy of the "Statement on American Policy towards the Far Eastern Conflict" of the Rochester Peace Council, composed of thirty-two Rochester organizations interested in peace. This is the Rochester unit of the National Peace Conference.

You will note that we warmly approve of the President's refusal to invoke the Neutrality Act and also of the sentiments expressed by the President in his speech at Chicago.

In order to put these sentiments into effect we suggest three further steps: 1) Collective withdrawal of neutral nationals and armed forces from the war zone 2) Collective imposition of an embargo on war materials to Japan 3) As soon as peace is restored cooperation to improve economic conditions everywhere.

Would you be kind enough to read the enclosed statement and let me know your own views regarding the policies recommended.

Sincerely yours,

WALDEN MOORE

Chairman, Advisory Committee

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

[COPY:MLM:SS]
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ROCHESTER PEACE COUNCIL--ADVISORY COMMITTEE
STATEMENT ON AMERICAN POLICY TOWARDS THE FAR EASTERN CONFLICT

The two predominant interests of the American people in the Far Eastern Conflict are: First, to avoid war with Japan; Second, to aid in the restoration of peace on terms compatible with the Nine Power Treaty which pledges respect for the territorial integrity and political independence of China.

Both of those interests are endangered by our existing policies. The first is endangered by the maintenance of American troops and American warships on the scene of conflict with the ever present possibility of a serious "incident". The second is endangered by our continued supplying of war materials to Japan in such quantities as to make us the principal economic ally of the aggressor nation. (In 1936 we furnished 50% of Japan's iron, 75% of her oil, 60% of her cotton).

The invocation of the Neutrality Act would by no means improve this situation. On the contrary it would hurt China by cutting off entirely our relatively small trade with her while continuing to leave our war material markets open to Japan. Such action would aid and encourage Japanese aggression without in any way diminishing the danger of armed conflict. We, therefore, oppose the invocation of the Neutrality Act.

We heartily endorse the President's speech at Chicago calling for "a concerted effort" by "the peace-loving nations" in "opposition to those violations of treaties... which today are creating a state of international anarchy and instability from which there is no escape through more isolation or neutrality". We commend the support given by the American State Department to the resolution of the League of Nations Assembly condemning Japanese aggression and calling for aid to China. We warmly approve the participation of the American government in the Brussels Conference of Nine Power Treaty Signatories initiated by the League.

But the present emergency calls for action as well as words. We, therefore, urge that the American government adopt two new policies. First, in order to reduce to a

minimum

-2-

minimum the danger of involvement in war, the United States should propose to the other powers the immediate joint withdrawal of all neutral citizens and all neutral troops and warships from the zone of conflict. The American government should pay full compensation for economic losses which this policy may cause to its citizens in China. Second, in order to bring Japanese aggression to an end and to secure the evacuation of Chinese territory, the United States should propose to the other nations that they collectively place an embargo on further shipments of war materials (such as munitions, iron, oil, cotton) from their respective territories to Japan. Such action, if participated in by the United States and the British Empire, would deprive the military clique who control Japan of means to continue their aggression. American participation in an international embargo would have to be authorized by Congress. So far as practicable compensation should be paid for private losses incurred by this policy. Private trade with China should be permitted, as at present, solely at the trader's own risk.

At the same time the American government should make it clear to all countries, including Japan, that as soon as peace is restored we are willing to initiate steps looking towards economic adjustments to improve the living standards of all people, including the Japanese. This should be part of a general effort to develop a policy of economic cooperation throughout the world.

We call on all members of the Rochester Peace Council and of its affiliated organizations who support any or all of those proposals to write President Roosevelt and Secretary Hull asking for their adoption.

We also call attention to the fact that it is the individual purchases of Japanese goods that enable the Japanese military to secure war materials for their conquest of China and accompanying slaughter of Chinese civilians. We suggest, therefore, that, pending such action as the governments may or may not take, all those men and women opposed to giving personal aid to military aggression refrain from purchasing Japanese products--the most important being silk goods of which the United States takes over 80% of Japan's exports.

Only a determined public opinion in the United States and other peace-loving nations can forestall the

world

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-

world catastrophe of international war and secure a
permanent and enduring peace.

The Rochester Peace Council Advisory Committee

Professor Walden Moore, Chairman
Mrs. Alice Wood Wynd
Mrs. Rex Wilsey
Professor Donald Gilbert
Mr. Harold Sanford
Professor Maynard L. Cassady

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

December 29 1937

In reply refer to
FE 793.94/11735

My dear Mr. Kelly:

I acknowledge the receipt of your letter of December 19, 1937, with which you enclose a letter received by you from Professor Walden Moore, together with a statement of the Advisory Committee of the Rochester Peace Council in which certain suggestions are made with regard to the policy of this Government in connection with the situation in the Far East. I hope that the following comment may be of assistance to you in replying to Professor Moore's letter.

In regard to the question of the withdrawal of American forces from China, it may be stated that the question of the types and degrees of protection which this Government should afford to its citizens abroad presents many difficulties and is one in regard to which opinions may very readily differ. In a situation such as has prevailed in the Far East there have been developed during more than a century certain rights,

certain

The Honorable

George B. Kelly,

House of Representatives.

793.94/11735

11/35

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-

certain interests, certain obligations, and certain practices. In the light of peculiar features inherent in the situation, all of the major powers have developed and employed, with authorization by the Chinese Government, methods for safeguarding the lives and interests and property of their nationals believed to be appropriate to the situation and warranted by the peculiarities thereof. Thus, for instance, there came about and there is still in existence the system of extraterritorial jurisdiction and various of its concomitants. Concurrently, many nationals of this and other countries have, during several generations, gone to China, established themselves there in various occupations and activities, and subjected themselves both to the advantages and to the disadvantages of the conditions prevailing there; and the American Government has, along with other governments, accepted various rights and incurred various obligations. In a situation such as now prevails, many of our nationals cannot suddenly disavow or cut themselves off from the past nor can the American Government suddenly disavow its obligations and responsibilities. The American naval vessels and the small contingents of American landed forces which have been maintained in China were placed and have been kept there solely for the purpose of assisting in the maintenance of order and security

-3-

security as affecting the lives, the property, and the legitimate activities of American nationals, especially in regard to conditions of local disorder and unauthorized violence. These vessels and troops have never had in any sense any mission of aggression. It has long been the desire and expectation of the American Government that they shall be withdrawn when their appropriate function 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. During the current situation in China the American military and naval forces have rendered important service in protecting the lives of American nationals, in assisting in evacuating Americans from areas of special danger, and in making possible the maintenance of uninterrupted communications with our nationals and our diplomatic and consular establishments in the areas involved.

In regard to the second point raised in the attached statement of the Rochester Peace Council, you are doubtless aware that the Neutrality Act prohibits the export to belligerent nations of arms, ammunition, and implements of war only, and that the Act specifically provides
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

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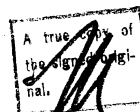
that the term "arms, ammunition, and implements of war" shall not apply to raw materials, such as iron, oil, and cotton. Even if, therefore, the President should find that a state of war exists in the Far East, the United States could not, as the statement of the Peace Council itself points out, participate in an international embargo on the export of such raw materials to a belligerent country or countries until additional legislation had been enacted by the Congress authorizing such an embargo. ✓

There is enclosed as of possible interest in this connection a press release issued by the Department on August 23 outlining the policy on which this Government is proceeding with reference to the situation in the Far East.

In accordance with your request Professor Moore's letter and its enclosure are returned herewith.

Sincerely yours,

Cordell Hull



Enclosures:

1. Press release of August 23, 1937. From Professor Moore, with enclosure.

DEC 27 1937 PM

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12-23

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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

59-1

~~ASA~~

~~AF~~

TELEGRAM RECEIVED

EG

CORRECTED COPY

GRAY

1-1236

FROM

Tsingtao via N. R.

Dated December 18, 1937

Rec'd 6 a.m., Dec. 20th

Secretary of State,
Washington.

December 18, 7 p.m. /11736

Division of
EASTERN AFFAIRS
DEC 21 1937
Department of State

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

DT

The representative of the mayor who called at the Consulate this afternoon stated that the curfew is being enforced by the direction of the military authorities "who have received certain instructions". What the instructions are he did not profess to know but he did say that he was certain no (repeat no) Japanese property in Tsingtao city proper would be damaged. The city proper is about eight miles from the cotton mill district.

There is no sign of Japanese military activity anywhere near Tsingtao at the moment, but possibly the Chinese may consider the destruction right now of the mills to be a military necessity. However, the thought of safeguarding Japanese property cannot continue while the Japanese are inflicting great damage elsewhere in the course of hostilities will be a consideration if the Chinese undertake to damage Japanese property in Tsingtao.

No damage to American property ~~may~~ ^{need} be expected.

SOKOBIN

CSB

F.W. 793.94/11736

WB
5/5/34

FILE
F/FC
12 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

59-2

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

EG

TELEGRAM RECEIVED

Tsingtao via N. R.

1-1836

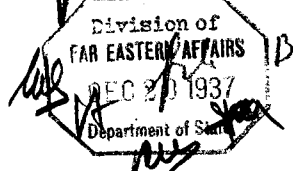
FROM Dated December 18, 1937

Rec'd 6 a.m., Dec. 20th

Secretary of State,

Washington.

December 18, 7 p.m.



The representative of the mayor who called at the Consulate this afternoon stated that the curfew is being enforced by the direction of the military authorities "who have received certain instructions". What the instructions are he did not profess to know but he did say that he was certain no (repeat no) Japanese property in Tsingtao city proper would be damaged. The city proper is about eight miles from the cotton mill district.

There is no sign of Japanese military activity anywhere near Tsingtao at the moment, but possibly the Chinese may consider the destruction right now of the mills to be a military necessity. However, the thought of safeguarding Japanese property cannot continue while the Japanese are inflicting thorough damage elsewhere in Tsingtao and concludes hostilities will be (?) if the Chinese undertake to damage Japanese property in Tsingtao.

No damage to American property nearby be expected.

SOKOBIN

CSB

793.94/11736

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 124.93/410 unclassified file FOR Tel. #84 7pm
FROM China (Hankow) (Johnson) DATED Dec. 18, 1937
TO NAME 1-1127 670

REGARDING:

New Chinese Government to be set up in Peiping as
successor to former seat of Chinese Government at
Nanking, same to be recognized by Japan along the
lines indicated. Information relative to same
and comment that the Japanese will probably proceed
against Hankow and Canton shortly.

emc

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F / MFR

11737

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

TELEGRAM RECEIVED

JR

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

From Shanghai

Dated December 20, 1937

Rec'd 12:05 p.m.

Secretary of State,
Washington.

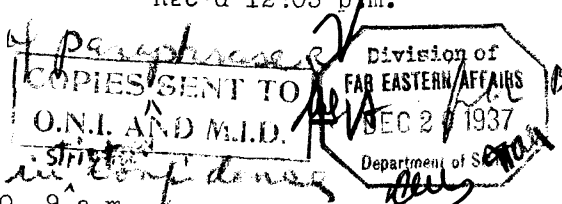
1195, December 20, 9 a.m.

Abend, NEW YORK TIMES correspondent, has shown me

his news despatch of today reporting struggle going on in Japanese army in this part of China ^{between} of ~~the~~ senior officers including Matsui and so-called junior officers including Colonel Hashimoto who was at Wuhu and whose forces presumably were involved in the machine-gunning and boarding of the PANAY. Abend tells me in strictest confidence that the material was sent here for him from Matsui's headquarters by special airplane with personal request that facts be cabled to New York, the idea being that no Japanese newspaper would dare to publish facts of this kind on its initiative but that the news will be cabled back to Japan after it has appeared in New York. Not repeated elsewhere.

GAUSS

RR:HPD



793.94/11738

F/FQ

60-2

STRICTLY CONFIDENTIAL

STRICTLY CONFIDENTIAL

P A R A P H R A S E

A telegram (No. 1195) under date December 20, 1937, from the American Consul General at Shanghai reads substantially as follows:

The American Consul General at Shanghai has been shown by Mr. Hallett Abend, correspondent of the New York Times, the latter's news despatch of December 20 in which is reported the struggle going on in that part of China between the senior and so-called junior officers of the Japanese army. The senior officers include General Matsui and the junior officers include Colonel Hashimoto who was at Wuhu. When the U.S.S. Panay was machine-gunned and boarded, it was presumably the forces of Colonel Hashimoto which were involved. The New York Times correspondent informed the Consul General in strictest confidence that the material on which the above despatch was based was forwarded by special plane from the headquarters of General Matsui to him (Mr. Abend) at Shanghai with the personal request that the facts be cabled to New York. The idea behind such procedure is that after the news has appeared in New York, it will be cabled back to Japan and that no Japanese newspaper would dare, on its own initiative, publish facts of such nature.

793.94/11738

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FE:ARR:SMJ

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FE

12/21/37

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

TELEGRAM RECEIVED

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

JR

Division of
FAR EASTERN AFFAIRS
DEC 27 1937
Department of State

FROM

COMYANGPAT

December 20, 1937

Rec'd 1:40 p.m.

PASSED TO OPNAV BY CINCAF FOR INFORMATION.

793.94
0020. Seventeen bombers accompanied by nine pursuit
dropped approximately eight five bombs and two packages
literature vicinity railway station Kiukiang 1300 today.
1525.

HPD

793.94/11739

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

EDA 1-1288

FROM

COMYANGPAT

December 21, 1937

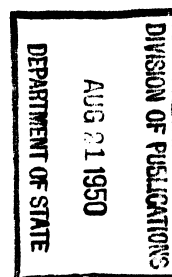
Received 8:21 p.m.

COMYANGPAT
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COMSUBRON 5
CINCAF
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

793.94

9021 Yangtze River ports quiet 2147

SMS:EMB



793.94/11740

DEC 27 1937

FILED

F/FG

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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

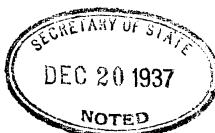


DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

December 18, 1937.

CONFIDENTIAL



✓
Mr. Secretary:

The Situation in the Far East.

The week in review has been marked by three important events, namely, the bombing of British and American ships on the Yangtze and the sinking of the U.S.S. Panay, the fall of Nanking, and the establishment of a new régime in Peiping. The Panay incident has not inflamed public opinion in the United States, but the press has become increasingly severe in its criticism in the light of reports that machine-gun attacks upon the ships and the survivors were deliberate. The fall of Nanking appears to have brought about no disposition on the part of Chinese leaders to negotiate with the Japanese. The Japanese advance is continuing without delay. A provisional government of China with Japanese backing has been established in Peiping, with the evident intention of creating a permanent government for the whole of China, upon the accomplishment of which the provisional government would resign.

The

793.94/11741

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11741

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

-2-

The quick assumption by the Japanese Government of responsibility for the bombing and sinking of the Panay and the firm position adopted by this Government seem on the whole to have satisfied public opinion in the United States. The press, while indicating from the first that the incident would probably not result in serious trouble, has maintained a firm tone in its insistence upon full compliance by the Japanese Government with American demands, and as news despatches elaborate upon the details of the incident, the press has become increasingly critical of the Japanese and has even more firmly supported the position of the Government in demanding assurances of concrete measures taken to prevent the recurrence of similar incidents in the future. Toward the end of the week the doubts cast by the press upon the intention of the Japanese Government to reply formally to the note sent by this Government, and to assume responsibility for the machine-gun attacks upon the ships and survivors, suggest that the incident may assume a graver aspect. In addition to the formal apology and offer of indemnification by the Japanese Government, the only official measure taken thus far to satisfy American demands has been the recall to Tokyo of the chief of the naval air forces in China. According to a press report, the Japanese Navy has announced its intention of rendering a formal salute on the Yangtze to the four persons killed in the attack.

In

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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In regard to the Yangtze bombing of British ships last Sunday, the British Government has taken a line with the Japanese identical with that adopted by the United States.

There have been no official reports describing the fall of Nanking, which occurred this week, but press reports sent from Nanking indicate that although the bulk of the Chinese army managed to escape across the river, many thousands of the Chinese troops which remained in Nanking were promptly executed by the Japanese soldiers and that the extent of Japanese looting made the previous looting by the Chinese soldiers appear mild.

Previous indications that the Japanese forces after the fall of Nanking would take a breathing spell before continuing their advance seem to be in error, as present reports indicate that the Japanese troops are already preparing to advance. A Japanese spokesman has stated that the war will be relentlessly pursued until all opposition shall have ceased.

It is reported from Canton that the fall of Nanking has had no deleterious effect upon public morale and that the war spirit flames higher than ever; reports from Hankow indicate no disposition on the part of the Chinese leaders to negotiate with the Japanese. The Chinese Government may be reorganized in the near future along lines which will permit the active participation of the Communists. A report

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-

port from the American Ambassador to China indicates that Chinese official circles now expect the active participation of the Soviet Union in the conflict.

A provisional government which, it is expected, will attempt to set up a permanent government for the whole of China was established at Peiping this week with Japanese backing. It is composed of elderly and skillful Chinese politicians of fair reputation but without administrative ability or political influence. Five out of six of the new leaders belong to the old pro-Japanese Anfu clique, which with considerable corruption ruled China for a few years toward the close of the World War. The provisional government has already pledged its opposition to the Chinese National Government and to the Nationalist Party, and to complete cooperation with Japan and "Manchukuo". There has as yet been no formal recognition of the new régime by Tokyo, and the Vice Minister for Foreign Affairs in Japan has informed the British Ambassador categorically that the Japanese Government has no present intention of extending such recognition.

While there exists the possibility that the Chinese may be able through guerrilla tactics over an extended period to weaken the Japanese, by the end of last week the only hope which remained for a successful immediate defense against the Japanese was the possibility of an incident which would cause the active intervention of ~~either~~
the

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

-5-

the United States, Great Britain or the Soviet Union. The Panay incident was of a gravity which probably far exceeded even the hopes of the Chinese leaders, and yet it promises to be settled without danger of involving the United States Government in hostilities. If such proves to be the case, it seems logical to assume that the Chinese must realize that there is little probability of any active intervention of the United States in the Chinese affair. Generalissimo Chiang Kai-shek on December 16 issued a manifesto calling upon the Chinese people to continue resistance, warning them that there must be no further dependence upon help from foreign nations and expressing confidence in the ultimate victory of China. Whatever hopes the Chinese may have for foreign intervention will probably turn to the situation which will arise if, as appears not improbable, the Japanese attack Canton and come into closer contact with British interests in that region.

The establishment of the new government in Peiping is expected to introduce new complications into the customs situation, as the Japanese may be expected to assist the new régime in taking over the fiscal and other functions of the Chinese Government.

Telegrams received late this morning report the destruction by the Chinese of the Japanese cotton mills in Tsingtao, Shantung Province. There are nine Japanese cotton mills

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

-6-

mills in Tsingtao and they constitute about one-fourth of the large Japanese cotton industry in China. Thus far the Japanese forces have not invaded Shantung Province south of the Yellow River. The principal reason for this probably is the expectation that negotiations with the Governor would be effective in bringing the province under Japanese control. An incidental reason for the choice of diplomacy in this case may have been the desire to protect the important Japanese cotton mills in Tsingtao. The destruction of these mills by Chinese, which has been feared by the Japanese for some time, may very well cause the Japanese military to decide upon invasion.

Mr. Atcheson's preliminary report on the Panay incident has just been received and in general confirms the details of the bombing, as well as the subsequent machine-gunning of the ship and the survivors, as previously reported by the Navy.

P.W.W.

Amf
FE:JMJ:NN

Jen
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 852.00/7092 FOR MEMO

FROM State Department
Secretary () DATED Dec. 16, 1937
TO NAME 1-1127 670

REGARDING: Chinese - Japanese relations.

Memorandum of conversation with the Portuguese Minister
during which the latter endeavored not to appear
sympathetic with the Japanese movement but character-
ized it as a bad influence in the world situation.

ge

793.94 / 11742

11742

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

MSM

H

TELEGRAM RECEIVED

JR

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

U S S Sacramento

FROM

December 20, 1937

Rec'd 3:25 p.m.

TO: CINCAF

INFO: OPNAV
MARBLEHEAD

Division of
FAR EASTERN AFFAIRS
DEC 21 1937
Department of State

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

793.94

0020. Air raid alarm sounded nine hundred, single
seaplane dropped bombs in vicinity railway station ten
fifteen, hundreds Chinese evacuating to northward. 1045.

csb

793.94/11743

EC 27 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

MSA *FE*

TELEGRAM RECEIVED

LMS

1-1234

This message was received FROM
in Navy Cipher and must be
closely paraphrased before
being made public.

US3 SACRAMENTO

December 20, 1937

TO: CINCAF
INFO: NAVY DEPARTMENT
MARBLEHEAD
ALUSNA PEI PING

Rec'd 3:25 p. m.
DEC 21 1937
Far Eastern Affairs
Department of State

0020 Plane did not drop bombs at ten fifteen,
explosion ashore as plane passed over, curfew eighteen
hundred tonight, threats and rumors of further destruc-
tion continue with uneasiness of inhabitants 1850

CSB

793.94/11744

F/FG

DEC 21 1937

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

EDA

TELEGRAM RECEIVED

COMYANGPAT

December 20, 1937

1-1236

FROM

Received 9 p.m.

OPNAV

INFORMATION: 2ND MARBRIG
YANGPATO
COMDESRON 5
COMSUBRON 5
CINCAF
COMSOPAT
AMEMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEEPING

COPIES SENT TO
~~ONE AND M.I.D.~~

Division of
FAR EASTERN AFFAIRS
DEC 21 1937
Department of State
DT

0020 Seventeen Japanese bombers plus nine pursuit
planes bombed Kiukiang vicinity railway station 1300
today. Approximately eighty-five bombs dropped also
two packets literature. Other river ports quiet 2010.

SMS:EMB

793.94/11745

F/FG
G/IED
FC 9 7 1937

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

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~~ON LAND~~ M.I.D.

TELEGRAM RECEIVED

DT

JR

1-1238

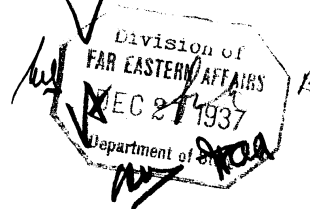
SECOND BRIGADE USMC

FROM December 20, 1937

Rec'd 3:12 p.m.

ACTION: OPNAV

INFO: CINCAF
AMCONSUL SHANGHAI
COMYANGPAT
COMSOPAT
AMEMBASSADOR CHINA
ALUSNA PEIPING



8620. Japanese advance reported 20 miles north Pukow,
22 miles north Chinkiang Wuhu. Main drive 12 miles east,
drive on Hangchow moving slowly along Grand Canal now at
Changan. Twelve transports loaded ammunitions, food,
Yangtzepoo wharves and departed for sea. General Harada,
Japanese Military Attache, today called expressed apologies
regrets PANAY incident to Commander Second Brigade. 1908.

note
394,115 Panay

DDM

793.94/11746

FILED
DEC 21 1937

F/FG

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

MSA *FE*

TELEGRAM RECEIVED

JR

1-1336

FROM GRAY

Tsingtao via N. R.

Dated December 21, 1937

Rec'd 2 a.m.

Secretary of State,

Washington, D. C.

RUSH.

December 21, 9 a.m.

Aside from some pistol shooting all through the night from Chinese, marines believed to be endeavoring to halt sporadic looting and a further destruction of Japanese property, particularly warehouses near wharves. Nothing has happened during the night to any Americans or American property, or as far as is known, to any occidentals or their property. Everything serene this morning.

Sent to Peiping, Hankow, Shanghai, Chefoo.

SOKOBIN

HPD

Division of
OF FAR EASTERN AFFAIRS
COPIES SENT TO
DEC 21 1937
O.N.I. AND M.I.D.
Department of State

793.94/11747

FILED
DEC 21 1937

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

TELEGRAM RECEIVED

JR

COMSOPAT

1-1556

FROM December 21, 1937

Rec'd 8:20 a.m.

ACTION: OPNAV

INFO: SECOND BRIGADE

COMSUBRON FIVE

COMDESRON FIVE

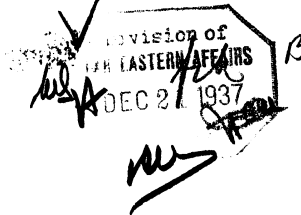
CINCAF

COMYANGPAT

AMAMBASSADOR CHINA

USS MARBLEHEAD

ALUSNA PEIPING



0120. South China ports quiet. 2000.

RR

793.94/11748

QUE/FG
EO 87 137

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. Hankow/126 FOR #358

FROM Hankow (Josselyn) DATED Nov. 13, 1937
TO NAME 1-1127 670

REGARDING: Sino-Japanese conflict.

Military situation around Hankow for month of October:
Reports concerning-.

mr

793.94/11749

11749

4. Japan

a. Sino-Japanese conflict

Japanese air operations were extended into Hunan and continued in Kiangsi and Hupeh. Railway lines and airfields were the principal objectives. There were two raids on Hankow, in which the airfield was bombed

Political report
October 1937
Hankow, China

-5-

bombed and five Chinese 'planes on the ground were destroyed or damaged.¹ Bridges and stations on the Canton-Hankow Railway and the railways in Kiangsi were objects of attack but little damage was done and train service was not seriously interfered with. Japanese 'planes were reported over Loyang and Chongchow but no bombing was done in Honan south of the Yellow River. The Japanese used aircraft effectively to prepare the way for their advance in Shansi and Hopeh and to accelerate the retreat of Chinese troops. By the end of October the Japanese thrust along the Peiping-Hankow Railway had reached Fengloochen (豐樂鎮), just inside the Honan border 106 miles north of the Yellow River; in Shansi, the Chinese were successfully holding the Japanese north of Taiyuan but had been forced out of their principal defensive positions east of Taiyuan, and the continued advance of the Japanese from that direction threatened to make the Chinese positions north of the capital untenable.²

The countryside was quiet. The approach of winter normally brings an increase in banditry. So far this year there appears to be less than usual. A good many of the larger and better organized groups of bandits are being enlisted for service against the Japanese. In the towns wounded soldiers have caused trouble in hospitals, shops and the streets, but the authorities are taking steps to deal with this problem, which is largely

the

¹ Tels., Oct. 18, 7 p.m.; Oct. 24, 11 a.m.
² Tels., Oct. 14, 4 p.m.; Oct. 15, 12 noon; Oct. 16, 12 noon; Oct. 18, 4 p.m.; Oct. 19, 5 p.m.; Oct. 21, 3 p.m.; Oct. 23, 1 p.m.; Oct. 26, 12 noon; Oct. 28, 3 p.m.; Oct. 29, 12 noon.

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

Political report
October 1937
Hankow, China

-6-

the result of imperfect organization. The spy mania continues. News despatches from various places report the execution of Chinese for espionage. Signalling to Japanese 'planes is a frequent charge. Two foreigners without nationality have been arrested at Hankow. Foreign firms have been caused some inconvenience by the arrest of Chinese employees.

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

TELEGRAM RECEIVED

MB0 1-1836

FROM

2ND BRIGADE

December 22, 1937

Rec'd 6:00 a.m.

ACTION: CINCAF
OFNAV
INFO: AMCON AT SHANGHAI
COMSUBRON 5
COMDESRON 5
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
ALUSNA PEIPING

COPIES SENT TO
~~AMCON AND M.I.D.~~

DEC 22 1937

793.94

8621 Japanese advance report 12 miles north Hangchow on Grand Canal. Two landing efforts reported failed Hangchow Bay 7 miles east of city nineteen. On Tsinpu Railway northward drive past Chuhsien 25 miles north Pukow. Five transports loaded 14000 troops departed Shanghai twentieth, destination unknown 1855.

RR

793.94/11750

DEC 22 1937

793.94/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 GRAY AND SPECIAL GRAY

AMEMBASSY PEIPING
AMEMBASSY HANKOW
AMCONSUL SHANGHAI

Canton via N. R.

FROM

Dated December 20, 1937

Rec'd 8:20 a.m.

Secretary of State,
Washington.

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

Division of
FAR EASTERN AFFAIRS
DEC 21 1937
Department of State

December 20, 5 p.m.

Canton-Hong Kong Railway raided December eighteenth,
nineteenth and today at and near Cheungmuktou with
unimportant damage to line. Raids on Canton-Hankow Railway
on same days reported to have done considerable damage at
Shiuchow and Yingtak and cut the line fairly seriously at
the latter point. Sunning Railway also raided 18th and
19th with reported heavy damage to municipal and railway
buildings and considerable civilian casualties; and
Canton-Samshui Railway raided on 18th. Recent attacks on
latter railway thought to be directed at Kwangsi troops
moving into that area.

Informed by local Kwangsi military representative
that eight Japanese planes raided Wuchow airfield yesterday
doing little damage of military consequence.

Rumors of Japanese landing on Kwangtung coast though
denied by official quarters are causing considerable
nervousness and exodus of Canton populace.

Mailed Hong Kong, Swatow.

LINNELL

KLP
RR

793.94/11751

F/F/G

793.94
note
893.77

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

61-1

TELEGRAM RECEIVED

JR

1-1336

FROM

GRAY

Tokyo

Dated December 21, 1937

Rec'd 9:40 a.m.

Division of

FOR EASTERN AFFAIRS

DEC 21 1937

Department of State

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

Secretary of State, **DT**

Washington.

664, December 21, noon.

Our 616, December 11, 3 p.m., march of Japanese troops
through the International Settlement at Shanghai.

The Foreign Office after acknowledging receipt of our
note of December 11, 1937, states as follows (translation)
"with regard thereto, the Foreign Office has the honor
to reply that the Japanese Government has, of course, no
intention which will impair the administration or the
authority of the Municipal Council, and to make the
assurance that in the maintenance of peace and order in the
International Settlement it is the constant policy of the
Japanese Government to cooperate with the International
Settlement authorities".

Repeated to Shanghai.

GREW

WWC:HTM

793.94/11752

F/E/G
FILED

DEC 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

MSM

FE

TELEGRAM RECEIVED

JR

1-1586

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

FROM SACRAMENTO

December 21, 1937

Rec'd 10:55 a.m.

ACTION: CINCAF

INFO: NAVY DEPT.
USS MARBLEHEAD
ALUSNA PEIPING

Division of
FAR EASTERN AFFAIRS

DEC 21 1937

Department of State

793.94

0021. New fires started last night vicinity little harbor Korean hill. Some looting small Jap shops, looters reported shot. Residential district quiet. 0930.

RR

793.94/11753

DEC 21 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. Chute NARS, Date 12-18-75

62-1

TELEGRAM RECEIVED

MBo

This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (B)

FROM

Tokyo

Dated December 21, 1937

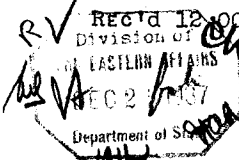
Secretary of State,
Washington.

665, December 21, 6 p.m.

One. We have received in the strictest confidence

from an entirely reliable Japanese an indication of the
trend of thought at the conferences which began last week
between the Government and Imperial headquarters. The
informant stated little that has not previously been
said privately to me by Hirota or publicly by other
responsible Japanese. HOWEVER, his statement seems to us
of considerable importance at this time because it is the
first and only credible indication which we have received
of the views predominating (repeat predominating) at these
conferences.

(a) When the conflict with China began it was the
policy of the Japanese Government to avoid aggravating the
situation. However, after five months the conflict has
extended to proportions which ~~were~~ not originally con-
templated: the Capital of China has been taken, large
parts of China are under Japanese occupation, and - most
important of all - a heavy sacrifice in human life has
been



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

in confidence

793.94/11754

F/FG

FILED

K

62-2

2- No. 665, December 21, from Tokyo.

been involved. The return to Japan of the ashes of the soldiers killed at the front has impressed the Japanese people as nothing else could have done the importance of Japan's obtaining a final and lasting liquidation of its difficulties with China. Japan cannot therefore agree today to a settlement on the comparatively moderate terms which were offered to China at the beginning of the conflict and which would have been acceptable prior to the fall of Nanking.

(b) Although Chiang Kai Shek has declared in his most recent public statement that Nanking has lost its strategic importance, it cannot be denied that the loss of Nanking is politically a matter of supreme importance to China. If the Chinese Government fails to appreciate this fact and affirms and demonstrates by action that it will continue the struggle the Japanese Government cannot further be hampered by effort to keep the situation from being aggravated.

(c) If the Chinese Government makes good its threat to resort to a war of endurance whatever further action which may be taken by Japan will have but one objective, that is, to bring the hostilities to an end as quickly as possible.

(d)

62-3

3. No. 665, December 21, from Tokyo.

(d) No declaration of war against Russia is under contemplation (this statement is directed at speculative estimates in the affirmative made by a number of my colleagues).

Two. The foregoing is practically a full verbatim account of the statement of the informant. Although several possible developments such as attack on Canton or declaration of war against China occur to us which fit well within the framework of his presentation of the situation any estimate which I might make on the basis of the scant information now available would be little more than attempt at prophesy. I feel that I am on safe ground only in expressing the belief that the Yangtze River incidents have brought to the surface a latent disunity of thought among those elements represented at the above mentioned conferences with regard to Japan's policy after the capture of Nanking. The military mind has we believe begun to realize the dangers inherent in military action in China and may even be prepared to take precautions against involvement with the United States and Great Britain but the information presented in paragraph one indicates the probability of there being nevertheless an extension of declared military objectives.

Repeated to Shanghai for Hankow.

GREW

RR:HPD

[CONFIDENTIAL]

62-4

P A R A P H R A S E

A telegram (no. 665) of December 21, 1937, from the American Ambassador at Tokyo reads substantially as follows:

From an entirely reliable Japanese source the Embassy has received strictly confidential information showing the trend of thought at the conferences between the Imperial headquarters and the Government which began last week. The Embassy did not learn much from this informant which the Minister for Foreign Affairs (Hirota) had not already said to the Ambassador in private conversation or which other responsible Japanese had not stated publicly. The Ambassador considers the informant's statement rather important, however, at the present time because of the fact that it is the first and only reliable indication which the Embassy has received of the opinions which are predominating at the conferences above mentioned.

793.94/11754.

(1) It was Japan's policy at the time the conflict with China started to avoid making the situation worse. The conflict has grown to proportions after five months, however, which were not intended originally--large areas in China are under Japanese occupation, China's capital has been captured, and, most important of all, there has been a great sacrifice in human life. The importance of obtaining a lasting and final settlement of the difficulties existing between China and Japan has been impressed upon the Japanese, more deeply than could have been done in any other way, by the return to Japan of the ashes of the soldiers killed at the front. Therefore, a settlement on the comparatively moderate terms which were offered to China when
the

-2-

the hostilities began and which would have been acceptable before Nanking's capture cannot be accepted by Japan today.

(2) There is no denying that the loss of Nanking is a matter of supreme importance politically to China, although in his most recent public statement General Chiang Kai-shek declared that Nanking has lost its importance from a strategic standpoint. If the Chinese Government fails to appreciate the fact that the loss of Nanking is of supreme importance politically and declares and shows by action that it will go on with the struggle, Japan cannot be hampered further by effort to prevent the situation from being made worse.

(3) In case the Chinese Government carries out its threat to resort to a war of endurance, there will be but one objective to ^{whatever} further action which may be taken by Japan, and that objective will be to bring an end to the hostilities at the earliest possible moment.

(4) There is not under contemplation a declaration of war against Russia. (This statement is aimed at speculative estimates made by a number of the Ambassador's colleagues to the effect that war against Russia is contemplated.)

Practically a full verbatim account of the informant's statement is contained in the above paragraphs. Any estimate which the Ambassador might make based on the scant information now available would be little more than an effort at prophecy, although several possible developments occur to him, such as a declaration of war against China or an attack on Canton, which might

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

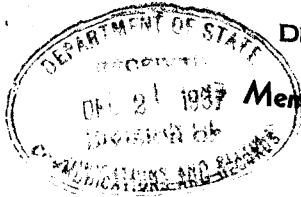
-5-

might fit well within the framework of the informant's presentation of the situation. Only in expressing the opinion that the incidents on the Yangtze have disclosed a latent disunity of thought among those factions represented at the above-mentioned conferences in regard to the policy of Japan after the capture of Nanking does the Ambassador feel that he is on safe ground. He is of the opinion that the dangers inherent in the military action in China are now beginning to be realized by the military mind which may even be ready to take precautions against become involved with Great Britain and the United States. However, the information set forth in the above paragraphs of this telegram gives evidence of the probability that nevertheless declared military objectives may be extended.

793.94/11754
99C.
FE:EGG:HES
12-22

ACM
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

Memorandum of Conversation

Division of
FAR EASTERN AFFAIRS
DEC 15 1937

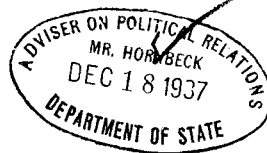
DATE: December 14, 1937.

SUBJECT: The situation in the Far East.

PARTICIPANTS: Dr. Walter A. Riddell, Counselor of the
Canadian Legation;
Mr. Hamilton.

COPIES TO:

793.94
not
394.115 (Panay)



Dr. Riddell called at his request. He said that he wished to keep in touch with developments in regard to the Far Eastern situation and that he did not know whether anything of importance had happened in addition to what was reported in the press.

I read to him Peiping's telegram 820, December 14, 11 a.m., in regard to the setting up of a committee at Peiping which claimed to be the "government of China" and also Admiral Yarnell's telegram of December 14, 0014-1240, in regard to the Panay case. I also told him that I had seen a ticker report from Tokyo to the effect that the Japanese Government had presented today to Ambassador Grew at Tokyo a formal note in regard to the Panay case.

793.94/11755

F/FG

11755-

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 -

case. I also told him in confidence that the Department had last night sent the text of a note to Ambassador Grew which Ambassador Grew would presumably present to the Japanese Foreign Office today. I stressed the fact that the sending of this note was as yet confidential.

Dr. Riddell thanked me for this information.

(NOTE: I later telephoned Dr. Riddell and told him that the Department has now released to the press the text of the note which Ambassador Grew had been asked to present to the Japanese Foreign Office.)

m. w. l.

FE:MMH:EJL

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

MSA T
TELEGRAM RECEIVED

MBo

1-1236

FROM GRAY

Chefoo via N.R.

Dated December 21, 1937

Rec'd 1:47 p.m.

793.94
Secretary of State, **DT**
Washington.

Division of
FAR EASTERN AFFAIRS
DEC 21 1937
has received information

December 21, 11 a.m.

One. News of destruction of Japanese property in
Tsingtao has caused no noteworthy reaction here.

Two. Commissioner of Customs here ~~has received information~~ ~~that since~~

that on the 11th Japanese naval forces established themselves
on the Changshan (or Miaotao) Islands, latitude 28 north
longitude 121 east. Reports state that inhabitants have
replaced Chinese flag with "Manchukuo" or Japanese flag.

Repeated to Peiping, Tsingtao and Hankow.

NO SIGNATURE

RR:KLP

(#) Apparent omission.

793.94/11756

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

AA

TELEGRAM RECEIVED

EYA

COMSOPAT

1-1836

December 21, 1937

FROM

Received 6:47 p.m.

COMSOPAT
ACTION OPNAV
INFO:
2ND MAR BRIGADE
COMDESRON 5
COMSUBRON 5
CINCAF
COMYANGPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

Handwritten signatures and initials, including "A" and "B".

COPIES SENT TO
~~CHINA AND M.I.D.~~

793.94

0121 South China ports quiet 2000

DT

793.94/11757

F/FG

CHINA

DEC 27 1937

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

TELEGRAM RECEIVED

JS

Gray

1-1336

FROM TSINGTAO Via N.R.
Dated December 20, 5 p.m.
Rec'd 21st 6:43 p.m.

Secretary of State,
Washington, D.C.

December 20, 5 p.m.

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

There was combined destruction of Japanese property today and some more looting but at the moment all is quiet. Curfew on again from 6:00 p.m. to 6:00 a.m. Japanese ships reported ~~captured~~ near ~~east~~ (7). Several Japanese air planes flew over Tsingtao today for observation purposes only.

All shops are closed, streets deserted.

Tsinanfu (repeat Tsinanfu) is absolutely quiet.

Local municipal government still functioning.

Sent to the Department, Hankow, Peiping.

SOKOBIN

SMS NPL

793.94/11758

FILED
F/FG

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. Hueston NARS, Date 12-18-75

TELEGRAM RECEIVED

EG

GRAY

1-1234

FROM

Shanghai via N. R.

Dated December 21, 1937

Rec'd 2:10 p.m.

Secretary of State
Washington.

Division of
ASIAN AFFAIRS

COMMITTEE TO
O.N.I. AND M.I.D.

1204, December 21, 5 p.m.

My No. 1171, December 17, 2 p.m.

Japanese are reported to be pressing forward on three fronts, namely, up the Tsinpu Railway with Hsuehowfu as objective, toward Hofei, Anhwei and south from Wuhu. Sporadic fighting is reported in the Hangchow area where the Japanese are gradually closing in on the city from three directions.

General Matsui in Nanking is reported by Japanese newspaper men to have stated military operations would be continued "if the Chinese Government still fails to reconsider its actions and to correct its attitude". However, he is also reported to have said that Japanese troops would rest for a brief period in order to give "a chance to China for reconsideration and to renew our strength".

Repeated to Hankow and Peiping.

GAUSS

KLP

F/F G

DEC 27 1937

RECEIVED

793.94/11759

793.94

DT

n

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

MJD

1-1338

FROM GRAY

Hankow via N. R.

Dated December 21, 1937.

Rec'd, 1:44 p. m.

Amembassy Peiping

Secretary of State,

Washington.

96, December 21, 11 a. m.

FOLLOWING FOR WAR DEPARTMENT FROM COLONEL STILLWELL.

"Japanese offensive north from Pukow other than
Tsinpu railway seems ~~momentarily~~ ^{definitely} under way. Objective
probably Hsuechowfu. Believe Japanese can reach it and
effect junction with troops now north of Tsinanfu in less
than one month. Believe Chinese troops in Shantung and
Kiangsu will withdraw west along Lunghai with little
resistance, and that Japanese ~~movement~~ ^{landing} at Haichow is un-
necessary. Military situation elsewhere in Yangtze Valley
unchanged. No Japanese movements west of Wuhu as yet."

JOHNSON

WNC
KLP

793.94/11760

F/F G

FILED

DEC 22 1937

793.94

WNB
4/20/38

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

63-1

TELEGRAM RECEIVED

JS
This telegram must be
closely paraphrased be-
fore being communicated **FROM**
to anyone (C)

HANKOW

Dated December 21, 1937

Rec'd 9:15 p.m.

Secretary of State DEC 22 1937

Washington, D.C. NOTED

97, December 21, noon.

CONFIDENTIAL FOR THE SECRETARY

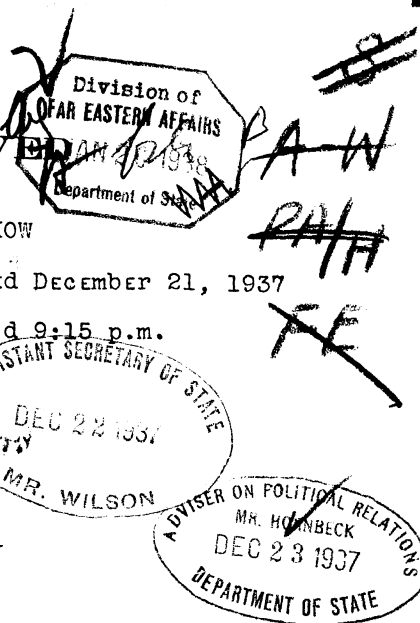
Peiping's 836, / 11740 DECEMBER 20.

Exhortation of Terauchi to the Chinese population

to cease from friendly relations with distant nations
which violated the sovereignty of China is direct
incitement to Chinese to hate and molest foreigners.
Foreigners in China have long anticipated that the
Japanese would endeavor to create sympathy between
Chinese and Japanese by appeal to pan-Asian sentiment
and by fostering promotion of and hatred of white races.

No one doubts but that these methods will be used as
part of Japanese effort to eradicate and supplant
European and American enterprises and prestige with
Japanese. I desire to point out that in the light
of statements like this one, the looting of foreign
property in the Shanghai area by Japanese, and the
repeated attacks on foreign ships, it would be mere
credulity to rely on promises to respect American life
and property such as were reportedly made by Ambassador

Saito



793.94
note
193.50
393.11

793.94/11761

FILED
JAN 31 1938

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

63-2

-2-

From Hankow, #97.

Saito in recent radio broadcast. The real policy of Japan in China is planned and executed by the Japanese army which is guided only by its careful estimate of the military obstacles to be expected and ignores as entirely irrelevant the protests of foreign governments and the promises of Japanese diplomats, neither of which the army believes has any bearing on its purely military problems. The undoubtedly friendly feeling of the Japanese people and Foreign Office for the American people has thus far had no effect on the policy of the Japanese army in China. It is my considered view that as long as Japanese policy is dictated by the army the representations of foreign governments to Japan on behalf of their respective rights in China will prove of no value unless accompanied by unmistakable evidence of intention to make Japan suffer in some way for violation of such rights. In addition to the effects already described the success of the Japanese army policy will mean the destruction of those influences which have served to draw China into cultural and emotional sympathy with the liberal democratic countries of the Occident and leave China to fall a prey to the Communism of Russia or to the military despotism of Japan. It is of course a matter of opinion whether it is worth while through military

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

63-3

-3-

From Hankow, #97.

WB
23-38
military and economic sacrifices to endeavor to
influence the course of history. These are based
on observations (A) ^{the United States representatives} in China and are of course offered
with due deference to the opinion of Grew.

JOHNSON

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

64-1

TELEGRAM RECEIVED

JS

Gray

1-1336

FROM

TOKYO

Dated December 22, 1937

Rec'd 4:45 a.m.

Secretary of State,
Washington, D.C.

667, DECEMBER 22, 9 a.m. DEC 22 1937
Embassy's 642, DECEMBER 16, 11 a.m.

Division of
AFRICAN AFFAIRS

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

The following provisional reply addressed to the
British Ambassador from the Foreign Office to the British
note of December 16th relating to Japanese attacks upon
British vessels was received by the British Embassy on
December 18.

"Translation, No. 230, Confidential, Urgent, 17th
December, 1937.

Your Excellency, I have the honor to acknowledge
receipt of Your Excellency's note No. 196 of the 16th
December regarding the incident of the attack made by
the Japanese forces on British men of war and merchant
vessels in the vicinity of Wuhu and Nanking on the 12th
December.

In my note confidential No. 227 of the 14th December,
I expressed the profound apology of the Imperial Japanese
Government for this incident and informed Your Excellency
that the necessary measures to prevent the recurrence of
incidents of this nature had immediately been taken. I

further

793.94/11762

F/FG

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

64-2

-2-
From Tokyo, #667.

further stated that those responsible would be dealt with appropriately and that the necessary indemnification would be made.

The assurances given by the Imperial Japanese Government with regard to H.M. ships "LADYBIRD" "BEE" "CRICKET," and "SCARAB" of course are equally applicable to the British merchant vessels which were attacked in similar circumstances on the 12th December.

In sending to Your Excellency this provisional reply, I avail, et cetera. Signed Koki Hirota."

GREW

JS

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

65-1

*This was rec'd without
cover.*

~~TE~~
~~EO~~

TELEGRAM RECEIVED

EDA

This telegram must be _____ MOSCOW
closely paraphrased
before being communi-
cated to anyone (d)

Dated December 21, 1937

Received 3:11 p.m.

Secretary of State

Washington

Division of
EASTERN AFFAIRS

DEC 22 1937

Department of State

333, December 21, 2 p.m.

The following is a brief summary of statements
made to me yesterday in the strictest confidence by the
Chinese Ambassador in Moscow.

One. I am secretly leaving for China within two
or three days to confer with Chiang Kai Shek and to
explain to him the Soviet attitude with respect to
China. The journey which is by airplane across
central Asia will be hazardous. Before departing I
desire to give you to understand something of what
I have been encountering during the last year.

Two. I came to Moscow as Ambassador in November
1936. Before my appointment I had a reputation of
being a firm supporter of Chinese-Soviet friendship.
I had been on friendly terms with Soviet officials in
China including Bogomolov, the Soviet Ambassador; had
already visited the Soviet Union on several occasions;
and had discussions in Moscow regarding difficult Soviet
relations with some of the highest Soviet officials.

Three.

793.94/11763

FILED

F/FG

DEC 22 1937

793.94
761.93

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

65-2

EDA - 2 - #333, December 21, 2 p.m. from Moscow

THREE. One of the purposes of my mission was to obtain assurances from the Soviet Government that if China pushed Japan so far as to make war inevitable the Soviet Union would support China both with supplies and armed forces.

FOUR. Although while in China Bogomolov had been free in making oral assurances of Soviet readiness to assist China in case of war with Japan, and in Moscow at the time of my arrival I was unable to get in touch with him. He did call upon me to say good-bye prior to his return to China some time after my arrival but avoided discussing political problems. I found that Litvinov was also evasive. In response to my overtures he usually replied that he preferred to have important matters involving Soviet-Chinese relations discussed at Nanking.

FIVE. Bogomolov and influential groups in China friendly to the Soviet Union continued during the Spring and Summer of 1937 to endeavor to make the Chinese Government believe that if it would undertake to offer armed resistance to Japan it could confidently expect the armed support of the Soviet Union.

For

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

65-3

EDA - 3 - #333, December 21, 2 p.m. from Moscow

For various reasons I insisted that my Government give serious consideration to no assurances which were not in writing. My insistence was interpreted by pro-Soviet circles in China as implying lack of confidence in Soviet integrity. Now that the Soviet Government has failed to give the assistance which these circles stated it would give, they are contending, instead of conceding that I was right, that my lack of confidence in Soviet oral promises had undermined Chinese-Soviet relations and that I am responsible, therefore, for the failure of the Soviet Government to enter the conflict.

Six. The following incident illustrates my difficulties. In October a Chinese Communist visited Stalin and reported to his friends in China, who in turn reported to the Chinese Government, that on a certain date the Soviet Government would join China in its war against Japan. In response to an inquiry from my Government, I replied that my information would indicate that the Soviet Government had no intention of permitting itself to be involved in the hostilities in the Far East in the foreseeable future. Nevertheless, the friend of the Soviet Union in China insisted 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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EDA - 4 - #333, December 21, 2 p.m. from Moscow

that the Communists were in a better position than I to report on Soviet intentions. When upon the date mentioned the Soviet Government made no move towards giving armed assistance to China my Government ordered me to ask why Stalin had failed to keep his promise. Stalin, in reply to my inquiries made to him indirectly, stated that he had never made the promise credited to him.

Seven. I must state out of fairness that neither Litvinov nor any other high Government official in Moscow has ever given me any promises of Soviet armed support to China against Japan. Nevertheless, they have not taken recommended measures to end the campaign of belligerency carried on by their representatives and friends in China.

Eight. Bogomolov, upon his return to the Soviet Union several weeks ago, was arrested. It is my understanding that the charges against him are not that he had made unauthorized promises to the Chinese Government but that he was too optimistic in reporting to his Government the ability of the Chinese armed forces to resist Japan. Apparently the Soviet Government had been led by Bogomolov to believe that the Chinese resistance to a Japanese attack would be much

more

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

65-5

EDA - 5 - #333, December 21, 2 p.m. from Moscow

more stubborn than it has been effectual, and a feeling is commencing to be manifest in high circles that Japan may be able to emerge from the war much more quickly and in a much better economic and military condition than had been anticipated. It is beginning to fear that the war instead of weakening Japan may result in adding to its strength, prestige and aggressiveness.

Nine. Although for internal consumption the Chinese Government is endeavoring to assure its people and the world that time is on its side and that if the Chinese armies continue to offer resistance Japan will inevitably become exhausted. Nevertheless, there is a growing feeling among informed Chinese circles that Japan by following a ruthless policy of depriving the population of conquered portions of China of even their elementary needs will be able to mobilize supplies in sufficient quantities to permit it to carry on the war for a protracted period.

Ten. I have talked with the new Soviet Ambassador to China and will tell you in confidence that I am convinced that he is a Smirnov who was replaced recently as Soviet Assistant Commissar for Defense.

HENDERSON

NPL:SMS

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

66-1

TELEGRAM RECEIVED

EG
This message was received
in navy code and must be
closely paraphrased before
being communicated to anyone.

FROM

CINCAF

December 22, 1937

Rec'd 6 a.m.

Telegram to
Shanghai 12/22/37
Division of
Naval Affairs
1 DEC 22 1937
Department of State

ACTION: NAVY DEPARTMENT

793.94
note
394.115 Panay

0021. Told Hasegawa today existing restrictions
access Americans to their properties Hongkew Yangtzepoo
Pootung causing much illwill resentment, he said situation
being studied with view relaxation. Feal Admiral sincerely
anxious improve conditions but lacks full authority; well-
founded reports indicate much graft bribery connection
entry property removal passes Hongkew.

Advised him our only object in not acceding entry
Nipponese marines their mills our sector here was desire
prevent incidents and if troops brought into area quietly
inconspicuously in small numbers trucks also remained in-
side mills I would offer no further objection. He ap-
proved this. We set first January such entry which agree-
ment believed satisfactory, army has evidently pressed
navy send forces mills and latter's face will be saved by
this arrangement.

Informed him that several press interview statements
by General Harada not accordance facts, also couldn't under-
stand how naval planes flying Nanking months with U.S. gun-
boats present unable recognize PANAY this occasion, he cried

there

793.94/11764

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

66-2

-2- from Cincaf, December 22, 1937, rec'd 6 a.m.

there was much confusion his planes acting on army information, that Chinese vessels escaping up river from capital plus many aviators very recently changed and denied sea aircraft under orders military. 1500

RR

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

ALFRED N. PHILLIPS, JR.
4TH DIST. CONNECTICUT

VINCENT CALLAHAN
SECRETARY

Congress of the United States
DEPARTMENT OF STATE
House of Representatives

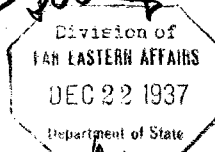
1937 DEC 22 AM Washington, D. C.

December 20, 1937.

DIVISION OF
COMMUNICATIONS
AND RECORDS

December 28 1937

Hon. Cordell Hull,
Secretary of State,
Washington, D. C.



Dear Mr. Secretary:

I would appreciate information from you as to the reported looting of the United States Embassy at Nanking by the Japanese, and the use of its compound as an execution place for condemned Chinese.

I would also appreciate advice from you as to facts connected with the Panway outrage.

Thanking you, I am

Very sincerely,

ANPjr*H

Alfred N. Phillips, Jr.

793.94
124.03
394.115 Panway

793.94/11765

FILED
DEC 29 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

December 22 1937

In reply refer to
FE 793.94/11765

My dear Mr. Phillips:

I have received your letter of December 20, 1937, making inquiry in regard to the reported looting of the American Embassy at Nanking by the Japanese, the reported use of the Embassy compound as a place of execution for condemned Chinese, and the sinking of the U.S.S. Panay.

The Department has received no official information which substantiates the reports of the looting of the Embassy at Nanking by the Japanese and the use of the Embassy compound as a place of execution for condemned Chinese. In this connection, the First Secretary of the Japanese Embassy informed the American Consul General at Shanghai on December 18 that, according to reports received from the Japanese military authorities in Nanking, the eighteen Americans who remained in that city were well and uninjured and that

the

The Honorable

Alfred N. Phillips, Jr.,

House of Representatives.

793.94/11765

F/A 11765-

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-

the American Embassy buildings were not damaged.

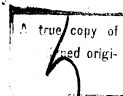
There are enclosed copies of the press releases issued by the Department in regard to the sinking of the U.S.S. Panay, which it is believed will give the factual information desired by you on the matter.

Sincerely yours,

Dordell Mull

Enclosures:

Press releases-
December 13 (1),
December 13 (4),
December 14 (4),
December 15 (3),
December 24 (1),
December 25 (1).



CR *long*
DEC 27 1937.PK
(routine)

DS
FE:RLS:SMJ

AW
FE
Jan

AW
12/27/37

AW

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

1-1236

FROM

Hankow via N. R.

Dated December 22, 1937

Rec'd 11:45 p.m.

Secretary of State,
Washington.

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

Division of
Far Eastern Affairs
DEC 22 1937
Department of State

98, December 22, 2 p.m.

Following for War Department from Stillwell:

Chinese anticipate Japanese will soon control
Tsinpu line throughout. Intend resist but have little
confidence can prevent capture Hsuehowfu. Expect
Japanese landing at Tsingtao and combined move west
from there and south from present Japanese position
north of Yellow River. I believe bulk Chinese troops
now in Shantung and Kiangsu will withdraw promptly on
Hsuehowfu thence west on Lunghagi with major resistance
if any at Hsuehowfu.

Chinese doubt seriousness Japanese threat at Canton.
About 125,000 troops available there, mostly Kwangtung
units. Very few Kwangtung troops have come north. No
present indications sending troops south. Repeated to
Peiping.

JOHNSON

RR:WWC

793.94/11766

F/F G
FILED
DEC 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

67-1

TELEGRAM RECEIVED

EG

1--1836

GRAY
FROM

London

Dated DECEMBER 22, 1937

REC'd 12:25 p.m.

Secretary of State,
Washington.

800, DECEMBER 22, 2 p.m.

Two considerations characterized yesterday's somewhat redundant debate on foreign affairs, namely:

One. What Churchill termed "the very great measure not merely of underlying but openly expressed unity in the speeches in all parts of the House of Commons".

Two. The almost unanimous awareness of the key position occupied by the United States and the equally unanimous desire to obtain American cooperation which means American support.

The significant points on the European and Mediterranean situations were reported in my numbers 741.00/139 741.00/140
796, December 21, 6 p.m., and 797, December 21, 7 p.m.

~~Not quite all~~ it seems desirable to quote below pertinent excerpts from the statements of the Prime Minister and the Foreign Secretary on the Far East. Chamberlain said: "What we are now doing is to await proof of the determination and the ability of the Japanese Government to prevent a recurrence of these incidents. From the beginning

755-94/11767

○

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

67-2

-2- No. 800, DECEMBER 22, 2 p.m. from London

beginning WE HAVE constantly offered our services with a view to trying to find some means of bringing this conflict to an end. WE are still anxious to serve the cause of peace by any honorable means that are open to us but it must not be thought that our desire for peace and our patience under repeated provocations means that we are either indifferent to our international obligations or that we are forgetful of our duty to protect British interests. It is now for the Japanese Government to show that they in their turn are not unmindful of the rights and interests of foreigners and that their assurances and apologies mean something more than words".

Eden said: "Does the opposition really think that the League of Nations today with only two great naval powers in it, ourselves and France, have got that overwhelming force? It must be perfectly clear to every one that overwhelming force does not exist. Every nation at Geneva from the beginning of this dispute knows perfectly well that the very thought of action of any kind in the Far East must depend on the cooperation of the nations besides those who are actually members of the League at this time".

In reply to an interruption mentioning the instance
of

67-3

-3- No. 800, December 22, 2 p.m. from London

of Abyssinia, Eden said "If the government or a collection of governments have made a mistake is that a reason for advocating that they should repeat in exactly the same form?" He went on to say: "Our chief preoccupation at this juncture is the situation in the Far East. We are faced with manifold problems of great complexity and gravity. The very gravity of them makes it difficult for me to speak as freely as I would like tonight. We have in the Far East great interests which are certainly not incompatible with those of other nations there and which we shall do our utmost to defend (***) in the present conditions there are three principles which I think must guide us in the Far East: the first, that we must do all that we honorably can to secure the restoration of peace; the second, that we must do our full share with others in the fulfillment of our international obligations; and the third, that we must protect our own interests and of course British territory. There is a very important aspect of this Far Eastern situation which is perhaps the only one today that one can view with satisfaction. It is the fact that we are constantly and daily in close consultation with the Government of the United States. Over and over again we have taken either parallel or similar action and that in itself is an indication

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

167-4

-4- No. 800, December 22, 2 p.m. from London

dication of the closeness of such collaboration".

Because of the diffuse character of the debate
today's editorials are mainly descriptive.

JOHNSON

HPD

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

1-1236

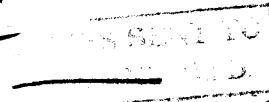
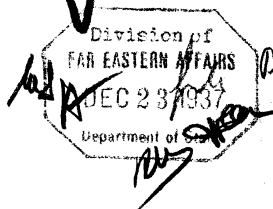
EG

FROM
SECOND BRIGADE USMC

December 22, 1937

Rec'd 3:35 p.m.

OPNAV: WASHINGTON
INFO: AMCON SHANGHAI
COMSUBRON FIVE
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMBASSADOR CHINA
ALUSNA



DT

8622. Japanese meeting stiff resistance Hangchow sector, no change situation north and east Yangtze. Local situation unchanged, Japanese mills reported received permission from military resume operations. 1855.

HPD

793.94/11768

EG 23 1937

11/11/37

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

68-1

MSA

FE

JS

TELEGRAM RECEIVED

TSINGTAO Via N R

1-1236

Dated December 21, 1937

FROM

Rec'd 22nd 7:05 p.m.

Secretary of State,
Washington, D.C.

December 21, 5 p.m.

Division of
FAR EASTERN AFFAIRS
DEC 23 1937
Department of State

DT

Some looters were shot this afternoon. There has been a change in the police administration and heavily armed marines are now guarding the streets. Some of the looting appears to have the sanction of the police. Chinese banks closed. Otherwise everything is very quiet and there has not been the slightest disorder in the section where Americans live.

Two. At a meeting of the foreign consuls in Tsingtao on Sunday, December 19, it was agreed to ask the senior naval officer present (British) to send the following message to the senior Japanese naval officer operating in this ^{AREA} (A): "Edgewater mansions and approaches to the Hui-chuan point will in case of emergency be the center of the foreign concentration area. Will you agree to respect this area as a foreign neutral zone?"

Three. The above quoted message has not been seen yet but it will be delivered by a foreign man-of-war when Japanese men-of-war are approaching Tsingtao.

Sent to the Department, Embassies, Shanghai.

EMB SMS
#-apparent omission

SOKOBIN

793.94/11769

F/FG

FILED

AN 8 - 1938

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

DISTRIBUTION

TELEGRAM RECEIVED

EG

1-1336

ASIAN AFFAIRS
DEC 23 1937

FROM

COMYANGPAT

December 23, 1937

Rec'd 9:25 a.m.

ACTION: CPNAV
INFO: SECOND BRIGADE USMC
YANGTZE PATROL
CCMSUBRON FIVE
CCIDESRON FIVE
CINCAF
CONSOPAT
AMEMBASSADOR CHINA
USC MARBLEHEAD
ALUSNA PEIPING

0022. Yangtze River ports quiet. 2250.

HPD

793.94/11770

F/FG
FILED
DEC 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

MJD

CINCAF

2nd Brigade USMC

FROM

Rec'd. 10:10 a. m.

Action Cincaf Opnav

Info Amcon Shanghai

Comdesron 5

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Comyangpat

Comsopat

Amambassador China

Alusna Peiping

Division of

Eastern Affairs

REC 23 1937

Department of State

REC 23 1937

Department of State

REC 23 1937

Department of State

8623 Japanese advance reported 35 miles north Pukow,
25 miles north Chinkiang. Chinese offering resistance
Hangchow area. Flanking drive southward through Anchi,
Siaofeng reported 20 miles northwest Hangchow. Fourteen
lighter loads munitions transferred from Yangtszepoo to
ships at Wocsung twenty second 1839

klp

793.94/11771

REC 23 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

TELEGRAM RECEIVED

MJD

1-1838

FROM COMSOPAT

Rec'd. 10 a. m.

Action Opanav
Info 2nd Brigade USMC
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Sixth Marines (Portad
Ambassador China
USS Marblehead
Alusna Peiping

December 23, 1937.

Division of
EASTERN AFFAIRS
DEC 27 1937
Department of State

0122 South China ports quiet 2000

COPIES SENT TO
ONLINE AND M.I.D.

KLP

795.94/11772

FILED/FG
DEC 23 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

69-1

JW

X

JR

TELEGRAM RECEIVED

GRAY

Tokyo

1-1386

FROM Dated December 23, 1937

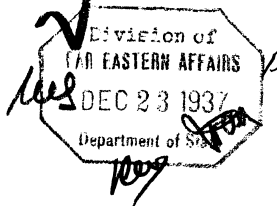
Rec'd 9:35 a.m.

*Dec 24 1937
dropped
Tokyo*

Secretary of State,
Washington.

673, December 23, 5 p.m.

CONFIDENTIAL.



My British colleague has given me for my confidential information a copy of a formal note which he addressed yesterday to the Minister for Foreign Affairs protesting an alleged serious violation of the territorial waters and of the territory itself of Hong Kong by Japanese naval forces on December 11. A summary of this note:

The facts as reported are that on December 11 a Chinese customs vessel when within British territorial waters was fired at by a Japanese destroyer from a position just outside territorial waters was shortly afterwards struck by one ricochet (X) and was then beached on British territory and abandoned. The Japanese destroyer subsequently entered British territorial waters and towed the customs vessel off. A Japanese naval party landed without any permit from the authorities of the colony.

The note then points out that the action of the Japanese destroyer was in all respects "wholly unjustified and illegal".

The

755.94/11773

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

69-2

-2- #673, December 23, 5 p.m., from Tokyo.

The note continues:

"The illegal nature of these violations of British sovereignty and jurisdiction is so clear that His Majesty's Government can only suppose that the local Japanese naval authorities are in ignorance of the correct course of conduct to be followed in such cases; the more so as this is not the first instance of its kind.

His Majesty's Government do not doubt the Japanese Government will share their view of this incident; they accordingly expect to receive at an early date an assurance that the strictest instructions have been issued to ensure that the territories and territorial waters of Hong Kong are fully respected. At the same time they request to be informed of the nature of the disciplinary action which has been taken against those responsible for this deplorable occurrence".

My British colleague requests that this matter be treated in confidence as the matter has been given no publicity at all.

GREW

RR:WWC

~~(X)~~ 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

69-3

Gray

PREPARING OFFICE
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 OR
 Charge to
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TELEGRAM SENT

TO BE TRANSMITTED
 CONFIDENTIAL CODE
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Department of State
 DEPARTMENT OF STATE

Washington,

1937 DEC 24 PM 1 35

December 24, 1937.

AMEMBASSY,

DIVISION OF
 COMMUNICATIONS

2 pm

374

TOKYO (Japan).

79394/11773

Your 673, December 23, 5 p.m., last paragraph.

Reports regarding this matter have already appeared
 in the press, notably a despatch published on December 23
 in the New York Herald Tribune from its London bureau.

H. ee

344

793.94/11773

FE:JWB:NN

FE

PA/H

F/MR

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

70-1

WAA

Return to
FE
WAA

DIS

TELEGRAM RECEIVED

MJD

GRAY

1-1236

FROM

Tokyo

Dated December 23, 1937.

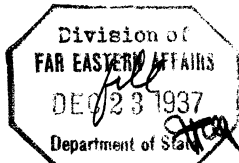
Rec'd. 9:55 a. m.

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

NOTE
893.102 Hankow

Secretary of State,
Washington.

DT



672, December 27, 4 p. m.

Reference Department's 367, December 21, 7 p. m.,
area free of attack at Hankow.

Upon receipt on December 15, of Ambassador Johnson's
telegram 33/¹¹⁶⁰⁶ of December 13, 4 p. m., I left with the
Foreign Office a memorandum dated December 15th quoting
Ambassador Johnson's proposal and requesting the Foreign
Office to take appropriate action in support thereof.

On December 18 the British and the German Embassies
took similar action on the same proposal. The French
Ambassador on the same day made representations regarding
French shipping in the (#) and the French concession in
Hankow. He will on the first opportunity support the
general proposal. The Italian Embassy stated today that
it associated itself with the proposal and would make
appropriate representations tomorrow morning.

Repeated to Hankow.

GREW

RR
WWC

(#) Apparent omission

793.94/11774

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

71-1

TELEGRAM RECEIVED

JR

GRAY

1-1236

FROM Tsingtao via N. R.

Dated December 22, 1937

Rec'd 7:25 a.m., 23rd.

Secretary of State,
Washington.

December 22, noon.

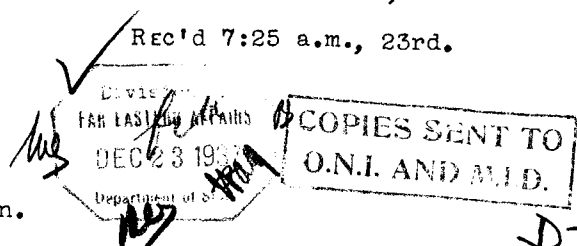
The looting has ceased entirely and a really quiet situation prevails here with every appearance of control by the Chinese authorities. There is still no sign of Japanese military activity along the Yellow River where they reached Tsinanfu more than a month ago, and as yet there is no sign of a change in the Japanese naval and military policy of abstention in respect to Tsingtao or the rest of Shantung, although naturally many expect such a change now that there has been a destruction of Japanese property in Tsingtao.

Up-to-date there has not been a single case of damage to American lives or property. The difficulties which now confront this port immediately are those arising from the strangling of its economic life. Rail traffic practically at standstill and maritime traffic extremely difficult. Harbor facilities practically nonexistent.

Sent to Embassies; Shanghai.

SOKOBIN

HPD



793.94/11775

DEC 23 1937

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 O. Hunter NARS, Date 12-18-75

TELEGRAM RECEIVED

1-1336
MBo

THIS MESSAGE WAS RECEIVED IN NAVY CODE and must be closely paraphrased before being communicated to anyone.

FROM

Division of MARBLEHEAD

IN EASTERN AFFAIRS 10

DEC 23 1937

December 23, 1937

Department of

Rec'd 10:50 a.m.

TO: CINCAF

INFO: SECOND BRIGADE USMC

ALUSNA PEIPING

PASSED BY CINCAF TO NAVY DEPARTMENT

0021 Quiet. Mills still smoldering. No further destruction contemplated. Looting exaggerated. Looters were summarily shot in public in several instances as warning, officials believe soon be entirely suppressed. United States State Department's December 20, 3 p.m. Urge for evacuation mentioning Navy Department's concurrence coupled with our arrival has given rise to uneasiness to both nationals and Chinese although no more military reason can be seen now than heretofore for Japanese capture. American Consul urging and listing evacuees. Requests information about vessels for transportation. Have informed actually in danger we would take our nationals but had no authority to run passenger service, otherwise please advise your repetition message mentioned 2332.

KLP:

793.94/11776

F/F G

NOTE
393.1115

TELEGRAM RECEIVED

EG

GRAY

FROM

Peiping via N. R.

Dated December 23, 1937

Rec'd 7:25 a.m.

793.94
Secretary of State,
Washington.

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

Division of
FAR EASTERN AFFAIRS
DEC 28 1937
Department of State

842, December 23, noon.

Embassy's 838, December 28, 6 p.m.

One. Responsible Japanese military officers stated yesterday in private conversation that 20,000 Japanese troops are being withdrawn from North China; that part of them are being sent to Bias Bay to cut the Canton-Kowloon Railway; that part of them are being sent to Tsingtao and that with their departure 150,000 Japanese troops will still be in North China. They further stated that Hankow will be attacked after (repeat after) the Japanese have cut off its communications. The Embassy can in no way vouch for the accuracy of the foregoing.

Two. The above mentioned withdrawal is accompanied by a removal from Peiping and this immediate area during the past few days of extremely large amounts of war supplies. This movement has been observed by competent American observers as well as by a member of the Embassy staff.

Three. Teh, reputable foreigner who arrived in
Peiping

793.94/11777

DEC 28 1937

FILED 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

-2- No. 842, December 23, noon from Peiping via N. R.

Peiping yesterday from Changteh in Northern Honan report Japanese activities there which seem to indicate preparations for a southward advance. A foreigner from Shuntienfu in Southern Hopei reports a southward movement along the Peiping-Hankow Railway of considerable Japanese supplies, evidently military. Another foreigner reports a similar movement of supplies from Shunkiachuang along the railway in the direction of Taiyuan. These foreigners do not (repeat not) report any improvement from the Japanese viewpoint with regard to Chinese irregulars and bandits in those areas other than that the irregulars and bandits turn over occasionally to the Japanese.

Repeated to the Ambassador and to Tokyo and Tsingtao.

LOCKHART

RR:WVC

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

72-1

TELEGRAM RECEIVED

MBo

1-1838

FROM

Tokyo

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

Dated December 23, 1937

Rec'd 10:22 a.m.

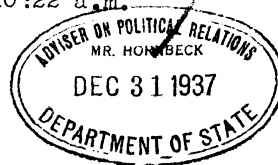
Secretary of State

Washington.

Division of
FAR EASTERN AFFAIRS

DEC 25 1937

Department of State



674, December 23, 6 p.m.

The following is a paraphrase of a telegram sent by my British colleague to London reporting a conversation with the Minister for Foreign Affairs yesterday.

One. He said to Mr. Hirota that he wished to acquaint him with certain facts regarding the attitude of the Japanese military and officials in China which were causing grave concern to the British Government and himself and which raised in British Government's mind the same doubts as his own regarding the efficacy of Japanese official assurances. He referred to the assurances given by the Japanese Foreign Minister of the Japanese Government's determination to respect and safeguard British rights and interests in China but that present reports indicated that a contrary policy was being carried out by Japanese officials in China. He also referred to the anomalous position in North China where

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793.94/11778

EX-107
MAY 9 - 1938

793.94
741.94
893.01

72-2

2- No. 674, December 23, from Tokyo.

a provisional government though not recognized by the Japanese Government, nevertheless, had the declared support of the Japanese army; he also described "piratical proceedings" of the Japanese officials in relation to the Tientsin customs.

Two. The Foreign Minister asked the British Ambassador briefly to catalogue "foreign rights and interests in China." The British Ambassador in reply suggested the safeguarding and respect of foreign lives and property, preservation of the open door by which he meant equal opportunities for everyone throughout China, and the preservation of the interests and rights of foreign powers in the Customs Administration of China. The British Ambassador asked whether he might inform his Government that the Japanese Government still adhered to the above principles. The Foreign Minister replied categorically in the affirmative, adding, however, that as the question of the China customs was under discussion he could not now pledge the exact form in which foreign interests in the China customs will be.

Three. The British Ambassador reported the foregoing by telegraph to London yesterday and added that he found the Foreign Minister ready and anxious to dis-

cuss

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

72-3

3- No. 674, December 23, from Tokyo.

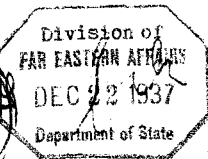
cuss all these matters frankly and that he thought it well to make a "frontal attack" before the situation further deteriorated. The British Ambassador also reported that shaken as the Japanese Government has been by the PANAY and Wuhu incidents he was hopeful that a more determined effort would now be made to control the "irresponsible exuberancy" of the military and civil authorities in China.

Repeated to Hankow.

GREW

CSB:

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



RESTRICTED

OFFICE CHIEF OF STAFF
MIL. INT. SEC. DIV.
DEC 21 1937
2637-4-439
32-2
WAR DEPARTMENT

The following is a day by day account of the Field Operations in China for the period November 11 - 24, 1937, which was used as source material for this report:

- I. North China, Shensi Sector.
- II. North China, Peking-Hankow Railway Sector.
- III. North China, Tientsin-Pukow Railway Sector.
- IV. Shanghai Sector.
- V. Miscellaneous.

I. North China, Shensi Sector.

1. November 13:

a. The vanguard of the 28th Cavalry, 20th Division, yesterday won an engagement about seventeen miles south of Pingyao, on the Taiyuan-Hankow railway. Two locomotives were captured by the detachment.

2. November 14:

a. A belated report from Taiyuan states that when the city was captured by the Japanese, five hundred dead Chinese soldiers were found in the city. The Japanese also captured seventy-eight cannon, four hundred heavy and light machine guns, two thousand gas masks, twenty-thousand bags of rice, four thousand bags of kaolien, and millet, ten thousand bin of flour, one thousand kwan of sulphur, and two million five hundred thousand cigarettes.

793.94/11776

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

SD letter, May 3, 1972
NARS Date Mar 19 1973

DEC 28 1937

From: R/ TOKYO

Report No. 9097

Nov. 19, 1937

RESTRICTED

RESTRICTED

II. North China, Peiping-Hankow Railway Sector.

1. November 11:

a. Groups of Chinese troops have been isolated between the Peiping-Hankow and Tientsin-Pukow railways by the Japanese advance to the south, and have been giving the Japanese considerable trouble by the conduct of guerrilla warfare and what the Japanese report as banditry. The Japanese have been endeavoring to clear these units out of the area. Two thousand of these Chinese were practically annihilated today near Kuooheng, Tsinghsien, and Sintsin. Two to three thousand more were also destroyed near Pinghsiang and Nanho, and over four thousand near Chiuehsien and Taming. Units of the Chinese 29th Army are reported to have withdrawn into the swamps of this area, and to be among the units being mopped up by the Japanese. A reliable source has admitted that the Chinese here are causing considerable trouble recently, due to the fact that the area that was flooded a short while ago has now almost dried, permitting movements of these Chinese groups over wide areas which formerly were denied to them on account of the flooded condition of the country. These units are said to have been using Taming as a base.

2. November 12:

a. The 59th Infantry, 14th Division, last night captured Taming, almost annihilating a division of the Chinese 29th Army that was holding the city.

b. East of Shunten the unit believed to be the 132nd Infantry, 108th Division captured Hokuochen, driving the Chinese 140th and 115th Brigades, 9th Division, to the east.

c. Planes of the 6th, 7th, and 9th Air Regiments were active in attacking Chinese troops near Kwangtsung, Pinghsiang, and Tsinghsien. Planes of the 2nd, 5th, and 7th Air Regiments were also active around Nanho, Kucheng, and Sintsin.

3. November 13:

a. Shwangmaiao Station and the Chang River bridge were attacked yesterday by a group of four hundred Chinese troops, but were repulsed by Japanese troops and railway guards. The Chinese lost fifty casualties.

b. Other Chinese attacks were made against Kwangluichen Station, and also Tzehsien station, where three hundred Chinese equipped with trench mortars participated in the attack.

4. November 14:

a. The battle at Taming, three days ago, resulted in the capture, by the Japanese, of two hundred light machine guns, eleven heavy machine guns, thirteen hundred rounds of ammunition, six trench mortars, fifteen hundred hand grenades, two hundred trench mortar shells, twelve horses, and fifty-five Chinese prisoners.

b. The troops that captured Jenhsien recently, east of the Railway, moved south yesterday, and took Nanho.

From: NA Tokyo

Report No. 9097

Nov. 29, 1937

RESTRICTED

RESTRICTED

c. Two days ago the 59th Infantry, 14th Division, attacked one thousand Chinese troops near Shaho, on the Peiping-Hankow Railway, and captured the town of Shaho yesterday. The Chinese retreated southeast.

5. November 15:

a. Planes of the 7th Air Regiment yesterday bombed concentrations of the Chinese 29th Army near Weihsien, between the Peiping-Hankow and Tientsin-Fukow railways.

b. The recent activity of the Chinese troops in South Hopei is reported to have been due to the command of General Chiang Kai-shek. It had been planned to send reinforcements to this front from the Shanghai area, but recent developments in that sector made that impossible. Instead General Sung, commander of the 29th Army, was granted 500,000 yuan to aid his campaign. The 29th Army was reorganized, and sent into southern Hopei in small groups, to harass the Japanese, with their immediate objectives being the recapture of Shunteh and Shihkiachwang. Japanese counter-attacks are believed to have effectively blocked this plan. General Li Ju-ming reached Jenhsien and Nanho, close to Pintai, on the Peiping-Hankow railway, but was driven back. Taming was recaptured by the Japanese three days ago, and Kwangping was taken soon after. General Sung's troops are believed to have been almost completely surrounded in the marshes of this area.

6. November 16:

a. The Chinese 29th Army, operating in southern Hopei, is now believed to have only Weihsien left as a base of operations. As a result of the capture by the Japanese of Kwangping, Inghsiang, Kaotang, and Kiuhsien (which was taken yesterday) they are believed to have been almost completely surrounded, and to be faced with the necessity of surrendering to avoid complete annihilation. The reorganized 29th Army is said to include eight divisions.

b. The Chinese troops south of Changteh have been regularly making night attacks on the Japanese positions, and bombarding the city every afternoon.

c. Planes of the 7th Air Regiment yesterday bombed about eight hundred communist troops near Kaoyang, south of Paoing, between the Peiping-Hankow and Tientsin-Fukow railways.

7. November 17:

a. The Japanese forces operating against the Chinese 29th Army in South Hopei, after crushing the resistance of about six hundred Chinese troops at Kiuhsien, in Shantung, advanced and took Weihsien yesterday after heavy fighting. The Chinese in this area are said to be in imminent danger of annihilation.

From: W/A Tokyo

Report No. 9097

Nov. 29, 1937

RESTRICTED

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

8. November 21:

RESTRICTED

a. Serious mass rioting has been taking place recently in Fuyang, southwestern Hopei, with murders and looting occurring almost daily. This rioting is said to have been caused by impoverished farmers and remnants of the defeated Chinese troops.

b. One thousand members of the Red Spear Society in Hantan called at the Japanese headquarters at that town, and pledged allegiance to the Japanese Army. They also pledged themselves to create a new autonomous regime, independent of the Nanking Government.

From: M/A Tokyo

Report No. 9097

Nov. 29, 1937

RESTRICTED

RESTRICTED

III. North China, Tientsin-Pukow Railway Sector.

1. November 11:

a. The Miyazawa air unit today raided an airfield near Tsinan. On the way to Tsinan an armored train was bombed near Yucheng. Other reports state that the Hakohira unit also participated in the raid. Near Tsinan most of the aerial attack was directed at Sinchwang airdrome, a mile and a half outside the city. This is the first bombing of Tsinan. Considerable significance is attached to this fact, as it may indicate the course of future Japanese policy in Shantung.

2. November 13:

a. The Japanese units in northern Shantung are reported to be preparing for an offensive over a hundred and fifty mile front. The unidentified Ishida unit occupied Wuting, sixty-five miles northeast of Tsinan and forty-five miles from the Yellow River, yesterday. The 10th Infantry, 10th Division, has taken Fonghwangtien. The Fukuei unit is advancing from Changchwang towards Yucheng, along the railway. This same unit took Yenshan, twenty-eight miles southeast of Tsangchow, three days ago, and fought an engagement with three thousand Chinese troops near Kingyuan. Eight field guns and considerable rifle ammunition were left behind by the Chinese, and captured by the Japanese. The 10th Cavalry, 10th Division, west of the railway, has advanced to Liangtsun, fifteen miles south of Kingyuan. The 8th Brigade, 10th Division, has opened an attack against two Chinese brigades at Linyi, twenty-five miles east of Kingyuan.

b. Navy aircraft, from an overseas base, combined with army aircraft to raid Chinese positions along the Yellow River. Ten armored cars and several railway bridges were destroyed on the Tientsin-Pukow railway, including those near Yencheng, Yucheng, and Sangtzetien, and damage was inflicted on Chinese fortified positions near Tienkiakou.

3. November 14:

a. The Japanese offensive to gain complete control of the North bank of the Yellow River in this sector has opened over a one hundred and fifty mile front, and successive positions have been occupied by the advancing troops. The 10th Infantry, 10th Division, and the Fukuei Regiment, after consolidating their positions at Linhsien and Yucheng, advanced and took Tushichiao and Weitzuchwang, halfway between Yucheng and Keotang, west of the railway. The Suenaga unit advanced to the west, and last night reached Keotang, about twenty miles west of Yucheng. The Ishida unit, newly arrived in this sector, two days ago took Wuting, sixty-two miles northeast of Tsinan, advanced to the southwest, crossed the Tuhai River, and yesterday took Tsinyang, about twenty-five miles northeast of Tsinan. This town was the most important base of General Han Fu-chu's Army in this part of Shantung. In its capture five hundred Chinese were reported left dead on the field of action. Two Japanese were reported killed and ten wounded. The Ishida unit was the first unit to reach the Yellow River.

From: M/A Tokyo

Report No. 9097

Nov. 29, 1937

RESTRICTED

RESTRICTED

b. The 40th Infantry, 10th Division, in the meantime, advanced on the Chinese positions at Linyi, about forty miles north of Tsinan.

c. Fifteen hundred Chinese, of the Shantung 81st Division, were reported defeated near Haikowchen, south of Linyi.

d. The Chinese troops north of the Shangho (forty-five miles northeast of Tsinan) - Linyi-Yucheng line are believed by the Japanese to have been trapped in that area by the Japanese advance. A large force of Chinese troops, consisting of the Shantung 29th, 81st and 74th Divisions, is along the Yellow River in the path of the Japanese advance.

e. Naval aircraft raided positions along the Yellow River yesterday, and bombed troops near Chaokuanchen, southwest of Tsinan, and at Kutichen, north of Tzeyang. Fortifications south of Tsiho, west of Tsinan and north of the Yellow River, were also attacked. Today naval aircraft destroyed twenty vessels loaded with supplies near Yueite and Chaokuanchen. Severe anti-aircraft fire was met by the Japanese planes over Tsinan and the railway bridge over the Yellow River, but the Japanese suffered "no material damage."

4. November 15:

a. The 10th Infantry, 10th Division, and the Fukuei unit, today captured Yencheng, about twelve miles north of the Yellow River, and cut the railway. East of the railway the Shantung 74th and 81st Divisions, and part of the 29th Division, are reported to have been trapped by the Japanese advance. Linyi was taken yesterday by the 10th Cavalry and 8th Brigade, 10th Division.

b. Naval aircraft yesterday conducted raids along the Yellow River. Chinese trains near Yucheng were bombed and destroyed. The trains resisted with heavy anti-aircraft fire, but the Japanese sustained no damage. Troops near Shangtze-tien were also bombed. Many troops crossing the Yellow River in boats at Tsiyang and Changtsung were bombed and suffered heavy casualties. Troop concentrations at Linyi and Yucheng were attacked, and boats near Lokowchen, two kilometers from Tsinan were bombed with heavy casualties.

5. November 16:

a. The Chinese troops on the north bank of the Yellow River in this sector are reported to have begun a wholesale retreat to the south, and to have blown up the railway bridge over the river.

b. The Ishida unit yesterday took Tsishan, and attacked the Chinese at Shangho. The Chinese were defeated, and began to withdraw. During their retreat they ran into the 10th Cavalry, 10th Division, and as a result, with pressure being exerted on them from two sides, they are facing annihilation. The Ishida unit again succeeded in cutting the Tientsin-Pukow Railway. This unit has made large advances during the past few days. They have completed a seventy-five mile march from

From: M/ Tokyo

Report No. 9097

Nov. 29, 1937

RESTRICTED

RESTRICTED

outing, and have outflanked the 29th, 74th, and 81st Shantung Divisions. The entire area east of the railway, from the river to Taiho, has been cleared of Chinese troops.

c. Other Japanese units have begun an advance from Taiyang to the southwest along the Yellow River. The Fukuei unit advanced south from Linchen to Ancheng. The 10th Infantry, 10th Division, is advancing on the same point. Yencheng was taken by an unnamed unit of the Japanese forces. The balance of the 10th Division is advancing southward near the railway. Part of the unidentified Kato unit/Yencheng railroad station yesterday. The 39th Infantry, 10th Division, yesterday occupied Yencheng, five miles north of the Yellow River, and the Fukuei unit captured Taiho, on the river.

d. The Chinese troops are reported to be concentrating in large numbers on the south bank of the river, near the railway bridge, and to be constructing positions, equipped with artillery.

e. Army aircraft bombed Lokowohen, two and a half miles north of Tsinan, on the south bank of the river, where the Chinese concentrations are in progress. Navy aircraft bombed the railway bridge near Tawankow, where they met severe anti-aircraft fire, but sustained no damage. Much damage was inflicted by these planes to Chinese positions along the Yellow River. Trains on the railway north of Swangshantien and Tsinan were also bombed.

6. November 17:

a. The Japanese campaign to clear northern Shantung of Chinese troops has almost reached its conclusion. The Fukuei unit and the 39th Infantry, 10th Division, had reached a point near the railway bridge over the Yellow River yesterday afternoon, with other Japanese units close behind. Five hundred meters of the one thousand three hundred and forty-four meter bridge are reported to have been destroyed by the Chinese.

b. Japanese naval aircraft now claim to have undisputed control of the air over an area extending from the port of Liankun, in North Kiangsu, to Kweitch on the Honan border, one hundred and ninety miles to the west, and from Tientsin southward to Tsinan.

7. November 18:

a. The Chinese troops at Chefoo are reported to be withdrawing to the west, in apprehension of a possible Japanese attack, leaving only the Peace Preservation Corps in the city. Prior to their withdrawal the Chinese are reported to have destroyed a part of the jetty.

8. November 19:

a. It is reported that the Shantung Provincial Government has moved from Tsinan to an undisclosed location.

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9. November 21:

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a. Japanese troops, believed to be the 16th Infantry, 2d Division, yesterday advanced from Hopei to Laowochai, eight kilometers west of Lintsing, which is inside the Shantung border, and today pushed on to capture Lintsing.

b. A traveller from Shantung reported that the Chinese are consolidating their defenses around Tsingtao, and that the city was crowded with troops. Foreign warships were in the port. The same person also reported that Chefoo was practically deserted. Anti-Japanese feeling was observed to be very high in Shantung.

10. November 23:

a. Troops of the Shantung Army are reported by Japanese scouting planes to be consolidating the positions in the vicinity of Tsitung and Tsowping, northeast of Tsinan, with a view to offering stubborn resistance to any Japanese advance south of the Yellow River. The troops that were defeated at Tsiyung are reported to be taking up positions at Chowtsun and Changtien, on the Shantung Railway. Traffic on the Tientsin-Pukow railway is reported as brisk, with many troops and great quantities of supplies being moved to the north. Armored cars were observed near Taisn, Tawenkao and Yenchow, south of Tsinan.

b. Japanese aircraft bombed strategic points along the Tientsin-Pukow and Shantung railways, including Tsitung, Tsowping, Tawenkow, and Lungshan. Scouting planes were sent over Yenchow and Tsining.

11. November 24:

a. Rear Admiral Lin Han-cheh, commanding the Chinese 3rd Squadron, is reported to have ordered a state of siege at Tsingtao.

b. The Chinese airdrome at Chowkiakow, in central Honan, is reported to have been completely ^{destroyed} by Japanese air raids conducted yesterday and three days ago. In the raid yesterday five Chinese planes were encountered all of which appeared to be of Soviet manufacture. All five were shot down, and in the subsequent bombing of the airfield a score on the ground were destroyed.

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IV. Shanghai Sector.

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1. November 11:

a. Fighting to clear the Chinese out of Nantao continued today, with heavy street fighting in progress in the Chinese part of the city bordering the French Concession. Engineer units built a bridge over the Wa Wei Creek, and the Kinoshita unit crossed to the other side to engage the Chinese. The 6th Infantry, 3rd Division, is advancing east towards the old walled town of Shanghai, and has taken Tatung University and the South Station. The Satsumoto and Aiko Units advanced three blocks to Winkiao Road, where the right wing of the Japanese is located. Heavy fighting is in progress near the Kiangnan dockyard. The 60th Infantry, 3rd Division, is also operating in Nantao, and with the Aiko unit, crossed the Waah Wei Creek line after advancing from the direction of Lungwa. The 149th Infantry, 101st Division, aided by the navy, crossed the Hangpoo River to the Footung side, and advanced to a point opposite Nantao, where it is aiding the Japanese attack from across the river. Part of the Naval Landing Force are participating in this operation.

b. Japanese naval vessels have moved up the river to opposite Nantao, where they are supporting the attack with artillery fire, and are, in turn, being fired on by the Chinese.

c. Chinese troops from Nantao are reported to be retreating up the Hangpoo by using junks and sampans. Others, changing into plain clothes, are reported to be entering the French Concession. Japanese aircraft are aiding the attack on Nantao.

d. Near Nansiang the Japanese attack is progressing, and has reached the outskirts of the town. The 22nd Brigade, 11th Division, is on the south and east of the town, where the 43rd Infantry, of that Brigade, has occupied Lungchia-wei, about one kilometer southwest of Kiangkiao. The 12th Infantry, 11th Division, supported by tanks of the 1st Tank Regiment, is continuing its attacks at Hsiaoanasiang. A decisive battle is believed impending in this sector in the Quinsan-Soochow area, where there are estimated to be about four hundred thousand Chinese troops concentrated.

e. The troops operating north from Hangchow Bay finished the occupation of Tsingpu today, pushed on to Hihokiang, near the upper reaches of Soochow Creek. A regiment of the 6th Division has reached the Creek near Lukangtan, northwest of Tsingpu. Fengking has also been taken, and severe fighting is reported in progress near Kashan. The Chinese in this area are reported in retreat towards Quinsan. Japanese planes bombed the retreating columns.

f. The Chinese are reported to be rushing reinforcements to Kashing, Kashan, and Pinghu by rail.

g. General Chiang Kai-shek is reported to be in personal command of the Chinese, with headquarters at Soochow.

h. Japanese supply vessel, proceeding up Soochow

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Creek, was halted by British troops near Garden Bridge. A protest was lodged by the Japanese. General Matsui yesterday informed Admiral Little, that the Soochow would be used by the Japanese to transport supplies and troops, and that resolute action would be taken against anyone who attempted to interfere, regardless of nationality.

i. Army planes aided the infantry attacks at Nantao and Nansiang, and also carried out a severe raid against Kashaan.

2. November 12:

a. The Japanese drive in the Shanghai Sector today continued to make advances along the entire front. The 12th Infantry, 11th Division, completed the occupation of Nansiang, and with the 43rd Infantry, 11th Division, took up the pursuit of the Chinese who were retreating to the north towards Kiating, since their retreat to Ninsan has been cut off. The Chinese troops defeated at Nansiang are reported to be the 9th, 16th, 26th and one more division, numbering about fifty thousand troops altogether. In the capture of Anting by the Japanese two thousand Chinese troops are reported to have been killed. The Japanese troops from here pushed on to within ten miles of Ninsan to its southeast. The Japanese are pushing on towards Taitsang and Ninsan, with the Chinese reported as being in retreat from the Nansiang-Liuho line. The advance on Kiating is continuing, aided by troops transferred from the Nantao and Nansiang fronts. The 6th Field Artillery, 6th Cavalry, and one of the infantry regiments (either the 13th or 23rd) of the 8th Division, today crossed Soochow Creek nearukuengtuan, eighteen miles west of Nansiang, and continued their advance to the north, in spite of having executed a twenty-kilometer march prior to reaching the creek.

b. The Japanese 5th Brigade, 3rd Division, today completed the clearing of Nantao, south of the International Settlement, of Chinese troops, aided by units of the Naval Landing Force and artillery fire from Japanese naval vessels. Originally about ten thousand Chinese are said to have participated in the defense of Nantao, and to have offered stubborn resistance. Their casualties are reported to have been heavy. Four to five thousand of them have entered the French Concession and been disarmed by the French police.

c. The Japanese have begun to clear the barrier in the Hangpoo River, established early in the action at Shanghai by the Chinese, when they sank six Japanese vessels across the river. Traffic on the river is expected to be reopened shortly.

d. General Matsui announced that he has been disappointed in the attitude of the neutral guard units in Shanghai, and if necessity so dictates, the Japanese will be forced to take over from the neutral powers the entire policing of the International Settlement and the French Concession.

e. Mayor Kai of Shanghai announced that the Chinese re-

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troat at Shanghai had been strategic, and that the Chinese would counter-attack and recapture completely Shanghai and Nanking.

3. November 13:

a. The Iizuka, Tanihara, and Fukui units, after taking Shaochen, today entered Kiating, where the work of mopping-up the Chinese remnants in the city is in progress. The 12th and 43rd Infantry Regiments, 11th Division, are closing in on Taitsang, ten miles northwest of Kiating, and have reached Waikangchen, seven miles southeast of Taitsang. The Japanese units that were landed at Hangchow Bay last week are moving along the Shanghai-Hangchow railway, have already taken Fengking and Koshan, and are approaching Haining. Units of the 6th Division occupied Tsingpu yesterday, and have reached the vicinity of Chaochunghiao, on the south bank of Soochow Creek. One hundred thousand Chinese troops are believed by the Japanese to have been trapped by this movement. The communications between Shanghai and Nanking were reestablished when the Yamazawa unit captured Weichiao (Weichiaochien), an important cross road on the Ninghsing Road. Complete contact between the operations in the Shanghai area and the Hangchow Bay area are expected to be established today. The Yamazawa unit defeated a group of fifteen Chinese in a severe battle near Weichiao.

b. Yesterday a joint raid by army and navy aircraft was directed at the retreating Chinese elements, the munition factory at Wusih, and the Chinese headquarters at Kiating.

4. November 14:

a. A large body of Japanese troops, since identified as the Taiwan Brigade and the 22nd Infantry, 11th Division, were successfully landed in the vicinity of Liaokow, northeast of Changshu, forty miles northwest of Shanghai. They met no serious opposition, and immediately advanced south about fifteen miles and occupied Chitang. This landing is a severe threat to the Chinese Changshu-Kunshan line. Sixty thousand Chinese troops near Changshu and Kunshan are reported by the Japanese to be facing annihilation. Ten thousand Chinese are said to be retreating from Taitsang towards Changshu. The Kunshan-Soochow road is reported crowded with ten thousand retreating troops. On the Kiangnan Canal, moving southward, many more retreating Chinese are reported. The Japanese advance near the bank of the Yangtze River has reached Liuhu, Yangchichiao, Waikangchen, and Tienfuchiang on the Nanking-Shanghai railway. The 12th and 44th Regiments of the 11th Division yesterday took Waikangchen and today entered Taitsang, from where the Chinese troops are in full retreat. The bulk of the 6th Division, with these other units, is closing in on Kunshan. Units believed to belong to a new 102nd Division, west of Lotien, two days ago advanced and took Paichiatze, Hainchen, and Liuhu, and with the troops from the Kiating area took Liutaokiao yesterday. Three unnamed units effected contact with the Engineer, Cavalry, and Artillery Regiments of the 6th Division, and took Tsingyang, three miles west of Kunshan yesterday. These un-

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named units are believed to be three of the infantry regiments of the 6th Division.

b. One infantry regiment of the 6th Division (the 13th or 23rd Infantry), has advanced from its original landing at Hangchow Bay, and occupied Pingwangchen, south of Soochow, in the lake region.

c. The 41st Infantry, 5th Division, occupied Peikiao-chien, twenty miles southeast of Shanghai, after advancing from Hangchow Bay. Another unit, unnamed, has occupied Wincang, and is advancing towards Shanghai from the south. Part of the forces landed at Hangchow Bay has advanced along the coastline to the west, and is attacking Chapu, while still other units are pushing towards Pinghu.

d. Four thousand Chinese troops in the Sungkiang-Changpoo-Changhai area are said to have surrendered to the Japanese during the last two days. Ten thousand are estimated to be in this area, and it is stated by the Japanese that to avoid annihilation they will have to surrender.

e. Four Chinese gun boats were captured by the Japanese naval ves els Motou and Hira on the upper Changpoo River yesterday. These boats moved up the river and established contact with the army units near Ninghong.

f. Army aircraft today bombed retreating Chinese troops near Kiating, Kunshan, Taitang, and Soochow. Yesterday navy aircraft bombed troops in the Kunshan-Soochow area.

g. It is reported that neutral military observers do not believe, in the light of past events, that the Chinese will be able to hold their present lines, and that they will withdraw to the Kiangyin-Wusih line. The Japanese believe that this new line would be able to hold for about three weeks.

5. November 15:

a. With the fall of Soochow believed to be imminent, as a result of the Japanese advance on that town from the north, east, and south, consternation is reported to have seized Nanking. Many civilians are reported to be fleeing to the interior and up the river.

b. Changshu was taken today by the Taiwan Brigade and the 22nd Infantry, 11th Division, shortly after the fall of Quinsan. Quinsan was taken by units of the 6th Division. Units believed to belong to a new 112th Division, which participated in the original landing at Hangchow Bay, finally completed the capture of Kashing, on the Shanghai-Hangchow Railway. The Chinese had been resisting desperately for several days after the Japanese originally reported the capture of the town. The Japanese advance on Kashing is continuing, and the Chinese lines at Yunghsingkiao, eight miles east of Kashing, has been broken. Units believed to belong to a new 114th Division, landed at Hangchow Bay, have broken through the Chinese defenses at Tushan. After the capture of Kwangcheng and Chapu other units of the same division turned their attacks on Pinghu. The unit believed to be the 41st Infantry, 5th Division, operating in the Sungkiang area, has captured twenty-six hundred prisoners, five hundred and

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sixty-rifles, fourteen machine guns, ninety-one revolvers, and sixty-four bayonets. Altogether, four thousand prisoners have been captured in this area.

g. New army units, subsequently identified as the 16th Division, were landed on the upper Yangtze, and immediately advanced seven miles to Keilitun, in the direction of Changshu. Other units of the same force took Chitangchen. Four hundred Chinese were killed in the action during which the Chinese opposed the landing, and two hundred Chinese prisoners were taken by the Japanese. The Japanese casualties in the last two days (in this area only) were a total of thirty.

d. In Mantao the 6th Infantry and police are conducting a house-to-house search for snipers, and are trying to restore the city to livable condition. Many arms and supplies have been seized by the Japanese in this part of Shanghai.

e. The collapse of the Taitsang-Quinsan line, where the Chinese were expected to offer stubborn resistance, is gratifying to the Japanese.

f. Naval aircraft bombed Soochow, and army aircraft concentrated on the troops north and west of Quinsan. Kashing and Pinghu were also subjected to severe aerial bombardment. Naval craft flying over Sukiang reported seeing not a single Chinese soldier, and meeting no anti-aircraft fire. Naval aircraft took off for Yangchow, north of the Yangtze, on receiving a report that Chinese planes were in that area. None were found, but the planes bombed military establishments and returned to their base.

6. November 16:

a. Units of the 9th Division (Japanese) have advanced to within fifteen miles of Soochow. Near Changshu, the 2nd Taiwan Infantry, advancing from that town, made contact with the tank units of the 1st Tank Regiment. The troops landed on the upper Yangtze have now effected contact with the Japanese units advancing north from Taitsang. Desperate fighting took place last night west of Quinsan, and the Chinese lines were broken. One of the regiments of the 6th Division is marching westward along the Quinsan-Soochow highway, and the Takeshita unit is following a parallel route to the south. On the southern part of the front a corner of Pinghu, twenty miles southeast of Kashing, is reported to have been occupied by the Japanese. The Chinese are in retreat to the southwest from Kashing. With Kashing already in Japanese hands, the next objective on this front in the drive towards Hangchow is expected to be Kashing.

b. Naval aircraft were extremely active today over the entire Shanghai area as far as Nanking. Sukiang and Soochow were attacked, as well as troops in the area west of Changshu. Tungankiao, Yangting, and Wusih, as well as Fushan, Yangtsienchen, and the Tachiaoang airdrome at Nanking were also objects of attack. Army aircraft of the 4th Air Regiment bombed troops near Pinghu, and other units helped the infantry advance in other parts of the sector.

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7. November 17:

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a. Four new blockades have been ordered established in the Yangtze River between Yangyin fortress and Nanking to prevent the approach to Nanking of Japanese war vessels. These blockades, consisting of sunken ships, have been established at Tanshan, Tutienmaiao, Yulungshan, and Shih-tze-shan fortresses. The Chinese are reported to be using the upper Yangtze and the Canton-Hankow railways as supply lines for munitions, and to be using trucks where the railroad has been too severely damaged by the Japanese bombardments.

b. A severe battle is in progress in the Hsian-shan-chow area. Units of the Japanese 9th Division have engaged the Chinese between Kweilin Lake and Yangcheng Lake. The offensive on the permanent fortifications surrounding Soochow has opened. The 112th Japanese Division is fighting the Chinese in the vicinity of Kashing. Units of the 10th Division, landed on the upper Yangtze last week, attacked Changshu with the Taiwan Brigade yesterday, when it fell to the Japanese. The 20th Infantry, 18th Division, is attacking Fushan fortress, where the Japanese reported that they had a foothold yesterday, and had reported its complete capture the day before. In the attack on Fushan, the army units are being supported by artillery fire from naval vessels.

8. November 18:

a. The Kataoka regiment, believed to be the 114th Infantry of a new 112th Division, supported by the 3rd Independent Mountain Artillery and the unit believed to be the 124th Artillery of the 112th Division, today completely surrounded, and partly captured, Kashing, the junction between the Shanghai-Hangchow railway and the Soochow-Kashing railway cutoff. The Fujii unit broke through the Chinese lines at Leiting Station, on the Nanking-Shanghai railway. Units of what is believed to be the 102nd Division, with the Teshiro unit, took Hsiao-kiakiao yesterday after a three-day battle. This breaks the Chinese Changshu-Fushan line. Changshu was reported again cleared of Chinese troops yesterday. Chen-i, between Quinan and Soochow, was taken by the Japanese yesterday. Also.

b. The Chinese Government is reported to have decided to hold Nanking, if the Japanese advance reaches that far, to the last, in spite of the removal of the government to the interior. The military headquarters will not move with the rest of the government, but will remain in Nanking as long as possible.

9. November 19:

a. The Japanese advance both in the northern and in the southern parts of the sector were reported to be making progress today. The Taiwan Brigade and the 22nd Infantry, 11th Division, occupied Yushan Mountain, a rocky ridge west of Changshu. The 43rd Infantry, 11th Division, crossed Kunsheng Lake, south of Changshu, during the night, by boat, and landed near Mooheng, on the north shore. The Chinese were taken

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by surprise, and driven back. The Japanese succeeded in cutting the line of communication from Soochow to Changshu. The units that took Kashing, in the southern part of the sector, are pushing the Chinese back towards the Kashing-Haiyen Canal. The 9th Division units advanced from Chen-i to Shao-weiing, ten miles east of Soochow. The Chinese are directing their withdrawal towards Hangchow. General Liu Chien-su is in command of the Chinese troops in this part of the sector.

b. The preparations for the evacuation of Nanking by the Chinese Government are in progress, with arsenal machinery, printing presses, and documents being moved to the interior. The civil populace is also evacuating, and the waterfront and roads are reported crowded. The overcast condition of the sky, making Japanese bombing operations difficult, has made the evacuation easier and safer than it otherwise might have been.

c. With the intention of avoiding destructive street fighting, the Chinese are reported to be planning on making their last stand in front of Nanking at Kuyung, twenty-five miles to the east. The lines at this point are being prepared to meet the Japanese, and troops of the Central Army are being ordered there from the interior. General Tang Sheng-chih, director of military training, has been appointed the new commander of the Nanking defenses. Twelve divisions are reported to be under his command in the defenses around the city. Forty thousand troops of the Szechwan Army are reported to be in the city, with orders to remain, even if the city is completely surrounded by the Japanese. Reports reached Nanking that Japanese warships had reached Kiangyin, on the Yangtze River.

d. One hundred and fifty officers of the former Northeastern Army are reported to have been ordered executed, by the Chinese Supreme Command, as they were held responsible for the loss of Pingwang, half-way between Soochow and Kashing. The capture of this point by the Japanese is said to have had a very important bearing on the Chinese defense lines, one of its results being the loss of Quinsan.

e. Reports from Nushih state that three days ago mutiny appeared in the ranks of two newly recruited Chinese divisions of irregular troops, who were recently defeated by the Japanese. Two banks were said to have been looted.

10. November 20:

a. The Chinese capital was formally moved from Nanking to Chungking at noon today. The Chinese Government has announced that China is determined to reject peace on humiliating terms, and that her armed forces are to defend the country to the last, regardless of defeats. The diplomats in Nanking today began moving to Hankow.

b. General Chiang Kai-shek is reported to favor a determined stand against the Japanese even within Nanking itself. Other factions of the government are reported to favor holding the Kuyung line, and, if that line is broken, to save

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hanking from destruction by an orderly withdrawal from the city. It is pointed out that the Japanese could trap the Chinese troops in Nanking by advancing to Luohu, and then preventing their withdrawal across the Yangtze by aerial bombardment. Thousands of troops of the Kwangtung and Kwangsi Armies are said to have arrived in the front lines facing the Japanese.

c. Soochow was reported captured as of yesterday, the 35th Infantry, 9th Division, entering the city first, closely followed by other units of the division. Two thousand Chinese are reported to have surrendered. The Chinese troops in the city were the 15th and 53rd Divisions, numbering about forty thousand men all told. They started to retreat in the direction of Suzih. The Japanese advance on Soochow was reported to have been so rapid that some of the Chinese troops, mistaking the Japanese for their own forces joined the Japanese marching column and were immediately captured. Complete occupation of Wushing, Wuzin, and Changshu was announced by the Japanese Headquarters yesterday.

d. Units believed to belong to a new 112th Division took Shwangpenkiao, west of Wushing today. The Kawasaki unit was near Yangkioping, after fighting all night. The stiff resistance of the Chinese along the Langchingtang Canal is reported to have been broken by the Japanese with the aid of artillery. The Kunizaka and Yamada units, with tanks of the Fujita unit captured a strong Chinese position at Shwan-yang, and pushed on to Shientzechen. Planes of the 4th Air Regiment flew over Changshing, on the south shore of Lake Taihu, to attack the Chinese. Naval aircraft bombed Suzih and Soochow.

11. November 21:

a. The Japanese forces that occupied Soochow advanced yesterday along the Shanghai-Nanking Railway as far as Yangting, and today continued to advance on Suzih. The units that took Changshu advanced yesterday as far as Tangkow, and continued their advance on Suzih. With these two groups of Japanese units (believe to be the 9th Division from the direction of Soochow, and the 16th Division from the direction of Changshu) closing in on Suzih from two directions, the fall of the town is believed imminent. This morning Japanese units were within nine miles of the town, and this afternoon a unit had reached Heinan, seven miles south of Suzih. In their retreat from Changshu, the Chinese had their retreat by land cut off, and crossed Lake Shang in boats. The Nakamura artillery unit, from Yu Hill, bombarded these boats, three of which, loaded with field guns and troops, they sank. The Chinese have been burning the bridges in their retreat, but the Japanese have not been seriously hampered by this, as many boats have been available for use in crossing the creeks. The Chinese at Suzih are reported as disheartened by the defeats in the Shanghai sector, and to be already retreating to the west and southwest. To the south of Lake Taihu one of the regiments of the 6th Division has taken the town of Huchow.

b. The Japanese have decided to call the phase of the operations around Lake Taihu the "Lake Battle." In the action

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here so far fifty thousand dead Chinese have been counted by the Japanese in the territory they have occupied, and the total Chinese casualties are conservatively estimated by them at one hundred and fifty thousand in this phase of the operations alone.

c. Naval forces landed yesterday on the south bank of the Yangtze, and occupied Fushan in cooperation with the army troops.

d. Japanese aircraft, in spite of heavy rains, bombed the Chinese positions at Wusih.

e. The Chinese defense is reported to have shifted to the Kiangyin-Wusih line.

1. November 21:

a. Wusih was captured by the Japanese today after a brief battle. The Chinese immediately began withdrawing on Changchow. The retreating columns were repeatedly bombed by Japanese aircraft. The fall of Wusih is expected to make the holding of Kiangyin impossible for the Chinese. When the Japanese entered Wusih they are reported to have found that every single factory in the city was damaged due to Japanese aerial bombardment. The Chinese retreating from Wusih are said to have attempted to make a stand against the Japanese advance outside of the town, but this resistance was overcome. Army aircraft bombed Chinese troops between Changshu and Kiangyin.

b. When the Japanese captured Huchow, south of Lake Taihu, five thousand Chinese are reported to have been trapped. The capture of Wusih and Huchow, at opposite ends of Lake Taihu, has caused the Chinese to virtually abandon the lake region.

c. The Japanese are reported to have sustained about one thousand casualties since the Chinese withdrew from Shanghai. At least fourteen thousand dead Chinese bodies have been counted at Quinsan, Kashing, Ningwangchen, and other points between Shanghai and Soochow.

d. Japanese naval aircraft yesterday bombed the Chinese airbase at Chowkiakow, in Honan. One large and two small planes were bombed and destroyed, and two buildings burned.

e. Manning the Chinese gunboat Chienan and about six hundred other vessels captured by the Japanese, Japanese naval troops left Shanghai today to complete the mopping up of the creeks and waterways south of the Yangtze.

f. With the expectation that Kiangyin, as well as Wusih, will be captured by the Japanese, the Chinese are expected to make a desperate stand at the line between Chinkiang, the capital of Kiangsu, and Tanyang, on the Nanking-Shanghai railway. The irregular country between Kuyang, Tanyang, Chinkiang, and Nanking is expected to be utilized to the utmost. The Chinese command is reported to have completed its plans for

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the second phase of the resistance against Japan, which is the defense of the interior. The object of this is to gradually draw the Japanese away from the coast.

13. November 23:

a. Yesterday the first air battle over Nanking for some time took place when a Japanese raid was met by Chinese planes that took off. The planes were believed by the Japanese to be of Soviet manufacture. Since the pilots displayed extraordinary skill and resourcefulness the Japanese also believe that they were Russian. Fifty Russian planes are believed to have been recently delivered to Nanking from Russia, ten of which were bombing planes, and the other forty fighters. Eleven Soviet pilots are also believed to be already serving with the Chinese. In this aerial battle over Nanking three of the Chinese planes were shot down. No announcement was made concerning Japan/losses. The defenses of Nanking are reported to include two hundred anti-aircraft guns and seventy anti-aircraft machine guns.

b. The Japanese infantry advance on Nanking and Hangchow is progressing, though seriously hampered by the thick mud and heavy rains. In some cases food and ammunition have run short due to the impassability of the roads. Airplanes took off from Shanghai today to supply food and ammunition to some of the units.

c. The Japanese still have two Chinese defense lines to break through before they can attack Nanking directly. The first line is from the Yangtze through Tanyang and Liyang, and the second from Chinkiang, on the Yangtze, through Kuyung and Taiping. The Chinese have been insisting that their retreat is purely strategic, but the Japanese point out that the Nansiang-Nashing and the Changshu-Soochow lines had been intended by their designer, General von Seeckt, to hold the Japanese in check for two years, which they have failed to do.

d. Army and navy planes today raided the Changchow-Kiangyin area, bombing the Chinese positions and the retreating troops. Hangchow was also attacked. The new Chinese air-dromes at Kwangteh and Liyang were bombed.

e. A revolt on the part of Hunan troops at Hangchow is reported to have broken out three days ago. The Chinese are reported to be attempting to keep reports of this kind from leaking out, but it is said that it took Central Army troops to suppress the mutiny, with casualties to both sides totalling seven hundred. Tension is reported as mounting in Chokiang and Kiangsu provinces, due to looting by Chinese regular troops.

14. November 24:

a. Suchow was completely captured by the Japanese today. (It was previously reported captured as of November 21st). The 9th Brigade, 2nd Division captured Kinkaishan yesterday, overlooking the Suchow-Hangchow highway, and today advanced

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on Huchow with the 23rd Infantry, 6th Division, which was captured after several hours of severe street fighting from house to house. Three thousand Chinese, taking up positions in the houses offered desperate resistance. At Kinkaishan the Japanese had their first taste of mountain fighting in this sector, where the Chinese, equipped with mountain guns and heavy machine guns, were occupying positions in the hills.

b. Army and navy planes were active during the day in bombing the rear of the Chinese positions and in attacking troop concentrations. The main action of the Japanese aircraft was directed at the rear of the Changchow-Tianzyin line and the Huchow front. Other points attacked were Ihsing, Liyang, and Wangteh, west and southwest of Lake Taihu.

c. In an air battle over Nanking this afternoon three Chinese airplanes of Soviet manufacture were reported shot down, out of six that met the Japanese raid. Eight more, on the ground at Tachiaohang airfield near Nanking, were destroyed by bombs.

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V. Miscellaneous:

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1. November 11:

a. Three Chinese bombers were sighted by a Japanese naval vessel, flying over Saddle Island off the Yangtze River, presumably headed for Japan. Naval aircraft were sent to intercept them, and in the ensuing engagement two were immediately shot down. The third was later overtaken and also shot down. The Baseo Navy District was warned, and a state of alarm was declared and emergency air defense drill was held.

b. Yesterday Japanese army and navy aircraft attacked the retreating Chinese columns in the Shanghai area. Bombing operations were also carried out against Szeking, Ninghu, Quinsan, Kashing, Soochow, and usih. Between Soochow and Kashing troop trains were damaged. The airplane factory at Soochow was also severely damaged.

2. November 12:

a. During the past few weeks bandits are reported to have been very active in North Manchuria. About three hundred have been met and dealt with by Japanese units at various points. Part of the units believed to be the 4th Infantry, 2nd Division, met a group of eighty near Sulan, Finkiang Province, two days ago, and routed them. Numerous other encounters have also been reported.

3. November 14:

a. Reports of the Chinese defeats at Shanghai, with the report that two divisions of the Kwangtung forces have been annihilated, is reported to have greatly lowered the morale of the Kwangtung Army forces in South China. Two brigades of the 158th Division are said to have deserted. Many others, newly recruited, are also deserting.

4. November 16:

a. The materials for from forty to fifty planes were reported to have been unloaded at Hongkong about ten days ago from a British freighter. Parts for seven or eight planes were reported to have been delivered to the Kai Tak airdrome, and the rest were shipped to other points. All are believed to be destined for Canton.

b. The Nanking government is reported to have made the decision to withdraw the seat of the government to the interior away from Nanking.

5. November 17:

a. An announcement by the Japanese War Office states that the conscripts who entered service in 1935 in the Heavy Artillery units normally attached to the 1st, 4th, 12th, and 16th Divisions, and the Formosa and Kwantung Armies, will not be released from service at the normal

From: M/A Tokyo

Report No. 9097

Nov. 29, 1937

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date of November 30th this year, but will ^{be} continued in service indefinitely. The units affected are believed to be the 1st, 7th, 5th and 8th Heavy Field Artillery Regiments, and the Coast Artillery units in each of these districts.

b. Over the protest of the United States, the French Government has ordered a ban on the use of the Yunnan railway so far as the transportation of munitions is concerned.

c. Dr. de Motteville, special delegate of the International Red Cross, is reported to estimate the total Chinese casualties over the past four months at eight hundred thousand.

6. November 19:

a. General Sugiyama, the Japanese War Minister today stated that he estimated the Chinese casualties on the Shanghai front since the Japanese offensive to clear that area began on October 23rd, at three hundred thousand, of whom eighty-one thousand were left dead on the field of battle.

b. Finance Minister H. H. Kung, of the Chinese Government, and Mr. T. V. Soong, head of the Central Bank of China, are reported to have secretly approached Mr. E. G. Howe, the British Charge d' Affaires, with a view to persuading him to approach General Chiang Kai-shek and the Japanese on the question of securing peace and an early settlement of the China Incident.

7. November 20:

a. With the casualties in the fighting in Shensi still to be estimated, the Japanese War Office today announced that the Japanese killed in China since the beginning of the fighting in July has reached a total of sixteen thousand and forty-eight. Chinese left dead on the battlefields and counted by the Japanese have totalled one hundred and forty-five thousand four hundred and seventy. The aggregate of Chinese killed and wounded is estimated at five hundred and fifty-four thousand two hundred and ninety. Ninety-three hundred Chinese prisoners have been taken. The Japanese dead are divided as follows, according to location: Shanghai, 10,224; North China, excluding Chahar and Shensi, 5,412; Chahar, 421. The Shensi casualties are still under investigation. In Shanghai 81,000 Chinese dead have been counted, and the total casualties in that sector are estimated at three hundred thousand. In North China, exclusive of Chahar and Shensi, the Chinese dead were 41,970 counted, and total casualties of 184,290 estimated, as well as 7,300 prisoners. In Chahar Chinese dead were 22,500 counted, and total casualties 90,000 estimated. Many arms and supplies have been captured by the Japanese in all sectors.

8. November 21:

a. Reports are being circulated that the weakness of the Chinese defense in the Shanghai-Nanking area is due to friction between the Supreme Command and certain of the Chinese generals.

From: W/A Tokyo

Report No. 9097

Nov. 29, 1937

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

9. November 21:

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a. A report from the Nichi Nichi (newspaper) expert on Soviet affairs in Vienna, Mr. Katsuji Fuse, states that a certain Chinese official had inadvertently let slip the information that General Chiang Kai-shek has appealed to Marshal Bluecher for aid in the present conflict.

10. November 24:

a. Reports from travellers from the interior indicate that Sian has been converted into a large airbase, where Chinese pilots are undergoing intensive training by Soviet instructors. Two hundred pilots are reported to be receiving training, and one hundred Soviet planes are said to be in use. Another report states that one hundred and sixty Soviet planes have so far been delivered to the Chinese, and that sixty British planes arrived three days ago at Hongkong and have been delivered to the Chinese at the front. The reappearance of Curtiss Hawk planes with Soviet planes recently near Hankow has been noted by the Japanese.

b. After a lapse of many days, Japanese naval aircraft raided the Bocca Tigris forts and the Laksha airdrome in South China. Two airdromes on the outskirts of Canton, and the Canton Longsha Station, as well as other points in the south were also bombed. Intense anti-aircraft fire was encountered by the Japanese over Shamen Island.

From: W/A Tokyo

Report No. 9097

Nov. 29, 1937

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



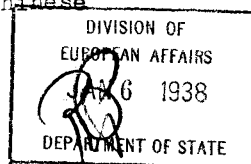
EMBASSY OF THE
UNITED STATES OF AMERICA
RECEIVED
DEPARTMENT OF STATE

London, December 16, 1937.

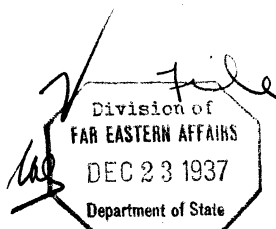
No. 3680

1937 DEC 23 AM 10 52

SUBJECT: Attacks on British Ships in Chinese
waters.

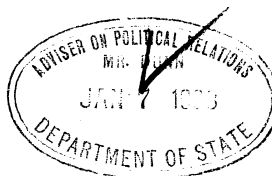


For Distribution-Check		Yes	No
Grade	10-10-11		
For	In U.S.A.		



The Honorable

The Secretary of State,
Washington.



Sir:

I have the honor to transcribe below from Hansard a statement made in the House of Commons on December 9 by Viscount Cranborne in reply to a question concerning recent attacks on British ships and property in the Far East:

"The hon. and gallant Member is no doubt referring to the events at Wuhu on 5th December when one British ship was gutted and a second

had/

793.94/11780

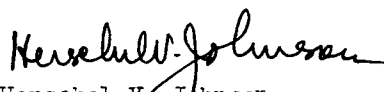
F/FG
JAN 10 1938

-2-

had to be beached after being struck by bombs from Japanese aircraft, and to the attack on the steamship "Siushan" from Tsungming Island on 4th December. In regard to the former, the Admiral Commanding-in-Chief on the China Station at once addressed a protest to the Japanese Admiral, who replied with a message of regret for the incident. Further, His Majesty's Ambassador in Tokyo has made representations to the Japanese Government.

"As regards the attack on the steamship "Siushan," my present information tends to show that the firing was carried out by Chinese troops. If further inquiries which are being made by His Majesty's Consul-General at Shanghai confirm this, representations will be addressed to the Chinese Government."

Respectfully yours,


Herschel V. Johnson
Chargé d'Affaires ad interim.

HL/WJK

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

DOCUMENT FILE

NOTE

SEE 701.9411/998 FOR letter

FROM Carr V. Van Anda () DATED Dec. 30, 1937
TO NAME 1-1127 678

REGARDING:

Address of Japanese Ambassador over NBC station in
Washington, December 19, in which assurances of safety
were made to foreign persons and interests in Japan; pro-
tests against same.

emc

793.94 / 11781

793.94 / 11781

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

DOCUMENT FILE

NOTE

793.94
SEE 741.00/140 FOR tel #797 7pm

FROM Great Britain (Johnson) DATED Dec. 21, 1937
TO NAME 1-1127 GPO

REGARDING: Debate on Foreign Affairs

Prime Minister stated no attempt had been made by Japan for a peaceful settlement of the conflict in the Far East. It is now for Japanese Government to show it is not unmindful of the rights and interests of foreigners and that its assurances and apologies mean something more than words.

dg

793.94 / 11782

11782

793.94/11783

F/A

11783

CHINA (Political)

3850
(6180)

Subject: Sino-Japanese Relations in the Tientsin-Peking Area.

Changes in the Military-Political Situation between
July 1, 1937, and September 1, 1937.

The following notes in tabular form, while incomplete and otherwise unsatisfactory, may be helpful in gaining an understanding of some of the principal changes that have taken place in Hopei and Chahar Provinces of North China, and particularly in the Tientsin-Peking Area, since the North China Incident began on July 7, 1937, with fighting near Lankowhiao between Japanese troops engaged in night maneuvers and the Chinese 29th Army garrison of Tientsin.

SEP 1 1937

SEP 1 1937

MILITARY

1. CHINA.

a. General Suag, Hopei-Chahar Pacification

Commissioner, was in command of all troops except Central Government troops and East Hopei troops.

b. Troops in Hopei and Chahar:

29th Army under General Suag.

534 Army.

535 Army, a Central Government unit.

Some units of the East Hopei Anti-Communist Autonomous Government.

Some units of Pao An Tui (Peace Preservation Corps), police trained and armed as soldiers.

c. The 29th Army was distributed as follows:

37th Division at Peking and Paoing.

General Feng Chih-an, Division Commander, was Governor of Hopei Province.

MILITARY

1. CHINA.

a. General Feng Chih-an, Governor of Hopei Province, or of that part of Hopei still under Chinese control, is acting-commander of the 29th Army, vice General Suag, absent.

b. Troops in Hopei and Chahar:

29th Army under General Feng (Hopei).

534 Army (Hopei)

Some units of East Hopei Anti-Communist Autonomous Government.

15th Army (Chahar).

34, 14th, 32d and 51st Armies (Hopei)

21st, 84th, and 94th Divisions (Chahar).

24, 23d, 25th, 39th, 74th, 85th, 91st, and 107th Divisions (Hopei).

c. The 29th Army is distributed as follows:

37th Division probably at Peking. See a above regarding General Feng.

9-2, U.S.A. 9-3.

Report No. 3.

September 2, 1937.

CHINA (Political) Continued

JULY 1. 1937

SEPTEMBER 1. 1937

38th Division near Tientsin.
 General Chang, Division Commander, was
 Mayor of Tientsin.

132d Division in Kalgan area.

143d Division at Kalgan in Chahar.

General Liu, the Division Commander, was
 Governor of Chahar Province, or of that
 part of Chahar still under Chinese con-
 trol.

A- Estimate of number of troops:

	ARMY: Pao in Tui
Tientsin Area	9,000
Peiping Area	8,500
Hopel-Chahar	139,000
East Hopel Territory	18,000
Total Hopel-Chahar	157,000
	<u>8,100</u>

This total includes troops in the Tientsin
 and Peiping areas, and was the normal
 garrison of Hopel and Chahar Provinces,
 exclusive of the East Hopel Territory.

2- Japanese.

A- The number of troops in North China:

- (1) Reported by Japanese Garrison Head-
 quarters: 40%.
- (2) Some competent observers believe the
 number actually present was 7000-
 8000.

38th Division probably at Kalgan. General Chang
 is no longer Mayor or Division Commander.

132d Division probably at Chechow.

143d Division south of Kalgan.

A- Estimate of number of troops:

	ARMY: Pao in Tui
Tientsin Area	none
Peiping Area	none
Hopel-Chahar	260,000
East Hopel Territory	8,000

This total includes the normal Hopel-Chahar
 Garrison (exclusive of the East Hopel Terri-
 tory) increased by reinforcements from Shansi,
 Suiyia, Shensi, Koman, Anhwei, and Kiangsu.

2- Japanese.

A- The number of troops in North China:

- (1) American estimate: 95,000
- (2) Estimate of two other military observers:
 160,000
- (3) Estimate of a fourth military observer:
 200,000

CHINA (Political) Continued

JULY 1, 1937

SEPTEMBER 1, 1937

B. POLITICAL

1. Regional

a. Hoped Chahar Political Council:

At the end of May, 1935, Kwantung established the Peiping Political Headquarters Council for the purpose of dealing with questions arising in connection with the Tanggu Truce. The Japanese found the Council to be a hindrance in their attempts to settle questions relating to North China. In December, 1935, the Hoped Chahar Political Council was established by Kwantung to supersede the Political Headquarters Council, which had been abolished in August, 1935. In deference to Japanese wishes, the new Council, while technically subject to Kwantung, was more amenable, particularly in its early days, to Japanese manipulation and control than its predecessor had been.

General Sung, Pacification Commissioner for Hoped and Chahar, and Commander of the 29th Army, was Chairman of the Council.

2. Provincial:

a. Hoped:

The Hoped Provincial Government under General Feng Chih-an, commanding the 39th Division, was in general control in Hoped Province, with the exception of 22 Hsien (counties) in eastern Hoped which comprised the area over which the last Hoped Anti-Communist Autonomous Government claimed and exercised jurisdiction.

B. POLITICAL

1. Regional

a. Hoped Chahar Political Council:

According to a press report from Japanese sources the Hoped Chahar Political Council was dissolved on August 21st.

2. Provincial:

a. Hoped:

The Hoped Provincial Government under General Feng Chih-an, acting commander of the 29th Army, is reported to exercise jurisdiction over that part of the province that is not under occupation by the Japanese Army.

CHINA (Political) Continued

JULY 1, 1957

SEPTEMBER 1, 1957

A Hoped Regional (or District) Maintenance Association was organized about August 23d at Peiping. The purpose of this organization was said to be two-fold, namely, the maintenance of peace and the relief of refugees. A branch of the Hoped Regional Maintenance Association has been established at Langfang, about midway between Peiping and Tientsin. The Peasants Maintenance Associations in Peiping and Tientsin now exercising some of the functions of a Chinese Municipal government in these cities seem to have no direct connection with the Regional Maintenance Association.

h. Chahar:

Such parts of Chahar Province as are not under Mongol control are under occupation by the Japanese Army.

h. Chahar:

(1) The Chahar Provincial Government, while nominally in control of the entire province, actually exercised jurisdiction only in that small but more prosperous part of the province which is south of Changpei.
 (2) By far the greater part of the Province was under Prince Fe, a Mongolian noble who enjoyed the confidence of the Kuomintang Army.

2. East Hanoi Anti-Communist Autonomous Government:

a. This regime was established on November 25, 1956, in the demilitarized zone created by the Panmun Truce of May 31, 1953.
 b. Yim Ju-hong was chairman.

a. T'ungshan, 12 miles east of Peiping, was the capital.

3. East Hanoi Anti-Communist Autonomous Government:

a. This regime is still existing.

b. In the absence of Yim Ju-hong, its former Governor, a new governor, Ch'in Tsung-mo, is reported to have been appointed by the Commanding General of the Japanese North China Garrison in the first week of August. He assumed the post on August 10th.

a. T'ungshan is reported to be the present seat of the East Hanoi Government.

CHINA (Political) Continued

JULY 1. 1937

SEPTEMBER 1. 1937

1. Central Bank of East Hanoi, established in Hanoi in November, 1936, had issued banknotes.

2. There was a run on the Central Bank of East Hanoi in the first half of August. A moratorium was declared and a new manager was appointed by Governor Ch'ih. The bank was then moved to Peking-shan and arrangements were made with the Bank of China, the Bank of Hanoi, and the Yokohama Specie Bank for accepting any East Hanoi banknotes presented for payment. According to the Chinese press, which is the source of all the statements in this paragraph, these banks began, on August 26th, to accept all East Hanoi notes presented for payment.

2. Revenue was reported to include a subsidy of \$1,200,000 a year from the Chinese Pei-Hing (Peking-shan) Railway Administration and \$2,000,000 a year from Hanking for agreeing to abolish the East Hanoi Salt Bureau.
2. The demand of Hanking for the abolition of the East Hanoi regime as a condition precedent to negotiations looking toward Sino-Japanese economic cooperation in North China, was probably one of the chief causes of the stalemate existing in North China when the present incident began on July 7th.

2. It is reported that the monthly subsidy of \$100,000 is still being paid by the Pei-Hing Railway. Nothing has been noted in the press as to whether or not \$250,000 is now being paid each month by the Hanking Government to the East Hanoi regime.

CHINA (Political) continued

JULY 1, 1937

SEPTEMBER 1, 1937

4. Municipal.

a. Peiping and Tientsin each had a mayor appointed by Peking. Among the institutions over which the municipal government had control were newspapers and schools, other than universities.

(1) Peiping:

General Ch'iu Tse-shun, formerly chief of staff of the 29th Army, was Mayor.

(2) Tientsin:

General Chang Tse-chang, Commander of the 39th Division of the 29th Army, was Mayor.

b. Censorship of newspapers was lax. Moderate and particularly indirect criticism of Japan and Japanese activities was not prohibited.

4. Municipal.

a. Peiping and Tientsin each has a Peace Maintenance Association now exercising, with Japanese guidance and support, many of the usual functions of a Chinese municipal government. The Peace Maintenance Associations include some men educated in Japan, a larger number of former officials, many of whom are not in favor with the Kuomintang, and some men whose chief concern is to get the community life back to a normal basis as soon as possible.

(1) Peiping:

General Chiang Ch'ao-tung, an official during the Manchurian dynasty, acting-premier for a time in 1917, and now president of the Local Peace Maintenance Association of Peiping, is the new mayor. He is 78 years old.

(2) Tientsin:

Mr. Kao Ling-wei, ex-Government official, member of the Hopei Chahar Political Council, and vice President of the Pan-Asiatic Association, is president of the Tientsin Peace Maintenance Association. He is 67 years old.

b. Censorship: Press censorship regulations were announced on August 25th at a meeting attended by some fifty newspaper representatives. According to press reports, the Japanese Army and the Japanese Consulate-General were represented. All anti-Japanese publications are to be eliminated to the end that the people of North China "will be made to trust the goodwill of the friendly nation, Japan." That remains of the Chinese press in Tientsin has been instructed to rely upon London dispatches from Japanese Headquarters and upon London dispatches for military news. Publishing permits will be issued by the Peace Maintenance Association or by the Japanese authorities. The discovery of any unauthorized news-

CHINA (Political) Continued

JULY 1, 1937

SEPTEMBER 1, 1937

2. There were some passages in the school textbooks which advocated support of the Kuomintang and the return of Manchoukuo to the control of the Chinese.

4. The Chief of police was appointed by the Mayor.

(1) In Tientsin, governmental control of the British, French, Japanese and Italian Concessions rested in the end in the hands of the respective consuls. In the 1st, 2d, 3d, and 4th Special Areas (ex-German, ex-Austrian, ex-Russian, and ex-Belgian Concessions, respectively) there was a Commissioner appointed by the Mayor. The Commissioner was concurrently chief of police of the Special Area.

paper is to be promptly reported to the Bureau of Public Safety or to the Japanese Gendarmerie.

2. The Chief of the Social Affairs Bureau of the Peace Maintenance Association of Tientsin announced on August 26th that his educational policy called for the abolition of anti-Japanese education and the promotion of friendly sentiments towards Japan. Textbooks for Tientsin are now being revised. The work in Peking is reported to have been completed on August 29th.

A course in the Japanese language is, according to press reports, to be added to the curricula of all primary and middle schools in Tientsin for the primary purpose of promoting friendliness with a neighboring nation.

4. The Japanese Army took over control of the four special areas (ex-concessions) as soon as quiet was restored in Tientsin after the attack by Pao-An-Pui (Peace Preservation Corps) early in the morning of July 29th. Police control of the 2d, 3d, and 4th Special Areas seems to have been taken over by the Japanese Gendarmerie on July 31st. The 1st Special Area, in which the American Barracks are located, was taken over by a Japanese Gendarmerie detachment on August 2d. Each special area is now under a Commissioner appointed by the Tientsin Peace Maintenance Association. The Commissioner is concurrently chief of police. Ultimate responsibility, however, for law and order rests with the Commanding Officer of a Japanese gendarmerie detachment, a captain or lieutenant. Captain Sakai, Imperial Japanese Army Gendarmerie, is responsible for law and order in the 1st and 3d Special Areas and is the superior officer of the Commissioners of these two ex-concessions. The 4th Special Area, which is small, has been combined with the 3d.

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

SEPTEMBER 1, 1937

C. EDUCATION

1. Einleitung:

2. All of the eight Government universities and colleges in Peiping are under control of the Japanese-directed Peiping Peace Maintenance Association. The ten or more private universities and colleges are to be subjected to a rigid censorship of their courses. It is not known when the Government or the private institutions will reopen. The Hankow Ministry of Education is reported to be considering opening a "wartime university" at Sian to provide education for students affected by the recent changes in the Government institutions in Peiping and Tientsin.

- b. Primary and middle schools are either under the Peiping Peace Maintenance Association or are to be subjected to censorship of their courses.

2. Flintsin:

2. Kaohsi, a well known private university, is in ruins. One Provincial college is occupied by Japanese troops. Another university is expected to reopen on October 1st. It will be under the control of the Tientsin Peace Maintenance Association. The remaining institution, the "Hantei tudes", is located in the British Concession and is controlled by the French.

2. At least four primary or middle schools are in ruins. The remainder are expected to reopen on October 1st. They will be under the control of the Tientsin Peace Maintenance Association.

- g. The Municipal Bureau of Education was reduced to the status of a department and placed under the Bureau of Social Welfare. Most of the authority formerly exercised by the Bureau of Education is now exercised by the Peace Maintenance Association.

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

JULY 1, 1937**D. COMMUNICATIONS****1. Mail:**

a. Ordinary mail to all points in China, Manchou-
koo, Korea, and Europe (via Siberia) by rail.
Mail to the Americas, Japan, and Europe (via
Sues) by normal steamship connections.

b. Airmail to principal points in China, to the
United States by "Clipper" from Hongkong, and
to Europe via Hanoi-Marseilles airlines and
Imperial Airways.

c. Censorship: None.

2. Telephones:

Long-distance telephone service to Peiping, Aigun,
Pootung, Nanking, Tsin-tao, and Kuanten, and else-
where in Manchuria. The direct line to Shanghai
was not yet ready for use. The British military
line to Peiping was in working order.

Continued

SEPTEMBER 1, 1937

D. COMMUNICATIONS

1. Mail:

- a. Ordinary mail to Japan, Manchoukuo, Korea, and the Peiping-Tientsin area usually leaves Tientsin by railroad. Mail south on the Tsin-P'u (Tientsin-Pukow) line as far as Tsinan go by canal boat to the nearest railhead, which is T'ang Kuan T'uan, 40 miles south of Tientsin. All other mails to points south of area occupied by the Japanese go by steamer to Chefoo, Tsingtao, or Shanghai.
- b. No airmail service from Tientsin.

- g. Censorship: Mail is being censored in Peiping and Tientsin by the Japanese. Military, consular, and foreign mail (unless of a suspicious nature) is supposed to be exempt from censorship.

2. Telephone:

No long-distance telephone service available to any point from Tientsin. The British military line from Tientsin to Peiping is down in many places. There are now two directors of the Telephone Administration in Tientsin. One, appointed by Hanking, has long had his office in the British Concession. The new director, appointed by the Tientsin Peace Maintenance Association, has not been allowed to take possession of the office of the Telephone Administration in the British Concession. At present, the Hanking appointee controls telephonic communication in the French, British, and Italian Concessions, and in the 1st Special Area (ex-German Concession). The newly-appointed director controls the system in the rest of the city.

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

CHINA (Political) Continued

JULY 1, 1937

SEPTEMBER 1, 1937

3. Telegraph:

Available to principal points in China.

4. Radio (commercial)

Service available from Tientsin to all larger cities in China.

5. Radio (broadcasting)

Four broadcasting stations in Tientsin and two in Peiping were in operation.

7. TRANSPORTATION

1. Railroads. Service regular.

- a. Tientsin-Peiping: Eight trains daily each way.
- b. Tientsin-Shanghai: Four trains daily each way.
- c. Tientsin-Shanghai: One train daily each way.

3. Telegraph:

No telegraph service available from Tientsin to any other point. The Japanese are reported to have refused to issue the Chinese telegraph repair crews safe-conduct brassards which would enable them to repair, without interference by Japanese troops, telegraph lines now out of order. The French, who have refused to permit a Japanese censorship to be established in the office of the Telegraph Administration in the French Concession, are reliably reported to have informed the Chinese that they would not be permitted to send or receive military information or political propaganda through the office in the French Concession.

4. Radio (commercial)

No service available to Peiping. Available to other large Chinese cities but messages must be sent at sender's risk. There is usually much delay in transmission.

5. Radio (broadcasting)

All broadcasting stations in Tientsin and Peiping suspended. When broadcasting is resumed, programs will be subject to a censorship under Japanese control.

7. TRANSPORTATION

1. Railroads. Service extremely slow.

- a. Tientsin-Peiping: Two trains daily each way.
- b. Tientsin-Shanghai: Two trains daily each way.
- c. Tientsin-Shanghai: None.

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Department of State Letter, August 10, 1972
By NH/DO Date 12-18-75

CHINA (Political) Continued

JULY 3, 1957

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2. Airplane (civilian)
 - a. Hailung Line: From Tientsin to Peiping, Jehol, and all points in Manchukuo with connections to Japan. Daily service.
 - b. China National Aviation Corporation (C.N.A.C.): From Tientsin to Peiping, Tientsin, Hankow, Kiating, and Shanghai. Four days a week.
2. Airplane (civilian)
 - a. Hailung Line: None available to the general public.
 - b. China National Aviation Corporation (C.N.A.C.): None.

1. FINANCE

1. Government revenue, as differentiated from local revenue, was collected by men appointed by the Central Government. Branch offices were established in Tientsin and Peiping, and the money when collected was transmitted direct to the Ministry of Finance. The following tax offices were functioning on July 1, 1957:

- a. Ch'angsha Salt Administration. The Chinese director and the Japanese co-director of this Administration were appointed by the National Government. The head office was in Tientsin. Its jurisdiction covered Hopei, the northern part of Honan, and part of Shantung Provinces. At ordinary times the yearly revenue was said to be around \$20,000,000. In order to preserve control of the salt pans near Lu-t'ai in Eastern Hopei, a monthly subsidy of \$250,000 was said to have been granted by Peking to the East Hopei Government for agreeing to abolish the East Hopei Salt Bureau and salt tax.

- b. Qianjiang. The Tientsin Maritime Customs was in operation, but it was not successful in its efforts to collect duties on imports from the special district under the control of the East Hopei Government. Customs rates imposed by East Hopei were reported to be about one-fourth of the Peking rates.

2. FINANCE

1. Government revenues in Tientsin and Peiping are reported to have been largely taken over by the Peace Maintenance Associations of the two cities.

- a. Ch'angsha Salt Administration. The Ch'angsha Salt Administration at Tientsin has been taken over by an octogenarian, Mr. Wang Tzu-lin, now President of the Chamber of Commerce and one of the prominent salt merchants in Tientsin. This action was taken with the approval of the Tientsin Peace Maintenance Association. According to press reports, the chief source of revenue of the Tientsin Peace Maintenance Association is the salt tax collected by the Ch'angsha Salt Administration.

- b. Qianjiang. No change has been reported.

CHINA (Political) Continued

JULY 1, 1937

SEPTEMBER 1, 1937

2. Consolidated Taxes. The Head Office of Hopei and Chahar, including the two municipalities, for the collection of consolidated taxes on rolled tobacco, flour, cotton yarn, matches, and cement was in Peiping, with branch offices in Tientsin and elsewhere.

4. Income Tax. An income tax Bureau for Hopei and Chahar had just been established by order of the National Government. To the Japanese the enforcement by General Sung of this tax, the collection of which they had succeeded in delaying for nearly two years, was an indication that General Sung could not be depended upon to oppose Hankin, in order to comply with Japanese wishes.

2. Local Revenue. The Bureau of Finance of Tientsin was functioning under a chief appointed by the Mayor. Cotton tax, butchery tax, house tax, vehicle tax, farm product tax, land tax, and business tax were among the local taxes. The local revenue system was practically the same in Peiping.

2. Consolidated Taxes. The collection of consolidated taxes in Tientsin and Peiping has been taken over by the Peace Maintenance Associations of the two cities and the money collected will undoubtedly be used for local purposes.

(1) In Peiping. Long Chia-shi, former President of the Chamber of Commerce and now member of the Peiping Peace Maintenance Association, has been appointed by the Peiping Association as Chief of the Consolidated Taxes Bureau of Peiping.

(2) In Tientsin. Consolidated taxes are now collected by the Bureau of Finance of Tientsin. A special department for this purpose was created by order of the Tientsin Peace Maintenance Association.

4. Income Tax. The collection of income taxes has ceased and the Bureau of Income Tax is said to be in an inactive status.

2. Local Revenue. The Bureau of Finance of the Tientsin Peace Maintenance Association has been opened. According to press reports, the Bureau started collecting taxes on September 1st. The business tax, yielding about three or four hundred thousand dollars a year, has been abolished by the Peace Maintenance Association of Tientsin. The Bureau of Finance of Peiping is said to be open for business.

CHINA (Political) Continued

JULY 1, 1957

SECRET

5. Million Dollar Public Works Fund. The Million Dollar Public Works Fund, raised by the Mayor of Tientsin by borrowing from various local banks for use in building and repairing roads, bridges, sewers, et cetera, was under the control of a committee which included prominent bankers, merchants and local officials. Little of this fund had been expended by July 1, 1957.

6. Million Dollar Public Works Fund. According to the Secretary General of the Tientsin Peace Maintenance Association, Mr. Liu Shao-fan, the Million Dollar Public Works Fund, still under the control of the Committee, will be expended for the purpose intended.

6. MUSKELMAN

There was a branch office of the South Manchuria Railway in Tientsin and in Peiping.

6. MUSKELMAN

The Tientsin branch office of the South Manchuria Railway has been expanded into the North China Office. The branch office at Peiping is under the supervision of the North China Office.

Source: Principally newspapers, magazines, reviews, and pamphlets published in China. While it has not been practicable to obtain confirmation of a considerable part of the information contained in this report, it is believed that the report presents within definite limits an incomplete but fairly reliable statement of some of the principal changes which have taken place in the Tientsin-Peiping area during the past two months.

1 Incl: Sketch of Tientsin-Peiping area, including Hopei and part of Chahar Provinces.

THOMAS M. MARYN,
 Major, 15th Infantry,
 3-2.

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

1st Infirmary

Headquarters U. S. Army Troops in China, Tientsin, China, September 4, 1937. To: The Commanding General, Philippine Department, Manila, P. I.

Approved.

Incl: No change.

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

No. 3

- 12 -

COPY

CHINA (Political)

3850
5060

Subject: Sino-Japanese Relations in the Tientsin-Peiping Area

The following notes in tabular form may be helpful in gaining an understanding of some of the changes taking place in the Tientsin-Peiping area between July 1st and September 1st, 1937.

JULY 1, 1937

BANKING AND BANKNOTES

1. Banking: All Chinese banks carried on their usual banking business. Deposits were made and withdrawn according to the usual banking regulations governing such. Upon expiration, fixed deposits could be withdrawn in full. Depositors were permitted to draw part or the whole of their deposits in the bank by sustaining loss of part or the whole of the interest accrued thereon. Fixed deposits could also be used to secure loans made to the depositors. Chinese banks bought and sold freely Chinese currency for delivery in Shanghai or Peiping.

SEPTEMBER 1, 1937

BANKING AND BANKNOTES

1. Banking: On August 16th, following the lead of their head offices in Shanghai and by order of the Ministry of Finance, resolutions were passed by representatives of the local banks and approved by the Tientsin Peace Maintenance Association which provided: first, that withdrawals of official deposits in any one week were limited to 5% of the amount on deposit or \$150 in the event such 5% exceeded \$150; second, that allowances for drawings against unexpired deposits were suspended; and third, that loans on fixed deposits were limited to \$1000 or 50% of the total amount of the fixed deposit if the value of such deposit was less than \$2000. Fixed deposits at maturity must either be renewed or converted to a current account subject to limited withdrawals as mentioned above. New accounts opened after August 16th may be withdrawn without limitation.

There is a shortage of cash in Tientsin among both Chinese and foreign banks. Among the causes of this shortage are: first, a reluctance of Chinese banks with headquarters in Shanghai to increase liabilities of local branches in view of the possibility that large quantities of notes falling into the hands of the Japanese might result in their taking over control of any local branches unable to redeem their notes on demand;

S-2, U.S.A.T.C.

Report No. 8

September 18, 1937

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State Letter, August 10, 1972
By Mitch D. K. [illegible] NARS, Date 12-18-75

63-4-43
236
2-59-7

CHINA (Political) Continued

JULY 1, 1937

SEPTEMBER 1, 1937

second, hoarding of currency; and third, interruption of communications, including rail, postal, telegraph, telephone, radio, and cable.

Because of a shortage of cash among both Chinese and foreign banks, the exchange value of the Chinese dollar has increased, a result contrary to what might have been expected, for when a country is at war it is normal for the value of its currency to decline. Remittances to or from Shanghai and Peiping are practically impossible through Chinese banks and can usually be obtained only in minor amounts from foreign banks.

2. Bank notes: The three Government banks in the Tientsin and Peiping area, namely, Bank of China, Central Bank of China, and the Bank of Communications are the only banks authorized by the Ministry of Finance to issue bank notes. Theoretically no paper money issued by banks other than these three banks is to be considered legal tender. Since the nationalization of the Chinese dollar on November 4, 1936, when the reserves for the bank notes issued by various private banks in Tientsin and Peiping were turned over to the three Government banks, these banks have been responsible for redeeming all bank notes, except notes issued by the Bank of Hopei, a provincial institution. Redemption was to have been completed by November 4, 1937.

2. Bank notes: Notes of the three Chinese Government banks and the Bank of Hopei are still accepted and preferred as legal tender. Japanese paper money has been introduced into the local markets and steps have been taken by the Peace Maintenance Association through the police authorities (in Tientsin) to cause the public to accept this currency. Chinese merchants in Tientsin usually discount this currency allowing as low as eighty cents local currency for one yen while Chinese and foreign banks are avoiding yen notes. The Bank of Chosen and, to a limited extent, the Yokohama Specie Bank, Ltd., will cash at the rate of 93 to 96 cents local currency for the yen. It is said that the Japanese have been asked by the Chinese authorities in Tientsin to establish some special exchange agents for Japanese currency in this city. A notice was published in the vernacular newspapers by the Central Bank of East Hopei announcing that from August 26th the Bank of Chosen, the Yokohama Specie Bank, and the Bank of Hopei would accept the Central Bank of East Hopei's bank notes presented for payment in Tientsin and Peiping. The wide circulation of yen and Manchukuo dollar notes (which are at a par with yen) by the Japanese military authorities may ultimately necessitate a change in the local monetary unit.

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

CHINA (Political) Continued

THOMAS E. MARTIN,
Major, 15th Infantry.
3-2.

1st Intersect

Headquarters, U. S. Army Troops in China, Nientsia, China, September 18, 1937. To: Commanding General, Philippine Department.
Manila, P. I.

Approved.

J. A. MAHER W.,
Colonel, 15th Infantry.
Commanding.

September 18, 1937

Report No. 8
- 3 -

9-2, U.S.A.T.C.

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

EDA

1-1836

FROM

COMYANGPAT

December 23, 1937

Received 6:44 p.m.

COPIES SENT TO
~~CINCAF~~ M.I.D.

ACTION: OPNAV
INFO : 2ND MAR BRIGADE
YANGPAT
CONDESRON 5
COMSUBRON 5
CINCAF
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

Division of
FAR EASTERN AFFAIRS
DEC 27 1937
Department of State

0023 Yangtze river ports quiet 2023.

npl; emb

793.94/11784

DEC 23 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

ML

PLAIN

1-1336
FROM: Comdr Yangtze Patrol ^{FROM}

OPNAV

Dated December 25, 1937

ACTION: Opnav

Rec'd 6 p.m.

INFO: 2nd Brigade (USMC) Yangtze
Patrol, Comsubron 5, Comdesron
5, Cincaf, Comsouth China Patrol,
Amer Ambassador to China, USS
MARBLEHEAD Naval Attache Peiping
China.

Secretary of State
Washington

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L.M.L.D.

Division of
AFAR EASTERN AFFAIRS
DEC 27 1937
Department of State

0026 Yangtze River ports quiet 2115.

793.94

793.94/11785

FILED
DEC 28

FILED
DEC 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 D. Gustafson NARS, Date 12-18-75

MSM *XE*

TELEGRAM RECEIVED

EG

1-1836

FROM

USS MARBLEHEAD

December 25, 1937

Rec'd 9:45 p.m. Dec. 24

ACTION: CINCAF

INFO: SECOND BRIGADE USMC

OPNAV

ALUSNA PEIPING

COPIES SENT TO

ONLINE

Division of
FAR EASTERN AFFAIRS

DEC 27 1937

Department of State

793.94
1023. Tsingtao one Japanese godown destroyed today

inner harbor blockaded by seven sunken gunboats, drydock
crane capsized into dock passengers steamers anchoring
outer harbor and taking out capacity loads Chinese and
foreigners. Looting effectively checked by curfew and
summary execution violators. City well policed by
Chinese marines and generally quiet. 2125.

CSB

793.94/ 11736

FILED
EC 29 1937

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

TELEGRAM RECEIVED

JR

COMYANGPAT

1-1330

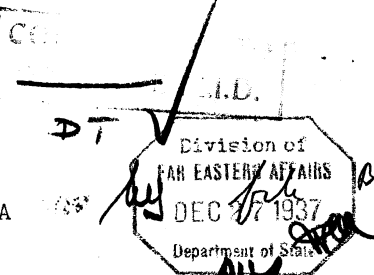
FROM

December 25, 1937

Rec'd 10 a.m.

ACTION: OPNAV

INFO: SECOND BRIGADE
YANGPAT
COMSUBRON FIVE
CINCAF
COMSOPAT
AMAMBASSADOR, CHINA
USS MARBLEHEAD
ALUSNA PEIPING



0024. Yangtze river ports quiet. 2005.

CSB

793.94/ 11787

F/F/G

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

TELEGRAM RECEIVED

EG

1-1836

FROM

COMSOPAT

December 25, 1937

Rec'd 11:40 p.m. Dec. 24th

ACTION: OPNAV
INFO: SECOND BRIGADE USMC
CCISSUERON FIVE
COMDESRON FIVE
COMXANGPAT
AMBASSADOR CHINA
USS MARBLEHEAD
ATUSNA PEIPING

COPIES SENT TO
ONLAND M.I.D.

Division of
FAR EASTERN AFFAIRS
DEC 27 1937
Department of State

0123. South China ports quiet. 2000.

OSB

793.94/ 11783

FILED
DEC 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

TELEGRAM RECEIVED

EG

1-1836

FROM

SECOND BRIGADE

DECEMBER 25, 1937

Rec'd 10 a.m.

ACTION: OPNAV and CINCAF
INFO: AMCON SHANGHAI
COMSUBRON FIVE
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
ALUSNA PEIPING

Division of
FAR EASTERN AFFAIRS
DEC 27 1937
Department of State

8614. Japanese claim captured Hangchow 1730 24

December crossed Yellow River in great force have Tsinan
surrounded. 2016.

CSB

793.94/11789

DT

FILED
DEC 27 1937

[illegible]

793.94

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

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

TELEGRAM RECEIVED

EG

1-1234

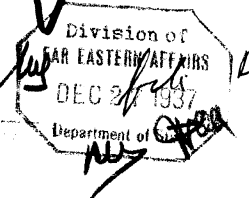
FROM

CINCUS

December 25, 1937

Rec'd 11:40 p.m.

ACTION: OPNAV
INFO: SECOND BRIGADE USMC
COMSUBRON FIVE
COMDESRON FIVE
CINCAP
COMYANGPAT
ANAMBASSADOR CHINA
USS MARBLEHEAD
DESTORES CAVITE



793.94

0123. Air raid Canton Samshui Railroad west of
Canton, other south China ports quiet. 2200.

CSB

793.94/ 11790

FILED
DEC 28 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

73-1

FE

TELEGRAM RECEIVED

EG

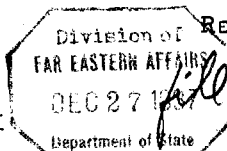
1-1336

CINCAF

FROM

December 24, 1937

Rec'd 9:45 p.m.



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

ACTION: OPNAV
INFO: AMCON SHANGHAI

0024. Following letter dated twenty one December
received from Commander in Chief Japanese fleet in China:

"Admiral N. R. Yarnell, Commander in Chief United
States Asiatic fleet. My Dear Admiral. I have the
pleasure of informing you that, in conjunction with the
arrangement recently made for the passage down the
Yangtze River to Shanghai of HMS CAPETOWN and Italian
ship SANDRO SANDRI, the Japanese navy is happy to render
assistance to vessels of the third powers which are de-
sirous of proceeding down stream from the upper reaches
of Nanking to Shanghai under the following understanding:

(One) Eight vessels will make one group and with
our convoy proceed down once in every two or three days,
(two) vessels will come down at their own risk. (in this
connection, I wish to make it clearly understood that since
the above mentioned arrangement is being made temporary
on the occasion of the passage of the two, British and
Italian, warships, it is not to be considered by this
that the Yangtze River is opened for free navigation.

Moreover

793.94/ 11791

FILED

F/F/G

73-2

-2- 0024 from Cincaf, December 24, 1937

MOREOVER, in view of the fact that minesweeping operations as well as mopping up operations of the scattered Chinese troops are still going on along the river, it is the desire of the Japanese navy that foreign vessels including warships will refrain from navigating the Yangtze except when clear understanding is reached with us.

I am, my dear Admiral, Yours Sincerely. Kiyosho Hasegawa, Vice Admiral, Commander in Chief Imperial Japanese China sea fleet."

The following letter dated twenty three December sent in reply:

"Dear Admiral: We have the honor to acknowledge receipt of your letter of twenty one December on the subject of navigation of the Yangtze River and wish to thank you for your assurance of the assistance of the Japanese navy in convoying our shipping down river. We agree that such movements must be undertaken at the risk of the vessels themselves.

We agree that notification of the movement of all merchant shipping in the danger areas is necessary at present though we naturally hope for greater freedom as soon as the dangers are removed in accordance with our treaty rights.

With

73-3

-3- 0024 from Cincaf, December 24, 1937

With regards to the movement of warships we will of course notify the Japanese authorities on the river of intended movement whenever practicable and will in any case be particular to give information of any intended movements through the Kiangyin barrier for the present. We cannot however, accept the restriction suggested by your letter that foreign men of war cannot move freely on the river without prior arrangement with the Japanese and we must reserve the right to move these ships whenever necessary without notification.

We have the honor to be, sir, very sincerely yours,
H. E. Yarnell, Admiral United States Navy, Commander in Chief United States Asiatic Fleet, Le Bigot, Vice Admiral in Chief, French naval forces in the Far East, Alberto da Zara Capitano di Vascello Commandante Superiore Navale in eo, J. G. L. Dunbar Captain HMS FOLKESTONE Senior British naval officer present. 1834.

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

TELEGRAM RECEIVED

JR

1-1338

FROM

GRAY

Tsingtao via N. R.

Dated December 23, 1937

Rec'd 9:02 p.m.

Secretary of State,
Washington.

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

Division of
FAR EASTERN AFFAIRS

DEC 27 1937

Department of State

December 23, noon.

Political and military situation very quiet. All

sections of business community are greatly disturbed
by the measures which the municipal authorities have
taken i.e. blocking of the inner commercial harbor and
the refusal to lend any facilities to shipping in outer
harbor. The municipal authorities are even refusing to
cooperate with the maritime customs and the postal
services. This afternoon a general meeting of represent-
atives of all sections of the business community will be
convened to devise ways and means of restoring economic
order. Sent to the Department, Peiping, Hankow.

NPL:EMB

SOKOBIN

FILED
DEC 29 1937

793.94/ 11792

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

JR

GRAY

1-1236

FROM

Tsingtao via N. R.

Dated DECEMBER 24, 1937

Rec'd 4:40 a.m.

Secretary of State,
Washington.

RUSH.

December 24, 4 a.m.

A reliable Chinese official has just informed me
that he received a message by telephone from Tsinanfu
to the effect that the Japanese have crossed Yellow River.
Sent to the Department, Peiping, Hankow.

SOKOBIN

NPL

COPY
ONE

Division of
FAR EASTERN AFFAIRS
DEC 27 1937
Department of State

793.94

793.94/ 11795

EC 29 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
1-1236
AMEMBASSY HANKOW
AMEMBASSY PEIPING

FROM

PLAIN

Tsingtao via N. R.

Dated December 24, 1937

Rec'd 6:15 a.m.

Secretary of State,
Washington.

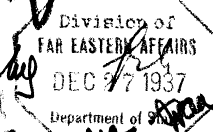
PRIORITY.

Twenty-fourth, 3:25 p.m.

Report received by Consulate states Chowthun 180
miles west of Tsingtao on Tsingtao Tsinan Railway
has been bombed by Japanese planes. This is the first
Japanese bombing along this railway.

SOKOBIN

NPL



793.94/ 11794

DEC 29 1937

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

KE

TELEGRAM RECEIVED

JR
AMEMBASSY HANKOW
AMEMBASSY PEIPING

FROM

PLAIN

Tsingtao via N. R.

Dated December 24, 1937

Rec'd 4:40 a.m.

Secretary of State,
Washington.

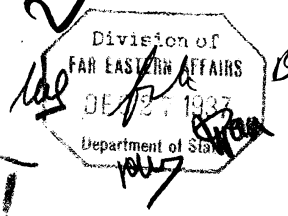
PRIORITY.

Twenty-fourth, 1:50 p.m.

American missionary at Weishien Shangtung Province
just telephoned it is reported Japanese have reached
Chowtsun on Tsingtao Tsian Railroad one hundred eighty
miles from Tsingtao.

SOKOBIN

NPL



793.94

793.94/ 11795

FILED
F/FG
DEC 28 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

EG

1-1836

FROM

PLAIN

Tsingtao via N. R.

Dated December 25, 1937

Rec'd 10 a.m.

AMEMBASSY HANKOW
AMEMBASSY PEIPING

Secretary of State,
Washington.

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

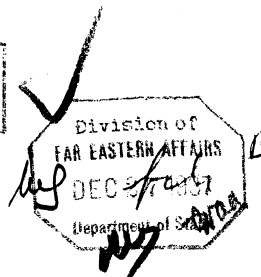
RUSH

Twenty fifth, four fifteen p.m.

Important railway bridge 75 miles from Tsingtao on
Tsingtao Tsinan Railway destroyed today. Destruction
understood to be caused by conflict of two Chinese factions.
All communications between Tsingtao and Tsinan now disrupted.

SOKOBIN

CSB



793.94/ 11796

FILED
DEC 29 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

LMS

PLAIN and GRAY and SPECIAL GRAY

1-1336

FROM Canton via N. R.

Dated December 24, 1937

Rec'd 8 p. m.

AMEMBASSY PEIPING
AMEMBASSY HANKOW
AMCONSUL SHANGHAI
AMCONSUL SWATOW

COPIES SENT TO
I. AND M.I.B.

Secretary of State,
Washington.

Division of
FAR EASTERN AFFAIRS
DEC 27 1937
Department of State

December 24, 6 p. m.

December twenty-first minor raids on Canton
Hong Kong and Sunning Railways negligible damage
to former. Twenty-second Japanese planes did no
bombing but made several scouting flights over Delta
regions which local quarters believed for purpose of
locating Chinese coastal defense concentrations.
Today minor raids on Canton, Hong Kong and Canton
Samshui Railways. (GRAY) Canton-Hankow Railway
reported open for through service.

Chinese authorities continue to dismiss as
unconfirmed rumors all reports of Japanese transports
off Kwangtung. Americans tend to the opinion that
Japanese advance is not imminent. My British colleague
intimates that high military authorities have reached
the same conclusion. Mailed Hong Kong.

LINNELL

JLS

793.94/11797

E/FG
E/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

GRAY

1-1236

FROM

Hankow via N. R.

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

Dated December 24, 1937

Rec'd 11/15 a.m.

Secretary of State,
Washington.

103, December 24, 4 p.m.

FOLLOWING FROM COLONEL STILLWELL FOR WAR DEPARTMENT.

"Japanese troops withdrawn from Wuhu Area went to Kwangteh to help in attack on Hangchow now threatened from east, north and northwest. Chinese have no confidence that Hangchow can be held. Two Japanese columns moving north from Yangtze, one along railroad, ~~(*)~~ ^{DNE} attack along grand canal. West of railway attack toward Hopei did not develop and these troops probably withdrawn for use at Hangchow. Chinese front lines south of Mingkwang on railway and Kaoyuon Canal. Chinese believe Japanese troops withdrawn from Shanghai area are destined for landing at Tsingtao or vicinity".

Sent to the Department. Repeated to Peiping.

JOHNSON

DAS:NPL

(*) Apparent omission

Division of
FAR EASTERN AFFAIRS
DEC 27 1937
Department of State

793.94/11798

F/FG

FILED

DEC 27 1937

793.94

WB
1-7-38

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

74-1

FA 5-17

A

TELEGRAM RECEIVED

EMB

1-1236

FROM

GRAY

Tsingtao via N. E.

Dated December 25, 1937

Rec'd 6:34 p. m., 26th

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

Secretary of State,
Washington.

Division of
FAR EASTERN AFFAIRS
DEC 27 1937
Department of State

December 25, 5 p. m.

There is no question that the bridge reported destroyed
in my telegram December 25, 4 p. m. ¹¹⁷⁹⁶ was destroyed by an
armored train under the orders of General Han, Governor
of Shantung, in order to cut off railway transportation
of General Yu Hsueh Chung's troops who were supposed to
go west to Tsinan and perhaps then southwards to Hsuehchowfu.

Under these circumstances it looks more than ever
that the Japanese will solve the Shantung problem through
the kind offices of General Han.

Everything quiet in Tsingtao and ^{as far as is known} ~~known~~ in
Tsinan also. Under the conditions now obtaining there is
no serious obstacle to any plan of the Japanese to invade
Shantung through Tsingtao if they so desire.

Sent to the Department, Paiping, Hankow.

SOKOEN

EMB

793.94/11799

F/FG

793.94

WB
1-12-38

WILEY
DEC 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

TELEGRAM RECEIVED

JR

COMYANGPAT

1-1235

FROM: September 26, 1937

Rec'd 8:20 p.m.

COPIES SENT TO
ONLINE & MLO

ACTION: OPNAV

INFO: SECOND BRIGADE USMC
YANGPAT
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
NAVATTACHE PEIPING

Division of
FAR EASTERN AFFAIRS
DEC 27 1937
Department of State

793.94

0026. Yangtze River ports quiet. 2355.

EMB

793.94/11800

F/F G
FILED
EO 2.3 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

ML

1-1836

FROM

PLAIN

OPNAV⁷

FROM: Comdr South China Patrol

DATED December 25, 1937

ACTION: OPNAV

Rec'd 6 p. m.

INFO: 2nd Brigade (USMC)
Comsubron 5 - Comdesron 5 -
Cincac - Comyangtze Patrol -
Amer Ambassador China - USS MARBLEHEAD.

Secretary of State
Washington

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

Division of
FAR EASTERN AFFAIRS
DEC 27 1937
Department of State

0125 South China ports quiet 2000.

793.94

793.94/11801

F/FG

FILED

DEC 28 1937

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

TELEGRAM RECEIVED

ML

1-1336

PLAIN

FROM

2ND BRIGADE

FROM: 2nd Marine Brigade
(USMC)

Dated December 26, 1937

ACTION: Cincaif Opanav

Rec'd 10:25 a. m.

INFO: Am Amb Shanghai Comsubron 5;
Comdesron 5; Comyangpat; Comsopat,
Am Amb To China, USS MARBLEHEAD at
Alusna Peiping.

Secretary of State

Washington

COPIES SENT TO

DEPT. OF STATE

Division of
FAR EASTERN AFFAIRS

DEC 27 1937

Department of

8626. Occupation Hanchow believed complete.

Hopping up operations in progress around city. Japanese
claim capture Fuyang, 19 miles southwest Hanchow. Air
raids today Nanchang, Haichow, Hiuchow. Restrictions
entry foreigners Chapel, Hong Kong, Yangtzepoo district
to be further relayed 27 December. 1840.

ROW

793.94/11802

F/FG

FILED

DEC 28 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

ML TELEGRAM RECEIVED

FROM: Comsopat

COMSOPAT

ACTION: Opnav

FROM

Dated December 26, 1937

Rec'd 11:45 a.m.

INFO; 2nd Brig (USMC)
Comsubron 5, Comdesron 5,
Cincif, Comyangpat, Am Amb to
China, USS MARBLEHEAD, Alusna
Peiping

Secretary of State
Washington

COPIES SENT TO

AND M.I.D.

Division of
FAR EASTERN AFFAIRS
DEC 27 1937
Department of State

0126. At 1300 two seaplanes flew over Amoy,
Dropped one bomb on outer fort. Other South China ports
quiet. 2000.

ROW

793.94/11803

F/FG

DEC 27 1937

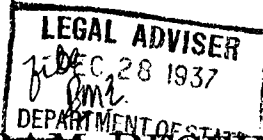
FILED

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

75-1

CA



Gray

TELEGRAM RECEIVED

HANKOW VIA N.R.

Dated Dec. 25., 1937

1-1336
Secretary of State, FROM

Washington.

104, December 25, 3 p.m.

Following from Shanghai:

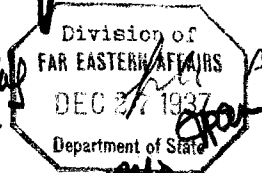
"December 24, 6 p.m., Embassy's December 23, 3 p.m.

Information received from foreign correspondents who left Nanking after Japanese entry into the city and from Doctor Bates indicates that Japanese troops entered practically every building in Nanking except those occupied by foreigners and systematically looted residences and shops. There was wholesale plundering of the Chinese who remained in the city including those in the refugee zone and much indiscriminate shooting and killing.

According to reports received both from enforcement officials and from American correspondents, American property was only slightly damaged during hostilities. However, since Japanese entry into the city it is reliably reported that Japanese troops invaded the faculty houses of Ginling College and carried away food and valuables and also entered University Hospital and robbed the Chinese staff.

The Embassy was not damaged but McDaniels informed me that Japanese soldiers had attempted to enter garages and

tak



795.94/ 11804

F/EG

DEC 27 1937

note
393.115
124.93
293.1164
634
1238
1238
33

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

75-2

CA' --2--104 from Hankow..

take Embassy cars whereupon he had the cars driven out into the compound. I complained of the matter to the Japanese Consul General who came to see me with Hidaka who explained measures he initiated while at Nanking for special protection of our Embassy under an understanding with George Fitch the Japanese Embassy borrowed three of the Embassy cars, including yours, Peck's and one other for which they will be responsible. He added he thought them safer in their hands" Peking. Peking please repeat to Tokyo.

JOHNSON

WTC

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

76-1

TELEGRAM RECEIVED

EDA

A portion of this telegram
must be closely paraphrased
before being communicated
to anyone (a)

SHANGHAI VIA N.R.

Dated December 23, 1937

Received 6:23 p.m.

Secretary of State

Washington

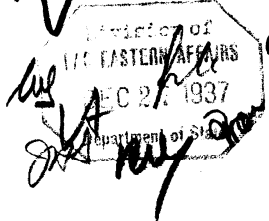
PRIORITY

1219, December 23, 9 p.m.

Your 687, December 22, 7 p.m.

CONFIDENTIAL.

In a letter dated December 17 Dr. Robert W. Brown,
American Medical Missionary at Wuhu reports that (GRAY)
Japanese troops upon entering Wuhu December 10 established
a ruthless reign of terror, shooting unarmed Chinese
civilians who had nothing of which they could be robbed
or because they did not produce their women on demand.
He states "the Japanese have not hesitated to invade
foreign property flying the American flag and with Japa-
nese posters on the gate forbidding them to enter. On
the thirteenth they pulled down the American flag from a
junk belonging to this hospital and threw it in the river.
Governor rescued the flag and took it to two Japanese
commanders. They expressed regrets. About the same
day they broke into our Methodist Mission School and
ordered the caretaker to haul down the American flag,
then



793.94/11805

DEC 27 1937

F/F/G

793.94
nsb
811.015394

76-2

EDA - 2 - #1219, December 23, 9 p.m. from Shanghai

then disregarding a Japanese military poster forbidding them to enter, went in and searched the building and blasted open the school safe. They have treated the British flag and property in a similar way. So far there has been no attack or injury to foreign nationals. I have contacted the Japanese military authorities and they have assured me they do not allow their soldiers to do these things. A Japanese Consul arrived yesterday - we hope he may do something to help restore order and give protection.

Two. A letter from another American missionary also dated December 17 just received states that Japanese soldiers entering Wuhu were guilty of depredations but it does not paint the lurid picture given by Doctor Brown. He says that practically all of the population have fled with the exception of about 2,000 refugees in mission compounds. A large part of the city has been burned and was thoroughly looted "both before and after the occupation"; that certain mission property was entered on two nights by Japanese looking for women and jewelry; they found neither and little was taken away. A drunken soldier brandished his sword at an American woman missionary

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

76-3

EDA - 3 - #1219, December 23, 9 p.m. from Shanghai

missionary who was trying to protect the Chinese gateman but in the face of her courage ~~he~~ desisted and no harm was done. "This rough lot of soldiers cleared out of the city this morning and the first lot of military police have arrived and so I hope the worst of our troubles are over. -- I called on the Japanese Consul and the commanding officer of the Japanese forces this afternoon and reported the depredations --- they expressed regret and promised protection".

Three. Apparently the Japanese soldiers involved (were?) what those of Colonel Hashimoto though his name is not mentioned in either letter.

Four. I have brought the reports to the attention of Japanese Consul General, protecting their source, and asked for immediate investigation, for protection for Americans and their property, and proper respect for the American flag. I am sending copy of information to Commander-in-Chief to ask that commanding officer USS OAHU investigate reports if his ship visits Wuhu in the near future.

Sent to the Department. Repeated to Hankow for information (END GRAY).

GAUSS

NPL:EMB

77-1

A

TELEGRAM RECEIVED

LMS 1-1336

FROM

GRAY

Shanghai via N. R.

Dated December 24, 1937

Rec'd 8:40 p. m.

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

Secretary of State

Washington.

1225, December 24, 6 p.m.

Senior Consul has circulated communication from

Japanese Consul General announcing imminent danger very severe and intense fighting at and around Hangchow and Shaoshing and asking that foreign nationals remove therefrom without delay. I have informed Japanese Minister I am unable to direct evacuation of American nationals and am not certain I can communicate with them to warn of impending danger. I have directed attention to maps and data previously supplied showing location American mission and other property asking that instructions be issued that it be not bombed or attacked and that in event of Japanese military occupation Americans and their property be held free from molestation. I despatched telegrams last evening to Hangchow and Shaoshing urging evacuation. Information received this morning that Americans left Shaoshing several days ago and have arrived

Shanghai

Division of
FAR EASTERN AFFAIRS
DEC 27 1937
Department of State

793.94/11806

F/EG

793.94
now
393.1115

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

77-2

LMS 2-No. 1225, December 24, 6 p. m., from Shanghai.

Shanghai safely. Small group of Americans remains
Shaoxing?
at Shanghai.

Repeated to Hankow and Peiping.

GAUSS

JLS

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

01.

78-1

FA

TELEGRAM RECEIVED

ML
DEPARTMENT OF STATE

DEC 27 1937

DIVISION OF FOREIGN
SERVICE ADMINISTRATION

GRAY
FROM Shanghai via N. R.
Dated December 26, 1937
Rec'd 7 a. m.

Secretary of State
Washington

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

Division of
FAR EASTERN AFFAIRS
DEC 27 1937
Department of State

1230, December 26, 11 a. m.

Japanese Consul General informs me this morning
that he has received a message from the Japanese military
at Hangchow saying that at 4 o'clock yesterday afternoon
a representative of the foreign community reported all
foreigners and foreign property at Hangchow safe and re-
quested that this information be conveyed to the interest-
ed consular representatives at Shanghai.

Repeated to Hankow and Peiping.

GAUSS

WSB

793.9
not
393.0015

793.94/11807

F/F/G

FILED
DEC 28 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

79-1

TELEGRAM RECEIVED

ML

GRAY

1-1236

London, England

FROM Dated December 26, 1937

Rec'd 12:40 p. m.

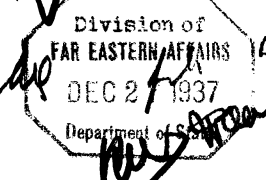
Secretary of State

Washington

804, December 26, 5 p. m.

The British Consul General Shanghai has reported to

the Foreign Office that early in December Mr. Calder Marshall, chairman of the British Chamber of Commerce, Shanghai, on his own initiative had a conversation with Mr. Okazaki regarding possible peace terms, and afterwards asked the British Consul General for permission to use the naval wireless for communicating with Dr. Han Li-wu, a professor at the National Central University and Director of the British Boxer Indemnity Trustees' office, who is at Hankow. The British Consul General gave him no encouragement, and he was later cautioned by the British Charge d'Affaires to do nothing without consulting him. He was, however, permitted to use the wireless, and on about 15th December Dr. Han asked to have further conversations with Mr. Okazaki. He did so, and Mr. Okazaki then mentioned among other conditions a semi-autonomous government in North China under Japanese domination and a zone of 30-40 miles round Shanghai under



793.94/11808

FILED/EG
DEC 27 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

79-2

ML -2- London, Eng. Dec. 26, 1937 #804 12:40 p.m.

under Japanese military control. The Foreign Office states that the British Government would regard any such terms as highly objectionable and prejudicial to all foreign interests in China, and it has instructed Mr. Howe to request Mr. Calder Marshall to have nothing further to do with such proposals.

JOHNSON

WSB

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

ML

TELEGRAM RECEIVED

Tokyo

FROM

Dated December 26, 1937

Rec'd 7:40 a. m.

Secretary of State

Washington

682, December 26, 10 a. m.

Our 672, December 23, 4 p. m.

One. My British colleague, when sending me a copy of his informal note to the Foreign Office on the Hankow safety area, informs me that he has received further instructions, as follow:

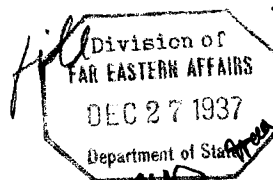
(a) To ask the Japanese Government to consider Kuling as a place of refuge and to take no action which might endanger the safety of British and other foreign nationals;

(b) To inform the Japanese Government that we look to them to give prior warning in the event of any area on the Yangtze becoming a danger area and to indicate to us the zones in which our nationals and shipping could be concentrated under a guarantee of safety. I am at the same time to remind the Japanese Government that we claim absolute freedom for our ships to move and trade freely on the river."

Two. Craigie inquires whether I have information

or

WAA



Telegram
to Tokyo
& Shanghai
DEC 27 1937

793.94/11809

F/FG

793.94
nab
893.102 Hankow

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

80-2

ML -2- Tokyo Dec.25,1937 7:40 a.m. #682

or instructions which would enable me to make representations on the above lines.

Repeated to Shanghai for relay to Johnson.

GREW

WSB

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

Gray
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

Washington,

1937 DEC 28 10 35
NO DISTRIBUTION

December 28, 1937

5 P.M.

AMERICAN CONSUL DIVISION OF
COMMUNICATIONS

SHANGHAI, (CHINA) *via n.e.*

~~#07~~
In Department's 699, December 27, 9 p.m. through
inadvertence telegram No. 379, December 27, 8 p.m.
to Tokyo was quoted instead of No. 380, December 27,
9 p.m. which follows:

QUOTE (Code text Department's 380, 9 p.m. to
Tokyo.)

Hull.
(A.B.)

793.94/11809

DCR: DAS:MB

793.94/11809

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 50

1-1402 U. S. GOVERNMENT PRINTING OFFICE

F / A 11809

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

80-3

TELEGRAM SENT

PREPARING OFFICE
WILL INDICATE WHETHER

Collect

Charge Department
OR

Charge to
\$

Department of State

Gray
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTAIR
PLAIN

Washington,

1937 DEC 27 PM 7 03

December 27, 1937.

9 P.M.

AMEMBASSY,

TOKYO, (JAPAN).

380
Your 682, December 26, 10 a. m.

In regard to paragraph (a), the Department believes it inadvisable to take steps that would encourage Americans to remain in Kuling, particularly in view of its distance from the Yangtze, its known use as a resort by Chinese Government officials and its proximity to Nanchang.

In regard to paragraph (b), please consult your British colleague and when he has taken or is prepared to take substantially similar action, you are authorized to inform the Japanese Government that while we claim absolute freedom for our ships to move and trade on the River, we look to the Japanese authorities to give prior warning in the event of any area on the Yangtze becoming a danger area.

Repeated to Shanghai for relay to Hankow.

Hue

FE:WAA:SMJ

Enciphered by _____

Sent by operator _____ M., _____, 19 _____

D. O. R.—No. 50

1-1402 U. S. GOVERNMENT PRINTING OFFICE

DEC 27 1937. PM

F/K G

675 East 140 Street
Brooklyn, New York
3 Oct. 4
RECEIVED
DEPARTMENT OF STATE
FILED 1938 JAN 5 1939
AM 2 01938 793.94
My dear Mr. [unclear]:
I have been thinking of writing me concerning politics and would if you could take a moment from your work and explain them to me. Japan has sunk our battleship, the Panay. Why? If you knew that Japan was sinking other ships, if you yourself said that any one in or near China would be there at his own risk, then why did you send the Panay there? Why have you let other battleships [unclear]?

Director of
East Asian Affairs
JAN 2 1939
Department of State
793.94/11809

for the world and future go. ^{times III}
a new generation ^{is. I am} ^{re...}
if all the future goes ^{times} is as
puzzled about all this as I am; then
it is indeed sad. I am a girl of 15,
a poor girl, I have no brothers
who would go to war as I'm the
oldest. My father is too old to go. But
if I were a boy and old enough to
fight I don't think I would. I'd
fight if you declared war on Japan
just so that we could help China.
But not if you declared war on
Japan because she sank the
Panay. That I believe was your
own fault and if any thing like
that should happen again, if more
people were killed it would be
your fault for asking the Americans

This "among" things, has been ^{IV}
puzzling me. surely, even though
Japan has apologized, there will
eventually be a war. We don't
want Japan's apology. We want
the whole thing not to have happened.
We want the whole thing not to
happen again. You say you are
afraid Germany and Italy will be-
come too powerful. Why not act
when they do become powerful? We
may have business in China, but
what is a few dollars, even a
few million dollars, compared to
a few, or maybe a few million
lives. For that's what it will be
if war is declared. The last
war was fought to preserve democracy.

to stay there. I'm not the only one who
feels this way. Quite a few people
agree with me. I'm loyal to Uncle
Sam. I'd give my life or any thing
else, my dearest possessions, I'd even
give up my brothers if it were
necessary, but I wouldn't give two
cents for something in which I
couldn't believe. If my opinions
could be changed, if I could be made
to see the reason for all this, I would be
the first to say so. But I can see
no reason for it. I'm lost in a
fog as to the reasons. Can you
enlighten me? No one else seems to be
able to. In fact they agree with me.
Can we all be wrong? I doubt it.
But there doesn't seem any thing we
can believe. As a drowning man catches
at a piece of straw, so I and my friends

^{II}
wait for your answer. Would you
Could you possibly answer me
soon? Thank you for listening
to me, and for answering me if
you will.

I remain,

yours truly,
Shirley Madaw
675 East 140 Street
Brook New York.

1333
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

January 19 1938

In reply refer to
FE 486191-11809, Chicago

My dear Miss Madow:

The receipt is acknowledged, by reference from the White House, of your letter of December 26, 1937, addressed to the President, in regard to the situation in the Far East, with special reference to the presence of American citizens and American armed forces in China.

The question of the types and degrees of protection which this Government should afford to its citizens abroad presents many difficulties and is one in regard to which opinions may very readily differ. In a situation such as has prevailed in the Far East there have been developed during more than a century certain rights, certain interests, certain obligations, and certain practices. In the light of peculiar features inherent in the situation, all of the major powers have developed and employed, with authorization by the Chinese Government, methods for safeguarding the lives and interests and property of their nationals believed to be appropriate

Miss Shirley Madow,
675 East 140th Street,
Bronx, New York.

793.94/11809-1-2

F/F/G

1354

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-

appropriate to the situation and warranted by the peculiarities thereof. Thus, for instance, there came about and there is still in existence the system of extraterritorial jurisdiction and various of its concomitants. Concurrently, many nationals of this and other countries have, during several generations, gone to China, established themselves there in various occupations and activities, and subjected themselves both to the advantages and to the disadvantages of the conditions prevailing there; and the American Government has, along with other governments, accepted various rights and incurred various obligations. In a situation such as now prevails, many of our nationals cannot suddenly cut themselves off from the past nor can the American Government suddenly disavow its obligations and responsibilities. The American naval vessels and the small contingents of American landed forces which have been maintained in China were placed and have been kept there solely for the purpose of assisting in the maintenance of order and security as affecting the lives, the property, and the legitimate activities of American nationals, especially in regard to conditions of local disorder and unauthorized violence. These vessels and troops have never had in any sense any mission of aggression. It has long been the desire and expectation of the American Government that
they

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-

they shall be withdrawn when their appropriate function 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. During the current situation in China the American military and naval forces have rendered important service in protecting the lives of American nationals, in assisting in evacuating Americans from areas of special danger, and in making possible the maintenance of uninterrupted communications with our nationals and our diplomatic and consular establishments in the areas involved.

It may be stated also that a cardinal principle of our foreign relations and one which is never lost sight of is to avoid being entangled in hostilities and that the Administration is endeavoring to follow an unbiased course in connection with the Far Eastern situation and is giving close attention to every phase of that situation toward making effective the policies, especially the policy of peace, in which this country believes and to which it is committed.

As of interest in this connection, there is enclosed a copy of a statement given to the press by the

Department

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-

Department of State on August 23, 1937, outlining the policy on which this Government is proceeding with reference to the situation in the Far East, together with a copy, as given to the press, of a letter of January 8, 1938, addressed to the Vice President on this subject.

Sincerely yours,

For the Secretary of State:

M. H.
Maxwell M. Hamilton
Chief
Division of Far Eastern Affairs

Enclosures:

Press releases of
August 23, 1937, and
January 10, 1938.

E. G. C.
FE:EGC:HES
1-17

FE

CR

JAN 18 1938

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

EMB

SECOND BRIGADE USMC

1-1836

FROM December 26, 1937

Rec'd 6:25 p. m.

ACTION: CINCAF

OPNAV

INFO: INCON SHANGHAI

COMBUBRON 5

COMDESRON 5

COMSCPAT

COMYANGPAT

AMEMBASSADOR CHINA

TSS HARELEHEAD

ADUSNA PEIPING

COPIES SENT TO

6-211 AND M.I.D.

Division of

FAR EASTERN AFFAIRS

DEC 27 1937

Department of State

DT

793.94

8625. Chinese units continue offer resistance north-
east Manchow. Japanese mopping up northwest section
city. Local situation unchanged. 1007

EMB

793.94/11310

HP 2 1937

F/EG
FILED

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

DOCUMENT FILE

NOTE

SEE 841.00 P. R./521 FOR Despatch #3658

FROM Great Britain (Johnson) DATED Dec. 13, 1937
TO NAME 1-1127

REGARDING:

Far Eastern situation. Visit of Viscount Ishii who is on a mission to Europe to explain Japanese policy. Arrival in London of Viscount Ishii on December 6.

fp

793.94/11811

F/MR

//811

Far East - Visit of Viscount Ishii to London

Viscount Ishii, who is on a mission to Europe to explain Japanese policy, arrived in London on December 6. In connection with his visit Mr. Eden was asked in the House of Commons, on December 8, whether

"his attention had been called to the arrival in this country of Viscount Ishii from Japan to conduct a propagandist mission in justification of Japan's attack on China, and whether the opportunity would be taken of his visit to demand an explanation or apology for the various attacks on British subjects or soldiers in China,"

to which he replied,

"I

"I understand that Viscount Ishii has stated that he is paying a purely private visit to Europe, and there could, therefore, be no question of making to him the representations suggested in the second half of the question. As the House is aware, representations have in any case already been made through His Majesty's Ambassador in Tokyo, who is the proper channel."

The Sunday Times, of December 12, reported an exclusive interview with Viscount Ishii, in which he stated that "Japan has no territorial aims in China, or in respect of Chinese islands, such as Hainan, and would continue to respect both the rights and the interests of foreign powers in China as long as those powers maintained an attitude of strict neutrality." The article in full covering the interview with Viscount Ishii is included in this week's press clippings.

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

81-1

TELEGRAM RECEIVED

JR

This telegram must be close **FROM** Hankow via N. R.
paraphrased before being
communicated to anyone. (A) Dated December 27, 1937

Rec'd 1:35 a.m.

Secretary of State
Washington.

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

Division of
FOR EASTERN AFFAIRS
DEC 27 1937
Department of State

in Confidence
107, December 27, 10 a.m.

Was informed last night that German Ambassador
presented Generalissimo yesterday with a note conveying
terms understood to be very drastic from Japanese military.
I understand terms will be published by Foreign Office
today or tomorrow.

Sent to Shanghai. Shanghai please repeat to Tokyo.

JOHNSON

RR

793.94/11812

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

(CONFIDENTIAL)

81-2

PARAPHRASE

A telegram (no. 107) of December 27, 1937, from the American Ambassador at Hankow reads substantially as follows:

On the evening of December 26 the Ambassador received information to the effect that on December 26 the German Ambassador presented to General Chiang Kai-shek a note from the Japanese military conveying terms which are understood to be very drastic. The American Ambassador understands that the Foreign Office will publish the terms on December 27 or December 28.

793.94/11812

FE:EGC

FE

XII-27-37

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

TELEGRAM RECEIVED

1-1236

FROM

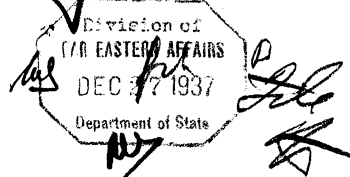
EG
This message must be
closely paraphrased be-
fore being communicated
to anyone.

USS MARBLEHEAD

December 27, 1937

Rec'd 4 p.m. Dec. 26th

TO: CINCAF
INFO: SECOND BRIGADE
COIYANGPAT
COMSOPAT
NAVY DEPARTMENT
ALUSNA PEI PING



0024. One light Japanese vessel visible from
outer harbor since daylight apparently anchored inshore
at least five miles south. Consulate reports official
information four thousand Japanese troops crossed Yellow
River at Ching Ho Chen forty miles from Chow Tsun on
Kiaochow-Tsinan Railway. 1430

EMB

793.94/11813

11

DEC 27 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. Quisenberry NARS, Date 12-18-75

82-1

~~ASAA~~

~~X~~

TELEGRAM RECEIVED

JR

GRAY

1-1326

Shanghai via N. R.
FROM

Dated December 27, 1937

Rec'd 8:03 a.m.

Secretary of State,
Washington.

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

Division of
FAR EASTERN AFFAIRS
DEC 27 1937
Department of State

1234, December 27, noon.

DT

Reference my No. 1121, December 24, 9 a.m., to the
Department regarding Japanese restrictions on residence
and trade at Shanghai. Japanese Consul General told me
last evening and it has now been announced in the press
that all areas north of Soochow Creek including extra
settlement area and Chapel are to be reopened for foreign
(repeat foreign) residence and business commencing today.

Japanese Consul General also told me last evening
that the Hungjao residence area will also be reopened
shortly but that the foreign forces must first agree to
withdraw their defense lines along the perimeter and
Chinese police force under Japanese officers will take
control in all areas outside the settlement formerly under
Chinese jurisdiction although as heretofore the municipal
police will do everything possible to patrol the extra-
settlement roads.

Repeated to Tokyo, Hankow and Paiping.

GAUSS

RR:WWC

193.94
note
793.1028

793.94/11814

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

83-1

TELEGRAM RECEIVED

JR

GRAY

1-1836

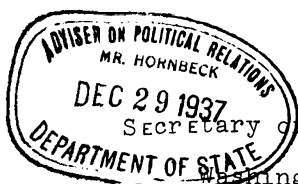
Shanghai via N. R.

DEC 30 1937

FROM

Dated December 27, 1937

Rec'd 7:55 a.m.



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

Division of
FAR EASTERN AFFAIRS

DEC 27 1937

Department of State

1235, December 27, 2 p.m.

Reference, my No. 1234, December 27, noon.

The press in reporting the opening of areas north of
Soochow Creek for foreign residents and ^{business} states that
Japanese Admiral has announced strict penalties against
any person interfering with Japanese military operations
in areas in the Japanese defense sector or under Japanese
occupation, such activities being punishable "according
to Japanese military law". The list of prohibited
activities is published and includes the following broad
provisions: acts endangering or causing bodily harm to
persons belonging to the Japanese armed forces and "all
other activities designed to disturb the peace of the
Japanese armed forces as well as to hamper their activities"

Two. At Japanese press conference this morning foreign
correspondents put questions which brought out the
information that the Japanese maintain that Japanese
military law is applicable to extraterritorial foreigners
in their relations with the Japanese military. The

matter

DEC 31 1937

FILED

793.94/11315

F/FG

793.94

2012
4/20/38

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

83-2

-2- #1235, December 27, 2 p.m., from Shanghai via N. R.

matter is likely to be the subject of much local agitation.

Repeated to Tokyo, Hankow, Peiping.

GAUSS

HPD

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

83-3

...THE JAPANESE ARMY, THESE CONFIDENT THAT THE NEW
 ...ACTS OF VIOLATION, SUBVERSIVE ACTIVITIES AND SABOTAGE, IT WAS
 ...WAS DELIVERED TO HIS OWN CONSULATE FOR TRIAL

...THE JAPANESE ARMY, THESE CONFIDENT THAT THE NEW
 ...ACTS OF VIOLATION, SUBVERSIVE ACTIVITIES AND SABOTAGE, IT WAS
 ...WAS DELIVERED TO HIS OWN CONSULATE FOR TRIAL

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 ...ACTS OF VIOLATION, SUBVERSIVE ACTIVITIES AND SABOTAGE, IT WAS
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 ...ACTS OF VIOLATION, SUBVERSIVE ACTIVITIES AND SABOTAGE, IT WAS
 ...WAS DELIVERED TO HIS OWN CONSULATE FOR TRIAL

710-11815

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

JR

TELEGRAM RECEIVED

SECOND BRIGADE USMC

1-1336

December 27, 1937

FROM

Rec'd 1:10 p.m.

ACTION: CINCAF OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

Division of
FAR EASTERN AFFAIRS
DEC 27 1937
Department of State

793.94

8627. Nipponese reported captured Tienchising 42 miles northwest Chinkian. No change Tsinpu railroad or west Hohsien. Japanese driving toward Linan on Hangchow Hanchang motor road 27 miles west Hangchow. Since 23 December 15 transports have loaded at Shanghai 8500 troops munition artillery departed destination unknown. Unidentified Chinese today threw small explosive into Japanese troops sampan from Honan road bridge one soldier slightly injured. Nipponese announced municipal police handling case and no repercussions anticipated. Japanese headquarters announce Tsinan captured 1500 today. 1942.

RR

793.94/11816

DEC 27 1937

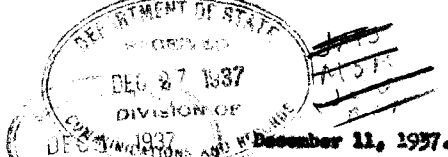
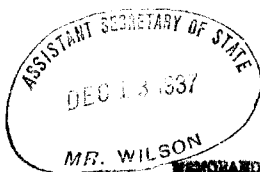
F/FG

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

CONFIDENTIAL

8-2
GVS

2657-439



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

OSD letter, May 3, 1937

By Mar 18 1937 NARS Date

Division of
FAR EASTERN AFFAIRS

DEC 11 1937

Department of State

MEMORANDUM FOR THE CHIEF OF STAFF:

Subject: Far Eastern Situation.

1. Herewith are Summary and Situation Map covering events in China for the week ending December 11.

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

a. The rapid Japanese advance and investment of Hanking whose fall is imminent.

b. Reported decisions of the Japanese Cabinet to continue military operations after the capture of Hanking and to form a new Chinese regime under Japanese domination.

c. Report of numerous Japanese transports and naval craft in the Houghung area, indicating a probable land operation in South China.

d. Japanese concern and annoyance at failure of China to sue for peace despite a series of serious defeats.

e. Rather stringent tightening of foreign exchange regulations in Japan which indicate a prospective serious financial situation.

2 encls.
ml

E. H. W. McCALL,
Colonel, General Staff,
Assistant Chief of Staff, G-2.

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700.94/11317

FILED

1/18/37

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

CONFIDENTIAL

G-2/2657-E-439

G-2
W M

December 11, 1937

MEMORANDUM FOR THE CHIEF, INTELLIGENCE BRANCH:

Subject: Summary of Events in Sino-Japanese
Situation, December 4-11, 1937.

GENERAL

Indication of Japanese desires for an early end to the present Sino-Japanese situation and of their increasing annoyance at China's failure to sue for peace, are becoming more evident.

On December 8, at Tokyo, Tatsuo Kawai, Japanese Foreign Office spokesman, told foreign newsmen that Japan was awaiting the results of efforts, now under way, by Germany, England, Italy and the United States, to induce China to start direct peace negotiations. Kawai's statement was regarded as "wishful thinking" and designed to invite leading world powers to urge China to open direct negotiations. At Shanghai, on December 9, General Matsui and Admiral Honda, Japanese Naval Attache, in separate statements, made obvious overtures for United States friendship. Both stressed their appreciation of the forbearance, fairness and understanding of the American authorities in the Sino-Japanese situation. These statements were interpreted at Shanghai as indicating a hope that the United States would either initiate mediation or make some move leading to direct negotiations between China and Japan.

Domei on December 10 announced that following a meeting of the General Staff, the War Office and the Cabinet Advisory Council on December 9, the Cabinet "big five" which consists of Premier Kameya, Foreign Minister Hirota, War Minister Sugiyama, Navy Minister Yonai and Finance Minister Kaya, met for consultation. They decided that in view of China's failure to sue for peace in spite of their heavy defeats, Japan would continue armed operations against China after Hankow is occupied until "anti-Japanese elements in China cease all activities." A meeting of the full Cabinet on December 10 confirmed the decision of the

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"big five." According to the Japanese press, the army has made up its mind not to treat with Chiang Kai-shek. Unless he resigns and ceases to resist, he will be pursued and defeated no matter where he goes. As his government is no longer recognized, Japan will aid the establishment of a new regime.

Shanghai banking circles report that negotiations are under way at Tokyo between the Japanese Foreign Minister and Hsu Hsih-ying, the Chinese Ambassador, for the cessation of hostilities.

It is reliably reported that Chiang Kai-shek's reply to the German Ambassador's peace talk was to the effect that such negotiations must be taken up with the Chinese Ministry of Foreign Affairs and that he (Chiang) would not recognize any settlement which would violate his stipulation regarding loss of Chinese sovereignty. Dr. Troutman, since his return to Hankow, is reported to be negotiating with Wang Chung-hui, Chinese Foreign Minister, and Ho Ying-ohin.

Chiang Kai-shek and his wife left Hankow, 6:00 A.M., December 7, for an unknown destination, variously reported as Kuling, Kienyang, Changsha, Manchang and Hankow. He was reported to have resigned his post as Chairman of the Executive Yuan (Head of the Government), in favor of H. H. Kung, some weeks ago. While it was understood that he was persuaded to continue that post it appears now that he considers that resignation effective. Late reports state that Chiang has turned over political control to Wang Chung-hui and Chang Chun, and his military control to Pai Chung-hai and Chen Cheng.

Tightening of Japan's belt to meet the strain of war is shown by the revised rules issued by the Ministry of Finance governing exchange transactions between Japan and foreign countries. These rules require that Government permission be obtained for the sale of foreign property valued at more than ¥50,000, or for the purchase abroad of real estate, ships, mining or industrial rights of an annual value of more than ¥50,000. Semi-annual reports of the assets of Japanese enterprises abroad are now required. The amount of money that can be shipped abroad, or taken by travelers, and the size of foreign purchases permitted without special authority has also been definitely limited.

Admiral Yoshida replaced Admiral Nagano in command of the combined fleet on December 1. The combined fleet contains the 1st and 2d fleets and includes all of the capital ships and most of the modern carriers and destroyers. Admiral Nagano is now on duty as a member of the War Council in Tokyo.

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Reliable reports state that there are approximately 350,000 Japanese troops now in Manchuria. The normal strength of the Kwantung Army has been reinforced by drafts from Japan and withdrawals from North China. The bulk of the concentration is reported to be east of Harbin. A reliable foreign source predicts that the Japanese will strike at Siberia before March 1 by attacking north of Vladivostok and at Blagovyeschensk. Reports from Harbin indicate heavy troop movement through there during the month of November. Most of these are reported to be new troops from Japan.

Reports of unrest in Manchuria continue. Manchoukuo troops (Manchurian Chinese with Japanese officers) are not trusted far by the Japanese. Most of these forces have been moved south as a precaution against possible disturbances in rear of Japanese troops guarding the border. The Chinese in Manchoukuo bitterly resent the regimentation forced upon them by the Kwantung Army and would be glad of an opportunity to cause trouble. Should the Japanese become involved in Siberia, stern repressive measures will undoubtedly be taken in Manchoukuo.

American and British consular authorities have protested to the Manchoukuo Government over the enforcement of discriminating exchange control regulations against United States and British banks.

China protested Italy's recognition of Manchoukuo to the League of Nations.

Reports from Shanghai state that after the capture of Hankow the Japanese intend to occupy the remaining important ports in China, including Canton, Amoy, Pakhoi, Foochow and Swatow. Tsingtao was not included. Forty Japanese transports, conveyed by naval vessels, were sighted off Chekkai Island, southwest of Hongkong, on December 7, and 30 transports were reported off Keesung on December 8.

Mail reports state that Italy is still manufacturing bombs and ammunition for the Chinese Government. These items are reported to have been contracted for prior to Italy's signing the tri-party Anti-Comintern Pact.

Seven hundred Chinese laborers in a Japanese owned iron mine at Johore, Singapore, went on strike to keep from furnishing munitions to be used against China.

Press reports state that the most reliable neutral sources estimate military casualties throughout China to December 7 for both sides as follows: Chinese, 365,000; Japanese, 75,000.

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Property losses throughout China for the same period are estimated at a minimum of one and a half billion dollars. A \$245,000,000 loss is the estimate for the Greater Shanghai area alone. Total trade for China for the month of October 1937 was \$85,067,000 (Mex.) as compared to \$130,535,000 (Mex.) for October 1936. Shanghai, which normally handles 60 per cent of the total China trade, is now handling but 24 per cent. United States interests have suffered heavily, 25 American interests report a property damage aggregating more than \$25,000,000, so far. This figure will climb when complete surveys are made.

The Department of Commerce reports that Japan shipped \$5,730,515 in gold to the United States during the week ending on December 3. This brings the total of Japanese gold shipments this year to \$202,109,323.

NORTH CHINA THEATER

There have been no reports of Japanese advances in North China during this period. Reports of Chinese irregular activity in the areas in rear of the Japanese advanced positions are increasing. In Shansi, Chinese ex-communist troops are reported in the vicinity of Wutaishan. The recapture of Pingyao, Shansi, by them is admitted by the Japanese. A Japanese airdrome at Mantan, on the Ping-Han, was reported raided and eight airplanes destroyed. On the Tsing-Pu the Japanese are still north of the Yellow River and have made no attempts to cross so far.

It is reported that the Japanese have received information to the effect that Japanese owned properties at Tsingtao will be destroyed by December 31, regardless of whether or not they attack Shantung.

A large number of Japanese troops have been withdrawn from North China since October 19. The estimates vary from 70,000 to 112,000 and include a mechanized brigade and 30 airplanes. About half of the withdrawals have probably been sent to Shanghai and the balance have either been used to reinforce the Manchurian garrison or are possibly being assembled for further penetration elsewhere in China.

The new railway running from Peiping to Jehol via Kupeikow is nearing completion. Sabotage on this line is also being reported.

Japanese report that their airplanes bombed Kaifeng on December 6 and Tungkuang on December 7. Both are on the Lung-Hai railway.

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Tokyo reports that Masayuki Tani, Japanese Minister to Austria, arrived in Tokyo December 9 after being sent for hurriedly. Tani was former counsellor to the Japanese Embassy at Nanking and played an important role in the formation of the Manchukuo regime. After consultation with Tokyo officials he is to be sent to North China to aid in the building up of a new regime there.

Reports from Peiping predict an early restoration of the 1924 Republic with Tsao Kun as President, Wu Pei-fu as Vice President and Shi Hsieh-yuan as Premier. Earlier Japanese negotiations with Wu Pei-fu to head the regime were reported to have fallen through because he insisted that he would assume leadership unless requested to do so by Chiang Kai-shek and unless all Japanese troops were withdrawn from North China.

CENTRAL CHINA THEATER

Japanese advances in the Yangtze delta continued during the week. Nanking is now completely surrounded except on the west, the side adjacent to the Yangtze River. Japanese are reported to have secured a foothold at the Kwang Hsu (Hung Hu) Gate, near the southeast corner, after sanguinary fighting, and street fighting in the city just inside that gate is in progress. Both the Chinese and Japanese claim Purple Mountain, which dominates the city from the East. With command of Purple Mountain the easy capture of the city is a foregone conclusion.

Other Japanese units down the Yangtze have occupied Chinkiang, and have landed on the left bank opposite Kiangyin. The Kiangyin barrier has been breached and a Japanese flotilla was reported passing Kowan, about midway between Kiangyin and Chinkiang. The barrier at Chinkiang is still intact and is protected by Chinese on the north bank. At least one more barrier is reported between Chinkiang and Nanking. The length of time required for Japanese naval craft to get to Nanking depends upon the tenacity of the Chinese units defending the barriers from the left bank. General Hsu Yuan-chen is defending a barrier 16 miles below Nanking.

Chinese withdrawals toward Nanking are reported to have been orderly. There has been a systematic destruction of roads, bridges and buildings. The Chinese say they will leave nothing but burnt earth for the Japanese to take. The forces actually defending Nanking have been dwindling from a maximum of 350,000. The Japanese have reported 11 Chinese divisions inside the capital. Chinese units defending Kiangyin, Chinkiang and other points along the Yangtze are reported to have made successful crossings to the

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left bank. Many troops are also reported to be crossing opposite Nanking at night. Many of these units will probably be completely disorganized and of little further military value. A news correspondent at Nanking estimates only about 50,000 Chinese troops including two good divisions are now left inside of the city. These probably will be annihilated.

South of Nanking the Japanese have reported the capture of Wuhu and claim they now hold Taiping, effectively cutting off any Chinese retreat south on the right bank of the Yangtze.

The Japanese admit 240,000 troops are being employed in the drive on Nanking.

Preparations for celebrating the fall of Nanking have been made by the Japanese in Shanghai, Tokyo and Peiping. So certain were they of its imminent fall that the Shanghai Japanese spokesman announced that six bombers loaded with champagne had been despatched to Nanking on December 10 to help the officers there celebrate their victory.

Japanese air activity was intensified during the week. Chinkiang, Nanking, Wuhu, Pukow and Pengpu were subjected to mass bombing attacks. Chinese installations and lines of communication on both sides of the Yangtze and retreating columns of troops were subjected to strafing. A troop train at Suchow, junction of the Lung-Hai and Tsin-Pu was demolished and the Kunghsien Honan arsenal was also reported bombed. In a surprise attack on Nanchang the Japanese spokesman reported that "slightly over six" Japanese planes had been shot down, and that 16 Chinese planes were destroyed.

There have been no reports of Chinese air activity. The new Russian planes reported last week at Nanking and Hankow have not been in evidence, unless they were utilized in the reported Japanese raid on Nanchang. The Idsumo at Nanking opened fire with its antiaircraft batteries on December 9 but no Chinese planes were sighted in the hazy atmosphere.

Reliable reports state that 42 Soviet airplanes plus 100 pilots and mechanics arrived at Nanchang about December 4. More Soviet pilots are reported in Hankow.

During an aerial bombardment at Wuhu on December 5, two British merchant ships, plainly marked and loaded with refugees, were hit and destroyed by the resulting fire. The commander of the British gunboat Ladybird and two other British subjects were wounded and a large number of Chinese refugees were killed and wounded. The Japanese Chief of Staff at Shanghai expressed regret to the British Admiral for the incident. The question of indemnity is being considered in London.

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Brigadier General Commander M. J. Brathin, the new Soviet Military Attache, and Colonel J. H. Katob, his assistant, are reported at Hankow.

Press reports of the events following the Shanghai Parade incident with particular reference to the "invasion" of the United States Marine Sector by Japanese troops were greatly exaggerated. The Japanese entered the marine sector unintentionally and withdrew immediately upon being informed of their trespass. Two officers of General Matsui's staff later called upon the Commanding Officer of the U. S. Marines and apologized for the incident. However, since then the Japanese have asserted their right to enter the Settlement with armed troops whenever they consider it necessary, and have done so on several occasions. They are exerting increasing pressure upon the Settlement authorities and additional "incidents" are likely to occur. A parade through the French Concession December 4 was canceled. On December 6, the French authorities permitted Japanese supply trucks with armed Japanese guards through their concession after a delay and only after the arms had been placed on the floor of the trucks and a French policeman had been placed on each truck. The French take the stand that their laws do not permit armed troops of other nationalities to pass through their lines.

A proclamation announcing a Greater Shanghai Autonomous Government was issued December 5. The new government is called Ta Tiao (Greater Way) City Government and is headed by Su Hsi-fen, a native of Fukien province, educated in Japan.

SOUTH CHINA

Japanese air raids on Kwangtung railways continue daily. Through traffic continues despite temporary interruptions. The British Charge arrived at Hongkong December 5 via rail from Hankow without incident.

A number of new antiaircraft guns are reported installed in Canton and other important points in Kwangtung. Chinese morale in South China is reported holding up despite defeats in the Yangtse area.

COMMENT

The action of the Japanese Cabinet on December 11 in deciding to continue the war after the fall of Nanking is a clear indication that the Chinese resistance is far from over. The Chinese have been withdrawing in good order and with no large losses in equipment. The fall of Nanking apparently will not be

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

CONFIDENTIAL

the decisive factor in the war that the Japanese and many others expected it to be. Chinese morale, while slightly shaken, shows no signs of collapse as yet. Japan is looking forward with great exasperation to a continuing campaign. Japan is clearly anxious for an early decision and the failure of China to "cooperate" by suing for peace must be a decided blow. If the Japanese do push up the Yangtze to Hankow they will be involved in a much longer and costlier campaign than had been originally bargained for. The possibility that Russia will lend increasing aid to the Chinese and eventually take direct action in the North when the Japanese are overextended is also always in prospect.

meb

WILLIAM MAYER,
Major, Field Artillery.

CONFIDENTIAL

- 8 -

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

TELEGRAM RECEIVED

JR

1-1854

FROM COMYANGPAT

December 27, 1937

Rec'd 1:50 p.m.

ACTION: OPNAV

INFO: SECOND BRIGADE USMC
YANGPAT
COMSUBRON FIVE
COMDESRON FIVE
CONPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

Division of
EASTERN AFFAIRS
DEC 27 1937
Department of State

0027: Yangtze River port quiet. 2024.

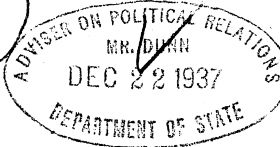
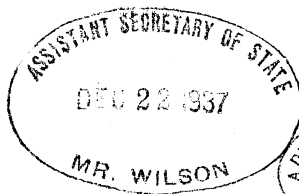
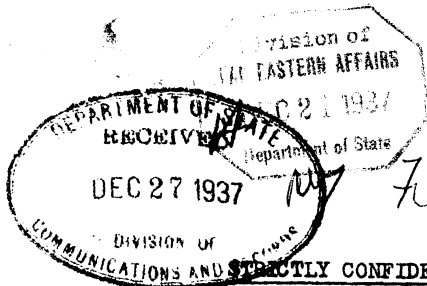
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793.94/11818

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FILED
DEC 27 1937

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



PARAPHRASE

The following information has been received from the Assistant Naval Attache at Shanghai under date of 20 December, 1937:

The Japanese military are not especially interested in the current China incident. They expect to commence operations against the Russians in the early spring.

The above information comes from a fairly reliable source.

STRICTLY CONFIDENTIAL

793.9
761.94

FILED
DEC 31 1937

700.94/11819

11819

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

JR

COMSOPAT

DECEMBER 27, 1937

Rec'd 2:52 p.m.

ACTION: OPNAV

INFO: SECOND BRIGADE USMC
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMYANGPAT
AMEMBASSADOR CHINA
USS WARBLEHEAD
ALUSNA PEIPING



0127. South China ports quiet. 2000.

HPD

X
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DT

793.94/11820

FILED
DEC 28 1937

F/FG

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



LEGATION OF THE
UNITED STATES OF AMERICA
Ottawa, Canada.

December ²²~~2~~, 1937.

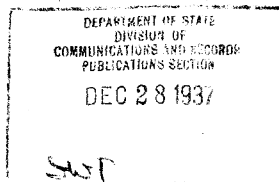
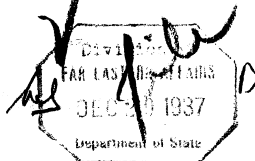
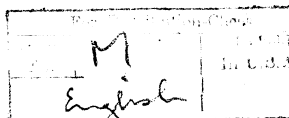
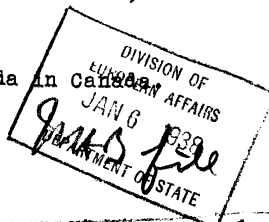
No. 1796

Subject: Japanese propaganda in Canada

RECEIVED
DEPARTMENT OF STATE

1937 DEC 27 PM 1 33

DIVISION OF
COMMUNICATIONS
AND RECORDS



The Honorable

The Secretary of State,
Washington, D. C.

Sir:

- I have the honor to transmit as of possible interest
- 1/ to the Department two pamphlets, one entitled "How The
 - 2/ North China Affair Arose", and the second one, "Why The Fighting in Shanghai?".

These two pamphlets were handed to an officer of the Legation by the Secretary of the Ottawa Rotary Club. He said that he had received them from the Rotary Club in Tokyo for distribution. It is not unlikely that other Rotary Clubs in Canada, and probably in the United

States,

793.94/11821

F/FG

1/821

AN 6 - 1338

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

- 2 -

States, have received these pamphlets from the same
source.

Respectfully yours,

David W. Key
David Key
Charge d'Affaires a.i.

✓ Enclosures:
(in single copy)

- 1/ Pamphlet "How The North China Affair Arose".
- 2/ " " "Why The Fighting in Shanghai?".

Despatch in quintuplicate to Dept.
800
RE/ems

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

HOW THE NORTH CHINA AFFAIR AROSE

THE FOREIGN AFFAIRS ASSOCIATION OF JAPAN

Price : 40 sen

79394/11221

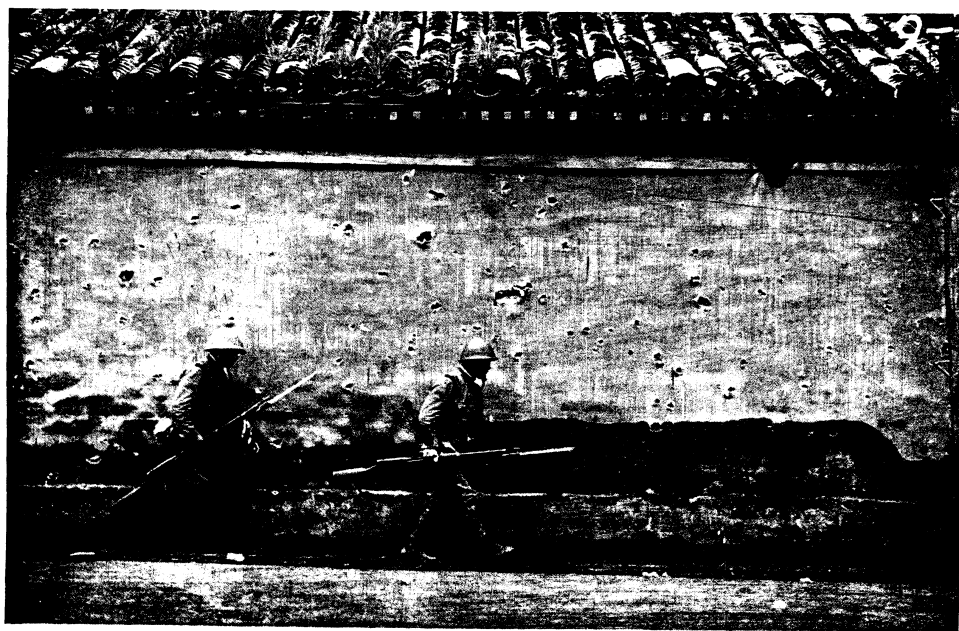
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Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

HOW THE NORTH CHINA
AFFAIR AROSE

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

First Edition: August 20, 1937
Revised Edition: August 25, 1937
Fourth Impression: Nov. 22, 1937

Printed in Japan
At the Kenkyusha Press



City Wall of Tungchow as it Looked after the Encounter between Japanese and Chinese Troops (Yomiuri photo)

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State Letter, August 10, 1972
By *M. J. [illegible]* Date *12-18-75*



Five Minutes' Message: Japanese Soldiers at Tientsin (*Asahi photo*)

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By ~~SP-10 D. J. [illegible]~~ NARS. Date 12-18-75



Japanese Guards at Kuanganmen, Peiping, after the City has been Relieved (July 26) of Chinese Soldiers (*Yomiuri photo*)

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
JPRS 71250-72-0001, 18, 15



Japanese Telephone Operators at Work at Langfang Station (Yomiuri photo)

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



Presents for the Troops: A Mountain of Comfort Bags Contributed by All
Classes of the People, Piled up at the Japanese War Office (Asahi photo)

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State Letter, August 10, 1972
Reference: 12-18-75



Street Fighting in Tientsin : The Chinese Almost Captured the Japanese Concession on July 29 (*Asahi photo*)

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Excluded from automatic downgrading and declassification
August 10, 1972
JCS 13-18-75



Cooling off: Japanese Soldiers at the Front Enjoying a Slice of Watermelon (*Asahi photo*)

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



For the Soldiers in North China: Each Woman Passing in the Streets of Tokyo Contribute One Stitch to the "Senninbari" (the Healthbands of a Thousand Stitches), to be Sent to the Japanese Soldiers in North China (*Asahi photo*)

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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HOW THE NORTH CHINA AFFAIR AROSE

WHY FOREIGN TROOPS IN CHINA?

Peiping, then the capital of China's last monarchical régime and known as Peking, became the focal point of world attention and concern during the Boxer Insurrection of 1900—the now historic uprising of a superstitious Chinese mob, led by reckless champions of anti-foreignism, against the entire community of foreign residents in the city. Worldwide sympathy was evoked by the sufferings and privations of the foreign colony while pent up in the besieged Legation Quarter and which, incidentally, are deftly described in A. Conan Doyle's story "*A Pot of Caviar*." The *finale* of this incident was the conclusion of a treaty by which Britain, America, Belgium, Italy and Japan were empowered to station troops at several places near Peiping and Tientsin for the purposes of safeguarding communications between the capital and the adjacent city port and of protecting their respective Legations and nationals residing in this area. Troops of the respective Powers (except Belgium) have since then been detailed to Peiping, Tientsin, Shanhaikwan, Chinwangtao, Tangku and Tungchichichu and have continued to discharge the duties assigned them by the stipulations in the treaty.

The disorder and periodic upheavals which lack of authority and endless civil wars have caused throughout the whole of China, especially after the fall of the Empire in 1912, have made the maintenance of special means of protection an absolute necessity. Though all recognize that the presence of armed foreign forces in the territory of a friendly State is abnormal, none of the Powers have been able as yet to relinquish this only effective way of securing the safety of their nationals. British, American, Italian and Japanese gunboats steam up the Yangtse River to points 1,500 miles inland. Marines are stationed in all important cities. Only the presence of these warships and

men has safeguarded the homes of foreigners from being robbed and looted and has prevented the foreigners themselves from being murdered in cold blood.

During the years leading up to the establishment of the Government in Nanking, China was a chaos of conflict. Representatives of the Powers who assembled at Washington in 1921 sought by various means to help China put her house in order and expressed the wish, preliminarily to considering the gradual withdrawal of their own armed forces, that the Chinese armies which overran the country be brought under control and reduced to reasonable strength. However, the Nationalist armies themselves were soon to tax foreign patience to the limit. In 1925 fighting reached the outer limits of Shanghai, and to prevent an invasion of the International Settlement itself all foreign troops were stationed at their defense positions.

The shooting of student demonstrators in Shanghai fanned the flames of a fierce anti-British campaign throughout China, with the result that British and American missionaries were killed. In 1927 the war-mad troops attacked foreign residents and "entered Nanking with the definite licence, if not instructions, to rob and kill foreigners."¹

The concessions in Hankow and Kiukiang were wrested from Britain by force; the Japanese concession in Hankow narrowly escaped a similar fate. Great Britain sent 15,000 troops to Shanghai to protect her interests. Japan sent troops to Tsinan, and she still remembers the atrocities committed by the Nationalist forces on her residents there.

This brief summary adequately explains why all the Powers still have to maintain troops on Chinese soil.

The numerical strength and military equipment of the foreign forces in the Peiping-Tientsin area just before the recent clash are tabulated below:

	Officers	N.C.O. & privates	Total	Machine guns	Cannon	Tanks & Armored Cars
Japan	221	3,859	4,080	173	38	9
U.S.A.	69	1,158	1,227	121	13	2

¹ Extract from a statement concerning the Nanking outrage signed by the Rev. A. J. Bowen, President of Nanking University, and 16 other members of educational institutions and missionaries in China. See also the statement of Sir A. Chamberlain in the House of Commons, March 30, 1927.

Britain	37	962	999	64	10	-
France	65	1,774	1,839	135	26	10
Italy	12	374	384	62	4	4

Japan's military force of 4,080 men shown above gives protection to 16,995 Japanese residents, whereas the combined force of the other Powers, or 4,449 men, to 10,338 non-Japanese foreign residents. Thus Japan's military force in the Peiping-Tientsin area is proportionately smaller than that of the other Powers, and if consideration is given to Japan's material interests in that region which are at stake, the difference is even greater.

The Foreign Legation Quarter in Peiping is the actual seat of the Commanding Staffs and garrisons of the five Powers, but it is out of the question for them to hold maneuvers, which are necessary for the maintenance of their troops' efficiency, inside the walls of the thickly populated city. Consequently all the forces garrisoned in North China have been accustomed to carry on maneuvers without being subjected to any restriction as to time or locality. A southeastern suburb commonly known as Happy Valley is the location used by the American troops for this purpose. To the British and other foreign troops have been allotted suburban districts north of Happy Valley. The Japanese contingent is accustomed to hold exercises on a flat area along one bank of the Yungting River, which flows through the southwestern suburb of Peiping. This area is nearly two miles from the city and was specially chosen because it is sufficiently isolated from the thickly populated districts between the river and the city.

A Chinese garrison is situated in Yuanping, near Lukouchiao, in the vicinity of the so-called Marco Polo Bridge (because the famous traveller mentions the bridge in his narrative, this name has been given by foreigners to the Lukouchiao Bridge); and this fact has in the past occasionally given rise to minor troubles which, however, were amicably settled.

The Notes of July, 1902, exchanged between Japan and China, provide that with the exception of gun practice in which live ammunition is used, no notice need be given for individual maneuvers. However, as a matter of fact, it has been the custom of the Japanese military authorities to serve advance notice on every occasion for the benefit of the local inhabitants.

THE CLASH AT LUKOUCHIAO

On Wednesday night, July 7th, a small unit of Japanese troops was engaged in maneuvers on their usual grounds in the vicinity of Lukouchiao and Lungwangmiao—villages which stand on the left bank of the Yungting River (see map). With the regular summer inspection but a fortnight ahead, all Japanese troops in the area had been drilling day and night for weeks. The Chinese authorities had been notified of these maneuvers as usual, and nothing untoward had occurred or been anticipated.

But suddenly, at 11:40 o'clock on this particular night, the Japanese troops were fired upon by Chinese soldiers from the directions of Lukouchiao and Lungwangmiao. The Japanese were completely taken by surprise and were utterly unprepared to return the fire, for they were only 150 strong and their supply of live ammunition amounted only to one ball-cartridge per man, which was being kept by the commanding officer. All that they could do at this critical moment was to halt their maneuvers, concentrate at a spot some distance from the Chinese, and send for help to their headquarters, situated about two and a half miles away in the former British barracks at Fengtai. Reinforcements came quickly, and when the Japanese replied to the Chinese fire with real shots, the first clash occurred.

EFFORTS TO ACHIEVE PEACEFUL SETTLEMENT

The Chinese authorities at Peiping were immediately notified, and a joint Sino-Japanese mediation party hurried to the scene. Before it arrived, however, the Chinese troops at 5:20 a.m. again opened fire. A cessation of hostilities was at last arranged for at 6:00 o'clock on Thursday morning. However, the Chinese soldiers, either in ignorance or in wilful disregard of the terms of the settlement, fired on the Japanese troops, who were forced to protect themselves. So fighting broke out for the second time at 3:00 o'clock in the afternoon, and for the third time at 6:00 o'clock in the evening.

A more definite agreement for maintaining a truce was reached on Friday, July 9th, between Colonel Matsui of the Japanese Special Mission Service at Peiping and the representatives of the 29th Army, according to which the Chinese were to with-

draw to the right bank of the Yungting and the Japanese to remain on the left. Save for spasmodic shots fired by the Chinese soldiery in various localities, this day passed in comparative quiet.

The Chinese troops involved in this affair were a part of the 37th Division, belonging to the 29th Army. This division, under the command of General Feng Chi-an, was composed of remnants of General Feng Yu-hsiang's troops, well-known for their anti-Japanese spirit. In view of the fact that for several months previous the Communists and Blue Shirts had been busily carrying on propaganda for the so-called "Anti-Japanese People's Front," the attitude of these troops was a matter of concern to both the Chinese and Japanese authorities. Accordingly it was with no small relief that the news of a speedy settlement of the affair was received.

On the following day, however, at about 5:00 o'clock in the afternoon approximately 100 Chinese soldiers, in violation of the terms of the truce, appeared with trench mortars 3 miles to the north of Lukouchiao and launched an attack upon the Japanese. At 7:00 o'clock another Chinese contingent of some 100 men marched into the village of Lungwangmiao from a northwesterly direction and there opened fire upon the Japanese, who then launched a counter attack and drove the Chinese from the village. These clashes were ended by an agreement between the authorities of the two sides to suspend hostilities for the night.

The situation seemed quiet for the moment and some members of the Tokyo Government had even left the capital, when, on Saturday afternoon, July 10th, news poured into Tokyo concerning the northward movements of the armies of the Chinese Central Government, the mobilization of air forces in all parts of China, and the proclamation of martial law in the Peiping area. The rapid worsening of the situation causing imminent danger to Japanese lives in North China became apparent.

DISQUIETING DEVELOPMENTS AND THE TOKYO GOVERNMENT'S STATEMENT

In view of these disquieting developments members of the Cabinet speedily assembled late on July 10th and discussed the question of sending troops to North China in order to forestall

any untoward event that might precipitate a general clash. At the same time, without abandoning the hope of effecting an early settlement, or at least of minimizing the affair, the Government on Sunday morning, July 11th, sent instructions to the authorities on the spot to continue endeavors in this direction. On the basis of these instructions, negotiations were conducted with the Chinese; an agreement was reached on July 11th, and at 4:00 o'clock in the afternoon the Chinese representatives, General Chang Tsu-chung, mayor of Tientsin, and General Ying Yung, chief of the Public Safety Bureau of Hopei, wrote to the Japanese representative, Colonel Matsui, agreeing to the following terms:

- (1) Apology to be made by the representatives of the 29th Army and punishment of those directly responsible.
- (2) Chinese troops to evacuate Lukouchiao and to be replaced by the Peace Preservation Corps for the purpose of keeping the Chinese troops sufficiently separated from the Japanese.
- (3) Adequate measures to be taken for curbing the activities of the Blue Shirts and Communists.

It will be clearly seen that these terms were extremely easy to carry out, having no political or economic significance whatsoever, and that the intention of the unoffending side was to arrive at as rapid and simple a settlement as possible.

Meanwhile, in Tokyo the Japanese Government had been studying measures for coping with the situation. The decision to send necessary forces to North China was reached in view of the alarming news which continued to arrive regarding the provocative actions of the 29th Army soldiers, and the movements of Chinese troops not only in North China but also in South Hopei. The following statement was issued by the Japanese Government at 4:00 p.m. on that day:

The Japanese forces garrisoned in North China have always maintained a calm and patient attitude toward successive anti-Japanese outbursts in North China. On the night of July 7th an unfortunate clash occurred when the Japanese troops were wantonly fired upon by soldiers of the 29th Army, which had been co-operating with our forces in maintaining peace and order in that region. This led to such an atmosphere of tension in the Peiping and Tientsin districts as to cause deep anxiety for the safety of the lives and property of Japanese nationals. However, the earnest endeavors of the Japanese authorities to localize the affair

and prevent further aggravation succeeded in bringing the 29th Army authorities to agree to a peaceful settlement.

On the night of July 10th, however, soldiers of the 29th Army, in violation of the agreement, suddenly fired upon Japanese troops, causing considerable casualties. The Chinese have since pushed warlike preparations by increasing their forces on the front lines; the troops stationed at Siyuan have advanced to the South, while troops of the Central Government have been moved forward. The Chinese have thus not only failed to evince any sincere desire for a peaceful solution, but have gone the length of flatly rejecting all of Japan's offers for amicable settlement, thus leaving no room for doubt that the present incident is the outcome of a well-organized agitation for warlike action against Japan.

There is no need of stressing the vital importance to Japan and Manchoukuo of the maintenance of peace and order in North China. What is most urgently needed for the peace of East Asia is that the Chinese not only apologize for their most recent lawless actions and manifestations of antagonism to Japan, but give adequate guarantee against a recurrence of such outrages in the future. An important decision has been reached by the Japanese Government at today's Cabinet meeting to take all necessary measures for dispatching military forces to North China.

But, desirous as ever of preserving the peace of East Asia, the Japanese Government has not abandoned its hope that negotiations may yet assure the non-aggravation of the situation, and that prompt reconsideration on the part of China may bring about an amicable solution. The Japanese Government is, of course, prepared to give full consideration to the safeguarding of the rights and interests of the Powers in China.

CONSIDERATIONS PROMPTING THE DISPATCH OF TROOPS

The announcement that troops were to be dispatched to North China was not intended to frighten China into submission, nor did it mean that Japan was embarking upon a war with her neighbor. The action taken by the Japanese Government was entirely in keeping with its avowed intention not to aggravate the situation; it was calculated to forestall any conflict which would inevitably lead to hostilities on a major scale. In the face of repeated failures on the part of the Chinese to carry out their promises, and especially in the light of past experiences with excited, uncontrolled and uncontrollable Chinese soldiery, the task of protecting the lives and property of large numbers of Japanese nationals in the affected areas requires more numerical

strength than the garrison troops now stationed there can afford. The Nanking incident of 10 years ago mentioned above is but one illustration of what defenseless foreigners may have to suffer at the hands of undisciplined Chinese troops. Memory of the 189 houses looted, of the men, women and children tortured, defiled and killed when the Nationalist troops occupied Tsinan in 1927, is still fresh in the mind of the Japanese nation. The Japanese garrison troops in North China would be heavily outnumbered if they were attacked by the troops of the 29th Army, which is stationed in and around the Peiping and Tientsin districts. Should such eventualities occur, all hopes would be lost for an early and amicable settlement of the problem. Moreover, the fact should not be overlooked that the rank and file of the 29th Army, which consists of the remnants of Feng Yu-hsiang's once-famous "National Armies," have always been notoriously anti-Japanese, the more so of late since they have been tutored in the teachings of the Communists. It was thus more than doubtful whether they could be held in leash.

In fact, only a few hours after an agreement for a truce had been reached, a Japanese staff officer sent to treat with the Chinese troops at Lukouchiao was fired upon. Later, the Chinese troops stationed at Yamenkou advanced upon Lungwang-miao, the village that was to be evacuated. And during the night Chinese troops were violently firing at each other across the Yungting River, each group in the belief that the others were Japanese.

NANKING BLAMES JAPAN

No sooner had the present incident arisen than the Nanking authorities embarked upon a vigorous campaign of propaganda, both at home and abroad, accusing Japan of impairing China's sovereignty and conducting a war of conquest.

According to official Chinese information, it would appear that the Japanese troops were illegally stationed in North China, that their holding of maneuvers constituted an encroachment on Chinese territorial integrity and, moreover, that the Lukouchiao affair had been engineered by Japanese military authorities who had ulterior motives such as, for instance, the occupation of that village to control the Peiping-Hankow Railway.

In support of this contention a story was circulated to the effect that it was the Japanese soldiers who fired at Chinese sentinels while the latter were looking for a missing comrade and that the Japanese tried to force their way into the village of Lukouchiao. This is a plausible falsehood that might be taken for the truth by those who are unacquainted with the actual circumstances and the topography of the village in question. Let us establish the facts. In the first place, Lukouchiao, being always jealously guarded by Chinese, is a village which Japanese soldiers had been instructed not to enter. In the second place, in order to approach the village gate from the field of maneuvers it is necessary twice to cross the railway track on a high embankment. It is utterly inconceivable that any Japanese soldier, even if he became lost in the familiar tract of land, should have ever wandered over and across those steep railway tracks into the village against the strict warnings of his superiors, and unnecessarily court danger in the middle of the night.

Again, even assuming that the affair had been planned by the Japanese military, would they have chosen that particular method of relying upon a handful of men equipped with one ball-cartridge per head?—or would they have chosen that particular spot which is vastly advantageous to the Chinese occupying the hills on the western side?—or, in view of the large military movements which such a *coup* would involve, would they have chosen the particular night when the commander of the Tientsin garrison lay ill and was on the verge of death, and when the officer next in command was absent from his post, having departed on an inspection tour to Shanhaikwan? Finally, if they had really wanted to hold the railway, would they have proposed the withdrawal of troops from Lukouchiao and promptly put their proposal into practice? Would they in any case have provoked large scale operations when they were surrounded by 8,000 Chinese troops and when their own troops, consisting only of the garrisons distributed over the Peiping-Tientsin area, were at a disadvantage of more than 10 to 1?

A tentative answer to the above questions is furnished by the opinion of a neutral and experienced observer, the Peiping correspondent of *The Times* (London), whose report of July 8th appeared under the heading, "Fighting near Peiping: Japanese and Chinese Clash," on page 15 of the issue of July 9th.

This was in part as follows :

The Chinese lay the blame for the situation on the widespread Japanese field exercises which have been proceeding during the last few days. The trouble seems to have started when Chinese troops mistook a sham attack on Marco Polo Bridge near Wanping for a real one.

GENERAL SUNG CHE-YUAN RETURNS TO TIENTSIN

On July 13th General Sung Che-yuan, chairman of the Hopei-Chahar Political Council, returned to Tientsin from the country resort where he had been staying, and took up the negotiations on the spot with Lieutenant-General Katsuki, newly-appointed commander of the Tientsin garrison in place of General Tashiro, who had been confined to bed, owing to serious illness, for over a month.

However, the prevailing *état d'esprit* of the 29th Army was still a cause of anxiety; minor clashes were occurring as frequently as before, although the Japanese authorities were exercising the greatest patience, instructing their men not to retaliate for the wrongs done by Chinese soldiers save in unavoidable cases.

Despite the Chinese promise to lift martial law, release the Japanese held in detention, and restore communications between Peiping and Tientsin, the city of Peiping on the morning of July 13th was plastered with anti-Japanese posters and seethed with demonstrations against Japan. On the same day, 4 Japanese motor lorries were fired upon near Yungtingmen; the next day 1 soldier of a cavalry unit was shot to death while passing south of Nanyuan; on the 16th a detachment on its way to Tungchow was fired upon by a band of Chinese police, who had to be disarmed; on the 19th the Chinese fired on the guards at Lukouchiao, severely wounding the commanding officer, Captain Yamazaki.

In the meanwhile, anti-Japanese movements were spreading rapidly in other parts of China. New anti-Japanese organizations were being formed in the city of Nanking, such as the "Fight-Enemy-Fight-Japan Society;" and at Canton the authorities issued a circular telegram pressing the Central Government to dispatch more troops to North China.

NANKING REFUSES TO RECOGNIZE ANY LOCAL SETTLEMENT

On July 12th Mr. S. Hidaka, counsellor of the Japanese Em-

bassy at Nanking, seeing that matters were on a fair way to a settlement in North China, visited the Minister of Foreign Affairs, Mr. Wang Ching-hui, and urged that the Nanking Government not obstruct the execution of the settlement. He reiterated this advice 2 days later to another Chinese official, but Nanking refused to listen, declaring that it would not recognize any local arrangement and issued orders for the mobilization of more troops. Gravely concerned over the growing tension caused by this attitude, which only served to delay the execution of the agreement and might lead to serious consequences on the spot, the Japanese Government decided formally to approach the Nanking authorities.

Late in the night of July 17th Mr. Hidaka again called on the Chinese Foreign Minister and handed him a memorandum in which the Japanese Government urged the Nanking Government not to interfere with the execution of the agreement arrived at on the spot and to suspend immediately all military movements against Japan. The Chinese Foreign Minister told Mr. Hidaka that he would be able to reply by Monday, July 19th.

The next day, July 18th, at 1:00 p.m. in pursuance of the agreed terms, General Sung Che-yuan expressed to General Katsuki his regrets concerning the Lukouchiao incident. The first step seemed thus to have been taken toward a settlement of the affair.

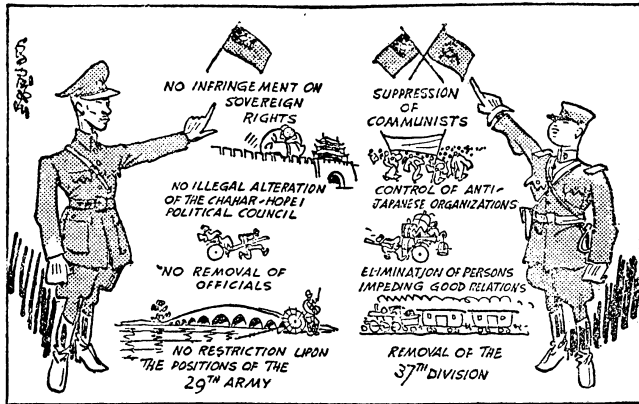
However, the attitude of the officers and men of the 37th Division remained still uncertain. It would doubtless be influenced to a great extent by whether or not Nanking would encourage them to resist a settlement.

CHIANG KAI-SHEK DEFINES CHINA'S 4 POINTS

Meanwhile, on the same day General Chiang Kai-shek made a lengthy statement to educational and technical leaders of China then gathered at Kuling, setting forth "the minimum conditions acceptable to China for the settlement of the North China crisis."

The conditions were (1) that any kind of settlement must not infringe upon the territorial and sovereign rights of China; (2) that the status of the Hopei-Chahar Political Council is fixed by the Central Government of China and there must not be

POINTS OF DIFFERENCE



The North China Daily News, July 26]

[Shanghai

any alterations made; (3) that the Central Government will not agree to the removal of those local officials it has appointed, such as the Chairman of the Hopei-Chahar Political Council; and (4) that the Central Government will not allow any restrictions to be placed upon the disposition of the 29th Army.

"All that," the American owned *Japan Advertiser* commented editorially, "is rhetoric and as far from the reality of the present situation as the Lytton Report's recommendations were from the reality of the Manchurian situation."

NANKING'S REPLY EVADES THE ISSUE

Thus it was with considerable anxiety that the Chinese reply was awaited in Tokyo.

At 2:30 p.m., July 19th, Mr. Tung Tao-ning, chief of the first section of the Asiatic Bureau, by order of the Foreign Minister of the Nanking Government, called on Mr. Hidaka at the latter's office and handed him an *aide mémoire* after reading it aloud.

In this document it was declared that the movements of Chinese troops were a measure of defense and the following was submitted:

3(E) and 5(D) or (E)
ust 10, 1972
S, Date 12-18-75

(1) The two Governments to agree upon a date for both sides simultaneously to stop the movements of their troops and also to recall their armed forces to their original stations.

(2) They should enter into diplomatic negotiations with a view to reaching an immediate settlement.

(3) The authorization of the Central Government is necessary for any agreement to be made on the spot concerning any question, even of a local character.

(4) The Chinese Government is willing to accept any means of settlement recognized by international law or treaties, such as direct negotiations, good offices, mediation or arbitration.

Mr. Hidaka, after asking a few questions concerning the memorandum and expressing his disappointment at its contents, told Mr. Tung that he would accept it as a reply from Foreign Minister Wang; but that, if it was not, he would expect to hear again from Mr. Wang within the day.

In official circles in Tokyo, the Chinese memorandum brought forth the comments, published in the morning papers of July 20th, that Nanking's memorandum evaded both points put forward in the Japanese memorandum of July 17th.

The direct cause of the affair, it was recalled, was the firing on Japanese troops during their night maneuvers by Chinese forces of the 37th Division from Lukouchiao and Lungwang-miao. For Japan to agree to simultaneous withdrawal, which would imply partial responsibility of the Japanese, was out of the question, particularly in view of the fact that, although Japan had taken immediate steps in order to obtain a speedy settlement, the agreements subsequently arrived at for the suspension of hostilities and withdrawal of troops were broken by the Chinese, including even the written understanding made by their representatives on July 11th. In fact it had not been possible for these reasons seriously to entertain a similar proposal submitted by Nanking on July 12th.

As to the contention that the Chinese troops movements were defensive measures, it was pointed out that this was absurd: the Japanese decision to send troops to North China was in itself caused by the heavy concentration in, and transportation to, North China of Central Government troops, beginning on July 9th. There were in the Peiping-Tientsin region over 80,000 men of the 29th Army: more than 25 divisions were massed along the railway lines leading to these cities and were

being shifted to the North, some troops being barely one hour's distance from Peiping. Meanwhile, Japan was manifesting great restraint, even in face of the peril threatening her nationals and her relatively small garrison in North China. The Japanese reinforcements were as yet standing by, since only small contingents had been sent to China from Manchuria, but none as yet from Japan.

Furthermore, it was pointed out that the Nanking Government had recognized the establishment of the Hopei-Chahar Political Council, a unique régime wielding wide powers, and had not interfered heretofore when it entered into local agreements on its own responsibility. There was no reason for claiming at the present moment that all local agreements must have Nanking's sanction which thus meant nothing but obstruction of a speedy settlement.

The attitude of the Nanking Government as revealed by its reply was extremely disappointing to the Japanese Government which had endeavored to enlist Nanking's co-operation toward bringing about an amicable settlement at an early date.

Already there had been deliberate delay in sending a large force over the sea (as strategical considerations would have demanded), because it was hoped that such measures would not prove absolutely necessary.

A further delay now would be procrastination and be fraught with increasing danger both to Japanese citizens and to Japanese troops.

Accordingly on July 19th, at 10:00 p.m., the headquarters of the Japanese garrison at Tientsin announced that they would be compelled to take the action which they deemed appropriate in coping with the situation on and after July 20th, unless the Chinese immediately ceased their provocative actions.

THE SECOND PHASE: CHINA PRECIPITATES THE CRISIS

NEW PROMISES MADE BY CHINESE GARRISON

The warning issued the previous day by the Tientsin garrison was apparently unheeded, for at 2:00 p.m., July 20th, the Chinese troops at Lukouchiao again opened fire and the Chinese machine gun unit at Papaoshan began advancing on the Japanese position. The Japanese, acting on the declaration issued on the 19th, retorted with field and machine guns and eventually silenced the Chinese.

Upon representations made by the Japanese commander, General Sung Che-yuan renewed the pledge that he would cause the 37th Division under General Feng Chi-an stationed at Yamenkou and Papaoshan to be withdrawn toward the rear by the noon of the 21st and replaced by the Peace Preservation Corps under General Shih Yu-san. He further made it known that he would on his own responsibility see to it that the incident was localized and the Japanese residents duly protected. The Japanese commander resolved to abstain from positive actions and wait to see if he (General Sung) would live up to his word.

On the other hand the Nanking Government, which apparently places great faith in its aerial force, had assembled nearly 350 planes at Loyang and Hsuehou, and a portion of this force was starting joint operations with the Chinese troops in Hopei. A squad of 30 planes forming part of their reserve aerial force was also ordered to stand by.

Preparations were being pushed forward on July 21st. At 11:00 a.m. Chiang Kai-shek summoned the Army leaders to his residence in the Military School and discussed ways and means to provide against the possibility of an all-round encounter with Japan, the distribution of personnel connected with the direction of troops in Middle, South and North China, and General Staff affairs.

As to the disposition of the Chinese troops in the field of

immediate concern to the Japanese, the 29th Army near Yamenkou had evacuated their quarters but not those at and near Lukouchiao, thus defaulting on their agreement. As a result of further parley, General Sung promised to evacuate his troops by 8:00 p. m., and on July 22nd the troops under General Feng Chi-an stationed within the walls of Peiping began to withdraw in the direction of Paoting.

However, a minor event again set back the favorable trend of affairs on July 23rd, when at Chiang Kai-shek's command General Hsiung Pin, assistant chief of the Chinese General Staff, arrived by plane at Paoting from Nanking, then made his way to Peiping which he reached toward dusk. This was duly known to the Chinese troops, who interpreted the arrival of such an important messenger as an encouragement to resist. Contrary to General Sung's agreement, the main body of the 37th Division was still staying at Siyuan; so the Peace Preservation Corps under General Shih Yu-san built military positions at Papaoshan on July 24th. The Chinese forces at Peiping were still showing no sign of evacuating and would not move even a single train on the pretext that there was not sufficient rolling stock, while the 27th Regiment under Chao Teng-chang attached to the 132nd Division entered Peiping in flagrant violation of their agreement.

The Japanese authorities had placed full faith in Generals Sung Che-yuan and Chang Tsu-chung to do their utmost in striving to settle the matter peacefully and locally. On July 25th, in reply to a question asked by Japanese newspapermen, Commander Katsuki of the Tientsin garrison even went so far as to tell them confidentially that he believed there would be no necessity for his troops to fight the 29th Army.

However, two incidents occurred which dashed these hopes to the ground.

The Japanese military telephone line between Peiping and Tientsin had been repeatedly cut by the Chinese from about July 19th. On July 25th it was found that the line had been severed again near Langfang, a small railway station midway between the two cities.

A Japanese unit was sent to make the necessary repairs with the understanding of General Chang Tsu-chung, commander of the 38th Division.

At 4:20 p.m. a detachment of engineers, under the protec-

tion of a company of soldiers, arrived at Langfang, where they found the railway station occupied by a detachment of soldiers belonging to the 38th Division. After some parleying, the Japanese secured the latter's consent to enter the station. They were further delayed by difficulty in obtaining lodgings for the night from the Public Safety Bureau. However, the work was finally completed and around 11:00 p.m., with their rifles stacked, the men were taking supper within the station compound. The Langfang station presented a scene of perfect peace. There were absolutely no indications that within a few minutes it would be converted into a scene of fierce battle between the Chinese and Japanese forces.

At 11:10 the Chinese launched their attack against the Japanese. Rifles, hand grenades, and machine guns were brought into play. The Japanese, taken by surprise, at once picked up their arms and fired back in the darkness.

Nearly a full regiment of Tsui Chen-hui's infantry was garrisoned at a point north of Langfang, and these troops, upon hearing the sound of the firing, entered the fray with trench mortars. The Japanese, outnumbered by the Chinese, asked for reinforcements. These could not be rushed up soon enough to rescue the besieged men. So on the next morning at 7:00 o'clock a number of planes flew to the scene and bombed the Chinese barracks, thus saving the Japanese from annihilation. The Chinese troops were finally driven away in the direction of Huangtsun, but the pursuit was not pushed further.

GENERAL KATSUKI DELIVERS A STRONG NOTE

This affray showed that it was impossible to rely on the pledges made by the Chinese, whose troops and officers were getting out of hand, and the hesitation of their leaders had to be overcome. So General Katsuki decided to send a formal note, a virtual ultimatum, to General Sung, embodying the points already accepted. This note was delivered at 3:30 p. m. by Col. T. Matsui at Peiping. General Katsuki pointed out that the fresh outbreak at Langfang had been started by lawless Chinese firing on the Japanese unit sent there to protect communications. Voicing regret at the occurrence of another armed clash, he blamed it entirely on the failure of the 29th Army to carry out

the terms of the agreement concluded with the Japanese authorities and also on that army's maintenance of a provocative attitude.

If the 29th Army authorities still intend to prevent aggravation of the situation, he demanded that they demonstrate it by promptly effecting complete evacuation of the entire Peiping area by the 37th Division.

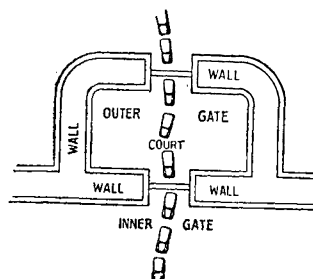
The note specified that the troops of the 37th Division near Lukouchiao and Papaoshan be withdrawn "by noon tomorrow" to Changsintien, south of Lukouchiao, on the Peiping-Hankow Railway; that all troops of the same division immediately leave the walled city of Peiping, and that these troops, together with those of the 37th Division stationed at Siyuan, a short distance northwest of Peiping, be moved from the area north of the Peiping-Hankow Railway to the west bank of the Yungting River by Wednesday noon, July 28th.

Specifying further that all these troops must be withdrawn promptly to the Paoting area, 90 miles south of Peiping on the Peiping-Hankow Railway, General Katsuki sternly warned that, should the Chinese fail to carry out the demand, the Japanese Army would be "compelled to conclude that the 29th Army's authorities lack sincerity and to take any action it may deem appropriate." In that event the 29th Army must take full responsibility for anything that might happen.

In the wake of the Langfang affair, another proof of Chinese animosity and treachery occurred a few hours later, at 6:00 o'clock in the afternoon. In view of the disquieting situation in Peiping, it had been decided that a detachment of the forces stationed at Fengtai should be sent to Peiping, with the object of providing better protection for the Japanese residents. An understanding had already been reached with the Chinese garrison concerning the matter and these soldiers, riding in a number of trucks, arrived at 4:00 p. m. at Kuanganmen, one of the wall gates of Peiping, on their way to the Japanese barracks. The Chinese soldiers on guard there, however, would not unlock the gates. At 6:00 o'clock, parleying was still in progress. Lt.-Col. Sakurai, adviser to the 29th Army, came to the spot, accompanied by newspapermen. At 7:35 p. m. the gates were partially opened and the Japanese began to enter the city.

Some explanation about town gates in China must be given to make the subsequent events clear. The town wall in China,

as a rule, is a double wall where a passage is provided, and there are an outer and an inner gates, as shown in the accompanying sketch. To enter the town, both gates must be negotiated. They may be in line or at right angles to each other.



As the file of trucks lumbered through the heavy gates, resentful Chinese soldiers watched from atop the walls and elsewhere. Five, ten, twenty trucks had rumbled by, when suddenly the inner portals were swung to. The first of the trapped trucks had not even stopped before a hail of bullets was directed on it. The men on the following trucks jumped from the vehicles, as the outer gate shut behind them. Machine guns spat death, hand grenades exploded. The soldiers on the trucks stranded outside the city and those who had already gone through, hesitated, bewildered, then spread to cover and began returning the fire which rained from the walls. The trapped men made a desperate effort to escape, forced open a gate and rejoined their comrades, leaving 3 dead behind them. Under the cover of darkness two newspapermen and a newsreel man were carried to safety, seriously wounded.

JAPAN DECIDES TO ORDER OUT REINFORCEMENTS

The frequent occurrence of treacherous action such as that just cited—so indicative of the aggressive attitude of the Chinese—was not only disquieting to the Japanese at the front but also showed the danger to public opinion in Japan. The Government, keenly alive to the situation as one calling for defensive action to an increasing extent, held a Cabinet meeting at 1:30 p. m. on the 27th and as a result presented for Imperial sanction an order mobilizing reinforcements to be sent to China. It issued the same day, through the Chief Secretary, an important declaration stating its position.

Voicing Japan's grave concern over the maintenance of peace and order in North China, the statement pointed out that the consistent policy of anti-Japanism pursued by the Chinese side had repeatedly menaced peace in North China.

It went on to say that in accordance with its policy not to aggravate the North China situation and to seek a local settlement of the affair for the sake of peace in East Asia, Japan had been making every effort to dispose of the situation peacefully.

Japan had submitted very lenient demands to the authorities of the Hopei-Chahar Political Council and, though they had recognized them at the time, they had failed to show good faith in carrying out the conditions. On the other hand the Japanese Government had called the attention of the Nanking Government on July 17th to the necessity of immediately suspending provocative speech and actions and of not obstructing the efforts for a local settlement of the issue. Disregarding the actual conditions, the Nanking Government did not comply with the Japanese Government's contentions. Continues the statement:

On the contrary, the Nanking Government strengthened its preparations for war, thus increasing unrest. While Japan was making efforts towards a peaceful solution of the situation with patience and self-restraint, the Chinese side perpetrated acts which can only render these efforts meaningless. The Chinese troops illegally fired on the Japanese at Langfang on July 26th and on the same evening the Chinese side committed unwarranted violence at Kuanganmen.

These two cases constitute armed obstruction on the part of the Chinese troops of the original duties of the Japanese North China garrison which are to safeguard the communication lines between Peiping and Tientsin and to protect Japanese nationals resident in the area.

Thus the Japanese Army has been forced to take defensive actions necessary for the execution of its duties and also for the securing of the carrying out of the terms of the agreement concluded between Japan and the Hopei-Chahar Political Council. The aim of the Japanese Government is to eradicate the fundamental causes for the outbreak of untoward incidents like the present one. Japan does not entertain enmity toward the Chinese people. Neither has Japan any territorial designs. It goes without saying that Japan will make every effort to protect the vested rights and interests of the foreign Powers in China.

Although the situation has come to such a pass, Japan, whose mission is to secure peace in East Asia, desires that the Chinese side will reflect on its stand by minimizing the situation to the smallest possible extent and by co-operating toward immediate and amicable settlement of the incident.

NANKING BELATEDLY APPROVES THE LOCAL TERMS OF SETTLEMENT

However, in Nanking the Foreign Ministry issued on the night of the 27th, at 10:30 o'clock, a statement which declared in part that the Japanese had worked out with the Chinese local authorities an emergency form of settlement to which the Central Government, finding it not so divergent from its established policy, had been generous enough to take no exception. Unfortunately this last minute approval of the local settlement which Nanking had up to then obstructed, came too late. The Chinese Government's previous attitude had already borne its fruit. Had the Chinese Government been willing from the outset to consider reaching an agreement on the spot, as the Japanese authorities had striven to do, the whole affair would have been localized and, as such, would have blown over without engendering today's crisis.

But the commander on the spot, responsible for the safety of 18,000 Japanese civilians, faced a most serious situation which Nanking's belated words could not alleviate. The restlessness of the 37th Division had spread to General Chang Tsu-jung's forces, the 28th Division. Not only were the Chinese troops not preparing to execute the promised withdrawal, but on the contrary some were strengthening their positions and preparing to attack. The situation was becoming more and more serious. It demanded swift and drastic action. Only the forcible eviction of the 29th Army could now solve matters. During the night of July 27th to 28th General Katsuki informed General Feng and the Mayor of Peiping of his decision. At 5 a. m., July 28th, the Japanese troops began their march toward the Chinese lines.

General Katsuki, in a statement published at that time, declared that what had brought about the crisis was the serious and unpardonable breach of faith committed by China in rushing northward a formidable number of Central Army troops in outright violation of the Ho-Umezu Agreement and in steadily preparing for action against the Japanese.

In consequence peace and order in North China had now been completely disrupted and the lives and property of the Japanese residents were exposed to imminent danger. The maintenance of peace and order in North China was a matter of

serious concern to both Japan and Manchoukuo, but every means for a peaceful settlement of the present complications had now been exhausted.

He stressed the fact that the punitive action to be undertaken was aimed solely at those Chinese forces which had been persistently challenging the Japanese troops and that it was in no way directed towards the 100 million Chinese population in North China. The speedy restoration of peace and order in North China was desired in the hope of promoting the welfare of the people in this part of China. He also made it clear that the Japanese troops had no intention of using force inside the walled city of Peiping unless the Chinese troops remaining there should try to challenge them. And he promised, recognizing the rights and interests of foreign nationals in China, to try his best to accord adequate protection to their lives and property. He also took this opportunity to affirm that the Japanese Army entertained absolutely no territorial designs on North China.

Despite a prevailing heavy rain and storm, the Japanese air force was called out and early that same morning the Chinese barracks at Siyuan were bombed. The land forces went on disposing of the Chinese troops at Shanhsuchen, Chinghochien, Nanyuan, Matsun, Yamenkou, Papaoshan, and Lukouchiao so that by 4:00 p.m. in the afternoon of the 29th all of the Chinese troops had been expelled from Peiping.

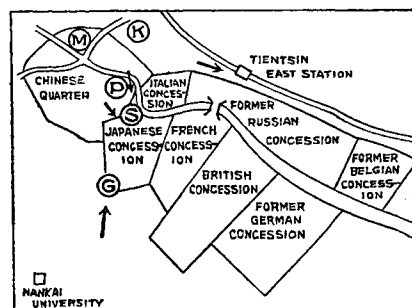
The position of General Sung Che-yuan, commander of the 29th Army, and General Chin Teh-chun, mayor of the city of Peiping, had become so untenable that with General Feng Chi-an, commander of the 37th Division, they secretly fled to Paoting on July 28th.

Pursuing their mopping up operations, the main Japanese force occupied a strategic point to the south of Peiping, near Changsintien, on the 30th; to the north the Suzuki unit successfully disarmed the Chinese forces at Peiyuan.

THE 29TH ARMY ATTACKS TIENTSIN

But whilst the Japanese forces were busy near the ancient capital, new and alarming developments had cropped up Tientsin. This densely populated city, an international center of business, is built on the banks of the White River,

the Peiho. On its left bank, from east to west, lie the ex-German Concession, taken over by the Chinese and called the First Special District; the British Concession; the French Concession, which commands the International Bridge, sole way of crossing from the Concessions' quarter to the other part of the city; then the Japanese Concession and the native city. From this part another bridge crosses the river. On the right bank, facing the British and French Concessions are the ex-Belgian and Russian Concessions (Third and Second Special Districts), and facing the Japanese Concession is the Italian Concession, bordered by the ex-Austrian Concession. Beyond runs the railway line. The principal station, the East Station, lies straight ahead of the International Bridge.



In the Notes exchanged between China and Japan in 1902 with regard to the retrocession of Tientsin, it is set forth that the Chinese Government shall not move or station its troops within 20 Chinese miles of the foreign garrisons stationed in Tientsin, but of this treaty obligation the Chinese troops were taking no heed.

At 2:00 o'clock in the morning of July 29th, soldiers of the 29th Army with the aid of the Chinese Peace Preservation Corps launched a surprise attack on four important points, the Japanese barracks, the Concession, the East Station, and the Japanese field. In the dark from the north and the west Chinese soldiers silently crept toward the Concession. Another force advanced

from the south along the road leading to the Japanese barracks. In these remained only a single company of artillery. In the concession another company of infantry was on duty. The Chinese had approached to within 30 yards of the artillery depot when the sentries discovered them. The alarm was raised; guns were hurriedly trained on the advancing mass, and shrapnel was fired point blank. At the concession gate a handful of policemen held the enemy at bay. At the aerodrome the fire of the sentries checked the surging waves of Chinese soldiers. But they soon surrounded the field, cutting it off from the city. And at the East Station a small group of Japanese soldiers, surprised by the attack, fell back but soon regained control. They too, however, were cut off from the city, but desperately clung to their positions.

PLANES TO THE RESCUE

At the same time spear-head thrusts were being made at Langfang and other points of the Peiping-Tientsin Railway in order to sever the Japanese communication lines.

Trench mortars and small artillery had come into action and shells began to fall in the foreign concessions. Japanese reinforcements were hurriedly summoned and by severe hand-to-hand fighting the Chinese were kept at bay. From the surrounded flying-field planes happily could leave and land; they reconnoitered, dropping reports of the situation. Fresh Chinese troops were seen assembling at their rallying places in the Chinese city, the municipal office, the Peace Preservation Corps Headquarters, and the Nankai University buildings. The pressure was becoming unbearable.

So at 2:30 p.m. planes were ordered out to bomb the Chinese headquarters. By this time the civilian population in the fighting area had fled and the danger of causing civilian casualties was small. The Japanese planes picked their objectives and did an efficient job on the big buildings, but spared the small civilian houses.

By 7:00 p.m. the peril had been practically warded off. But under the cover of night the Chinese reassembled. On the morning of July 30th Japanese planes were again sent out. Hampered by the impossibility of sending troops through the foreign con-

cessions and thus using the International Bridge which springs from the French Concession, the Japanese built a pontoon bridge across the river.

At noon the Japanese had the situation in hand, but meanwhile were slowly sustaining heavy losses while driving the Chinese away from the city. Tientsin had escaped the horrors of a fate which even then was befalling a nearby city, Tungchow.

THE TUNGCHOW MASSACRE

The walled city of Tungchow is situated 6 miles east of Peiping on the limit of the demilitarized zone established by the Tangku agreement in 1932. It is the principal city of that area and the seat of the East Hopei Administration. In accordance with the provisions of the Tangku truce agreement no regular Chinese troops were to be stationed in East Hopei, and Yin Ju-keng, head of the Administration, had organized a Peace Preservation Corps, a sort of military police armed with rifles and light machine guns.

In the beginning lawless elements had overrun the country and Japanese troops had been actively co-operating with the Peace Preservation Corps to reestablish order, but of late things had quietened down. In Tungchow itself a Japanese garrison had been stationed. In the city were garrisoned 1,000 Peace Preservation troops. The Japanese and Korean population at the end of June amounted to 151 Japanese and 187 Koreans, and during the disturbances about 50 refugees came from Peiping. Army troops of the 29th independent brigade of the 29th Army had been allowed to stay in the outskirts of the city.

As the situation in North China became serious and the troops of the Japanese garrison were sent out to the Peiping area, agitation began to spread among the Chinese soldiers, who attempted to gain the aid of the Peace Preservation troops; and as matters became worse, officers from the headquarters of the 37th Division secretly came to Tungchow to incite them to join in a widespread movement against the Japanese. The attitude of the regulars became more and more bellicose, and on the 27th they were disarmed with the help of the Peace Preservation Corps. Quiet apparently returned.

But suddenly at about 3:00 a.m., July 29th, just at the time the

Chinese were attacking the Japanese Concession in Tientsin and trying to sever the Peiping-Tientsin Railway line, 2,000 men of the 29th Army who had covertly gathered around Tungchow, helped by a part of the Peace Preservation Corps, launched a surprise assault on the principal Japanese buildings of Tungchow, the Japanese garrison, the Japanese Army's special service mission and the Kinsuiro, a Japanese managed hotel. In this attack they were joined by some 1,000 men of the Peace Preservation Corps, whom they had successfully instigated to join the raid. All the attacks were obviously premeditated and carried out in accordance with carefully laid plans.

Those who attacked the garrison killed a sentinel before he had time to sound an alarm, but the Japanese troops, then only 120 strong, promptly took up their positions to defend the barracks as soon as they realized an attack was being made. The Chinese fired intensively from the southern side of the barracks. The Japanese returned the fire and held out until dawn, when the Chinese opened fire with machine guns and trench mortars from the top of the town wall.

Fire broke out in the barracks when tins of gasoline and cases of munitions loaded on 15 trucks ready to leave for Peiping were hit during the bombardment. The munitions cases began to explode one by one, and no Chinese dared to approach the barracks as the splinters of the cases flew in all directions with terrific force.

As soon as news of the attack reached Peiping, orders were sent for the rescue of the besieged. But the Japanese troops were rounding up the remnants of the 37th Division near Peiping, while others were hurrying towards Tientsin.

About 2:00 o'clock Friday afternoon, July 30th, a Japanese warplane arrived to help the Japanese. The Chinese attack subsequently lessened in intensity, but the fire at the barracks could not be brought under control. On July 31st, despite rain, Japanese planes flew over the scene and bombed the Chinese, who abandoned the siege and retreated to the north.

It was not until 4:20 p.m. of the same day that a unit from the Kawabé detachment, which had been fighting to the south of Peiping, could arrive on the spot. It immediately took possession of five gates in the wall and then quickly mopped up the Chinese soldiers. Calm again prevailed.

When the Japanese troops arrived, they found that all Japanese homes not only had been ransacked, but also their occupants tortured and killed. And while they were masters of the city, the Chinese troops had also thoroughly looted the Chinese houses, restaurants, etc.

The massacre of the Japanese by the Chinese troops seems to have been prepared carefully, and all available evidence tends to indicate that they had ascertained beforehand the homes of Japanese residents. As soon as the attack started, small groups of soldiers broke into every Japanese residence, butchering the occupants with rifles and swords and making a thorough search, even tearing up the floors and ceilings.

Panic-stricken children were seized and brutally killed by having their heads twisted off or being beaten or hurled to the ground. All the women who met death were shot while offering desperate resistance, and their bodies were mutilated and mangled with swords.

An official report states that the maid servants of the Kinsuiro were strung together by wire pierced through their noses or throats and taken to be shot; and after being subjected to unspeakable outrages, their bodies were thrown into a lotus pond near the East Gate.

It was ascertained on August 4th that 77 Japanese and 58 Koreans, who had fled to the Japanese barracks, were safe. One hundred and fifty bodies had been recovered by that date. Later a few survivors, who had been given refuge by Chinese friends or servants, were discovered. The toll of civilian men, women and children tortured and killed exceeded 200.

THE PROBLEM OF NORTH CHINA

WHAT FRUSTRATED A SPEEDY SETTLEMENT

Having followed the sequence of events in North China, it may be well to consider the causes of the present situation and see what hope can be held for the future.

As to the initial incident, the Lukouchiao affair, it has been established that the firing, whether accidental or not, began on the Chinese side. Both the *Manchester Guardian* and the *Journal de Genève*, in their leading articles of July 19th and July 29th respectively, accept this fact as true.

Why then has the situation become aggravated to the point it has reached today in spite of Japan's earnest efforts to localize the incident and speedily attain a peaceful settlement? Both in Tokyo and on the spot moderation and restraint were exercised to the utmost. Troop embarkment was delayed to the limit; the most lenient terms of settlement were proffered in order to obtain a speedy solution; and orders were given to the troops not to retaliate against provocation nor return fire, in order to avoid causing new incidents during the withdrawal of the Chinese troops to their agreed positions. In spite of this, new clashes occurred, warlike operations spread, Japanese men, women and children were massacred, and Chinese and Japanese forces began preparations for a major struggle. Why?

Concerning the recurrence of clashes, it is to be deplored that the leaders of the 29th Army lacked the authority to assure that their men observed the terms of the agreement made with the Japanese. It is not certain whether this was due to the absence of discipline on the part of the Chinese troops or to the fact that the ranks deliberately ignored orders from their superiors. But since the Chinese soldiers are very apt to turn aggressive in the presence of a force numerically inferior, it is as likely as not that the ranks were responsible for the recent occurrence. As an example, it may be mentioned that when a Japanese infantry force was passing through the neighborhood of Matsun to the south of Peiping on the 23rd, and again, when a Japanese

cavalry force was proceeding through Tuanho village on the following day, they were attacked by Chinese soldiers and suffered losses of some men. In each of these instances the attack was made on the small force guarding the rear after the passage of the main body, damage incurred by the Japanese being considerable each time. The occurrences at Langfang and Kuan-ganmen were of the same complexion.

The constant anti-Japanese agitation to which the Chinese troops were subjected may also be given as a reason for such an aggressive attitude. It is said that even in peace times the Chinese soldiers at drill keep step to the words, "Ta-tao Jih-pen," or "Down with Japan," instead of one, two, three, four. Can it be wondered that the soldiers, trained in such a fashion, should assume aggressive attitude upon the slightest pretext?

HEAVY TROOP MOVEMENTS RASHLY ORDERED BY NANKING

Secondly, the attitude taken by the Nanking Government must also be said to have considerably embarrassed the position of the leaders of the 29th Army. When the Lukouchiao affair occurred, the Nanking Government telegraphed the 29th Army, advising it to take any, and if necessary forcible measures against the Japanese. Immediately after the outbreak of the trouble the Nanking Government and Army leaders met in conference to discuss the situation. Was the incident premeditated by Japan? Should Japan be fought? Either misdirected by reports from the Chinese sources on the spot or prompted by some ulterior motives, the conclusion was reached that Japan had planned the whole affair. Steps should be taken to meet this situation. It is reported that General Ho Ying-chin, Chief of Staff and General Cheng Chien, vice-Chief of Staff, soldiers of approved experience and knowledge, definitely recommended Chiang Kai-shek to take a course of moderation as the only way of averting the risk of jeopardizing the whole organization of the Chinese Army. Chiang Kai-shek was disposed to temporize as he shared the views of his two chief military advisers. Yet his repeated pledge to fight a foe on Chinese soil had to be fulfilled. The Blue Shirts and the Communists won the day.

So the Central Government, as early as July 9th, issued an order for the northward movement of 4 army divisions under its command. The air force was mobilized and ordered to stand by. Prompt action, however, to be valued from the strategic point of view, may precipitate conflict, or at least aggravate a situation when it is unwarranted. It is hardly understandable that so great an aggregation of armed men should be moved immediately after a minor clash. It means either provocation or hasty judgment.

It will be remembered that meanwhile in Japan a Cabinet meeting had been, as mentioned above, hurriedly called on July 11th when the report of the Chinese troop and air force movements had been known and the decision had been made to take all necessary measures for dispatching military forces to North China. Actual mobilization was, however, deferred several days, because the attempts at a local settlement might prove successful and thus the actual dispatch of troops become unnecessary.

These data, although they may appear immaterial to a cursory observer, are in reality very important for a knowledge of the real facts.

Since then, movements had steadily continued. Central Army troops had been approaching North China along the Peiping-Hankow Railway and on July 22nd entered Hopei Province. The strength of the army in Hopei was estimated to be about 70,000 on July 23rd. These troops were later reported to have started advancing with the forces under General Wan Fu-lin and General Feng Chan-hai, reportedly 30,000 strong, both stationed around Liangsiang, 10 miles south of Lukouchiao.

The total number of Chinese troops concentrated near Changchow approached 130,000. In addition, more than 50,000 were stationed near Hsuehchow on the Tientsin-Pukow Railway. There was every evidence that the Central Army had entered the suburbs of Tsinan, and units of the Nanking Military Academy, one of the crack regiments of the Central Army, were reported to have been mobilized. Although no Chinese warplanes have participated so far, preparations for aerial fighting were being rushed.

However, some Nanking leaders were seriously concerned over the sending of a huge army to the North. Dr. H. H. Kung, Finance Minister of the Nanking Government, has been so quoted here for instance. Dr. Kung attended the Coronation ceremony

of King George VI as the representative of his Government and during his stay in London received the news of the outbreak of the North China incident. He immediately sent urgent telegraphic messages to the home Government, advising it to use great caution in meeting the emergency. Due to his great concern over China's situation, Dr. Kung also cabled to Nanking on July 27th, stating that the European Powers, being busily engaged in consolidating their own defenses, had no time to divide their attention to the Far Eastern situation and he earnestly advised the Nanking Administration to make strenuous efforts not to enlarge the possibility of war which would make the solution of the situation impossible. This was wise counsel. Dr. Kung is keenly alive to the prevailing situation in Europe and America and has seemingly found that China's vigorous attitude runs counter to her real interests. Unfortunately, however, his advice was not accepted.

NANKING'S REFUSAL TO ACCEPT A LOCAL SETTLEMENT

The stand first taken by Nanking refusing to give any consideration to a local settlement of the affair also had the most unfortunate results.

It must be recalled that Hopei and Chahar Provinces have an entirely different political status from the other provinces of China. Circumstances that led to the establishment of the Hopei-Chahar Political Council make this clear.

North China, as a region in which a large number of Japanese live and in which are bound up vast and vital interests, and especially as a territory contiguous to Manchoukuo, necessarily occupies a special position. The existence there of a régime pursuing openly and actively an anti-Japanese and anti-Manchoukuo-an policy would bring on constant friction and collision, if not war itself, which would be intolerable and ruinous for both Japan and China. The Hopei-Chahar Political Council came into being as the logical outgrowth of such a condition.

After the Manchurian incident the Nanking Government dispatched General Ho Ying-chin, War Minister, to Peiping and established there a branch of the National Military Council. The object was to relieve the confused situation in North China. At the same time the Nanking Government concluded the Tang-

ku Truce Pact with Japan, which was signed by Major-General Yasutsugu Okamura, vice-chief of staff of the Kwantung Army, and General Hsiung Pin, vice-chief of the General Staff of the Nanking Government. Simultaneously, the Peiping Political Council was established by Nanking to execute the provisions of the pact. This council was a branch of the Executive Yuan of Nanking.

The Council co-operated with the Japanese authorities and achieved satisfactory results in administration. Manchoukuo and North China lie adjacent to each other, but had no formal communications and intercourse. Their traffic, communications and trade were restored to normal through co-operation between this council and Japan. Through railway traffic was resumed, the customs services readjusted, rendering trade possible, and postal connections amicably settled at the same time.

The Peiping Political Council also has settled questions concerning the assassination of two Chinese journalists of pro-Japanese leanings on May 2nd and 3rd, 1935, the murder of a Chinese commander of the Peace Preservation Corps at Luan-chow, midway between Shanhaikwan and Tangku, and the wounding of a Japanese gendarme there by paid agents of anti-Japanese bodies on August 4th of the same year.

Further steps were taken for co-operation among Japan, Manchoukuo and China and for eliminating undue interference. Then the council was consolidated into the Hopei-Chahar Political Council on December 18th, 1935, and General Sung Che-yuan, commander of the 29th Army and former chairman of the Chahar Provincial Government, was made the chairman of the new body.

Unlike those of the other provinces of China the new council did not operate under the direct supervision of the Central Government, but was placed under Nanking's supervision through its Political Affairs Committee. As regards the local affairs of North China, the council entered into direct negotiations with the Japanese authorities there. It is thus self-evident that the representation for a settlement of the Lukouchiao incident as a local affair was within the Council's authority, especially as there were no political issues involved.

3(E) and 5(D) or (E)
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S, Date 12-18-75

Enclosure No. 2

NANKING'S EFFORTS TO UPSET THE NORTHERN STATUS

That the Sino-Japanese conflict brings no profit to either country is understood by those who have the two nations' interest and destiny seriously in mind. Why then should the Nanking Government have disliked to solve what had happened as a local affair? The answer may be found in its intention to upset the present status of North China.

As mentioned before, opinions *pro* and *con* were advanced by Government and party leaders in the important conference held on July 8th at Nanking. Some urged that the matter should be solved locally, while others insisted on a solution by arms. The latter were apparently influenced by China's "unification" in recent years and their over-estimation of China's strength, and they believed that the time had now come to change the status of North China.

This tendency had already been visible for some time, and its effects were to be seen in different domains, particularly in Sino-Japanese economic co-operation. For example, plans had ripened to develop the Lungkwan Iron Mine under Sino-Japanese joint management and to build a railway between Tientsin and Shihchiachwang, but sudden interference by the Nanking Government wrecked those plans. Nanking also prohibited the establishment of the Huitung Aviation Corporation under Sino-Japanese management and the opening of a Japan-Manchoukuo-China air mail service. In Tientsin an anti-land sales act was enforced against Japan, imposing severe punishment on Chinese who sold or leased their land to Japanese. Open efforts had also been made to bring about a change in the Hopei-Chahar Council. During last May and June North China was visited officially or unofficially by many lieutenants of General Chiang, such as General Feng Yu-hsiang, vice-president of the Military Affairs Council, General Chiang Tso-pin, former Ambassador to Tokyo, General Lu Chung-lin, Mr. Shih Ching-ting and several others who are well acquainted with the conditions there. The mission common to them was to relegate General Sung to some distant post in order to permit some Nanking agent to occupy the Peiping position and so to reorganize the local government.

Northwest Youth Association as the basis of a nation-wide organization prepared to fight Japan, and telegraphed to the Central Government a renewed offer of Communist co-operation.

The total effect of the past two months was such as to inspire in China the over-confidence which Mr. Pepper finds to be so dangerous for China herself at the present moment.

R. J. W.

From Mr. Pepper's article we will only extract a few sentences :

What needs most to be said about China now is that the Chinese are very close to losing their balance. If they do not pull themselves up, they will repeat the mistake they made almost ten years ago, with the same disastrous consequences. In fact, it is difficult just now to say which China has more to fear: Japan or China, the ambitions of the Japanese Army or the state of mind of the Chinese people. The latter, I am inclined to think. For it may succeed in bringing on a war that is not easy to prevent in any case but that could still be prevented. . . .

(China) won a great moral victory last autumn. It stood off Japan by sheer force of will. But the victory has borne an over-confidence, a recklessness and an impatience to exploit the victory that may very well bring on that which the Chinese have had most reason to dread till now—a formal attempt by Japan to conquer the country by force. What began as a resignation to war if necessary, as a last resort, in self-preservation, is now in a fair way to becoming a will to war. One has only to be here in China for forty-eight hours to be shocked by the recklessness with which not only students but mature and influential Chinese talk and think of war.

FUNDAMENTAL ISSUES IN SINO-JAPANESE RELATIONS

WHO RULES CHINA?

We must, however, go deeper to find the real reasons behind the present developments of Chinese policy. These facts do not shed sufficiently satisfactory light on the underlying impulses and motives that have guided China. For that, we must find out the hidden force that is leading China.

Let us go back two and a half decades to the birth of the present régime. The revolutionary dreamer, Sun Yat-sen, pushed over the tottering structure of the Chinese Empire. He proclaimed the People's Three Principles, and in their name he demanded the abolition of unequal treaties, of foreign rights acquired allegedly by conquest. An age of chaotic civil wars followed. The Chinese National Party had to cope with powerful war lords and barely extended its rule over a part of Canton. But a new power arose. The Bolshevik party ruled the millions of the old Russian Empire. From the Kremlin spread a campaign to bolshevize the world. And Moscow's help was extended to the Kuomintang.

With the aid of Russian men and money, the Canton Revolutionary Government waged an economic war on British Imperialism, holding Hongkong by the throat. Then, under the leadership of the cadets from Colonel Chiang Kai-shek's Whampoa Military Academy, the revolutionary armies swept to the north to stop at Hankow. There a split occurred; Chiang Kai-shek broke away from the left wing of the party and his Communist advisers. The Nationalist Party set out to conquer China.

Ten years have elapsed since those hectic days. Under the slogans of "Down with Imperialism!" and "Scrap the unequal treaties!" the Kuomintang has fought its way to power, uniting the people in a common hatred of the "foreign imperialists."

Fierce hate against them was the common link between the peoples of different languages and customs of the South, the

Central Provinces and the North. British and American "imperialism" was attacked and boycotts declared. Students were killed on Nanking Road in the Shanghai Settlement. American women were attacked in Nanking. Great Britain abandoned her concessions in Hankow and Kiukiang.

Then the Kuomintang turned on Japan. From 1915 to 1931 seven boycotts were declared. The Nationalist flag was hoisted in Manchuria, where Japan had vital interests for which she had already staked her existence in two wars in 1894 and 1905. Kuomintang agitation began there too, menacing Japan's legitimate interests. Nippon's diplomats, pursuing the policy which had prompted the Washington agreements, made to help China to her feet and exerted utmost forbearance and amity. But the Kuomintang pursued its "revolutionary policy"—the unilateral abrogation of unpleasant agreements and the forceful capture of legitimate interests. Japan could bear no more. And in September, 1931, the Manchurian affair broke out.

THE BLUE SHIRTS

It was after this affair that the most formidable political power in China came into being.

In reaction against the corruption which was spreading in the victorious Nationalist Party, a group of young officers, graduates from the Whampoa Military Academy in Canton, organized a secret society in order to carry out the ideals of the Revolution: war against imperialism, abrogation of unequal treaties and destruction of the military caste. The leadership they offered to their former director at the Academy, Chiang Kai-shek.

This movement responded to the latter's ideals as well as to his ambition. In the party he held but a lower rank, compared with the veteran politicians of the Revolution. His dream of reaching the pinnacle seemed hardly realizable. As head of this new organization he could wield a power which, as a member of the Kuomintang, was beyond his grasp. So General Chiang gladly accepted the offer of his old pupils and subordinates and started to build a fascist party—the mightiest weapon of power that China, the land of secret societies, has known since the days of the Taiping.

The Blue Shirts, as the society is known although it has no

official name, today really rule China. Their nucleus is formed of some thirty-four men, all save one graduates of Whampoa. These men, active, devoted to their ideals and their chief, hold key positions in the party, the Administration and the Army. The commanders of Chiang's crack "personal" divisions are Blue Shirts; the spiritual guidance of the armed forces is in the hands of Chiang's personal representatives, among them Ho Chung-han.¹ Money they have too, either derived from their positions or supplied by the opium transit dues, which are levied by Chiang's men and go directly into his war chest.

The membership of the society now totals about 10,000, though it aims at 2 million. But these ten thousand are the pick of the nation, for Chiang will admit only those who are willing to become soldiers, to work and suffer, obey and sacrifice, never seeking official position or personal privileges, and are able to labor at least 12 hours a day. And also an oath is taken always to fight Japan bitterly by all and any means. In fact anti-foreignism—what the Kuomintang called the "Revolutionary policy"—has always been a weapon of internal politics in faction-ridden China. It is not to be wondered that the Blue Shirts seized on this—certain to win popular support—but this time with Japan as its object.

This is one of the hidden powers that Japan has to face in China. It has been working up the tide of antagonism all over the country through the official sections of the Kuomintang and the countless secret societies which are in existence. This activity was the reason why Japan demanded in 1935 the withdrawal

1. In the Party and Administration: Ho Chung-han, director of the Bureau of Political Training of Military Council; Kan Tse, Chief of the so-called "G. P. U." of the Nationalist Party; Liu Chien-chun, one of the directors of the Canton Military Council; Teng Wen-i, director of the cultural activities of the Blue Shirts, military attaché of the Chinese Embassy in Soviet Russia; Tseng Kuo-ching, member of the Central Executive Committee; Feng Ti, Military attaché of the Chinese Embassy in Germany; Pan Yu-chiang, of the Division of National Military Education; the most dreaded Tai Li, commander of the detachment specializing in assassination.

(In the Army) Army and Division Commanders: Hu Tsung-nan (1st Army and 1st Div.), Huang Chieh (Commander of 2nd Army and 2nd Division) also general commander of the Customs Police, Kuan Lin-cheng (17th Army and 25th Div.), Tang En-po (13th Army), Li Mo-an (10th Div.), Yu Chi-shih (ex. 87th Div.), Sun Yuan-liang (88th Div.). The air force and gendarmerie are as a matter of course under direct Blue Shirt influence. Tsai Tsin-chün, chief of police of Shanghai and Chi Chang-chien, chief of the Peace Preservation Corps of Shanghai, are also members of the society.

from North China of all Blue Shirt organizations. With their retreat, productive co-operation was again made possible.

THE BLUE SHIRTS' ALLIES: THE COMMUNISTS

The Blue Shirts in their campaign against Japan were to have been helped by an ally whom until recently they openly fought. This is the Communist Party.

In 1935, at the Seventh World Congress of the Comintern held at Moscow, a new line of action was set. Attempts at direct revolution in the European countries were to be abandoned for the moment, as they had provoked strong reaction. The masses were to be won with the help of the Second International, and the Communists were to rally the socialists and radicals to their side and form a People's Front, then take the leadership of government. In another resolution passed at the Congress, Poland and Japan were singled out as countries against which efforts were to be specially directed.

The success reaped by the People's Front policy has been seen in France and Spain.

In China, following Moscow's orders, the Communists made a skilful move. Cleverly taking advantage of the prevailing anti-Japanese sentiment, which the Blue Shirts had already done so much to intensify, they attempted to take the leadership of the campaign, and under the slogan of "Fight Japan!" to build a People's Front and renew the alliance of 1927 between the Communists Party and the Kuomintang.

The feud between the Blue Shirts and Communists subsided—temporarily at least. Sun Yat-sen's widow, who lives in Shanghai, told friends she now dared to go out of the French Concession, as she no longer feared assassination by the Blue Shirts.

These were the allies that the Blue Shirts found particularly active in North China when they secretly filtered in again some months ago. Since that time order has again been disturbed, the fruitful and harmonious co-operation between Chinese and Japanese destroyed. Resentment and hate have been fanned into flame. And one day shooting broke out at Lukouchiao.

THE FORCES JAPAN HAS TO FACE

Such is the situation Japan has to cope with in China. Anti-

Japanese sentiment is being kindled and cultivated as a matter of policy. Whether this sentiment itself is justified or not is beside the question. Wilful excitation against any country certainly is not in the interest of humanity. It certainly has made relations between the two peoples born to be friendly neighbors bitter in an unbelievable degree, bringing with it a train of sorrow and hardships. There lies the fundamental problem in the relationship between China and Japan. Will the leaders of China keep pursuing, for reasons of internal expediency or of national intent, a consistent policy of hatred against Japan? Reaction follows action. One clash leads to a counter clash. It is the privilege and the duty of statesmen to stop, even at a sacrifice of so-called "national pride" or personal disadvantage, the lumbering march of nations to disaster.

WHAT JAPAN WANTS: CO-OPERATION, NOT TERRITORY

Premier Konoyé declared, on July 27th, in the 71st special Diet session that what Japan wanted of China was not her territory, but her co-operation. Even the most nationalistic elements in Japan reject the idea of conquering China with her 400,000,000 recalcitrant people as utterly foolish. Not even a single voice urging anything resembling the conquest of North China has ever been heard in Japan. Such a demand would run against the policy of the Japanese Government and would not merit even casual attention.

Japan at heart sympathizes with China's cardinal national policy of internal unification and reconstruction of the country on a unified basis. However, Japan is opposed to a policy of co-operation with the Comintern or a People's Front, as its only and natural result is to disturb the peace of the Far East and the international relations of this part of the world.

May the Chinese people take a true and realistic view of their country's position in the world and seriously set themselves to the task of their country's unification and reconstruction primarily by their own initiative and effort. World sympathy—and particularly Japan's—is theirs. But let them not be made to believe that a wilful policy of hate and contempt towards any Power will heighten the esteem in which their constructive efforts are held.

If China is really awake to this, the present crisis can pave the way toward Sino-Japanese reconciliation and co-operation, and so prove to be a worthy contribution to peace in the Far East and in the world. Then the heavy price paid by the two countries and the sacrifices they have made will not have been in vain.

APPENDICES

CHINESE FORCES IN HOPEI PROVINCE BEFORE AND AFTER THE INCIDENT (AS OF JULY 21ST)

	Before incident	July 21st	Increase
Central Army (under direct control of Chiang Kai-shek)			
{ Liu Chih Army	0	17,000	17,000
{ Li Mo-an Army			
Central Army (under indirect control)			
{ Shang Chen Army	7,000	58,000	51,000
{ Pang Ping-hsun Army			
Local Armies			
{ Sun Che-yuan Army	57,000	59,000	2,000
{ Wan Fu-lin Army	16,000	16,000	
{ Feng Chan-hai Army	15,000	15,000	
Total	95,000	165,000	70,000

STATEMENT OF SIR AUSTIN CHAMBERLAIN IN THE HOUSE OF COMMONS, MARCH 30, 1927

I am in a position to supplement my statement of the other day by facts derived in part, directly from British sources and, in part, from information supplied to His Majesty's Minister in Peking by American and Japanese representatives. The looting was carried out by soldiers in uniform belonging to formations under the command of General Cheng Chien . . . Foreign women, including Mrs. Giles, the wife of His Majesty's Consul-General, were thoroughly searched and rudely stripped of valuables. Many had their clothes torn off them, and two American women were saved from attempted violation. These facts can be established by sworn depositions. . . .

SWORN STATEMENT BY MRS. GILES, THE WIFE OF THE BRITISH CONSUL-GENERAL AT NANKING, ISSUED AS A BRITISH FOREIGN OFFICE PAPER, MARCH 30, 1927

. . . Three soldiers at once seized me, tore rings off my fingers, inflicting considerable pain, and snatched brooch in my dress and chain from the neck,

also watch and bracelet from the wrist. They took shoes from my feet and felt to see if there was anything in my stocking. They treated me with great brutality. Mrs. Robert and Miss Blake were treated in the same manner. . . . At one time men came in with executioner's sword, and held it within an inch of my husband's throat. Another man brandished a carving knife. Others attempted to tear clothes from myself and other ladies in the party. . . .

STATEMENT REGARDING THE NANKING OUTRAGE

March 24, 1926

In order that the American public may know the facts regarding the Nanking outrage, we, the undersigned American citizens and residents of Nanking who were present when the outrages against foreign lives and property were committed in that city on March 24th, desire to make a public statement. Out of our own first hand experience and observation we unequivocally affirm that these outrages were committed by armed Nationalist soldiers in uniform who acted with the knowledge and approval of their superior officers. These outrages consisted not only in the looting of foreign homes, consular offices, schools, hospitals and places of business, but also in the burning of foreign homes and schools; in deliberate murder; in twice shooting and seriously wounding a young American woman; in shooting at and attempting to kill foreign men, women and children; in the attempted rape of American women; and in other shocking indignities to foreign women too indecent to be published. To many of such we can bear the sworn testimony of eye-witnesses; and numerous other cases have been proven beyond the least shadow of doubt. From the statements of many of the Nationalist soldiers made to us and from the testimony of Chinese friends, it is an established fact that they entered Nanking with definite license, if not instructions, to rob and kill foreigners. From the actions of the troops it was evident that their plan was to loot foreign buildings, force the occupants to disclose the location of their valuables, strip them of their clothing, and maltreat them at will. Some of us were told both by these soldiers themselves and also by Chinese friends who helped us to find places of concealment, that we should surely be killed. It is our conviction that the firing from the naval vessels prevented the murder of many foreigners who were caught in the city. It was immediately after the shelling was begun by American and British ships that bugles were sounded and the soldiers ceased their systematic work of destruction, thus demonstrating that they were under the control of higher military officers. These are all incontrovertible facts.

It now seems well established, in the opinion of both Chinese and for-

eigners, that those responsible for these outrages are of the Communist wing of the Nationalist Government which is dominated and directed by Russian Bolshevik advisers. They are the enemies not only of foreign interests in China but also of China's truest welfare, and it is our belief that unless checked they will make impossible the realization of an orderly and unified Government. We have always been in deepest sympathy with genuine Chinese national aims, and in spite of the fearful experience through which we have passed, we maintain this sympathy. For this reason we are appalled as we think of the inevitable consequences to China and to the world, if the destructive influences which are now determining the policy of the Nationalist Government are not restrained.

(Signed) A. J. Bowen, LL.D., Methodist Episcopal Mission, and President of Nanking University.
P. F. Price, D.D., Southern Presbyterian Mission.
Donald W. Richardson, Southern Presbyterian Mission.
W. R. Williams, Friends Mission.
C. A. Matti, Friends Mission.
John H. Reisner, Northern Presbyterian Mission.
J. C. Thomson, Northern Presbyterian Mission.
C. Stanley Smith, Northern Presbyterian Mission.
Harry Clemons, Northern Presbyterian Mission.
G. W. Loos, Jr., Northern Presbyterian Mission.
L. J. Owen, Treasurer of University of Nanking.
Edwin Marx, Disciples of Christ Mission.
L. B. Ridgely, D.D., American Episcopal Mission.
W. P. Roberts, American Episcopal Mission.
J. G. Mager, American Episcopal Mission.
C. L. Pickens, Jr., American Episcopal Mission.
N. D. Gifford, Jr., American Episcopal Mission.

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Enclosure No. 2 to despatch

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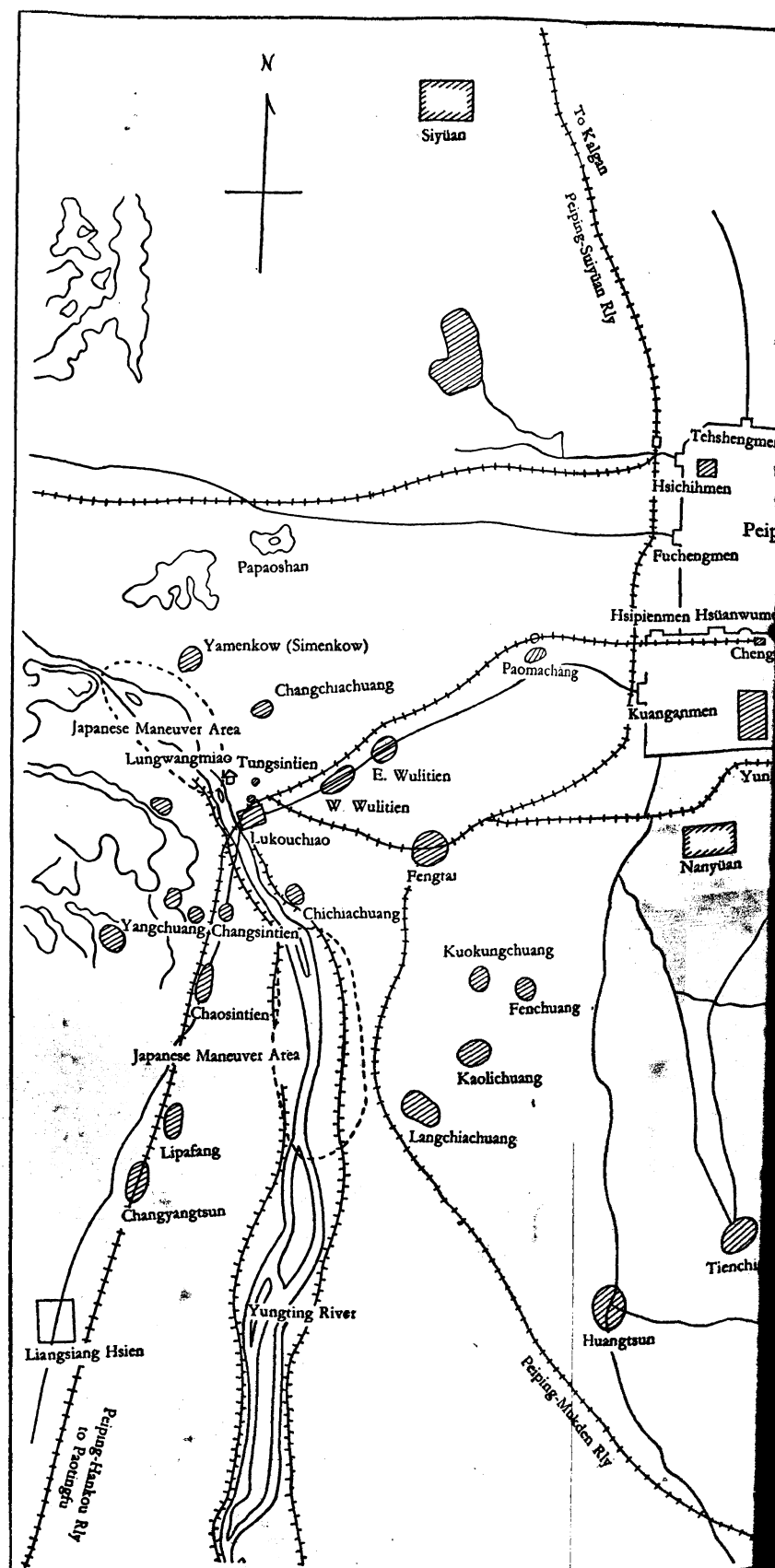
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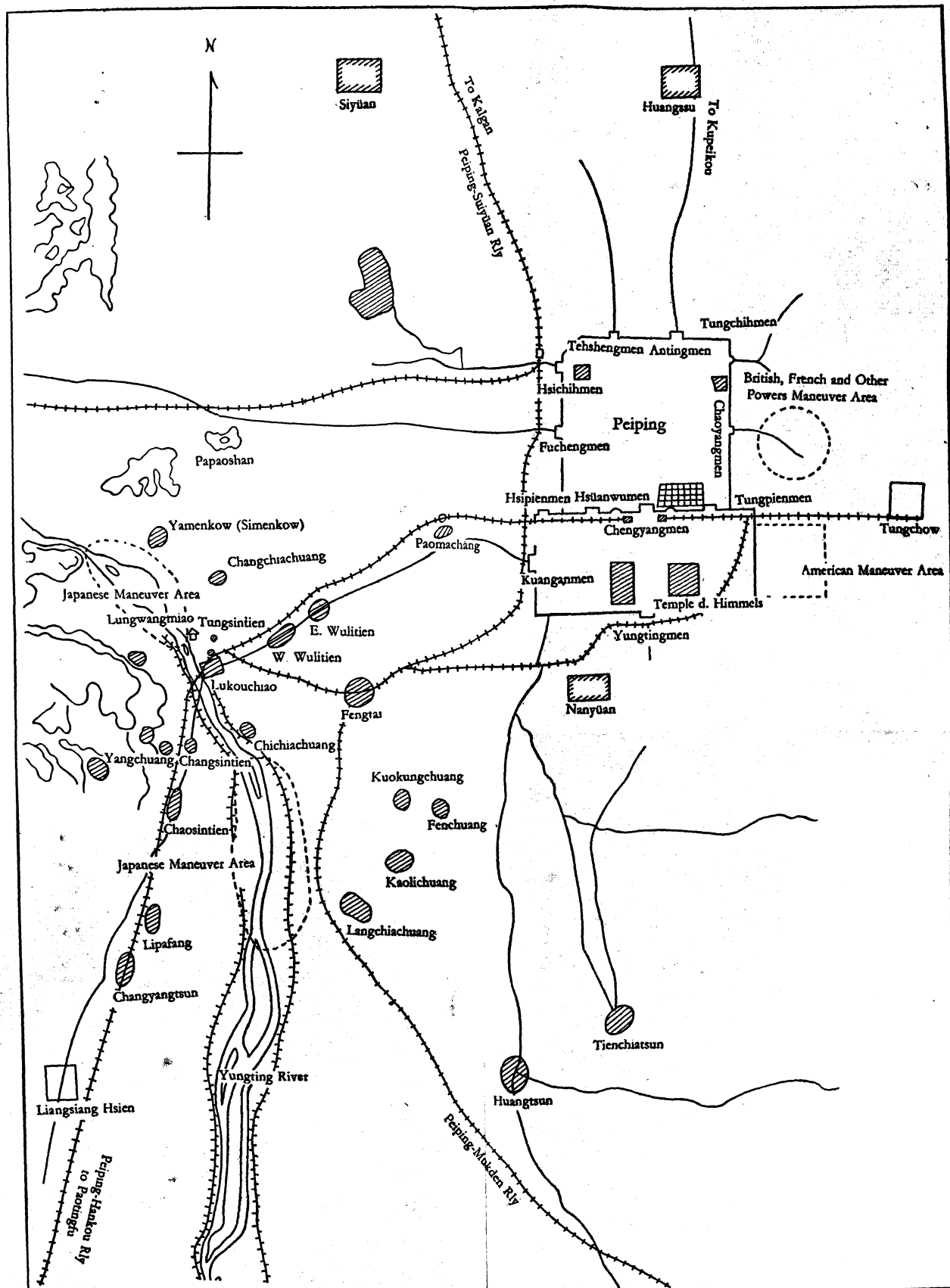
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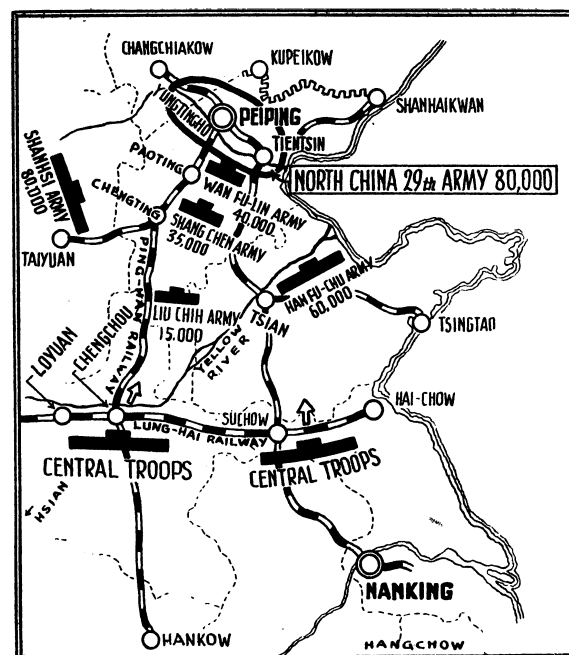
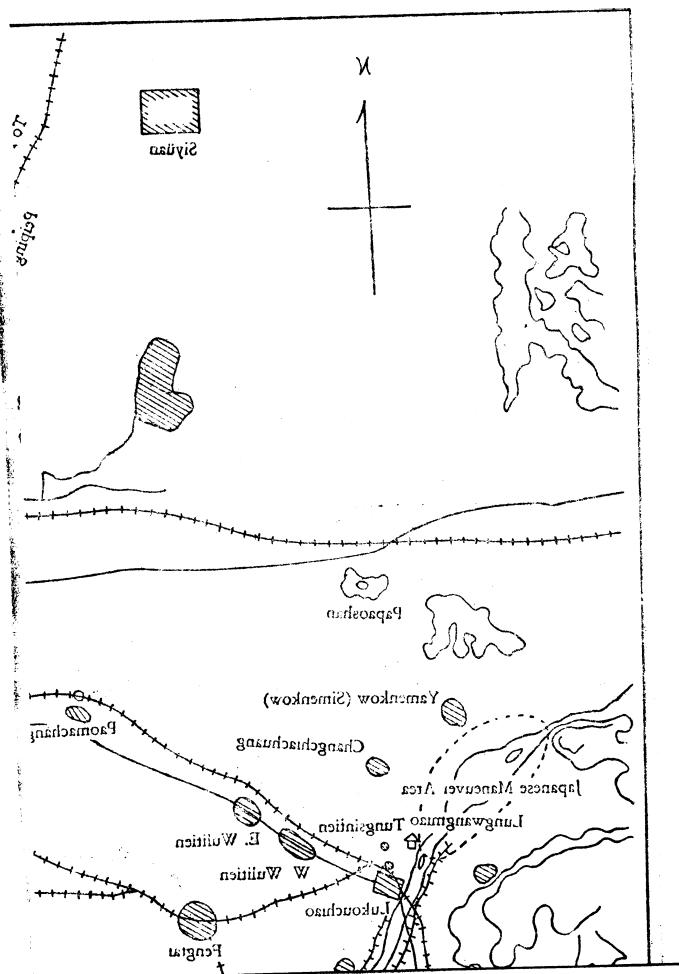
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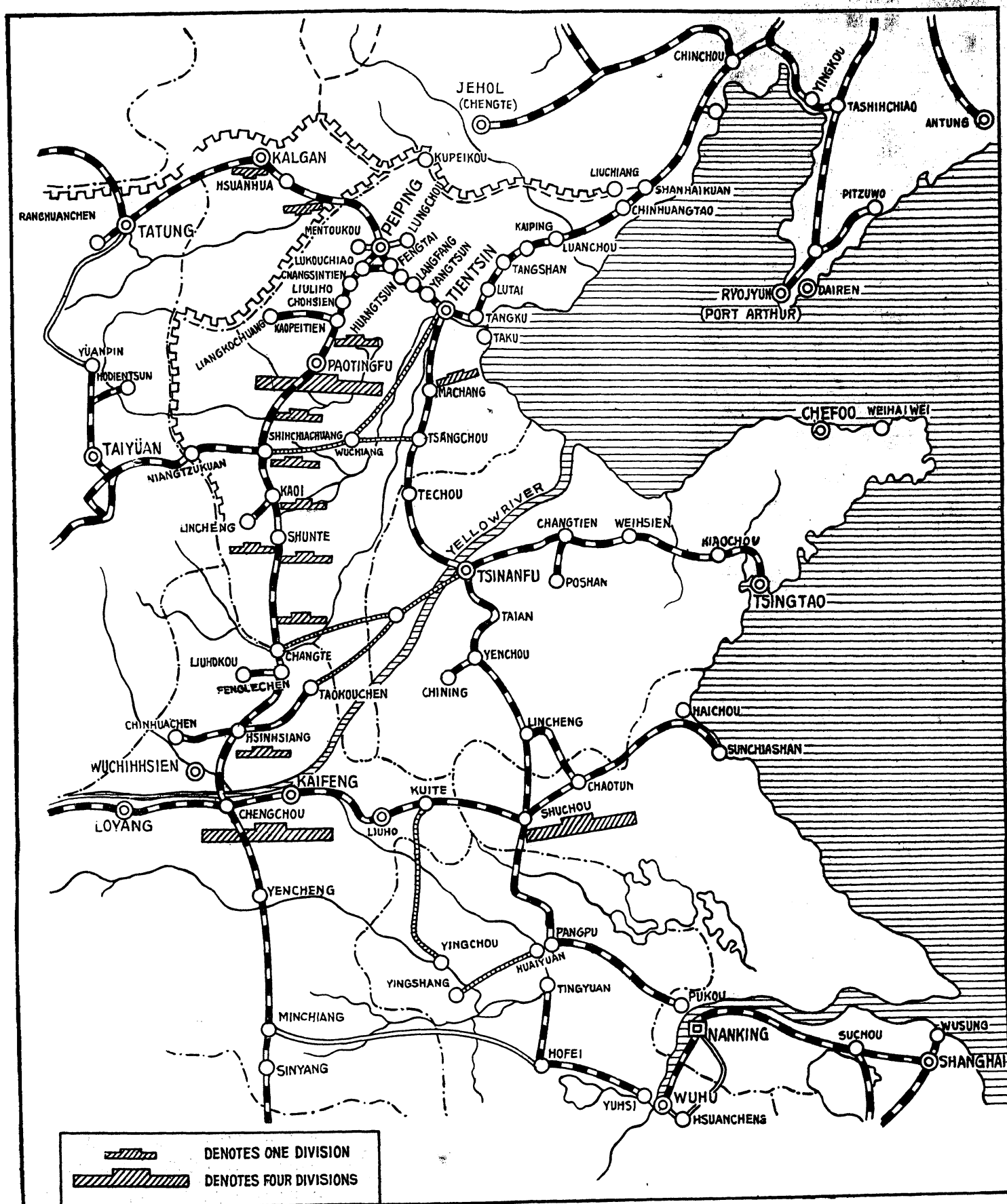
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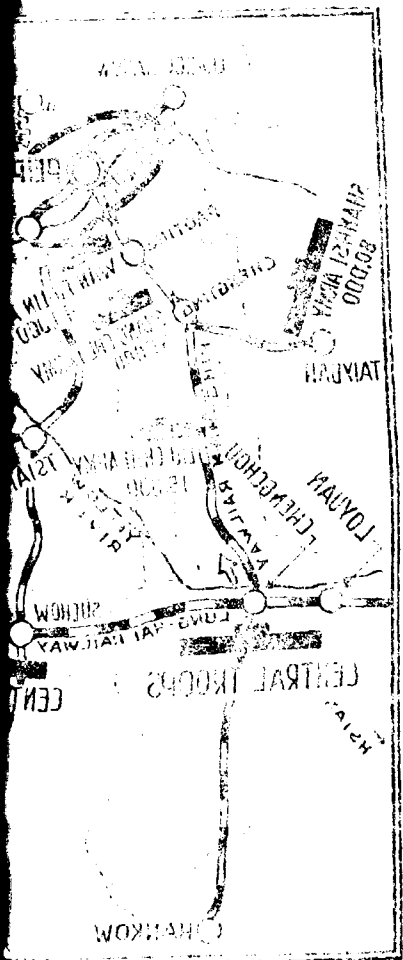
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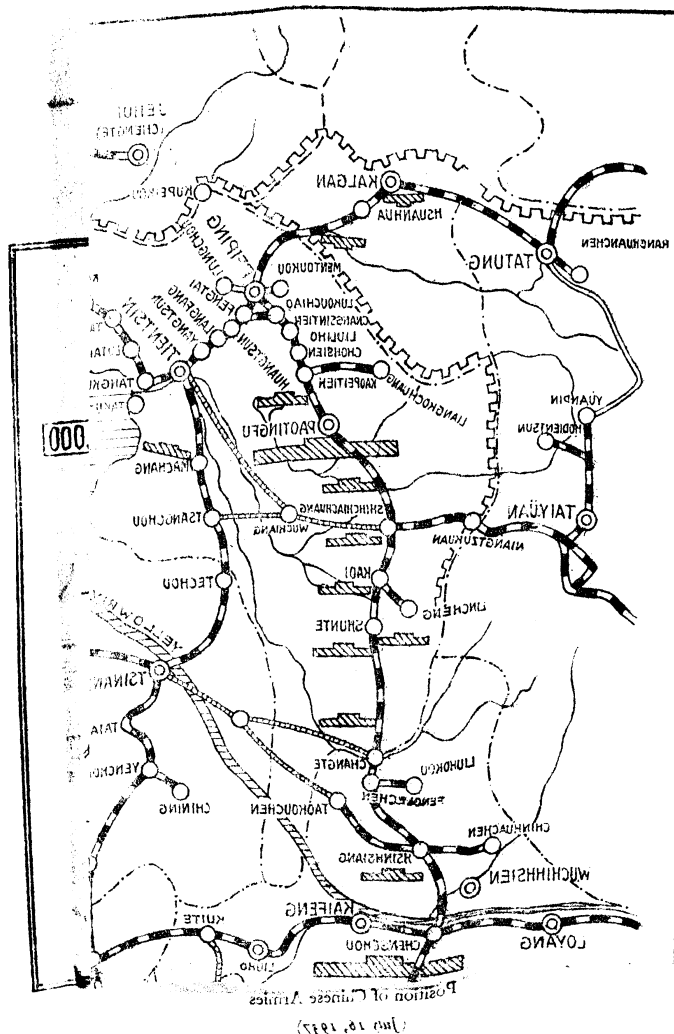
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POSITION OF CHINESE ARMIES, AUGUST 3, 1937



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APPENDICES

CHINESE FORCES IN HOPEI PROVINCE BEFORE AND AFTER THE INCIDENT (AS OF JULY 21st)

	Before incident	July 21st	Increase
Central Army (under direct control of Chiang Kai-shek)			
Liu Chih Army	0	17,000	17,000
Li Mo-an Army			
Central Army (under indirect control)			
Shang Chen Army	7,000	58,000	51,000
Pang Ping-hsun Army			
Local Armies			
Sun Che-yuan Army	57,000	59,000	2,000
Wan Fu-lin Army	16,000	16,000	
Feng Chan-hai Army	15,000	15,000	
Total	95,000	165,000	70,000

STATEMENT OF SIR AUSTIN CHAMBERLAIN IN THE HOUSE OF COMMONS, MARCH 30, 1927

I am in a position to supplement my statement of the other day by facts derived in part, directly from British sources and, in part, from information supplied to His Majesty's Minister in Peking by American and Japanese representatives. The looting was carried out by soldiers in uniform belonging to formations under the command of General Cheng Chien . . . Foreign women, including Mrs. Giles, the wife of His Majesty's Consul-General, were thoroughly searched and rudely stripped of valuables. Many had their clothes torn off them, and two American women were saved from attempted violation. These facts can be established by sworn depositions. . .

SWORN STATEMENT BY MRS. GILES, THE WIFE OF THE BRITISH CONSUL-GENERAL AT NANKING, ISSUED AS A BRITISH FOREIGN OFFICE PAPER, MARCH 30, 1927

. . . Three soldiers at once seized me, tore rings off my fingers, inflicting considerable pain, and snatched brooch in my dress and chain from the neck,

also watch and bracelet from the wrist. They took shoes from my feet and felt to see if there was anything in my stocking. They treated me with great brutality. Mrs. Robert and Miss Blake were treated in the same manner. . . . At one time men came in with executioner's sword, and held it within an inch of my husband's throat. Another man brandished a carving knife. Others attempted to tear clothes from myself and other ladies in the party. . . .

STATEMENT REGARDING THE NANKING OUTRAGE
March 24, 1926

In order that the American public may know the facts regarding the Nanking outrage, we, the undersigned American citizens and residents of Nanking who were present when the outrages against foreign lives and property were committed in that city on March 24th, desire to make a public statement. Out of our own first hand experience and observation we unequivocally affirm that these outrages were committed by armed Nationalist soldiers in uniform who acted with the knowledge and approval of their superior officers. These outrages consisted not only in the looting of foreign homes, consular offices, schools, hospitals and places of business, but also in the burning of foreign homes and schools; in deliberate murder; in twice shooting and seriously wounding a young American woman; in shooting at and attempting to kill foreign men, women and children; in the attempted rape of American women; and in other shocking indignities to foreign women too indecent to be published. To many of such we can bear the sworn testimony of eye-witnesses; and numerous other cases have been proven beyond the least shadow of doubt. From the statements of many of the Nationalist soldiers made to us and from the testimony of Chinese friends, it is an established fact that they entered Nanking with definite license, if not instructions, to rob and kill foreigners. From the actions of the troops it was evident that their plan was to loot foreign buildings, force the occupants to disclose the location of their valuables, strip them of their clothing, and maltreat them at will. Some of us were told both by these soldiers themselves and also by Chinese friends who helped us to find places of concealment, that we should surely be killed. It is our conviction that the firing from the naval vessels prevented the murder of many foreigners who were caught in the city. It was immediately after the shelling was begun by American and British ships that bugles were sounded and the soldiers ceased their systematic work of destruction, thus demonstrating that they were under the control of higher military officers. These are all incontrovertible facts.

It now seems well established, in the opinion of both Chinese and for-

eigners, that those responsible for these outrages are of the Communist wing of the Nationalist Government which is dominated and directed by Russian Bolshevik advisers. They are the enemies not only of foreign interests in China but also of China's truest welfare, and it is our belief that unless checked they will make impossible the realization of an orderly and unified Government. We have always been in deepest sympathy with genuine Chinese national aims, and in spite of the fearful experience through which we have passed, we maintain this sympathy. For this reason we are appalled as we think of the inevitable consequences to China and to the world, if the destructive influences which are now determining the policy of the Nationalist Government are not restrained.

(Signed) A. J. Bowen, LL.D., Methodist Episcopal Mission, and President of Nanking University.
P. F. Price, D.D., Southern Presbyterian Mission.
Donald W. Richardson, Southern Presbyterian Mission.
W. R. Williams, Friends Mission.
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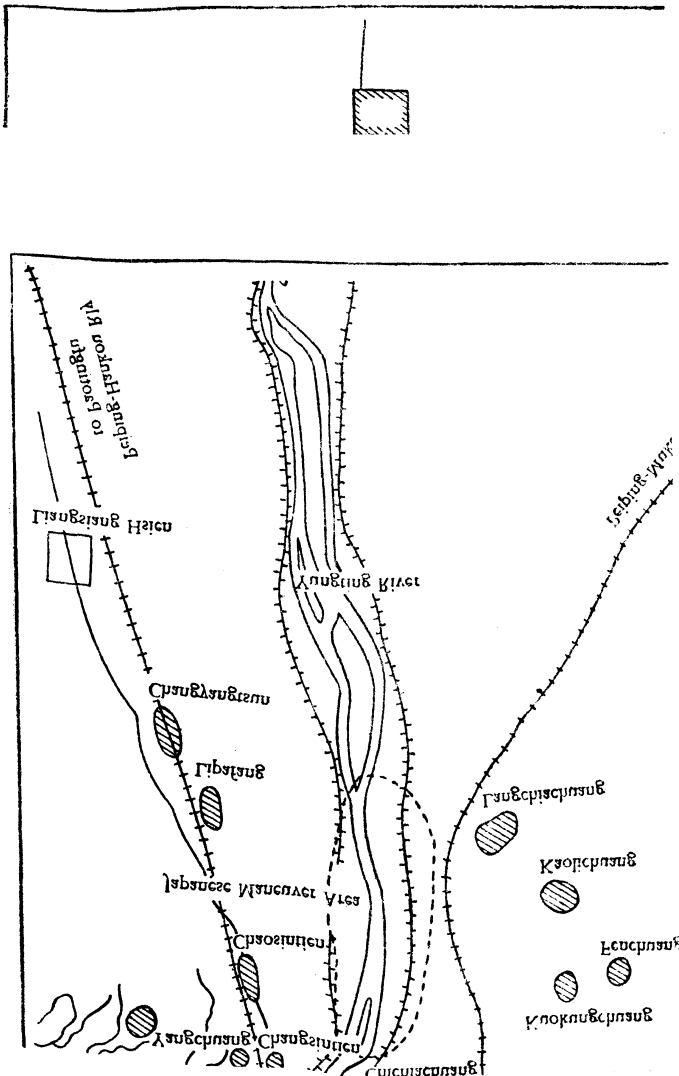
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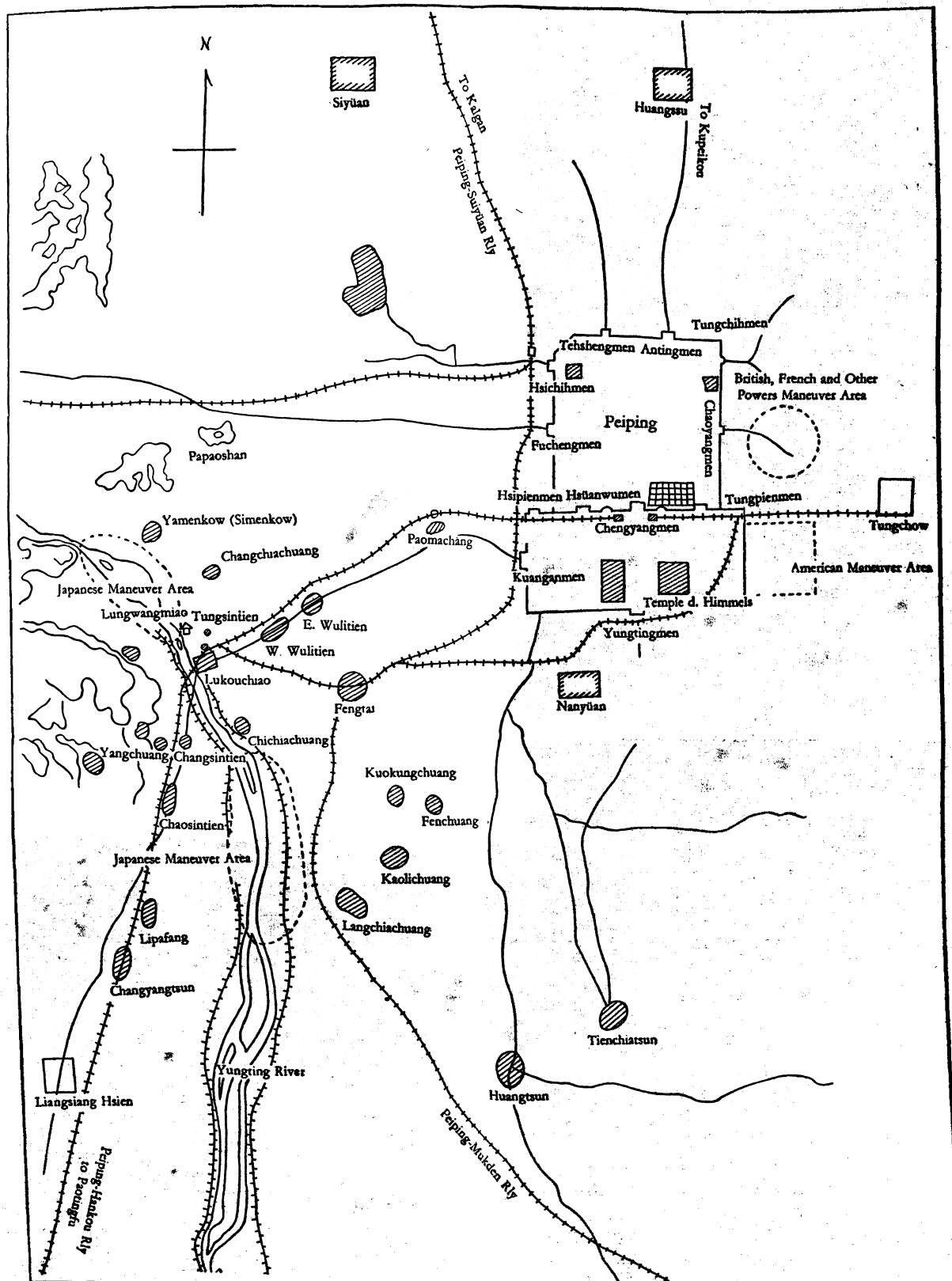
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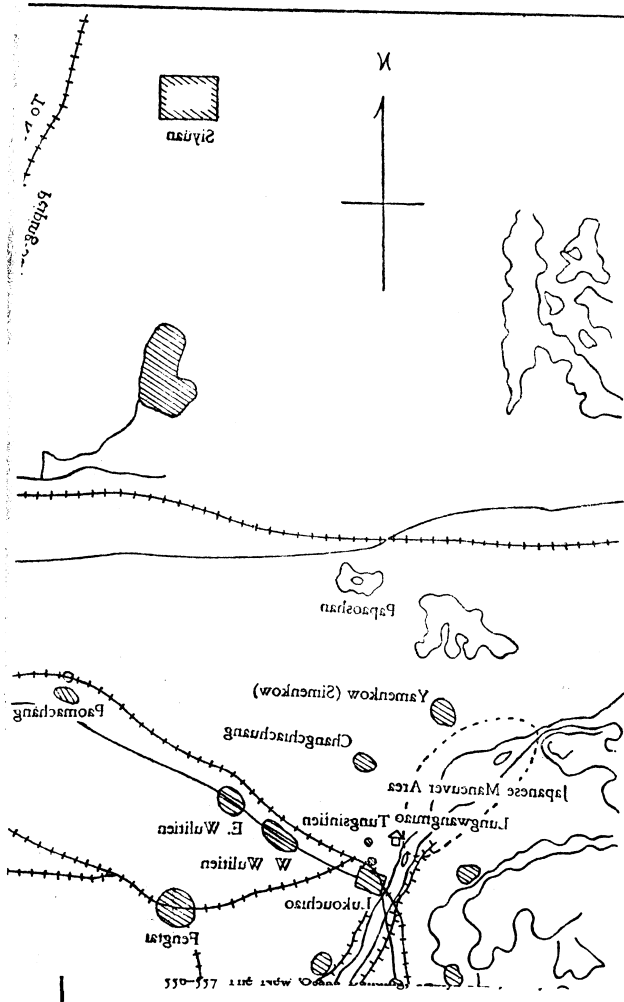
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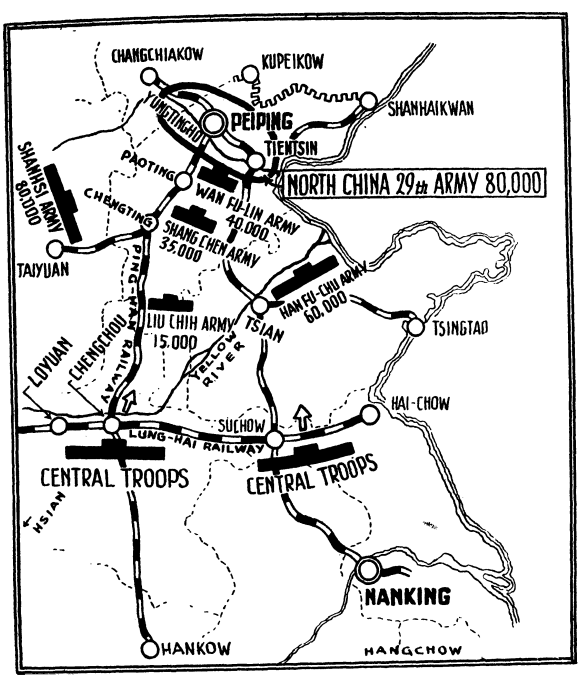
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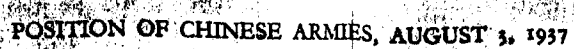


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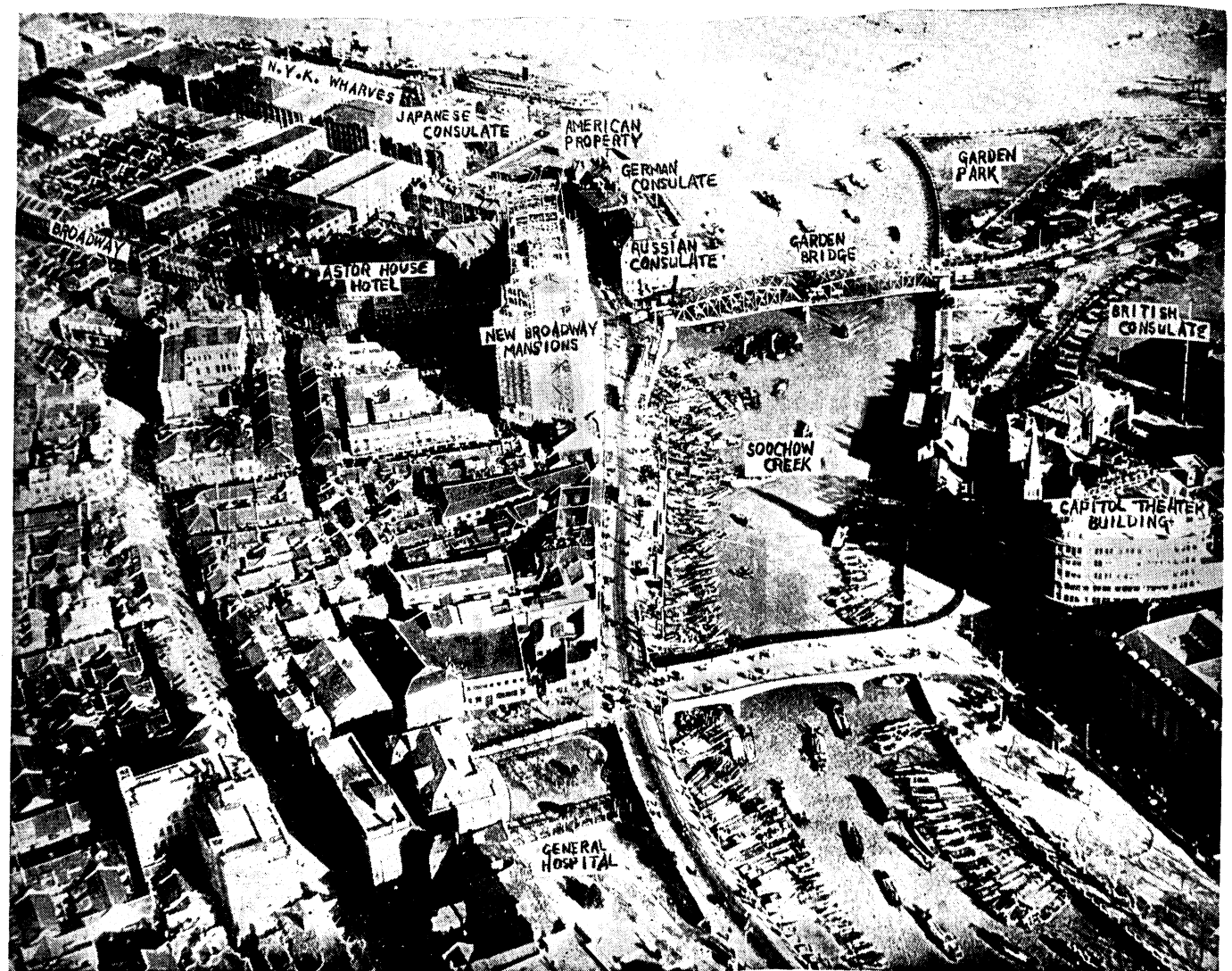
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INTERNATIONAL AREA AT MERCY OF WARPLANES



Into this crowded metropolitan area of the International Settlement at Shanghai Chinese warplanes dropped bombs. Several fell on the morning of August 14 around the Japanese Consulate General (upper left) and at wharves and mills in the area farther to the left along the Whangpoo River. Early in the evening others were dropped on the predominantly British section to the right, falling on the Bund, which starts at Garden Bridge and goes south along the Whangpoo, and on the Palace and Cathay hotels, on either side of Nanking Road at the Bund (Courtesy of the Japan Advertiser)

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Almost the Entire Shanghai Took to Its Feet When Bombs were Thrown on
August 14, "Bloody Saturday," by Chinese Warplanes
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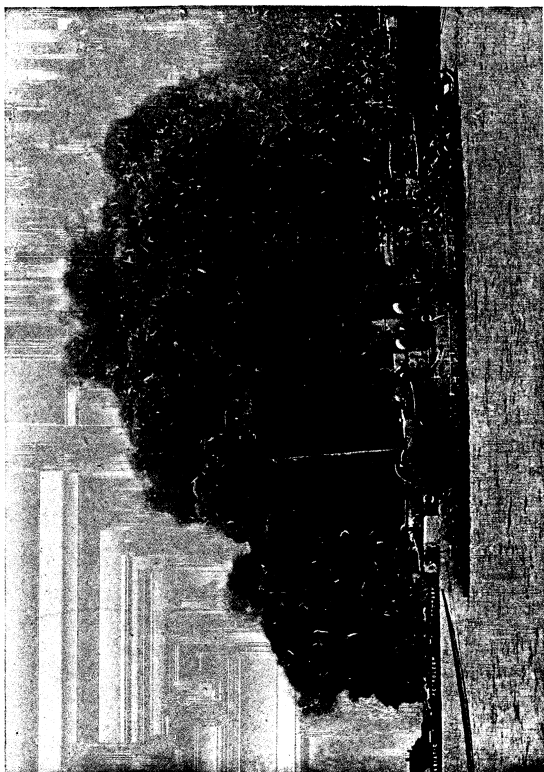
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This Picture Apparently does not Speak of War, yet it is a Scene Observed near Shanghai during the Present Hostilities. The Japanese Soldiers are very Fond of Little Ones and are Making the Hearts of Chinese Children Glad with such Little Devices as the Circumstances Allow (Courtesy of the Yomiuri Shimbun)

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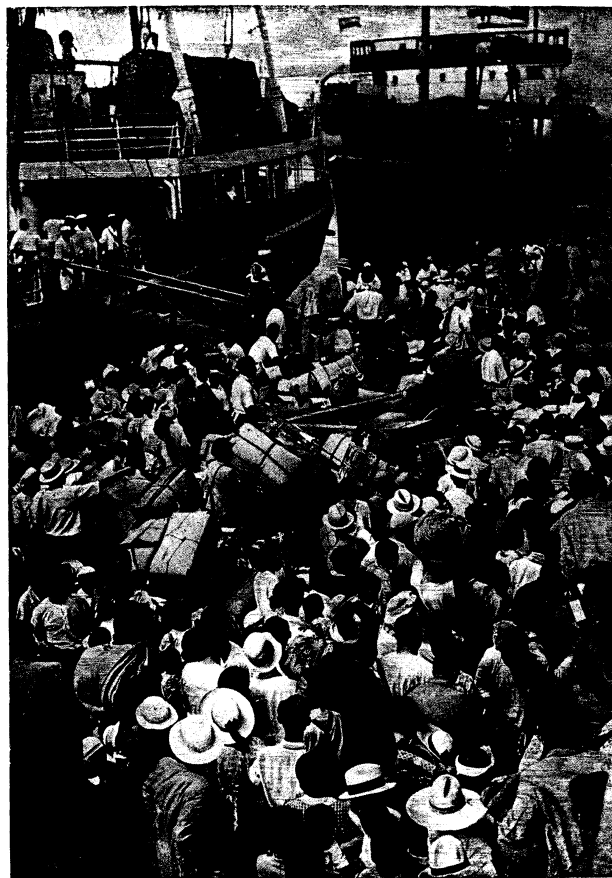
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Japanese Soldiers Boiling Rice in Preparation for Supper near Shanghai
(Courtesy of the Yomiuri Shimbun)

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Japanese Refugees Waiting at the N.Y.K. Wharf, Shanghai, for a Transport
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Chinese Tank Captured on August 25 in Chaofeng Road, Shanghai, Wherein were Found, beside Machine Guns, Hand Grenades, etc., Bottles of Whiskey, Perfumery, other Ladies' Toilet Articles, and Ladies' Shoes
(Courtesy of the Tokyo Asahi Shimbun)

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SEVENTY-SECOND SESSION OF THE DIET
(SEPTEMBER 4TH, 1937)

It is with constant and profound solicitude that We have looked toward the insurance of the stability of East Asia and the realization of common prosperity for Japan and China through the co-operation and collaboration of the two countries. However much to Our regret, China fails to understand fully our true intentions, and her repeated acts of provocation have finally led to the present affair. Now Our armed forces are fighting loyally and valiantly in defiance of untold difficulties. And all this has no other purpose in view than that of prompting China's reconsideration and securing swiftly the peace of East Asia.

It is Our hope that all the subjects of the Empire will, in view of the current situation, serve the State with loyalty and devotion, and that they will unite themselves and assist with one heart in the achievement of the desired end.

WHY THE FIGHTING
IN SHANGHAI

"CO-OPERATION, NOT TERRITORY"

China is now engaged with Japan in what may be called a "fight to the finish." All indications from the Chinese side show that they have not only advocated such a fight, but have even planned and prepared for it. Japan's patient and persistent efforts to avoid that means of settling the differences and her desire to reconcile the issues through the channels of diplomatic negotiation have failed. Hope for a fundamental renovation of conditions in East Asia and a new structure for stability and peace in this part of the world has proved futile. The Japanese Government has announced its preparedness and readiness for protracted hostilities. Their immediate objectives are to destroy all anti-Japanese organizations and activities in China once and for all and to secure East Asia from the menace of Communism which has already attained considerable influence in China. The ultimate objectives are to establish the relations between Japan and China on a secure and friendly basis so that the two nations may co-operate effectively toward the maintenance of conditions of peace in the Far East. As Prince Fumimaro Konoyé, the Premier, declared, "Japan wants China's co-operation, not her territory." It must also be made clear that, in the words uttered by Premier Konoyé before the seventy-second extraordinary session of the Imperial Diet on September 5th, "the Chinese people themselves by no means form the objective of our actions." He declared that our actions are "directed against the Chinese Government and its army who are carrying on such erroneous anti-foreign policies. If, therefore, the Chinese Government truly and fully re-examines its attitude and in real sincerity makes endeavors for the establishment of peace and for the development of culture in the Orient in collaboration with our country, our Empire intends to press no further."

BACKGROUND OF PRESENT HOSTILITIES IN SHANGHAI

THE INTERNATIONAL CITY OF SHANGHAI

The City of Shanghai consists at present of three areas, each administered under its own laws by independent authorities. They are the International Settlement, administered by an elected Municipal Council composed of nine foreign and five Chinese members, the French Concession administered by the French Consul General with the assistance of an advisory body composed of foreign and Chinese members, and the Greater Shanghai, administered by a Mayor appointed by the National Government at Nanking. Also known as the Chinese City, the last named area flanks both foreign concessions. The International Settlement and the French Concession together form a great modern city, both in name and in fact, and constitute the starting point of most activities of foreign Powers in China. This city is thus a complicated center of foreign interests which have given rise to a multiplicity of treaties, laws and regulations.

Shanghai as a whole has a foreign population of nearly 60,000, half of whom are Japanese, which is concentrated in the international city. Due to political unrest and disturbances in various parts of the country many Chinese refugees have come to this city, most of them settling there permanently. According to the latest census, the Chinese population in the International Settlement and the French Concession is slightly over 1,600,000, indicating that it is the Chinese themselves who enjoy the benefits of security in the foreign area. Almost every well known Chinese politician and wealthy businessman has a home in one of these areas under foreign control, where they take refuge at the least sign of trouble, while their funds and valuables are deposited with foreign banks therein.

THE INTERNATIONAL SETTLEMENT

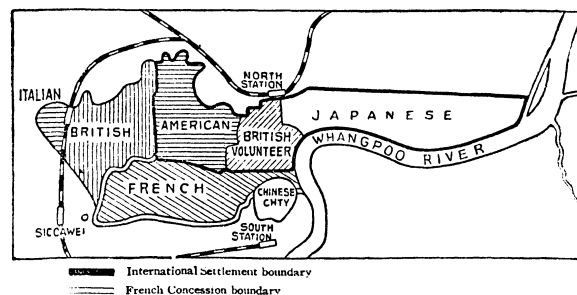
In November, 1843, a year after five ports were opened under the Treaty of Nanking of 1842, the newly arrived British

Consul arranged with the Chinese local authorities for the lease of a 150-acre tract on one bank of the Whangpoo River, outside the city, to be set aside as a foreign settlement. In 1845 Land Regulations were agreed upon. These, after several revisions on different occasions, became the basis of the administration of the Settlement.

The International Settlement was created in 1863 through the merger of the above-mentioned British Concession and that of the United States. Its administration is in the hands of the Municipal Council, composed of nine foreigners—five British, two American and two Japanese nationals—and five Chinese, who are elected by the ratepayers in the Settlement. The electorate is limited to foreigners who own land of 500 taels¹ in value or are householders paying rates on an assessed rental of not less than 500 taels. Under the Land Regulations the Consuls, early each year, fix the date for the election. The Chinese councillors, who were only recently increased to five as a result of the increased number of Chinese residents in the Settlement, are nominated by the organization of Chinese ratepayers.

SHANGHAI

Division of Sectors to be Guarded by Foreign Troops and a Volunteer Corps
as Agreed among the Four Powers



The maintenance of peace and order within the Settlement is in charge of the police force of the Municipal Council and the

¹ In 1932 the rate of exchange on London against Shanghai was 18. 8 1/16 d.

Shanghai Volunteer Corps. The commissioner and others in charge of police administration are mostly British nationals. At the end of 1935 the force numbered 3,575 strong.

The Shanghai Volunteer Corps, a highly efficient and highly organized body, is maintained at the expense of the ratepayers for the protection of the Settlement. Arms and ammunition are supplied from time to time by the British War Office and also by the American Government. The Corps was founded in 1854 for the protection of the Settlement during the Taiping Rebellion. In recent years it was mobilized during the state of emergency preceding and following the occupation of Shanghai by the Nationalist forces in 1927 and during the Sino-Japanese hostilities in 1932, when it rendered particularly meritorious services.

Due to the steady increase in the population, the area of the International Settlement was extended three times, the last extension being made in 1899 when the area was enlarged to 5,584 acres.

THE FRENCH CONCESSION

The history of the French Concession goes back to 1844, when the Treaty of Whangpoo was concluded between France and China, granting the French the right to establish themselves in the five ports of Canton, Amoy, Nanking, Foochow and Shanghai opened under the Anglo-Chinese Treaty already referred to. At that time the area reserved for French nationals did not amount to more than 50 or 60 hectares (125-150 acres), but since it has been increased to the present area of 1,022 hectares (2,525 acres).

After the Taiping Rebellion in 1854 a merger of the British, American and French Concessions was proposed, but it failed to materialize due to French opposition. In 1863 when the British and American Concessions were incorporated into the International Settlement, the French continued to remain independent.

THE EXTENSION ROADS

Population increase in the International Settlement may be taken as a sign of increasing prosperity, besides security from danger. In 1915, a year after the French Concession had been

extended, the authorities of the International Settlement planned to enlarge its area, but this plan failed to materialize because of strong Chinese opposition. The time was not opportune, for the Chinese then were strongly advocating the recovery of their national rights and were even demanding the recovery of the Settlement to Chinese jurisdiction.

Such being the circumstances, the Settlement authorities, acting on the basis of Article 6 of the Land Regulations, successfully arranged for the creation of extension roads, or extra-Settlement roads. The article permits land renters in the Settlement and others who may be entitled to vote to purchase land situated outside or leading out of the Settlement or to accept land from foreign or native owners on terms mutually agreed upon between the Municipal Council and such owners. Until the establishment of the Municipality of Greater Shanghai in 1927, the Municipal Council of the Settlement claimed entire responsibility for the policing of the extra-Settlement roads. This right was challenged by the Chinese municipality when it was established and joint policing by both authorities has since been the normal arrangement, although as far as the general administration, including the supply of public utilities, is concerned, the Municipal Council continues to have charge. It is in this area that most homes and industrial establishments of Japanese nationals are located.

THE GREATER SHANGHAI

The establishment of the municipality of "Greater Shanghai" originated with Marshal Sun Chuan-fang, who in 1926 created the Directorate of the Port of Shanghai and Woosung. The City Government was established in July, 1927, after the occupation of Shanghai by the Nationalists earlier that year, and under an Organic Law of July 14th, 1927, it was created a Special Municipality under the direct control of the National Government. The administration is presided over by the Mayor, who is directly responsible to the National Government which appoints him. The area covered by this municipality completely surrounds the foreign municipal areas and totals 494.96 square kilometers.

THE POPULATION

According to the latest statistics, the population of Shanghai,

including all of the three areas, is 3,582,476. Of this total the International Settlement and the extra-Settlement roads have 1,159,800, the French Concession 497,549 and the Greater Shanghai 1,925,127. The proportion of foreigners to Chinese in the International Settlement, extra-Settlement roads, and the French Concession is as follows:

	Foreigners	Chinese
International Settlement	28,583	1,120,860
Extra-Settlement Roads	10,357	—
French Concession	18,255	479,294
Total	57,195	1,600,154

The following table shows the comparative sizes of the four largest national groups in the foreign population:

	Japanese (Koreans included)	British (Indians excluded)	American	Russian
International Settlement	14,184	4,595	1,494	2,582
Extra-Settlement Roads	6,058	2,000	523	435
French Concession	280	2,642	1,792	8,260
Total	20,522	9,237	3,809	11,277

Note: Figures for International Settlement and extra-Settlement roads are taken from the 1935 census; and those for the French Concession from the 1934 census

PEACE MAINTENANCE IN SHANGHAI

As is clear from its history, the International Settlement, and also the French Concession, have contributed greatly toward the maintenance of conditions of security in Shanghai. And it is this security from disturbing external influences that has been responsible in no small degree for the prosperity which the foreign areas have enjoyed. In order to ensure this condition the police force and the volunteer corps have cooperated in cases of emergency with the land and sea forces of the interested Powers which are stationed there.

It must be noted in this connection, however, that of late years the national consciousness of the Chinese has been heightened to a great extent and in consequence factors have appeared which tend to check the further development of the Settlement. It may be worthwhile to mention the fact that the creation of the Municipality of Greater Shanghai by the National Govern-

ment is an indication of the Chinese intention to recover the International Settlement in time.

The position of the International Settlement and the French Concession in times of hostilities will be considered in greater detail in later paragraphs.

THE SINO-JAPANESE TRUCE AGREEMENT

The Sino-Japanese Truce Agreement, officially known as the Agreement for the Cessation of Hostilities between Japan and China, was concluded on May 5th, 1932, following the hostilities between the two nations in January and February of that year. It was negotiated through the good offices of the interested Powers, especially Great Britain, who, even before the fighting began, stationed their respective forces in sections allotted to them in the International Settlement to protect it from the danger of Chinese attacks. This agreement was signed not only by the contracting parties, but also by Great Britain, the United States, France and Italy as witnesses.

The most important, and in the case of the present hostilities the most pertinent, clause in the agreement stipulates that no Chinese armed forces are permitted to advance beyond the lines which they held at the time the 1932 hostilities ceased, or in other words, not to advance toward Shanghai beyond the lines to which they had been driven back at that time. The agreement thus created a demilitarized area in and around Shanghai for the purpose of averting another serious armed clash in this densely populated area. It further stipulates that the Chinese must discontinue all forms of activity hostile to Japan in this neutralized zone and that in case of doubt the Joint Commission for enforcement of the agreement composed of representatives of the signatory and counter-signatory Powers shall act according to its interpretation of the agreement.

THE PEACE PRESERVATION CORPS

The policing of the neutralized area and the parts of Shanghai outside the Settlement and Concession is in the hands of the Chinese police and Peace Preservation Corps. The latter was created in August, 1932, after the conclusion of the Sino-Japanese Truce Agreement. It was organized for the purpose of maintaining

peace and order within the City of Greater Shanghai and adjacent areas demilitarized by the agreement. Although its original purpose was to serve as a police force, as the name suggests, it later turned out to be nothing more than Chinese troops in disguise. Not only was their equipment like that of regular army troops, but their commander was none other than Yang Hu, a leader of the notorious Blue Shirts, one of the secret societies under the direct control of General Chiang Kai-shek, chairman of the National Military Council. The corps consisted of 5,000 men at first, but at the time of the first clashes in north China had been increased to over 10,000.

OFFENSIVE ATTITUDE OF THE CHINESE LEADING TO THE PRESENT CRISIS

The tension created by the outbreak of hostilities in north China spread with electric speed to other sections of the country, as the Central Government at Nanking, assuming an attitude toward Japan more hostile than ever before, began to push its warlike preparations on a major scale. Japan hoped and believed that the minor clash at Lukouchiao could be rapidly settled locally through the process of friendly negotiation, but, as confirmed by subsequent Chinese moves, a section of China's leaders had other intentions—to capitalize on this opportunity to rally nationwide support around the Nanking Government by a campaign of armed resistance against Japan. Anti-Japonism which was being implanted in the minds of the Chinese masses as a unifying symbol—a common rallying point of diverse and conflicting internal interests—at first abstract but eventually concrete as the movement gained momentum, turned with the north China clashes into a general crusade.

Forcefully conducted as a matter of official policy, anti-Japonism had gained considerable headway during the previous two years. Murders and other acts of violence occurred with increasing frequency.¹ Every attempt to remedy the relations between the two countries, every sincere offer of co-operation made by Japan, was turned down. The tide of anti-Japanese agitation rose higher and higher.

JAPANESE EVACUATE THE YANGTZE VALLEY

Availing themselves of the tense situation which followed the outbreak of hostilities in north China, anti-Japanese agitators began a spirited campaign for resistance against Japan and fanned the flames of hate against this country throughout China. This widespread movement resulted in a continuous series of anti-Japanese demonstrations and meetings, creating situations fraught

¹ For a list of murders and acts of violence see Appendices, p. 49

with danger in many parts of the country. Chinese merchants dealing with Japanese were mercilessly persecuted as traitors and Chinese in the employ of Japanese firms and homes were subjected to great pressure and were forced by intimidation to run away from their employers. Japanese merchants in China, in many cases, were thus compelled to discontinue their business, while Japanese nationals in general were subjected to extreme inconveniences in their daily life. At some places Japanese women and children were made victims of Chinese violence. These anti-Japanese activities finally culminated in interference with the supplying of food and water to Japanese nationals.

Such conditions made the occurrence of untoward incidents extremely likely, and feeling the necessity of avoiding any clash which might arise between Chinese forces and the Japanese gunboats patrolling the Yangtze, the Japanese Government advised the Japanese nationals in the upper reaches of the Yangtze Valley to withdraw to safer places. Thereupon the entire Japanese communities at Chungking, Ichang and Shasi, numbering 33, 107 and 12 respectively, evacuated on August 1st, and 96 Japanese residents of Changsha followed them on August 4th. Hankow's 1,783, concentrated on board two steamers, embarked there on August 7th, escorted by three naval vessels. On the following day the wholesale exodus continued from Kiukiang (76 Japanese), Tayeh (12), Wuhu (40), Nanking (431), and Chinkiang (13). All those evacuated reached Shanghai by August 9th, under escort of Japanese gunboats.

In this connection, Hankow, the great distributing center of the four provinces of Honan, Hupei, Hunan and Szechwan, deserves special mention, for Japanese traders had developed an important market there after years of industrious endeavor and enterprise. They dealt in the export of Chinese wood oil, raw cotton, cereals and other products of the provinces and in cotton yarn, cotton cloth, sugar, marine products and general merchandise as items of import. Their trade amounted to about 60,000,000 yuan annually. Beside this, the Japanese have invested capital to the extent of 40,000,000 yuan in this inland center.

Hankow just prior to the evacuation had a total population of 742,000, of whom 2,238 were foreign residents including 1,738 Japanese.

After the evacuation of the Japanese residents at Hankow, a special detachment of the Japanese Naval Landing Party at Shanghai which had been dispatched to Hankow to protect the Japanese Concession there, and the Japanese warships in charge of protecting Japanese lives and property in the Yangtze Valley all withdrew to Shanghai on August 8th. It seems that the Chinese viewed this gathering of ships—mostly gunboats of 170 to 305 tons and torpedo boats—as an aggressive display of force and as constituting a great menace. That such allegations are wide of the mark need not be stressed, as this condition was but the result of Japanese evacuation of the upper Yangtze Valley.

The Japanese who evacuated from the upper Yangtze area totalled approximately 2,800. Their homes are located at various places extending inland as far as 1,400 nautical miles from Shanghai. Although the lives of Japanese nationals were thus secured from danger, the loss in property and in economic interests which they had built up after years of arduous toil was incalculably great—especially if the Chinese authorities to whom the protection of these interests was entrusted fail to discharge their trust.

The withdrawal of all Japanese nationals from the upper Yangtze Valley was viewed by various nations, particularly China, with grave misgiving, as it was interpreted as an indication that Japan was preparing for widespread hostilities. This was far from the truth. As Mr. Tatsuo Kawai, spokesman of the Japanese Foreign Office, explained at the time, the Japanese Government's decision was motivated principally by the desire to prevent the possible recurrence of such untoward incidents as the Tungchow massacre on July 27th this year, in which over 200 Japanese nationals, including women and children, were victims of unspeakable atrocities.¹

It was purely a precautionary measure. Untoward incidents might not have occurred in these inland regions, but the Government had no other course in view of the rapidly spreading acts of terror against the Japanese and even against Chinese having business or other affiliations with the Japanese. A single incident

¹ See on this matter booklets, *What Happened at Tungchow?* and *How the North China Affair Arose*, published by this association.

involving the lives and property of Japanese would have required Japan to act at once, and this would have meant aggravation of the situation, which she was doing her utmost to avoid.

Intensification of anti-Japanese activities became so great that even members of the Japanese consular staffs at Chungking, Changsha, Ichang, Shasi and Kiukiang were compelled to evacuate.

So they all assembled at Hankow by August 8th and three days later sailed downstream for Shanghai. But due to the Chinese blockade of the Yangtze River near Kiangyin, they were forced to turn back to Nanking. From there they proceeded to Pukow, where they boarded a special train for Tsingtao on August 15th, eventually reaching Japan.

The last party of the Japanese to withdraw from the interior were the officials in Nanking, including Mr. Shinokuro Hidaka, counsellor of the Japanese Embassy in China, and staff members of the Japanese Consulate General in the capital. Assembling on the morning of August 16th at the Nanking Office of the Japanese Ambassador, these officials sang the Japanese national anthem, "Kimigayo," and, after lowering the national flag from atop the office, boarded a special train provided by the Nanking Foreign Office at 4:00 o'clock that afternoon. Escorted by 50 Chinese gendarmes, they went to Tsingtao by the Tientsin-Pukow Railway, from where they returned to Japan.

On the occasion of their withdrawal numerous courtesies were extended them by the American Embassy at Nanking, while the Italian Ambassador called on the Japanese counsellor in person to express his sympathy in connection with the evacuation.

CONCENTRATION OF CHINESE FORCES AROUND SHANGHAI

The first exchange of shots between Chinese and Japanese troops in the outskirts of Peiping on the early morning of July 8th incited Chian's huge armies to action, and so gave concrete form to the long cultivated hatred against Japan. While tens of thousands of soldiers moved northward, not only to engage the Japanese in a major conflict but ostensibly and ultimately to exterminate Japan's peaceful and legitimate enterprises in north China, large forces began to concentrate near Shanghai, creating a strong feeling of tenseness in that cosmopolitan city. Large units

of the Central Army which had already been massed at different points not far from the city for many months past began to close in under various pretexts. The Shanghai Peace Preservation Corps, whose number was fixed at 5,000, rapidly grew in size. By the early part of August its strength had been increased to over 10,000 and its various units were fully equipped with trench mortars, field pieces, armored cars and light and heavy machine guns.

The Corps was a Chinese organization created for the maintenance of peace and order in the native sections of the city and other adjoining areas which were demilitarized by the Sino-Japanese Truce Agreement of 1932, yet from its very inception it was not an ordinary police force but a cross between a police unit and an army with a stronger leaning toward the latter, except for the uniform. With the beginning of hostilities in the north it became the Chinese army in disguise. Gun platforms were constructed, sand bag and barbed wire barricades were erected, trenches were dug, not everywhere, but chiefly around the eastern sector of the International Settlement, where the homes of 30,000 Japanese nationals are concentrated.

VIOLATIONS OF THE 1932 AGREEMENT BY THE CHINESE

The Chinese claim that they sent armed forces into the Shanghai area for self-defense against those of Japan which, by entering the demilitarized zone first, were the first to violate the truce agreement, thus rendering it null and void. By so claiming they have shown themselves to be very forgetful of earlier events. As a matter of fact, even as early as October last year, the Chinese began to concentrate troops at strategic points in and near the demilitarized area. Investigations at that time revealed that 3,000 troops of the 36th Division of the Central Army were massed at Nanhhsiang, 13 miles within the demilitarized zone and less than 10 miles from the heart of Shanghai. It was also discovered that approximately 10,000 Chinese troops, including units of the 87th, 88th and 36th Divisions and independent engineers were concentrated in the Soochow area; 20,000, including special corps, engineers, artillerymen and cavalrymen, in Wusih; 30,000, including units of the 27th and 33rd Divisions, in the Kiangyin area, near a strategically important section of the Yangtze River; 6,000 troops

of the 49th Division in the Wukiang area; and 4,000 troops in the Changsha area—a total of 73,000. Early in August this number had swelled to an estimated number of 100,000, and this numerically mighty army began to advance under instructions from the Nanking Government in a converging movement toward the city.

All troop movements took place secretly and in disguise, and in all cases during night maneuvers. And the Chinese went about this game in a very interesting manner. In the course of these "maneuvers" the soldiers would cast off their uniforms, slip into plain clothes and, after the exercises were over, remain at certain appointed places. Their arms and ammunition were usually concealed in the homes of wealthy Chinese civilians in the locality. It was easy to conceal arms and ammunition in this manner, but it was not easy—in fact it was impossible—to conceal the identity of the men. They did not speak the local dialect, and on every forehead was an identical tell-tale difference of color, lighter above the brows than the lower section of the face, a clear indication that the headgear they were accustomed to wear was a cap—a soldier's cap.

JAPAN CALLS A MEETING OF THE JOINT COMMISSION

On June 8th this year, just a month before the first clashes in north China, a special dispatch to the *Tokyo Nichi-Nichi* from its Shanghai office reported that the Chinese were planning to repair the Woosung Fortress, which was damaged by Japanese bombardments during the 1932 hostilities, and indicated that the information had emanated from sources close to the Shanghai-Woosung Garrison Headquarters (located in the demilitarized zone). Intending to repair the fortress to consolidate the foremost line of defense of the Yangtze Valley, the National Military Council of China, the report said, had purchased extremely delicate pieces of artillery from a foreign country and was planning to have a survey made by the garrison headquarters. The artillery arrived in Shanghai early in May, the dispatch indicated, and the Chinese were expected to approach the Japanese authorities on the matter, as the repair of the fortress was prohibited by the truce agreement.

Surprised by the information, the Japanese immediately asked for a meeting of the Joint Commission for enforcement

of the truce agreement, composed of representatives of Japan, China, the United States, Great Britain, France and Italy, to call the attention of the Chinese and the interested Powers to the relationship between the truce provisions and the reported intention of the Chinese to repair the fortress. The commission met on June 23rd, but it failed to reach any definite decision regarding such concrete measures as conducting an investigation of the fortress on the spot.

Before the Joint Commission or Japan could take any further steps on the pending question, the north China hostilities broke out. Taking advantage of the situation, the Chinese rushed their military preparations in and around Shanghai with increased vigor and according to obviously pre-laid plans. Ignoring the existence of the truce agreement, concluded between Japan and China through the good offices of other Powers to ensure the security of Shanghai from a possible repetition of the 1932 hostilities, the Chinese began to execute the war measures described above.

MILITARY PREPARATIONS IN THE DEMILITARIZED ZONE

Investigations made by the Japanese early in August revealed that the disguised Chinese forces already in the demilitarized zone included 3,000 in the Public Safety Squad, a form of armed police; 2,000 camouflaged regulars concentrated in the area north of the North Station; 1,000 in the Kiangwanchen area around the City Government and Fuhtan University; 400, equipped with 7 armored cars in Tachangchen; 1,000 in Litzuyuan; 1,000 in Kaochinmiao; 1,000 in Kotsaochen; and numerous squads of 50 in the neighborhood of the Hungjao airdrome and other places.

According to the same investigations, trenches and gun platforms had already been constructed at various strategic points, the first line linking the Jukong Wharf with Chun Kung Road, constructed with the object of defending the City Government and preventing the landing of Japanese troops; 3 lines radiating from the Far Eastern Stadium; 5 lines around Fuhtan University, 1 line in Kiangwanchen, and 3 lines in the area north of the North Station. These preparations increased conspicuously as the tension in Shanghai grew.

These military movements and preparations were not only

a clear violation of the Sino-Japanese truce agreement, but a grave threat to the lives and property of Japanese nationals and to the safety of the International Settlement in which the Japanese reside with other foreign nationals and many Chinese. Japan's Naval Landing Party of 2,000 officers and marines, stationed in Shanghai for the same purpose as the forces of other Powers with major interests there, were enormously outnumbered by the Chinese. Being insufficient to cope with the grave situation which was developing in that city and sensing that the Chinese really meant to take drastic action against the Japanese, the Japanese Navy decided to strengthen its force in order to be prepared for any emergency.

Subsequent events, and in particular the stand taken by the Municipal Council of the International Settlement, were to show that the decision had been well called for.

JAPANESE MARINES MURDERED

Rapidly mounting tension in Shanghai, caused by the massing of huge forces and the erection of various military works by the Chinese around the Japanese sector of the Settlement, suddenly neared the breaking point on August 9th with the murder of Sub-Lieutenant Isao Ohyama, commander of the First Company of the Japanese Naval Landing Party, and First Class Seaman Yozo Saito by Chinese troops belonging to the Peace Preservation Corps. The incident took place at about 6:30 o'clock in the evening on Monument Road, while the naval officer, riding in an automobile driven by the seaman, was en route from the Landing Party's western outpost, of which he was commander, to headquarters, after inspecting the vicinity of the Japanese-managed cotton spinning mills.

The Chinese troops ordered the car to a halt and abruptly fired at the occupants point blank with rifles and machine guns. The officer was killed instantly, and later an examination of his body revealed that he had been riddled with bullets like a sieve. Seaman Saito also was killed outright by the first volley. Scores of rifle and machine gun bullets penetrated the automobile. Gravity was attached to the killing, because both the officer and the seaman were in uniform and were attacked while performing official duties.

But that was not all. The Chinese soldiers then committed

ghastly acts on the bodies of the victims. Ohyama was mutilated beyond recognition. Eighteen injuries were inflicted on various parts of his body. His skull was cut asunder with a sword after he had died. A part of his intestines was laid bare and a hole large enough to admit a fist was dug at his heart. After inflicting these atrocities, the Chinese soldiers took all the officer's belongings, including his sword, shoes, wristwatch and pocketbook.

Seaman Saito, after being dragged from the car, was struck in the face and head with rifle butts. All his possessions, too, were taken by the Chinese. His body was found where it had been thrown in a field some 400 yards southeast of the spot where the shooting took place.

CHINA'S FALSE CONTENTION

The Chinese contended that the Japanese fired first and that they attempted to force their way into the Hungjiao airdrome (about 300 yards from the scene of the murder). When the Japanese officials went to the spot early the following morning (after midnight) for inspection and to take over the body of the Japanese officer, the Chinese, pointing to the body of a Chinese soldier in a nearby bean field, advanced a counter-charge that the Japanese had made the first challenge. The Japanese therefore postponed taking over the officer's body until after a joint inquiry made later in the day which proved the Chinese charge to be false. The thorough investigation immediately instituted by a party of representatives of the Shanghai Municipal Council, the headquarters of the Shanghai-Woosung Garrison, the Peace Preservation Corps, the Shanghai City Government, the Japanese Consulate General, the office of the Japanese naval resident officer, and the Japanese Naval Landing Party definitely established certain facts which refuted the Chinese claims and conclusively proved their guilt in the matter, although when the inquest started the Chinese witnesses had been ordered away and could not be summoned!

The following facts were established by the inquest:

- (1) That the mere presence of Sub-Lieutenant Ohyama in a passing automobile could not have given the soldiers of the Chinese Peace Preservation Corps cause to presume that he was trying to enter the Hungjiao airdrome, which had previously been claimed by the Chinese as leading to the incident.
- (2) That the Chinese were mistaken in charging that a member of the Peace Preserva-

An autopsy performed the following morning (August 11th) on the body of the dead Chinese soldier in the presence of Japanese and Chinese officials with the participation of a neutral foreign observer definitely established that the Chinese contention concerning his death was entirely without foundation. The inquest disclosed that all the bullets that had hit him were from rifles or machine guns. No trace could be found of a shot fired by a pistol, the only weapon that the Japanese officer could possibly have used. A bullet had passed from the back horizontally through the chest. Another bullet hit a bone and yet went through the body, indicating that it must have been discharged with more strength and speed than would have been possible with a pistol. The fatal bullet pierced the soldier from the right side of the back and passed through the left lung. On the basis of these findings it was concluded that it was a rifle bullet.

In spite of the extreme gravity of the incident, Japanese authorities in Shanghai, both consular and naval, immediately decided to exert every effort to reach a peaceful local settlement through diplomatic channels.

Indignation was voiced in both Japanese and Municipal Council quarters at the incident as the evidence definitely established that the attack on the Japanese naval officer and blue-jacket had been made by men of the Peace Preservation Corps who, in violation of the international agreements, were occupying a road to which entry was forbidden. The outrage was all the more serious as the Japanese officer was killed while performing official duties and on a road along which all foreign nationals have the right to all the privileges they enjoy in the International Settlement. Moreover, the erection of barricades by the Chinese and the stopping and search of passers-by were an undue interference with the rights of the Municipal Council and of foreign nationals.

tion Corps had been shot dead by the Japanese officer, for judging from the position of the men of the P.P.C. at the moment of the incident he was shot from behind by his own comrades (as was subsequently confirmed at an autopsy).

(3) That the claim that the Japanese officer opened fire first was demonstrably contrary to the facts because of the location of the bullet marks on the automobile in which he was riding with Seaman Saito and because of the fact that the officer did not carry a pistol while the seaman, who had one, could not possibly have fired as he was driving the car.

THE COUNCIL UNABLE TO ENFORCE ITS RIGHTS

On the morning after the incident, Japanese Consul General Suyemasa Okamoto called on Dr. Stirling Fessenden, secretary-general of the Municipal Council, and expressed regret at the council's inability to take effective steps to forestall untoward events of the previous night, despite the fact that Japanese authorities had previously warned the Council of the danger due to the military measures taken by the Chinese Peace Preservation Corps on the extra-Settlement road where the shooting occurred. In response, Dr. Fessenden voiced profound regret and pointed out that the Chinese authorities had deprived the Municipal Council by armed force of the right to guard a part of Hungjao and Monument roads.

Later the same morning the secretary-general told newspapermen that the Council had claimed the right to guard the extra-Settlement roads with its own forces, but the Chinese authorities had so far failed to recognize the claim. He said that the Council was undertaking to guard some points along the roads on the basis of a gentlemen's agreement concluded orally with the Chinese. Unless the Council backed its contentions with armed force to counteract the Chinese stand, he stated, it would be obliged to give up all responsibility for defense of the roads. As a matter of fact, he added, the Council had already withdrawn its guard measures from Monument Road and other sections. The Council "can use persuasion to gain respect for neutrality, but has no power to enforce obedience," Dr. Fessenden remarked.

It can be seen from this that no positive measures were being taken to check the inroads of Chinese troops into the forbidden area. And even before the Ohyama incident Japan was obliged to reinforce her small landing party in Shanghai, as the situation there warranted every precaution to safeguard Japanese lives and property which Chinese military activities seriously threatened.

NEGOTIATIONS FOR SETTLEMENT

What did the Chinese authorities do to settle the incident? The National Government at Nanking, following a meeting of the Executive Yuan held on the day after the shooting, instructed Mayor O. K. Yui of the Greater Shanghai to strive for a local settlement. Negotiations were opened on August 11th, following

completion of the inquiry into the slaying, when Consul General Okamoto called on Mayor Yui to submit an urgent request for amelioration of the threatening situation. He asked that the Chinese authorities withdraw the Peace Preservation Corps from districts bordering on those where Japanese reside and to remove the military works recently erected in the zone around the International Settlement which had been demilitarized by the 1932 truce agreement. Mayor Yui, as he had done days before, replied with assurances that the first request would be carried out and said that since the previous night (August 10th) the Peace Preservation Corps forces had been forbidden to advance to the districts concerned. Assurance was also given that the Chinese had already of their own volition started to remove the hostile military works.

Contrary to these assurances the Chinese troops continued to push their warlike preparations, charging the situation with extreme tenseness and making a major outburst more than likely at any moment. The troops included picked units of various army corps of the Central Forces, estimated at that time to number about 12,000 in all, some of whom were incorporated into the Peace Preservation Corps. Not only were these hostile preparations dangerous to the Japanese population at which they were obviously aimed, but also to the safety of the whole international population living in the Settlement, as an attempt had been made by the Powers to prevent the outbreak of hostilities.

Suspicion that the Chinese authorities were planning to aggravate, instead of ameliorate, the situation soon found justification when it was discovered that sand bag and barbed wire barricades had been erected in the neighborhood of Monument Road, where the killing had occurred, and that men of the Peace Preservation Corps and policemen, armed with hand grenades, were stationed there in full readiness for an attack.

JAPAN READY TO REDUCE HER FORCES TO *Status Quo Ante*

The Ambassadors at Nanking of Great Britain, the United States, France, Germany and Italy sent a joint request on August 11th to both Japan and China that the two countries do everything within their power to carry out effectively a plan to exclude Shanghai from the scope of any possible hostilities so as to safeguard the lives and property of foreigners residing there. The Japanese

Government replied through Ambassador Shigeru Kawagoye stating that while Japan was greatly concerned over the safety of the lives and property of all foreigners as well as the Japanese, China should, as the first prerequisite, withdraw to a point beyond striking distance her regular troops and the armed Peace Preservation Corps which were menacing the Japanese by advancing to their section of the Settlement. Japan assured the Powers that she would be prepared to restore her forces to their original positions provided China agreed to take the above steps. China, however, flatly rejected the proposal and the Powers did nothing to press their joint request.

However, another effort was made to avoid a clash by calling together the Joint Commission for enforcement of the 1932 truce agreement. The Japanese Consul General made a pressing appeal to the Chinese that they withdraw their forces in accordance with the 1932 agreement. Mayor Yui, contrary to what he had assured Consul General Okamoto the day before, rejected the Japanese request saying that he had no power to accept and that the matter should be taken up with Nanking. The only result which could be obtained was a mutual pledge that neither side would begin to fire. With that the commission adjourned.

On the same afternoon, August 12th, Japanese naval reinforcements landed in Shanghai to safeguard the lives and homes of Japanese nationals residing in the International Settlement. The impression has been spread by erroneous news reports that these forces were sent because of the Ohyama incident and that Japan engaged the Chinese in open hostilities because of the outrage. Far is it from the truth, for, as indicated above, the reinforcements were sent in view of the generally serious situation. Their arrival had no connection with the murder, but this incident showed that Japanese fears were well founded and that the landing of the reinforcements was timely.

CHINESE INTENSIFY THEIR WARLIKE PREPARATIONS

Taking the coming of Japanese reinforcements as a further excuse, the Chinese intensified their warlike preparations on August 12th. Military works were erected near Woosung and Kiangwan. Sand bags were piled high on roads leading into the International Settlement and in front of houses bordering

on this neutral foreign area. Chapei, the scene of severe fighting in 1932, was again turned into one of the operating bases of the Chinese forces. The Japanese-owned Nomura Lumber Company, facing the Toyoda Spinning Mill across the Soochow Creek, was forced to suspend operations as a result of interference by the Peace Preservation Corps. At noon, the telephone communications of the Japanese resident officers, the Naval Landing Party headquarters, the Japanese Consulate General and Japanese firms and houses were stopped. Sergeant Ohmayé, of the Japanese Gendarmerie Corps, and his interpreter were kidnapped by the Peace Preservation Corps troops in the neighborhood of the North Station while on a tour of inspection in a motorcar.

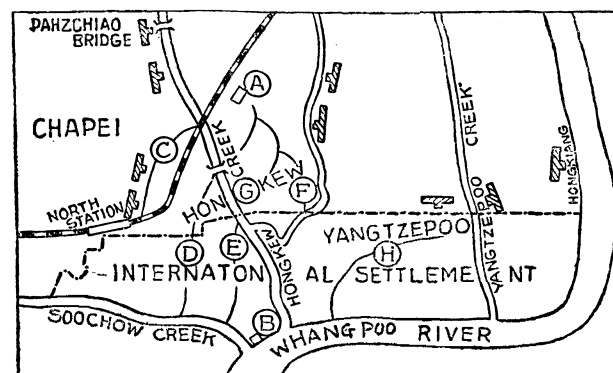
About noon large units of the 88th Division of the Central Army which had been concentrated in Soochow entered the demilitarized area, alighted at the Shanghai North Station situated less than a hundred yards from the Settlement boundary, and immediately began to take up positions. It was learned that even prior to the first indications of trouble in Shanghai, they had been under standing orders to reach Shanghai in 24 hours. Encouraged by the arrival of these forces, Chinese troops around the Settlement adopted an increasingly provocative attitude, creating a tense atmosphere in which the storm was ready to burst at any moment. Hostilities were now unavoidable. Still lingering hopes for the avoidance of trouble were well-nigh shattered.

Such being the state of affairs and to cope with whatever situation which might arise, the headquarters of the Naval Landing Party announced at 8:00 o'clock that night that a unit of its forces had commenced to reinforce an emergency guard for the maintenance of security within the International Settlement against possible disturbances by Chinese troops already in the neighborhood. The Japanese Consulate General ordered immediate evacuation of all Japanese residing in the northern sector of the Settlement where the Chinese were coming in.

However, he still pursued his effort for a settlement on August 13th, both with the Chinese Mayor and also with the foreign consuls. As a result of these consultations, the British, American and French Consuls General at Shanghai submitted a proposal that Japan and China enter into direct

negotiations for the purpose of averting the impending crisis. This proposal was received in Tokyo at midnight. It was immediately studied. The next day Chinese planes bombed the Settlement.

CHINESE POSITION AT THE BEGINNING OF HOSTILITIES



- | | |
|--|----------------|
| A Headquarters of the Japanese Naval Landing Party | E Woosung Road |
| B Consulate General of Japan | F Dixwell Road |
| C Paoshan Road | G Ward Road |
| D North Szechwan Road | H Wayside Road |

HOSTILITIES COMMENCE

Ironically enough, the hostilities had began on Friday, the 13th. The first shots were fired shortly after 9:00 o'clock in the morning by Chinese soldiers in plain clothes. Issuing from hiding in private homes, they suddenly launched a surprise attack on a patrolling unit of the Japanese Landing Party near "Yokohama" Bridge on Szechwan Road. The pledge not to fire was broken. The Japanese took the challenge and the fighting began. Immediately after, spasmodic firing broke out in other sections, though the Japanese endeavored merely to silence the Chinese. In the evening, the latter blew

up a bridge to the north of the Japanese Landing Party barracks. Neighboring troops believing that it was an attack, opened fire with cannon on the Japanese, who replied and silenced them again.

The Chinese had already decided to begin operations not only against the Japanese forces but against the Japanese section of the settlement. Mayor Yui secretly notified all the foreign consuls, except the Japanese, that the Hongkew area would be bombarded and asked them to order their nationals to remove to the central part of the Settlement. This was on Friday, August 13th. But it was not until the following day that the real tragedy of modern warfare was to be enacted.

August 14th, the "Bloody Saturday," will long be remembered in Shanghai and by those elsewhere who have read of that day's events.

On that day Chinese warplanes proved to the world what they can be at their worst. Hostilities had begun and the Chinese may have had good cause to use their warplanes to further their attacks against the Japanese. But they did not have the cause nor the reason to drop bombs on non-combatants, much less in the International Settlement and the French Concession, where thousands of nationals of neutral countries, civilian Japanese and swarms of Chinese refugees had sought the security which was supposed to be assured in these special areas.

Four huge bombers of the Chinese air squadron raided this area twice on the same day. They did not stop with the bombing of the *Izumo*, flagship of the Japanese fleet stationed at Shanghai, the Naval Landing Party and the Japanese Consulate General. Their lethal loads were dropped in the heart of the International Settlement and the French Concession. In one air raid, two high-explosive projectiles fell at the intersection of Nanking Road, the city's main artery, and the Bund, one blasting a crater almost at the main entrance of the famous Cathay Hotel, the other plunging through the roof of the Palace Hotel on the opposite side of the street. Both killed nearly 150 persons and wounded many more. This attack occurred at 4:27 o'clock in the afternoon. Again at 5:00 o'clock a single Chinese bomber dropped two missiles almost in the center of the circular intersection of Avenue Edward VII and Thibet Road in the French Concession, one of the metropolis' two busiest crossroads.

The slaughter here was terrific. The bombs wrecked the front of the huge Great World amusement resort which only the day before had been turned into a refugees' shelter and was packed with Chinese. The toll of dead and injured here was even greater than in the Nanking Road bombing.

When the count was taken the number of dead exceeded 1,200, including three Americans and a score of British, French and Russian nationals. Practically all of the victims were Chinese who had fled from the hostility stricken areas into the concessions which they had regarded as a haven of safety. The number injured was almost as great.

AS OTHERS SEE IT

In a strongly worded editorial entitled "A Tragic Lesson," the British-owned *North China Daily News*, published in Shanghai, bitterly commented on August 18th:

Japanese and other foreigners and Chinese resident in Shanghai find common cause today in condemnation of the decisions which led to the terrible slaughter of peaceful civilians in the International Settlement, French Concession and certain part of Chinese territory on Saturday. The Chinese Air Force made a ghastly *debut*. In a few short hours it did more harm to its country's cause in the eyes of the world than could be achieved by months of political blundering. Its attack on the Japanese cruiser proved how far human capacity falls short of the deadly efficiency of the weapons it has invented for destruction. The object was unscathed with the result that the Chinese bombers indulged in what was virtually blind bombing. The military value of the exploit was nil. The heavy roll of deaths shows that in the first major clash between the forces of China and Japan in Shanghai the combatants suffered negligible casualties. The sacrifices were made by over one thousand foreign and Chinese victims.

As soon as the news of the bombing reached Tokyo, Mr. Tatsuo Kawai, spokesman of the Japanese Foreign Office, declared to the press:

Time and again, the Japanese have had the bitter experience of seeing the Chinese soldiery, roused to fierce anti-foreign frenzy, running out of hand. The Boxer rebellion, and nearer to our times, the Nanking and Tsinan outrages had warned us of what to expect when a foreign Power was not there to prevent them from plying their will on helpless foreign victims.

We had hoped that the much-vaunted "modern" troops of the Nanking Government would show a fuller measure of discipline, but

could not refrain from expressing our misgivings that they might still run true to pattern, especially as we knew how the flame of anti-Japanese sentiment was being fanned by both the Chinese Fascists and their recent allies, the agents of the Comintern. Our fears, alas, were but too well founded. We were prepared to repulse onslaughts on our forces, but truly we were not prepared to witness the massacre of innocent Chinese refugees by Chinese bombs, the wanton destruction of foreign property that had helped to build the wealth of China, the slaughter of the foreign friends of the Chinese people by airplanes of the Chinese Government.

Consternation and sorrow is in the hearts of the Japanese people—sorrow and also a rightful indignation for the attempt to wreck on our helpless brethren of Shanghai,—amongst whom were thousands of refugees driven from their homes on the upper Yangtze River,—and for the fanatic fury in possession of modern means of destruction.

The world will recognize that Japan has shown the greatest restraint and moderation in the recent events. She has done her utmost to minimize the effects of untoward happenings, but on each occasion, her efforts have been thwarted by the prejudiced and disorderly attitude of the Chinese. The Lukouchiao incident was practically settled the next day. But Nanking interfered. And the Hungjao affair was being discussed, when Nanking troops enter Shanghai and her planes bomb the Settlement.

Japan stands for order. She will insist on the protection of her citizen's legitimate rights. She is conscious of her duty to her friends and to those who put their trust in her. Her troops, if necessary, will fight for it, reluctantly, but without flinching.

This tragic incident was enough to move Japan to positive action, for the protection of the Japanese nationals meant that of the International Settlement where they make their homes. Japan's original plans for defense as such had to be diverted into a strong positive defense—to drive back the Chinese forces to a point where they no longer would be a menace to the peace and security of the Settlement.

The Chinese claimed that the bombing was accidental. Though some doubt was expressed, their explanation was plausible. But the subsequent events made it less so and strengthened the doubt. On August 24th another bomb of Chinese origin struck the first story of the Sincere's Department Store and caved in the side of Wing On Store in Nanking Road. Caught in the hail of shell fragments, some 170 died and more than 470 were wounded. Mr. Anthony Billingham, a representative of the *New York Times*, who happened to be shopping in the Sin-

cere's was seriously injured. Still another bomb pierced three stories of the United States Naval godown in Szechwan Road, but luckily failed to explode. The Chinese declared that a missile from a "big naval gun" had done the damage. Officials of the International and French Municipal Council immediately made an investigation and established that the projectile was a Chinese one. A dispatch from the *New York Times*' Shanghai correspondent, mailed from Hongkong so as to escape alteration by the Chinese censors, gives the facts:

Hongkong, August 27th.—That some international action should be agreed upon providing for armed measures or other restraints to prevent irresponsible Chinese aerial bombing and the killing of helpless civilians in Shanghai's International Settlement and the French Concession is the consensus of foreign consular, naval and military officials in Shanghai.

This opinion crystallized Monday, when another Chinese airplane, presumably one of those which an admiring Chinese public bought for Generalissimo Chiang Kai-shek's fiftieth birthday, smashed out nearly 200 lives and wounded or permanently maimed nearly 500 more persons.

Qualified foreign army and naval observers and precision instruments aboard American, British and French warships in the Whangpoo River disclose that the Japanese have kept their pledge that their bombers will not fly over the Shanghai refugee area. The Chinese have refused to give a similar pledge.

Automatic registration on Monday showed that when the slaughter occurred a Chinese monoplane was flying over the city at an altitude of 12,000 feet. Moreover, the registration showed the plane was making a direct line from Pootung on the east nearly over the United States cruiser *Augusta* and the customs jetty, and then along a line where a huge bomb dropped in Szechwan Road without exploding and a second bomb, which hit the Sincere's Department Store on the Nanking Road corner, exploded.

One foreign Admiral's scornful comment was:

"The fliers are so badly trained as marksmen or so hysterical, excitable and irresponsible that they are like children playing with destructive weapons. In common decency they should not be entrusted with death-dealing airplanes."

Chinese censors struck the foregoing facts and opinions from cables and radio messages filed and even changed news cables to make it appear that doubt existed in the minds of foreign officials here that possibly the bombs came from Japanese planes, but this is distinctly not true.

The regular marines in Shanghai and the naval reinforcements not being sufficient for the purpose of driving back the Chinese, Japan sent land forces to strengthen her fighting position.

These reinforcements landed at Shanghai on August 23rd, and in co-operation with the marines, air and naval forces have ably and successfully been fulfilling their duty and mission against enormous odds.

The landing of Japanese reinforcement troops was hailed by the *New York Herald Tribune* in an editorial appearing on August 24th as a factor that would relieve the strain of the hostilities in Shanghai. The paper asserted that even those sympathetic toward China would be glad to note the possibility of a new situation tending to save the city from further savage destruction and that the residents in Shanghai should give a sign of relief to hear that reinforcements of the Japanese army had landed in the neighborhood of the city.

THE NEUTRAL ZONE QUESTION

Shanghai having been transformed into a theater of hostilities, the Powers with large vested interests and nationals residing in the city naturally showed grave concern. Great Britain, through Mr. J. L. Dodds, Chargé d'Affaires in Tokyo, notified the Japanese Government on August 18th that if the governments of Japan and China agreed mutually to withdraw their forces and entrust to foreign authorities the protection of Japanese nationals in the International Settlement and on the extra-Settlement roads, the British Government was prepared to undertake the responsibility, provided that other Powers would co-operate. On the following day, the French Government notified Japan of its readiness to support the British proposal. The American Government had previously expressed the hope that hostilities in the Shanghai area be suspended in the interest of peace.

Under the prevailing conditions, Japan could not accept the proposal. Before the outbreak of the Shanghai hostilities the British, American, German, French and Italian Ambassadors in China jointly proposed amicable settlement of the Shanghai issue. To this Japan had given full consideration. But the Chinese failed to give any concrete manifestation of their intentions and became more positive in their illegal attacks on the Japanese. Thus, one effort had failed. The British proposal, if tried, would, under the existing state of affairs, turn out to be as ineffective.

As was indicated in the Japanese reply to the British proposal, the "Japanese Government is responsible for the protection

of its nationals in China," and therefore is in "no position to consider leaving the task of protecting them and the interests of Japan in China to foreign countries." The Government expressed the wish that the Powers which used their good offices in bringing about the negotiation of the 1932 truce agreement would utilize their influence with the Chinese to induce them to evacuate the troops which had entered the demilitarized zone illegally.

The Japanese Government could not have made a different reply.

GRIEVANCES AGAINST JAPANESE ACTION

The misfortunes of the foreign population in Shanghai resulting from the indiscriminate bombing of the foreign concessions by Chinese bombing planes, gave rise to strong protests against using the city as a theater of war. These protests were directed at Japan in particular for using the Settlement as a base of operations. Foreign grievances, in view of the horrors of the bombing tragedy, are quite understandable. But it was precisely to avoid such disastrous developments that Japan, at the time of the Ohyama incident, exercised the utmost patience and restraint and proposed the withdrawal of Chinese troops to a safe distance. The Chinese rejected the proposal and pressed on to the Settlement. The Japanese population in Shanghai, swollen with refugees from inland cities, numbered well over 30,000. In order to protect these Japanese, including women and children, from sure death and destruction, it was obviously impossible for the Japanese naval forces to abandon their positions. No navy in the world would have consented to do so.

On August 16th, when Chinese airplanes attempted to fly over the French Concession, the French garrison fired with anti-aircraft guns to drive them away. The position of the Japanese forces is exactly the same.

Again, going back a bit into history, on May 30th, 1927, a violent anti-British demonstration occurred in the International Settlement. The Municipal Council took forceful measures to suppress that disturbance and nothing was said about the moral or legal responsibilities of the British in the matter. At that time Britain sent 15,000 men to protect its interests and the Settlement. This time it happens that a large force of Chi-

nese regulars were attacking the Settlement with the Japanese as their objective. The two cases are the same, except, perhaps, in scope.

POWERS' FAILURE TO CO-OPERATE TO AVOID HOSTILITIES

Precedents, however, do not mean anything. The fact of the matter is that those interested Powers who insist on the neutralization of Shanghai failed to give the necessary co-operation to avert hostilities. Japan was forced to play a lone game in endeavoring to save Shanghai from the disaster of conflict. Though the responsibility for the outbreak of hostilities in Shanghai lies at the door of China for ignoring the truce agreement and sending armed forces into the city, the authorities of the International Settlement and the various Powers concerned are partly to blame.

We may well summarize here the attitude and stand taken by the third parties.

At the time of the Ohyama incident, the police force of the Shanghai Municipal Council, which ordinarily is responsible for the maintenance of order and security not only within the International Settlement, but on the extra-Settlement roads as well, was not anywhere around Monument Road where the incident took place. In fact, the policing of the extra-Settlement roads had been withdrawn, and the reason given for this by Dr. Fessenden, secretary-general of the Council, was that the Chinese authorities had forced the withdrawal. The municipal police and the Shanghai Volunteer Corps, furthermore, played a prominent rôle in suppressing the Chinese anti-British riots in the Settlement in 1927, but they failed to take any effective measures this time when Japanese lives and interests were involved. Perhaps the Settlement authorities were not sufficiently empowered to take any action, and the British-owned *Japan Chronicle*, published in Kobe, carried an editorial entitled, "Shanghai: A Neutral Zone," on August 19th which seems to offer a clear explanation of and at the same time a well-founded justification for Japan's position. Only the most relevant portions of the editorial are quoted:

Is it too late to create a neutral zone in and around Shanghai? The British Government, it was stated yesterday, is taking the initiative in a new effort by the interested Powers to save Shanghai from the

bombs and shells which have been rained on this international city since Saturday. The first day was the worst; happily there has been no repetition of the awful bombing tragedies of Saturday evening when Chinese planes dropped their lethal loads on busy Settlement streets, bringing death or injury to many hundreds, but as long as these bombers are able to fly over and as long as two armies are locked in deadly grip with the outskirts of the Settlement their battlefield, Shanghai is safe for none.

It is in the Hongkew section of the Settlement that Japanese interests are concentrated, and it is this sector which is consequently placed normally in Japan's charge when danger arises. In international law Japan and China are still enjoying friendly relations; Ambassadors have not been recalled and China has not withdrawn the privileges which extraterritorial Powers possess on Chinese territory. The Municipal Council, whatever its private feelings on the matter, accordingly could not discriminate against Japan in exercise of the defense of the Settlement. It cannot call on Japan to withdraw military forces from the Hongkew sector, and was in fact bound by precedent and agreement to leave that area in Japanese hands. That was the position on Saturday morning.

It comes down to this—the International Settlement is a neutral zone with a neutral's rights and privileges, yet has no power of enforcement, either legal or actual. The second is an undoubted fact, and the inference of the first is that absence of legal power of enforcement negatives the original claim to neutrality.

Then, on August 18th, came the British proposal for the neutralization of Shanghai to which sufficient reference has already been made.

Where swift and effective action could have been taken to prevent hostilities was through the Joint Commission for enforcement of the Sino-Japanese Truce Agreement, composed of representatives of Japan, China, Great Britain, the United States, France and Italy. The four outside Powers through whose efforts the agreement was concluded after the Shanghai hostilities of 1932, could and should have taken prompt action when it became known that Chinese troops had entered the demilitarized zone disguised as members of the Peace Preservation Corps. Friendly offices were proffered by the third Powers only after the situation had developed to a serious stage.

Compared with the stand taken by the Powers at the time of the 1932 hostilities, the stand taken this time has been markedly lukewarm. In 1932 before hostilities broke out the various

foreign garrisons had already been allotted their respective positions and were prepared for defensive measures to prevent the hostilities from entering the foreign concessions. This time, little was done until after the hostilities had already begun and much damage had been wrought.

Indeed, the Municipal Council, on the advice of the consuls of the interested Powers, purposely refrained from declaring a state of emergency, which would have sent the troops of different countries to the respective defense sectors allotted to them under the Shanghai defense plan of 1933 (see map, p. 3). This would have technically allotted to Japan the defense of the Hongkew and the East Settlement area. But in order to avoid a semblance of participating in the common defense of common interests, Japan was made to shoulder the whole responsibility, and Shanghai is paying today the price of such a weak policy.

JAPAN NEVER INTENDED TO FIGHT

JAPAN FORCED TO FIGHT

Japan, as has been made clear, never intended to fight from the very beginning of the trouble in north China. The policy of non-aggravation and localization which Japan strictly adhered to with patience and restraint under even the most violent provocations in all her dealings with China since the outbreak of the trouble until the last glimmer of hope disappeared, is proof enough of this fact. If responsibility for the enlargement of the issue must be placed, it must be laid before the Chinese Government. For Japan, the issue, if any, is in north China where Japanese interests are incalculably great. Why should Japan extend the issue to Shanghai a great cosmopolitan city where the vast rights and interests of many foreign Powers and the lives of many foreign nationals are so deeply involved? "The charge that Japan desired or provoked hostilities in Shanghai is absolutely unsubstantiated, and is on the face of it extremely improbable," writes Mr H. G. W. Woodhead, editor of the well known British Shanghai monthly magazine, *Oriental Affairs* (September, 1937). He adds:

The dispatch of the two Chinese Regular Divisions—the 87th and the 88th—into the demilitarized zone, and their occupation of the northern boundary of the Settlement, was an undeniable breach of the 1932 Agreement. It is explicable only on the theory that the Nanking Government decided that if there was to be a military showdown with the Japanese it would elect to use its best troops and material in the Shanghai area, rather than in the north, owing to the fact that enormous international interests were involved, and international intervention might therefore be expected. It is not being argued here that this decision was unjustified. A Government that considers itself to be the subject of aggression may reasonably claim the option of deciding where to meet the alleged aggressor. But it is not tenable to pretend that the Japanese were the aggressors in Shanghai, whatever they may have done in the north. Nearly every action of theirs went to prove their desire to avoid being involved in another outbreak of hostilities in Shanghai. They had evacuated their nationals from all the Yangtze ports, including their important Hankow Concession. They had

refrained from anything in the nature of an ultimatum in connection with the Hungjao incident. The arrival of the Third Fleet and the landing of reinforcements therefrom, on August 11th, was a tactless move, but it can hardly seriously be pretended that an addition of 1,000 Blue-jackets to the Naval Landing Party foreshadowed an intention to attack Chinese territory. At the outside there were not more than 3,300 to 4,000 men here when the reinforcements had been landed. They had a community of about 20 to 25 thousand civilians to defend. And after their experiences in 1932 it is inconceivable that, confronted by 20 to 30 thousand troops drawn from China's German-trained Divisions, they would have opened an offensive.

There can be but one answer to the question put above. The extremist leaders of China, who are now in the saddle of the Nanking Government and are riding the nation, had but one motive when the first clashes occurred in north China—to turn the issues, small as they were at first, into an excuse for a major war of resistance against Japan. This they have done. Shanghai was the most important center to use as a means of aggravating the situation. Here the third Powers would be forced to intervene and complicate the problem to the disadvantage of Japan, according to Chinese reasoning. For reasons already explained, Japan was reluctantly drawn into fighting in Shanghai, and in this Chinese strategy (if strategy it may be called) has succeeded. For this Japan is rightfully indignant, but she has accepted the challenge and will go through with the fighting until the last vestiges of anti-Japanese activities and Communism have been destroyed. China extended the fighting to Shanghai to force Japan to a showdown.

FOREIGN OBSERVERS' OPINIONS

The *North China Daily News* also made an interesting and a very realistic observation on this point in its editorial on August 18th:

Strategically it seemed that Nanking would find the task of reinforcing the northern troops an exceedingly dangerous operation. Some effort was made by the use of troops which could be rapidly detached for that purpose, but, in order to make the best use of the trained forces under the direct command of the Government at Nanking, a blow against the Japanese at a point where they seemed most vulnerable to attack was contemplated. The Shanghai area, by its comparatively simple problem in regard to communications and by the ability of rapid concentration, was clearly indicated.

Mr. H. G. W. Woodhead seems to concur in this view. Writing in the September issue of *Oriental Affairs*, already mentioned above, he opines:

As a background to the whole trouble it must be remembered that Chinese hostility towards Japan has been aroused to an intense pitch by events in the north. Chinese organizations were clamoring for resistance to the Japanese Army in Hopei. And the main question for a couple of weeks appeared to be whether National (as distinguished from Provincial) troops should be sent north of the Yellow River to resist. The dangers and difficulties of such a movement were emphasized in several quarters, but it did not occur to many that the Nanking Government would elect to choose Shanghai instead of Hopei, as its battleground with the Japanese. As is usual at a time of crisis in China there was a moderate and a chauvinistic element in the Government. And one must assume that on this occasion the view of the moderates was overborne by the chauvinists, and it was decided, even if it meant the complete ruin of China's most important commercial, industrial and financial center, to make Shanghai the principal war zone, if a settlement was not reached on terms satisfactory to the Central Government.

JAPAN'S UNCOMFORTABLE POSITION

Politically, hostilities in the Shanghai area will place Japan in a very uncomfortable position. In 1932 the Japanese were compelled by obvious circumstances to use the International Settlement as the basis of their operations. The Shanghai Municipal Council did its best to keep the so-called neutrality of the Settlement unimpaired, but eventually it was forced to overlook or permit Japanese dominance in the northern part of the Settlement. The practice of 1932 will in all probability be repeated, and, in that event, in spite of the fact that Japan has no strategical alternative, she will inevitably be made the target of criticism and invective of other Powers. China was more than aware of this eventuality and as she thrived on it in 1932, particularly at Geneva, she was not hesitant to launch hostilities in Shanghai. In this connection, however, attention may well be drawn to the fact that, in using the Settlement as the base of operations, Japan is strictly on the defensive, her sole objective being to resist the intrusion of the wanton Chinese soldiery into the forbidden area—an objective common to all foreign forces as well as to the Shanghai Volunteer Corps, who are responsible for the safeguarding of the Settlement and the Concession.

Again, China contemplated that other Powers, pressed with the dire necessity of protecting their respective interests in Shanghai, would be tempted to interfere in the present conflict. Subsequent happenings, such as the bombing of the fashionable Palace Hotel, the Sincere's Store in the International Settlement, the crowded Avenue Edward VII in the French Concession and the American liner, *President Hoover*, induce one to the belief that China is audaciously gambling on possible intervention even if it entails the grave risk of antagonizing foreign public opinion.

The murder of Lieutenant Ohyama and Seaman Saito was the initial step in this scheme of China to make Shanghai a theater of armed conflict. Viewed in conjunction with the warlike preparations around Shanghai prior to the outrage, one is brought to face an entity of well-planned intrigues.

WHAT WILL COME NEXT?

However, it is idle to cry over spilt milk of the past. The world is wondering what will become of Shanghai in the future. At this juncture it is difficult to predict. The Chinese Government has not made its intention public on this point, but the Japanese Government explicitly declared that all it wants in regard to the Shanghai conflict is a measure to preclude once and for all the recurrence of such hostilities as are now being witnessed. The 1932 agreement should have been sufficient, had it received the full support of the interested Powers, but one infraction after another was overlooked both by Japan and the other Powers. If Japan emerges victorious, she will certainly feel justified in demanding the strengthening and cementing of the structure of the idea contained in the Truce Agreement. In fact the slightest breach of the provisions of the agreement should be made a cause for the joint action on the part of the Powers concerned. It will be the only way to protect Shanghai from tragic holocausts such as that which has been displayed before the eyes of the world.

The stupendous scale upon which China mobilized her troops and the occurrence of incidents during the course of hostilities have hopelessly aggravated popular feelings against them. And as they are becoming more and more strained with development of hostilities, the nature of the conflict has necessarily

undergone a change from a local and temporary one to that of a major conflict on a national scale.

THE NEGATIVE ATTITUDE FORSAKEN

Premier Prince Konoyé expressed for the first time, in a press interview given on August 20th, his fear that the issue would have to be fought conclusively. He did not mean to abandon even yet the principle of non-aggression to which he steadfastly adhered from the outset.

A few days later, however, a statement was made by War Minister, General Sugiyama, to the effect that Japan was finally compelled to forsake altogether the negative attitude she had hitherto followed.

Japan is now determined to fight it out. Her expeditionary forces are backed by the full support of the people at home. Their mission is to bring about, through the eradication of anti-Japonism and the establishment of Sino-Japanese co-operation, a new era of lasting peace in East Asia. The present conflict is a struggle to end once and for all the likelihood of any more such clashes in this part of the world.

The Japanese are destined to extend their sphere of activities on the mainland of Asia, since it has been proven impossible for them to confine their surplus energy to a chain of islands, whose limited area has been exploited to the utmost both agriculturally and industrially. Hence, it is up to the statesmen of Japan and China to find ways and means to enable such developments to take place. Such ways and means should be constructive—not destructive. The present situation is the result, not so much of the failure of the Governments of both countries to find them, as of the refusal on the part of the Chinese to recognize the inevitability of Japan's unfortunate dilemma—that of either suffocating in the Island Empire or else expanding on the continent.

In accepting Japan's offer of co-operation in exploiting the undeveloped natural resources of north China, China would first of all benefit her own people enormously, and secondly avert the necessity of a resort to extreme and drastic measures. The sooner China comes to the realization of this fact, the better for all concerned in the affairs of East Asia.

As Japan was dragged unprepared into hostile combat,

she is not yet decided as to how she will finish it. The only thing which concerns her at present is how to emerge victorious as soon as possible.

With regard to the future treatment of north China and Shanghai, we can but base our judgment on the pronouncements of the Japanese Government relevant to the question. The Japanese people are fighting for a better and happier future for both nations—for co-operation, not for territory.

APPENDICES

ADDRESS OF THE PRIME MINISTER AT THE SEVENTY-SECOND SESSION OF THE IMPERIAL DIET, SEPTEMBER 5TH, 1937

Gentlemen:

I am profoundly moved to say that His Imperial Majesty's most Gracious Message regarding the China affair was granted us at the opening of the Imperial Diet yesterday. It is my humble desire that we shall be able to set His Majesty's heart at rest by our loyal and devoted service to the Throne in accordance with the august will of our sovereign.

Since the outbreak of the affair in north China on July 7th, the fundamental policy of the Japanese Government toward China has been simply and purely to seek the reconsideration of the Chinese Government and the abandonment of its erroneous anti-Japanese policies, with the view of making a basic readjustment in relations between Japan and China. This policy has never undergone a change; even today it remains the same. The Japanese Government has endeavored to save the situation by preventing aggravation of the incident and by limiting its scope. This has been repeatedly enunciated.

The Chinese, however, not only fail to understand the true motives of the Japanese Government, but have increasingly aroused a spirit of contempt and have offered resistance toward Japan, taking advantage of the patience of our Government. Thus, by the outburst of uncontrolled national sentiment, the situation has fast been aggravated, spreading in scope to central and south China. And now, our Government, which has been patient to the utmost, has acknowledged the impossibility of settling the incident passively and locally, and has been forced to deal a firm and decisive blow against the Chinese Government in an active and comprehensive manner.

In point of fact, for one country to adopt as its national policy the antagonizing of, and the showing of contempt for, some particular country, and to make these the underlying principle of national education by implanting such ideas in the minds of the young, is unprecedented in the history of the world. Thus, when we consider the outcome of such policies on the part of China, we feel grave concern not only for the future of Sino-Japanese relations, but for the peace of the Orient and consequently for the peace of the entire world. The Japanese Government, therefore, has repeatedly requested the Chinese Government to reconsider and to change its attitude, but all in vain. This failure of the Chinese Government has finally caused the present affair. We firmly believe that it is in accordance with the right of self-defense as well as with the cause of righteousness and humanity that our country is determined to give a decisive blow to such a country, so

that it may reflect upon the errors of its ways. For the peoples of East Asia there can be no happiness without a just peace in this part of the world. The Chinese people themselves by no means form the objective of our actions, which objective is directed against the Chinese Government and its army who are carrying out such erroneous, anti-foreign policies. If, therefore, the Chinese Government truly and fully re-examines its attitude and in real sincerity makes endeavors for the establishment of peace and for the development of culture in the Orient in collaboration with our country, our Empire intends to press no further.

At the present moment, however, the sole measure for the Japanese Empire to adopt is to administer a thoroughgoing blow to the Chinese army so that it may lose completely its will to fight. And if, at the same time, China fails to realize its mistakes and persists in its stubborn resistance, our Empire is fully prepared for protracted hostilities. Until we accomplish our great mission of establishing peace in the Orient, we must face many serious difficulties, and, in order to overcome them, we must proceed steadily with our task, adhering to the spirit of perseverance and fortitude in one united body.

Now that our Imperial Army and Navy, with their loyal officers and men, are advancing with all dignity in the cause of righteousness, exalting its might far and wide, we are filled with grateful emotion. Simultaneously, we feel highly encouraged to witness the sincere support displayed throughout the length and breadth of the Empire. Let us, however, be on our guard against intoxication from victories already won, and maintain an unrelaxed vigil toward achieving our final purpose.

The Government is hereby introducing to the Imperial Diet urgent budgetary and legislative measures. In these measures the Government seeks to adopt a financial and economic structure for coping with the present extraordinary situation. We are ready, however, to take all possible precautions to avoid unnecessary shock to financial circles. As for developments in the affair, foreign affairs and financial plans, they will be stated by the Ministers in charge.

The Government feels greatly honored to assist, together with you gentlemen, in the administration of affairs of the State, and at the same time feels increasingly the gravity of its responsibility. We earnestly beseech you gentlemen to give approval after mature deliberation to the Governmental measures which will be introduced.

ADDRESS OF MR. KOKI HIROTA, MINISTER FOR FOREIGN AFFAIRS,
AT THE SEVENTY-SECOND SESSION OF THE IMPERIAL DIET,
SEPTEMBER 5TH, 1937

As I had occasion a short while ago at the seventy-first session of the Diet to speak on Japan's foreign relations in general, I shall confine myself today to a review of the developments since then of the China affair.

Ever since the beginning of the present affair, the Japanese Government,

in pursuance of its policy of local settlement and non-aggravation, has exerted every effort to effect a speedy solution. The Nanking Government, whose prompt reconsideration was invited, failed to manifest a grain of sincerity, but concentrated their armies in north China to challenge Japan, while in the Yangtze Valley and elsewhere in south and central China they embarked upon an anti-Japanese campaign of the most vicious kind, which not only prevented our nationals in that region from engaging in their peaceful pursuits, but also jeopardized their very existence. In these circumstances, the Japanese Government, still desiring to avoid the disturbance of peace as far as possible, ordered the evacuation of all Japanese residents in Hankow and other points along the Yangtze River. Shortly after that, on August 9th, Sub-lieutenant Ohyama and Seaman Saito of the Landing Party were murdered at Shanghai at the hands of the Chinese Peace Preservation Corps. Even then, Japan, adhering to a peaceful course, sought to settle the affair through the withdrawal of the Peace Preservation Corps and the removal of all military works that had been erected in violation of the 1932 Truce Agreement. China refused to comply with our demands under one pretext or another, and proceeded, instead, to increase her troops and multiply her military works in the prohibited zone, and finally launched an unwarranted attack upon the Japanese. Thereupon, as a matter of duty our Government dispatched a small naval reinforcement to Shanghai as an emergency measure to insure the protection of our nationals in that city.

In view of these disquieting developments in Shanghai the Ambassadors at Nanking of the five Powers—Great Britain, America, France, Germany, and Italy—sent a joint request on August 11th both to Japan and China that the two countries do all in their power to carry out effectively a plan to exclude Shanghai from the scope of any possible hostilities so as to safeguard the lives and property of foreigners therein. Our Government replied through Ambassador Kawagoyé to the effect that while Japan was most solicitously concerned over the safety of the lives and property of all foreigners as well as of the Japanese in Shanghai, China should, as the first prerequisite, withdraw outside striking distance her regular troops and the Peace Preservation Corps that were advancing on the Settlement and menacing the Japanese, and remove the military works in the vicinity of the International Settlement, and that Japan would be prepared to restore her forces to their original positions provided China agreed to take the above steps. The Ambassador was also instructed to request the Powers concerned to exert their influence toward inducing China to execute those urgent and appropriate measures, which, however, were flatly rejected by China. On August 13th the Consuls General at Shanghai of Great Britain, America and France submitted a certain concrete plan, proposing that Japan and China enter into direct negotiations for the purpose of averting the impending crisis. The text of the proposal was received in Tokyo at midnight, August 13th. But in the afternoon of that very day, the Chinese armies, that had been pouring into the Shanghai area, took the offensive, and on the 14th their warplanes dropped bombs not only on the headquarters of our Landing Party, our

warship and our Consulate General, but also all over the International Settlement. No longer could we do anything but abandon all hopes for a peaceful settlement and fight for the protection of our 30,000 nationals in Shanghai. I regret to say that the earnest efforts of the Powers concerned were thus nullified by Chinese outrages.

Shanghai, having been converted into a theater of hostilities, grave concern was naturally shown by the Powers who had vast amounts of capital invested and large numbers of their nationals residing in the city. Great Britain notified both Japan and China under the date of August 18th, that if the governments of the two countries agreed to withdraw their forces mutually and to entrust to foreign authorities the protection of Japanese subjects residing in the International Settlement and on the extra-Settlement roads, the British Government was prepared to undertake the responsibility provided that other Powers would co-operate. Next day—on the 19th—we were informed by the French Government of their readiness to support the British proposal. The American Government also had previously expressed their hope for the suspension of hostilities in the Shanghai area. Japan, having as great interests in Shanghai as these Powers, is equally solicitous for the peace of the city. But as has been stated above, the actions taken by the Chinese in and around Shanghai are plainly in violation of the Truce Agreement of 1932, in that they illegitimately moved their regular troops into the zone prescribed by that agreement, and increased both the number and armaments of the Peace Preservation Corps, and in that relying upon their numerical superiority, they challenged the Landing Party and civilian population of our country. Therefore, in its reply to the British proposal our Government explained in detail Japan's successive efforts toward a peaceful solution as well as the truth regarding the lawless Chinese attacks, and stated that the hostilities at Shanghai could not be brought to an end save through the withdrawal of the Chinese regular troops from the prohibited zone, and of the Peace Preservation Corps from the front lines. At the same time, our sincere hope was expressed that Great Britain as one of the parties to the Truce Agreement would use her good offices to bring about the withdrawal of the Chinese troops outside the prescribed zone. Similar replies were sent to France and America.

As for north China, in wilful disregard of the various pledges and agreements, Chinese Central Armies were moved northward to indulge in a series of provocative actions, and large forces began to pour into the province of Chahar. Our Government, therefore, has had to take determined steps to meet the situation.

Thus hostilities have now spread from north to central China, and Japan finds herself engaged in a major conflict with China on extended fields. I am deeply pained to say that some 50,000 Japanese residents in various parts of China have been forced to evacuate, leaving behind them their huge investments, their business interests acquired through years of arduous toil, and other rights and interests, while not a few of them have been made victims of hostilities. It is also to be regretted that nationals of third countries

in China are being subjected to similar trials and tribulations. All this is due to no other cause than that the Nanking Government and also the local militarist régimes in China have for many years past deliberately undertaken to incite public opinion against Japan as a means of strengthening their own political powers, and in collusion with Communist elements they have still further impaired Sino-Japanese relations. Now our loyal and valiant soldiers, with the united support of the nation behind them, are engaged in strenuous campaigns night and day amid indescribable hardships and privations. We cannot but be moved to hear of their heroic sacrifices as well as their brilliant achievements.

It is hardly necessary to say that the basic policy of the Japanese Government aims at the stabilization of East Asia through conciliation and co-operation between Japan, Manchoukuo and China for their common prosperity and well-being. Since China, ignoring our true motive, has mobilized her vast armies against us, we can do no other than counter it by force of arms. The urgent need at this moment is that we take a resolute attitude and compel China to mend her ways. Japan has no other objective than to see a happy and tranquil north China and all China freed from the danger of a recurrence of such calamitous hostilities as the present, and Sino-Japanese relations so adjusted as will enable us to put into practice our above-mentioned policy. Let us hope that the statesmen of China will be brought to take a broad view of East Asia, that they will speedily realize their mistakes, and that, turning over a new leaf, they will act in unison with the high aim and aspirations of Japan.

ADDRESS OF THE FINANCE MINISTER, MR. OKINOBU KAYA,
AT THE SEVENTY-SECOND SESSION OF THE IMPERIAL DIET,
SEPTEMBER 5TH, 1937

I wish to speak on the outlines of the budget for extraordinary military and naval expenditures as well as of the supplementary budget for the twelfth year of Showa (1937) which have been submitted to the Diet, and on the financial and economic policy of the Government *vis-à-vis* the aggravation of the China affair.

As to the expenditures connected with the present affair, your approval was previously given to necessary outlays at the seventy-first session of the Diet. However, in view of the subsequent developments of the situation, the appropriations that are required to cover the expenditures on the necessary measures are as follows:

Extraordinary military and naval expenditure—Approximately 2,022,000,000 yen.
In the General Accounts for various Departments—Approximately 42,000,000 yen.

Of the above-mentioned items, the extraordinary military and naval expenditures are those which are required for the conduct of hostilities. Not only because they involve large sums, but also because it is deemed

necessary to treat them specially, as is required by their very nature, apart from the general budgetary items, and to deal with the entire period in which they are expended—from now till the termination of the affair—as a single fiscal year, it has been decided to submit a bill relative to the establishment of a "Special Account for the Extraordinary Military and Naval Expenditures."

As regards the general accounts for other departments, such appropriations are submitted for necessary expenditures in consideration of the present situation, as expenditures required for foreign affairs, and increase of the fund for the relief of soldiers' families, the encouragement of the activities for the assistance of soldiers, the general mobilization of the national spirit, the enforcement of the law on air defense, emergency measures for rural and fishing villages, and the compensation for loss in importation of ammonium sulphate.

As for the sources of revenue for the above-mentioned expenditures it is our scheme to employ funds raised by loans for all extraordinary military and naval expenditures, and, for the items in the general accounts, the unused portion of this year's authorized appropriations as well as the increased amount of ordinary annual revenue resulting from the expenditures.

Aside from these, supplementary appropriations have been provided in each special account in the overseas possessions for necessary expenditures in respect to the present situation.

Furthermore, it has been decided to present a bill for the purpose of affording the officers and men at the front in the present China affair an exemption or reduction of taxes and postponement of their collection.

As has been explained, the expenditures pertaining to the present affair amount to a large sum; but they are deemed essential for the purpose of bringing the Chinese forces to reason and to cause prompt reconsideration on the part of the Chinese Government. And in order fully to accomplish these purposes, I believe it necessary to readjust our financial and economic structures so as to meet this emergency; that is to say, various measures must be taken primarily with a view to supplying as plentifully as possible necessary materials, capital, and labor to essential industries, such as those connected with national defense requirements. While a liberal flow of capital must be positively promoted so as to cause concentration of materials and labor in those directions, the limited supply of capital, materials, and labor necessitates the discouraging, for the time being, of inaugurating or expanding enterprises for which there is no pressing necessity at this time. Moreover, I deem it important to limit the exportation of materials required due to the present situation and simultaneously to restrict the importation of materials that are relatively unessential, thereby augmenting the capacity to import essential materials and taking measures to meet any deficiency in commodity supply at home arising from such import restriction. In conformity with these aims, therefore, it is necessary to make suitable adjustment in finance, industries, trade, capital, foreign exchange, etc.

The Government, therefore, has submitted a bill intended to effect

proper adjustment of capital according to the above-mentioned aims with reference to establishment or capital increases of corporations as well as underwriting of corporate debentures by financial institutions and also loans for financing the establishment or expansion of industrial facilities. The bill is also designed to enable the Japan Industrial Bank to raise the issue limit of industrial debentures or to take other measures in order to supply necessary capital for enterprises demanded by the present exigencies.

For similar purposes, the Government, in order to insure an ample supply of materials, which will be particularly necessary on account of the present affair, has decided to present a bill to forestall impediments to the proper functioning of national economy with a view to restricting import and export of certain items of materials, and regulating the demand and supply of goods made therefrom. As for the regulation of such capital and materials, it is the policy of the Government to leave the matter to the voluntary adjustment of the business interest concerned.

As I have stated above, the Government will endeavor as far as possible to bring about the adjustment of demand and supply relating to goods and capital. Especially as regards the adjustment between demand and supply of articles manufactured of imported raw material, the success of our efforts depends largely upon the curtailment of consumption by the people, and I earnestly hope that this curtailment will be practised along all lines so that through the voluntary co-operation of the people the needs of the nation, as a whole, will be satisfied. Then, since it is possible that the sudden increase of demand owing to the present affair may bring about an excessive rise in prices, the Government will take appropriate steps to meet adequately such a situation through proper enforcement of the Anti-profiteering Ordinance. Again, as to the adjustment between goods and capital, the Government is giving careful consideration to the fields of finance, and they have adopted a policy to omit as much as possible from the 1938 budget appropriations items other than those connected with the present affair, and this same policy of retrenchment is being pursued with regard to the disbursements for 1937. Local governments will be instructed to administer their finances also according to the same policy.

With the increase in the amount of government bond issue, greater care is required in the execution of the bond policy. The Government is planning to devise measures suited to the circumstances by means of the above-mentioned adjustment of capital by law, the utilization of the funds of the Bureau of Deposits and other government funds, and the sale of government bonds through post offices. But, after all, what is most needed is that the general public, to say nothing of the financial organs, shall extend both co-operation and support from the national standpoint in the matter of bond assimilation. Of course, the assimilation of bonds has much to do with the actual condition of the financial world. The Government will see to it that the supply of capital is ample and financial channels are kept clear and unobstructed. The interest rate for the government bonds will be maintained at the present level, and the exchange will also be kept

at the level of 1 shilling 2 pence on London since the firm maintenance of this level is believed essential for insuring the sufficiency of military supplies and the stability of the nation's standard of living.

I am greatly encouraged by the demonstrations of national unity in all quarters of society ever since the commencement of the present affair. The Government will, on its part, do its best to deal with the current situation, and expect to carry out all the necessary measures. However, the desired end cannot be achieved without the united efforts of both Government and people, and I appeal for the whole-hearted support and co-operation of the entire nation.

In conclusion, let me hope that you will give a speedy approval of the budget which is being submitted to you.

AGREEMENT FOR THE CESSATION OF HOSTILITIES AROUND
SHANGHAI, MAY 5TH, 1932

Article I

The Japanese and Chinese authorities having already ordered to cease fire, it is agreed that the cessation of hostilities is rendered definite as from May 5th, 1932. The forces of the two sides will so far as lies in their control cease around Shanghai all and every form of hostile act. In the event of doubts arising in regard to the cessation of hostilities, the situation in this respect will be ascertained by the representatives of the participating friendly Powers.

Article II

The Chinese troops will remain in their present positions pending later arrangements upon the re-establishment of normal conditions in the areas dealt with by this Agreement. The aforesaid positions are indicated in Annex I to this Agreement.

Article III

The Japanese troops will withdraw to the International Settlement and the extra-Settlement roads in the Hongkew district as before the incident of January 28th, 1932. It is, however, understood that, in view of the numbers of Japanese troops to be accommodated, some will have to be temporarily stationed in localities adjacent to the above mentioned areas. The aforesaid localities are indicated in Annex II to this Agreement.

Article IV

A Joint Commission, including members representing the participating friendly Powers, will be established to certify the mutual withdrawal. This Commission will also collaborate in arranging for the transfer from the evacuating Japanese forces to the incoming Chinese police, who will take over as soon as the Japanese forces withdraw. The constitution and procedure of this Commission will be as defined in Annex III to this Agreement.

Article V

The present Agreement shall come into force on the day of signature thereof.

The present Agreement is made in the Japanese and Chinese and English languages. In the event of there being any doubts as to the meaning or any differences of meaning between the Japanese and Chinese and English texts, the English text shall be authoritative.

Done at Shanghai, this fifth day of May, nineteen hundred and thirty-two.

(Signed) K. Uyeda, Lieutenant-General.
M. Shigemitsu, Envoy Extraordinary
and Minister Plenipotentiary.
S. Shimada, Rear-Admiral.
K. Tashiro, Major-General.
Quo Tai-chi, Vice-Minister for Foreign
Affairs.

In the presence of:

(Signed) Miles W. Lampson, H. B. M. Minister
in China.
Nelson Trusler Johnson, American
Minister in China.
Wilden, Minister de France en Chine
Galeazzo Ciano, Chargé d'Affaires for
Italy in China.
Representatives of the friendly Powers
assisting in the negotiations in accordance
with the Resolution of the
League of Nations of March 4th,
1932.

ANNEX I

The following are the positions of the Chinese troops as provided in Article II of this Agreement.

Reference the attached Postal Map of the Shanghai District scale 1/50,000.

From a point on the Soochow Creek due south of Anting village north along the west bank of a creek immediately east of Anting village to Wanghsien-ch'iao, thence north across a creek to a point four kilometres east of Shatow, and thence northwest up to and including Hu-pei-k'ou on the Yangtze River.

In the event of doubts arising in regard thereto, the positions in question will, upon the request of the Joint Commission, be ascertained by the representatives of the participating friendly Powers, members of the Joint Commission.

ANNEX II

The following are the localities as provided in Article III of this Agreement.

The aforesaid localities are outlined on the attached maps marked A., B., C.

and D.

They are referred to as areas 1, 2, 3, and 4.

Area 1 is shown on Map "A." It is agreed (i) that this area excludes Woosung village, (ii) that the Japanese will not interfere with the operation of the Shanghai-Woosung Railway or its workshops.

Area 2 is shown on Map "B." It is agreed that the Chinese cemetery about one mile more or less to the northeast of the international race track is excluded from the area to be used by the Japanese troops.

Area 3 is shown on Map "C." It is agreed that this area excludes the Chinese village Ts'ao Chia Chai and the Sanyu Cloth Factory.

Area 4 is shown on Map "D." It is agreed that the area to be used includes the Japanese cemetery and eastward approaches thereto.

In the event of doubts arising in regard thereto, the localities in question will, upon the request of the Joint Commission, be ascertained by the representatives of the participating friendly Powers, members of the Joint Commission.

The withdrawal of the Japanese troops to the localities indicated above will be commenced within one week of the coming into force of the Agreement and will be completed in four weeks from the commencement of the withdrawal.

The Joint Commission to be established under Article IV will make any necessary arrangements for the care and subsequent evacuation of any invalids or injured animals that cannot be withdrawn at the time of the evacuation. These may be detained at their positions together with the necessary medical personnel. The Chinese authorities will give protection to the above.

ANNEX III

The Joint Commission will be composed of 12 members, namely one civilian and one military representative of each of the following: the Japanese and Chinese Governments, and the American, British, French and Italian Heads of Mission in China, being the representatives of the friendly Powers assisting in the negotiations in accordance with the Resolution of the Assembly of the League of Nations of March 4th. The members of the Joint Commission will employ such numbers of assistants as they may from time to time find necessary in accordance with the decisions of the Commission. All matters of procedure will be left to the discretion of the Commission, whose decisions will be taken by majority vote, the Chairman having a casting vote. The Chairman will be elected by the Commission from amongst the members representing the participating friendly Powers.

The Commission will in accordance with its decisions watch in such manner as it deems best the carrying out of Articles 1, 2 and 3 of this Agreement, and is authorized to call attention to any neglect in the carrying out of the provisions of any of the three Articles mentioned above.

ILLEGAL ACTS OF WHICH JAPANESE NATIONALS WERE VICTIMS IN CHINA BETWEEN NOVEMBER, 1935, AND OCTOBER, 1936

Almost all the cases failed of justifiable settlement through negotiations between Japanese and Central Chinese (Nanking) Governments. In all cases the Japanese were utterly innocent.

(1) November 9th, 1935 (Shanghai)

Petty officer Nakayama, on his way back to Japanese Naval Barracks after a holiday walk, shot to death from behind by a Chinese.

(2) November 11th, 1935 (Shanghai)

The Hibino & Co. establishment destroyed by an anti-Japanese Chinese mob.

(3) January 21st, 1936 (Swatow)

Consular policeman Tsunoda shot to death by a Chinese while on his way to the Japanese Consulate office for daily service.

(4) July 10th, 1936 (Shanghai)

A businessman, Mr. Kayao, shot to death during a promenade on the street by a Chinese.

(5) August 20th, 1936 (Changsha)

A Japanese physician and a military officer in residence there bombed by Chinese.

(6) August 24th, 1936 (Chengtu)

Two newspaper correspondents slaughtered in cold blood and two other civilians badly injured, while in a hotel, during a goodwill visit.

(7) September 3rd, 1936 (Pakhoi)

A druggist, Mr. Nakano (married to Chinese woman), massacred and his store completely destroyed by a Chinese mob for the mere reason that he was a Japanese.

(8) September 17th, 1936 (Swatow)

A businessman, Mr. Mori, bombed without reason by a Chinese.

(9) September 19th, 1936 (Hankow)

Japanese Consulate General policeman Yoshioka shot to death from behind by a Chinese while he was standing watch at the entrance to the Japanese Concession, Hankow.

(10) September 23rd, 1936 (Shanghai)

One Japanese bluejacket from the warship *Izumo*, shot to death and another seriously injured by Chinese during a Sunday stroll on the street.

(11) September 28th, 1936 (Shaotang)

N. K. K. Steamship Co. Branch Office set afire and looted by the Chinese.

(12) September 29th, 1936 (Changsha)

A bomb set off beside the Japanese Consulate.

(13) October 8th, 1936 (Hangkow)

A bomb thrown at a Japanese store.

PRESS INTERVIEW GIVEN BY THE PREMIER, AUGUST 20TH, 1937

The Prime Minister gave an interview to Japanese newspapermen on August 20th. On that occasion questions were asked at random on a variety of subjects. Some of the salient features of his replies are given below:

(1) To the question whether the Japanese Government had abandoned their frequently declared policy of non-aggravation, the Prime Minister said

that despite the non-aggravation policy which the Japanese Government has consistently maintained, the situation had become actually aggravated owing to frequent manifestations of bad faith on the part of China and also to their provocative attacks against the Japanese. He did not declare an outright alteration of Japanese policy, but pointed out the change of circumstances, and further intimated that Japan might find it necessary to enforce positive measures in order to prevent aggravation and prolongation of the situation, if China persisted in her provocative attitude.

(2) Then the Prime Minister said that we were setting out positively to reform China, and that in the light of the repeated Chinese provocations, Japan was now compelled to take such steps as would bring China to reason.

(3) To the question asked by the newspapermen regarding a partition of China, the Prime Minister only replied that he sincerely hoped to see a unified China, but that continued extravagances and outrages on the part of the Chinese might cause the world to talk of partitioning China, which would be a most regrettable thing.

(4) With regard to the future of north China he stated as follows: What was ultimately desired by Japan was Sino-Japanese co-operation, Japan seeking to establish firmly a happy and amicable relationship with all of China—especially with north China which is contiguous to Manchoukuo, and with which her interests are bound up naturally more intimately than with the rest of China. We should not overlook not only the fact that there was ample evidence to show that north China had been made a base of subversive activities in Manchoukuo, but also the fact that the territory was being invaded by the main force of the Communist agitations. These two facts constituted a menace that had to be eliminated first of all. We should, then, endeavor to establish close and cordial relations between Manchoukuo and north China.

FROM ORIENTAL AFFAIRS, SEPTEMBER, 1937

A Summing up

The 1932 agreement fixed a definite line north of the Soochow Creek, ranging in depth from 20 to 40 miles from Shanghai on which Chinese troops were to remain "pending later arrangements." It provided for the withdrawal of Japanese troops "to the International Settlement and the extra-Settlement roads in the Hongkew district as before the incident of January 28th, 1932." In the demilitarized zone only Chinese police—described as "special constabulary" by the Chinese—were to function. Observance of the Agreement was to be supervised by a Joint Commission.

Until early in 1936, General Wu Te-chen, Mayor of Greater Shanghai, held the concurrent post of Garrison Commander of the Shanghai-Woosung area. Then the offices were separated and General Yang Hu was given the latter post. In other words a military command was established within the demilitarized zone. The Japanese authorities appear to have been remiss

in overlooking the change, which unquestionably put the Pao An Tui outside of the Mayor's jurisdiction. A protest at that time would have raised the issue whether the Pao An Tui constituted a police or a military force. It was not until June 23rd of this year, however, that the Japanese raised the question of the military status of the Pao An Tui. And it is strange that when they did so, the Joint Commission permitted the acting Mayor to sidetrack the issue by asserting that the matter did not come within its jurisdiction. For this was undoubtedly one of the matters on which it should, if the charge was substantiated, have called the attention of the Chinese authorities to neglect in carrying out the provisos of the Agreement. No action was taken, either, on the alleged re-arming of the Woosung Forts.

The charge that Japan desired or provoked hostilities in Shanghai is absolutely unsubstantiated, and is on the face of it extremely improbable. As pointed out earlier, Japan's actions in north China had aroused intense indignation among the Chinese, and created an extremely tense atmosphere. This was aggravated by various local incidents, the gravest of which was the shooting of the two members of the Naval Landing Party at Hungjao. Admitting that it was reckless folly on their part to visit that locality, no satisfactory evidence—indeed no evidence at all—has been produced to prove that they were guilty of conduct that justified their being shot. And the removal to Nanking or elsewhere, that night, of all eyewitnesses, raises a suspicion that no such evidence was available. The Chinese version of what occurred is completely at variance with the evidence of a foreign eyewitness.

The charge against the Japanese of occupying the Pa Tsu Chiao (Eight Character) Bridge was not one of sufficient gravity, if proved, to justify the tearing to pieces of the 1932 Agreement. It is only about half a mile distant from Hongkew Park, where is a Japanese cemetery, and an incursion of Chinese military forces to a similar depth over the line assigned to them in the 1932 Agreement would probably have passed unnoticed, and certainly would not have been regarded by Japan as justification for hostilities. The despatch of the two Chinese Regular Divisions—the 87th and the 88th—into the demilitarized zone, and their occupation of the northern boundary of the Settlement, was an undeniable breach of the 1932 Agreement. It is explicable only on the theory that the Nanking Government decided that if there was to be a military showdown with the Japanese it would elect to use its best troops and material in the Shanghai area, rather than in the north, owing to the fact that enormous international interests were involved, and international intervention might therefore be expected. It is not being argued here that this decision was unjustified. A Government that considers itself to be the subject of aggression may reasonably claim the option of deciding where to meet the alleged aggressor. But it is not tenable to pretend that the Japanese were the aggressors in Shanghai, whatever they may have done in the north. Nearly every action of theirs went to prove their desire to avoid being involved in another outbreak of hostilities in Shanghai. They had evacuated their nationals from all the Yangtze ports, including their important Hankow Concession. They had refrained from anything in the

nature of an ultimatum in connection with the Hungjao incident. The arrival of the Third Fleet and the landing of reinforcements therefrom, on August 11th, was a tactless move, but it can hardly be seriously pretended that an addition of 1,000 bluejackets to the Naval Landing Party foreshadowed an intention to attack Chinese territory. At the outside there were not more than 3,300 to 4,000 men here when the reinforcements had been landed. They had a community of about 20 to 25 thousand civilians to defend. And after their experiences in 1932 it is inconceivable that, confronted by 20 to 30 thousand troops drawn from China's German-trained Divisions, they would have opened an offensive. They may have been foolish in assuming that they could act on the offensive in north China, and be left in peace or act only on the defensive in Shanghai. They have, however, got away with this apparently inconsistent policy on several occasions, and throughout the north China crisis their spokesmen have harped upon the "localization" of hostilities. On this occasion Chinese public opinion and the insistence of China's military leaders would appear to have forced the Nanking Government to treat a local as a national issue. And the intensity of their feelings can be judged from their willingness to risk Shanghai, and the enormous Chinese and foreign interests in this city, in resisting Japan.

FROM THE JAPAN ADVERTISER, SEPTEMBER 22ND, 1937

The murder in Shanghai of Sub-Lieutenant Isao Ohyama and the blue-jacket accompanying him was a subsidiary cause but not the main cause of the present fighting in Shanghai, according to opinion prevailing in official quarters. The main cause was Chinese violation of the Shanghai truce agreement, prohibiting unauthorized troop entrance into a 20-kilometer area surrounding the city, which act Chinese allegedly took after groundlessly anticipating trouble.

Japanese naval reinforcements to Shanghai, it is intimated officially, were dispatched actually before the murders were committed. The concentration of Japanese merchant ships in Shanghai after their presence was no longer needed in the upper Yangtze may have been a cause for Chinese violation of the agreement, it is contended in official quarters, from which has emanated the following opinion.

"There seems to be a belief that the landing of Japanese marines and the arrival of warships in Shanghai was due to the killing of Sub-Lieutenant Ohyama and his companion on August 9th. This, however, is not the case. Although the murder of the two sailors certainly was a serious event and aroused the indignation of their comrades, the fundamental cause of the present situation is the violent anti-Japanese agitation which was being conducted by certain elements in China and which imperilled the very existence and the property of our nationals.

"The tension in Shanghai following the events in north China, the necessity of affording adequate protection to our 30,000 residents in the face of the greatly increased numbers of Chinese troops moved into the Shanghai

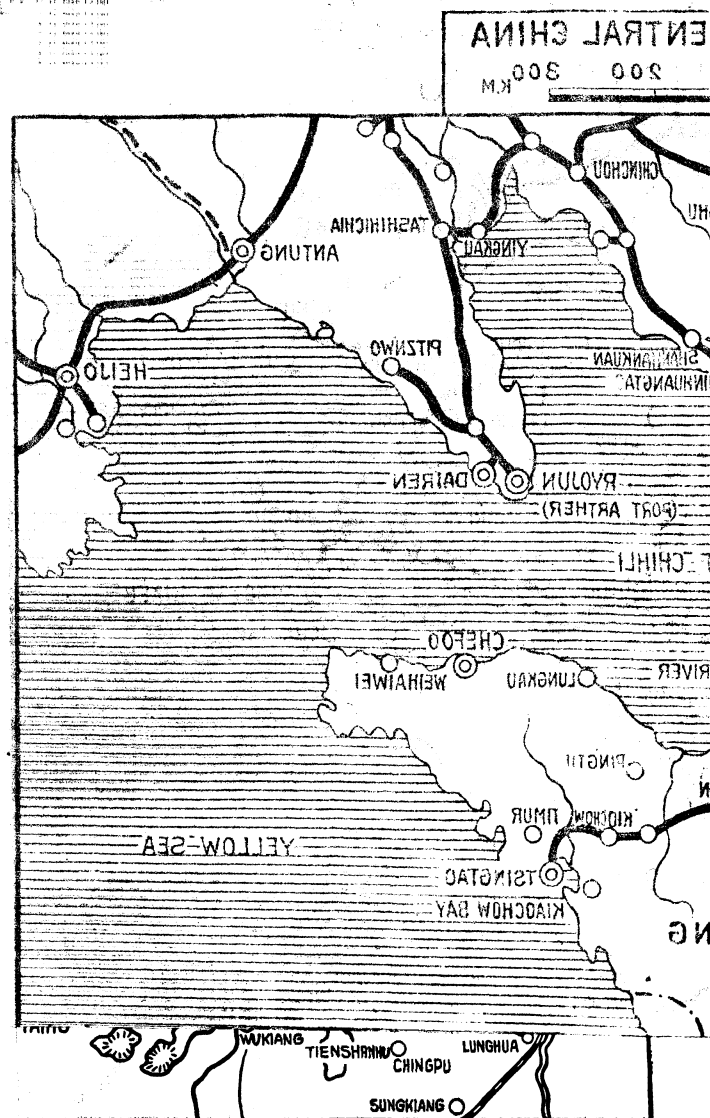
area under the names of Peace Preservation Corps and gendarmes, the military works that were erected there by the Chinese in violation of the truce agreement of 1932 and the information we had of hostile preparations have caused the decision to be taken of reinforcing our marine force in Shanghai. Their arrival had no connection with the murder of Sub-Lieutenant Ohyama: this event, however, showed that our fears were well-founded and that the arrival of the bluejackets was timely. The general situation also had warranted the increase of our naval units.

"The ships which had been on the upper Yangtze but whose presence there was no longer needed, on account of the evacuation of all our residents from the interior, rallied to Shanghai.

"It may be possible that the Chinese mistook the arrival of our reinforcements and ships as a move to enforce new demands and that they were rushed into taking aggressive action. In fact, their declared attitude toward Japan and their very preparations led them to take the offensive—so they brought up the Nanking divisions to Shanghai, a clear violation of the truce agreement, which specified that Chinese troops were not to come into an area of 20 kilometers around Shanghai. This brought about the present fighting.

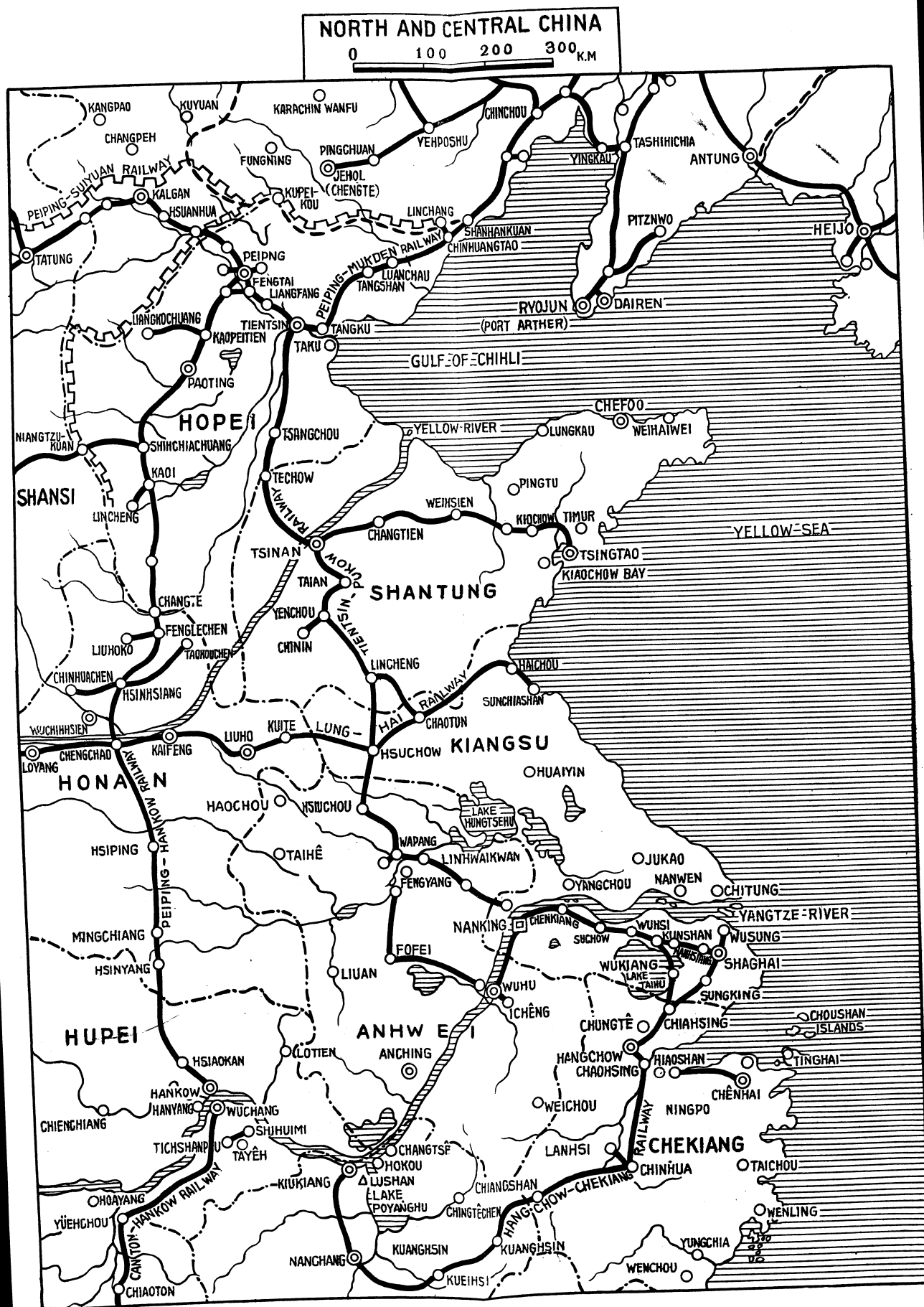
"The Chinese have been claiming, as an excuse for the intrusion of their troops in the Shanghai area, that the truce agreement was only temporary and that it had lost its binding effect. Apart from the fact that they themselves invoked it against the Japanese—which shows that they still recognize it to be valid—agreements of detail have been subsequently made on the basis of the truce agreement, in particular the notes exchanged, in 1934, by the Chinese and Japanese authorities, by which it was specified that the Chinese would notify in advance the Joint Commission of any movement of Chinese troops crossing the area. This practice had been followed since then, though the Chinese on several occasions tried to evade it."

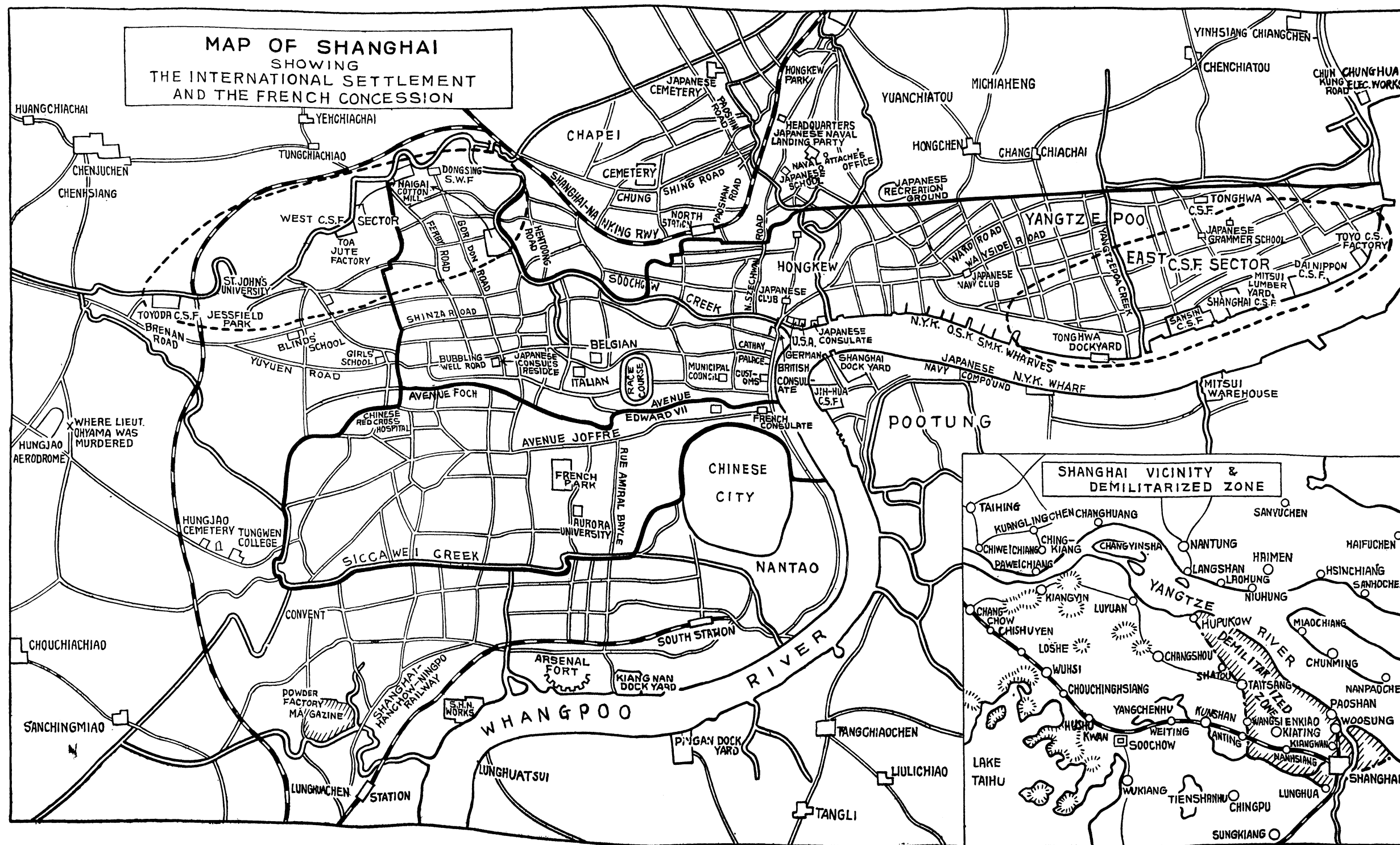
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 By Milton O. Gustafson NARS, Date 12-18-75



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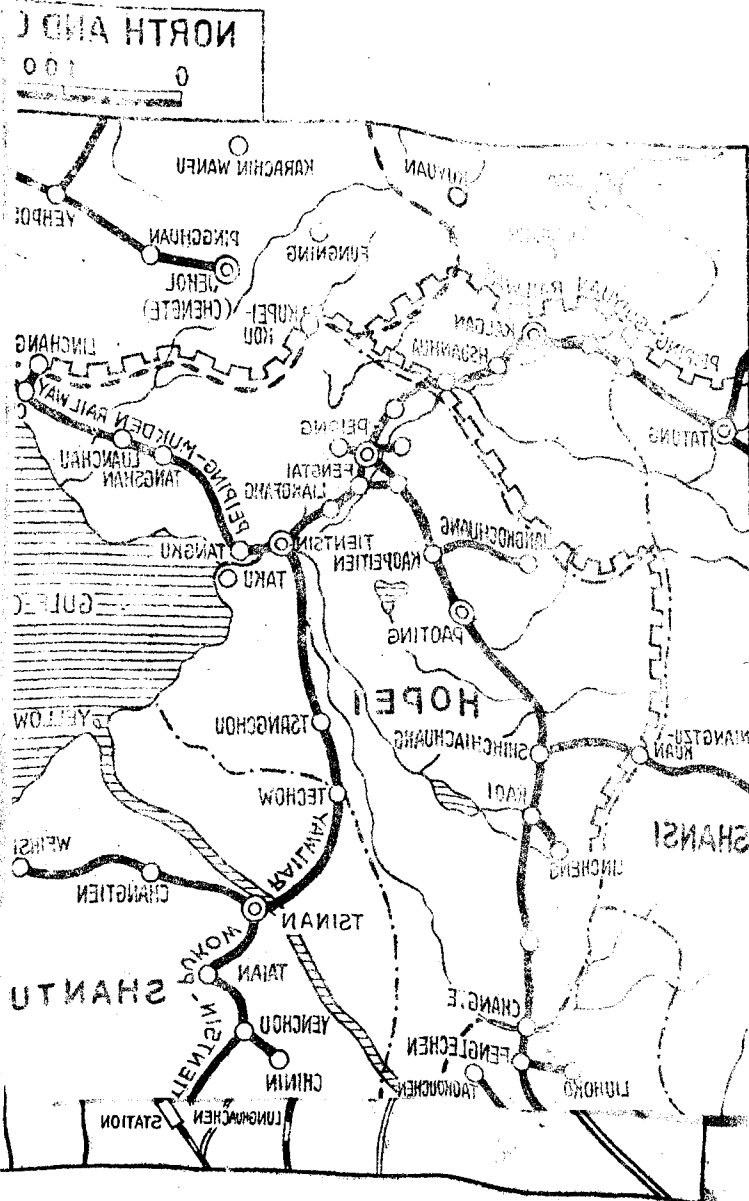
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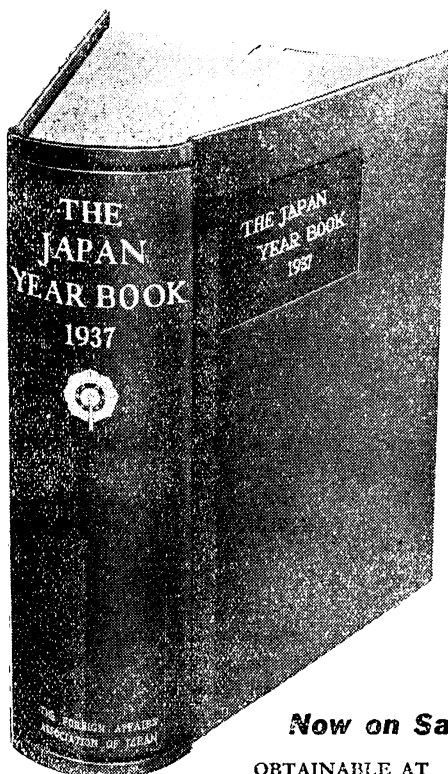
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Department of State letter, August 10, 1972
By Milton D. Hunt NARS, Date 12-18-75

No. 9

AMERICAN CONSULATE,
DEPARTMENT OF STATE
Foochow, China.

1937 DEC 27 PM 1 05

DIVISION OF COMMUNICATIONS
AND RECORDS
October 30, 1937.

CONFIDENTIAL

SUBJECT: Present situation of the port of Foochow.

1-1066 OF 0

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR

I have the honor to transmit herewith a copy of
this Consulate's despatch No. 8, dated October 30,
1937, to the Embassy, concerning the present situation
of the port of Foochow.

Respectfully yours,

Robert S. Ward

Robert S. Ward
American Consul

Enclosure:

1. To Embassy Peiping No. 8,
October 30, 1937.

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

Enclosure No. 1 to despatch No. 9 dated October 30, 1937,
from Robert S. Ward, American Consul at Foochow, China,
on the subject of "Present situation of the port of
Foochow".

No. 8

AMERICAN CONSUL
Foochow

October 30, 1937.

CONFIDENTIAL

Subject: Present situation of the port of
Foochow.

The honorable

Nelson Trusler Johnson,
American Ambassador,
Peking.

Sir:

I have the honor to refer to pages 2, 5, and 10
of the political report for the month of September
1937, enclosed in this Consulate's despatch No. 6,
dated October 20, 1937, and further in connection
with the situation of the port of Foochow, briefly
described on the pages referred to, to enclose for
the Embassy's files copies of memoranda¹ of September 3
and September 8, covering conversations between myself
and Rear-Admiral Li Shih-chia (李世甲), the Comman-
der of the Ports at Maaoi (馬尾), and of the "Pro-
visional Regulations Governing the Maintenance of
Communications with the Commercial Vessels of Friendly
Nations Following the Blocking of the Min River",

in

¹ Enclosures Nos. 1 and 2.

-2-

in Chinese text, together with an English translation.

The Embassy will note from the perusal of the memorandum dated September 3 of my conversation with Admiral Li on that day that in the course of it he promised me that he would leave a passage way open through the barrier which was to be laid across the Min River of sufficient width to permit the Standard-Vacuum Oil Company's launch "Seahawk" to proceed through it to whatever American naval vessel might be lying beyond it. This was the first mention which had been made up to that time of a passage way through the barrier, and previous statements to myself and other interested parties in Foochow by officials of the Chinese Government concerning the barrier had indicated the intention of the Government to block the river completely.

Informed of the fact that this Consulate was seeking a safe means of egress from Foochow for American nationals resident in this district, the Provincial Government first suggested, as is indicated in the last paragraph of the memorandum dated September 3, 1937, that only two routes were open: one through Fuchang (浦城) to Nanchow (杭州) and Shanghai, and the other from Foochow to Amoy. After some further discussion, however, the Government apparently decided that it could not recommend the Foochow-Amoy road, since it felt, for reasons which appear eminently sound, that no situation was likely to arise in Foochow

making

2. Enclosures Nos. 3 and 4.

-3-

making the evacuation of the port imperatively necessary which would not first reach Kwoy, and following a meeting of the Provincial Government I was informed that it would suggest instead that the Consulate consider the possibility of proceeding in motor boats over the barrier to Sharp Peak (山) 2). During this discussion, however, and evidently before the Government had reached a decision as to leaving an opening in the barrier, the then Commissioner of Reconstruction, Mr. T. C. Ch'en (陳體誠), who was at that time one of the four most influential men in Koochow, suggested to me that the port of Hankong (漢江) would offer a means of egress should it be necessary to evacuate Americans from the district. I had already considered the route, and after Mr. Ch'en's mention of it I visited the port³ by car, but decided that it afforded a less safe and feasible way out than that over the barrier would probably be. In my next conversation on this subject with Mr. Ch'en, however, he informed me that steps had already been taken to open Hankong as a commercial port. He did not state why that had been done, but in reference to it linked it with the question of securing a safe route of egress to such American nationals as might have to evacuate the district.

When it became clear, after the laying of the barrier had been begun on September 4, that the

Chinese

³See this Consulate's telegram, September 7, 1937, 9 a.m., paragraph 1.

-4-

Chinese authorities, perhaps to keep good Admiral Li's promise to myself, or perhaps because it had originally been planned to leave an opening, or for any one of a number of other possible reasons, were in fact not going to close the river completely, my British colleague, Mr. J. L. Stoddley, the Commissioner of Customs, Mr. H. C. Fowler, and various other people in the port with access to the Government here, urged the desirability of leaving an opening in the barrier which might be closed easily, but which would permit the continuance of a certain amount at least of the port's normal trade in foreign bottoms.

On September 8, following the second conversation with Admiral Li,⁴ another official of the Provincial Government called at the Consulate to hand me a copy of the regulations which Admiral Li had described. In giving it to me this official informed me that the Provincial Government had been partially motivated in its acceptance of the arrangements for keeping a way open over the Min River barrier by its hope that it would not then be considered necessary to close the American Consulate in Foochow.⁵

As the Embassy will perceive, the regulations require that steamships of friendly nations be discharged by launches and lighters flying the same flag as the steamship. Although this requirement was subsequently relaxed in an amendment⁶ of Article 2,

Paragraph

⁴Recorded in the memorandum of September 8 (enclosure No. 2).

⁵See also this Consulate's telegram, September 8, 7 p.m.

⁶enclosures Nos. 5 and 6.

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Paragraph 1, of the regulations, a copy of which is also attached, it continued to be necessary for launches towing lighters across the barrier to fly a foreign flag, the object of this requirement being of course to prevent Chinese owners of launches from endangering their vessels by making them liable to seizure by Japanese men-of-war. It soon became obvious that there were not enough foreign launches in Foochow to tug a sufficient number of lighters across the barrier to unaid the ordinary coastal merchant vessel such as calls at Foochow.

Having come so far with so much effort, the merchants of Foochow felt sure that this difficulty might also be overcome, but they were confronted at this point by an unexpected turn in the situation. The Commissioner of Customs, who had been at least partly responsible for the arrangements which made possible the continuance of trade at the mouth of the Min River, had apparently interpreted the provisional regulations as charging him with the responsibility for preventing other than bona fide foreign-owned launches from crossing the barrier. Whereas other officials of the Chinese Government in Foochow were evidently not unwilling to blink at breaches of this particular article of the regulations, the Commissioner came forward, apparently without any special instructions, to enforce it.

Various members of the community at once protested, and on September 22 Mr. Lowder held an informal meeting

at

-6-

at his residence to explain his action. At it he stated that he was in fact without special instructions, an admission which apparently weakened his position, and in a joint meeting held the next evening of the British Chamber of Commerce and the Tea Shippers Association a resolution⁷ was passed, in accordance with which the manager of the Foochow branch of the only foreign steamship line then calling at Foochow wired his principals to suspend sailings. A telegram⁸ was also drafted and despatched to the Inspector General of Customs and the Shanghai British Chamber of Commerce. Although the telegram itself does not appear to be intended to give offense, the Commissioner of Customs was evidently incensed by its despatch. In this he seems to have received the sympathy and support of the British Consul, and when the local manager of Jardine, Matheson & Co. received word from Hong Kong that his request that sailings be suspended had been approved, and he transmitted a printed notice to that effect to the community in Foochow, my colleague appears to have felt that his authority had been affronted. He apologized for the issue of the notice to the Provincial Government and took various other steps, the effect of which appears to have been to align himself with the Customs Commissioner and one

or

⁷ See also this Consulate's telegram, September 24, 11 a.m.

⁸ For the text of this telegram, see enclosure No. 7, being a copy of a letter dated October 5, 1937, from Mr. Edmund H. Hoyt, manager of the Foochow branch of the Standard-Vacuum Oil Company.

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or two other of the older residents of the port against the rest of the British community. The cleavage is so sharp, and feelings are evidently so raw, that members of one clique will not speak to members of the other.

To a request that an ex-service man with an honorable record in the World War be made the address at the Armistice Day ceremony here, the Commissioner of Customs is stated to have replied that he regretted that any religious ceremony was being held at Foochow on that day since he did not believe that the majority of the people who were to take part in it were fit to do so. The adjectives which he found to describe the behavior of certain members of the community were bitter indeed.

I am happy to be able to report that this Consulate is in no way involved in this unfortunate situation,⁹ my personal relations with both groups being unaffected by it.

The voluntary suspension of sailings on the part of shipping companies represented in Foochow which had given rise to this misunderstanding did not, however, work out in practice, and after several weeks Jardine's ships began again to call here.

Merchants

⁹ Nor are any other American residents of Foochow.

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Merchants here were then confronted with a further material difficulty in the shortage of lighters occasioned by the Government's practice of commandeering them to haul the stone which was still being dumped in the river at the barrier. Requests for lighters had to be made to the local lighter union, by which it was referred to the "stone-barge commandeering office", which would approve the use only of such lighters as it did not itself require.

The feasibility of using the Foochow-Amoy road for the movement of goods to be loaded or unloaded at Amoy was then discussed, but the project was abandoned when it was discovered that the Government, which controlled all the trucks and buses available for the trip, was not disposed to permit their use for commercial transport purposes.

After the partial resumption of sailings to Foochow, the "commandeering office" informed the merchants here that too many ships were calling at Sharp Peak. A shipping conference called in Hong Kong to meet this objection agreed to space out the sailings in such a way as to avoid too heavy a demand for lighters at any particular time.

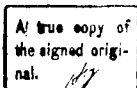
Meanwhile steps have been taken to put several launches under British registry, and it is probable that barring a sharp turn for the worse in the present general situation it will be possible to continue to work foreign steamers at Sharp Peak, and it may even be that with an awakening perception of the tremendous

issues

-9-

issues which face the world beyond Foochow, or perhaps simply with the passage of time, the foreign residents of this outpost will soon again find it possible to remember the names of people whose faces they have seen every day for years.

Respectfully yours,



Robert S. Ward
American Consul

Enclosures:

1. Memorandum, September 3, 1937.
2. Memorandum, September 8, 1937.
3. Provisional regulations, Chinese text.
4. Provisional regulations, English translation.
5. Amendment, Chinese text.
6. Amendment, English translation.
7. From H. H. Hoyt, October 8, 1937.

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Copy to Embassy Nanking.

Enclosure No. 1 to despatch No. 8 dated October 30, 1937, from Robert S. Ward, American Consul at Foochow, China, on the subject of "Present situation of the port of Foochow."

AMERICAN CONSULATE
Foochow

September 3, 1937.

MEMORANDUM

Subject: Conversation With Rear-Admiral
Li* With Reference To Egress
From the Min River If and When
the River Is Blocked.

At 10:30 this morning I called by appointment on Rear-Admiral Li, in command of the Memoi Forts and the officer who is in direct charge of the present operations directed at the blocking of the Min River. I opened the conversation by thanking him for his graciousness in inviting me to tiffin on Tuesday last, and also asked him if he would be good enough to consider my call this morning as being at the same time in the nature of a formal call on him, since I had so far neglected to make that call.

I then informed him that I was in receipt of a telegram from my Embassy expressing the concern which it felt over the difficulties which it apprehended in evacuating American citizens from Foochow should that become necessary if the river were blocked. I stated that I had appreciated the assurance which he had given me that he would give me two-day's warning if and when the river was to be blocked, but that I would now like to inquire further as to whether it would be possible

*Only the Admiral and myself were present.

- 2 -

possible to take my nationals out to an American gun-boat over the barrier in the Standard-Vacuum Oil Company's launch. The Admiral replied at once that it would be possible.

I then asked him if an alternative channel would be available for the use of the launch after the blocking of the river had been completed. He replied that he thought there would be an alternative channel which the boat could use. However, after some conversation, Admiral Li said that he thought that the alternative channel would probably be also blocked, and that the best arrangement would be for him to leave a channel open sufficiently large for the Standard-Vacuum Oil Company's launch to pass through it.

I explained to Admiral Li that my Government intended to advise all Americans to withdraw from Foochow before the blocking of the river was completed, unless it had some real assurance that Americans could be withdrawn after the blocking of the river, and that it was dependent for that assurance entirely upon Admiral Li.

The Admiral then said, with reference to the two-day's warning that he had promised to give me, that after preparations had been completed for the blocking of the river, he would await orders from General Chiang Kai Shek (蔣介石) to carry out the blocking; that if he received these orders, he would have to undertake the blocking of the river immediately and therefore might not be able to give me the two-day's warning which he had promised; but that he could definitely
promise

- 3 -

promise and did definitely promise to leave a passage way free through the blocked channel sufficiently large to permit the passage of the Standard-Vacuum Oil Company's launch. He added, however, that he could not promise to leave that passage way open for much longer than two or three days, but that he certainly would inform the Consulate long enough in advance to make possible the evacuation of American citizens should they desire to leave.

He expressed keen solicitude for the safety of Americans in Foochow and Fukien, and asked me to accept his personal word that he would cooperate to the fullest possible extent in their evacuation, should that step seem desirable, and he repeated his promise to leave an opening in the barrier across the channel large enough to permit the passage of the Standard-Vacuum Oil Company's boat.

He also said that the channel-filling operations would take one hundred days to complete, that the preparations for the filling of the channel were now 70 percent complete, and had reached a stage where the actual blocking of the channel could be begun at any time that orders were received for it. In answer to a question from me, he said that it would take at least two days to fill up the channel sufficiently to make the passage over it of a boat like that of the Standard-Vacuum Oil Company impossible.

At the close of our conversation, the Admiral asked me how my Embassy knew that the channel was to be blocked. I said that I was not sure, but that I thought some

representative

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 -

representative of the National Government in Nanking
had informed it of the fact.

It must be noted that the Admiral was most courteous
throughout our conversation and appeared to be trying
to be helpful and that in order to facilitate my trip
down to Mamoi to see him, he had his Admiralty launch
meet me at the Mamoi wharf, both to take me to the
Admiralty and from it back to the wharf.

Robert S. Ward
American Consul

300/800
RSW:TKW

A true copy of
the signed origi-
nal *[Signature]*

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. 8 dated October 30, 1937, from Robert S. Ward, American Consul at Foochow, China, on the subject of "Present situation of the port of Foochow."

AMERICAN CONSULATE
Foochow

September 8, 1937.

M E M O R A N D U M

Subject: Conversation With Rear-Admiral
Li.*

This afternoon at 2:45, Admiral Li, Commander of the Memoi Fortifications, called at the Consular Residence in response to a telephone call from me. He stated that a regular meeting of the Fukien Provincial Government had been called this morning, and that at it a decision had been reached to sanction the arrangement which had been suggested whereby the merchant ships of friendly nations could proceed to Sharp Peak and there be unloaded by lighters of the same nationality as the merchant vessel, these lighters to be propelled by tug boats, piloted by a Chinese pilot supplied by the Admiralty at Memoi and provided with a pass from the Admiralty. Lighters conforming to the above requirements are to be permitted to cross the barrier, but only at high tide. The arrangement was to be communicated by despatch, the Admiral said, to six places, to wit, the American Consulate, the British Consulate, the Customs, the Admiralty, the Office of the Pacification Commissioner, and the Office of the Ranking Military Commander. This arrangement was, Admiral Li stated, to continue indefinitely, but steamships and lighters availing themselves

*Only the Admiral and myself were present.

- 2 -

themselves of the facilities which the arrangement offers do so at their own risk, and the Chinese Government accepts no responsibility for any loss or injury resulting from the action of Japanese ships or planes.

I then informed Admiral Li that the Consulate had hired a steam launch, called the BUE, as its official despatch carrier between the Consulate in Foochow and the U.S.S. BARKER, and requested that he be good enough to permit the boat to pass daily over the barrier for so long a time as the American Consulate might remain open in Foochow.

At the mention of the Consulate's closing, Admiral Li said at once that he felt that it was unnecessary for the Consulate to close and that its closing might well give rise to misunderstanding among the Chinese as to the reason for the action of the American Government. He felt that many Chinese would take it as a blow to Sino-American friendship. I explained to the Admiral that there could, of course, be no question about Sino-American friendship, that our two countries have always been friendly, and that I hoped very much that we always would be. The Admiral stated that T. C. Chen, Commissioner of Reconstruction, had reported to the meeting this morning that the American Consulate was being closed. I asked the Admiral if there had been any expression of opinion about it and he replied that the feeling had been general that the Consulate should not close, and that such Americans as wish to remain here would be safe. He said also that it had been reported to the meeting that I had asked the Provincial Government to suggest an alternate means

- 3 -

means of egress from the Foochow Consular District, and that it had been agreed that only two roads were open: one from Foochow to Pucheng and thus to Hangchow or Shanghai, and the other from Foochow to Amoy. Admiral Li assured me, however, that at any time that Americans wish to evacuate, they would be piloted over the barrier to whatever ships might be available for their transport. To the proposition that the BUB be permitted to run daily to the U.S.S. BARKER, Admiral Li replied with the assurance that all the boat would have to do was to go to the gunboat CHENG NING, where Captain Cheng would supply a pilot.

Robert S. Ward
American Consul

125.6/300/800
RSW:TKW

A true copy of
the original
of *TKW*

Enclosure No. 3 to despatch No. 8 dated October 30, 1937, from Robert S. Ward, American Consul at Foochow, China, on the subject of "Present situation of the port of Foochow."

照抄福建省政府公函 餘中齊府秘乙第X三六六號

查福州海口(閩江口)已經封鎖所有船隻自本月四日起停止通航業經
本府電准外交部電復以已照會駐華各國使館在案本府為維持居留
本地友邦僑民交通特行規定封鎖閩江後維持友邦商船交通臨時辦法一
件相應檢同前項辦法一份函請

貴領事查照為荷此致

大美國駐福州正領事官華

附送辦法一份

福建省政府主席陳儀

二十六九六

Enclosure No. 3 to despatch No. 3 dated October 30, 1957, from Robert S. Ward, American Consul at Foochow, China, on the subject of "Present situation of the port of Foochow."

封鎖閩江後維持友邦商船交通臨時辦法

一、友邦輪船可停泊川石由其本國軍艦保護之

一、友邦輪船起卸客貨所需駁船及拖輪通過封鎖線時必須照下列各條之規定辦理

(1) 所用拖輪駁船必須與其輪船國籍同但起卸之輪船應用駁船艘數及日期應填明船名及駁船號碼拖輪艘數先期通知海軍要港司令部

(2) 通過封鎖線之時間應在滿潮時其各種船隻吃水深度不得逾一公尺五公尺(即五英尺)

(3) 通過地點應受海軍要港司令部之指揮引帶不得任意進出

(4) 輪船未到前友邦拖輪駁船不得開出封鎖線以外輪船開離川石前拖輪駁船均應開

入封鎖線以內但所有駁船必須用拖輪拖帶不得自由行駛

一、友邦輪船拖輪駁船無論在封鎖線內外如被敵人攻擊時中國政府不負其責

一、指揮引帶友邦拖輪駁船由海軍要港司令部派軍官主持辦理於必要時得請閩海關

稅務司派員協助

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

Enclosure No. 4 to despatch No. 8 dated October 30, 1937, from Robert S. Ward, American Consul at Foochow, China, on the subject of "Present situation of the port of Foochow."

Translation of a despatch No. Yu Shen Ch'i
Fu Mi I (徐世昌) No. 73361 addressed
by His Excellency General CH'EN Yi, Chairman of
the Fukien Provincial Government, Foochow, to
Mr. Robert S. Ward, Consul of the United States
of America, Foochow.

(Trans.: RSW)	(Dated: September 8, 1937.)
	(Rec'd.: September 8, 1937.)
(Checked: RSW)	(Trans.: September 17, 1937.)
	(Checked: September 17, 1937.)

Sir:

I have the honor to state that the port of Foochow has been blocked, and that from the fourth day of this month the movement of vessels into or out of it ceased; that this fact has been telegraphically reported to and sanctioned by the Ministry of Foreign Affairs, which in its telegram in reply stated that it had informed the various Embassies in China of the powers of this fact. These things are a matter of record.

In order to maintain communications for those nationals of friendly nations who reside in this place this Government has now especially determined upon a set of "Provisional Regulations Governing the Maintenance of Communications* with the Commercial Vessels of Friendly Nations Following the Blocking of the Min River", and it is incumbent upon me to forward to you herewith a copy of those regulations in the hope that you will take note of them.

CH'EN Yi (陳儀),
Chairman of the Fukien Provincial Government.

Enclosure:

1. Copy of Regulations.

711.2
RSW:TKW

Robert S. Ward, Esquire,
Consul of the United States of America,
Foochow.

*The phrase 交通 here rendered as "Communications" almost invariably has that meaning, but it might (somewhat less exactly) be read "Traffic" in this sentence. RSW

PROVISIONAL REGULATIONS GOVERNING THE MAINTENANCE OF COMMUNICATIONS WITH THE COMMERCIAL VESSELS OF FRIENDLY NATIONS FOLLOWING THE BLOCKING OF THE MIN RIVER.

I. The steamships of friendly nations may anchor at Sharp Peak under the protection of the warships of their respective nationalities.

II. The stern launches and lighters necessary to the discharge of passengers or cargo from the steamships of friendly nations must when they cross the barrier act in compliance with the several regulations hereinafter set forth:

1. The launches and lighters used must fly the same flag as the steamship (which they are proceeding to discharge); but the number of lighters needed by the ship to be discharged and the date (on which they are to be used) should be clearly stated, and the name of the boat, the distinctive numbers of the lighters, and the number of steam launches should be reported in advance to the Headquarters of the Commander of the Ports at Mamoi.

2. The barrier should be crossed at the time of the full tide; the draft of the various types of boats (crossing it) may not exceed one metre and five decimetres (that is, five English feet); and they should accept the direction and guidance of the Headquarters of the Commander of the Ports at Mamoi as to the point at which to cross the barrier, and must not move in and out across it at will.

- 2 -

3. The stern launches and lighters of friendly nations must not proceed beyond the barrier prior to the arrival of the steam ship (which they are proceeding to discharge) and before the steam ship leaves Sharp Peak both launches and lighters should proceed within the barrier; but all lighters must be towed by launches and are forbidden to move about freely (under their own power).

III. If the steamships, launches, or lighters of friendly nations are subjected to enemy attack, the Chinese Government will not accept responsibility therefor regardless of whether they are within or beyond the barrier at the time.

IV. The direction and guidance of the launches and lighters of friendly nations shall be undertaken by a naval officer appointed by the Headquarters of the Commander of the Ports at Mamoi and, when the necessity arises, the Commissioner of the Min Hai Customs may be requested to depute an officer to lend assistance.

Translated by: RSW
Copied by: TKW

Enclosure No. 5 to despatch No. 8 dated October 30, 1937, from Robert S. Ward, American Consul at Foochow, China, on the subject of "Present situation of the port of Foochow."

照抄福建省政府公函 餘申刪府秘乙第X五九四卷統

查封鎖閩江後維持友邦商船交通臨時辦法前經本府規定並於餘申齊府秘乙
X三三六二號函達

貴領事案茲將該辦法第二款第一項內容酌加修正除分行外相應檢同前項
修正文一份函請

貴領事查照為荷此致

大美國駐福州正領事官華

附送修正封鎖閩江後維持友邦商船交通臨時辦法第二款
第一項文一份

福建省政府主席陳儀

二十六九十五

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

Enclosure No. 3 to despatch No. 3 dated October 30,
1937, from Robert S. Ward, American Consul at Foochow,
China, on the subject of "Present situation of the
port of Foochow."

修正封鎖閩江後維持友邦商船交通臨時辦法第二款第一項文

1.
所有拖輪駁船在封鎖線內由台江至琯江可以自由行駛友邦輪船在川石起卸客
貨須用友邦拖輪拖帶駁船進出封鎖線但起卸之輪船應用駁船艘數及日期
應填明船名及駁船號碼拖輪艘數先期通知海軍要港司令部

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

Enclosure No. 6 to despatch No. 8 dated October 30, 1937, from Robert S. Ward, American Consul at Foochow, China, on the subject of "Present situation of the port of Foochow."

Translation of despatch Yu Shen Shan Fu Mi I (餘申府秘一) No. 75940 addressed by His Excellency General CH'EN Yi, Chairman of the Fukien Provincial Government, Foochow, to Mr. Robert S. Ward, Consul of the United States of America, Foochow.

(Trans.: RSW)	(Dated: September 15, 1937.)
	(Res'd.: September 15, 1937.)
(Checked: RSW)	(Trans.: September 16, 1937.)
	(Checked: September 16, 1937.)

Sir:

This Provincial Government has the honor to refer to its despatch Yu Shen Ch'i Fu Mi I (餘申府秘一), No. 73361, enclosing a copy of the "Provisional Regulations Governing the Maintenance of Communications with the Commercial Vessels of Friendly Nations Following the Blocking of the Min River" adopted by this Government, and to state that Paragraph I of Article II of those Regulations has now been revised, and that aside from issuing instructions to give effect to the revised rule, this Government deems it necessary to send you a copy of it in the hope that you will take note thereof.

CH'EN Yi (陳儀),
Chairman of the Fukien Provincial Government.

Enclosure:

Copy of the amended reading of Paragraph I of Article II of the "Provisional Regulations Governing the Maintenance of Communications with the Commercial Vessels of Friendly Nations Following the Blocking of the Min River."

September 15, 1937.

Vll.S
RSW:TKW

Robert S. Ward, Esquire,
Consul of the United States of America,
Foochow.

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

PROVISIONAL REGULATIONS GOVERNING THE MAINTENANCE OF COMMUNICATIONS WITH THE COMMERCIAL VESSELS OF FRIENDLY NATIONS FOLLOWING THE BLOCKING OF THE MIN RIVER

ARTICLE II

PARAGRAPH I (Amended)

1. All lighters and tug boats inside the barrier plying between Nantai and Kwantow may move freely. When steamships of friendly nations at Sharp Peak desire to discharge passengers and freight they must use lighters tugged out and back over the barrier by steamlaunches of friendly nations. However, the number of lighters required for the discharge of a steamship and the date when they are to be used must be clearly stated, and the name of the steamship, the numbers by which the lighters are designated and the number of tugboats to be used should be communicated previous to the date of the unloading to the Headquarters of the Commander of the Ports at Mamoi.

Translated by: RSW
Copied by: TKW

1 4 8

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. 7 to despatch No. 8 dated October 30, 1937, from Robert S. Ward, American Consul at Foochow, China, on the subject of "Present situation of the port of Foochow."

C O P Y

Foochow, October 5, 1937

Robert S. Ward, Esq.,
American Consul,
Present.

Dear Robert:

In confirmation of my agreement to let you have a copy of the telegram which the British Chamber of Commerce sent to the I.G. and also to the Shanghai British Chamber of Commerce, I give same below:

"This Chamber and Other foreign Merchants desire draw your attention to the fact that Provincial Government according to reports received from British Consul and Commissioner of Customs will not allow Chinese launches tow lighters past Min River barrier to land from steamers anchorage stop. In consequence trade paralyzed and Shipping Companies threaten suspend service until Chinese launches permitted to operate past barrier stop. Respectfully request your earnest co-operation to prevent this virtual closing of Treaty Port Foochow. British Chamber of Commerce"

The above telegrams were sent the day after the informal Cocktail party which Lowder gave at his residence and without doubt this had become known to him by evening, which accounts for the tense atmosphere which prevailed at his party for Lay at the Customs Club. The telegram seems to me to be quite mild and does not appear to accuse anyone of negligence in their duty and therefore it seems rather strange that Lowder continues his very cool attitude toward the Merchant community as a whole.

A further development in connection with this situation but affecting the British Consul's relations with his people here has resulted from the "Express" which Scott-Morris of J. M. & Co. issued on September 28th, which I quote below in case you have not received a copy:

" SUSPENSION OF SAILINGS "

"Notice is hereby given that owing to local Government restrictions causing serious delay to vessels discharging and loading at Sharp Peak, under which conditions it is impossible to continue indefinitely, all sailings to this port are temporarily suspended"

Without consulting anyone, HRM seems definitely to have 'flown off the handle' and written a letter of apology to the Government for the issuance of this "Express"

without

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 -

without his prior authority. This has most definitely got the British Chamber of Commerce back up and their relations with HBM are very strained although I understand there is little likelihood of the matter going outside of Foochow.

So far as I know the situation regarding the suspension of Douglas steamers from calling at Sharp Peak remains unchanged and is likely to do so until some way of providing additional launches for towing is found. A solution of this may come through the local French Consular representative, M. Chapron, who appears to have already registered one Chinese launch under the French flag.

In closing, I would like to confirm what I told you yesterday on the Mohawk my opinion was regarding the necessity of Warships continuing to remain, more or less, indefinitely at Sharp Peak as long as present conditions continue. I am most strongly of the opinion that the presence of these Warships has been the principal contribution to making it possible for such steamers as have come in here in recent weeks to be worked and despatched without interference insofar as the lighters and so forth are concerned. Furthermore, I note that the American Government's statement regarding the continuance of the Navy in Chinese waters for the duration of the Sino-Japanese conflict and the protection of such Americans as are not evacuating includes a sentence to the effect American Warships will remain at their present stations, or words to that effect. I am entirely in agreement that Sharp Peak is not an attractive place to the Navy people that may be stationed there, but as in normal times when they call at ports like this they are always invariably very well treated by the community, I think it is up to them to take the attitude that their duty should be performed even though it may be distasteful and somewhat boring to them. As a matter of fact, Sharp Peak is actually a Summer resort. There is plenty of room there for both Officers and men to exercise themselves as well as amuse themselves, and it would not take much ingenuity to have a Club there and make their life much more enjoyable. I am probably writing out of turn in doing as I have, but anyhow the above represents my opinion.

Yours sincerely,

(Signed) Edmund

Copied by: TKW
 Compared with: HCY

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. 588.



EMBASSY OF THE
UNITED STATES OF AMERICA

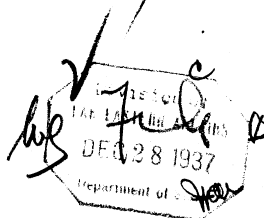
Nanking, China, September 17, 1937.

793.94
793.94/116
Subject: Appeal by Chinese Educational
Institutions to the Committee
on International Intellectual
Cooperation, Geneva, and the
League of Nations.

RECEIVED
DEPARTMENT OF STATE

1937 DEC 27 PM 2 05

Check For	U.S.A.	Yes	No



793.94/11823

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

Sir:

I have the honor to enclose a copy of a letter
dated September 15, 1937, from the Chancellor of the
National Central University, Nanking, supplying the
texts of two messages sent to the Committee on

Intellectual

F/A

DEC 13 1937

11/123

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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

-2-

Intellectual Cooperation, Geneva, and to the League of Nations, accusing the Japanese military forces of bombing educational institutions, philanthropic institutions, non-combatants, etc.

While the Embassy is not able to confirm actual details of such operations, it is public knowledge in China that some Chinese educational institutions and American missionary hospitals in China have been bombed by Japanese planes.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson.

3 ✓
Enclosure:

Copy of letter, as described.

WRP/RW

Original and four copies to the Department.
Copy to Peiping.

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

C O P Y

NATIONAL CENTRAL UNIVERSITY
Office of the Chancellor
NANKING, CHINA

September 15, 1937.

Mr. Willys R. Peck,
Councillor,
American Embassy,
Nanking.

Dear Mr. Willys R. Peck

On August 29th, I sent a cablegram to the Committee on International Intellectual Cooperation in regard to the bombardment of this University on August 19th and 26th by Japanese planes. On September 11th, President Yugwan Chen, President Yifang Wu and I, as representatives of three universities in Nanking, addressed a cablegram to the League of Nations, entreating the League to apply sanctions immediately. Herewith I beg to forward you a copy of each for your reference.

Yours very sincerely,

(Signed) Chia-luen Lo
Chia-luen Lo,
Chancellor.

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

Committee on International Intellectual Cooperation,
Geneva.

The National Central University was repeatedly bombarded by Japanese airplanes. On August 19th and 26th, no less than three tons of explosives were dropped on the campus. Machine-gun fire turned our library building into a beehive. Two laboratories were burned down. The Girls Dormitory was completely ruined, the dean of women narrowly escaping from what was regarded as sure death. By the second attack the experiment High School and Grade School attached to the University were destroyed. Several residences of our faculty members were in heaps of ruins. Since this is not the first time that the Japanese military have tried to destroy academic institutions, such deliberate attack with huge quantities of high explosives against a university can not but be interpreted as a threat of destruction to civilization in general and academic institutions in particular. In the name of the entire faculty and student body of the university, I hereby request you to make such atrocious acts known to the entire world and, especially, to those who are concerned with intellectual activities of mankind.

ChiaLuen Lo (Signed)

Chancellor.

League of Nations

Geneva

Japan has been waging a war of aggression in Chinese territory with wanton destruction going on everyday. More than ten universities were deliberately bombarded, five of them destroyed. Missionary hospitals, philanthropic institutions, Red Cross units and thousands of refugees both in and outside war area were victims of Japanese air raids. In Nankow and Tatung, poisonous gas bombs were used by Japanese planes. Such atrocious actions not only violate the sanctity of international law and treaties but also aim at the destruction of civilization. That this is a case of aggression no one can deny and the seriousness of the situation admits no delay in applying sanctions. Therefore, we, representatives of three universities in Nanking, earnestly entreat the League to assert immediately its full authority solemnly accorded by more than fifty nations of the civilized world in the form of articles seventeen and sixteen, upon the enforcement of which the future of the League hangs.

Chialuen Lo,
Chancellor, National Central University,

Yugwan Chen,
President, Nanking University,

Yifeng Wu,
President, Ginling College.

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



EMBASSY OF THE
UNITED STATES OF AMERICA

Nanking, China, October 1, 1937.

No. 595.

Subject: Contradictory Comments on American
Policy with respect to the Sino-
Japanese Controversy.

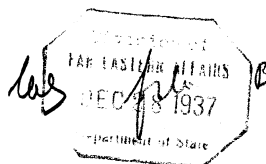
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DEPARTMENT OF STATE

SEP 12 27 PM 1 43

79394

Grade	Per	For Presentation Check	By	Date
		In U.S.A.		

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



Sir:

I have the honor to enclose copies of two items
published in the semi-official Central News Agency's
press releases of September 29 and September 30.

1/ The earlier one is entitled "Local Journal Says
Washington Taking Firmer Stand". As this comment on
the American Government's policy has presumably received
the approval of the Chinese Foreign Office, it is per-
tinent to remark that the Central News Agency for a time

criticized

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-2-

criticized the American Government, as the reputed sponsor of the Nine Power Treaty, for not taking a more positive position in condemnation of Japan's violation of the principles underlying that Treaty. The enclosed item is a condensation of an article which concedes that the policy of the American Government is now "firm" and "clear" and, likewise, expresses gratification at the sympathetic stand taken by leaders in the United States.

2/ The item released on September 30 is the text of "An Open Letter to the White House, Washington" written by an American aviation adviser to the Chinese Government, Mr. W. L. Andrus. An American news correspondent informs me that he saw this letter in the handwriting of Mr. Andrus. Had it not been for this statement I should have been inclined to think that Mr. Andrus received some assistance in its composition.

The letter contains criticism of the actions of the Japanese Government and of the attitude of the American Government and its diplomatic representatives in the face of those actions. While the language of the letter is hysterical and bombastic and portions are misstatements of fact, the underlying ideas would probably receive the approval of many observers in this country of other than Japanese nationality.

Respectfully yours,

Nelson Trusler Johnson
Nelson Trusler Johnson.

Enclosures:
Two, as stated.

WRP/RW

Original and four copies to the Department.
Copy to Peiping.

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

DISPATCH NO. _____

Central News Agency, September 29, 1937.

LOCAL JOURNAL SAYS WASHINGTON TAKING FIRMER STAND

Nanking, Sept. 29: Events of the past ten days have adequately shown that the United States's policy vis-a-vis the Sino-Japanese hostilities is "firm" and "clear." declared the official Central Daily News in an editorial on Washington's attitude today.

The two protests lodged by Mr. Joseph C. Crew, American Ambassador to Tokyo, with the Japanese government over the illegal warning of Vice-Admiral K. Hasegawa on Sept. 19, the concerted steps taken by Ambassador Nelson T. Johnson with other diplomatic representatives in Nanking by remaining here, and the determination of Admiral Harry E. Yarnell to protect American nationals in China, said the journal, go to prove Uncle Sam's love for "peace" and "justice."

The paper also expressed gratification over the sympathetic stand taken by public leaders of the United States, especially the views expressed by Dr. Nicholas Butler, president of Columbia University, which may be taken to represent the general trend of thoughts of the American intelligentsia.

With regard to the general comment that the United States has not acted promptly, the Central Daily News said that America is in fact taking "prudent" but not "tardy" action.

It firmly believed that the United States would eventually employ drastic steps to censure the aggressor.

ENCLOSURE NO. 2

DESPATCH NO. _____

Central News Agency, September 30, 1937. ^{DATED}

"AN OPEN LETTER TO THE WHITE HOUSE, WASHINGTON"

Nanking, Sept. 29: Following is the full text of "An Open Letter to the White House, Washington," dated Sept. 21, 1937, and signed by Mr. W. L. Andrus, chairman of the Committee of American Aeronautical Advisers in China:

The Government of the United States could not have adopted a more pusillanimous, watery policy with regard to the Sino-Japanese hostilities if it had been a government of servile serfs. Historically pictured as the moving spirit of the Nine Power Treaty, it now abandons the last pretension to world influence abjectly denying to itself every right retained under that treaty.

The Japanese attacks upon China are the acts of an outlaw among nations. Her blockade of the China coast and attacks upon Chinese vessels and ports constitute a modern form of International Piracy and should be recognized as such. International law does not recognize the right of any individual or power to sink the merchant and war vessels of another individual or power except as an act of open warfare. Japan still maintains that she is not at war with China.

Japan's attitude toward the other great Powers is likewise the attitude of an outlaw toward constituted authority. She says, in effect, "You People keep your hands raised while I murder the defenceless Chinese people and their government or I'll turn my guns on you." Much to her own surprise, the other great powers are obeying her orders with scarcely a protest.

Her most recent notice of her purpose to continue

upon

-2-

upon a career of international outlawry was the Sept. 19th warning to all powers to evacuate their Embassies and nationals from the capital city under threat of death to those who might remain after noon, Sept. 21st. Adding insult to this insolent note, she absolved herself from responsibility for any damage to neutral persons or property.

Great Britain and France immediately accepted the challenge by stating bluntly that Japan would be responsible for injury to the persons or property of their nationals. All the other powers, except one, followed the example of the British and French and refused to evacuate their embassies. The sole exception was the representative of the independent, liberty-loving United States of America.

His clerks and secretaries phoned all the American citizens who could be reached, warning them of the Japanese threat and urging them to follow His Excellency's example by seeking safety in flight. These American citizens hold responsible and well paid positions with the Chinese Government and aside from a natural feeling of loyalty to an employer, there is the problem presented by the sudden loss of property, position and income. Will the Ambassador or the Government compensate them for these losses?

Half-hearted protests and weakness of attitude make no impression upon the Japanese. They are a warlike, savage nation bent upon world conquest. Their weapon is force, and they will neither understand nor submit to any weapon except greater force. They must first conquer China and utilize her vast resources of man power and raw materials before launching upon a career of world conquest. China is the key to the future peace of the world - for five hundred years at least. The conquest of China by the Japanese

now

-3-

now will result in a long series of wars which will make impossible world peace for many centuries.

It is indeed a sad state of affairs when your nationals in foreign lands feel that being an American doesn't stand for as much as it has in the past, especially when the present policies of our Government are mentioned.

We, the undersigned, accepted our positions in time of peace as Aeronautical Advisers and signed contracts to that effect with the National Government of China. These contracts were signed in good faith by all parties concerned, therefore we do not intend to break this faith even though it may mean staying to the last man.

We realize that the responsibility of remaining in the war zone rests entirely upon us, as it is apparent that the U. S. Government does not want this responsibility nor does it want to hold the Japanese Government responsible.

We have been informed through diplomatic circles that the percentage pro and con in the U.S. are as follows: 55% neutral, 43% in favor of China, 2% for Japan, with the understanding that the larger part of the neutrals are in the middle west farming belt. Are we to believe that these farmers are un-American in spirit and are willing to sacrifice the very fundamentals for which their forefathers fought and for which the United States has always stood, especially the freedom on the seas? Or is this the same old story of the politicians passing the buck to the farmer in an effort to save face? If the latter is the case, it may interest you to know that we, the Advisers, are by a large majority. Southerners, therefore, democrats, but if this last thing you have pulled out of the bag, which stinks so much, is your new deal to China, the New Deal Party will lose much support in the future.

-4-

future.

Looking at existing conditions from a purely practical standpoint, it seems as though it would be much better to enforce the treaties, which have been signed, and, in some cases, originated by the U. S., than to waste time travelling throughout the western Hemisphere signing and making new treaties. What can these treaties possibly mean to the underdog if they are to be so lightly cast aside?

Many American nationals in the war zone have witnessed the wholesale murder of non-combatants, the bombing of women and children refugees, hospitals and schools, all of which have no military value.

We are certain that no American can be proud of these facts. That the U.S. has to date abandoned her freedom on the seas (in the Far East). Roughly speaking, this was done by order of the Japanese Imperial Government on Sept. 19th. The Commander of the 3rd fleet Japanese Imperial Navy gave orders, or warning, that all embassies and nationals should evacuate Nanking. The embassies were to board their respective battleships and sail up the Yangtze River to a point eleven miles from Nanking. This order, or warning, has been obeyed by the American embassy with the exception of sailing the battleship, of which the Ambassador is now in command, to the designated point.

It has been our impression that the embassy should be the last to evacuate. Where is this civilization, of which we were so proud, going to, if undeclared warfare of this type is to be allowed? However, this is the Japanese plan of attack in their conquest of Asia program.

We have reasons to believe that the opinions expressed
here

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-

here are those of all American nationals in China, else they would not have remained, therefore our answer to the orders or warnings of the Japanese Imperial Government is:- Go to hell - (note, Japanese papers please copy).

In closing we wish to say that we congratulate the Generalissimo and his new and unified China for the fight they are putting up in face of the obstacles placed before them by the U.S. and the League of Nations.

RW

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. 604.

EMBASSY OF THE
UNITED STATES OF AMERICA

Nanking, China, October 15, 1937.

Subject: Thanks of the British Authorities
Extended to Colonel Joseph McAndrew,
United States Army.

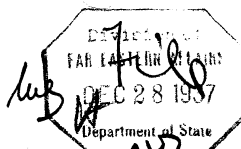
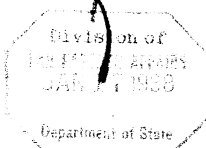
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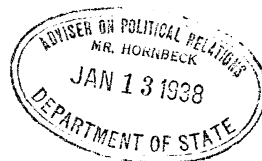
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January 14 1938

Letter to Har
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Jan. 13 '38

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



Sir:

1/

I have the honor to enclose a copy of a letter
dated October 13, 1937, from the Charge d'Affaires of
Great Britain, extending the thanks of the Commander
of the British Forces in the Tientsin Area, with which

thanks

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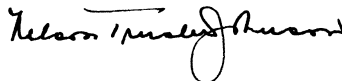
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-2-

thanks he associates himself, for assistance rendered by Colonel McAndrew and the troops under his command during a state of emergency in Tientsin. It is requested that this letter be referred to the department of the American Government concerned, for such action as may be appropriate.

2/ There is enclosed, also, a copy of the letter of acknowledgment I have today addressed to the Charge d'Affaires of Great Britain.

Respectfully yours,



Nelson Trusler Johnson.

Enclosures:

1. Copy of letter from the Charge d'Affaires of Great Britain, dated October 13, 1937.
2. Copy of letter to the Charge d'Affaires of Great Britain, dated October 15, 1937.

Original and four copies to the Department.
Two copies to the American Embassy, Peiping.

WRP/RW

ENCLOSURE NO. 1

BRITISH EMBASSY,

NANKING.

October 13th, 1937.

Sir and Dear Colleague,

I have the honor to inform Your Excellency that I have been requested by Brigadier A. H. Hopwood, Commander of the British Forces in the Tientsin Area, to thank Your Excellency for the great assistance rendered by Colonel Joseph McAndrew, Commanding the 15th Infantry, United States Army, and the troops under his command, during the State of Emergency in Tientsin.

Brigadier Hopwood states that the co-operation of the 15th Infantry in the scheme put into operation to prevent an influx of refugees into the British Concession, by manning road blocks in the area adjoining their barracks, was most effective and lightened the task of the British troops very considerably.

I have great pleasure in associating myself with Brigadier Hopwood's message of thanks.

I avail myself of this opportunity to renew to you, Sir and Dear Colleague, the assurance of my highest consideration.

(Signed) R. G. Howe

H. M. Charge d'Affaires.

His Excellency

Mr. Nelson T. Johnson,

United States Ambassador.

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

Nanking, October 15, 1937.

Sir and Dear Colleague:

I have the honor to acknowledge the receipt of your letter of October 13, 1937, transmitting the thanks of Brigadier A. H. Hopwood, Commander of the British Forces in the Tientsin Area, for the assistance rendered by Colonel Joseph McAndrew, Commanding the 15th Infantry, United States Army, and the troops under his command, during the state of emergency in Tientsin. It is noted that you associate yourself with this message of thanks.

It has given me great pleasure to receive this letter and to transmit a copy to the authorities concerned for appropriate action.

I avail myself of this opportunity to renew to you, Sir and Dear Colleague, the assurance of my highest consideration.

Nelson Trusler Johnson.

R. G. Howe, Esquire,

Charge d'Affaires ad interim of Great Britain,
Nanking.

Five copies to the Department.
Two copies to Peiping.

A true copy of
the signed origi-

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

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In reply refer to
 FE 793.94/11825

My dear Mr. Secretary:

I take pleasure in enclosing a copy of a despatch under date October 15, 1937, which has been received from the American Ambassador in China, with which he encloses a copy of a letter addressed to him by the British Chargé d'Affaires ad interim, extending the thanks of the Commander of the British Forces in the Tientsin area for the assistance rendered by Colonel Joseph McAndrew, commanding the 15th Infantry, United States Army, and the troops under his command, during a state of emergency in Tientsin. The Ambassador also encloses a copy of his reply to the British Chargé d'Affaires ad interim.

Sincerely yours,

Cordell Hull

Enclosure:
 From Embassy Nanking,
 No. 604, under date
 October 15, 1937,
 with enclosures.

JAN 14 1938

The Honorable
 Harry H. Woodring,
 Secretary of War.

True copy of the original

F/FG

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793.94/11825



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 1458

Peiping, November 13, 1937.

Subject: The Japanese Occupation of Paoting.

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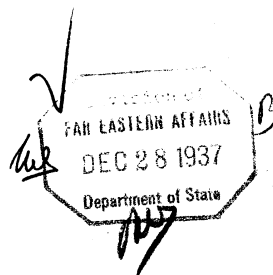
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The Honorable

The Secretary of State,
Washington, D. C.

Sir:

1/ I have the honor to enclose a summary of state-
ments made to a member of the Embassy by the Reverend
Elmer W. Galt of the American Board Mission with regard
to the Japanese occupation of Paoting, capital of Hopei
Province. As he was an eye-witness of many of the
things described and as he has been in close association
with the Japanese military occupying Paoting and with the
Chinese of the city, his statements are of especial in-
terest. His information relates chiefly to casualties,

looting.

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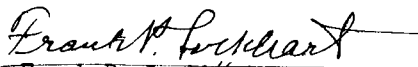
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Quisenberry NARS, Date 12-18-75

- 2 -

looting, atrocities, administration, and the economic situation.

Respectfully yours,

For the Ambassador:


Frank P. Lockhart
Counselor of Embassy

✓
Enclosure:

Embassy's memorandum,
November 10, 1937.

Original and 4 copies to Department.
Copy to Embassy, Nanking.
Copy to Embassy, Tokyo.

710

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4-
Received. *D. J. N*

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
Despatch No. 1458

MEMORANDUM

Peiping, November 10, 1937.

Summary of Statements of the Reverend
Elmer W. Galt of the American Board
Mission with regard to the Japanese
Occupation of Paoting

Before the Japanese occupation of Paoting September 24, 1937, perhaps four-fifths of the population fled. Since then many of the poor people have returned so that the population today is perhaps seven- or eight-tenths of what it was prior to the occupation. Many of the upper and middle class people have not, however, returned.

Casualties among Chinese soldiers were not heavy. Perhaps a few hundreds were killed in the north suburbs outside the city wall, fighting against the approaching Japanese, but no soldiers were killed inside the city walls, the Chinese troops having evacuated the city several hours before the Japanese entered it.¹ Damage to the city from Japanese shells and bombs was not as severe as one would have anticipated. Perhaps only two percent of the buildings of the city was demolished. It is impossible to tell how many civilians were killed prior to Japanese entry but the number was considerable. The worst instance was the death of perhaps more than 100 Chinese who had taken refuge during an air-raid of September 16 in a dug-out at the railway station. The

entrance

1. When the foreign military attachés at Peiping visited Paoting (Embassy's telegram 649, October 12, 6 p.m.), they were informed by the Japanese military there that 26,000 Chinese troops had been killed at Paoting. The military attachés regarded this estimate as a gross exaggeration.

- 2 -

entrance of the dug-out was bombed and all those within were killed, the bodies being recovered a week or ten days later. Following Japanese entry a considerable number of civilians were shot down by Japanese soldiers who were suspicious of their movements. The Swastika Society buried 60 such dead and there were of course others. The worst instance of this sort was the shooting down of a number of Chinese who were on their way to put out a serious fire which was burning in one part of the city. The wearing of green uniforms by the fire-brigade caused the Japanese soldiers to fire, not waiting to discover what the significance of the uniforms might be.

Shops were thoroughly looted by Japanese soldiers, as well as some offices and private houses. A small amount of looting had been done by Chinese soldiers as they left the city, their looting being confined to grabbing what they could as they passed along the streets on their way out of the city. Japanese soldiers, however, broke down shop fronts, stole things easily moveable, quickly cleaning out tobacco and wine shops. In many shops, in their search for small articles, they strewed merchandise about on the floors and subsequent Japanese looters, entering with muddy shoes, trampled on the strewn goods increasing the damage. Looting continued for several days. There was also considerable stealing of objects on American mission property by Japanese soldiers and some wanton destruction of property, such as tables and benches.

Japanese

- 3 -

Japanese officers and men demanded women frequently. There must have been considerable rape. One authentic instance in this connection was the demand of four Japanese soldiers of a Chinese man that his daughter be turned over to them. The man parleyed so long that the daughter was able to escape through the back of the house. Angered, the Japanese soldiers killed the father. Another authenticated case was the demand of Japanese soldiers at a flour mill that the Chinese men turn over their women to them or themselves be killed. While the parleys were proceeding, the women escaped. Women were frequently molested on the streets, with the result that there are still some 1,200 refugees in the mission compound.

There were cases of arrests and torture. It is impossible to know how many. Dr. Galt interfered on behalf of a young man who was believed by the Japanese to have put a rock on the railway track. He was held for two weeks and frequently and severely beaten before ultimate release. The Chinese in charge of the post office has been in detention for several weeks and Paoting has no regular postal service. This Chinese had called on two different Japanese offices which had been established after the Japanese occupation, one of them being the Japanese gendarmerie. Thinking he had done all that was necessary, he then opened the post office only to be arrested by the gendarmerie because he had not obtained written permission. Ten days later he was released because an order had come from Peiping to that effect but a few hours later he was rearrested, being told that he had had no business to report the matter to Peiping.

The

- 4 -

The Chinese officials of Paoting having all fled before the Japanese occupation, subsequently a number of reputable Chinese, such as members of the Chamber of Commerce, the Red Cross, and the Swastika Society, assisted by Mr. Galt, approached the Japanese military and eventually formed a committee for administering the affairs of the city. The Japanese soon established a Hsuan Fu Pan (literally, a comfort corps), a Japanese civilian organ established in various places in the occupied territory for the purpose of bringing the situation back to normal. A Special Military Affairs Organ was also established, a branch of the head organ at Peiping under Major General Seiichi Kita. In addition, there exists also a military headquarters and a Japanese gendarmerie office. A member of the Hsuan Fu Pan has complained that its work of amelioration is hampered by interference by the military.

Although more than a month has passed since the Japanese occupation, trade and all business is stagnant, banks continue closed, although it is reported that a branch Japanese bank has recently been opened there, and there is neither passenger nor freight service on the Peiping-Hankow Railway, only military trains. Although life within the walled town has become fairly regular now, outside the walls life is dislocated and dangerous, with the Japanese military making apparently no effort to keep order outside the city.

Mr. Galt said that, notwithstanding the atrocities and mistreatment of Chinese and their property by Japanese troops,

- 5 -

troops, some Japanese had behaved well, that the mission had received considerable money from Japanese for refugee work, contributions ranging from three to fifty yen. The Japanese military had also given the mission food supplies, but these had been confiscated from Chinese in Paoting.

Japanese had made protestations that the Japanese troops would treat the Chinese well. When questioned about the disparity between the behavior of the troops and the assurances, the Japanese replied that the soldiers had for weeks before the occupation of Paoting heard many reports that Paoting was the center in Hopei Province of anti-Japanese activities and for that reason had wreaked revenge. (Note: From information available it would seem that Paoting and its people suffered worse at the hands of the Japanese troops than did other towns and cities along the Peiping-Hankow Railway.)

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

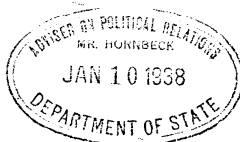
DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

December 29, 1937.

~~MSK~~
~~JOV~~
~~JWB~~
~~RCM~~
~~WGH~~

Peiping's despatch No. 1459, November 17, 1937, on the subject "Effect of the Japanese Occupation on Universities in Peiping".

Mr. Clubb states that the effect of the Japanese occupation on higher education in Peiping has been disastrous in all its aspects, including student attendance, and intellectual and administrative freedom. He reports that most of the well-known educators are now in the south and will presumably not return. He feels that there is no hope for freedom in education in Peiping in the predictable future, so long as the Japanese military control North China. He considers that China's leading educators will remain away from areas under Japanese control and that the more intelligent students will seek education elsewhere.



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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

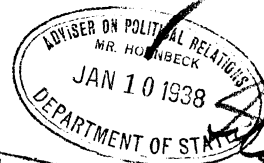
No. 1459

Peiping, November 17, 1937.

Subject: Effect of the Japanese Occupation on
Universities in Peiping.

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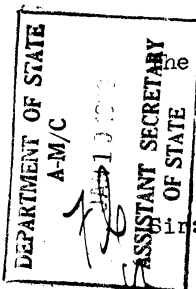
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The Honorable

The Secretary of State,

Washington, D. C.

I have the honor to refer to my despatch No. 1443
of October 28, 1937, describing the effect on education
in the primary and middle schools of Peiping of the Japa-
nese military occupation of North China, and to describe
below the effect of that occupation on colleges and uni-
versities of this city.

The effect on higher education in Peiping, which
had been until this autumn the educational and intelli-
tual center of China, has been disastrous in all its

aspects

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- 2 -

aspects, including student attendance, number of institutions, number of educators and scholars, and intellectual and administrative freedom.

Student attendance:

The number of students in attendance at colleges and universities this term is 14 percent of the attendance last spring (12,197 last spring and 1,760 this autumn). Many of the students are now in the south, attending educational institutions long established there or attending temporary institutions inaugurated this autumn at Changsha, Hunan Province, and Sian, Shensi Province.¹ Others, however, are presumably at their homes in the south (a large proportion of students at Peiping in normal times come from the south) unable to pursue their education. Still others whose families are in the south are stranded in Peiping, unable to continue their education because of lack of funds resulting from either disrupted communications or financial losses suffered by their families as a result of the present hostilities. An unknown number of students have joined volunteer or other Chinese military forces acting against the Japanese.

Closing of universities:

Eleven of the twenty-one institutions of college or university grade have not reopened this autumn. These include the four universities which had the

highest

1. The National University of Peking, the National Tsing Hua University, and Nank'ai University (Tientsin) have opened at Changsha jointly as the Temporary University, with 120 students; and the National Normal University (Peiping) and the National University of Peiping have similarly combined at Sian, with presumably an even smaller attendance. At Central China College at Wuchang there are 120 students more in attendance this autumn than the capacity number.

- 3 -

highest enrollment; namely, the National University of Peiping, the National University of Peking, the National Tsing Hua University, and the National Normal University. Their enrollment last spring was slightly more than half of the total enrollment of all the twenty-one institutions. At present some of the buildings of each of these four institutions are occupied by Japanese troops and the remaining buildings are unused. Although there is talk among officials of the new local regime of opening these universities, lack of funds, educators, and any real desire on the part of the officials to promote higher education make reopening improbable.

Of those ten institutions which have reopened, a number of them are small and unimportant; all have reduced attendance, with the exception of one minor institution of no significance; and the condition of some of them is precarious. For example, China College, which is known as C. T. Wang's college because of his former connection with it, is described by a competent investigator as practically moribund, with few of its enrolled 260 students attending classes and with teachers' salaries unpaid. It is significant that more than half of the institutions which have reopened are run primarily with funds from abroad, while several are small, highly specialized institutions. For example, the Peking Theological Seminary, which is one of the ten institutions open this autumn, has only 23 students and is American; the College of Chinese Studies has 56 students and is American; and the Peiping Union Medical

College

- 4 -

1/ College has 90 students and operates on money supplied from the United States. Of the ten institutions now open, Yenching University (with large American investment) and the Catholic University (Papal) account for more than half of the present student enrollment; that is, 1,030 are enrolled at those two institutions while the other eight institutions have a total enrollment of only 730. (A list of the twenty-one institutions is enclosed which shows the attendance last spring and this autumn.)

Effect on educators:

Most of the well-known educators and scholars of Peiping are now in the south and will presumably not return in view of the closing of most of the leading educational institutions at Peiping and because of the restrictions on freedom of education in areas under Japanese control and the inevitable and exasperating interference by Japanese in any form of administration by Chinese. Furthermore, there is danger to many of them due to the Japanese conviction that they are either anti-Japanese or communist. The effect of Japanese occupation on the faculty of the National University of Peking (Peita), which has had the reputation for many years of being China's leading university, is illustrative. Of the seventy faculty members on the university's rolls last spring, only nine are in Peiping at present. Of these nine, one cannot go south because he has a Japanese wife and the others do not go because they are advanced in years. A similar situation is understood

to

- 5 -

to exist in respect to faculties of other institutions which have closed; and some faculty members of those which have reopened are also no longer here. Some who would like to escape the present situation are unable to do so because of financial or personal reasons or because of the absence of connections in the south, which fact would make the finding of employment difficult, if not impossible. There are, of course, some educators of minor caliber, unaffected by the new Chinese nationalism, who prefer to remain in Peiping even under Japanese occupation, but these can scarcely contribute to the recovery of Peiping's reputation as China's intellectual and educational center. The majority of the leading scholars and educators served on the faculties of the institutions which have closed.

Effect on intellectual and administrative freedom:

Although the Japanese authorities have already altered courses of study in elementary and middle schools for the purpose of creating friendliness toward Japan and the Japanese and of eliminating Chinese nationalistic feeling, they have not yet imposed restrictions on the higher institutions of learning which are open. Restrictions have already been self-imposed, however, by those in charge of the institutions in the hope that they may thereby escape having difficulties with the Japanese authorities. For example, instruction in the principles of Sun Yat-sen has been abandoned; and care is exercised to prevent organizing by students or any other activities

which

- 6 -

which might be objectionable to the Japanese. Some of the institutions now employ a Japanese-speaking Chinese to facilitate the solution of questions which may arise between them and the Japanese or the Japanese-directed Chinese authorities.

2/ It is not to be expected, however, that these institutions will escape active interference and regimentation along lines less liberal than the restrictions which have already been self-imposed. Rules for control of universities and colleges have already been drafted by the Peiping Local Maintenance Society, presumably at the direction of Japanese advisers of that society, but have not yet been promulgated. These rules, a copy of which in translation is enclosed, call for submission of detailed information of all aspects of the institutions, including organization, faculty members and students, curricula, property, and finance. They also require the inclusion in curricula of courses in the Japanese language and in Chinese boxing, increased emphasis on the study of the classics, and increased control of students. These rules will give, when and if promulgated, the means of strict supervision by the Japanese authorities of the entire personnel of universities and colleges, their curricula, and their activities. The mention in the rules of the classics and Chinese boxing indicates an intention to emphasize ancient learning, which cannot have politically dangerous results, at the expense of modern learning. In fact, the rules appear to be a preparation for the emasculation of education.

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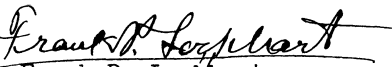
- 7 -

The future of higher education in Peiping:

There seems to be no hope for freedom in education in Peiping in the predictable future, so long as Japanese military control North China. This view is based on the limitations of freedom in higher education in Japan, its complete absence in "Manchukuo", the known fear of the Japanese military that freedom in education here would mean the propagation of anti-Japanism and communism, and the seemingly inherent inability of the Japanese military to refrain from interference in and direction of any activity within its sphere of power. As a result of the absence of intellectual freedom and because of the inevitability of Japanese interference in administration, it may be expected that China's leading educators, administrators of education, and scholars will shun spheres of Japanese control unless extreme necessity prevents them from so doing or unless they are misled temporarily by Japanese promises of non-interference. It may also be expected that the more intelligent students will, if at all possible, seek education somewhere outside the range of Japanese control. The result will be a continuing decline of Peiping as a center of learning.

Respectfully yours,

For the Ambassador:


Frank P. Lockhart
Counselor of Embassy

Enclosures:

- / 1. List of educational institutions, Peiping.
 - / 2. Translation of proposed rules.
- Original and 4 copies to Department.

Copy

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

- 8 -

Copy to Embassy, Nanking.
Copy to Embassy, Tokyo.

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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. Quisenberry NARS, Date 12-18-75

Enclosure No. 1
Despatch No. 1459

LIST OF UNIVERSITIES AND TECHNICAL SCHOOLS OF
UNIVERSITY GRADE IN PEIPING

<u>Name</u>	<u>Student enrollment</u>	
	<u>Spring term</u> <u>1937</u>	<u>Autumn term</u> <u>1937</u>
1. Peiping University (National)	2,200	
2. Peking University (National)	1,560	
3. Tsing Hua University (National - American Boxer Indemnity)	1,438	
4. Normal University (National)	950	
5. Northeastern University (Provincial)	400	
6. Ming Kuo College (Private)	500	
7. Ch'ao Yang College (Private)	840	
8. College of Communications (National)	154	
9. North China College of Arts (Private)	150	
10. National Technical School of Fine Arts (National)	180	
11. Peiping College of Railway Administration (Private)	350	
12. Yenching University (Private - large American investment)	900	500
13. Catholic University (Private - Papal)	842	530
14. Franco-Chinese College (Private)	200	120
15. Chung Kuo College (Private)	805	260
16. North China College (Private)	250	100
17. Peiping Technical School of Physical Education (Municipal)	105	37
18. Peiping Union Medical College (Private - operated on American funds)	120	90
19. Ts'ai Shan College of Commerce (Private - Y.M.C.A. - American)	126	44
20. Peking Theological Seminary (Private - American)	19	23
21. College of Chinese Studies (Private - American)	108	56
TOTAL	12,197	1,760

REDUCTION IN ATTENDANCE: 6/7

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
Despatch No. 1459

(Translated by: CSM)
(Checked by: MG)

TEMPORARY ABRIDGED RULES FOR CONTROL
OF UNIVERSITIES DRAFTED BY THE PEIPING
LOCAL MAINTENANCE SOCIETY

ARTICLE 1. All Peking universities are to be temporarily under this Committee as the controlling organization.

ARTICLE 2. The establishment, changing or closing down of any university must be reported to this Committee for inspection and for purposes of record.

ARTICLE 3. On the basis of the following rules, all universities must prepare records in complete details to be sent to this Committee for investigation:

1. Name and location of school.
2. Table of names of faculty members and their personal records.
3. Table of students' names and birthplaces, listed in order of the various departments of the university.
4. Table of studies and the weekly time schedule.
5. All the different control regulations now in use in the universities.
6. A statement of the land area of the school and the location of its buildings.
7. School endowment funds and running expenses, and their sources.
8. Date of registration of the school.

(The above several tables and statements must be submitted within a month from the date of promulgation of these Abridged Regulations.)

ARTICLE 4

- 2 -

ARTICLE 4. All private universities must submit their regulations for the setting up of Boards of Directors and the names of present Directors, with their personal records, to this Committee, for purposes of record.

ARTICLE 5. Chancellors(or Presidents) of private universities must be selected and appointed by the Board of Directors, and their names and personal records must be sent to this Committee for consideration and record. Subsequent changes of this nature are to be made in the same way.

ARTICLE 6. Chancellors(or Presidents) of all universities may not hold concurrent posts outside the university so that their special duties will be satisfactorily attended to.

ARTICLE 7. All faculty members engaged by universities must be chosen on the basis of careful consideration of courses of study to be taught.

ARTICLE 8. All universities' faculty members will be engaged for at least the length of a full scholastic year.

ARTICLE 9. In all universities, the Japanese language is to be a required foreign language subject.

ARTICLE 10. All universities must give added emphasis to the study of the classics and should pay special attention to the teaching of the Chinese written language and/or should be added to physical culture courses.

ARTICLE 11. All university curricula must emphasize pragmatism with relation to courses of practical subjects, and especially must give added weight to laboratory work in such courses.

- 3 -

ARTICLE 12. All universities must pay great attention to preparing university rules of proper severity for the control of students and give added emphasis to moral training; truancy must be stopped and unwholesome habits suppressed.

ARTICLE 13. Student self-government associations established by the universities may not interfere in administration within the universities or in any affairs outside the universities.

ARTICLE 14. All the rules set up by the universities for the discipline of students must be vigorously put into complete practise.

ARTICLE 15. All universities in admitting new students must observe strictness in giving examination and in selecting students from students from the higher middle schools who have bona fide certificates of graduation, and they may not use the pretext of equivalent scholastic preparations according to their own inclination to accept too many new students at each time of admittance. When new students have been admitted, the universities must submit a list of the students to this Committee for its careful consideration.

ARTICLE 16. Universities may not conduct classes with groups of less than ten students in the course, except for those classes having a special character, which are to be outside this ruling.

ARTICLE 17. In addition to the examinations at the end of the school terms and school year, and final examinations, all universities must hold monthly examinations, and officers sent by this Committee may at these time go to the universities for the purpose of reviewing the examination papers.

- 2 -

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



EMBASSY OF THE
UNITED STATES OF AMERICA

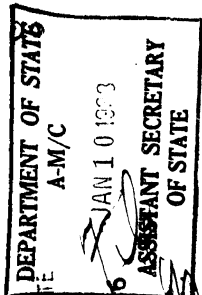
No. 1461

Peiping, November 23, 1937.

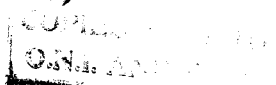
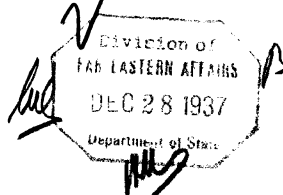
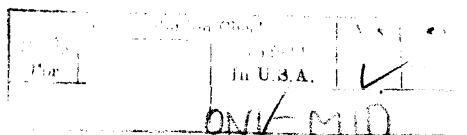
Subject: Politico-Military Situation in
Shantung.

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DEPARTMENT OF STATE
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COMMUNICATIONS
AND RECORDS



793.94/11828

The Honorable

The Secretary of State,
Washington, D. C.

Sir:

I have the honor to refer to the observations made in the Embassy's telegram No. 762, November 17, 8 p.m., and despatch No. 1470, October 19, 1937, in regard to the position of Shantung Province in relation to the current Sino-Japanese hostilities, and to enclose for the information of the Department a copy of an editorial appearing in the Peking & Tientsin Times of November 18 under the title "Shantung Going the Way of Shansi?"

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The Consulate at Tsingtao in various despatches since the advance of the Japanese forces on the borders of Shantung has communicated to the Embassy the current reports regarding alleged negotiations between the Chinese provincial authorities of Shantung and the Japanese side with a view to avoiding hostilities in that region. There seems to be substantial reason to believe that, in fact, negotiations actually occurred, and that the Japanese leaders were hopeful of a success which would at one and the same time eliminate the Shantung sector as a military problem and give protection to the extensive Japanese interests in the province. The halting of the Japanese drive southward along the Tsin-P'u Railway line after it had reached the Shantung border the first week in October was obviously not due to exigencies imposed by the Chinese defenses: at the time, the Northeastern Army forces were reported to be out of control and engaged in looting the countryside behind the front lines; and, shortly after the appearance of the Japanese forces at the northern border of the province, the National Government's Salt Division, the Kwangsi forces, and General Feng Yu-hsiang and the several German advisers, all withdrew southward out of the province, leaving the defense of that important front to Han Fuchu's 3rd Route Army, Yu Hsueh-chung's 51st Army, the aforementioned Northeastern Army forces (comprising five divisions) and a portion of Yang Sen's 20th (Szechwan) Army;* and, the scattered flanking attacks of minor

Chinese

*Cf., for detailed information regarding the Tsin-P'u military situation of that time, the Military Attaché's G-2 reports of Oct. 18 and Nov. 8, 1937.

- 3 -

Chinese units which remained between the P'ing-Han and Tsin-P'u Railways could hardly be credited with causing the Japanese to reflect upon the dangers of extending their lines, inasmuch as the Japanese advance on the P'ing-Han Railway was pushed forward under more adverse conditions without interruption. In spite of the favorable military prospect, however, the Japanese forces after the capture of Tehchow (October 3) did not push forward toward Tsinan with their characteristic vigor. After the arrival of a Japanese armored train at P'ingyang on October 7 there seems actually to have been a withdrawal of the advanced Japanese units back toward Tehchow, but on October 13 a slow advance southward was resumed, and in the face of that advance the Chinese units began without resistance to retreat to the south bank of the Yellow River. By October 19 the Kwangsi forces were moved out of the province, and Chinese anti-aircraft guns went about the same time: that is, Nanking despatched no forces northward to reinforce the Shantung front, but instead withdrew what little material support had previously been sent there. (A Chinese informant recently come from Shanghai via Tsinan states that the Nanking authorities had in fact authorized Chairman Han Fu-chu to endeavor to reach an agreement with the Japanese which would preserve alike the peace and political integrity of Shantung.) The character of the Chinese defense preparations, combined with efforts evidently made to foster a popular demand for peace in the province, indicated the existence of strong hopes that Shantung would be removed from the area of fighting by means of a political arrangement.

The

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The Peking & Tientsin Times editorial was obviously called forth by reports of the new advance by the Japanese which has brought them to the banks of the Yellow River itself at several points. The writer begins his article with the statement that "There appears to be little hope left that Shantung will be enabled to escape the ravages and the destruction of war." He takes cognizance of the evident circumstance that the Japanese apparently have been endeavoring to arrive at a solution of the Shantung problem by means of an agreement with Chairman Han Fu-chu, and states: "We have no doubt that all these considerations(as presented by the Japanese side) have been duly weighed by Han Fu-chu already, and that if he could have avoided hostilities in any way consistent with national interests he would have done so." But, the writer continues, Chairman Han is in reality being called upon to surrender, before he has been given good excuse to do so by having been isolated as a result of military operations in the lower Yangtze region. The editorial concludes with the suggestion that the Japanese may endeavor to preserve the province from major destruction by a flanking movement aimed at the southwestern part of the province around Tsaochow (now Ts'aohsien); but, it was held, the chances for destruction due to the breaching of the Yellow River dikes, fighting in the vicinity of Chefoo or Tsingtao, or the operation of animosities harbored by General Yu Hsueh-chung, are not to be viewed lightly.

The

- 5 -

The Embassy does not view the situation in Shantung as one readily lending itself to certain forecast even yet. There is no discernible imperative necessity which would compel the Japanese to bring the matter to an issue at this time, irritating as Chairman Han's quite understandable stubbornness must seem to them: it seems quite possible that the present military move by the Japanese was merely motivated by the belief that Han Fu-chu, with an eye to the Japanese successes in the Shanghai sector, might at this time be inclined to submit before the threat of armed action. It is of course possible that Chairman Han, as has already been alleged, has already come to an agreement with the Japanese for a turnover at such time as may seem appropriate - giving due consideration both to the political situation and the requisites for the maintenance of Han Fu-chu's good name. When Chairman Han might judge such moment to have arrived is of course a highly speculative question, but it seems logical to believe that the maintenance of Nanking's will to resist in the Shanghai-Nanking region and the maintenance intact of the Chinese line along the Lunghai Railway in the rear of Shantung would cause him to consider that the political situation would not then permit surrender. In such case, the Japanese would be forced to wait still longer, or Japanese flanking attacks on the southwestern and southeastern parts of the province would be required to demonstrate that Han Fu-chu occupied a position of real peril. In the event that Han Fu-chu and Yu Hsueh-chung are committed irrevocably, together with the rest of

China's

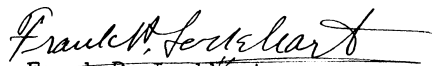
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quasigro NARS, Date 12-18-75

- 6 -

China's armies, to a policy of long-time resistance,
even the flank attacks would not suffice, and the war
would have to be carried into both Tsinan and Tsingtao,
with the consequent destruction which the editor of the
Peking & Tientsin Times fears may be in the offing.

Respectfully yours,

For the Ambassador:


Frank P. Lockhart
Counselor of Embassy

✓
Enclosure:
Clipping from Peking
& Tientsin Times,
November 18, 1937.

Original and 4 copies to Department.
Copy to Embassy, Tokyo.
Copy to Embassy, Nanking.
Copy to Hankow, for Embassy files.

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PEKING & TIENTSIN TIMES, THURSDAY, NOVEMBER 18, 1937.

Tientsin, Thurs., Nov. 18, 1937.

SHANTUNG GOING THE WAY
OF SHANSI?

THERE appears to be little hope left that Shantung will be enabled to escape the ravages and the destruction of war. There also, as in the North and in Shanghai, the Japanese hoped against hope that they would be able to achieve their aims without resort to warfare. The widespread floods on the Tsinpu front undoubtedly made operations extremely difficult. But they did not alone account for the protracted delays and stalemate south of Tchow. The time has been employed in trying to bring about an understanding with Han Fu-chu in order that some peaceful solution might be arrived at. Chinese emissaries favouring co-operation with Japan have doubtless visited Tsinan with this aim in view. They appear to have had no more success than the well-known Anfu leader who is reported to have interviewed Chiang Kai-shek. For years very friendly relations had been maintained between the Governor and the Japanese. There was an active spirit of loyal co-operation between both parties. And when the Japanese found it necessary to evacuate all their citizens, the Chinese authorities undertook the responsibility of protecting the immense industrial and other interests of their neighbours in Shantung. The evacuation was, no doubt, regarded with suspicion. It implied the fear of, if not the intention to wage, hostilities in this province. But in spite of apprehensions and hostile rumours, the local authorities discharged their unusual responsibilities admirably. But it was made clear long ago that if the province were invaded

ed the troops would resist, and in that event neither the provincial nor the Tsingtao authorities could be held any longer responsible for the safety of Japanese interests.

The resumption of the Japanese advance recently was interpreted as a political measure rather than a purely military move. It was designed, we are told, to apply pressure in order to aid such elements in the province as favoured an understanding with Japan in order to avoid the cruel losses and devastation inevitably flowing from warfare. But the bombing, for the first time since the trouble began, of the provincial capital—or rather the airfield in the suburbs—and the blowing up of the great railway bridge across the Yellow River which followed a few days later, indicated that all hope of a peaceful settlement had been abandoned. If so, another tragedy is to be added to the general catastrophe, and Shantung will become a prey to warfare and to the disorders and banditry that accompany and follow it, after a period of peace and order such as the province has not known for many years.

Appeal after appeal has been made by the Japanese and by those advocating co-operation with her, through the Chinese-language Press in Peking and by natives of the province residing in that city. An attempt was made to draw a parallel between the present crisis and the Boxer Rising. It was pointed out that when the Boxer trouble broke out in 1900 Li Hung-chang, knowing the international position of China, strongly advocated peace, in face of the clamour of the Court and the officials in Peking for war. For this stand, it is stressed, he was attacked by the Court as disloyal, by the literati as a traitor and by the ignorant people as a "running-dog" of the foreigners. But as subsequent events proved, it was Li Hung-chang, who saved the Manchu Court from downfall and China from dismemberment. The situation, it was said, was crying for men of the type of Li and Yuan Shih-kai, and it was known that Han Fu-chu desired to emulate the example of the latter. It was argued that there was no room for a middle course. If he assisted Nanking he would be open to the charge of assisting the Communists.

In the latest appeal it is insisted that the struggle is nothing but a conflict between Communists and anti-Commun-

kai in 1900. On the contrary, it is singularly like that of the Shantung authorities, who aided and abetted the Boxers at that time, following the seizure of Tsingtao. What would have happened had the Japanese called a halt to their advance on the Shantung-Hopei border, while marching through Shansi to the Yellow River, and to the Yangtze at Nanking, is unpredictable. Certainly Han Fu-chu took no military action against the Japanese while they remained outside the province. Whether, had they waited on the border till the Government had left Nanking and carried their advance so far elsewhere that Shantung became virtually isolated, he would have acted in accordance with the appeals from Peking is a point on which speculation is now in any case quite idle. On the other hand, it has to be admitted that the Japanese have waited a long time before forcing the issue.

It is possible that the Japanese will develop a strategic scheme which, by threatening the left flank of the Shantung forces, and their ultimate retreat westward, will enable the province to escape the worst consequences of hostilities. They will soon have reached the north bank of the Yellow River along its whole length from a point east of Tsinanfu to the western border of the province north-west of Tsaochowfu. The crossing of this great river is a formidable problem, but it will probably be achieved with the help of the air squadrons which have lately been sweeping along the river from the coast, bombing junks and other craft on the river and the pill-boxes and entrenchments on the south bank. A successful crossing north of Tsaochow would enable the Japanese forces to strike across the plain to Tsining and Yen-chow, and perhaps southward toward the Lunghai railway.

The danger of such a move, however, is that it is easy enough to cut the south bank of the river and inundate the whole of this low-lying and rather desolate tract of land. This, with the vast floods in the north-eastern section of the province, would put a wall of water on two sides of Shantung between the provincial forces and the Japanese, adding enormously to the difficulties of occupation. On the other hand, a landing in force at Chefoo or Tsingtao would entail a desperate struggle in both places, and possibly the deliberate destruction of the huge cotton and other industries in Kiaochow.

and it was known that Han Fu-chu desired to emulate the example of the latter. It was argued that there was no room for a middle course. If he assisted Nanking he would be open to the charge of assisting the Communists.

In the latest appeal it is insisted that the struggle is nothing but a conflict between Communists and anti-Communists. "In other words, it is a conflict between Oriental culture and the civilization of Wang Tao or the Kingly Way on the one hand and Western utilitarianism and materialism on the other.

"We the Northern people have suffered enough from the oppression of the Kuomintang Government the new militarists and the Southern financial clique. We are naturally opposed to the continuance in power of these remnants. This is why we particularly hope that General Han Fu-chu, Chairman of the Shantung Provincial Administration, will courageously turn against Nanking, thus sparing the 38,000,000 in Shantung the horrors of modern warfare and dealing a death-blow to the combination of three diverse groups of people, who constitute the Soviet-dominated Government in Nanking."

We have no doubt that all these considerations have been duly weighed by Han Fu-chu already, and that if he could have avoided hostilities in any way consistent with national interests he would have done so. He took no part whatever in the operations during the Japanese advance along the Tsinpu line in this province. But circumstances are such now that what is required of him is surrender. His position, unfortunately, is not on all fours with that of Li Hung-chang and Yuan Shih-

the north-eastern section of the province, would put a wall of water on two sides of Shantung between the provincial forces and the Japanese, adding enormously to the difficulties of occupation. On the other hand, a landing in force at Chefoo or Tsingtao would entail a desperate struggle in both places, and possibly the deliberate destruction of the huge cotton and other industries in Kiaochow. The coastal sector, incidentally, is defended by General Yu Hsueh-chung, a native of the region. He was formerly Chairman of Hopei, and was compelled to relinquish the post as the result of Japanese demands—a matter which he is hardly likely to forget. Any wilful damage to Japanese property, above and beyond the exigencies of warfare, however, will only enrage and embitter them the more, and add to the mutual process of impoverishment. If anybody supposes that foreigners derive any satisfaction from seeing the Chinese and Japanese engaged in mutual destruction he is completely wrong. Our emotions are of a very different order indeed.

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



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 1465

Peiping, November 27, 1937.

A-20/c

Subject: Newspaper Article regarding Japanese
Reconstruction Policy for North China.

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DEPARTMENT OF STATE
ASSISTANT SECRETARY
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ON1 AND MID.

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Division of
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DEC 28 1937
Department of State

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F/MR

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

Sir:

1/ I have the honor to enclose a copy of a clipping from the PEKING & TIENTSIN TIMES (British owned and edited) of November 26, 1937, in regard to plans which are being discussed by Japanese leaders, political and industrial, concerning a reconstruction policy for North China. It will be observed that the NICHI NICHI in summarizing the opinions of various leaders indicates that capital of third countries will be welcome in Manchuria. This trend appears to be in line with views of "Manchukuo" leaders, as reported by the Consul at Mukden in his strictly confidential despatch

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No. 160 (Confidential No. 35) of November 10, 1937, copy of which was forwarded to the Department, to the effect that the investment of American capital in "Manchukuo" would be most welcome. If, as Mr. Langdon points out, this indicates "the possible pinch of capital poverty now being felt by 'Manchukuo'", it is difficult to understand where Japan will discover the capital with which to effect the somewhat grandiose schemes proposed for North China such as the 5-year plan of the South Manchuria Railway outlined in the newspaper article under reference. This plan envisages an expenditure of Yen 800,000,000, Yen 500,000,000 of which is to be furnished by Japan and Yen 300,000,000 to be furnished by "Manchukuo." Obviously the proposals attributed to Mr. Matsuoka, which entail the improvement of the railways between Taiyuan and Tatung, Shihkiachuang and Chinghsing, the construction of railways between Tientsin and Shihkiachuang, and between Kupeikou and Tungchow, and the reconstruction of the ports of Tientsin and Tangku, are desirable and would contribute greatly to the amelioration of the inadequate transportation facilities of North China. Granted that the capital for such improvements were forthcoming, it is difficult to see how such improvements could be classified as sound investments from the point of view of capital amortization during a reasonable period.

However, when one observes the amount of capital which Japan has poured into "Manchukuo" during the last four years with small prospect of immediate return, it is not difficult to believe that she would not only be willing

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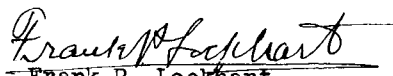
willing but by some means would find it possible to obtain capital for pursuing a similar policy in North China.

According to the PEKING CHRONICLE it is the Japanese intention to capitalize the tourist lure of Peiping and develop this city in such a way as to attract tourist trade on a large scale. It is presumed that this would entail repairing the ancient monuments, building new roads and improving old ones and possibly constructing a new hotel with modern improvements. It is now rumored that Japanese interests are attempting to purchase the Grand Hotel de Pekin which is controlled at present by a French company affiliated with the Banque Franco-Chinoise.

So far, however, the only visible sign of the proposed improvements is a broad highway which is being constructed just south of the city wall. It is presumed that this is part of the plan announced recently by the Wei Chih Weh (Peking Local Maintenance Society) to improve the so-called "round the city road". Whether this is a part of the general scheme of improvement or for military use is not known.

Respectfully yours,

For the Ambassador:


Frank P. Lockhart
Counselor of Embassy

Enclosure:

- 1/ Copy of clipping from
PEKING & TIENTSIN TIMES,
November 26, 1937.

Original

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-

Original and 4 copies to Department.
Copy to Embassy, Tokyo.
Copy to Hankow for Embassy files.

710 Far East/85131/860

CBL/kt

PEKING & TIENTSIN TIMES

Tientsin, November 26, 1937.

NORTH CHINA PLAN IS BEING
EVOLVED

Opinions of Government Leaders, Industrialists
on Programme Crystallizing

MATSUOKA'S PROPOSAL EMPHASIZES
RAILWAYS, HARBOURS, ALLOWS FOR
KOCHU KOSHI.

Tokio, Nov. 20.-- Opinions of Government leaders and industrialists on the methods of economic development of North China to be adopted by Japan are becoming crystallized as the time for a formal decision approaches. However, the interested quarters have in general agreed only that the projects should be jointly capitalized and managed by Japan and Manchukuo and capitalists in North China.

The fundamental policy for reconstruction of North China will be formulated by the Plannings Board on the basis of advice from the North China Policy Commission, which is to be organized soon. The Board has already sent Mr. Magashige Tanaka, one of its high officials, to North China to make an investigation preliminary to formulation of the policy.

Ideas Summarized

The NICHI NICHI summarizes the opinions of various leaders as follows:

1. Capital of third countries will be welcomed under the principle of the open door and equal opportunity.
2. North China industrial construction should be made inseparable from Japan-Manchoukuo industrial construction and brought into a Japan-Manchoukuo-North China industrial programme.
3. General industries should be developed on a free basis, but fundamental and defense industries in North China should be controlled to a certain extent. For example, communications, transportation, ports and harbors, power generation and distribution, iron, coal and salt industries should be placed under the control of a single institution.
4. It is hoped that Japan's leading industrial companies will participate in the main industries. For instance, the iron industry should be undertaken by the Japan Iron Manufacturing Company; the coal industry by the Japan Coal Association; transportation by the South Manchuria Railway Company; electric power by the Electric Power Federation; telegraph and telephone by the Manchuria Telegraph and Telephone Company; salt by the Kochu Koshi; and raw cotton jointly by the Japan Cotton Spinners' Association and the Kochu Koshi.

Control,

-2-

Control, Guarantees Proposed

5. Development of each industry should be left wholly to a responsible company, so that the industry may be developed to the fullest extent. These companies therefore should be required to invest possibly large amounts of money and use their best technical ability.

6. A highest controlling institution to keep the wide sphere of enterprises in adjustment is necessary. The staff of this institution should consist of representatives of the companies, and all enterprises should be carried out under decisions of the key organization.

7. The Japanese Government should guarantee the business and financing of the control company, thereby rendering it capable of fully controlling the great task of economic development of North China.

8. A first-rate person having full recognition of the importance of the situation should be made president of the institution. Among the candidates mentioned are Overseas Minister Sonyu Otani; Mr. Shingo Tsuda, president of the Kanegafuchi Spinning Company, and Mr. Kojiro Matsukata, president of the Nisso Oil Company.

Matsuoka May Insist

Mr. Yosuke Matsuoka, president of the South Manchuria Railway Company, will come to Tokio from Dairen soon to present to the Government a North China development plan evolved and sponsored by him. Unless his plan is substantially accepted, Mr. Matsuoka may resign his post, according to a Dairen dispatch to the HOCHI.

The S.M.R. plan attaches most importance to the railway, port and harbor and coal enterprises, to be developed on a five-year programme. The company proposes to undertake all these enterprises itself. About ¥800,000,000 is needed for achievement of the plan. Of this amount, it is proposed that ¥500,000,000 be invested by Japan and ¥300,000,000 by Manchoukuo and North China combined.

In the first year, that is, 1938, the South Manchuria Railway Company would invest ¥69,000,000 as shares of the company and ¥19,520,000 as indirect investments, and the Kochu Koshi would invest ¥150,550,000. The total would be ¥239,070,000. Of that total, ¥39,550,000 would be invested in East Hopei, ¥133,460,000 in Shantung, and ¥66,010,000 in Hopei.

Investments Outlined

Details of the plan are given as follows:

"A sum of ¥10,000,000 will be invested in railway improvement in North China. The railway between Taiyuan and Tatung, part of which has not been built, will be reconstructed as a standard gauge line. The Shihkiachwang-Chinghsing narrow gauge line also will be widened. The proposed Tientsin-Shihkiachwang railway, 180 miles, will be built at a cost

of

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-

of ¥25,500,000. A railway also will be built between Tsinan and Taokowchen, 175 miles, at a cost of ¥21,950,000 and another will be built between Kupeikow, on the Great Wall between Hopei and Jehol, and Tungchow, 75 miles, at a cost of ¥10,410,000.

"Tientsin and Tangku, at the mouth of the Peiho, will be reconstructed at a cost of ¥68,000,000. These are the two main ports in North China; and Tsingtao and Chinwangtao will be made auxiliary ports. The latter two ports will be improved at a cost of ¥8,000,000 each.

"The railway company will undertake coal mining at Chinghsing with immediate expenditure of ¥10,210,000 to increase the output from 31,630,000 tons to 60,520,000 a year. Coal mines near Tzechwan, in Shantung, will be developed with ¥25,900,000 to produce 40,000,000 tons of coal a year. Coal mines near Poshan, not far from Tzechwan, also will be operated at a cost of ¥35,750,000 to produce 43,920,000 tons.

"Electric power, salt, cotton and wool industries in North China should be undertaken by the Kochu Koshi."-----
Japan Advertiser.

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



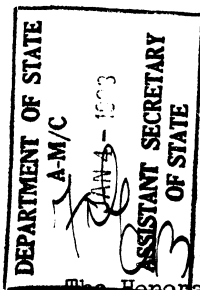
No. 1466

EMBASSY OF THE
UNITED STATES OF AMERICA
DEPARTMENT OF STATE
Peiping, November 30, 1937.

Subject: Review of Military and Political
Activities in North China During
November 1937 VISION OF
COMMUNICATIONS
AND RECORDS

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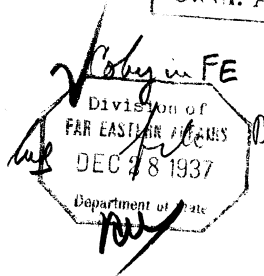
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The Honorable

The Secretary of State,
Washington, D. C.

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



793.94/11330

Sir:

I have the honor to refer to the Embassy's despatch No. 1455 of November 8, 1937, describing military and political developments which took place during October in North China, and to report developments of this character which occurred during November.

The political situation in the areas occupied by the Japanese North China Army altered practically not at all during November; in those areas under the control of the Kwantung Army, however, a significant change took place. Militarily the situation in North China did

not

E/M/E

11330

- 2 -

not develop conclusively: Japanese forces in Shantung advanced to the Yellow River; Japanese control in Hopei Province south of Peiping was confined principally to towns and cities on the Peiping-Hankow Railway; and, although the Japanese occupied Taiyuan, the capital of Shansi Province, and despatched forces southward from there, their control was confined apparently to important highways.

Delay in definitive political and military developments was presumably a result, in large measure, of the non-conclusion of the Japanese campaign in Central China. Other retarding factors were the indecisive attitude of the Chinese authorities in Shantung, the presence of Chinese troops in the occupied areas, and Japanese uncertainty as to the kind of regime desirable for the administration of those areas.

Shantung: advance to the Yellow River:

The possibility of a peaceful extension of Japanese control over Shantung declined during November. General Han Fu-chu's attitude continued to be uncertain; and presumably as a reminder to the Chinese authorities in Shantung of the power of the Japanese army, Japanese forces on the Tientsin-Pukow Railway, which had advanced southward during October only some 55 miles notwithstanding the absence of effective resistance, moved forward in early November to the Yellow River, a distance of 35 miles. Japanese planes bombed the outskirts of Tsinan, river ferries, and railway stations south and east of

Tsinan.

- 3 -

Tsinan. The Chinese forces, having retreated south of the Yellow River, destroyed the railway bridge on November 15. Minor artillery fire was exchanged by forces facing each other across the river. Provincial and National Government organs in Tsinan, except the post office, moved south. Regular passenger service on the Tsinan-Tsingtao Railway was suspended from November 19. Merchant vessels at Tsingtao were ordered by the local Chinese authorities to be ready to leave at an hour's notice. Some systematic destruction of Japanese property was carried out in places other than Tsingtao and Tsinan. The question of the fate of the highly valuable Japanese investments in those two cities became acute.

Notwithstanding those menacing developments, it could not be stated at the end of November with assurance that the situation in Shantung might not be solved peacefully. General Han Fu-chu continued to protest that he would resist the Japanese advance, but his known character and his alleged differences with General Yu Hsueh-chung, in command of troops in the eastern part of the province, weakened the force of such protestations. It was thought possible that the Japanese advance to the Yellow River, in conjunction with the exposure of the province to a flanking movement by Japanese forces in the Yangtze Valley and to Japanese naval action along the coast, might effectively alter the minds of those Chinese in the province who are now seemingly in favor of military resistance.

The

- 4 -

The Peiping-Hankow Railway front:

Japanese forces on the Peiping-Hankow Railway, which had entered northern Honan in the latter part of October a distance of some two or three miles, advanced during the first week of November another seven or eight miles, occupied the important town of Changteh (Anyang), and there stopped. That no further advance was intended for the time being was indicated by a reduction to little more than one division of the Japanese forces south of Shihkiachwang. Japanese press reports of the inauguration of an "autonomous government of Honan" on November 27 at Changteh appeared to be, in view of the fact that the Japanese occupied only the northern tip of the province, an exaggeration for the purposes of propaganda.

The sphere of control of the forces on the Peiping-Hankow Railway was practically limited to towns and cities on the railway, with a few exceptions. Frequent clashes occurred between Chinese forces operating throughout the area and Japanese forces: according to a reliable report, one town off the railway changed hands four times, another twice, while the railway was frequently cut; and trustworthy Japanese admitted that Chinese, raiding Hantan in southern Hopei, had succeeded in destroying six or eight Japanese airplanes. This information seemed to be indicative of the general situation in Hopei Province south of the Peiping-Tientsin area.

The Shansi front:

The stiff resistance which Japanese forces had met with in October north and east of Taiyuan crumbled in

early

- 5 -

early November and the city was entered on the 8th and occupied completely the following day. Subsequently Japanese forces proceeded along three routes in a southerly direction. It was not known, however, how far they advanced as the Japanese military gave out no information during the last three weeks of November. It was believed that Chinese forces, scattered throughout the province, especially in the north, were causing the Japanese greater difficulties than those they were experiencing in the Peiping-Hankow Railway area. This view was based on the silence of Japanese authorities with regard to the situation, the presence of National Government troops and Chinese communist troops in Shansi, and the character of the terrain in that province, which is better suited to guerilla warfare than is the terrain in Hopei Province. Japanese control was apparently confined to some of the principal highways.

Japanese strength: continued withdrawal of troops:

The reduction of the numerical strength of Japanese forces in North China, which began in October, continued during November. The withdrawals were partially counterbalanced by the arrival of replacements for units remaining in the area. It was estimated by the office of the American Military Attaché that 32,200 men were withdrawn during November, of whom 2,200 were wounded or ill, and that the total numerical strength of the Japanese forces in North China was at the close of November 277,600, of which 60,000 were in the Tientsin-Pukow Railway area, 27,000 in the Peiping-Hankow Railway area, 92,400 in Shansi,

44,000

- 6 -

44,000 in Suiyuan, and 7,000 in the Peiping area, while communication units and other units of which the exact location was not known numbered 47,200. There was some reason to believe that some of the troops withdrawn were despatched to Shanghai.

The Kwantung Army's control of Inner Mongolia and the Peiping-Suiyuan Railway:

There took place in the latter part of November important steps toward the consolidation of the three regimes recently set up by the Kwantung Army in the Peiping-Suiyuan Railway area, the regimes being the "Southern Chahar Autonomous Government", a similar regime in northern Shansi, and the "Federated Autonomous Government of Mongolia", with the "capital" of the first at Kalgan, of the second at Tat'ung, and of the third at Kueisui, all important cities on the Peiping-Suiyuan Railway. The steps toward consolidation were the inauguration on November 22 at Kalgan of a "Mongol and Border Districts Federated Committee" and the establishment on November 23 of a Mongol and Border Districts Bank (Meng Chiang Bank).

According to the published regulations, the committee at Kalgan controls the industries, finances, and communications of the three regimes, manages their common property, and has Japanese advisers and counselors. The regulations also provide that none of the "governments" shall be allowed to withdraw from the committee without "joint discussion". The Japanese press reports that the new bank is nominally capitalized at \$12,000,000, which is divided equally among the three regimes, that

business

- 7 -

business is to begin with only one-quarter of the nominal capital, and that other banks in the area are to be absorbed by the new bank, including the Bank of South Chahar, which was established October 1 of this year and which uses notes of the Central Bank of "Manchukuo" with the words "Bank of South Chahar" stamped on them in red ink. It is assumed that "Manchukuo" money will gradually replace Chinese notes circulating in those areas served by the new bank, perhaps until some general reorganization of the currency system of all of North China is effected.

The establishment of the committee and of the bank appears to have for its purpose the unification of the areas which the Kwantung Army recently occupied and the consolidation of that Army's control over them, including the strategically and economically important Peiping-Suiyuan Railway. As a result, southern Chahar and North Shansi, which are now essentially Chinese in character, are apparently lost to the regime which will ultimately be established to administer North China and are to be a part of the Mongol state gradually evolving under Kwantung Army direction.

Delay in establishing a regime for North China:

It was stated in the Embassy's review of events in North China during October that important elements among the Japanese in authority seemed to be in favor of delaying the establishment of a regime for the administration of North China in the hope that a decisive Japanese victory in the Shanghai area would make possible the settlement of North China questions through direct negotiations

with

- 8 -

with Chinese authorities in Central China. Shanghai fell to the Japanese but the Chinese authorities showed no inclination to negotiate; the Japanese advanced on Nanking and the National Government removed to the interior. The hope of negotiating with existing Chinese authorities in Central China accordingly declined and it seemed that, if negotiations were to eventuate, they would be with Chinese officials or ex-officials whose interests centered largely in Shanghai.

Japanese authorities apparently continued to differ as to whether separate regimes or one regime should be created for North China and the lower Yangtze region; whether, in the case of a single regime, the capital should be at Nanking or Peiping, and what Chinese should serve in the regime. Some reputable Japanese claimed that a regime was wanted which would be more Chinese in character than the regime in "Manchukuo", but it seemed doubtful whether this could be achieved in view of the Japanese inability to delegate any real power to others, the dangers of delegating such powers, and the difficulty of finding able Chinese to serve. Even after three months of effort in North China, the Japanese seemed not to have found able men willing to come out and assist in government. As November drew to a close, Ts'ao K'un was again mentioned as the Japanese favorite in North China and as willing to head a new regime. But his record as an administrator is not good. Wu Pei-fu was still regarded as a possibility.

Minor alterations in the administration of Hopei:

Notwithstanding reliable reports of mutual dissatisfaction on the part of Chinese serving on the Peiping Local

Maintenance

- 9 -

Maintenance Society and of Japanese authorities in association with them, no important changes occurred in personnel or in administrative forms. A minor change was the inauguration November 8 of a Hopei Administrative Council of seven members. Subordinate to the Peiping Local Maintenance Society, its duties were understood to be the administering of affairs along the Peiping-Hankow Railway. In view of the disturbed conditions in that area and of the presence of the Japanese military in large force, the new Council seemed to be primarily a paper organ. A similar organization was reported to have been formed under the Tientsin Local Peace Maintenance Society to administer affairs along the Tientsin-Pukow Railway, where similar disadvantages exist.

The Joint Committee of the Peiping and Tientsin Local Maintenance Society, formed during October, appeared as time passed to be without significance. The Association of District (Hsien) Local Maintenance Societies of Hopei Province, which was inaugurated August 10 and which apparently devoted itself only to caring for refugees in Peiping, disbanded unwillingly on an unknown date some weeks after it had been ordered to dissolve.

Japanese economic penetration:

Japanese plans for economic penetration in North China were not advanced during November beyond the discussion stage. It was evident that Japanese economic and financial interests were in disagreement among themselves and with the Japanese military as to how and by whom the resources of the occupied areas should be

exploited.

- 10 -

exploited. So far as could be learned, the cotton crop in Hopei Province, to which Japanese attach great importance, fell far below Japanese anticipation; and warfare, floods, and interrupted transportation made its collection and shipment almost impossible. In regard to other items important to the Japanese economic program - coal, iron, gold, electric power, and wool - no new exploitation was initiated. As for new railways, construction was in progress only of a line to connect T'ungchow, 12 miles east of Peiping, with Kupeik'ou and Chengteh, the capital of Jehol Province, a railway important for its strategic rather than economic value.

Finance in the Peiping-Tientsin area:

No new developments took place in the financial situation in the Peiping-Tientsin area. Notes of National Government banks, local Chinese banks, and Japanese banks continued to circulate. Currency plans continued to be discussed by Japanese authorities in Tientsin, apparently without agreement. The return during the latter part of the month of the Japanese yen almost to par with the Chinese dollar was regarded as a promising factor. Like so many other important developments, however, reorganization of the financial and currency structure in North China probably depends on important military and political changes in the Yangtze Valley.

Condition of the population in the occupied areas:

Although economic conditions in some of the larger centers in northern Hopei Province may have improved slightly during the month under review, conditions in the occupied

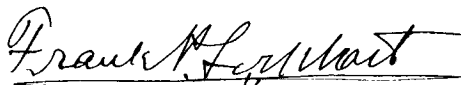
areas

- 11 -

areas continued on the whole to be appalling as a combined result of warfare, floods, interrupted communications, looting to some degree by Japanese soldiers, looting by the bands of Chinese soldiers scattered throughout the territory, pillaging by Chinese bandits increasing in number, and the arrival of freezing weather. Even in Peiping, where conditions are better than in most places, it was estimated that some 200,000 people, or approximately one-fifth of the total population, were without any money. In Peiping and Tientsin, charitable organizations were helping the destitute to some extent. Such relief was necessarily inadequate; and in most of the occupied areas there was no organized relief. It is practically inevitable that social conditions throughout North China will be disastrously bad this winter as the chronic absence of reserves possessed by the Chinese people is being emphasized by the conditions outlined above.

Respectfully yours,

For the Ambassador:


Frank P. Lockhart
Counselor of Embassy

Original and 4 copies to Department.
Copy to Embassy, Tokyo.
Copy to Embassy, Nanking.
Copy to Hankow, for Embassy files.

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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



EMBASSY OF THE
5 UNITED STATES OF AMERICA

RECEIVED
DEPARTMENT OF STATE

No. 1471

Peiping, November 30, 1937.

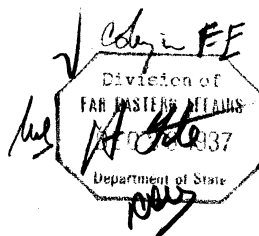
1937 DEC 27 PM 1 59

Subject: Problems facing Tsing Hua University.

DIVISION OF
COMMUNICATIONS
AND RECORDS

CONFIDENTIAL

For Distribution outside U.S.A.	Yes	No
For		X



793.94/11331

The Honorable

The Secretary of State,
Washington, D. C.

Sir:

I have the honor to refer to my despatch No. 1454
793.94/11340
of November 8, 1937, concerning the difficulties experienced by members of the National Tsing Hua University vis-a-vis the Japanese military, and to set forth certain information concerning that university as reported to a member of my staff by 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.

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- 2 -

University. As it is possible that the Embassy may be requested at some future time to interest itself in the welfare of this university, which has been built with American money, I believe that the Department should have on record certain facts which, as reported by Mr. Winter, give indication of portending trouble.

As I reported in my above-mentioned despatch, the buildings of Tsing Hua are at present closed (and were for the most part sealed by Japanese allegedly under the instructions of the Peking Local Maintenance Society) and the majority of professors are now at Changsha where a combined university has been established for the students of Tsing Hua and Nankai Universities and the National University of Peking (Peita), with Dr. Chang Po-lin as President, Dr. Chiang Mon-lin as Dean, and Mr. Mei Yi Chi (President of Tsing Hua) as Director General of Affairs. The Committee here for the Preservation of Grounds and Buildings of National Tsing Hua University is apprehensive lest these buildings, if permitted to remain unoccupied, will be converted by the Japanese military authorities into barracks. The Japanese military authorities have done this with some of the buildings of the National University of Peking. Moreover, it has been reported that the Japanese military authorities have had in mind just such a conversion at Tsing Hua. I am personally of the opinion that, with the Hsiyuan, Nanyuan, and Peiyuan barracks and the National University of Peking, the Temple of Heaven, and other public places being

occupied

- 3 -

occupied by Japanese troops, the quartering problems of the Japanese Army are amply taken care of, especially as the Japanese are building, obviously at considerable expense, extensive barracks at Nan-yuan.

The apprehension of Mr. Winter and his fellow members of the Committee for the Preservation of Grounds and Buildings has prompted him, however, to recommend that his principals endeavor to establish as soon as possible in Tsing Hua some sort of an educational institution. Mr. Winter is of the opinion that the best way to do this would be for the China Foundation (from which the funds for the operation of Tsing Hua are derived) to make an independent offer to the Peking Local Maintenance Society to grant funds in order that some form of education, in which the China Foundation would have control as regards the curriculum offered and the administration of the institution, could be carried on. When Mr. Winter expressed the opinion that any sort of an organization would serve as the necessary screen to protect this valuable property, it was pointed out to him that the Japanese would be most likely to recognize such a camouflage.

The establishment of such an institution from the point of view of the Tsing Hua authorities has been further brought to public attention by the publication of a letter written on November 12 by Dr. J. C. Ferguson to the Chairman of the Peking Local Maintenance Society,

suggesting

- 4 -

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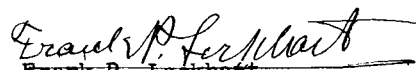
suggesting that the future possibilities of this university should be studied by a small committee of three, "one Japanese representing the present administration, one American who is familiar with the history of the university, and one Chinese". A copy of Dr. Ferguson's letter is enclosed, together with a copy of a Reuter's despatch which appeared in the Peking Chronicle of November 14, summarizing the proposal.

It is understood that Dr. Ferguson initiated the proposal for the organization of a Sino-American-Japanese Commission to take custody of the Tsing Hua buildings and equipment. Mr. Winter is of the opinion that the Peking Local Maintenance Society is sponsoring the proposal. Although Mr. Winter is not altogether sympathetic with the proposal, he prefers it to seeing the buildings converted into a Japanese barracks.

I shall continue to follow the developments of this interesting problem, which is but one of the many readjustments which must result from the present changed status of North China, and I shall not fail to keep the Department informed in regard thereto.

Respectfully yours,

For the Ambassador:


Frank P. Lockhart
Counselor of Embassy

Enclosure:

Dr. Ferguson's letter,
November 12, 1937, with
copy of Reuter's despatch
November 14, 1937.
Original and 1 copy to Department.
Copy to Embassy, Tokyo.
Copy to Hankow, for Embassy files.

842 Tsinghua

CBL-SC

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. 1471

(CORRECT COPY - SC)

(Peiping)

November 12, 1937

The Chairman of the
Wei Chih Hui,
Peking.

Sir,

I beg to call to your attention the desirability of preserving a Government University in this city. Of the several government institutions of higher learning in Peking the three most important have been the Peking National University (Pei Ta), the Normal University (Shih Ta), and the Tsing Hua University (Tsing Ta). Of these, Tsing Hua has the best location and the most extensive equipment. It has also an endowment which is now under the control of the China Foundation. This endowment has been accumulated out of reserves from the annual payments made to the University on account of the returned American Indemnity fund. The University has Colleges of Natural Sciences, Engineering, Arts and Law; and it has also several Departments devoted to advanced research. With adequate support it would be able to provide advanced education for one thousand students.

It seems to me desirable that the future possibilities of this University should be studied by a small committee of three, one Japanese representing the present administration, one American who is familiar with the history of the University and one Chinese. This committee should report its findings and its recommendations to you for consideration and decision.

Yours sincerely,

(Signed) J. C. Ferguson

EXHIBIT A (Excerpt from the Peking Chronicle, Sunday,
November 14, 1937)

DR. FERGUSON ON TSING HUA

PROPOSED JOINT COMMISSION FOR FUTURE CONTROL

REUTER.

Peking, November 13.- Organization of a Sino-American-Japanese commission to take custody of the equipment and buildings of Tsing Hua University is suggested by Dr. J. C. Ferguson in a letter addressed to the Peking Peace Maintenance Commission, according to information from Chinese sources.

Dr. Ferguson says that of the four Government Universities in Peiping Tsing Hua is the best equipped of all. He adds that the University has a peculiar interest for the United States because it was founded with the remitted American portion of the Chinese Boxer Indemnity and is still supported by that fund.

He suggests that the proposed commission should consist of three members, one Chinese, one American and one Japanese and that this commission should take custody of the properties of the University.

It is stated that the Peking Peace Maintenance Commission is favorably inclined towards Dr. Ferguson's proposal and is replying to his letter shortly.

At present Tsing Hua is in charge of a committee composed of several members of the faculty and administrative staff who remain here. This committee contains no Japanese members or Americans and is under the control of the cultural section of the Peking Peace Maintenance Commission.

The majority of the professors of Tsing Hua have left for Changsha, where a combined university has been established for the students of Tsing Hua, Peita and Nankai with Dr. Chang Po-lin as President, Dr. Chiang Mon-lin as Dean and Mr. Mei Yi-chi as Director of General Affairs.

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



EMBASSY OF THE
UNITED STATES OF AMERICA

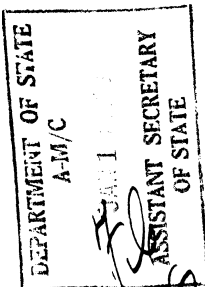
No. 1472

Peiping, November 30, 1937.

1937 DEC 27 PM 2 01

Subject: Consolidation of Regimes along
the Peiping-Suiyuan Railway.

DIVISION OF
COMMUNICATIONS
AND RECORDS



For

ONI-MID

The Honorable

The Secretary of State,
Washington, D. C.

Division of
FAR EASTERN AFFAIRS
DEC 28 1937
Department of State

Sir:

I have the honor to refer to paragraphs 2 and
3 of my telegram No. 789 of November 27, 5 p.m., and
to page 7 of my despatch No. 1466 of November 30, 1937,
with regard to steps taken toward an amalgamation of
the three regimes recently set up by the Kwantung Army
in the Peiping-Suiyuan Railway area, the regimes be-
ing the "Southern Chahar Autonomous Government", a
similar regime in northern Shansi, and the "Federated
Autonomous Government of Mongolia". The steps taken

-toward

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- 2 -

toward amalgamation of the regimes were (1) the inauguration November 22 at Kalgan of a "Mongol and Border Districts Federated Committee" and (2) the establishment on November 23 of a Mongol and Border Districts Bank (Meng Chiang Bank).

1/

There is enclosed a copy in translation, as published in "The Manchuria Daily News" (Japanese-owned, English-language daily newspaper published at Dairen) of November 24, 1937, of the text of the "agreement" for forming the "Mongol and Border Districts Committee". According to these regulations, which have the appearance of authenticity, the "Federated Committee" will consist of a General Affairs Department, with subcommittees, which will control the industry, finance, and communications of the three regimes already established and will have Japanese advisers and counselors who will participate in the making of decisions. Furthermore, under the regulations, the three regimes will be jointly responsible for assisting in or facilitating the execution of the orders of the "Federated Committee", the expenses of the "Federated Committee" will be paid by the three regimes, and none of the regimes may withdraw from the "Federated Committee" without "joint discussion". The "agreement" was executed in the Japanese, Chinese, and Mongolian languages, with the Japanese text definitive.

The regulations indicate that the newly established "Federated Committee" is a Japanese-controlled organ set up to direct the more important affairs of all of Chahar and Suiyuan Provinces and northern Shansi Province and

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- 3 -

and that the three previously established regimes are subordinate to it and are now of minor significance.

It is evident that the Kwantung Army, which recently occupied the areas in question, is the directing force. The Kwantung Army, in taking this step, has apparently been motivated by the desire of retaining for the new Mongol state, which it is now building, control of the Peiping-Suiyuan Railway. Strategically and economically the railway is important. This fact apparently outweighs in the view of the Kwantung Army the facts that the territory through which the railway runs is occupied by Chinese, that those Chinese belong racially not to a Mongol state but to the regime which will be established for the control of North China, and that the relations of the Chinese along the railway and of the Mongols in the areas north of the railway have not in the past been harmonious.

A second step in the forming a new regime was taken November 23 when the Mongol and Border Districts Bank (Meng Chiang Bank) was organized at Kalgan. According to a press report from Kalgan, the new bank is to absorb the Bank of South Chahar, the Chahar-Suiyuan Mint, and the Fengyeh Bank; the capital of the new bank is nominally \$12,000,000, which is divided equally among the three recently established regimes now subordinate to the "Federated Committee"; and the bank is to open for business December 1 with only one-quarter of the nominal capital. In a statement issued

by

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by the Bank of Southern Chahar, which was inaugurated at Kalgan on October 1, 1937, it is claimed that the Bank of Southern Chahar is being renamed the Mongol and Border District Bank and is absorbing the Chahar-Suiyuan Mint and the Fengyeh Bank. The Bank of Southern Chahar, which has three offices in southern Chahar, one in northern Shansi, and two in Suiyuan, has been using the notes of the Central Bank of "Manchukuo" on which are stamped in red ink Chinese characters meaning Southern Bank of Chahar. According to the press the capital of the Bank of South Chahar has been \$1,000,000, advanced by the Central Bank of "Manchukuo" through the "Autonomous Government of South Chahar", and has been turned over to the newly organized Mongol and Border Districts Bank.

Regardless of the question of which bank absorbed which, the purpose of the new bank appears to be the regularizing of the currency situation in the areas under the administration of the new "Federated Committee". It is assumed that "Manchukuo" money will gradually replace Chinese notes circulating in those areas served by the new bank, perhaps until some general reorganization of the currency system in all of North China is effected. The statement, above referred to, of the Southern Bank of Chahar, includes the allegations that the organization of a gold bloc is bound to be completed among Japanese, "Manchukuo" and Mongolia and that this will facilitate the circulation of commodities and capital among these countries and promote the industrial development

of

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

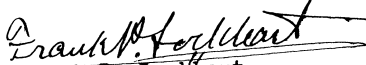
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of Mongolia and the border districts.

Respectfully yours,

For the Ambassador:


Frank P. Lockhart
Counselor of Embassy

Enclosure:

Copy of clipping,
Manchuria Daily News,
November 24, 1937.

Original and 4 to Department.
Copy to Embassy, Nanking.
Copy to Embassy, Tokyo.
Copy to Hankow, for Embassy Files.

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THE MANCHURIA DAILY NEWS

DAIREN, November 24, 1937

Text of Agreement for Forming Joint Committee of the Regimes of South Chahar, North Shansi and Inner Mongolia in Chahar and Suiyuan Provinces.

Kokutsu

KALGAN, November 22.-- * * * * The text of the agreement follows in an unofficial translation:

"Sharing common interests in Mongolia and the border districts and having recognized the need to maintain close collaboration and control on important matters of common interest, the Mongolian Leagues, the Autonomous Government of South Chahar and the Autonomous Government of North Shansi have decided to organize a joint committee and hereby agree as follows:

"Article 1. The present joint committee shall be known as the Federated Committee of Meng Chiang. All the Governments concerned shall transfer to this committee part of their powers on matters of vital and permanent importance in connection with industry, finance and communications.

"Article 2. The Federated Committee shall consist of a General affairs department and subcommittees on industry, credits, communications, etc., and shall comprise representatives of the Governments concerned and a necessary staff of officials.

"Article 3. The chairman of the General Affairs Committee shall represent the Federated Committee.

"Article 4. A supreme Japanese adviser and a number of Japanese counsellors and advisers shall be appointed on the Federated Committee.

"Article 5. All decisions of the Federated Committee shall be carried after joint discussion among the committee members, the supreme adviser and the advisers.

Governments Jointly Responsible

"Article 6. All orders concerning the guidance and control of the Federated Committee shall be issued and executed in the name of the Federated Committee. All the Governments concerned shall be jointly responsible for assisting in or facilitating the execution of such orders.

"Article 7. The expenses required by the Federated Committee shall be shared by all the Governments concerned.

"Article 8. The Federated Committee shall be authorized to manage the common property of the Governments concerned in behalf of the said Governments.

"Article 9.

793.94/11832

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"Article 9. Any of the Governments concerned shall not be allowed to withdraw from the Federated Committee unless after joint discussion on the matter.

"Article 10. This agreement is done in triplicate in Japanese, Chinese and Mongolian, and in case there arises any doubt as to the interpretation of the agreement, the Japanese text shall be considered final.

"Having been duly accredited by the Governments concerned, the undersigned subscribe their names and affix their signatures thereto below:

"Done on the 22nd day of the Eleventh Month of the 732nd Year of the Genghis Khan Calendar, at Kalgan,

Chotupachapu, delegate of the Autonomous Government of the Mongolian Leagues.

Yu Pin-ching, delegate of the Autonomous Government of South Chahar

Hsia Kung, delegate of the Autonomous Government of North Shansi"

Text of Declaration

The declaration which was published simultaneously with the conclusion of the new agreement read as follows:

"The three Governments of South Chahar, North Shansi and the Mongolian Leagues, which have recently been organized with the object of establishing permanent peace in East Asia after shaking off the yoke of the outrageous Nanking Government and the military cliques, today organized the Meng Chiang Federated Committee with mutual consent with a view to promoting their neighbourly common friendship, fighting Communism which is their common enemy, realizing racial conciliation and improving the welfare of the people.

"We hereby declare that through this committee, we are determined to maintain close collaboration and control on matters of common interest and importance and convert the entire area of our district into a land of comfortable life with no cloud of fear darkening its horizon by stabilizing the popular sentiment of the 7,000,000 people of the entire region of Mongolia and Border Districts through cooperation of all the Governments concerned.

"November 22, 1937."

"The Federated Committee of Meng Chiang."

* * * *

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. 1067

AMERICAN CONSULATE GENERAL,

Shanghai, China, November 11, 1937.

For Distribution-Check		Y	N
Grade	For	to be	
		In U.S.A.	X

G. Smith

SUBJECT: The Consular Body and Sino-Japanese Hostilities in Shanghai.

RECEIVED
DEPARTMENT OF STATE
1937 DEC 27 PM 1:55
DIVISION OF COMMUNICATIONS AND RECORDS

THE HONORABLE
THE SECRETARY OF STATE,

WASHINGTON.

Chy in FE
Division of
FAR EASTERN AFFAIRS
DEC 28 1937
Department of State

I have the honor to refer to my despatch No. 784 of September 29, 1937 and to enclose copies of a number of Consular Body circulars relating to the Sino-Japanese hostilities at Shanghai, which have been circularized since that date.

The question of the right of foreign nationals to have access to their property in the area north of Soochow Creek and to remove cargo from that area was the subject of a letter addressed to the Senior Consul by the Shanghai General Chamber of Commerce on September 27, 1937, suggesting that the period allowed for the removal of cargo should be extended and that two bridges be used, one for incoming and the other for outgoing trucks, in order to avoid congestion. These suggestions were transmitted to the Consul General for Japan on September 28, 1937 and copies of both letters circulated to the consular representatives by circular 176-G-VII A and B (See also

page

DEPARTMENT OF STATE
A-M/C
JAN 13 1938
ASSISTANT SECRETARY OF STATE

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2/ page 5 of the despatch under reference). Circular 182-G-VII copied a second letter on the subject from the Shanghai General Chamber of Commerce suggesting that strong representations be made to have the area north of the Creek outside of the actual fighting zone opened up to the public in order that it might freely enter and leave for the purpose of removing cargo. The Senior Consul notes that while the Japanese Consul General had predicted that the area would be reopened about October 15th he had indicated that passes would be required and that only a limited number would be available.

The desirability of placing watchmen upon premises in the area north of Soochow Creek even if only Japanese watchmen are permitted is pointed out in a letter to the Senior Consul from the Chairman of the Council who reports that the Chief Officer of the Fire Brigade has strongly urged that such action might make it possible to deal with fires in their early stages and reduce to a large extent the danger of serious or total loss. The Chief Officer of the Fire Brigade offered to give watchmen elementary training in the handling of fire fighting appliances and urged that with properly constructed dugouts on the lower floors of big buildings watchmen should be able to assist greatly in preventing a recurrence of the tremendous damage suffered from fires during the weekend of September 18/19. (Circular 178-G-VII).

Arrangements for the control of Chinese Red Cross operations were confirmed by the Senior Consul's reply

to

- 3 -

- to Mayor Yui's letter (see page 6 of my despatch No. 784)
4/ which was notified by circular 177-G-VII.

The Shanghai International Committee of the Red Cross Society of China notified the Senior Consul of its formation on October 2, 1937 under the leadership of a committee of well known foreign and Chinese residents of Shanghai and enclosed for the information of the members of the Consular Body copies of the constitution of the committee. The letter and its enclosure were copied
5/ in circular 181-G-VII. (See also this office's despatch No. 1019 of October 19, 1937.)

- The Consular Body meeting of October 12, 1937 is
6/ reported in circular 193-G-VII.

At that meeting the Senior Consul reviewed briefly the events that had taken place since the meeting of August 15th and alluded to the action taken by the Consular Body with regard to the Japanese Naval Blockade notices, the improper hoisting of neutral flags, the alleged signalling from the consular building of the U.S.S.R., the control of the activities of Chinese Red Cross workers, and the problem of Russian refugees in Shanghai, all of which were reported to the Department in this office's despatch No. 784.

He also mentioned the threatened withdrawal of the Shanghai Municipal Police from certain districts north of Soochow Creek on the ground that they were being exposed to great danger and were being interfered with, but after assurances had been obtained through the Japanese Consulate General and the British and Japanese Admirals

- 4 -

Admirals the police were retained in the area.

With regard to the desire of the Council to evacuate or release the prisoners from the Ward Road Goal, he reported that after evacuation had already commenced, due to casualties among the prisoners and the staff, it had been stopped because the Japanese authorities objected that the conditions under which the release was to take place had not been adhered to as the prisoners were being turned loose to roam at large. The Japanese Consul General pointed out in the meeting that the situation as regards the danger to Ward Road Goal had improved a great deal and there was no longer any urgent reason for evacuating the prisoners.

The Senior Consul reviewed the representations regarding the desire of neutral property owners to have access to their property in districts north of Soochow Creek, which were reported to the Department in despatch No. 784, and also referred to the letter on this subject to the Japanese Consul General mentioned in the second paragraph of this despatch.

When the Senior Consul referred to the brief period commencing September 16th during which personal effects, blankets and bedding could be removed from the districts north of Soochow Creek, the British Consul General said he was anxious to know when the Wayside and Yangtzepoo districts would be open for a lengthy period. The Consul General for Japan replied that he was giving the matter his constant attention and hoped to arrange for another entry into the district for urgent cases in the

near

- 5 -

near future, but that the problem was complicated because of military exigencies.

The Senior Consul also referred briefly to the problems of foreign watchmen for property north of Soochow Creek, the financial difficulties of the Foreign Pilots Association, and the bombing in the Western District, which are discussed elsewhere in this despatch.

The Senior Consul, before closing the meeting, placed on record his disapproval of the publication in the newspapers of a truncated copy of correspondence between the Senior Consul and four disgruntled consuls of smaller powers having no interests at Shanghai who had not been invited to the Consular Meeting of August 15th, that meeting having been a meeting of the extraterritorial
7/ and interested consuls. (Circular 141-G-11.)

Protests were made to both sides regarding the dropping during the military bombardment of October 14th within the foreign administered areas of several missiles which exploded and caused death and injury to a number of the inhabitants of those areas. The Japanese Consul General and Mayor O. K. Yui were both asked to use their utmost influence to prevail upon the respective military authorities to see that such disastrous occurrences did
8/ not again eventuate (Circulars 186 and 187-G-VII).

A complaint from the Shanghai Licensed Pilots' Association with regard to the present financial difficulties of the Association was submitted to the Senior Consul through the Italian Consul General (Consular representative on the Pilots' Board), together with
explanatory

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explanatory memoranda regarding the composition and procedure of the Association. Six of the Association's forty members are American. The correspondence was circulated for the information of the interested members 9/ in circular 189-E-II, and the Italian Consul General expressed the opinion that, while sympathizing fully with the pilots, he considered that their difficulties were common to all Shanghai business men at the present time and he did not see how anything could be done to help them at the moment.

The flight of Japanese bombing planes over the Western Industrial District was pointed out by the Chairman of the Council as likely to gravely complicate the already difficult problem of handling destitution in the Settlement. On October 14th a bomb from one of these planes exploded just outside the Wing On Cotton Mill employing 2000 people. The Senior Consul urged the Japanese Consul General to use his "utmost good offices" to prevail upon the Japanese military authorities to refrain from engaging in military operations against such concerns engaged in the ordinary pursuits of industry and advised the Chairman of the Council of the action taken. Copies of this correspondence were circulated 10/ in 190A-G-VII, 190B-G-VII and 190C-G-VII.

The duty of the extraterritorial consuls interested in the administration of the Settlement to take a firmer stand with a view to suppressing any illegal action taken by the Chinese vis-a-vis the Western Area and also that part of the Settlement north of Soochow Creek was urged by the Japanese Consul General in his reply to the Senior Consul's

- 7 -

Consul's representations of October 15th urging both sides to prevent a recurrence of the happenings of October 14th when several persons were injured within the Settlement as a result of falling shells during a military bombardment. The next day the Japanese Consul General replied to the Senior Consul's letter of October 18th protesting the flight of Japanese bombing planes over the Western Industrial District and again stated that as the Japanese were obliged to repel hostile actions taken by the Chinese within the foreign administrative area and its vicinity and were putting up with all sorts of military disadvantage and inconvenience in order to safeguard these areas, he had to urge most strongly upon the interested consular representatives to take drastic measures to put an end once and for all to the Chinese encroachments upon the districts concerned.

- 11/ These letters were circularized by circulars 194-G-VII and 195-G-VII.

Maps and/or description of location and kind of any property owned by their nationals in the territory south of Hungjao Road and south of the border of the French Concession and extending to the Whangpoo River were requested of his interested colleagues by the Japanese Consul General through personal requests and circular 200-G-VII dated October 26, 1937.

- 12/ A letter denying the asserted use of buildings of Chiaotung University by the Chinese troops as a base was circularized to the members of the Consular Body by 13/ the Senior Consul through circular 205-G-VII.

The

- 8 -

The internment of the Chinese troops from the Joint Savings Bank Godown in Chapel under guard of the Russian detachment of the Shanghai Volunteer Corps was reported by the Chairman of the Council to the Senior Consul on November 1, 1937 and on November 2, 1937, the Senior Consul replied expressing his approval and that of his interested colleagues of the action taken. This exchange was notified to the members of the Consular Body by 14/ circulars 207-G-VII and 208-G-VII.

An index of the several matters covered by the Consular Body circulars copied to the Department by this despatch will be found at the head of the enclosures.

Respectfully yours,


C. E. Gauss,
American Consul General.

14 Enclosures.
HHS/Sfk

In quadruplicate to the Department;
Copy to the Embassy, Nanking;
Copy to the Embassy, Peiping;
Copy to the Embassy, Tokyo.

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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Enclosure No. 1.

Circular 176-G-VII A and 176-G-VII B.

SUBJECT: CARGO IN GODOWNS IN THE AREA OF HOSTILITIES

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE COLLEAGUES AND HAS THE HONOUR TO CIRCULATE THE FOLLOWING FOR THEIR INFORMATION.

(Letter from the Shanghai General Chamber of Commerce to the Senior Consul.)

(A)

27th September 1937.

N. Aall, Esquire,
Consul-General for Norway
and Senior Consul,
Shanghai.

Sir:

We have the honour to inform you that we have been directed by our Committee to acknowledge the receipt of your letter dated 23rd instant transmitting copy of an announcement germane to the above subject.

The attention of this Chamber has been drawn to the fact that many firms have been unable in the two days permitted by the Japanese authorities to remove their cargo. Considerable delay was occasioned by the procedure at the Garden Bridge and, in many instances, it was not found possible to make use of the full number of trucks engaged for the work.

Our Committee beg respectfully to suggest that representations be submitted to the Japanese authorities for a considerable extension of the period permitted for the removal of cargo and, in order to expedite the work, it would seem that two of the bridges across the Soochow Creek should be used, i.e. one for vehicles entering the area north of the Creek and the other for vehicles leaving that area.

We have the honour to be, etc.,
(sd) Beck & Swann
Secretaries.

(Letter from the Senior Consul to the Japanese Consul-General)
(B)

Shanghai September 28th, 1937.

S. Okamoto, Esquire,
Consul-General for Japan,
Shanghai.

Sir and dear Colleague:

I have the honour to refer to your letter of September 22nd, (transmitting announcement about moving cargo) and to transmit herewith a copy of a letter dated September 27th from the Shanghai General Chamber of Commerce requesting, for the reasons stated therein, an extension of the period allowed for the removal of cargo from areas north of the Soochow Creek and suggesting that, in order to expedite this work, two bridges across the Soochow Creek should be used, one for vehicles entering the areas mentioned and the other for those returning therefrom.

I wish to seize this opportunity of again assuring you of my interested colleagues' appreciation of your good offices in the direction of alleviating the hardships brought upon neutral businessmen by the present unhappy conflict.

I have the honour to be, etc.,
(sd) N. Aall
Consul-General for Norway
and Senior Consul.

Circulated: September 29th, 1937.

Enclosure No. 2.

CONFIDENTIAL (CIRCULAR 182-G-VII.)

SUBJECT: CARGO IN THE AREA OF HOSTILITIES.

The Senior Consul presents his ~~compliments~~ to his Honourable Colleagues and has the honour to circulate the following for their information. He wishes to add that the Japanese Consul-General mentioned at the Consular Body Meeting on October 12th that the Wayside and Yangtszepoo districts would be re-opened probably from the 15th instant, although he expressed the hope at the same time that only urgent cases would be applied for.

(Letter from the Shanghai Chamber of Commerce to the Senior Consul.)

13th October, 1937.

N. Hall, Esquire,
Consul-General for Norway
and Senior Consul,
SHANGHAI.

Sir:

I have the honour to refer to the letter addressed to you by the Secretaries of the Chamber on 27th ultimo and to respectfully point out that up to the present the area in question has not again been opened to merchants.

My Committee beg to suggest that strong representations be made with as little delay as possible to the Japanese authorities with a view to the area north of the Soochow Creek outside the actual fighting zone being opened up to the public in order that they may freely enter and leave for the purpose of handling cargo stored in this area.

I have the honour to be,

Sir,

Your obedient servant,

(sd) G. Boolsen

Chairman.

Circulated: October 14th, 1937.

Enclosure No. .

(CIRCULAR 178-G-VII.)

SUBJECT: FOREIGN WATCHMEN FOR FOREIGN PROPERTY NORTH OF
THE SOOCHOW CREEK.

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE
COLLEAGUES AND HAS THE HONOUR TO COMMEND THE FOLLOWING SELF-
EXPLANATORY LETTER FROM THE COUNCIL TO THEIR ATTENTION.
(Letter from the Chairman of Council to the Senior Consul.)

Shanghai 1st October, 1937.

N. Aall, Esq.,
Consul-General for Norway and Senior Consul
2, Peking Road,
Shanghai

Sir,

I have the honour to address you on the subject of danger
to foreign property North of the Soochow Creek from fires caused
during air raids.

The Chief Officer of the Fire Brigade has pointed out that
it would be a very great advantage if in foreign property North of
the Creek there could be placed foreign watchmen who have received
elementary training in the handling of fire appliances. This
would make it possible to deal with fires in their early stages,
thus protecting the buildings and reducing to a large extent the
possibility of serious or total loss and preventing a recurrence of
the tremendous damage which unfortunately occurred during the
week-end of September 18/19. The Chief Officer would be glad to
assist in providing the necessary training. He has further
suggested that it might be possible for the watchmen in question to
have suitably constructed dugouts or protection afforded by sandbags
on the ground floors so that they could, immediately after the end
of an air raid, use a fire hose or other first-aid fire appliances
to extinguish any fire which might follow. Where the premises
are equipped with a telephone a call could be put through to the Fire
Brigade who could continue the work already started by the staff.

The Chief Officer has stated that most of the larger
buildings and establishments of modern construction in Shanghai are
equipped with fire appliances and that if these are used to their
fullest advantage by those possessing even only an elementary
knowledge of how to handle them, huge losses would to a very great
extent be eliminated.

I have endeavoured to ascertain what facilities would be
given by the Japanese authorities at the present time for the
placing of watchmen in the premises in question. The Japanese
Consul-General has informed me that under the present conditions
only Japanese nationals can be placed as watchmen in that area. He
has further informed me that although the number of Japanese
nationals available for watchman service is limited at the present
moment, he is sure that he can meet the wish of foreign property
owners in some of the most urgent cases.

I have therefore the honour to suggest that you may think
it right to urge the various Consular authorities to suggest to their
respective nationals who are owners or occupiers of property in the
area in question that it is desirable for them to place watchmen
upon their premises. As I have already stated, the Chief Officer of
the Fire Brigade will be glad to co-operate in every possible way.

I have the honour to be, etc.,

(sd) C.S. Franklin,
Chairman.

Circulated: October 2nd, 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

Enclosure 1. 4.

(CIRCULAR 177-G-VII.)

SUBJECT: WORKERS OF THE RED CROSS SOCIETY

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE COLLEAGUES AND HAS THE HONOUR TO CIRCULATE THE FOLLOWING FOR THEIR INFORMATION. REFERENCE CIRCULAR 163-G-VII.

(Letter from the Senior Consul to the Mayor.)

Shanghai September 29th, 1937.

O. K. Yui, Esquire,

Mayor of the City Government of Greater Shanghai,
Shanghai.

Sir:

I have the honour to refer to your letter of September 12th, transmitting copies of "Regulations Governing the use of Red Cross Badges and Insignia promulgated by the Red Cross Society of China".

As you requested, a copy of these regulations has been forwarded to each of the Consulates here and to the Shanghai Municipal Council. The Council has made the following comments in reply:-

"There is no objection on the part of the Council to Red Cross trucks passing empty out of the Settlement barriers.

Under the arrangements that have been made for the admission of a limited number of wounded soldiers to the Settlement and French Concession the only entrance for admission is at Route Ghisi so that no question arises of trucks entering the Settlement loaded with soldiers.

The removal of foodstuffs from the Settlement is forbidden. Should the Red Cross Society wish to remove other things it is suggested that the matter be referred to the Military Authorities."

I have the honour to be,

Sir,
Your obedient servant,
(sd) N. Aall

Consul-General for Norway and Senior Consul.

Circulated: September 29th, 1937.

Enclosure No. 5.

(CIRCULAR 181-G-VII.)

SUBJECT: SHANGHAI INTERNATIONAL RED CROSS

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE COLLEAGUES AND HAS THE HONOUR TO CIRCULATE THE FOLLOWING FOR THEIR INFORMATION.

(Letter from the Chairman and the Secretary of the Shanghai International Red Cross to the Senior Consul.)

Shanghai October 8, 1937.

Mr. N. Aall,
Consul-General for Norway,
2 Peking Road,
Shanghai.

Sir:

We beg to officially to inform you that at a meeting of leading members of the Chinese and foreign community in Shanghai, held in the Park Hotel on October 2, 1937, the Shanghai International Committee of the Red Cross Society of China was formally inaugurated, with the adoption of the enclosed Constitution and the appointment of the following Executive Committee:

Dr W.W. Yen, Father R.P. Jacquinet, Mr. J.R. Jones, Mr. L.W.H. Plant, Dr. Sze Ming Sze, Mr. C.R. Bennett, Mr. G. F. Andrew, Major A. Bassett, Mr. R. Calder-Marshall, Mr. J.K. Choy, Mr. J. Donne, Mr. Feng Ping-Nan, Mr. J. Hers, Rev. R.D. Rees, Dr. F.C. Yen.

At a meeting of the Executive Committee held immediately afterward, the following officers were elected:-

Chairman - Dr. W.W. Yen
Vice-Chairman - Father R.P. Jacquinet
" " - Mr. J.R. Jones
" " - Mr. L.W.H. Plant
Secretary - Dr. Sze Ming Sze
Treasurer - Mr. C.R. Bennett

The Executive Committee has appointed subcommittees on Refugees, Wounded Soldiers, Epidemics, and Medical Supplies, which are now actively at work.

We shall be much obliged if you will kindly notify all members of the Consular Body of the above.

On behalf of this organization we wish to assure you of our desire to offer the members of the Consular Body our fullest cooperation.

Assuring you of our highest consideration,

We are,
Yours etc.,

(sd) W.W. Yen,
Chairman

(sd) Sze Ming Sze
Secretary.

NAME 1. The name of the Committee is - Shanghai International Committee of the Red Cross Society of China.

OBJECT 2. The Committee is formed for charitable and benevolent purposes and especially to solicit donations and to use, allocate and expend funds received for the relief of sick, wounded and destitute persons and other charitable activities related to the aim and object of the Committee. Such activities, however, shall be limited in scope so as not to infringe or encroach work already undertaken by municipal and other recognized organizations with which the Committee will endeavour to cooperate and coordinate its activities.

PLACE 3. The Committee is located at Shanghai and its operations shall be limited to the International Settlement, the French Concession, the Municipality of Greater Shanghai and the surrounding area.

OFFICERS 4. The officers of the Committee shall be a Chairman, one or more deputy Chairmen, a Secretary, and a Treasurer, elected annually by the Executive Committee.

EXECUTIVE 5. There shall be an Executive Committee of fifteen members, whose names shall appear in the Charter granted by the Red Cross Society of China, and in whose hands the management of the organization shall be vested. The Executive Committee shall make all such rules and regulations, as they shall from time to time think necessary for the management and well being of the organization and for carrying out its objects, and such rules and regulations shall be binding on all members of the organization. Eight members of the Executive Committee shall form a quorum. The Executive Committee shall have power to fill vacancies in its membership.

FINANCE 6. The Executive Committee shall appoint a Finance Committee consisting of three members, who shall be responsible to the Executive Committee, to whom they shall report monthly or oftener if requested by the Executive Committee.

SUB*
COMMITTEE 7. The Executive Committee shall have power to appoint Sub-Committees for any purpose or object, to delegate to such Sub-Committee the functions and powers of the Executive Committee relating to the same. The Chairman and Secretary of the Executive Committee shall be ex-officio members of all Committees.

LIABILITY 8. No member of the Committees shall personally be liable for indebtedness resulting from the operations of the organization.

FINANCE 9. All subscriptions and donations shall be paid to the account of the Treasurer in a bank or banks designated by the Executive Committee. The Treasurer shall render a statement of accounts at each monthly meeting, which shall have been duly audited as determined by the Finance Committee.

MEMBERSHIP 10. The Membership of the Shanghai International Committee shall consist of:-

- (a) Charter Members, namely, those to whom the Charter is granted.
- (b) Founder Members, namely, all those who were present at the 1st Meeting.
- (c) Regular Members, namely, those elected to membership by a majority vote of the Executive Committee, and
- (d) Honorary Members, namely, anyone whom the Executive Committee consider worthy of the honour.

MEETINGS

MEETINGS 11. A meeting of the full membership shall be called by the Chairman whenever requested by five members of the Committee.

INTERPRETATION

12. The Decision of the Executive Committee as to the interpretation of the Constitution and the rules of the organization as well as on all matters, shall be final.

AMENDMENTS 13. This constitution may be amended by the Executive Committee. An affirmative vote of ten members of the Executive Committee is necessary to amend this constitution.

Circulated: October 18th, 1937.

Enclosure 1 6.

(CIRCULAR 193-G-IV.)

SUBJECT: CORRECTED MINUTES OF CONSULAR BODY MEETING OF
OCTOBER 12TH.

Present:

N. Aali, Esquire,	Senior Consul and Consul-General for Norway
E. Lerdy, Esquire,	Consul-General for Switzerland
Comm. L. Neyrone,	Consul-General for Italy
Dr. A. J. Alves,	Consul-General for Portugal
P. Scheel, Esquire,	Consul-General for Denmark
M. Baudez, Esquire,	Consul-General for France
C. E. Gauss, Esquire,	Consul-General for the U. S. A.
S. N. Najera, Esquire,	Consul-General for Guatemala
A. van Cutsem, Esquire,	Consul-General for Belgium
S. Okamoto, Esquire,	Consul-General for Japan
H. Phillips, Esquire,	Consul-General for Great Britain
Dr. J. Kryszinski,	Acting Consul-General for Poland
V. Niskanen, Esquire,	Acting Consul-General for Finland
R.C.W. Behrend, Esquire,	Acting Consul-General for Germany
Dr. L. A. Gastmann,	Acting Consul-General for the Netherlands
E. Kronvall, Esquire,	Acting Consul-General for Sweden
J. Stepan, Esquire,	Chancellor of Legation in charge of Tchecoslovakia.

The Senior Consul questioned the presence of a Dr. Beaudry, who explained that he had come as Secretary to Mr. Najera, as the latter had a statement to make which had to be interpreted as he did not speak English. The statement, which related to prisoners in Ward Road Gaol was then made and Dr. Beaudry departed. The Senior Consul observed that he would deal with the statement at a later stage of the meeting.

The Senior Consul conveyed a cordial welcome, in which the meeting joined, to the new British Consul-General, Mr. H. Phillips, who expressed his acknowledgements. Continuing the Senior Consul remarked that with the advent of October, the regular monthly meetings would be resumed. He would review briefly the events which had occurred since the last meeting on August 15th.

MEETING OF AUGUST 15TH. The corrected minutes of this meeting were approved, the Senior Consul observing that the representations decided upon had been made to the Mayor and a memorandum of the conversation with the Mayor had been circulated.

JAPANESE NAVAL BLOCKADE NOTICES. The Senior Consul said that these various notices, which had been communicated by his Japanese Colleague had been duly circulated. (138-G-VII, 157-E.II)

THREATENED WITHDRAWAL OF SHANGHAI MUNICIPAL POLICE FROM CERTAIN DISTRICTS NORTH OF THE SOOCHOW CREEK. The Senior Consul mentioned that the Acting Commissioner of Police had contemplated the withdrawal, in whole or in part, of the Shanghai Municipal Police from certain districts north of the Sookchow Creek on the ground that they were being exposed to great danger and were being interfered with. On the verbal protest of the Consul-General for Japan he had taken steps to adjust matters and he believed that some action towards the same end had been taken by the British Admiral vis-a-vis the Japanese Admiral resulting in the retention, under certain assurances of the Shanghai Municipal Police in those areas.

The Consul-General for Japan made remarks explanatory of his attitude towards this matter.

WARD ROAD GAOL. The Senior Consul referred to the desire of the Council to evacuate or release the prisoners in this gaol on/

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on humanitarian grounds as the prison was exposed to fire on both sides and a number of casualties to the staff and prisoners had occurred. Evacuation had actually commenced but had stopped because of the objection of the Japanese authorities who said that the conditions under which release was to take place had not been adhered to, some prisoners having been released in the Settlement and others re-entering it from Chinese territory. The Senior Consul had done what he could to facilitate matters and understood that the question was now being dealt with directly between the Council and the Japanese Consul-General.

The Consul-General for Japan remarked that the situation as regards the danger to the Ward Road Gaol had improved a great deal and so there was now no urgent reason for evacuating the prisoners. He confirmed that some of the released prisoners had returned to the foreign areas thus becoming a menace to the peace and good order of those areas. The Japanese authorities had wanted the released prisoners taken to some Chinese gaol away from Shanghai and not to roam at large.

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The Consul-General for Portugal translated what had been said to the Consul-General for Guatemala. He added that he sympathized with the inmates on humanitarian grounds as although prisoners they were not "under sentence of death". He also understood that casualties in the gaol due to shell fire had been left without proper attention for days.

IMPROPER HOISTING OF NEUTRAL FLAGS. The Senior Consul said that on receipt of the complaint of his Japanese colleague regarding the misuse of neutral flags he had asked the Shanghai Municipal Police to assist in preventing this, which information had been conveyed in the circular sent to his colleagues. At the same time he had also directed attention to the statement of his Japanese colleague that some of the Consulates had furnished him (the Consul-General for Japan) with maps showing the location of property belonging to their nationals and that "such arrangements were highly desirable". Representations had also been made to the Mayor on the subject, the letter being circulated.

The Consul-General for Great Britain remarked that it was very difficult in some cases to prevent the improper use of flags.

ALLEGED SIGNALLING FROM THE CONSULATE BUILDING OF THE U.S.S.R.

The Senior Consul referred to his circular 149-G-VII which detailed the history of this matter. He added that from his own residence (Glen Line Building) he had observed the reflection of the Whangpoo on the windows of the Soviet Building which gave the appearance of signalling.

The Consul-General for Japan observed that on a previous occasion to that dealt with in the Senior Consul's circular referred to a light had actually been found in the attic of the Soviet Building, the Soviet Vice-Consul (who had been summoned to enter the building) being present when the light was discovered. Two Chinese caretakers were also found in the building at the time.

PROPERTY NORTH OF THE SOOCHOW CREEK. Representations were made by the Senior Consul to the Japanese Consul-General on August 30th, (confirming verbal representations made on August 28th) regarding the expediency of allowing neutral owners access to their property in districts north of the Soochow Creek. Further representations were made on September 17th at the instance of the Shanghai General Chamber of Commerce.

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and on September 22nd the Japanese Consul-General forwarded an announcement that arrangements would be made for the transportation of goods and articles stored in the Hongkew, Wayside and Yangtszepoo districts. Subsequently those arrangements materialized. On September 28th further representations were made to the Japanese Consul-General at the instance of the Shanghai General Chamber of Commerce asking for an extension of time for the removal of such cargo, which extension was granted and goods continued to be moved for some time.

REMOVAL OF PERSONAL EFFECTS. On September 15th the Japanese Consul General informed the Senior Consul that foreigners who had been living in the districts north of the Soochow Creek would be given five days commencing from September 16th to remove their personal effects, blankets and bedding under certain conditions. This information was immediately circulated. Subsequently an extension of time for the purpose was granted.

The Consul-General for Great Britain said he was anxious to know when the Wayside and Yangtszepoo districts would be open for a lengthy period as it was a very important matter.

The Consul-General for Japan replied that he was giving the matter his constant attention and hoped to arrange for another entry into the districts in the near future for urgent cases. It was a very difficult matter to deal with because of military exigencies.

RED CROSS WORKERS. At the request of the Chinese Red Cross Society verbal representations were made on behalf of the Senior Consul to the Defense Headquarters (foreign) resulting in permission being obtained for the passage of Red Cross doctors, nurses and their patients through the barriers. Subsequently the two Councils arranged to limit the numbers of Chinese wounded to be allowed in the foreign areas at any one time (3000 for the International Settlement and 2000 for the French Concession). On September 12th the Mayor wrote to the Senior Consul sending copies of the rules governing the use of Red Cross Badges and Insignia and asking for aid and protection of the Red Cross Workers in carrying out their duties. A copy of this letter was sent to the Council whose reply, which apparently clears up the matter, was conveyed to the Mayor, the entire correspondence being circulated.

RUSSIAN REFUGEES IN SHANGHAI. The Senior Consul referred to his circulars 146-G-VII and 164-G-VII which gave detailed information on the question of assisting possible evacuation of Russian Refugees in Shanghai.

The Consul-General for France remarked that as the Chinese authorities refused to give passports to the refugees it would be impossible for him to give visas to them.

The Consul-General for Great Britain enquired if anything more recent had occurred on the question of Russian Refugees leaving Shanghai. The Senior Consul replied that he had no further information on the subject.

The general feeling of the meeting was that each individual Consulate should be left to deal with the matter.

SHIPPING REGULATIONS CONCERNING CHOLERA. The Japanese Consul-General wrote to the Senior Consul on September 26th enclosing copy of the regulations concerning cholera to be observed by all vessels entering Japanese ports. This correspondence was immediately circulated (175-E-II.).

FOREIGN/

FOREIGN WATCHMEN FOR PROPERTY NORTH OF THE SOOCHOW CREEK.

The Senior Consul said that on September 28th the Council had made oral representations to him on the subject of watchmen for foreign property north of the Soochow Creek, saying that Chief Officer of the Fire Brigade had pointed out that if such watchmen were employed and given training in fire apparatus they could deal with fires in their early stages and thus reduce to a great extent the tremendous losses due to this cause. It was suggested to the Council that Japanese watchmen be employed for the purpose and this caused the Council to write to the Japanese Consul-General on the matter. He replied that the supply of Japanese watchmen was limited but that he could meet the wish of foreign property owners in the most urgent cases. Subsequently on October 1st the Council wrote officially to the Senior Consul on the subject (the letter being circulated - 178-G-VII.) urging all foreign property owners to engage watchmen for the purpose mentioned.

The Consul-General for Great Britain observed that this was really an important question for many firms. A solution might be found in the employment of Russian watchmen if the supply of Indian watchmen was inadequate.

PILOTS. The Consul-General for Italy (consular representative on the Pilot Board) asked the Secretary to read two memoranda from the Shanghai Licensed Pilots Association, which was done. These are circulated under 189-E-II and relate to the composition and working of the Association and to its present financial difficulties.

Continuing the Consul-General for Italy said that while sympathizing with the Pilots, their difficulties were common to all Shanghai business men at the present time and he did not see that anything could be done to help them. However, he would continue to study the question to see if anything could be proposed to his colleagues on the subject.

PRESS PUBLICITY OF CORRESPONDENCE WITH SENIOR CONSUL. The Senior Consul said that after the Consular Body meeting of August 15th, an exchange of letters had taken place between four Heads of Consulates (who had complained that they had not been asked to the meeting) and the Senior Consul, who had explained matters in his reply. A truncated copy of this correspondence had been subsequently published in the press and he would like to have it placed on record that he thought it most improper for correspondence of this kind to be given to the newspapers. The correspondence had been circulated under 141-G-II.

BOMBING IN THE WESTERN DISTRICT. The Consul-General for Denmark said he would like to ask if his Japanese colleague could give him any information about Japanese air bombing in the Western and Hungjao Road districts. He had particular interest in these regions.

Replying the Consul-General for Japan spoke of prospective bombing in those districts beyond the railway and said he would like to ask the help of his colleagues in locating property there belonging to their nationals; also the cooperation of his American, British, French and Italian colleagues in determining from their military commanders their military dispositions.

The American Consul-General voiced the opinion that it would be better if the information last mentioned was communicated by direct arrangement between the various military commanders.

The Consul-General for Switzerland enquired regarding the re-opening of the Yangtszepoo and Wayside districts and received a reply from his Japanese colleague that he hoped these districts would be re-opened again in a day or so to deal with urgent cases.

THE MEETING THEN TERMINATED.

Circulated: 3/11/37

E. A. Long
Secretary Consular Body.

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. 7.

(CIRCULAR 141-G-II.)

SUBJECT: CONSULAR BODY EMERGENCY MEETINGS

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE COLLEAGUES AND HAS THE HONOUR TO CIRCULATE THE FOLLOWING FOR THEIR IMMEDIATE INFORMATION. HE WILL PROBABLY HAVE SOMETHING FURTHER TO SAY ON THIS SUBJECT AT A LATER DATE.

Shanghai August 19, 1937.

Sir and dear Colleague,

It has come to the attention of the undersigned, through the local Press of these last days, that several meetings of the Consular Body of Shanghai have been invoked and held, that at such meetings certain decisions had been taken and that subsequently a number of communiques were published in the name of said Consular Body. Whereas it is a fact that the meetings so held, the decisions so taken and the communiques so published were activities in which only a certain number of Consular Representatives of certain foreign countries took part.

We hereby draw your attention to the fact that none of these activities have been brought to our knowledge so far, although the undersigned, by virtue of their functions and for obvious reasons, are all members of the Consular Body of Shanghai. Thus, in the eye of the aforesaid authorities, of the press and of the public in general, the undersigned appear to have undertaken certain responsibilities, which, in view of the present circumstances they neither can nor must assume.

We readily understand that, in view of the situation brought about in this country by the fact that a number of foreign Powers enjoy so-called Extraterritorial rights, the latter Powers' consular representatives are compelled to act and take certain measures in a way consonant with their respective interests. Of course, we have no intention of protesting against such activities as we feel that they are of no concern to us whatever.

Nevertheless, we firmly believe that in view of the grave situation now prevailing here, the Consular Body of Shanghai should adopt the decision to make it clear to everyone that the undersigned consular representatives, who make no use nor enjoy equivalent rights, take no part whatsoever in such decisions and strictly refrain from assuming any responsibilities not incumbent upon them. In other words, a difference should be clearly established in the most adequate manner.

We feel compelled to point out to you that the friendly links existing between our respective countries and either one of the two belligerent parties in the Far East, as well as our deep concern to ensure the free discharge of all the duties and obligations pertaining to our functions, do not permit us to consider in this affair any solution which would not give us entire satisfaction on all points at stake.

It is with a view to the above considerations that we have the honour of bringing this matter before you, in the hope that you may arrive at a satisfactory solution, at the earliest possible moment and in such manner as you will deem appropriate to the present situation.

We have the honour to be, etc.,
(sd)

E. Vega
Consul-General for Chile
J.M. Ferrer
Consul-General for Venezuela
S. Najera
Consul-General for Guatemala
F. Bonachea
Consul-General for Cuba

N. Aall, Esq.,
Consul-General for Norway
and Senior Consul,
Shanghai.

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Letter from the Senior Consul to the Consuls-General for Chili, Venezuela, Guatemala and Cuba.)

Shanghai, August 22nd
1937.

Messrs:

The Consuls-General for Chili, Venezuela, Guatemala and Cuba,
Shanghai.

Sirs and dear Colleagues:

I have the honour to acknowledge the receipt of your letter of August 19th, making representations regarding your non-inclusion in certain meetings and decisions of members of the Consular Body.

As you of course know the Extraterritorial Heads of Consulates, by virtue of the Shanghai Land Regulations, occupy an exceptional status in dealing with the affairs of the International Settlement, and the Consul-General for France, who is the Senior Authority in the French Concession actively collaborates in any measures affecting the foreign areas. For these reasons if any meeting is convened to discuss matters relating to the safety or well being of the foreign areas in a time of emergency the Extraterritorial Heads of Consulates naturally are given precedence in invitation. However there is no intention of excluding non-Extraterritorial Heads of Consulates from such meetings and decisions, but the exigencies of the situation, especially the difficulty of telephoning, make it physically impossible to reach all the Heads of Consulates when a meeting is desired at short notice. Moreover the circumstances preclude the prompt communication of any decisions arrived at to the non-Extraterritorial Heads of Consulates but the Senior Consul is careful to say, when communicating such decisions to the party or parties concerned, that the decisions come from the Heads of Consulates making them. Furthermore the personnel of the Secretariat is inadequate in a time of emergency to communicate promptly to those Consulates not immediately concerned in such matters. You may rest assured however, that there is no intention on my part or on the part of the Extraterritorial Heads of Consulates to ignore their non-Extraterritorial Colleagues in any decisions or actions affecting their common interests, and I shall make every effort to see that they are duly informed regarding such matters. At the same time I wish to beg your indulgence for any failure due to the short-comings of the present situation.

I trust the foregoing will meet satisfactorily the representations made in your letter above referred to:

I have the honour to be:
Sirs and dear Colleagues
Your obedient servant,
(s) N. Aall
Consul-General for Norway
and Senior Consul.

Circulated: August 28th, 1937.

Copied by:
Compared with:

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. 8.

(CIRCULAR 186 and 187-G-VII.)

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE AND INTERESTED COLLEAGUES AND HAS THE HONOUR TO CIRCULATE THE FOLLOWING FOR THEIR INFORMATION.

(Letters from the Senior Consul to the Japanese Consul-General and to Mayor O.K.Yui. The letters are identical.)

October 15th, 1937.

On behalf of my interested colleagues, I have the honour and the unhappy duty to again write on another unfortunate concomitant involving these foreign administered areas in the present unhappy conflict between China and Japan.

During yesterday's military bombardment, a number of missiles fell and exploded in the areas mentioned, resulting in death and injury to a number of the inhabitants thereof, and I should like to again represent to you, in the cause of humanity and international well being, that every care and precaution on both sides should be exercised to obviate and guard against such deplorable consequences. May I therefore appeal to you with all the earnestness I can summons to use your utmost influence to prevail upon the military authorities concerned to see that such disastrous occurrences do not again eventuate.

I am writing in the same sense to (Mayor O.K.Yui, and the Japanese Consul-General).

I have the honour to be, etc.,

(sd) N. Aall,

Consul-General for Norway
and Senior Consul.

Circulated: October 18th, 1937.

Copied by: *[initials]*
Compared with: *[initials]*

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 1. 9.

(CIRCULAR 189-E-II.)

SUBJECT: COMPLAINT FROM THE SHANGHAI LICENSED PILOTS' ASSOCIATION.

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE AND INTERESTED COLLEAGUES AND HAS THE HONOUR TO CIRCULATE THE FOLLOWING FOR THEIR INFORMATION.
(Letter from the Consul-General for Italy to the Senior Consul.)

October 14th, 1937.

Sir and dear Colleague,

I have the honour to request that the two enclosed Memorandums be kindly circulated among our honourable Colleagues, for their knowledge and consideration.

They have been handed over to me, upon my request, by some representatives of the Shanghai Licensed Pilots' Association, with a view of drawing our attention to their present critical financial situation, which has arisen following the total (or almost total) disappearance of any shipping in the Shanghai harbour.

While very much sympathizing with the Pilots' Association, I hardly see how we can manage, for the moment, to help them out of their difficulties, which are more or less borne by all classes of businessmen in Shanghai.

In my opinion, the opportunity of proposing an increase of the tariff might be discussed when the shipping business will return to its normality.

I have the honour to be, etc.,
(sd) L. Neyrone

Consul-General for Italy.

N. Aall, Esquire,
Consul-General for Norway and Senior Consul,
Shanghai.

(Letter from the Shanghai Licensed Pilots' Association to the Consul-General for Italy.)

September 23rd, 1937.

The Consul-General for Italy,
Shanghai.

Dear Sir,

The Shanghai Licensed Pilots' Association consists of 40 members:-

13 British
6 American
4 French
2 German
1 Italian
2 Danish
2 Norwegian
1 Dutch
5 Japanese
3 Chinese
1 Chinese Apprentice

Total 40 members

Pilots are licensed by the Chinese Maritime Customs and operate under a Charter issued by the Pilotage Authorities in 1908.

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A member joining the Association must buy a share in the Shanghai Pilot Boat Co. (1928) Ltd. which costs approximately Lb.3,500 and on which investment 8% is usually paid. The Association charter the fleet from the Pilot Boat Company which costs about \$15,500 per month and are also obliged to pay the depreciation on same, amounting to \$4,500 monthly. The actual running cost of the fleet etc., is at present \$15,500 per mensem.

We wish to point out to you and the Shipping Interests that owing to the present conditions existing in the port of Shanghai with practically no shipping calling here we are unable to meet all our financial obligations.

We feel it is in the mutual interests of the Authorities, Shipping Companies and the Pilots to maintain the Pilot Service.

To meet the situation we on our part are doing everything possible to economize. We have discontinued paying interest on the capital invested by the members and suspended payments to the depreciation account. Our fleet is only insured for half value and for marine risks only, no war risk being carried.

We have seriously considered reducing our staff but owing to their specialised training, and the risks they too are taking at present, we have after careful consideration decided that any economy in the respect is not advisable.

We believe we are doing all we can to carry on the pilot service in the interests of all concerned and in any case whether hostilities cease or carry on for some time we will have incurred a considerable overdraft on our financial resources. This overdraft will have to be repaid sooner or later and means that each individual member will have to contribute pro-rata.

As a Pilot Association rendering service to the port in the interest of all concerned, we feel that individually we alone should not be called upon to financially maintain the operating of this service and that is what we are actually doing. In order to compensate us for our losses in rendering this service we request that when the Shipping becomes normal you give us a substantial increase in tariff.

Memorandum

This Association is now, and has been for some time facing a problem, which they up till now have more or less mastered, and with the arrangements made hope to be able to overcome for some time, but must, if the present condition don't change to the better, declare themselves unable to carry on the heavy financial outlay for the running of the Pilot Service.

The views of the Association are in the main this:

As a body they consider, that in the interest of the port and its shipping, they must under all circumstances carry on, and maintain the efficiency of the pilot service to the best of their ability.

As shipping to this port has dropped to such an extent, that it is practically nil for ships going to Shanghai, and only a very few vessels proceeding to Woosung, and further, that the service has to be kept up to standard, i.e. pilots standing by on outside and inside stations, pilot-boat and the rest of equipment be kept ready, full crews afloat and staff ashore with the running expenses amounting to the same, and even in some instances to more than ordinary, owing to the rise of cost, such as coal/

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coal and food supplies, the Managements find themselves in a very precarious position, and in a position they can not continue to face indefinitely.

As the Association consider the whole situation of mutual interest to the Authorities as well as the shipping companies, they have taken the liberty of informing the above concerned of this situation.

On the 29th of August the Manager and three members called on the Senior Consul.

Later the Harbour Master and the Chairman of the Shipping Sub-committee of the Chamber of Commerce was interviewed, further a request was sent to the Authorities for co-operation, which the Management of the Pilot Service considered was their duty to do.

In the meantime the management and the members of the service, have gone very deeply into the matter and have made such temporary financial arrangements as they consider necessary for the time being.

These arrangements are drawing very heavily on the finances of the Association and principally on the Pilot Company, and consequently on the individual pilots.

The Association is therefore anxious to point out that if the present conditions continue, it is absolutely impossible for them to carry on, on their own, and therefore respectfully request, in order to keep the pilot service going, that the Authorities will give us their views and co-operation.

The difficulties regarding the finances of the Association for September has been dealt with by the Committee and Directors of the Pilot Boat Co., and they have taken such steps, as they for the present think necessary.

They are proceeding to cancel the Charter between the Association and the Pilot Boat Co., by which action the Directors will relieve the Association of any payment as regard the Charter of Fleet and Equipment.

This will be understood is a direct loss on the part of the Pilot Boat Co., and consequently the shareholders.

The charter money paid to the Association consist of:-

Depreciation allowance on the fleet and equipment
per month ----- \$4,500.00

Dividends on Capital invested
by Shareholders ----- \$15,500.00

Running expenses including
Insurance of the Fleet and
Equipment ----- \$15,500.00
\$35,500.00

The Association is therefore of the opinion that any loss which they under these conditions incur should be in some way or other refunded to them, as they are solely bearing the immediate burden of this situation in keeping the service going at their expense.

Circulated: October 21st, 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

Enclosure No. (0.

CIRCULAR 190A, 190B AND 191-G-VII.

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE AND INTERESTED COLLEAGUES AND HAS THE HONOUR TO CIRCULATE THE FOLLOWING FOR THEIR INFORMATION.

190A-G-VII - Letter from the Chairman of Council to the Senior Consul.

15th October, 1937.

N. Aall, Esquire,
Consul-General for Norway and Senior Consul,
Shanghai.

Sir:

I have the honour to address you in connection with the flying of Japanese bombing aeroplanes over the Western industrial district.

Yesterday a bomb exploded just outside the Wing On Cotton Mill, which employs some 2,000 persons. The continuance of the operations of the ten cotton mills in the Western and Outside Roads district is the largest single factor in restoring normal conditions in that area.

I need not point out that any large addition to the number of unemployed in Shanghai would gravely complicate the already difficult problem of handling destitution.

I have the honour to enquire whether in the opinion of the Consular Body it would be appropriate to bring this aspect of the matter to the attention of the Japanese authorities.

I have the honour to be, etc.,
(sd) C.S. Franklin
Chairman.

190B-G-VII - Letter from the Senior Consul to the Japanese Consul General.

October 18th, 1937.

S. Okamoto, Esquire,
Consul-General for Japan,
Shanghai.

Sir and dear Colleague:

I have the honour to refer to my letter of October 15th, concerning a number of missiles which fell and exploded in the foreign administered areas and to address you on a somewhat analagous matter in connection with the flying of Japanese bombing planes over the Western industrial district.

It has been brought to my notice that on October 14th, a bomb exploded just outside a cotton mill which employs some 2000 persons. My interested colleagues and I as well as, of course, the Shanghai Municipal Council are very much concerned in maintaining in employment as many of the industrial workers in Shanghai as possible, in order to reduce the dangers to peace and order inherent in widespread destitution. Thus the continuance of the operations of industrial concerns in as many of the districts as possible in the foreign controlled areas is an essential factor in promoting such employment.

Permit me therefore to urge upon you to use your utmost good offices towards assisting in this highly desirable endeavour/

2

endeavour by prevailing upon your military authorities to refrain from engaging in military operations against such concerns engaged in the ordinary pursuits of industry.

I have the honour to be, etc.,
(sd) N. Aall
Consul-General for Norway
and Senior Consul.

191-G-VII - Letter from the Senior Consul to the Chairman of Council.

October 18th, 1937.

C.S. Franklin, Esquire,
Chairman,
Shanghai Municipal Council,
Shanghai.

Sir:

I have the honour to acknowledge the receipt of your letter of October 15th, concerning the bombing by Japanese aeroplanes of industrial concerns in the Western district and the increase of unemployment which follow such destruction, thus adding to the dangers to peace and order arising from destitution.

My interested colleagues are of the opinion that representations may properly be made to the Consul-General for Japan regarding this matter but in a more general and wider sense than suggested in your letter. Accordingly this has been done and I reproduce below for your information the substance of the letter to my Japanese colleague on the subject.

" It has been brought to my notice that on October 14th, a bomb exploded just outside a cotton mill which employs some 2000 persons. My interested colleagues and I as well as, of course, the Shanghai Municipal Council are very much concerned in maintaining in employment as many of the industrial workers in Shanghai as possible, in order to reduce the dangers to peace and order inherent in widespread destitution. Thus the continuance of the operations of industrial concerns in as many of the districts as possible in the foreign controlled areas is an essential factor in promoting such employment.

Permit me therefore to urge upon you to use your utmost good offices towards assisting in this highly desirable endeavour by prevailing upon your military authorities to refrain from engaging in military operations against such concerns engaged in the ordinary pursuits of industry."

I have the honour to be, etc.,
(sd) N. Aall,
Consul-General for Norway
and Senior Consul.

Circulated: October 18th, 1937.

Enclosure 1 11.

(CIRCULARS 194, 195-G-VII.)

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE AND INTERESTED COLLEAGUES AND HAS THE HONOUR TO CIRCULATE THE FOLLOWING FOR THEIR INFORMATION. (REFERENCE TO CIRCULARS 190A, 190B and 191-G-VII.)

(Letters from the Japanese Consul-General to the Senior Consul.)

194-G-VII

October 22nd, 1937.

Sir and dear Colleague,

I have to acknowledge the receipt of your letter dated October 15th in which you drew my attention on behalf of your interested colleagues to the consequences of the military bombardment of the previous day.

I must point out in the first place that the Japanese naval air force have no alternative but to attack Chinese military objectives which are situated on the extra-Settlement roads and in their neighbourhood. It is necessitated by the fact that the Chinese are unlawfully entrenched themselves on the outside roads and that they are engaged in military operations over the districts in close proximity to the foreign administrative areas including the extra-Settlement roads.

This Chinese practice constitutes a very serious menace to the foreign controlled areas and the Chinese should be held solely responsible for any consequences resulting therefrom.

I have repeatedly pointed out that duty devolves upon the extraterritorial Consuls interested in the administration of the Settlement to take a firmer stand with a view to suppressing any illegal actions taken by the Chinese vis-a-vis the Western area above-mentioned and also that part of the Settlement north of the Soochow Creek.

Be that as it may, we are on our part doing our utmost, in our attack upon the Chinese military objectives, to avoid any danger to the non-combatants or non-military establishments in general, to say nothing of the foreign administrative areas in which we are vitally interested. Should we, however, have inflicted any harm, in some way or other, upon these areas I cannot but express my sincere regret.

I have the honour to be, etc.,
(sd) Suemasa Okamoto.
Consul-General.

N. Aall, Esquire,
Consul-General for Norway and Senior Consul,
Shanghai.

195-G-VII

(Letter from the Japanese Consul-General to the Senior Consul.)

October 23rd, 1937.

Sir and dear Colleague,

I have to acknowledge the receipt of your letter of October 18th with further reference to the military operations being undertaken in the foreign controlled areas and their vicinity.

You may be well aware that Japan in common with other Powers is responsible for maintenance of peace and order in the foreign/

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

2

foreign administrative areas and realising as we do this responsibility, we have been putting up with all sorts of military disadvantage and inconvenience in order to safeguard these areas.

Unfortunately, however, as I stated in my previous letter we are obliged to repel hostile actions taken by the Chinese within the foreign administrative areas and its vicinity. In these circumstances I have to urge most strongly upon the interested Consular representatives to take drastic measures to put an end once and for all to the Chinese encroachment upon the districts concerned.

I have the honour to be, etc.,
(sd) Suemasa Okamoto
Consul-General.

N. Hall, Esquire,
Consul-General for Norway and Senior Consul,
Shanghai.

Circulated: October 25th, 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

Enclosure C. 12.

URGENT

(CIRCULAR 200-G-VII.)

The Senior Consul presents his compliments to his Honourable and Interested Colleagues and has the honour to say that the Consul-General for Japan has requested that they send him as soon as possible maps and/or description of location and kind of any property owned by their nationals in the territory south of the Hungjao Road and south of the border of the French Concession and extending to the Whangpoo River.

Circulated: October 26th, 1937.

Enclosure No 13.

(CIRCULAR 205-G-VII.)

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE COLLEAGUES AND HAS THE HONOUR TO CIRCULATE THE FOLLOWING FOR THEIR INFORMATION. HE IS REPLYING THAT THE LETTER HAS BEEN CIRCULATED AND THAT HE IS CONFIDENT HIS JAPANESE COLLEAGUE WILL BRING THE STATEMENTS MENTIONED HEREIN TO THE ATTENTION OF HIS MILITARY AUTHORITIES FOR APPROPRIATE ACTION.

(Letter from the President of the Chiao-Tung University to the Senior Consul.)

October 30, 1937.

N. Hall, Esquire,
Consul-General for Norway,
Shanghai.

Dear Sir:

Situated near the East Asia Tung-wen College, this University is far away from the Railway Line and on both the International Settlement Extension Line and the French Concession border. There are British Forces at one end and French Guards at the other end of our premises. No Chinese soldiers stay in or enter into our University. We carry on our daily work. Since the last few days refugees have been coming from the Hungjao Road; by arrangement with the International Relief Committee as well as the Salvation Army representatives we had to give the High School Department to shelter them. There is no one military man with us.

The report from Tokyo that buildings of this institution "have been seized and are now being used by the Chinese troops as base for operations, as a spokesman for the Foreign Office asserted," is absolutely untrue. Hoping that this University will be spared from destruction, we ask you kindly direct the mistaken report at once corrected and do whatever you deem necessary.

Faithfully yours,

(sd) J. Usang Ly,

President.

Circulated: November 1st, 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

Enclosure ①, 14.

(CIRCULARS 207 and 208-G-VII.)

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE
AND INTERESTED COLLEAGUES AND HAS THE HONOUR TO CIRCULATE THE
FOLLOWING FOR THEIR INFORMATION.

207-G-VII.

(Letter from the Chairman of Council to the Senior Consul.)

1st November, 1937.

N. Hall, Esq.,
Consul-General for Norway and Senior Consul,
2 Peking Road,
Shanghai.

Sir:

I have the honour to inform you that there were
handed over to the Council yesterday morning for safe
keeping those Chinese troops from the Joint Savings Bank
godown who on laying down their arms had been admitted
to the Settlement by the British forces.

The Council has placed the troops in question
under guard by the Russian Detachment of the Volunteer
Corps at a site in Kiaochow Road. The Council proposes
to detain these troops in safe custody during the present
hostilities.

I have to express the hope that the Council's
decision meets with the approval of the Consular Body.

I have the honour to be, etc.,
(sd) Cornell S. Franklin,
Chairman.

208-G-VII.

(Letter from the Senior Consul to the Chairman, Council.)

2nd November, 1937.

C. S. Franklin, Esq.,
Chairman, Shanghai Municipal Council,
Shanghai.

Sir:

I have the honour to acknowledge the receipt of
your letter of November 1st conveying the decision of the
Council to detain the Chinese troops who were admitted to
the Settlement by the British forces from the Joint Savings
godown in safe custody during the present hostilities.

This information has been communicated to my
interested colleagues, who join me in approving the
decision referred to.

I have the honour to be, etc.,
(sd) N. Hall
Consul-General for Norway
and Senior Consul.

Circulated: November 2nd, 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

Enclosure 14.

(CIRCULARS 207 and 208-G-VII.)

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE AND INTERESTED COLLEAGUES AND HAS THE HONOUR TO CIRCULATE THE FOLLOWING FOR THEIR INFORMATION.

207-G-VII.

(Letter from the Chairman of Council to the Senior Consul.)

1st November, 1937.

N. Hall, Esq.,
Consul-General for Norway and Senior Consul,
2 Peking Road,
Shanghai.

Sir:

I have the honour to inform you that there were handed over to the Council yesterday morning for safe keeping those Chinese troops from the Joint Savings Bank godown who on laying down their arms had been admitted to the Settlement by the British forces.

The Council has placed the troops in question under guard by the Russian Detachment of the Volunteer Corps at a site in Kiaochow Road. The Council proposes to detain these troops in safe custody during the present hostilities.

I have to express the hope that the Council's decision meets with the approval of the Consular Body.

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(sd) Cornell S. Franklin,
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208-G-VII.

(Letter from the Senior Consul to the Chairman, Council.)

2nd November, 1937.

C. S. Franklin, Esq.,
Chairman, Shanghai Municipal Council,
Shanghai.

Sir:

I have the honour to acknowledge the receipt of your letter of November 1st conveying the decision of the Council to detain the Chinese troops who were admitted to the Settlement by the British forces from the Joint Savings godown in safe custody during the present hostilities.

This information has been communicated to my interested colleagues, who join me in approving the decision referred to.

I have the honour to be, etc.,
(sd) N. Hall
Consul-General for Norway
and Senior Consul.

Circulated: November 2nd, 1937.

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

NO. 1083

AMERICAN CONSULATE GENERAL,
DEPARTMENT OF STATE

Shanghai, China,

1937 DEC 27 PM 12 40
November 16, 1937.

DIVISION OF
COMMUNICATIONS
AND RECORDS

SUBJECT: Editorials from Local English Language
Newspapers.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

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

DIVISION OF
FAR EASTERN AFFAIRS
DEC 28 1937
Department of State

793.94/11334

SIR:

With reference to my despatch No.999 dated October 8, 1937, "Political and Military aspects of Shanghai and Sino-Japanese Situation as Pictured in Newspaper Editorials", which covered the period from August 9 to September 30, 1937, I have the honor to submit with this despatch representative editorials that appeared in the local English newspapers during October, 1937.

The enclosed editorials were selected not for their intrinsic value but because they are considered to be representative of the points of view of the various papers and to indicate the wide divergences in local opinion on various aspects of events and developments in Shanghai.

In the aggregate the editorials are very long. Consequently comment on and quotations from them have been included in this despatch in the hope of briefly indicating their substances.

I. Military

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- 2 -

I. Military Situation.

As there were no important changes in the military situation in the Shanghai area during the first half of October, the editorials on military subjects in local English language newspapers were primarily concerned with the situation in North China.

- 1/ The spectacular fighting around Shanghai has not blinded local editors to the importance of the northern campaigns. The pro-Chinese CHINA PRESS, stated that

"Sometime ago we remarked that the fighting on the Shanghai front was more spectacular than vital, while the real and fundamental struggle had to be fought in North China."

- 2/ Furthermore, THE SHANGHAI TIMES, which frequently sympathizes with Japanese policy, reported on October 19 that

"While the days pass here in Shanghai with little or no change in the military situation developments proceed apace in North China which lead the majority of people to conclude that it is north of the Yellow River where the most serious outcome of the hostilities is likely to be seen."

- 3/ The CHINA PRESS claimed important victories in Northern Shansi for the Chinese forces. But the SHANGHAI EVENING POST & MERCURY on October 18 pointed out that

"Although Chinese successes in the North have been reported at various times, the general course of events thus far has not been such as to afford any permanent check to the Japanese advances and it now appears that a general Chinese withdrawal to prepared positions south of the Yellow River is at hand."

In the same editorial the SHANGHAI EVENING POST & MERCURY observed that few compliments can be paid for what has been done north of the Yellow River and that

"Such compliments as are in order go rather to isolated units and the mass of the soldiery than to any coordinated planning or spirit of get-together on the part of high command."

It

- 3 -

It also maintained that the 8th Route Army has been handicapped because

"Nanking still feels indisposed to do anything which might contribute glory to its onetime foe."

4/

The NORTH CHINA DAILY NEWS reviewed the "Northern Campaign" on October 21 and prophesied that once the Chinese forces were south of the Yellow River "warfare in that area will remain static for some time " unless the Japanese throw strong forces across before the Chinese consolidate their position.

Toward the end of October, after the Japanese had started the offensive that led to the capture of Daziang (大場) and Chapei and culminated in the withdrawal of the Chinese forces to the south bank of Soochow Creek, the local newspapers carried editorials almost daily on the fighting in the Shanghai area. In an editorial dated

5/

October 28 the SHANGHAI TIMES remarked that

"It was generally recognized that the fall of Daziang and the Chenju wireless station had created an extremely dangerous situation for the Chinese troops in what became a big Chapei salient with only a narrow bottle neck exit at the western end . . .".

The same editorial admitted that

"The withdrawal was orderly and that the troops were able to retire to new positions which will doubtless now be the scene of further carefully staged fighting."

6/

On the same day the CHINA PRESS gave the the following explanation of the withdrawal:

"Partly as the result of incessant bombing and largely for strategic reasons, the Chinese forces have finally decided to withdraw from the present line of defense."

This pro-Chinese editorial attributed to Mr. T. V. Soong the statement that

"Even if we should lose Shanghai, it would only be the beginning of the war."

The

- 4 -

7/

The SHANGHAI EVENING POST & MERCURY on October 28 joined other papers in praising "The dogged stamina and the newly born but burning patriotism of China's national soldiery" during the fighting in the Shanghai area and contended that there would not be a repetition of 1932 when the Chinese withdrew far enough to break contact with the Japanese forces. It also stated that

"The last thing the Chinese desire is to give the Japanese a chance to pause and subsequently to divert local strength to the north. The war here must go on and further indications appear to point to a widening of the area of conflict rather than a narrowing or simplification of the plan."

8/

In an editorial dated October 29 on the burning of Chapei the NORTH CHINA DAILY NEWS maintained that if Chinese and Japanese civilians could have exchanged their innermost thoughts over the picture of

"eight square miles of Shanghai's suburbs writhing in the torment of flame and smoke"

it is probable that

"they would have found an astonishing agreement." in thinking that

". . . the governments of two neighbor nations have to take responsibility for this crime committed in the names of their respective peoples."

The editorial then pointed out that after their withdrawal the Chinese forces would make another stand on a new line and that

"Meanwhile thousands of Chinese and a large Japanese and foreign community have been plunged into despair and destitution as the rival armies seek to settle the issue, indeterminate and, taking the long view, irrelevant to the true problem of Sino-Japanese relations."

9/

On October 30 the CHINA PRESS pointed out that

"From all points of view the retirement of Chinese forces from their first defence line to new prepared positions further inland can have little effect on the general military situation. Such a retirement has long been expected and therefore has occasioned

little

- 5 -

little surprise. The only marvel is that the Chinese sustained their defence for so long against such terrific odds as would have demoralized any army not steeled with sufficient determination or fortitude."

II. American Policy.

The local English language newspapers, with the exception of the SHANGHAI TIMES commented favorably and at length on the President's speech at Chicago on October 5.

10/ The SHANGHAI EVENING POST & MERCURY on October 7 began its editorial thus:

"President Roosevelt delivered a great and perfectly-timed speech at Chicago. It stands as probably the most important utterance on international affairs which he has made."

The editorial then refers to the report adopted by the League of Nation's "Committee of Twenty-Three" condemning Japan and states that the committee's action was

"without doubt influenced in large degree by Mr. Roosevelt's declaration."

In the next paragraph the editorial contends that:

"Considered together, these two gestures sum up as the most encouraging advance by civilization against barbarism that has been recorded since the outbreak of Sino-Japanese hostilities."

The editorial also states that Americans in Shanghai

"stand solidly behind the President's words"

and that the truths expressed in the speech are of

"immense value in making the people of the United States and every other nation realize that Far East affairs are not in any vital sense on the other side of the world from them."

11/ Also on October 7, the NORTH CHINA DAILY NEWS in a very long editorial praising the President's speech remarked that

". . . President Roosevelt must be acclaimed as having shown considerable sense of leadership at a time when a word from the United States of America was particularly welcome."

After

- 6 -

After further favorable comment on the President's speech and the concurrent activities of the League of Nations, the editorial pointed out that

"The fact that the United States of America, at this moment, has fearlessly accepted the obligations of her position as a co-operator in peace-construction is all important."

12/ Two short quotations may indicate the tone of an editorial in the CHINA PRESS on October 7:

"President Roosevelt has sounded a timely warning against America's over-reliance on an isolationist policy"

and

"His stirring address must not be accepted as a mere pronouncement devoid of sincerity."

In conclusion this editorial contended that economic sanctions are the measures that should be taken against an aggressor and predicts that if the

"League would embark on such a course the United States would fall in line."

On the next day, October 8, The CHINA PRESS carried another editorial on the President's Chicago address, stating that

"Chinese reactions to President Roosevelt's speech are summarized by their Ambassador to Washington, Dr. C. T. Wang, when he declares:

'I am not surprised by the speech. I have never lost confidence in the American people. The hour has now come for the peace-loving nations to put an end to anarchy and methods of barbarism in the world.' "

14/ The NORTH CHINA DAILY NEWS on October 9 again referred to the President's speech and remarked that

"Indeed President Franklin Roosevelt's speech accurately reflects the prevalent opinion among democracies that unless a halt be called to the cumulative process of denying the efficacy of good faith the very foundations of their security must disappear."

15/ Favorable comment on the President's speech over the radio on October 12, appeared in the October 14 issue of

the

- 7 -

the SHANGHAI EVENING POST & MERCURY. The article quotes the President as having said

" 'America hates war; America hopes for peace and, therefore, America actively engages in the search for peace' "

and then makes the following comment:

"In these words President Roosevelt states a great truth twofold both in his affirmation of the need for a dynamic peace policy, involving international collaboration and his belief that the American people are with him in this view."

16/ On October 15 the SHANGHAI EVENING POST & MERCURY devoted another editorial to the President's Far Eastern policy. After stating that it was improbable that he had any direct information to the effect that Japan and China are prepared to take part in a Nine Power Conference the article stated:

"But it is a fair assumption that he feels there is nothing to be gained by any assumption that the Japanese national mind is closed to all reason. He knows that a break in the game must occur sometime, and he is alert to create such a break if he can or at least to take advantage of it when it does come."

A very favorable editorial on the Department's statement of October 6 appeared in the SHANGHAI EVENING POST AND
17/ MERCURY on October 8. The first sentence reads:

"If any doubts remained concerning America's official attitude towards Japan's actions in China, the State Department condemnation made public yesterday on the heels of President Roosevelt's Chicago speech should set them thoroughly and finally at rest."

The article also stated that

"The State Department note performed an additionally valuable function in laying down principles which, in the opinion of the United States Government, should govern international relationships if peace is to be maintained."

The

- 8 -

The conclusion reads:

"The United States and other leading nations of pacific attitude have now given notice of a willingness to work together toward this end (The principles set forth in the Department's statement). History is being made of a considerably more cheerful description than has been the hitherto prevailing rule of late."

18/ The concluding sentence of an editorial "How Neutral is 'Neutral' " that appeared in the SHANGHAI EVENING POST & MERCURY on October 10 criticizes the American neutrality law. It states:

"Now comes the absurd 'neutrality' law enacted as a false pretense bluff for a European situation in which we had no such commitments to either side, and requires us to make a meaningless gesture of treating both sides alike across the Pacific, where we have such a commitment on one side and against the other, and to make that gesture in a way which would in practical effect aid the side against which our position is already officially fixed."

19/ Under the title of "The Long View" the SHANGHAI EVENING POST & MERCURY on October 11 discussed the difficulties of steering a straight course at present in the Far East. The editorial subsequently stated that

"It appears increasingly clear to Washington (on a sane and long-range evaluation) that run out policies cannot prevail and should not be either urged or encouraged. The United States must stand firm in China; that refers to individuals, to organizations, to officials, to protective forces military and naval. No other course can serve and everything possible should be done to avoid any indication that such other course is being so much as contemplated."

20/ The Secretary of State's speech at Toronto University was the subject of an editorial in the SHANGHAI EVENING POST & MERCURY on October 25. According to that paper "Mr. Hull summoned 'the outraged conscience of mankind' to set in motion forces designed to restore world peace."

After

- 9 -

After a further quotation from the Secretary's speech
the editorial stated:

"Significant in its bearing on the obvious trend,
during recent weeks, for Americans to realize the
mistake of insularity was Mr. Hull's warning that
no nation could escape the repercussions of a major
armed conflict anywhere in the modern world."

In an editorial on "The Stake of the West in China"

21/ the CHINA PRESS stated on October 26 that

"The reason why the two great Anglo-Saxon nations
will always enjoy high prestige throughout the
world is that they are leading exponents of the
idea that the main business of life is not to fight
but to live, and, as far as that may be possible in
peace and harmony with the rest of the world. In-
cidental to the business of living both the United
States of America and Great Britain realize that
one of the main essentials to a contented life is
the exchange of commodities. They further subscribe
to the proposition that, unless both sides to the
bargain feel that they are getting a quid pro quo,
the seeds for future conflict have already been sown."

22/ The leading editorial in the CHINA PRESS on October 29, was
entitled "America's Foreign Policy". It begins with
this sweeping statement:

"Never in the history of the United States of America
has there been more attention directed than now to
the point of whether the country should adhere to
George Washington's injunction to keep clear of
entangling foreign alliances or, instead, abandon this
policy and have America take an active and positive
policy in connection with its international affairs."

In conclusion the editorial alleged that

"For the moment it must be admitted that there is
a great deal of inconsistency in the pronouncements
of American statesmen, President Roosevelt included.
But it is one of the elements of a democracy that
all matters, both trivial and vital, should be open
to full public discussion, and out of the welter of
contradictory opinions, a sensible, workable,
foreign policy, it is to be hoped, will eventually
be evolved."

III. British Policy.

In October there were not nearly so many editorials on
British as there were on American policy. The NORTH CHINA

DAILY

- 10 -

- 23/ DAILY NEWS on October 2 reviewed British efforts to assist in terminating the hostilities between China and Japan. At that time it considered mediation rather than a conference of Pacific Powers as "perhaps the more practical proposal." In the same editorial the NEWS emphasized its opposition to a boycott or economic sanctions.
- 24/ On October 11 the NORTH CHINA DAILY NEWS began an editorial on "Anglo-Saxon Unity" with this sentence:
- "Mr. Neville Chamberlain's unreserved acceptance of President Franklin Roosevelt's offer of co-operation in strengthening civilization's defences against the lawlessness now menacing international relationships is an event of first class importance."
- The editorial emphasized "the solidarity of view now established between London and Washington" and urged Japan to consider the Anglo-Saxon point of view.
- 25/ The substance of an editorial in the SHANGHAI TIMES on October 12 may be indicated by quoting the first sentence:
- "The notification which has been given by Mr. Herbert Phillips, the British Consul General, regarding the inadvisability of the return of women and children to Shanghai at the present time must have the support of all who realize that, from the military standpoint, the city is as yet far from being out of serious danger."
- Another sympathetic editorial on the position of the British authorities on the evacuation problem appeared in the NORTH CHINA DAILY NEWS on October 21.
- 26/ In an editorial primarily praising Mr. Anthony Eden for his European policy, the NORTH CHINA DAILY NEWS stated on
- 27/ October 18 that
- "Mr. Anthony Eden has followed President Franklin Roosevelt's excellent example by speaking plainly on the fundamental issues now confronting a harassed world."

Important

- 11 -

Important as was the Foreign Secretary's emphasis on the need for international cooperation in upholding good faith, his direct criticism of policies at work in Europe and the Far East requires particular study. His condemnation of unlawful activities which are undertaken in the unashamed conviction that they cannot be resisted owing to serious international distractions elsewhere, will be fully appreciated not only in this part of the world, for it is obvious that a similar technique is hampering the peace-construction of Europe."

IV Nine Power Conference.

From October 8 to the end of the month there were many editorials on the Nine Power Conference to be held at Brussels. In general the local English language press was not optimistic over the outlook for the conference. With the exception of the SHANGHAI TIMES the press regretted Japan's decision not to attend. The pro-Chinese CHINA PRESS said in an editorial dated October 9 that it was no use appealing to reason in connection with Japan and that consequently the conference should adopt economic sanctions against that country.

28/ On October 19 the CHINA PRESS stated that the United States desired "peace by agreement". It also declared that the strong American delegation was an indication that the United States "means business".

29/ The NORTH CHINA DAILY NEWS on October 25 pointed out that

"Extravagant confidence in the Conference's ability to apply a speedy solution to the present problem in China is rightly deprecated. The chief ground for hope lies in the fact that-out of disappointment and disillusionment-it is being assembled with the express desire of restoring the efficacy of international co-operation for the preservation of peace."

30-36/ In addition to those previously mentioned, seven representative editorials concerning the conference are enclosed with this despatch.

V Japanese

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V Japanese Policy.

The local papers, with the exception of the SHANGHAI TIMES, frequently carried editorials criticizing Japan's actions and policies. The protests of the CHINA PRESS were the most strongly worded and anti-Japanese. Frequent complaints were made against bombings of civilians and undefended cities. Several editorials maintained that there was an increasing anti-war sentiment among the civilian population in Japan. The principal reasons given for this sentiment were: that the civilian population knows to what extremes the military will go, that it realizes how difficult China will be to conquer, and that the tremendous expense of a long war is understood.

Editors reported that Japan was anxious over the question of the loyalty of Koreans and the natives in Taiwan. They also claimed that there had been defections by "Manchoukuo" troops.

Criticisms of statements made by Japanese officials and organizations such as the "Association of the Members of the Tokyo House of Representatives" appeared frequently in editorials. The following quotations from the statement of that organization are believed to be typical:

"Japan's expeditionary force was, therefore sent to Shanghai as a self-defensive measure." The Nine Power Pact does not ban the right of self-defense":
"The Comintern is behind the present Sino-Japanese conflict."

The SHANGHAI EVENING POST & MERCURY termed such statements as merely "Tub thumping". Statements that Japan merely wanted "Economic co-operation" were ridiculed by local editorial writers.

Editorials

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Editorials on Japanese policy emphasized that no matter how much arguing there might be over relatively unimportant matters the basic fact remained that Japan is the aggressor. The loss of trade and enormous property and other damage caused by the hostilities were referred to frequently by editorial writers.

37/ On October 2 the SHANGHAI EVENING POST & MERCURY published an editorial on "Japan's Washington Note". After quoting the Washington correspondent of the NEW YORK TIMES as having correctly said that the note contributes no essentially new element to the situation, the editorial states in the next paragraph:

"But worthy of further notice is (the) fact that this note affords evidence of the hollowness of Japanese diplomatic denunciations of perfectly accurate foreign press reports of the wanton air-bombing of civilian men, women, and children."

38/ The CHINA PRESS on October 5 carried a long editorial on "Japan and Germany". The aim of the editorial appeared to be to assure Germany that it was not obligated under the "Anti-Comintern Pact" to assist or even sympathize with Japan in the latter's invasion of China, and to assure the readers of the paper that there was no danger of Germany assisting or sympathizing with Japan. The concluding sentence of the editorial reads:

"Its (THE GERMAN PRESS) frankness in both respects should convince Japan of the futility of trying to draw the Reich into a selfish war designed solely for the personal aggrandisement of Japan's war-lords and financial houses."

39-49/ Eleven representative editorials in addition to the two previously mentioned on phases of Japan's policy and actions in China are enclosed with this despatch.

VI Atrocities

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VI. Atrocities.

Editorial writers frequently expressed indignation over the aerial bombing and machine-gunning from the air of non-combatants, and over the flights of Japanese and Chinese airplanes over the International Settlement. The SHANGHAI TIMES emphasized the point that with so much bombing and shelling going on accidents to non-combatants were to be expected and that little could be done beyond urging the military commanders to exercise the greatest care.

50/ On October 14 the CHINA PRESS denounced

"The brutal attack by a Japanese submarine on a peaceful fishing fleet, some of whose survivors have been brought to Hongkong."

The writer alleged that

"For the past few weeks, Japanese warships have been systematically destroying Chinese trading and fishing junks, often displaying callous disregard for life, if all tales are to be believed."

51/ Under the subject "Beyond War's Necessities" the SHANGHAI EVENING POST & MERCURY pointed out that in spite of pledges that no Japanese airplanes carrying bombs would fly over the International Settlement such flights have occurred frequently.

The editorial emphasized that on October 14 five American marines were wounded by bombs and also one American sailor on the U.S.S. AUGUSTA by a Japanese shell, while Admiral Yarnell had had a very narrow escape. In conclusion it stated :

"That everything possible is actually being done cannot be contended when such tragedies as those of yesterday can happen. No military necessity exists for even the remote chance of such occurrences."

The

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52/ The NORTH CHINA DAILY NEWS on October 18 adopted a
sceptical attitude to reports that both the Chinese and
53/ Japanese forces were using poison gas. THE CHINA PRESS,
however, on October 20 stated that

"The resort to poison gas by the Japanese fighting
forces in Shanghai has been conclusively confirmed
by two distinguished foreign experts. The joint
testimony of Dr. H. F. Ettinger, chief surgeon of
the Nanking Red Cross Hospital, and of Dr. B. Borcia,
representative in China of the League of Nations
Health Organization, stands unchallenged."

However even the sometimes sensational CHINA PRESS did
not carry further editorials on the subject of poison gas
during October.

54/ On October 23 the NORTH CHINA DAILY NEWS stated in its
editorial column that

"the latest air raid over Shanghai should reenforce
Mr. Nelson Johnson's protest to the Government at
Nanking,"

concerning Chinese planes flying over the International
Settlement. The editorial pointed out that Japanese air
planes were also guilty of flying over the International
Settlement.

55/ On October 25 the NORTH CHINA DAILY NEWS endeavored to
estimate the number of civilians killed in the International
Settlement since the beginning of hostilities, and gave
2,000 as a conservative figure.

56-59/ All four of the local English language newspapers
carried long editorials on the "Keswick Road Tragedy" in
which a Japanese airplane machine-gunned a horseback riding
party of Shanghai residents and a British outpost on the
perimeter of the International Settlement killing one

British

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British soldier who was on duty there. With the exception of the SHANGHAI TIMES the local papers considered the incident inexcusable and inexplicable.

60/ In a second indignant editorial called "An Uninquisitive Inquiry," on the Keswick Road Incident the SHANGHAI EVENING POST & MERCURY pointed out that:

"No foreign witnesses are to be called by the Japanese court of inquiry into the machine-gunning of foreign defense force members and foreign civilians on Keswick Road Sunday afternoon, according to the Japanese spokesman. That fact in itself means that the inquiry can hardly do any real work of inquiring."

Further on the editorial remarked that only the crew of the airplane involved and the foreigners attacked were eye witnesses of the incident.

61/ The same paper on October 28, under the title of "Madness" began an editorial with this sentence:

"Nothing short of madness is being displayed by Japanese pilots who, in deliberate aggravation of the Keswick Road incident of last Sunday and in direct contradiction to the conciliatory attitude of their diplomats, machine-gunned British posts along the perimeter yesterday . . ."

The editorial maintained that one airplane made five attacks on a British outpost and that the British returned the fire.

The first sentence of the concluding paragraph states:

"Apparently the kindest thing that can be said of these attacks along the perimeter is that the flyers are drunk with irresponsibility and feel themselves immune from punishment."

VII. Chinese Policy.

The sympathy of the local English language newspapers, with the exception of the SHANGHAI TIMES, for China in its struggle against Japanese aggression probably accounts for the fact that there were remarkably fewer editorials on Chinese policy and actions than on those of Japan.

On

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62/ On October 11 the SHANGHAI TIMES in an editorial called, "Is Peace Possible?" remarked that there must be some basis for negotiations in view of the Japanese Foreign Office's statement that

"What the Japanese Government seeks in China is merely the abandonment by China of her anti-Japanese policies and the establishment of enduring peace in East Asia, through cooperation between Japan and China.";

and Chiang Kai-shek's statement that China seeks "Delivery from the present attacks on her national entity." The editorial does not attempt to analyze the Japanese Foreign Office statement in the light of Japan's actions in China, but continues by stating that

"It seems to us that if the good offices of Great Britain and America could be utilized to bring China and Japan together there might be some chance of ultimate success."

However, the editorial subsequently stated,

"But even if Britain and America do offer their good offices we believe that it is only possible for them to go a certain way for it is clear that China and Japan have got to settle this matter between themselves."

63/ The CHINA PRESS on October 12 quoted Chiang Kai-shek's address on the "Double Tenth" (October 10th, 1937) to the effect that there was no hope of hostilities ending in the course of a few months, and then remarked that:

"In this brief extract the policy of the National Government is once more affirmed. It is, of course, not to be understood that China wants to prolong the war indefinitely; rather it is correct to suggest that China would welcome peace as soon as the aim and object of deliverance can be attained. If Japan could be brought to see the wisdom of abandoning her aggression in China, peace may be restored overnight; if Japan should persist in her aggression, there can be no peace in sight now or this year or the following."

On

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64/ On October 17 in an editorial on "China To-Morrow"
the SHANGHAI EVENING POST & MERCURY prophesied, that no
matter what the outcome of the present conflict was it
"means the end of Western privilege in the East."
It attributes to Alberto de Stefani, former financial
adviser to the Nanking Government, the opinion that

"the one certain outcome of the Sino-Japanese
conflict will be to diminish the influence of the
great Western Powers."

65/ The CHINA PRESS on October 23 stated that

"The talk of a truce in the present mood of the
Chinese national temper is, to say the least,
idle and flippant."

It quotes Mr. T. V. Soong as having said in an interview,

"If a truce is possible now, we would never have
resisted at Lukouchiao. We would have made
peace there. We would not have waited for North
China to be occupied."

The editorial also maintained that

"Furthermore, any attempt at concluding a truce
now is not only prejudicial to the interests
of China but also to the cause of world peace.
Japan is rapidly becoming a world menace and as
such it must be removed by collective international
action."

66/ In its editorial column on October 24 the CHINA PRESS
praised highly Mr. T. V. Soong's radio broadcast to the
United States. The editorial consists principally of
quotations from Mr. Soong's speech and attempts to reen-
force and emphasize his argument that the United States
should assist China.

67/ The NORTH CHINA DAILY NEWS on September 27 in commenting
on a "tirade" said to have been delivered by Dr. C. T. Wang
in the United States remarked that

"It would be bad policy and still worse psychology if
Chinese diplomats abroad were betrayed into the use
of unnecessarily violent language in drawing attention
to Japanese bombing exploits."

The

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The editorial then discusses the moral censure evoked by Japanese air raids on non-combatants and subsequently states that

"It requires very little perception to arrive at the conclusion that recent Japanese attacks from the air on cities like Nanking, Hankow and Canton and in wantonly eliminating rural villages are gross violations of this humanitarian law."

The rest of the editorial is an elucidation of the theme that

"Japan is presenting China with a ready-made case and at the same time is calamitously damaging her own, such as it is."

VIII Chinese Morale.

There were at least seventeen editorials during October in the local English language newspapers on the general subject or some aspect of Chinese morale, during the present hostilities. The great majority of these editorials appeared in the extremely pro-Chinese CHINA PRESS. There were none in the NORTH CHINA DAILY NEWS, two in the SHANGHAI TIMES and three in the SHANGHAI EVENING POST & MERCURY.

68-69/ Both the CHINA PRESS and the SHANGHAI EVENING POST & MERCURY carried editorials expressing relief over

"General Han Fu-chu's statement refuting rumors that he may save Shantung from invasion by falling in with the Japanese 'autonomous five northern provinces' plan."

70-71/ Editorials praising the unquestionable bravery of the Chinese common soldiers in the Shanghai area, and even the courage of the boy scouts appeared in the CHINA PRESS.

72/ The SHANGHAI EVENING POST & MERCURY on October 9 in an editorial entitled "China Gathers Confidence" stated that

"A month ago, National Government leaders at

Nanking

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Nanking were discussing the probably imminent removal of the capital to an inland point, following the precedent of 1932. Today there is a different attitude, with such planning suspended. Many leaders now believe Japan will never penetrate to Nanking."

The penultimate paragraph of the same editorial states:

"Those who have been watching the knitting-together of Chinese national feeling and the cheerful determination with which the soldiers knowing themselves none too well supplied with mechanized forces have buckled down to unending opposition to a better equipped foe, increasingly believe that China can and will fight on even though time whittles Chinese resources down to little more than the will to resist."

73-77/

There were several editorials in October concerning the Chinese Liberty Bonds drive. On October 15 the SHANGHAI TIMES admitted that

"The very large measure of success which has attended the Government's issue of Liberty Bonds is in itself a testimony to the spirit of the Chinese people in the present crisis."

78/

The CHINA PRESS on October 10 said in part.

"Internally, too, the 'Double Tenth' signifies the era of a unified nation. Political differences have been set aside; personal interests have been abandoned. National leaders from all parts of the country are unified in a joint struggle against a common foe. Most gratifying in this respect is the dissolution of the Chinese Communist party, with the incorporation of the 'Red' Army into the National Army."

79/

On October 21 the SHANGHAI EVENING POST & MERCURY began an editorial, "China and Japan: A Study" with this sentence:

"If China wins this war by even approximate standards, it will be as much through psychology as anything else."

The editorial continues by stating that China although subjected to air-bombings, blockade, and a realization of the superior, mechanical equipment of the Japanese

forces

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forces is keeping "heads up" better "than is reported from many elements of Japan." The rest of the editorial is an attempt to justify such a point of view.

80/ On October 30 the SHANGHAI TIMES published an editorial mentioning the bravery of the Chinese soldiers who held out in a godown of the Joint Savings Society on North Soochow Road after they had been surrounded by Japanese troops and their own comrades had retreated, and then developed the theme that splendid as bravery and heroism are, "war is cruel and destructive" and "indefensible when other means are available for adjusting national and international relationships."

IX. Refugees and Relief.

81-82/ The tremendous problem of caring for refugees and the sick and wounded in Shanghai received considerable attention in October from the editors of local English language newspapers. Several editorials expressed appreciation of the contributions and assistance rendered by the United States.

83/ The SHANGHAI TIMES on October 4 said that "China's greatest need at the moment in connection with the struggle against sickness and suffering undoubtedly lies in the provision of an adequate supply of medicines and medical equipment."

84/ On October 24 the CHINA PRESS began an editorial on "The Refugee Problem" with the following sentences:

"The problem of providing food and shelter for the tens of thousands of refugees in Shanghai has been given much attention in the press both editorially and through correspondence. It is gratifying to note that constructive efforts are now being

organized

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organized to tackle it through the Shanghai International Red Cross or Shanghai International Committee of the Red Cross Society of China."

85/ The CHINA PRESS referred to the refugee problem again in its editorial on October 31, and stated that

"Mayor O. K. Yui has voiced the sentiment of the whole nation in expressing deep gratitude for the spontaneous assistance rendered by the foreign defence forces in Shanghai to the helpless Chinese refugees fleeing from Japanese gunfire."

X Foreign Property in Occupied Areas.

The problem of obtaining permission from the Japanese authorities for entry into and removal of foreign goods from the Yangtzepoo and other areas occupied by the Japanese military has deeply concerned the Consular Body in Shanghai and was the subject in October of several editorials. On 86/ October 20 the SHANGHAI EVENING POST & MERCURY stated that it had questioned a Japanese spokesman

"in an effort to clear up the Japanese attitude toward the International Settlement's 'North of the Creek' areas"

and that he had said the reason civilians are not allowed to enter the area freely is because of "military exigencies" including proximity to the front lines and the guarding of military secrets. The editorial also stated that the spokesman said the restrictions would be dropped "when hostilities move farther from the area."

In commenting on the spokesman's answers the editorial stated

"We are not yet convinced that the recent stoppage of access to the Hongkew-Yangtzepoo areas has been warranted by any apparent necessity military or otherwise; but at the moment we see no reason for pressing this point if passes are really being issued with freedom and fairness - - a case where the testing of the pudding must be in the eating."

On

- 23 -

87/ On October 30 The SHANGHAI TIMES began an editorial called "Facing the Obvious" with the following sentence:

"One of the subjects uppermost in the minds of many residents of Shanghai is, of course, the question when it will be possible to secure the opening up of the Hongkew and Wayside districts which are now under Japanese military occupation and from which all civilians, except those in possession of specially issued passes, are excluded."

The editorial then endeavors to justify Japanese policy of severely restricting entry into the area and states that

"So long as the Chinese batteries remain intact in Pootung and the Chinese Air Force is in a position to stage almost nightly raids over the areas in question it must be obvious to anyone that they are unsafe for general use and habitation."

88/ The CHINA PRESS in an editorial dated October 31 stated that

"Enough damage has been done to property of other foreign nationals as well as civilian Chinese for whom the Japanese have avowed the truest 'friendship' and no time should be lost to enable them all to salvage what is left. Once more peace should be restored to the ravaged area, and once more the International Settlement authority must be extended to the fullest extent."

X Miscellaneous.

(a) Economic

Several long editorials appeared in the local English language press during October on the economic dislocation of Shanghai and the outlook for the future. The SHANGHAI TIMES on October 1 stated that

"As time goes on it becomes more and more apparent that further relaxation in the emergency measures taken by the Ministry of Finance and the four Government banks is needed if the monetary situation in Shanghai is to be made adequate to the community's needs."

To emphasize its point the editorial maintained that

"Surely it is not impossible to devise a scheme whereby internal liquidity could be achieved

without

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without throwing wide open the door to the egress of capital."

After a brief review of a few of "Shanghai's
90/ Troubles" the SHANGHAI EVENING POST & MERCURY on October 3,
summed up the situation thus:

"While the country as a whole remains closed by war to all ordinary commercial traffic, Shanghai's means of livelihood will be cut off, and there will be little more than a precarious existence for anyone."

91/ The NORTH CHINA DAILY NEWS on October 12 published editorial praise for the coastal steamship companies that had continued to send their ships to Shanghai. The following quotation may indicate the tone of the article:

"The unobtrusive manner in which the coastal steamers are keeping open the sea routes between various places in China and are stimulating the morale of commerce is evident to anyone who reads the daily accounts of the arrivals and departures here."

The very limited resumption of traffic on the Yangtze by utilizing inland waterways and by service around the boom
92/ was the subject of an editorial in the SHANGHAI EVENING POST & MERCURY on October 12. It forecast

"That a regular Shanghai-Nantungchow operation may be inaugurated with a view to resuming interior trade."

In an editorial on the general situation in Shanghai
93/ the NORTH CHINA DAILY NEWS on October 20 stated that

"Shanghai just now is showing a mild improvement on conditions obtaining a month ago, partly owing to special activities arising from the local war itself and partly owing to the capacity of its own fat to provide it with sustenance for the time being."

In the next paragraph the editorial contended that

"Until there is ground for defining the political conditions created by the struggle still proceeding it would be a mere waste of energy and time to proceed beyond the assertion that some means should

be

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be found to maintain Shanghai's status as a world city ministering to the commercial requirements of China and the Far East."

8
At the beginning of a long editorial on the "Shanghai
94/ Situation" the SHANGHAI TIMES on October 20 stated that

"Shanghai is faced with a number of difficult problems such as keeping the maximum amount of trade and industry going as may be possible, the maintenance of food supplies at reasonable prices, the preservation of the public health and the care of the refugees and the unemployed."

The article subsequently pointed out that as the trade of Shanghai is

"The very lifeblood of the city upon which all else depends it must be our paramount consideration to do all that we possibly can to maintain it at the highest possible level."

This editorial also stated that under the circumstances a surprising amount of goods were shipped from Shanghai in September and that although prices have gone up considerably there is no serious shortage of food.

(b) Boycott

95-97/ The NORTH CHINA DAILY NEWS on October 4 and 6 and the SHANGHAI TIMES on October 1 published long editorials opposing a boycott of Japanese goods and predicting that the British Government would not countenance such a boycott. The NORTH CHINA DAILY NEWS in its editorial of October 4 alleged further that

"From America has come a definite repudiation of the boycott theory on the sound ground that it cannot be propagated except by stirring up hatred, that its practical effect would be long-delayed and that in the meantime it merely strengthens the hands of the militarists in Japan."

98/ The SHANGHAI EVENING POST & MERCURY on the other hand in an editorial dated October 18 maintained that a

"Boycott of Japanese goods in the peace loving countries of the world has ceased to be a debatable thing and has come to be a fact, however much or little this may be formalized."

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

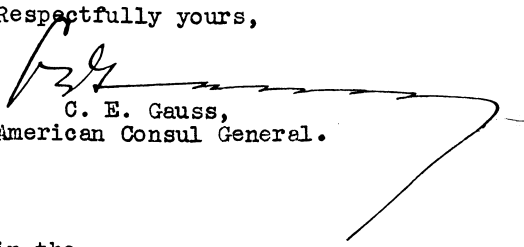
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The editorial remarks that

"Trade unions in various countries have taken
definite positions for boycott."

In conclusion it pointed out the danger to Japan's export
trade if a sufficient number of elements in foreign countries
subscribe to a boycott movement.

Respectfully yours,


C. E. Gauss,
American Consul General.

Enclosures:

1-98/- As stated in the
"List of Editorials"
attached hereto.

IN QUINTUPLICATE (one copy of each enclosure to Department only)
Copy to Embassy, Nanking
Copy to Embassy, Peiping
Copy to Embassy, Tokyo
Copy to Admiral Yarnell, Shanghai

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LIST OF EDITORIALS

<u>Encl.No.</u>	<u>Title of Editorials</u>	<u>Name of Newspapers</u>	<u>Date</u>
1.	War Situation in North China.	China Press	Oct. 23, 1937.
2.	War in North	Shanghai Times	Oct. 19, 1937.
3.	The Northern Postion	Shanghai Evening Post & Mercury	Oct. 18, 1937.
4.	Northern Campaign	North China Daily News	Oct. 21, 1937.
5.	Chinese Withdraw	Shanghai Times	Oct. 28, 1937.
6.	A Change of Scene	China Press	Oct. 28, 1937.
7.	Where is Thy Victory?	Shanghai Evening Post & Mercury	Oct. 28, 1937.
8.	Shanghai Bane	North China Daily News	Oct. 29, 1937.
9.	The Meaning of the Withdrawal	China Press	Oct. 30, 1937.
10.	Toward Peace	Shanghai Evening Post & Mercury	Oct. 7, 1937.
11.	Standards Affirmed	North China Daily News	Oct. 7, 1937.
12.	America for Peace	China Press	Oct. 7, 1937.
13.	America Finds Her Voice	- do -	Oct. 8, 1937.
14.	Consolidating Gains	North China Daily News	Oct. 9, 1937.
15.	A Voice of Sanity	Shanghai Evening Post & Mercury	Oct. 14, 1937.
16.	Working Toward Peace	- ditto -	Oct. 15, 1937.
17.	America Will Collaborate	- ditto -	Oct. 8, 1937.
18.	How Neutral is "Neutral"?	- ditto -	Oct. 10, 1937.
19.	The Long View	- ditto -	Oct. 11, 1937.
20.	Against International Outlawry	- ditto -	Oct. 25, 1937.
21.	The Stake of the West in China	China Press	Oct. 26, 1937.
22.	America's Foreign Policy	- ditto -	Oct. 29, 1937.
23.	Prospects of Mediation	North China Daily News	Oct. 2, 1937.
24.	Anglo-Saxon Unity	- ditto -	Oct. 11, 1937.
25.	None Too Safe!	Shanghai Times	Oct. 12, 1937.
26.	Evacuation Doubts	North China Daily News	Oct. 21, 1937.
27.	Plain Speaking	- ditto -	Oct. 18, 1937.
28.	Peace By Agreement	China Press	Oct. 19, 1937.
29.	Japan's Opportunity	North China Daily News	Oct. 25, 1937.
30.	World Reactions	Shanghai Times	Oct. 8, 1937.
31.	After Moral Censure	China Press	Oct. 9, 1937.
32.	Nine-Power Treaty	Shanghai Times	Oct. 13, 1937.
33.	Tokyo and Brussels	China Press	Oct. 17, 1937.
34.	Italy May Accept	Shanghai Evening Post & Mercury	Oct. 20, 1937.
35.	Clouds Gather	China Press	Oct. 28, 1937.
36.	Nine-Power Parley	Shanghai Times	Oct. 28, 1937.
37.	Japan's Washington Note	Shanghai Evening Post & Mercury	Oct. 2, 1937.
38.	Japan and Germany	China Press	Oct. 5, 1937.
39.	Self-Contradiction	- ditto -	Oct. 1, 1937.
40.	Patriots for Peace	- ditto -	Oct. 1, 1937.
41.	Back to Barbarism	- do -	Oct. 1, 1937.
42.	Damaging Evidence	- do -	Oct. 2, 1937.
43.	A Poor Statement	Shanghai Evening Post & Mercury	Oct. 11, 1937.
44.	Seeing Matters Differently	- ditto -	Oct. 12, 1937.
45.	A Gleam of Light	North China Daily News	Oct. 13, 1937.

- 2 -

<u>Encl.No.</u>	<u>Title of Editorial</u>	<u>Name of Newspaper</u>	<u>Date</u>
46.	After Two Months	Shanghai Evening Post & Mercury	Oct.14,1937.
47.	Japan's New "Feeler"	China Press	Oct.16,1937.
48.	A Dangerous Game	- - ditto - -	Oct.18,1937.
49.	Mysticism and Militarism	Shanghai Evening Post & Mercury	Oct.24,1937.
50.	Ruthlessness	China Press	Oct.14,1937.
51.	Beyond War's Necessities	Shanghai Evening Post & Mercury	Oct.15,1937.
52.	Gas Theories	North China Daily News	Oct.18,1937.
53.	Desperation	China Press	Oct.20,1937.
54.	Unsatisfactory Results	North China Daily News	Oct.23,1937.
55.	Bomb Victims	- - ditto - -	Oct.25,1937.
56.	The Keswick Road Tragedy	Shanghai Times	Oct.26,1937.
57.	Inexcusable & Inexplicable	Shanghai Evening Post & Mercury	Oct.25,1937.
58.	Keswick Road Tragedy	North China Daily News	Oct.26,1937.
59.	Why The Keswick Road Incident?	China Press	Oct.27,1937.
60.	An Uninquisitive Inquiry	Shanghai Evening Post & Mercury	Oct.26,1937.
61.	Madness	- - ditto - -	Oct.28,1937.
62.	Is Peace Possible?	Shanghai Times	Oct.11,1937.
63.	How Long?	China Press	Oct.12,1937.
64.	China Tomorrow	Shanghai Evening Post & Mercury	Oct.17,1937.
65.	The Talk of a Truce	China Press	Oct.23,1937.
66.	A Vivid Picture	- -ditto-	Oct.24,1937.
67.	Measure for Measure	North China Daily News	Oct.27,1937.
68.	General Han Speaks Out	Shanghai Evening Post & Mercury	Oct. 1,1937.
69.	General Han's Assurance	China Press	Oct. 3,1937.
70.	Unsung Heroes	- - ditto - -	Oct. 6,1937.
71.	Recognition of Bravery	- - ditto - -	Oct. 6,1937.
72.	China Gathers Confidence	Shanghai Evening Post & Mercury	Oct. 9,1937.
73.	Buy Liberty Bonds	China Press	Oct.10,1937.
74.	A Sensible Suggestion	-ditto -	Oct.12,1937.
75.	Share The Wealth	Shanghai Evening Post & Mercury	Oct.14,1937.
76.	Sour Grapes	China Press	Oct.15,1937.
77.	A Look Around	Shanghai Times	Oct.15,1937.
78.	"Double Tenth" -Double Significance	China Press	Oct.10,1937.
79.	China & Japan: A Study	Shanghai Evening Post & Mercury	Oct.21,1937.
80.	Bravery and Peace	Shanghai Times	Oct.30,1937.
81.	Good News	Shanghai Evening Post & Mercury	Oct. 1,1937.
82.	A Grateful Nation	China Press	Oct. 3,1937.
83.	Western Help in China's Trials	Shanghai Times	Oct. 4,1937.
84.	The Refugee Problem	China Press	Oct.24,1937.
85.	Nation-Wide Gratitude	- ditto -	Oct.31,1937.
86.	North Of The Creek	Shanghai Evening Post & Mercury	Oct.20,1937.

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

- 3 -

<u>Encl. No.</u>	<u>Title of Editorial</u>	<u>Name of Newspaper</u>	<u>Date</u>
87.	Facing the Obvious	Shanghai Times	Oct. 30, 1937.
88.	The Council's Stand	China Press	Oct. 31, 1937.
89.	Finance in China	Shanghai Times	Oct. 1, 1937.
90.	Shanghai's Troubles	Shanghai Evening Post & Mercury	Oct. 3, 1937.
91.	Keeping Commerce Going	North China Daily News	Oct. 12, 1937.
92.	Yangtze Traffic Resumed	Shanghai Evening Post & Mercury	Oct. 12, 1937.
93.	On Getting Up	North China Daily News	Oct. 20, 1937.
94.	Shanghai Situation	Shanghai Times	Oct. 20, 1937.
95.	Confusion of Thought	North China Daily News	Oct. 4, 1937.
96.	The Real Objective	- - ditto - -	Oct. 6, 1937.
97.	Third Party Role	Shanghai Times	Oct. 1, 1937.
98.	World Boycott	Shanghai Evening Post & Mercury	Oct. 18, 1937.

From The China Press, Shanghai, October 23, 1937.

WAR SITUATION IN NORTH CHINA

SOMETIME ago, we remarked that the fighting on the Shanghai front was more spectacular than vital, while the real and fundamental struggle had to be fought in North China. In order effectively to frustrate the Japanese plan of seizing the northern provinces with a view to their eventual political and economic domination, China has to give a good account of herself in the field on that front. Until almost last week, Japanese forces in the North had, for nearly three months, been on the ascendent, but lately a series of new developments has occurred in the situation which has not only checked their advance but tended to turn the tide of the war in China's favor.

According to latest reports, the Chinese defence has scored several important victories in Northern Shansi, which have completely upset the Japanese plan of an easy advance to Taiyuan, capital of that province. With the achievement of better co-ordination of the main Chinese forces and the wide-spread activities of the guerilla warriors, these successes have been followed to good advantage. In addition to the recovery of many strategic points such as the Pinghsing Pass, the Tzeching Pass, Kwangling, Ningwu and Fanshi, a large body of Japanese troops is reported to have been entrapped and surrounded in the vicinity of Yuanping and Hsinkow, where they are said to be facing annihilation with the severing of their line of communications and supplies from their base. Meanwhile, the guerilla warriors operating in the Shansi-Hopei border are steadily advancing eastward into Hopei and marching towards Paoting.

Chinese successes in Shansi must necessarily produce a heartening effect on the military situation in the Peiping-Hankow Railway front. Though the Japanese army in that zone is continuing to drive southward along the railway, it seems that their further advance may eventually lead them to disaster. The Japanese forces operating in that region have already stretched their line too long to be effectively defended; and once they are cut off from their main forces in the rear, their fate would be sealed. Such advance thus far has been achieved more due to the nature of the terrain of the Hopei plains than to any major serious warfare. On the other hand, the deeper inland the Japanese penetrate, the greater will be the chance for the Chinese forces to execute an enveloping movement around them. Therefore, any undue apprehension of the Japanese thrust in the Ping-Han area is unwarranted under the present circumstances.

On the Tientsin-Pukow Railway front, the situation is also definitely developing in favor of the Chinese. It is reported that the Japanese troops in Shantung are encountering stubborn resistance and withdrawing to the north. The forces of General Han Fu-chu have made a big advance towards Tehchow after crossing the Tuhai river, meeting with little resistance from the Japanese. Various reasons are assigned for this development. But the general observation is that owing to their reverses in northern Shansi, the Japanese military are diverting part of their troops to that front in order to retrieve their position, while the activity of Chinese mobile units in Hopei must needs compel the Japanese to shorten their line of communications. One significant point to be noted in this connection is that the Japanese advance along the Tsin-Pu line has been effectively checked.

Meanwhile, the situation in Manchuria is causing the Japanese considerable anxiety and making their present military operations inside the Great Wall a very uncertain and risky adventure. According to reliable foreign reports received at Peiping, large parts of the Chinese population there have become disaffected in the north, to which area the Kwantung Army has drafted more than 100,000 extra troops in the past two months. Armed forces actively hostile to the Japanese are estimated to have already exceeded that figure. Many districts are said to be completely out of control, jeopardizing the lives and property of the Japanese. And of late, the seriousness of the unrest is being intensified.

According to Chinese intelligence reports, for more than twenty days, no Japanese reinforcements have reached Tientsin from outside the Great Wall. On the contrary, large quantities of military supplies are being rushed from Tientsin to Manchuria. Adding to Japan's grave apprehensions of popular uprisings in Manchuria, and possibly also in Korea, is the ever-present dread of a Russian intervention.

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

... considerable anxiety and making their present military operations inside the Great Wall a very uncertain and risky adventure. According to reliable foreign reports received at Peiping, large parts of the Chinese population there have become disaffected in the north, to which area the Kwantung Army has drafted more than 100,000 extra troops in the past two months. Armed forces actively hostile to the Japanese are estimated to have already exceeded that figure. Many districts are said to be completely out of control, jeopardizing the lives and property of the Japanese. And of late, the seriousness of the unrest is being intensified.

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All these developments have tended to enhance the Chinese morale and give an optimistic turn to the military situation. However, amid the happy turn of events, it is of paramount importance that the recent successes in North China, particularly in Shansi, must be safeguarded, consolidated and followed up with renewed vigor and efforts. The importance of Shansi in the position of North China as a whole can not be over-estimated. In the light of past Chinese history, Shansi was always the deciding factor in the change of dynasties. It is no exaggeration to say that whoever holds Shansi holds the key to North China. So long as Shansi remains in Chinese hands, no Japanese successes can be regarded as certain or decisive. In view of its vastly strategic importance, we wish to emphasize again that Shansi must be held at all costs.

IMPERIAL

and England
journeys will become possible between China
missions still faster and still more comfortable
foreign Empire flying-boats come into com
more and more of the new double-decked
the main Australia-London service
Friday for London, when an expedition is made with
comfortable air transport Hong Kong every

From the China Press, Shanghai, October 22, 1937.

From The Shanghai Times, October 19, 1937

WAR IN NORTH

While the days pass here in Shanghai with little or no material change in the military situation, developments proceed apace in North China which lead the majority of people to conclude that it is north of the Yellow River where the most serious outcome of the hostilities is likely to be seen. By the capture of Paotou the whole of the Peiping-Suiyuan Railway has now fallen into Japanese hands, this being the line which Japan most obviously desired as very largely reducing any risk there might have been of military aid coming down to China from Inner Mongolia. It remains to be seen whether the Japanese thrust westwards along that route is taken very much further, for the line at present held cuts off the majority of the easily-usable terrain through which Chinese-Mongolian contact could be made. Farther to the west there are vast tracts of desert land south of the northerly sweep of the Yellow River, and it would be an exceedingly difficult task for any Inner Mongolian aid to reach China Proper by any route west of Paotou. Many of the Outer Mongolian Banners are throwing in their lot with the Japanese, notable among them being the forces under Prince Teh. The greater part of Suiyuan has now fallen under Japanese military control and it would seem that to whatever else these current Sino-Japanese hostilities might be leading they are destined to have a permanent historical effect upon the relationship between Nanking and those border regions in the north and north-west which have hitherto nominally recognized China's suzerainty. The recent report from Moscow, indicating that certain Soviet quarters would be willing to see Inner Mongolia given back to China so that military assistance could be given without the risk of Russian participation, has not so far been followed up by anything of a concrete nature. We think it is doubtful whether any such action would be taken, for although the Soviet would doubtless like to be of direct military aid to Nanking it will scarcely take the risk of putting Inner Mongolia into such

a political position which would leave it open to attack on the score that it is Chinese territory. This Inner Mongolia question is a phase of the situation which will have to develop much farther than it has now before any conclusions or definite opinions can be formed.

In Northern Shansi, the Chinese are by no means out of the picture, and in the region of, Yuanping appear to have staged a counter-offensive with considerable effect upon the Japanese dispositions. Entry into Shansi from the north and the west is only practicable through the Yenmen and Niantze passes and although the Chinese have lost the first they are, apparently, still in the region of the second. With their ever-lengthening lines of communication, the Japanese are assuming growing military commitments as they seek to invest Shansi and, even presuming that they eventually secure the fall of Taiyuanfu and go right up to the line of the Yellow River, it seems inescapable that certain of the Chinese forces will split up into small bands to coalesce later behind the Japanese lines as guerrilla or bandit forces. Well-informed quarters seem to have little doubt that the whole line of the Yellow River, from the Gulf of Pechihli through Shantung, Honan and up the west side of Shansi, will eventually be reached by the Japanese forces which might then call a halt and attempt to "sit tight" on the northern bank of that stream, awaiting either the outcome of the fighting in the Shanghai zone or a move by Nanking in the direction of peace. Nanking declares that it will never make peace under terms which means a lessening of its control over the five provinces of Hopei, Shantung, Chahar, Suiyuan and Ninghsia, though, under Japanese auspices, there are doubtless Chinese political elements in those provinces which would be quite prepared to set up a form of autonomous Government. Tokyo itself has avowed no desire for territorial acquisition, but it would doubtless not be averse to supporting any indigenous political developments which led to the independence of that vast region from what is, at the moment, regarded as the Kuo-

mintang-ruled Nanking. One feels that we are living in the presence of what are likely to be extremely important changes in the administrative set-up of this country—changes which would be Chinese or Mongolian in name but derogatory to the Nanking concept of a powerful centralized Government exercising its control to the uttermost borders of a sub-continent. That Nanking will fight against any such change is, at the moment, a foregone conclusion, and that military opposition will be offered can also be taken for granted. Unless some radical change does come over the situation it would appear that hostilities are doomed to be prolonged into a war of wastage. The Shanghai area is not militarily important, except as a trial of strength over extremely well-fortified and prepared ground and as contributing to that attrition which is inescapably going on. Nanking's main concern must be with the provinces which are now being overrun by the Japanese army, for behind the Japanese line if and when it follows the line of the Yellow River there will as time goes on almost certainly be political developments of quite far-reaching character, and which may quite likely be beyond the power of Nanking to alter.

From The Shanghai Evening Post & Mercury, Oct. 18, 1937

The Northern Position

ALTHOUGH Chinese successes in the North have been reported at various times, the general course of events thus far has not been such as to afford any permanent check to the Japanese advances and it now appears that a general Chinese withdrawal to prepared positions south of the Yellow River is at hand.

Hopei, Shansi, northern Shantung and most of Suiyuan are to be abandoned to Japanese control, according to a Reuter report from Peiping which notes that "the situation in North Shansi is obscure."

Lack of official Chinese Government information has contributed to this obscurity. From foreign observers who have been in this area we learn that the one-time Red Army, now known as the 8th Route Army, has had a peculiar time of it. Various apparently successful operations have not been reported to the general public, or have been reported without identification of unit or leaders, evidently because Nanking still feels indisposed to do anything which might contribute glory to its onetime foes.

What is more to the point, by Government order the former Reds have been unable to carry out their most cherished plan—the organization of a large mass of armed peasants for guerilla warfare which the Japanese might find extremely distressing. That the ex-Communists have their feet firmly planted on a mass movement is undented, and it would seem that they might be highly successful in reviving the technique of 1926-7 days which in large measure was employed against the Government in subsequent fighting after the party split.

With active collaboration of Nanking, and Government supply of arms to the masses, such a thing could be done on a scale never before attempted. The efficiency of such maneuvers would be unquestioned, for an armed peasantry is the most unpleasant enemy any foe can encounter over a wide area. Japan's tactics are rigid, they call for the employment of conventional counter-tactics, and an opponent living on the soil, knowing its every characteristic, impossible to confront or to grasp, would be an opponent which would confuse and baffle Japanese mechanized and mechanized-minded armies. Many observers have said, in fact, that the launching of China-wide guerilla warfare was China's one sure answer to Japanese aggression; and there is a great deal of merit to this view, beyond a doubt.

But Nanking is suspicious of the 8th Route Army and all its works, apparently. Orders have confined the ex-Reds to operations exclu-

sively west of Taiyuanfu, the Shansi capital, and, certainly the operations conducted by others east of Taiyuanfu have not been crowned with signal success. The Japanese and foreign observers seem agreed that lack of effective leadership and central control largely nullified the fighting spirit of the men. No general plan appears to have followed, and in some instances the erratic back-and-forth movements have involved the abandonment of carefully prepared defenses without a struggle—a situation only one step short of the Jehol debacle when mountain defenses were never given even a preliminary test.

Few compliments can be paid what has been done north of the Yellow River thus far, on a basis of reports. Such compliments as are in order go rather to isolated units and to the mass of the soldiery than to any co-ordinated planning or spirit of get-together on the part of high command. There are signs, however, that the next stage may be another matter more favorable to Chinese arms. Even the Japanese seems to think that this is the case, and the view is general among foreigners.

It is probably futile to mourn wasted opportunities, but some lessons of what has gone before should be observed with care. Nanking has been afraid of 8th Route Army-organized guerillas, it seems clear, and we have heard an apparently authentic story of at least one effort at guerilla organization by a trusted Nanking general who played ducks and drakes with the means allowed him and whose plan turned out to be a gigantic hoax. There must be better co-ordination and there must be organization and arming of the peasantry by someone who understands them, and has their confidence. Those two points seem essential. Nanking understands the first, apparently; the wisdom of the second may become more apparent with time—but it is to be hoped events do not move faster than perception.

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

From The North China Daily News, dated October 21, 1937.

NORTHERN CAMPAIGN

While events in the neighbourhood of Shanghai have of necessity attracted very considerable attention, it is as well, in order to obtain a complete picture of what is happening, to pay some regard to events in North China. It is by no means improbable that the rapidity with which they march in that area may have a very considerable effect upon the duration of hostilities in and around Shanghai and Nanking. Whatever may be said of the morality of Japan's behaviour, there can be little doubt as to the military wisdom of her commanders, for the descent into this district has had the effect of diverting large bodies of Chinese troops here who might have provided very effective reinforcement for those armies which are at present gallantly attempting to stop the Japanese seizure of the northern provinces, and whose performance suggests that they might have been more successful had they been so strengthened. Since the Loukouchiaio incident on July 7, the Japanese forces have progressed southwards at a very fair rate and as a result they are in control of some between forty and fifty thousand square miles of territory, to which, according to a telegram published elsewhere will probably have to be added the area of Inner Mongolia which the Japanese claim the Mongolian Princes are considering transforming into a buffer state. Thus the campaign which has been carried on in Suiyuan by the Mongol allies of Japan, who have skilfully managed that the Mongols shall secure the credit for victories obtained, has to be taken as part of Japan's general scheme for the creation of adequate protection of her right flank against the possibility of the long anticipated conflict with Russia.

The closer, and, to some extent, more important movement in Shansi, Hopei and ultimately Shantung indicates that the Chinese have availed themselves well of the physical characteristics of the territory, and the present Japanese line indicates how those characteristics have operated against the invaders in some districts. Thus Japanese commanders have found very considerable difficulty in making progress in the mountains of Shansi, as evidenced by the stern resistance offered by the Chinese north of Taiyuanfu and the successful manner in which it is holding up the advance upon the provincial capital. In the plains of Hopei the Chinese have not been so successful, chiefly because of the facility with which the Japanese mechanized army is able to operate down the Peiping-Hankow Railway along which they have now proceeded well south of Shihchiachwang. Floods on the eastern portion of the Japanese line have tended to retard progress down the Tientsin-Pukow line, but as the water drains off the conditions applying further west will be restored, and the next natural obstacles which will have to be encountered in that area will be the Yellow River itself, and after that the mountain fastnesses of Shantung. If, as is believed, the Chinese are fighting a guerrilla action while they withdraw to prepared positions south of the Yellow River, it would seem that the centre of the Japanese line has still to move southwards some 140 miles, and with the determination with which the Chinese armies are fighting there is every reason to believe that the Japanese will pay dearly for the progress they will, by that time, have made.

From all the reports which have come to hand it is clear that the opposing forces have not yet been engaged in any really decisive action. Attempts to encircle large bodies of Chinese troops have failed, and, though there appears to be some lack of co-ordination between the various Chinese forces on the northern front, it has not been sufficient to render their resistance ineffectual. Once south of the Yellow River, it may reasonably be expected that warfare in that area will remain static for some time, unless by some mischance the Japanese are able to throw strong forces across before the Chinese have consolidated their position. Should, however, the Chinese succeed in establishing themselves in that line, it is possible that Japanese attention will be more strongly centred on the campaign around Shanghai. On their own latest claims they have succeeded in holding in the Shanghai-Nanking area 55 Chinese divisions, and so long as they continue to do so with the comparatively small force they are employing, this phase of their campaign may be considered to be successful. That is probably all they intended to do, for a march on, and the capture of, Nanking would not necessarily end Chinese resistance, while on the other hand the attainment of Japanese objectives in North China may result in the Japanese remaining purely on the defensive there and here, awaiting the normal flux of time to bring about final consolidation of the victory obtained. If that is indeed their intention, it is obvious that these hostilities are bound to last a very long time, for in its present temper the Chinese nation is not likely to embark upon negotiations for any sort of peace which would deprive it of so vast a stretch of territory as that which the Japanese command contemplates occupying.

From The Shanghai Times, dated October 28, 1937.

CHINESE WITHDRAW

With a suddenness that was surprising to Shanghai's civilian community but thoroughly understood and anticipated by well-informed military observers, Chinese forces in Chapei and Kiangwan made a hurried withdrawal in the early hours of yesterday morning covering their retreat by setting fire to a large amount of property. It was generally recognized that the fall of Dahzang and Chenju wireless station had created an extremely dangerous situation for the Chinese troops in what became a big Chapei salient with only a narrow bottle-neck exit at the western end, and it was with a good deal of concern and sympathy for those troops that foreigners learned of Chinese official pronouncements that Chapei and Kiangwan were going to be held at all costs. It would have meant the encirclement and annihilation, or surrender, of a great many men, and the Chinese military command has to be commended for giving up a hopeless piece of terrain in face of pressure that could not be withstood. Whether the withdrawal to positions to the west and south of the Settlement was effected at comparatively little cost to the nearly-beleaguered men is difficult to say in view of the large numbers involved, but it does seem clear that the withdrawal was orderly and that the troops were able to retire to new positions which will doubtless now be the scene of further carefully-staged fighting. It would have been suicidal for Chapei and Kiangwan to have been longer held, and although China's greatest asset in these hostilities is her enormous man-power there should never be thought of reckless sacrifice for the sake of the moral satisfaction of slowing up an advance of the enemy in territory which is not vital to the outcome of the issue. The latest news of the actual positions as that was ascertainable last evening will be found elsewhere in this issue, as well as a half-page map for the better guidance of readers.

Shanghai must be saddened at the colossal destruction by fire which formed such a spectacular sight all day yesterday. Along a front several miles in length there were huge palls of smoke forming a northern curtain to the city. While a great deal of the property was of poor quality Chinese tenement and shop dwellings there were more valuable buildings involved and the monetary loss must run into many millions of dollars. From a military strategic point of view the formation of a fire zone between those evacuating and those following was doubtless justified, though sight should not be lost of the fact that it is mainly upon Chinese property owners that the burden of loss will fall. Japanese aeroplanes, engaged upon the task of bombing and harassing the withdrawing forces, carried out extensive operations, and much highly-valuable mill property in the far western district came under destructive attention. This journal has previously pointed out, Chinese military authorities were

doubtless quite entitled to make their own choice of venue in which to stage resistance to Japan, but now that warfare in the immediate vicinity of Shanghai looks like coming to an end by its transference farther out it does seem that a great many important factors were overlooked when a clash of arms was precipitated on the borders of this great city. Militarily, China has not gained a great deal, unless it be a high morale by the valour of her men in the field, and also, perhaps, by the prolonged engagement of quite large Japanese forces over a limited terrain. Financially and commercially, China must count the widespread destruction here as figuring large on the balance sheet—not in the way of immediate cash with which to wage hostilities but as regards the recuperative power of her principal commercial and industrial leaders. It is useless now to have vain regrets, but those who argued in favour of Shanghai being made a battleground are doubtless left with those second thoughts which so often prove unavailing to alter events.

We who live within the shelter of the foreign-manned perimeter owe more than can be expressed to the international troops who have kept inviolate the lines behind which we live. Yesterday's experience, with Chinese troops moving out and Japanese moving in to the accompaniment of firing and bombing within so short a distance, must have been trying in the extreme. Conditions calling for cool heads and a show of resolve in face of obvious danger obtained all along the line, and it will be universally regretted that an Italian grenadier lost his life while performing his duty. Just how essential it was that the perimeter should be strongly and intelligently manned was clearly

proved, and to those who did that manning and will continue to do so for some time to come, the heartfelt thanks of the community must be extended.

It would now appear quite possible that the Chinese forces will have to retire to their next strongly prepared positions out beyond Nanziang on the Shanghai-Nanking Railway and out to the south and west of the Hungjao district and along the line of the Shanghai-Hangchow Railway. Whether prolonged resistance can be offered to prevent the Japanese reaching round to Lungwha on the south, and so endangering the Chinese forces on the Pootung side of the Whangpoo, remains to be seen, but it does seem that the city of Shanghai itself will be freed of the noise and danger of battle earlier than it appeared reasonable to expect only a few days ago when such stout resistance was being offered at the Dahzang cross-roads. So long as the Chinese military command keeps its large forces intact and well co-ordinated the loss of a few miles of territory need not be seriously viewed. The danger of disintegration appears negligible, for it has been shown that military direction in this region has been of highly efficient character. As to Shanghai itself, it will breathe all the easier when the new lines farther out come to be shaped, but it will continue to have the worries of supplies, the virtual stoppage of industrial and commercial activity, the uncertainties of the future to face. But its saving grace will be the continued show of stoical "carry on" spirit, the prolongation of that adjustment to an abnormal situation which it has already achieved, and communal behaviour of the strictest rectitude. It has doubtless come as a disappointment to many Chinese to witness the change which came over the immediate local military situation yesterday, but in their case, too, it is the preservation of morale which will be their best contribution to the needs of the times.

From The China Press, Shanghai, October 28, 1937.

A CHANGE OF SCENE

THE scene of the local phase of the Sino-Japanese war is now shifting further inland. Partly as the result of incessant bombing by the Japanese and largely for strategic reasons, the Chinese forces have finally decided to withdraw from the present line of defence.

The move on the part of the Chinese defenders has been long expected by the public, and consequently the public has not been taken by surprise by this well-advised move.

For the last few days the Chinese troops have stood up against the fiercest bombardment ever witnessed in history. Their fortitude and gallantry have won admiration among all who have had the opportunity to visit the front lines. Once and for all the myth of Chinese weak-heartedness has been thoroughly exploded; and overnight the Chinese army has come to the front rank for its valor and heroism. That is a spiritual gain which is of greater value than any immediate spectacular military achievement; it is a spirit which will inspire and generate self-confidence without which no war can ever be fought and won.

Lest misunderstanding should arise and lest the innocent public should fall a prey to insidious propaganda, the withdrawal of the Chinese forces is no indication of the weakening of Chinese resistance. As Mr. T. V. Soong recently pointed out in all candor, even if we should lose Shanghai, it would only be the beginning of the war.

It may perhaps be added now without the least idea of criticism that the staunch defence of Shanghai for the period of two months and half has been undertaken, among other things, to prove to the world that the Chinese with proper equipment, can fight. Now that ample proof has been given of this justifiable claim, attention may be directed to points of greater military importance.

For the invading forces the advance further inland has entailed enormous numerical loss of their fighting strength, and as the war progresses greater losses will have to be expected. If we cannot drive them out at once, we can in time wear them out.

From The Shanghai Evening Post & Mercury, October 28, 1937.

"Where Is Thy Victory?"

AFTER 76 DAYS the inevitable withdrawal from Chapei has occurred. The world marvels that this was so long delayed. Surely the dogged stamina and the newly-born but burning patriotism of China's national soldiery has passed a most spectacular test. None who has witnessed the 1937 ordeal of Chapei can ever forget. Here indeed is victory that is no victory.

At the outset of the present hostilities this newspaper pointed out that the whole Yangtze delta must be regarded as relatively untenable terrain for even the staunchest of defenders. Any attacker with naval guns behind him has everything in his favor for clearing a zone along the west bank of the Whangpoo and eastward down the Yangtze from such point as Liuho. In 1932 this latter allowed the conduct of a flank movement which forced the heroic 19th Route Army to pull back inland. The present hostilities saw a longer, heavier Chinese line which could not thus be flanked but which was finally wheeled on the North Station pivot to produce substantially the same result after a much longer resistance.

In both cases, North Station was finally evacuated by the Chinese not because of direct military onslaught (despite terrific punishment, particularly by air-bombs) but because of the danger of being cut off when the Japanese had penetrated far to the northwest. Great credit attaches to the defenders, who have set an example of fortitude difficult to parallel in all military history and which afforded legend for years to come—even including the epic tale of a leaderless "lost battalion."

Some days may be required to clarify the next phase of military strategy by both parties. Clearly this is no repetition of 1932, when the Chinese executed a miracle of concealed withdrawal to a considerable distance, breaking

contact with the Japanese and (as matters turned out) ending hostilities. In the present instance this would not accord with the Chinese tactics of a war of attrition. The last thing the Chinese desire is to give the Japanese a chance to pause, and subsequently to divert local strength to the north. The war here must go on and future indications appear to point to a widening of the area of conflict rather than a narrowing or simplification of the plan.

So far as Shanghai is concerned, most residents of the foreign territories would no doubt welcome a complete detachment of this city from active warfare through a general withdrawal of all Chinese forces some distance up the Nanking-Shanghai railway. That may occur, but for the time being it appears that the Western District is not being abandoned and considerable anxiety must attach to that circumstance. A great deal of valuable foreign property must inevitably suffer if the dogs of war are to be let loose at each others' throats in this hitherto relatively lightly affected territory; but there seems nothing anyone can do about it. Moreover, the proximity of the various foreign defense units to active fighting involves problems already too painfully apparent—but again, we must "grin and bear it" as best we can.

The present situation after two months and a half of bloody and destructive fighting, in which non-combatants have been among the chief sufferers, epitomizes the insanity of Japan's whole imperialistic adventure in China. Seeking friendship, she brings hatred; seeking trade, she wastes millions. There can be no comfort in the belated achievement of a second advance which still leaves the southern end of the Chinese line less than five miles from the Whangpoo.

From The North China Daily News, dated October 29, 1937.

DN 10/29
SHANGHAI BANE

Eight square miles of Shanghai's suburb writhing in the torment of flame and smoke, the setting of a diabolic display of pyrotechnics on a titanic scale—on that picture foreigners and Chinese sadly gazed as the battle for Chapei reached its climax on October 27. If Chinese civilians could have exchanged innermost thoughts with Japanese civilians, it is probable that they would find an astonishing agreement. For reasons as obscure as those which Caspar could not explain to Peterkin, they would admit that the city of their common livelihood had become the plaything of militarists whose technique of destruction could not be reduced to any equation recognized by the code of sanity. As these words are written the senseless thud of the monotonous message of artillery breaks into reflection and stuns the processes of thought. Yet behind it all the Governments of two neighbour nations have to take responsibility for this crime committed in the names of their respective peoples. Heroic resistance to the invading might of Japan is written on the charred embers of Chapei. The burning of houses and buildings designed to maintain the peaceful traffic of social and economic life here has been the desperate expedient by which the Chinese defenders were enabled to make good a skillful and orderly retreat, regardless, it would seem, of the fact that the property of their own people—therefore the resources of their own country—had thereby to suffer irretrievable damage. In due course it is believed the Chinese forces will endeavour to take up their position on another line on which they will prolong their challenge to the marshalled resources of Japan. Meanwhile thousands of Chinese and a large Japanese and foreign community have been plunged into despair and destitution as the rival armies seek to settle the issue, indeterminate and, taking the long view, irrelevant to the true problem of Sino-Japanese relations.

That earlier tragedy nearly six years ago, grim though it was, seems now but the pallid shadow of to-day's holocaust. In the bright sunshine of Autumn Shanghai bravely smiles through its tears, determined to put as good a face as possible on the ruin around. Where it can still point to the outward semblance of ordered life, of buildings intact, of streets unscathed, it has to find encouragement in the precarious maintenance of some sort of routine from which, as the days pass, it is hoped eventually that the means of recovery will emerge. The forces of destruction are

themselves as much the victims of a saturnine fate as, for the time being, the chief actors in a soul-searing drama. Their courage and endurance are applauded but the applause is streaked with horror as the price which they have to pay is perceived—the price of indifference to human misery, to unspeakable cruelties inevitably accompanying the unthinking, as well as the deliberate use of instruments of slaughter and devastation. When flags are flying in the name of victory, when encomiums are lavished on the fortitude of the defeated, it cannot be forgotten that underneath the glamour of those military excellences there lurks the grim reality of a civilization distraught.

Having appealed to Caesar—the Caesar of armed might—the respective disputants cannot shake off immediately the obligations so desperately assumed. The trial must proceed until, by the rules of the tribunal, a point of finality is reached. So, Shanghai has to face the possibility of a long drawn-out vigil as on its borders two relentless adversaries exhaust themselves in their duel. Is it surprising that at this moment the Shanghai-lander, unwillingly involved in and yet detached from, this ill-omened struggle should feel disposed to condemn the whole madness of warfare rather than to apportion blame in partisan zeal? In due course efforts to define responsibility must be exerted if only as the necessary guide to future protection of this great city. For the time being, with the guns and aeroplanes still assiduous in their havoc-wreaking activities, attention is concentrated on measures to preserve what can still be preserved from the general folly. Shanghai has been made the pawn of an international gamble, the helpless victim of ill-controlled ambitions. It will take means to assert its own powers of resistance to misfortune. It has yet too big a part to play in Far Eastern economy for even this momentous assault on its integrity to be fatal. The ordeal of fire and slaughter cannot shake its deep-rooted steadfastness. Just now the shattered fabric of its woe, the flames of its dismay, may seem overwhelmingly poignant, but the sun shines with the message of hope. The bane of unassuaged wrath cannot endure for long. The omen of this autumn glory stands in the sky. When the time comes the promise will be fulfilled and Shanghai will again come into its own. The bane must yield to the unconquerable spirit which has breathed vigour and enterprise into the life of a great city.

From The China Press, Shanghai, October 30, 1937.

THE MEANING OF THE WITHDRAWAL

WITH the withdrawal of the Chinese troops from Chapei and Kiangwan, the war in Shanghai has entered a new stage in its development. The withdrawal, regrettable though it is, actually carries no greater significance than a mere change of the scene of hostilities. Certainly, it marks no weakening of the Chinese resistance, and far less is it an indication of abandoning Shanghai.

Chapei and Kiangwan constitute only one-fourth of the Municipality of Greater Shanghai, of which the other three-fourths still remain intact in Chinese hands. The scene of fighting may be shifted from time to time and from place to place, and there can be no dodging of the fact that the war on the Shanghai front will be carried on with renewed vigor and determination. As pointed out by Mr. T. V. Soong, even if Shanghai should be lost, it would not mean the end of the war but only the beginning of it. The heroic and bitter resistance offered by the Chinese during the past two and a half months should be sufficient warning to the Japanese.

From all points of view, the retirement of Chinese forces from their first defence line to new prepared positions further inland can have little effect on the general military situation. Such a retirement has long been expected and therefore has occasioned little surprise. The only marvel is that the Chinese have sustained their defence for so long against such terrific odds as would have demoralized any army not steeled with sufficient determination or fortitude.

The withdrawal has been effected in perfect order and in accordance with a premeditated plan. As explained by the Chinese military spokesman, the new position occupied by the Chinese forces does not by any means isolate Shanghai from the hinterland, as the entire areas south of the Soochow Creek and also comprising Nantao as well as Pootung, are firmly held by Chinese troops. The defenders are still holding three-fourths of Shanghai, and they are not only determined to defend them at all costs but also to use them as a base of operations for the recovery of the temporarily evacuated territory.

Militarily, the new Chinese defence line is shorter and less exposed to Japanese naval gunfire than before. This is decidedly an advantage to the Chinese and correspondingly a disadvantage to the Japanese. Spiritually, the morale of Chinese troops and populace in Shanghai has not only been unaffected but actually heightened by the epic defence during the past several months.

From the standpoint of the entire Sino-Japanese situation, the war in Shanghai is but a phase in China's war of resistance. The fundamental Sino-Japanese issue is still to be found in North China. Therefore, the final and decisive war has yet to be fought in the north rather than in Shanghai. China is waging a war of attrition; she will and she is fully prepared to fight to the bitter end.

In spite of their superior military equipment and their ruthless employment of the same, the Japanese forces have never been able to gain any advance in the Chapei-Kiangwan sector throughout the past ten weeks. Japanese propagandists may have told the world that their troops had "captured" these two areas, but their fighting services know only too well that while they have suffered colossal sacrifices, they have in fact never been able to eject the Chinese de-

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fenders by actual fighting. If they now dare to set foot on these ruined areas, it is only because the Chinese forces have retired therefrom on their own initiative.

From the military standpoint of view, the occupation of Chapei and Kiangwan can give the Japanese no appreciable advantage. On the other hand, the temporary loss of these areas is of no particular consequence to the Chinese. It must be made clear that the purpose of Chinese defence was not so much to hold these two areas permanently as to delay the Japanese advance long enough to ensure taxing their man-power and resources to the utmost. In this mission, the Chinese defence has eminently succeeded.

No one who has observed the hostilities in Shanghai during the past 76 days can fail to salute the brave defenders. Both locally and internationally, the gallant stand made by the Chinese troops has evoked the warmest admiration. The heroism that is now being poignantly demonstrated by the lone Chinese battalion (which is still holding out in Chapei and is determined to die with its post) is already attracting world-wide interest; it will also constitute a most glorious chapter in Chinese history.

Branding the Japanese occupation of Chapei as a "victory that is no victory," our evening contemporary eulogised the Chinese defence unstintedly. Among other things, it said: "Great credit attaches to the defenders who have set an example of fortitude difficult to parallel in all military history and which afforded legend for years to come—including the epic tale of a leaderless 'lost battalion.'"

Foreign commentators abroad are equally discerning. *The London Times* declares that not only today, but in the future, the Chinese resistance will have its moral effect all over China. While the Japanese are apparently straining every nerve to turn this local and deliberate retreat into a general rout, our London contemporary points out, the territorial gains are of little moment to the Japanese. On the other hand, their ten bloody weeks in Shanghai may one day prove to have laid the foundations of a military strength such as the Chinese never possessed before. *The News-Chronicle*, also of London, is even more outspoken in its expression of admiration. The Chinese resistance to the Japanese thrust at Shanghai, in its opinion, is one of the most heroic chapters in the annals of any nation. The gallant fight made by the Chinese in Shanghai should inspire the delegates to the Nine-Power Conference an equally firm stand on behalf of international law and order. Civilized nations, adds *The News-Chronicle*, cannot do less than the common soldier of China in withstanding aggression and defending an ideal.

China has, therefore, not fought in vain. She has every reason to continue to fight and every prospect of winning an eventual victory.

From The Shanghai Evening Post & Mercury, October 7, 1937

Toward Peace

PRESIDENT ROOSEVELT delivered a great and a perfectly-timed speech at Chicago. It stands as probably the most important utterance on international affairs which he has ever made.

A few hours later, and without doubt influenced in large degree by Mr. Roosevelt's declaration, the League of Nations full Committee of Twenty-Three adopted a drastic report finding that Japan had invaded China in contravention of her obligations under the Nine-Power Treaty and the Pact of Paris. Additionally there was action looking toward a meeting of Nine-Power Treaty signatories.

Considered together, these two gestures sum up as the most encouraging advance by civilization against barbarianism that has been recorded since the outbreak of Sino-Japanese hostilities.

Already it is clear that Shanghai Americans stand solidly behind the President's words, that they are in full accord with the line of his thought, and they are prepared like good soldiers to accept every implication of future developments for the common good.

A great many of us have resisted consular pressure for evacuation and we similarly resist extra-legal efforts to block Americans from coming to Shanghai. But we know that there is not to be excluded a possibility that a stern American front toward Japan might mean the compulsory departure of us all—and if that became necessary we would accept it. We hope this may not come. But we know the President is following courses which must be endorsed by every right-thinking individual of any nationality and he will receive the fullest support in this supremely affected area.

It is clear that the Powers have been so deeply impressed by both the present atrocities and the menace to the future that they are preparing to move together in a way hitherto deemed impossible.

President Roosevelt, always a master strategist with virtually unerring sense of the currents of public opinion, has picked a crucial moment when his people's thinking had moved to precisely the proper point. It is very likely that his judgement of the trend in America would apply about equally well to many other parts of the world. In any event his inspiring challenge, flung in the faces of international breakers of the peace, will find echo not only at Geneva but in every other place where brute force is abhorred when not backed by justice and reason. Again Mr. Roosevelt has proved himself a bold leader of civilized thought.

Declaring that 10 per cent of the world population is jeopardizing the peace, freedom and security of the other 90 per cent, the President strikes at isolationists by pointing out the clear fact that if atrocious things happen in other parts of the world, "let nobody imagine that America will escape or that she may expect mercy."

"If these things are to be prevented," the President went on, "peace-loving nations must make a concerted effort to uphold the laws and principles on which alone peace can rest secure. There must be a return to belief in the pledged word and the value of a signed treaty."

These truths are of immense value in making the people of the United States and every other nation realize that Far East affairs are not in any vital sense on the other side of the world from them. Said the President:

"Without a declaration of war and without warning and justification, civilians, including women and children, are ruthlessly murdered by bombs from the air."

In every country with the sole exception of opinion-controlled Japan this point has already made a tremendous impression, which the President's explicit statement will deepen. Similarly the League committee's report underlines well-established opinion when it finds that "the military operations of Japan against China by land, sea and air are out of all proportion to the incident which occasioned the conflict, that such action cannot possibly facilitate or promote the friendly co-operation between the two nations which Japanese statesmen have affirmed to be the aim of their policy, that it is unjustifiable on the basis of existing legal instruments or right of self-defence, and that it contravenes Japan's obligations under the Nine-Power Treaty and the Pact of Paris."

The second report of the sub-Committee of Thirteen is important and thoroughly aligned with the Roosevelt views when it emphasizes the vital need for maintenance of and respect for treaty obligations. Its refusal to admit that the conflict can be settled only directly between China and Japan is significant. Linked with these European conclusions goes the Roosevelt-led growth of feeling in America that the best guarantee of peace for the United States and other pacific nations will be universal active participation in international peace efforts.

From The North China Daily News, dated October 7, 1937.

DN 1937

STANDARDS AFFIRMED

President Franklin Roosevelt has straitly exhorted his people to beware lest, by omitting to correct the world's neglect of vital standards of conduct, they are themselves imperilled. His plain speaking on the licence now accorded to aggression, whether in the West or in the East, constitutes a clear lead to those Americans who are inclined to hug to their bosoms the delusion that, secure in the geographical inaccessibility of the Middle West, they can adopt the philosophy of the Jovial Monk and care nothing for what goes on across either Ocean. It would be unwise at this juncture to attach to the President's announcement much more than a domestic warning and, perhaps, a definite encouragement to the forces of goodwill. Even so President Roosevelt must be acclaimed as having shown considerable sense of leadership at a time when a word from the United States of America was particularly welcome. The appreciable increase in the vigour of the League's Committee appointed to report on the Sino-Japanese struggle is ascribed partly to the firmness of his challenge to "international lawlessness." It is reasonable to assume that he would not have gone to that point if he had not good grounds for the conviction that practical results would accrue. The great merit of his exposition, in its bearing on the crisis here, is that it goes straight to the root of the trouble. It restores to the first place in statesmanship's consideration the crucial issue of Japan's aggressive invasion of China. It is true that he condemns certain specific activities marking that invasion but it is the aggression itself which he recommends to the world's collective correction, for the purpose of establishing "positive endeavours to preserve peace." He lays stress on the value of a "concerted effort" and it is therefore clear that he will countenance no proposal for which combined support cannot be secured. He has thrown down a challenge to the isolationists. He has warned America that the attitude of neutrality cannot be ultimately effective if lawlessness be unchecked.

In so far as the President referred to the Sino-Japanese conflict his words contain counsel which it is to be hoped will be duly heeded by Japan. This is all the more desirable because the League of Nations, truncated though it be, has taken steps to record a considered judgment on Japan's action in invading China. Brushing technicalities and quibbles aside, the resolution unanimously adopted by twenty-three nations holds that Japan's operations are out of all proportion to the incident from which they arose. The view that Japan has thus acted in disregard of her obligations under the Nine Power Treaty and the Paris (Kellogg) Pact is recorded. The Assembly of the League in considering the report will be asked to take measures for return to the existing obligations and treaties governing the Far Eastern situation. It must be remembered that the decision is based on information available from the chancelleries of member-powers whose representatives in China have been able objectively to expound the situation. In other words the committee cannot be said to have acted on incomplete information. Its verdict is therefore all the more significant. Significant too is the promptness with which President Roosevelt has conveyed the moral support of his country to the League's efforts at reaffirming the principles of the Covenant. It is idle to point to past weaknesses and hesitations. The fact that the United States of America, at this moment, has fearlessly accepted the obligations of her position as a

co-operator in peace-construction is all important. It gives valuable endorsement to the weighty findings of the committee which has now reported to the Assembly of the League. The Assembly is unlikely to invite repetition of the failure which arose from the application of sanctions in the Abyssinian crisis. The movement to organize an unofficial boycott of Japan is obviously doomed to receive no official support either in America or in Europe. Democratic freedom of speech and action may in certain conditions facilitate some form of individual expression of disapproval of Japan's policy. Anything like a deliberately planned method of economic pressure is at the moment improbable. President Roosevelt's reference to the sanitary device of establishing a quarantine does not necessarily imply sanctions of an economic kind. Assuming that the Assembly adopts the committee's report it may be possible that the nations concerned will, in conjunction with the United States of America, take up the issues arising from the breach of the Nine Power Treaty.

There are many people who hold that action of that kind should have been taken in September 1931 in preference to the recourse to the League. That is not the view of wisdom after the event, for more than one commentator gave expression to it at the time. Now at long last it seems to be acceptable. It certainly offers the opportunity to approach Japan on diplomatic lines. Nor is economic pressure the only form of disapproval which can be registered, if it should happen that the invocation of the two Treaties leaves Japan cold. The device of temporarily withdrawing full ambassadorial relationships could, for example, be considered. It has the advantage of depending for its efficacy far less on complete unanimity. It may be at the back of President Roosevelt's mind in his reference to "quarantining." For it is impossible to deny the vital importance of his insistence on the duty of checking lawlessness among nations. Standards must be restored otherwise the jungle will be let in upon civilization and no single country will be safe. The action of Japan has thrown into the background all question of China's status or general attitude. Whether the Government of China is or is not fully alive to its responsibilities becomes for the time being an irrelevancy. The point for consideration is Japan's apparent claim to ignore solemn undertakings entered into with fellow-powers, and to elevate the exercise of armed might to the sole arbiter of her discharge of her obligations. Thus the world is called upon to fulfil the duty of civilization by being prepared to mobilize its fullest resources for the support of principles vital to its integrity. If this attitude be firmly maintained there can hardly be any doubt that Japan will have to pause and reflect. It is not enough to say that she is being driven into isolation. That condition will come upon her only by deliberate invitation on her part. She has to consider the danger to her prestige as a great power which unresponsiveness to the world's appeal may precipitate. Looking back on recent history it is difficult to recall an instance of so apparently an indiscriminate launching of military operations on the soil of a great country. Apart from the chief assault in the North and the particularly intensive struggle in this urban area of Shanghai, Japan has made herself responsible for loosely connected attacks by air and sea on numerous other regions of China's territory. She has appealed to the sword and by the sword of a desperately driven antagonist she has been answered. Instead of simplifying her difficulties she has complicated them a hundred-fold. As the days pass each success which they bring seems only to raise up greater obstacles, not the least of which may soon be found to subsist in the growing volume of world-opinion condemnatory of her actions. This is a plight which her friends must sadly deplore. She can extricate herself with full honour if, in the face of the exhortations now addressed to her in all generosity and kindness by her sister nations, she is courageous enough to review the policy thrust upon her Government by unwise counsels. She herself has constantly prescribed adherence to standards of international rectitude. She has the opportunity to justify that sense of decency by co-operation with the rest of the world in restoring those standards for the sake of humanity. No effort will be made to humiliate her in the process. Rather will the world's relief stimulate a readiness to smooth the path of resilement with all the respect which her dignity and traditions command.

From The China Press, Shanghai, October 7, 1937.

AMERICA FOR PEACE

PRESIDENT Roosevelt has sounded a timely warning against America's over-reliance on an isolationist policy, in his address delivered at the dedication of the Outer-Link Bridge on Lake Michigan in Chicago. If he had ever appeared to be unaware of the danger that confronted civilization, with the United States included, he has certainly made his stand clear enough to dispel any doubt about his far-sighted statesmanship by his latest utterances.

His stirring address must not be accepted as a mere pronouncement devoid of sincerity. In fact, he frankly affirmed that "as a responsible executive and head of the nation" he had "chosen this great Island City on this gala occasion to speak to you on a subject of definite national importance." On this subject, he declared unequivocally:

If we are to have a world in which we can breathe freely and live in amity without fear, the peace-loving nations must make a concerted effort to uphold the laws and principles on which alone peace can rest secure. There must be a return to the better in the pledged word and in the value of the signed treaty. There must be a recognition of the fact that national morality is as vital as private morality.

The concluding appeal which President Roosevelt addressed to his constituents was based on the lamentable fact that "a haunting air of calamity pervades the air" and on a "reign of terror" throughout the world, until today the "welfare and security of every nation is being threatened."

Though no specific reference was made to particular nations to whose "greed" innocent nations are being sacrificed, it is scarcely necessary to mention names to a public which knows recent history only too well. The Japanese military will find in President Roosevelt's candid statements much food for thought, if they are still capable of thinking on fundamental issues.

The real significance which may be attached to the eloquent dissertation on peace must be seen beyond the territorial confines of the United States. In our opinion, the policy which he has outlined so emphatically may have been intended for the benefit of statesmen now assembled at Geneva. "America hates war. America hopes for peace." And yet to achieve peace all wars must be averted. To such a program the United States may be counted upon to contribute its share. If this attitude were examined together with a recent statement by Secretary of State Hull that America might consider any concrete proposal to put an end to the Sino-Japanese conflict, it would leave little room for doubt that the Roosevelt administration, in spite of the pacifists' cries for isolation, will not allow itself to be relegated to a second place in the universal campaign for peace.

Within the past week the world has turned its eyes to the League of Nations for a solution of the Sino-Japanese problem, and the League has in turn looked toward Washington. Now that President Roosevelt has attempted to remove the last vestige of doubt concerning his readiness to participate in effective measures to secure peace without involvement in war, the question resolves itself to this:

What effective measures can be taken?

There is and can be only one answer: Economic sanctions against the aggressor.

If the League will muster sufficient courage to embark upon this most logical course of active condemnation of Japan, America will doubtless fall into line. President Roosevelt has not said so plainly; he has said enough to make any other conclusion ridiculous.

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

From The China Press, Shanghai, October 8, 1937.

"AMERICA FINDS HER VOICE"

IN these simple words the important speech delivered by President Roosevelt, at Chicago on October 5, is commended by the *Washington Post*, because said speech ends for all time "the flabby, vicious and humiliating doctrine that America can see no difference between a ruthless aggressor and the innocent victims of his aggression." The journal adds that to Tokyo, Rome and Berlin "the President has served notice that such aggression is not merely passively resented by the United States but will be resisted by positive endeavor."

Chinese reactions to President Roosevelt's pronouncement are summarized by their Ambassador to Washington, Dr. C. T. Wang, when he declares: "I am not surprised by the speech. I have never lost confidence in the American people. The hour has now come for the peace-loving nations to put an end to anarchy and methods of barbarism in the world."

There is no doubt that President Roosevelt's timely utterances will go down into history as an epoch-making event. It is freely admitted in Geneva that these utterances have been timed to perfection and that they exerted a profound influence upon the deliberations at the Assembly of the League of Nations, so that the only states abstaining from the unanimous adoption of the recommendations of the League Advisory Committee of 23 are Siam and Poland. Hereafter, together with the implied collaboration of the United States the League may therefore be expected to muster greater courage to vindicate its prestige.

Judging from present indications there is also no doubt but that Uncle Sam means henceforth to exert an increasing influence on behalf of all peace-loving nations. This is attested by the significant statement issued by the American Department of State on October 6, clarifying President Roosevelt's remarks. It declares with the latest verdict of the League of Nations that Japan's action in China is "contrary to the provisions of the Nine-Power Treaty and the Kellogg Peace Pact," and reaffirms the several principles which in the opinion of the United States should govern international relationships, if peace is to be maintained. Consequently, it is already believed in Washington that the United States Government "intends to collaborate with the League of Nations in the Far Eastern crisis to the limit of its ability."

Those who do not despair of the ultimate triumph of right over wrong and justice over injustice will derive added inspiration from these latest international developments. An apostle of "government of the people, by the people and for the people," it is fitting that America's voice should be found and given utterance to at this dire hour of stress and storm.

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

From The North China Daily News, dated October 9, 1937.

CONSOLIDATING GAINS

The saner elements in the Japanese Government will, it is to be hoped, realize that the concurrence of the United States of America in the League's reading of the obligations of the Nine Power Treaty cannot be lightly dismissed by the argument that the rattling of sabres can drown the voice of truth. Indeed President Franklin Roosevelt's speech accurately reflects the prevalent opinion among democracies that unless a halt be called to the cumulative process of denying the efficacy of good faith the very foundations of their security must disappear. China is entitled to congratulate herself on the vindication of her right of defence against unwarrantable attack. She will be wise, however, to take careful note of the implications of the proposals whereby the League, with her acquiescence and with the co-operation of the United States of America, seeks to determine the issues involved. As a signatory of the Nine Power Treaty, Italy should realize that, by transferring the responsibility of reviewing the Pacific problem to an extra-League tribunal, her own susceptibilities are being taken into account. Just as America, Germany and Japan, non-members of the League and signatories to the Treaty, will receive their invitation from their colleagues of the Washington Conference, so Italy, if she stands on her present objection to the League's authority, may be brought within the orbit of the projected new conference without prejudice to her position. Frankly, much diplomatic spade-work will be necessary to establish these preliminaries to the corporate discussion of Far Eastern affairs, but it will be earnestly hoped that solicitude for the world's urgent need of peace will prevail over national particularism. No country, however passionately convinced of its own grievances can afford at this critical juncture to be responsible for barring the way to international appeasement.

China has thus been assured of the moral support of an important section of opinion in her present resistance to aggression. She, no less than Japan, should, however, observe that the tribunal to which recourse is now proposed will have authority to survey the whole situation in the Far East and consequently to weigh up all factors which have contributed to the crisis now involving herself and Japan in a disastrous conflict. The decision which has been taken does not imply commitment of any other nation to armed intervention, although it must be recognized that should Japan carry her contumacy to extravagant lengths that danger has to be taken into account. China will be well-advised to regard that danger as fatal to her own interests and to consider how best she can capitalize the benefits accruing to her from diplomatic solutions of her differences with Japan. The sympathy which she has commanded must not be misunderstood. It may emphatically condemn the action into which Japan has been driven or led by a militarist clique. It does not connote complete blindness to China's own shortcomings which have contributed to exacerbation of Sino-Japanese relations in the years that have elapsed since the Washington Treaty of 1922 was signed. Any conference of the signatories to that Treaty will fail to do its duty unless it objectively reviews the circumstances which have brought China and Japan into conflict. That is why the proposed method of investigation is preferable to presentation of the issues before the League—a point which China has wisely conceded. It is natural that, at a time of conflict, China concentrates attention on the

immediate causes of her present predicament. If, however, permanent solutions are desired a wider treatment must be permitted and will, certainly, come into play should the Nine Power Conference take place. Enough, for the moment, has been said on Japan's part in precipitating the clash with China. It is now essential in fairness to China herself, to indicate the requirements of a situation from which she may secure advantages of real permanent benefit to her own national progress and to the stability of the Far East. The fundamental question to be considered is whether, on her side, China needs to revise policies in facilitation of a real *rapprochement*, not only with Japan but with other powers concerned.

The vigour of Chinese nationalism has been recognized. The efforts to establish political unity, to develop a workable system of government are applauded. Yet it will be admitted that even the most sympathetic observers have considerable diffidence in accepting all claims which are made on China's behalf. This is due to constant evidence of discrepancy between declarations of policy and the administrative actions applied to the process of giving effect thereto. Foreign opinion, especially that in close touch with affairs here, finds its sympathies heavily streaked with distrust. It is the duty of the

Chinese Government to consider the sources of that distrust and the means whereby they can be eliminated. Specifically this problem turns on Sino-foreign relations. China admits her dependence on foreign assistance, not of the kind which dominates her polity or infringes her sovereign rights, but based on equal and unfettered conditions of contractual associations. There is far too much ground for arguing that obstruction and evasion hamper the smooth development of this partnership. Even now when China is enjoying special favour from sympathetic powers, there is an unfortunate tendency to be resentful of the slightest criticism which judicial fairness, to say nothing of sage caution, demands. Airy assertions that foreign capital and other aid are welcomed by China blandly overlook the relentless facts of the not so very remote past. Without raking up that past, it is or should be possible to insist that some assurance of approved and acceptable validity should be forthcoming for removing apprehensions which at present deter foreign opinion from wholeheartedly supporting China's efforts in working out her own salvation. Cannot Chinese statesmen ask themselves frankly whether the technical and other expert assistance readily tendered to her has met with the co-operation necessary to its practical success? Cannot they take steps to correct those tendencies which in so many different enterprises have been disheartening to legitimate foreign business—such as discriminatory legislation, local bureaucratic arbitrariness—and, to China's detriment, have encouraged the baneful activities of unscrupulous foreign exploiters of her weaknesses? Consideration of this problem may be dismissed as inopportune in this crisis, but it would be unfortunate if that view prevailed. Unwittingly perhaps Chinese spokesmen have lately given the impression that, in taking foreign sympathy for granted, they are imperfectly seized of the significance of certain foreign doubts and hesitations. It may at once be agreed that China has suffered much injustice from foreign scepticism. It is still operating even in this tragic crisis. For example there is a faltering appreciation of much splendid work which is being done by the Government and people in facing the threat to their security. The truly remarkable valour of the Chinese soldier has evoked admiration, but—and the experience inspiring the doubts cannot be impugned—the sentiment is heavily qualified by an inability to believe that his efforts are reflected in the genuine desire of his leaders to eradicate anti-social weaknesses. This scepticism can be overcome, but only if due recognition be paid to the reality of the grounds on which it is partly based. It is not enough to make protestations. So, when that conference takes place, China must be able to consolidate her gains by facing this issue squarely and fairly. Japan's aggression has been condemned. Yet in the original causes are to be found palliative grievances directly arising from China's acts of omission and commission, just as foreign sympathy with Japan on certain points is inspired by the uneasy conviction that, whatever may be the general current of Chinese

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Table with multiple columns and rows, mostly illegible due to heavy blacking out. Some visible text includes "Exchange", "Report", and "Chinese".

FROM THE POLYGRAPHIC PRESS, LONDON, 1972

From The Shanghai Evening Post and Mercury,
dated October 14, 1937.

A Voice Of Sanity

THE COMMONSENSE and intelligence of America agree with my statement. "America hates war; America hopes for peace and, therefore, America actively engages in the search for peace."

In these words President Roosevelt states a great truth twofold—both in his affirmation of the need for a dynamic peace policy, involving international collaboration, and his belief that the American people are with him in this view.

His action in calling a special session of Congress, although undoubtedly chiefly inspired by domestic considerations, gives opportunity for a concrete expression of this dynamic foreign policy.

Quite possibly there was until recently a disagreement on the need for active engagement in a search for peace. Recent events have assuredly worked upon "the commonsense and intelligence of America" to develop a united view that insularity is an impossible course. The United States would like to keep itself out of foreign affairs but it knows now that it cannot; foreign affairs have forced themselves upon America whether or no.

The President, in his fireside chat Tuesday night, said that it was his duty to look ahead. In that he referred specifically to the issue of prosperity, but throughout his talk he appears very rightly to have mingled domestic and foreign issues with the utmost soundness:

"We want sound permanent prosperity which is not built up temporarily at the expense of any section or group, and we want sound permanent peace built on co-operative search by all nations which want peace."

Again, he declared that "aloofness from war is not prompted by unawareness of war," continuing that "in a world of mutual suspicion peace must be affirmatively reached for; it cannot just be wished for and cannot just be waited for." Therefore, Mr. Roosevelt made plain, it was the duty and intent of the United States to co-operate with other signatories of the Nine-Power Treaty including China and Japan.

Some may pick up the last sentence to say that "of course Japan must be excluded." Yet if anything today can cause Japan to listen to the voice of reason (short of crushing military and economic losses which in any event must be a matter of time, during which China must also lose stupendously, with others losing as well) it may be a growing realization that such countries as the United States will not remain indifferent, and that world opinion presses heavily on the side of sanity.

It will be suicidal if Japanese leaders strive to misrepresent the attitude of the United States toward their own people. America is not hostile toward Japan as a nation. America does not seek to ruin Japan and we do not think anybody, including China, wants to ruin Japan. But that is not to imply that it is to the best interest of Japan herself that she ruin China. The quicker a pause to wrong courses is effected, the better for everyone—including and especially Japan.

Each day brings fresh developments in international thinking. The calm voices of such spokesmen as President Roosevelt can instill sense into the present mad situation if anything, save the passage of time and the undergoing of punishment by both belligerents, can do it.

From The Shanghai Evening Post & Mercury, October 15, 1937

Working Toward Peace

PRESIDENT ROOSEVELT clearly counts on the continued survival of some liberalism in Japan (or at least of ordinary sanity and common sense) in spite of the present dominance of a war-mad Japanese military clique.

We hope and believe that his faith is justified.

It is improbable that he has any direct information that both China and Japan are prepared to take part in a Nine-Power Conference. But it is a fair assumption that he feels there is nothing to be gained by any assumption that the Japanese national mind is closed to all reason. He knows that a "break in the game" must occur sometime, and he is alert to create such a break if he can—or at least to take advantage of it when it does come.

Another Roosevelt settled a Far East conflict on the other side of the world. History could repeat itself, although there is no very solid indication as yet that such a thing is to be counted among the possibilities. In any event, the President is making the Sino-Japanese embroilment a matter of intense personal concern, he has skilfully led American public opinion to take a keen interest in the situation, and he seems prepared to do whatever he can toward a settlement through any channel which may open up.

Japan's recalcitrance in the matter of letting other nations play a part in the Sino-Japanese difficulty will not necessarily continue forever, particularly as Japanese leaders realize the fictitious nature of their attitude—as fictitious as the now admittedly false theory that Japan could divide China piecemeal and deal always with local Chinese leaders, never with the central Government.

The most powerful factor in developing a more enlightened Japanese attitude (apart from the increasing element of economic pressure) is the fact that other nations have a genuine interest in Far East peace thus far unacknowledged by Japan, coupled with the fact that they do not wish to impose unfair conditions on either party. These other nations are by no means entirely altruistic yet it is impossible to contend that they want to be unfair to either Japan or China.

They are out for their own interest in part, certainly—trade, the lifeblood of all nations—but that interest is fair, explicable, and in essence parallel to if not identical with that of Japan as regards China.

They feel with justice that no nation can build markets in China by bombing the country, or atoms. They believe in the theory which has

been given lip-service by Japan in the past—that a prosperous and peaceful China is to the best interest of all other nations. They want only to recall Japan to a realization of things Japanese civilian leaders have known all along.

Thus President Roosevelt and the enlightened men of other Western nations have always a kernel of Japanese good sense to work upon, however overlaid this may occasionally be by the wilfulness of the militarists. Plenty of people in Japan today have a not too deeply submerged realization that this period of warfare is costing Japan tremendously, both in present and in future losses. Not merely the intellectuals and the liberals in Japan, but the sound business brains of the country, would like to see peace in China again, and with reason they feel bewilderment (with the Chinese and everyone else) over the military vaporings about elimination of anti-Japanese feelings in China by punitive measures.

Somehow, sometime, such viewpoints must emerge and begin to weight the balance their way. When they do, the first real chance for peace will have arrived. Meanwhile President Roosevelt and similar statesmen exert a powerful influence to develop this urgently needed revival of Japanese national sanity.

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

From The Shanghai Evening Post & Mercury, October 8, 1937

America Will Collaborate

IF ANY DOUBTS remained concerning America's official attitude toward Japan's actions in China, the State Department condemnation made public yesterday on the heels of President Roosevelt's Chicago speech should set them thoroughly and finally at rest.

It is particularly interesting to observe that the very words, declaring Japan's China acts "contrary to the provisions of the Nine-Power Treaty and the Kellogg Peace Pact", are closely aligned with the findings of the League of Nations Committee of Twenty-Three.

The State Department likewise made direct allusion to the current meeting of the League Assembly, and in the evidently well-based view of Reuter the statement "is believed to leave no doubt that the United States Government intends to collaborate with the League of Nations in the Far Eastern crisis to the limit of its ability."

This is the best good news; the revelation of a position which must be supported by every enlightened and international-minded American. "Ostrich-like isolationism", roundly condemned in a letter to the New York Times by Colonel Henry L. Stimson in suggesting that America and Britain stop shipments of all kinds to Japan, has no place in meeting the present crisis for nothing is more certain today than that the best way for any pacific-minded nation to provoke trouble would be to turn its back on a fire leaping higher moment by moment.

The State Department note performed an additionally valuable function in laying down principles which, in the opinion of the United States Government, should govern international relationships if peace is to be maintained. These include:

Abstinance by all nations from the use of force in pursuit of their policy and from interference in the internal affairs of other nations;

Adjustment of the problems of international relations by the process of peaceful negotiation and by agreement;

Respect by all nations for the rights of others and observance by all nations of established obligations; and

Upholding the principle of the sanctity of treaties.

The fundamental soundness of these elementary principles should be self-evident. Unfortunately the actions of Japan prove that they are in some quarters neither self-evident nor valid in the eyes of a nation which with more constructive leadership might have risen to greatness.

International anarchy cannot prevail; so much has been proved by test. Rules of the game must be laid down and observance of them brought about by whatever means appear necessary. The United States and other leading nations of pacific attitude have now given notice of a willingness to work together toward this end. History is being made of a considerably more cheerful description than has been the hitherto prevailing rule of late.

From The Shanghai Evening Post and Mercury,
dated October 10, 1937,

How Neutral Is "Neutral"?

PRECISELY how "neutral" can America be, with the best of intent? This question has been asked by many, but by few better informed than Chester Rowell, syndicate writer who has several times visited both Japan and China.

He says: "The answer is that on the one war now nearest in sight it is not neutral at all," continuing:

Not only are Americans individually in almost unanimous sympathy with the Chinese side of the Japanese invasion, but the government itself is officially on that side, and committed to it by treaty engagements already made, as well as by fully fifty years of announced and unvarying policy.

We are officially committed to the "open door" in China, which Japan is now slamming shut, both commercially and politically. We are also bound by treaty with many other nations, including Japan, to respect the sovereignty of China which Japan is now defying as well as its territorial integrity which Japan is now violating, and its administrative integrity which Japan is now disrupting. We are bound to renounce for ourselves and to condemn others that resort to war as an instrument of national policy, which Japan is now committing in China, and are parties, with Japan, to a multilateral agreement to seek the settlement of all disputes by the pacific means which Japan now rejects.

We are not merely committed to these policies as abstract propositions, but we have already registered our verdict that Japan is the one that violated them. When Japan did in Manchuria exactly what its armies are doing in North China now, we joined with the League nations in declaring Japan guilty of aggression and of violation of treaty; we were represented on the Lytton commission which unanimously reported to the same effect, and we took the lead in the worldwide policy of refusing to recognize the results of that aggression. Finally, Secretary Hull, in guarded but unmistakably language, has reiterated the same principle now.

Now comes the absurd "neutrality" law enacted as a false-pretense bluff for a European situation in which we had no such commitments to either side, and requires us to make a meaningless gesture of treating both sides alike across the Pacific, where we have such commitment on one side and against the other, and to make that gesture in a way which would in practical effect aid the side against which our position is already officially fixed.

From The Shanghai Evening Post & Mercury, October 11, 1937

The Long View

STEERING a straight course in one's thinking is no easy task these days. Yet it is an imperative obligation upon all of us, whether of the belligerent nations or of outside nations fortunately not drawn within the orbit of war.

We doubt if anyone anywhere has achieved a record of 100 per cent clear thought during these stirring and confusing times.

The best that can be done is to hold fast to certain principles, and to test each passing event against these principles. A complicating factor of self-interest is hard to exclude. We in China are naturally concerned with our enterprises here; the foreign home Governments equally naturally think first about keeping as clear as possible of trouble which is located a long way from their own shores. Occasionally a margin of error is bound to creep in but recent events show that "it all comes out in the long run."

We recognize how thorny is the path of every State Department or Foreign Office in dealing with various issues as they arise. But time gives opportunity for deviating from the academic considerations which sometimes must prevail in the first instance for lack of more certain counsel. A striking example is being given as President Roosevelt and the State Department make clear that the United States will take part in whatever international action may be found necessary and desirable in the interest of world peace, to the end that the peace-loving nations may not find themselves islands in the midst of a storm of war. Far East Americans support this view and will live up to its ultimate consequences. For the moment, however, it is an essential factor in American policy as we see it that Americans should hold fast in China to what is theirs.

It appears increasingly clear to Washington (on a sane and long-range evaluation) that

run-out policies cannot prevail and should not be either urged or encouraged. The United States must stand firm in China; that refers to individuals, to organizations, to officials, to protective forces military and naval. No other course can serve and everything possible should be done to avoid any indication that such other course is being so much as contemplated. If officials on the ground prove unequal to the strains of crisis, change such officials! Dynamic courses are now required.

Particularly it is the duty of the United States Government to examine every so-called "neutrality" measure with care to insure that it is really what it seems and not actually an unjustifiable handicap to one party—particularly to a victim of aggression. We have a great deal of sympathy in this connection with China's need for airplanes and it is our belief that the United States should facilitate Chinese access to American planes rather than do anything to cut off the supply, so long as China wants to acquire planes. It is not neutrality to condemn China to being driven out of the air in her own country. Nor is it the furtherance of a policy designed to bring about peaceful and settled conditions outside America. Anything which helps the advance of brute force, even though that force is still far from any complete conquest, is contrary to American ideas and American ideals. Washington should realize and act upon that point.

Likewise in the many other problems which may arise, both Washington and other world capitals must use justice and good sense as well as academic diplomatic hard-and-fast rules. That is the only way to display clear thinking and a sense of the long view. The problems arising from Japanese aggression in China are only beginning. We must learn through our experiences and progress according to our principles. For a time we have been rather inactive. The time for more constructive and active policies has clearly now arrived.

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

From the Shanghai Evening Post & Mercury, Oct. 25, 1937.

Against International Outlawry

FEW DAYS PASS currently without some outstanding statement against international outlawry courses on the part of a leading world figure. Typical of these, and most appropriate in its setting, was the speech by Mr. Cordell Hull, American Secretary of State, "on British soil" as he himself put it, as he was responding at Toronto University after reception of a honorary doctorate.

Mr. Hull summoned "the outraged conscience of mankind" to set in motion forces designed to restore world peace. He spoke of his country and "the countries which compose your mighty union" as among "the protagonists of the idea that peace, rather than war, is the normal state of relations between nations. Violators of order and breakers of peace have, in the end, always bowed to the

will of the overwhelming majority of mankind, which desires the continuance, rather than inglorious decline, of man's civilized existence."

Significant in its bearing on the obvious trend, during recent weeks, for Americans to realize the mistake of insularity was Mr. Hull's warning that no nation could escape the repercussions of a major armed conflict anywhere in the modern world . . . "Once the engines of war are brought into action in any portion of the earth, there is no security, no confidence, and no buoyancy or energy of spirit anywhere."

It is common in the Far East to dismiss such utterances as mere words. But words are an expression of thought leading toward action, and from high statesmen they serve to test and direct the weight of the public opinion. Today it is quite impossible to say what united pacific action may be not far ahead of us, but that desire for such action is on the increase cannot be gainsaid. The peace-loving nations are naturally slow to act, and particularly to resort to forceful action; but that is not to say they are impotent when fully aroused. On the contrary, if slight adaptation be permitted, "their strength is as the strength of ten, because their hearts are pure."

From The China Press, Shanghai, October 26, 1937.

THE STAKE OF THE WEST IN CHINA

THE cartoon republished from a Chicago newspaper in THE CHINA PRESS several days ago, entitled "Those Little Lord Fauntleroy Suits Fooled the Kaiser, Too" carries a lesson even deeper than that conveyed by the little figure of "Japan", in the background, labelled "Insults."

The reason why the two great Anglo-Saxon nations will always enjoy high prestige throughout the world is that they are the leading exponents of the idea that the main business of life is *not to fight*, but *to live*, and, as far as that may be possible, in peace and harmony with the rest of the world. Incidental to the business of living, both the United States of America and Great Britain realize that one of the main essentials to a contented life is the exchange of commodities. They further subscribe to the proposition that, unless both sides to the bargain feel that they are getting a *quid pro quo*, the seeds for future conflict have already been sown.

The United States and Britain, both being essentially trading nations and not war-like nations, are frequently able to exert economic pressure and gain their objectives more effectively than other nations (whose main motive in life is to fight) are able to attain. It is only in the last analysis that either America or England can be induced to fight, and that only after every other means of securing a settlement has been tried out. As a result, both Anglo-Saxon nations usually commence their wars in a blundering fashion, but, ever mindful of the postulate that it doesn't make much difference how many battles a nation loses, so long as they win the last one, the fact of the matter is that both nations usually come out on the winning side at the end. The one outstanding exception was the American Revolutionary War, the losing of which led to Britain very much improving its colonial governmental system.

One hears much of "the house of want" asking for favors from the "house of have." It is undoubtedly true that both England and America took possession of some of the most desirable spots on earth when the world was young and when the taking was easy. Envious people of other nations will, for example, point to the little island of Britain, and will ask sarcastically "Why should such a small island lord it over the world?" In the best of all possible worlds, doubtless some rearrangement of title to these spots would be in order. But the question still arises, so far as the great mass of mankind is concerned: "Would you rather that the Mediterranean be left under the capitalistic, but liberal rule, of England, or would you prefer to see it transferred to some country ruled by a dictator?"

The same principle applies to other parts of the world. Take the Straits Settlement, for example. Britain has just about completed its Singapore Naval Base. That is notice to the rest of mankind that Britain has no intention whatever of retiring from Asia. There would be no point in denying the fact that the principal country affected by the completion of the Base is Japan. Here again arises this question: "Would you rather see the Union Jack fly over this area, so rich in tin and rubber—no matter how the original title was obtained—or would you rather see the flag of the Rising Sun—supported by the worn-out theory of government by Divine Right—flying over said area?"

Just, for example, how would American motor car manufacturers, and American manufacturers of tin-plate and kerosene containers fare, if this area were placed under the control of the Japanese? The experience of non-Japanese merchants in Manchuria ought to be sufficient answer to this question.

The postulates discussed above have a very close relation to the events that are now occurring in China. There have been many explanations by the Japanese describing their warlike operations in this country. Those obviously false descriptions that the present war in China is merely an "incident", and that the Japanese Army and Navy are acting in "self-defense" are so "thin" that no one will understand them otherwise than as subterfuges to explain away actions that would not stand the light of reason if they were described by their real names. But there is one point on which the Japanese are honest, blatantly honest, and it is a surprising fact that the Western World does not realize that such is the fact. Quite baldly put, Japan explains that she is determined to beat China "to her knees," in order to impress on the Chinese the fact that they are mistaken in placing any reliance whatever on the Western World, whether by accepting financial assistance from the West, or placing any reliance in the League of Nations (from which Japan has withdrawn) or in the Nine-Power Conference (which Japan has indicated she will not participate in).

Does the Western World really realize this point in its true perspective? Is the West going to lay down supinely

while the country which has placed its confidence in the nations that constitute that West, and which have pledged themselves to maintain the integrity of this country, while China is being ground down under one of the most impudent military machines that the World has ever seen? Does the Western World really realize what they themselves will be up against in the not-distant future if they allow that machine to go on in its swashbuckling way, without effective opposition from the countries beyond the seas?

Lest any one, however, might infer from the tenor of the preceding paragraph that China envisages being "beaten to her knees", let it be recorded that Chinese strategy is likely to win in the end, regardless of initial military successes by the Japanese. If the fate of the World War had been decided by the indications of the first three months, Imperial Germany would have been the victor in the end. Now, what was it that decided the World War? Certainly, not the military side, because the German Army was never defeated. It was the economic factors behind the front lines that crumpled up the Kaiser's fighting machine, and the leaders of the old Reich had the good sense to see, when the game was up, to sign a peace on the best terms available—harsh and humiliating, and impossible of fulfillment, as they proved to be. Had Imperial Germany not decided to sign on the dotted line at that particular moment, the world would have seen the greatest mass of metal ever assembled since the dawn of creation rolling its steady path onward towards Berlin.

These things are mentioned, not with the object of opening old sores, but with the object of impressing the point that economic factors are the decisive weapons in the end. From the time of Napoleon to Lloyd George, great leaders have realized that economic factors are the winning bullets. It is here where self-sufficient China has the bulge on highly integrated Japan. Shortly after the beginning of the present hostilities in China one of the Japanese spokesmen mentioned that in time Western nations would realize that Japan was fighting their battles. How much more true it is that in the present conflict it is China that is fighting for the benefit of Western nations! But, just suppose, China would lose out in the end, where will the Western nations stand?

from The China Press, Shanghai, October 29, 1937.

AMERICA'S FOREIGN POLICY

NEVER in the history of the United States of America has there been more attention directed than now to the point of whether the country should adhere to George Washington's injunction to keep clear of entangling foreign alliances or, instead, abandon this policy and have America take an active and positive policy in connection with international affairs. That America's relations with its nearest neighbors are conducted on intelligent lines is made evident by the fact that nowhere else in the world is to be seen the same spectacle as is found on the Canadian-American frontier. Here is a three-thousand-mile line and there is not a wire fence anywhere along the whole border; nor are there cannons or forts erected by one party or the other on the theory that they may be necessary to prevent attacks!

As is the case with the other Anglo-Saxon country, the mainspring of American life is business. If Napoleon were alive today, he could make the same sort of jibe about Americans that he did a century ago about the British—that they were a nation of shopkeepers. The whole American business world is at present watching the world horizon anxiously, trying to figure out whether there will be a World War, and orientating its future development plans accordingly. Now and then there is a scare, and as a result there is a tumble in the value of stocks. Such a scare occurred about a week ago. The United States is placed in the position where it has an actual war to the west of it (so far West that it is known as the East!), and another war to the east of it, namely the Spanish civil war.

The question of what attitude America should adopt in case another World War breaks out is being earnestly debated throughout the whole country. America's experience in the last World War was not altogether of the happiest. America is blamed in many quarters for having gone into the World War, mainly for the purpose of securing its huge investments in, and also the debts owed them by, the Allied countries. About a decade ago, a noted German financial expert jibingly remarked that the Reich lost the World War because it hadn't borrowed enough money from the United States!

However, whatever America's motives may have been for entering that war, the fact remains that she went in with a vim and undoubtedly turned the tide against the Germans. The striking fact about America's participation in the World War is, of course, that she was the only one of the participants in the fight against the Central Powers that did not demand, and get, some territory or privilege as the result. Ironically enough, also, as it has turned out, it is America that is really carrying the burden for a major part of the cost of the World War.

If it were true that America went into the war to protect the debts for supplies she had furnished to the Allies, the fact remains that her participation in the war has been futile for attaining this object, as those debts are still not paid, and in all probability never will be.

The World War, according to the late President Wilson, was fought, it will be remembered, "to make the world safe for democracy." That object has certainly not been attained. That it was not attained may to a large extent be ascribed to American policy, following the conclusion of the war. The war having come to a close, America once more adopted the worn-out Washington theory of keeping clear of European politics. Had America followed up the advantage she gained as the deciding factor in the final overthrow of the Kaiser's cohorts, she could have seen to it that Wilson's slogan about democracy should bear fruit. Instead of that, after having sponsored the League of Nations, America displayed the amazing spectacle of refusing to become a member of the very organization which the President, who had led the country through a successful war, had insisted should become one of the factors in the Versailles Peace Treaty.

In due course, American policy will doubtless be clarified. For the moment, it must be admitted that there is a great deal of inconsistency in the pronouncements of American statesmen, President Roosevelt included. But it is one of the elements of a democracy that all matters, both trivial and vital, should be open to full public discussion, and out of the welter of contradictory opinions, a sensible, workable, foreign policy, it is to be hoped, will eventually be evolved.

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

From The North China Daily News, dated October 2, 1937.

DN 10/2

PROSPECTS OF MEDIATION

The British Government's readiness to give its good offices in assisting in the composure of Sino-Japanese differences seems to be twofold. Viscount Cranborne's statement at Geneva suggests the possibility of a conference of nations who, whether members of the League or not, are vitally concerned in Far Eastern peace. It recalls Mr. S. M. Bruce's earlier proposal for a conference of Pacific powers, but it does not, apparently, endorse the belief that the time is ripe for action on those lines. Lord Cranborne's emphasis on the need for confining peacemaking efforts to measures which have a real chance of success is important. Experience shows that elaborate plans for that kind of international movement are best deferred unless they can result in proposals which both contestants are likely to accept. At the moment no such hope can be entertained. The senselessness of the struggle is, however, brought again to attention by the British representative's significant comparison of the intrinsic importance of the Marco Polo Bridge incident with the large-scale military and naval aggression launched by Japan against China. That fundamental point must be borne in mind. It is vividly impressed on the sympathies of other nations, if only by reason of the heavy losses which, as third parties, they have incurred in the course of the struggle. Here in Shanghai there is no difficulty in appreciating this point; the almost complete stagnation of the commercial life of this nerve centre is a serious matter for all. It reflects conditions, in greater or less degree, in other parts of the country, where hostilities are in progress. The offer of Great Britain to mediate "if the need should arise" is the second, perhaps, the more practical proposal put forward by the British Cabinet. It gives a further reason for the firm refusal to countenance or approve the suggested boycott of Japanese goods.

If mediation is to be acceptable to both parties—an essential condition precedent—the mediator cannot be identified with a concrete act of hostility to either one of them. Apart from that axiomatic truth, Great Britain has never been enamoured of the boycott weapon. In the form of economic sanctions it was officially adopted in the recent efforts of the League to bring pressure to bear on Italy. It was a dismal failure. Yet British objections to it are based on longer and wider experience. Enforcement of a boycott invariably involves the use of methods which lead to violence. Whatever may be the moral purpose originally inspiring it, it becomes rapidly exploited by trade interests which cannot help giving it a predominantly selfish motive. There is nothing so nauseating as the spectacle of a country stimulating the sale of its products in the name of morality. Practically too there is a grave objection to any measure which artificially interrupts the normal flow of trade. Sooner or later there has to be a restoration of the currents and the process is seldom impressive, involving as it frequently does a virtual repudiation of principles previously affirmed. Finally, as with economic sanctions, the danger of intensifying rather than eliminating the risks of war is always present. So it is not surprising that, despite certain demonstrations of public opinion, the British Government is not disposed to encourage the Archbishop of Canterbury to prescribe an economic anti-toxin for Japan's malady. Japan has maintained that her main difficulty with China is economic, it is true. That is the one comprehensible item in her list of alleged grievances. It can be met, not as she is now

trying to meet it, by spreading destruction far and wide, but by a real approach to equal partnership on lines acceptable to both countries. That is where British mediation might be effective if it could be accepted—a condition which has yet to be established. Although the world's condemnation of the policy of indiscriminate bombing is natural and salutary, it might develop into an obstacle to peace, and, consequently, defeat the objects of its amiable supporters. If it is allowed to get out of control it will certainly stiffen the obduracy of Japan, just as Japan's reckless use of the aeroplane has undoubtedly stimulated Chinese resistance and gravely complicated the task of reconciliation—a state of relationships which the two countries will ultimately have to accept. So long as the present state of war exists Chinese spokesmen are bound to exploit to the full the sympathies which must be aroused by the grim holocausts in so many of their cities. Yet third parties, while in no way surrendering their humanitarian principles, should recognize that the basic issue is to be found in the development of modern weapons of war and the vastly extended conceptions of conflict generated by their potentialities. It is exceedingly difficult to draw the exact line between what is and what is not a military objective. When, on the top of this difficulty, the disparity between man's power of invention and his ability to control what he has invented comes into play, the danger of allowing well-intentioned emotions to get the upper hand of national judgment will be readily perceived. This does not rebut the plain fact that China is the victim of unjustifiable aggression and consequently the appropriate recipient of sympathy and encouragement. It does not preclude whole-hearted condemnation of those indiscriminate bombings which, despite the unequivocal assertions of Japanese apologists, have undoubtedly marred the record of the invaders. It is merely concerned to show that if mediation is to have any chance of success at this stage, the mediator-designate cannot afford to be heavily committed to an attitude which any claim to might be taken to prejudge the issue.

It is unfortunate that Japan has, so far, shown a great lack of appreciation of the depth of feeling aroused by her naval and military assaults on the world's sense of fairplay and on accepted notions of humane conduct. When, no doubt with considerable colour of truth, she calls attention to the "unilateral" verdict of Geneva—an epithet earned by her own default—and when she discerns nothing but Chinese "propaganda" in the causes of the indignation in America and Europe, she is making it very hard for the influences of mediation to have their proper scope. Surely Japanese civilians who are able to sense the feelings of their friends with greater accuracy than soldiers or sailors absorbed in the task of "bringing China to her knees," can move their Government to apprehension of this danger to their country's reputation. They at least cannot lose sight of what Lord Cranborne calls the need for establishing friendly relations between China and Japan. They must realize that when the spokesman at Tokyo stubbornly asserts that this war is no concern of anyone except the two combatants he is ignoring the grim realities of the position of third parties here. He is working on an untenable theory. Meanwhile this devastating and cruel havoc proceeds. Critical, strongly critical though British opinion may be of the policy which has led Japan to intensify her aggressive role in China, Great Britain still maintains her right to be regarded as the friend of both parties. Her friendship is not without weight. It would be an immense achievement if by some means or other the tentative offer of mediation could at least be considered in Tokyo as well as in Nanking. Is Far Eastern statesmanship so supine that it must fold its hands and placidly watch two enemies who should be friends slowly destroying themselves before its eyes and, in the process, damaging the prosperity of unwilling but impotent accessories to the crime?

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DN 10/11.
ANGLO-SAXON UNITY

Mr. Neville Chamberlain's unreserved acceptance of President Franklin Roosevelt's offer of co-operation in strengthening civilization's defences against the lawlessness now menacing international relationships is an event of first-class importance. Mr. Chamberlain was not concerned solely with China, nor was Mr. Roosevelt. The extreme delicacy of the situation in Spain, or rather the controversies arising from that situation is evidently impressed on the minds of the American President and British Prime Minister alike. Yet in his reference to the Far East Mr. Chamberlain was not less precise than Mr. Roosevelt. Readers of this journal will perhaps note that he emphasized the very point which has been strongly urged in these columns during the last few days. Deprecating the cruelty of modern warfare in its attacks on non-combatants, Mr. Chamberlain advised that natural indignation at those horrors should not obscure the real charge of disregard of solemn treaties. That is exactly why this journal, realizing the highly technical issues involved in aerial bombing, as exemplified by Prof. Shinobu's exposition of the jurist's view of the subject, ventured to express the fear lest the emotions of the boycott campaign should relegate to the background the far more important problem of the invasion of China and the challenge which it has offered to accepted international codes. There can be little doubt that the broad targets presented by the boycott agitation came as an unexpected blessing to Japanese apologists. They have at once raised the cry of "atrocity-mongering" against which balanced judgments have a justifiable prejudice; they have attempted to discount the accuracy of reports with the clear suggestion that the whole turmoil is nothing more than specious propaganda. Certain ingenuous foreigners, predisposed to such opinions by an inveterate bias against the Chinese, have conspicuously fallen for this device. In truth it is as unwise to give full vent to general charges against Japan's air operations as it is to pretend that there is no conventional limit to the use of the aeroplane as an offensive weapon. Japan deserves fair play. The problem of peacefully solving this crisis turns on the policy which has launched her naval, military and aerial expeditionary forces against the Government of China. Controversy over the manner in which those forces have conducted themselves distracts attention from the main issue. It stimulates the fervour of extreme idolaters at the shrine of Japanese militarism.

Mr. Chamberlain, as the mouthpiece of Great Britain, implicitly rebukes that obscurantism. He nails firmly to the mast those principles which it has become the fashion of modern superficiality to deride or ignore. It is not surprising to learn that the Italian Ambassador at Tokyo has burnt Signor Mussolini's boats. Despite the recent solemn statements of Count Ciano, Italy is now stated to be ranged completely on the side of Japan. No military consequences are intended but it is difficult to dissociate that decision from events in the Mediterranean. Signor Mussolini has not eased the burden of Italy's representatives in China. Mr. Chamberlain does not conceal from the country the serious complications which have arisen from the Spanish upheaval. Those who recall the definite pledges given by Signor Mussolini in January last cannot be blamed if they confess to bewilderment at the unashamed admission that Italian intervention in Spain is continuing and developing. Here again the question of relying on the validity of the diplomatic as-

urance has to be gravely canvassed. Statesmen have to decide whether their assertions have to receive credence from those who have business with them. When Japanese spokesmen declare that they have no territorial ambitions in China, that their country has made no assault on Chinese integrity, that they have no enmity against the Chinese people, that their invading forces here have at all times scrupulously observed various canons of humanitarian conduct, the listener has to pinch himself hard to be sure that he is living in a world of reality and not in a cloudy realm of fantastic absurdity. Nevertheless it is essential that these comparatively unimportant eccentricities of propaganda should not divert the attention of the world from the main issue which the proposed conference of the signatories of the Nine Power Treaty will have to take into account.

If Japan is convinced of the righteousness of her cause she should have no fear of the outcome of this conference. Her spokesmen have on various occasions affirmed that the Nine Power Treaty is dead. The question is who has killed it, if the statement is correct? Certainly it has not been explicitly repudiated by any other signatory and it is not unreasonable to suggest that even if it be dead its sponsors have the right to hold a *post mortem*. Mr. Chamberlain has been criticized in Europe because he concentrated on the inconvenient issue of honesty in diplomatic dealings and ignored what is described as the communist menace. There he showed his good sense. Strange as it may seem to Tokyo, any British statesman who wasted the time of his audience in elevating communism to the status of a major problem would be laughed out of court. In so far as communism is an expression of political or economic theory, it can be absorbed by the ordinary processes of British freedom of discussion. Where it assumes the significance of a totalitarian doctrine it falls naturally within the scope of those politics which are based on that doctrine. Japan is bidding for anti-communist sympathy. Yet her contention that the Chinese Government is consequently indicted is painfully thin. It acquires colour—and that demonstrably pallid—only from the fact that her own actions have dramatically rallied Chinese communists to support of their Government. The solidarity of view now established between London and Washington brushes these trivial irrelevancies aside. It insists on a plain study of Far Eastern tendencies and thereby Japan can be assured that her legitimate grievances will receive full and sympathetic consideration. The speeches of Mr. Roosevelt and Mr. Chamberlain leave no room for misapprehension. There is nothing bellicose about them. They rather insist that the nations should be invited to return to the state in which problems can be examined and solved by the interchange of opinions round the conference table. If there is any sincerity in the claims to peaceful ambitions preferred by Italy and Japan the response to the proposals for joint deliberation on Far Eastern affairs will be unreservedly affirmative. Japan asserts that she has no territorial aims. Her presence at the conference would therefore be as valuable as it would be helpful to her. There is no intention to humiliate her. Errors of policy will not be pilloried. They will be faithfully considered in the light of her own statements of the case, as modified by China's representations where valid. What is the alternative? The military situation still eludes the considered assessment of experts. Yet it cannot altogether be enthusiastically accepted by Japan. Even if it rapidly develops in destruction of China's hopes of resistance, the outcome will leave most onerous commitments for Japan. Does not the long view impel conviction that the Anglo-Saxon lead deserves earnest consideration from all concerned in maintaining the stability of the Far East—the fundamental problem on which Japan professes to concentrate such unremitting attention?

From The Shanghai Times, October 12, 1937

NONE TOO SAFE!

The notification which has been given by Mr. Herbert Phillips, the British Consul-General, regarding the inadvisability of the return of women and children to Shanghai at the present time must have the support of all who realize that, from the military standpoint, the city is as yet far from being out of serious danger. The Commander-in-Chief (Admiral Sir Charles Little) and Major-General Telfer Smollett consider that the military situation is still uncertain, and there is every reason why such well-informed opinion should be taken fully at its face value. One has only to study the map, note the lines at present held by the Chinese and Japanese forces, and try to work out the probable plans of campaign which will be developed as the Japanese seek to achieve their object of forcing the Chinese to withdraw from this zone to realize that the area within the perimeter is still exposed to grave risk from flying shells and shrapnel. The violation of the foreign-manned boundaries is not envisaged as being likely to come from either belligerent, but until warfare has been removed from its present close proximity in the Northern district and until the situation in Pootung and out in the countryside to the South and West of the Settlement and Concession loses its possibility of developing into heavy fighting it is prudent to discourage the return of women and children who could only be a grave embarrassment to foreign naval, military and official leaders in the event of an untoward situation arising. Those women who have returned so far are, for the most part, without the responsibility of children and, for a variety of private reasons, might be justified in coming back. But unless there are good and sufficient reasons it is far better for women, as well as children, to be kept out of a city that is, from so many points of view, definitely unhealthy. Although Mr. Phillips has seen fit to state that British subjects who bring their women and children back do so at their own risk, it must be clearly stated, of course, that there can be no lessening of official responsibility. In the last resort—presuming any such critical

situation arose—the various national authorities here would have to undertake further evacuation. There will doubtless be no denial of that obligation. But the possibility of such a contingency, while it cannot be regarded as feared at the moment, gives added point to the advice that all those who can still stay away should do so. For very many of the women and children, the conditions under which they are staying elsewhere are anything but ideal, and for very many of the men left behind it is a financial problem to provide expenses here and elsewhere. But it is a case not only of choosing the lesser of two evils but of loyally supporting the authorities upon whom, in the last analysis, the great responsibility for the safety of their fellow subjects or citizens rests.

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

From The North China Daily News, dated October 21, 1937.

EVACUATION DOUBTS

The recently issued notice by H.B.M. Consul-General regarding the position of the authorities on the question of the return of evacuees from Shanghai seems to have been imperfectly understood despite the attempt in this column to give guidance on the subject. That comment supported the view that conditions did not justify an official declaration in favour of return, but it pointed out that the reservation included in the notice would assist British shipping companies to relax the restrictions hitherto imposed by them on the booking of berths. The reservation was more implied than explicit, for it was couched in the following terms:

If notwithstanding the above advice any British subjects feel themselves compelled to bring their wives and children back to Shanghai, it must be clearly understood that they do so entirely at their own risk.

Any person requiring further information regarding this question should apply to this Consulate-General or the nearest British Consul.

As evacuees from the first have been able to return practically unhindered on non-British ships, the sense of this notice was to put British companies more or less in the same position as those other companies. In other words, on the principle of a nod being as good as a wink to a blind horse, the British authorities appeared to recognize that circumstances might render it exceedingly difficult for evacuees to remain away from Shanghai, and thus, without in any way yielding on the main principle, an effort was made to temper rigidity with discrimination. It will be seen, moreover, that any doubts on the subject can probably be solved by reference either to the Consulate-General here or to the consular or other authorities at the place where the evacuee wishes to embark.

From The North China Daily News, dated October 18, 1937.

DN 10/18

PLAIN SPEAKING

Mr. Anthony Eden has followed President Franklin Roosevelt's excellent example by speaking plainly on the fundamental issues now confronting a harassed world. Mr. Roosevelt called for a return to observance of the pledged word. Mr. Eden underlined that appeal, gave it the full endorsement of the British nation and significantly went further. Important as was the Foreign Secretary's emphasis on the need for international co-operation in upholding good faith, his direct criticism of policies at work in Europe and the Far East requires particular study. His condemnation of unlawful activities which are undertaken in the unashamed conviction that they cannot be resisted owing to serious international distractions elsewhere, will be fully appreciated not only in this part of the world, for it is obvious that a similar technique is hampering the peace-construction of Europe. Hitherto there has been a tendency to accept this opportunist obliquity as an incorrigible factor in the breakdown of the collective system. Mr. Eden rightly points out that it is in itself a major evil which demands treatment if the world's body politic is to recover sanity. To construe such a firm statement of the obvious as menacing to any nation which claims to be sincere in working for peace and stability is to run the risk of entertaining an uneasy conscience. When a man in Mr. Eden's position ventures to indulge in so specific a reference to current tendencies it is reasonable to assume that he is prepared to support his allusions by even more specific data should occasion arise. He is in effect inviting democratic countries to face the dangers of the present situation by adopting no less forthright a view of realities than the spokesmen of "other political faiths". Those spokesmen cannot complain if they find their arguments and challenges met on the public platform, just as they themselves, with a greater freedom of personal expression, substitute the demagogic harangue for the diplomatic message in expounding the principles of their international relationships.

Hitherto the process of removing disagreements as between the democratic countries and those who prefer non-democratic methods has been terribly one-sided. The rattling of sabres has become a commonplace with governments which openly deride the need for them to observe the restrictions placed on their actions by accepted engagements. Mr. Eden wants to rattle no sabre. He gives a weighty retort, however, by reminding his countrymen that national unity, backed up a readiness to pay the price of self-sacrifice for peace is the only practical course to secure self-preservation. He clearly is of the opinion, too, that by those means alone can the world once more find co-operation in the common task of restoring faith in and fidelity to canons of good faith. Mr. David Lloyd George's fiery comment indicates the delicacy of the situation which the Foreign Secretary is endeavouring to handle in the closest co-operation with France. There is ground for anxiety. There is no ground for despairing pessimism. Despite the facile irritation aroused by Mr. Eden's speech in Rome and Berlin, it is difficult to imagine that serious statesmanship will allow itself to be betrayed into an intransigence which would belie its most recent protestations. To suggest that Mr. Eden has issued an ultimatum is to invite ridicule from anyone who has made a systematic study of speeches which have been expounding the aspirations of the totalitarian states during the last two or three years. The issue has been fairly and squarely stated by the British Minister who has just received from his chief the warmest commendation ever given to a Foreign Secretary in a time of crisis. The world in fact is being called upon to witness the close-knit solidarity of the three great democratic powers—France, Great Britain and the United States—in leading the free democracies of the West not in a policy of aggression but in the cultivation of efforts for asserting the individual liberties of nations based on a common solicitude for international morality and for the right of each to determine its own internal polity. Opposition to such a programme can proceed only from a desire to repudiate the very bases of civilized institutions.

How far the preliminary step toward recovery of Europe's equilibrium will be successfully taken in the present meeting of the Non-Intervention Committee it is difficult to gauge. Mr. Eden's judicial appraise-

ment of the situation should add strength to the influence which he may personally bring to bear in presiding over to-morrow's resumption of the sittings. Fortunately Count Grandi has expounded Italy's case with the skilled suavity which has consistently distinguished his diplomatic utterances. No man can better reconcile the asperities of a dictatorial régime with the more polished technique of his profession. The suggestion that the withdrawal of volunteers should be initiated by the token method seems to offer a useful compromise between the plan of a wholesale withdrawal and the definitely unsatisfactory device of restricting the withdrawal to a specified number of volunteers. Italian forces with General Franco are so greatly in excess of the volunteers on the Loyalist side that if a partial withdrawal were to be regarded as a conclusive solution, the principle of Non-Intervention would be farcically flouted. France and Great Britain are confronted by two concrete problems: the restoration to Spain of the right for Spaniards exclusively to settle Spain's constitutional destiny; the elimination of a standing threat to the integrity of the Mediterranean as now presented by the lavish disposal of Italian armed forces on soil which is not Italian. They have reached a firm agreement on the issues involved. They have to consider how they can best provide the means for Signor Benito Mussolini to make a graceful retirement without imperilling his Government's prestige. Where prestige is concerned the task of reasonable diplomacy is more than ordinarily difficult.

From The China Press, Shanghai, October 19, 1937.

"PEACE BY AGREEMENT"

IN accepting the invitation to attend the Nine-Power Conference, the United States is reported to have been actuated by a desire to achieve "peace by agreement" in the Far East in co-operation, not only with the Powers signatory of the Nine-Power Treaty but also with others which may be concerned with the fundamental question of the sanctity of treaties or whose interest may be directly or indirectly affected by the Sino-Japanese conflict.

The American formula for peace is indeed capable of many interpretations and, therefore, conducive to more than one means to attain the object in view. It is not different from the spirit of the Chinese *aide memoire* addressed by the National Government on July 19 to the Japanese Government in which was conveyed the suggestion that the Sino-Japanese dispute might be peacefully settled by mediation, arbitration or good offices on the part of third parties. Thus it may be said that Nanking and Washington have entertained a common principle under which their individual labors might be directed toward the cherished end.

The chief concern of the Chinese people, as it must be also that of the Chinese Government, is the practical basis on which agreement for peace may be reached. General Chiang Kai-shek in his famous Kuling statement laid down four points as the minimum requirements compatible with the dignity of a sovereign state. For him peace must be accompanied by honor, though it may be achieved without impairing Japan's prestige.

It may be candidly pointed out that, if China had entertained the slightest intention of being satisfied with peace without honor, she could have obtained it without much ado and without the untold sacrifices which she has already sustained and may yet sustain. One may take it for granted that, all doubts notwithstanding, the Nine-Power Conference at Brussels would not have been called but for a firm determination on the part of the Powers concerned to accomplish, by peaceful means, more than China could alone bring about. It is indeed a foregone conclusion that unless international law and justice are to be upheld by effective means as the result of the forthcoming Conference, the world-wide feeling of uncertainty and apprehension of Japanese atrocities being visited upon other lands will be intensified rather than appeased. The Conference must succeed, if it is to do much good not only for China but for the world at large, and it cannot claim to succeed unless it were ready at the outset to insist upon fundamental principles instead of seeking short-lived compromises.

Judging by the strong delegation which the United States Government has selected and the promptness with which the selection has been announced, one is naturally inclined to the belief that America, to use a vulgarism, means business this time. This belief gains added support when it is remembered that through authoritative quarters it has been made known that the Conference agenda is to be confined to the Far East alone in order to avoid the possibility of having its attention diverted to irrelevant issues. Nor is it insignificant that with or without Japan the Conference will proceed with its deliberations, and possibly with concrete measures to bring Japan to her senses if not to book.

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The important question prior to the actual convocation revolves around the attitude of the Reich, now that there appears to be little likelihood for Italy to be represented officially or otherwise. For the Japanese standpoint it would be most welcome news if Germany should, if invited, decline the honor and thereby strengthen the Japanese hand either at the conference table or in the battlefield.

Yet from the German standpoint, nothing would be more disastrous than to cast her lot with a nation condemned practically by the whole world. As emphasized in these columns on more than one occasion, Germany has little to gain from Japanese domination in China but much to profit from the defeat of Japan's militaristic policy. It is impossible to believe that German statesmen, well-informed as they are, can be misled by Japanese propaganda to regard Japan's invasion of China as a war against Bolshevism.

For proof of this assumption one need only refer to an illuminating article contributed to *The Quarterly Review of The Chinese Railways* by Dr. Oskar P. Trautmann, German Ambassador to China. In his opinion, "due to the efforts of the Chinese Government, railway credit abroad has been re-established as the result of arrangements made with the principal foreign creditors for resumption of loan service of the various Chinese railways. These arrangements have certainly paved the way for further fruitful Sino-German co-operation whereby railway construction work can be carried on on a larger scale and may result, sincerely, as I hope, in the full realization of the Five-Year Plan of Generalissimo Chiang Kai-shek for the benefit of the country."

It is scarcely necessary to add that if Germany is interested, as Dr. Trautmann has indicated, in furthering Sino-German co-operation, she would hardly relish the idea of helping Japan to monopolize a market in which German nationals have already acquired a prominent place.

With Germany remaining either neutral or sympathetic toward China, Japan may only look to Italy for material support. And yet if the history at the outbreak of the European War of 1914 were to be recalled, Italy would not

be tempted to render more than lip service to a country more isolated than Germany then was.

The world seems to be ready for the process of house-cleaning, so to speak, and a shrewd observer of international affairs like Mr. Norman Davis, the chief American delegate to the Brussels Conference, would not have ventured to undertake the difficult task if there had been no reasonable hopes for wise counsel to prevail upon the true patriots of Japan. While optimism may be premature at the present moment, one may be justified in reposing undisguised confidence in the world statesmen who are shortly to gather at Brussels in a joint endeavor to restore sanity to a war-worn world.

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10/25
JAPAN'S OPPORTUNITY

Diffidence in assenting to her participation at the Brussels Conference on the Nine Power Treaty is being felt by Japan. Whatever may be the rights and wrongs of the conflict in which she is now engaged on Chinese soil, fairness should recognize the grounds of her contention that past experience has not encouraged the belief that third party mediation between her and an adversary is likely to ease her difficulties. Mediation is, however, not the immediate object of the Conference. Nor is it seriously expected that by assembling the signatories of the Nine Power Treaty with other interested powers, an abrupt termination of the present hostilities will be secured. Friends of both countries endeavoured to interpose mediatory influences before the crisis broke. Neither side was receptive; both regarded an appeal to arms as inevitable. Regrettable though the decision was it has at least to be developed to a definite stage before practical means can be found for applying emollients. The League of Nations may be said to have admitted this conclusion by transferring the issue to the Nine Power Treaty signatories. Japan has been invited to attend the Conference, not under the auspices of the League from which she has withdrawn, but as an equal member of an international corporation charged to uphold certain policies in China. The Conference is unencumbered by any obligation to pass judgment or hunt for witches. Lord Halifax has made that clear in his pointed reference to Article VII of the Washington Treaty. If the Japanese Government can be persuaded to view the invitation in that light its acceptance should naturally follow and be free of any embarrassment which criticism of its policy has generated.

Let the Article in question be cited:

The Contracting Powers agree that, whenever a situation arises which in the opinion of any one of them involves the application of the stipulations of the present Treaty, and renders desirable discussion of such application there shall be full and frank communication between the Contracting Powers concerned.

Attendance at the Conference therefore involves the widest possible treatment of the crisis in Far Eastern affairs. Obviously, mere concentration on the circumstances which have precipitated the present conflict would lead nowhere. President Franklin Roosevelt and now, Mr. Cordell Hull have emphasized that the Conference is being invoked to direct attention to the paramountcy of international good faith. On that issue Japan, no less than China and the other signatories to the Nine Power Treaty, has a valid contribution to make. In recent years Japan has felt that her leadership in the Far East has been imperfectly recognized by other nations. She considers that, in endeavouring to establish practical relations with China, she has been handicapped by that condition which has tended to encourage Chinese reliance on extraneous support in maintaining certain political views inimical to Sino-Japanese co-operation. Whether Japan has been judicious in handling this difficulty is, for the moment, beside the mark. The point is that its existence is firmly considered by her to constitute a definite grievance and, in fact, to militate against the proper working of the Nine Power Treaty. How far it has prompted a dangerous recourse to militarist remedies in prejudice to Japan's own

interests is again a matter of opinion which is not strictly relevant to the immediate issues before the prospective Conference. Much must depend on the interpretation which Japan seeks to give to her own claims of leadership and on the extent of the endorsement obtainable from her fellow-signatories of the Treaty under review.

Extravagant confidence in the Conference's ability to apply a speedy solution to the present problem in China is rightly deprecated. The chief ground for hope lies in the fact that—out of disappointment and disillusionment—it is being assembled with the express desire of restoring the efficacy of international co-operation for the preservation of peace. China and Japan are not the only delinquents in the eye of civilization. The breakdown here is not the only sign of a betrayal of those principles on which not so long ago the security of nations was made to rest. It is not too much to say that, in greater or less degree, every single Power likely to be represented at Brussels is responsible and ought to be standing in a white sheet. From this admission there should be born a tolerant

humility which alone can exorcise the evil spirits of recriminatory rhetoric and self-righteous dialectics. Realization of the suffering and material damage caused by the conflict now proceeding in China has been a strong instrument in promoting the proposed discussion. That discussion cannot be fruitful, however, if it does not lead to probing of the root causes of distrust and suspicion which have turned nations to desperate expedients. Japan has every reason to believe that her views on this subject will carry considerable weight and must have sympathetic and discriminating attention. She will have to face criticism, just as others, as the result of her own revelations, will incur reproach. She can, however, rely on the chastening influence of recent experience to exercise on her behalf a generous and sagacious forbearance. Definite assurances on that point to which she justifiably attaches considerable importance have been forthcoming from Great Britain, the United States of America and France, to mention countries where demur to her present policies has been specially marked. It is to be hoped therefore that the decision which is to be made to-day will earn for Japan the respect of the world by the assurance that, without prejudice to her freedom of action, she will take her place at the round table in Brussels and so give full strength to the goodwill there invoked for recovery of international comradeship.

From The Shanghai Times October 8, 1937

WORLD REACTIONS

International developments in connection with the Sino-Japanese dispute and hostilities are proceeding at a pace which leads one to wonder where they are going to end. The Assembly of the League of Nations has adopted the two reports of the Advisory Committee, and invitations have been sent to the signatories of the Nine-Power Treaty suggesting that a conference be held. The League has already decided that Japan has contravened her obligations under that Treaty, and so one is left wondering what the conferees will think they can do or ought to do to the nation which has already been judged and condemned. The League's vote was practically unanimous, under the encouragement, it is said, which derived from the speech of President Roosevelt, in which he suggested that peace-loving countries should "quarantine" countries which are aggressive and spreading war. Just how one thought leads to another is shown by the comment which has been made by the Washington "Post" which says that Mr. Roosevelt has, in effect, "served notice to Tokyo, Rome and Berlin that aggression is not merely passively resented by the United States but will be resisted by positive endeavour." Japan, Italy and Germany are thus lumped together as objects for the world's penal disapproval. Is it any wonder that Reuter can report from Rome that the tone of the Italian press is now favouring Japan's action in China, that it is critical of the Archbishop of Canterbury, and that President Roosevelt's speeches are meeting with growing disapproval on the ground of his failure to understand. Where are we going in this thing? The State Department in Washington has issued an official statement condemning Japan's action in China as contrary to the principles of the Nine-Power Treaty and the Kellogg Peace Pact without waiting for the meeting and considered judgment of the signatories to that first-named Treaty. It is hard to believe that Japan will attend a Court into which she will enter already found guilty, not only by a fellow signatory but in absentia by an international body. Whether Japan is guilty or not makes no differ-

ence to the highly dangerous nature of the proceedings witnessed so far and of the growth of the idea that the nations of the world can be split into two groups, one peace-loving and the other wickedly aggressive.

If this unfortunate war between China and Japan is going to develop into a major world conflict it will be because the major Powers of the world have either so decided or are bungling into it. Statesmen know perfectly well that the nations which are dissatisfied ask for co-operative readjustment. They don't want war because they know that war is a catastrophe to all concerned, but they do get driven to belief in recourse to war if there is nothing else left open to them, or if they are stigmatized as being the only people in the wrong. Much liberality of thought has been displayed in official quarters in the United States along the lines that economic freedom and readjustment would bring about the solution of a great many of our international problems today, but nothing has ever been done about it. President Roosevelt has rightly said that "there can be no stability for peace either within or between nations except under laws and moral standards adhered to by all" but one very sincerely hopes that the President of the United States does not believe that wars are waged in the face of the active and operative presence of those "laws and moral standards." Moral standards have the unfortunate characteristic of varying with peoples and governments and "respect for treaties" depends on performance by all of that underlying honesty of conduct upon which treaties must be based. There is a good deal of confusion of thought and a good deal of oversight being committed today, some of the latter often appearing deliberate. But what is uppermost in our own mind at the moment is the very obvious fact that China and Japan would much more quickly, and possibly much more satisfactorily, come to terms as neighbours if they were left to resolve and adjust their own quarrel. Formal international verdicts can only be pleasing to one side and greatly resented by the other and they cannot materially

affect the situation unless international action follows. That is the route along which might very likely lie a world war, and those who realize all that that would mean to humanity and its civilization cannot view with complacency such a dire prospect. We seem to be on the threshold of important developments, and one can only hope that national leaders all over the world thoroughly understand the risks to which they are exposing their peoples.

From The China Press, Shanghai, October 9, 1937.

AFTER MORAL CENSURE

THE League of Nations in 1937 has certainly shown more vitality than it did in 1931. The prompt adoption by the Assembly of the two reports submitted by the Advisory Committee of Twenty-three has left no doubt in the public mind of the general condemnation of Japan's action in China, even though the word "aggression" is not employed.

It may be candid to suggest, without depriving the League of its due credit, that the momentous speech delivered in Chicago by President Roosevelt must have hastened the passage of the relevant resolutions and heartened the statesmen at Geneva in their notable effort to uphold the tenets of international law and justice.

What is more encouraging is the practical certainty that the signatories of the Nine-Power Treaty may be shortly called upon to confer on the most effective measures to stop the human slaughter now being committed by the Japanese forces on the Chinese soil. The exact nature of such measures it will be difficult to forecast; neither may one at this juncture be justified in assuming that unanimity will be readily brought about at the forthcoming conference.

It is idle at this stage, however, to speculate on what may or may not come out of the conference. What really matters is the fact there is unanimity among the Powers, with insignificant exceptions, in the resolution to place an aggressor beyond the pale of civilization. The moral effect upon the world at large is not to be disputed, even though upon the Japanese warlords it may be almost impossible to impress the need to heed public opinion and to respect the sanctity of the pledged word.

Of all possible measures the economic weapon has been advocated as the most effective without resort to the mailed fist. The dangerous nature of a boycott is to be granted at the outset, and yet, unless the Powers are prepared to run a reasonable amount of risk, there is no use talking about checking the atrocities of any nation bent upon conquering the world.

The question is not so much about whether there is a risk of war in any measure as to what measure may be taken with the least risk of an armed conflict. Otherwise, anything which the Powers may do which does not please the Japanese military can be easily interpreted as hostile; and when this point is pushed to its logical conclusion, nothing which may be done may eliminate the possibility of an international war.

Japanese reaction, in any event, must be closely examined. What the handful of Japanese jingoists may think is not necessarily what the average Japanese subject may think down in his own heart or what he would given vent to if the bayonet is not held at his neck. The enforcement of an economic boycott, irrespective of its consequences on the Japanese national coffer or Japan's financial structure, will surely awaken the Japanese people to the truth of the present international situation and give the lie to the "popularity" which their military chieftains have claimed for the war in China.

In view of the strict censorship being enforced by the Japanese police, there is little opportunity for the Japanese people to learn of what the world thinks of the war. The most effective, though indirect, way of acquainting them with the universal condemnation now visited upon their proud empire is to make them feel the economic pinch, which is bound to follow an economic boycott. Thus, international action in this respect, while capable of inflicting hardship for a while, will be a virtual service to the Japanese in the long run; and it will be the Japanese people, oppressed though they may be, who will bring sense back to their overlords.

It may be argued, as it is being argued, that strong concerted action by the Powers interested in the Far East might further irritate the Japanese military and intensify their determination to wreak havoc in China. This argument is plausible at best. The atrocities which have already been witnessed within recent weeks can hardly be surpassed in their brutality, and it would be inconceivable what worse things the Japanese may perpetrate short of an indiscriminate use of the poisonous gas. The mask has now been torn off Japan's face, and she is in a position to show her ugly self with or without an economic boycott.

What is more, if a firm determination among all the Powers to bring Japan to book is driven home to the Japanese, they will have to think thrice before venturing

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

a while, will be a virtual service to the Japanese in the long run, and it will be the Japanese people, oppressed though they may be, who will bring sense back to their overlords.

It may be argued, as it is being argued, that strong concerted action by the Powers interested in the Far East might further irritate the Japanese military and intensify their determination to wreak havoc in China. This argument is plausible at best. The atrocities which have already been witnessed within recent weeks can hardly be surpassed in their brutality, and it would be inconceivable what worse things the Japanese may perpetrate short of an indiscriminate use of the poisonous gas. The mask has now been torn off Japan's face, and she is in a position to show her ugly self with or without an economic boycott.

What is more, if a firm determination among all the Powers to bring Japan to book is driven home to the Japanese military, they will have to think thrice before venturing to affront the whole world and to engage other nations in a war the outcome of which they are already finding it difficult to insure. They may boast of their military prowess against the united front of all right-thinking countries, but they will hardly dare to throw the gauntlet at the risk of a universal onslaught on them.

The adoption of the resolutions submitted by the Advisory Committee is sufficient to produce the desired moral effect, and it remains to threaten joint action to ostracize the Japanese Government economically and otherwise in order to give practical effect into the moral censure. If Japan were not afraid of the whole world there is no reason why the whole world should be afraid of Japan. The police do not stop shooting at an outlaw simply because he may shoot back; the police will never hesitate to shoot an outlaw, because force is the only thing which an outlaw can understand.

Now that Japan has been declared an outlaw in the family of nations, it would be suicidal still to appeal to her reason or conscience. On with the boycott; down with the aggressor.

[illegible]

How the Spring Press, Springfield, October 8, 1924.

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From The Shanghai Times, October 13, 1937

NINE-POWER TREATY

It is now practically certain that Brussels will be the meeting-place of the Nine-Power Conference which is due to meet in about a fortnight's time. China is willing to be represented and it is taken for granted that the United States will have a delegate at the council board. A spokesman of the Japanese Foreign Office has pronounced that it is not yet timely to disclose the attitude of Japan towards the Conference but this will be made clear on the receipt of a formal invitation. From a consideration of the statements of Japan's leaders, it does not seem to us that there is any real reason why Japan should not be represented at these parleys although she may ask for certain conditions. It is understood that the object of the Conference will be to secure an end to the Sino-Japanese hostilities by agreement and that there will be no question of condemnation of one side or the other. If the Conference works in this spirit it is possible that it may accomplish something—if not immediately, then in the long run. The very definite statements by the leaders of Japan that there is no intention of setting up the former Imperial dynasty, or any other form of imposed Government in China, or of alienating Chinese territory and that foreign rights and interests in this country are not intended to be in any way endangered should at least form a basis of discussion. At the same time Japan's contention that there must be an absolute and final end to all anti-Japanese propaganda must be taken proper note of by the Conference or any other body which seeks to alleviate the situation in the Far East. A definite working settlement between China and Japan of all the issues at stake is what is required and which can be the only basis of a recovery of international trade and industry in the Orient. Neither the Chinese, Japanese nor the Occidental can hope to do profitable business in an atmosphere of constant jealousy, friction and mutual recrimination with the ever-recurring prospect of fresh violence resulting. How to secure these happier relations

and altogether more wholesome atmosphere, therefore, must be the main business of the Nine-Power Conference if it is to do any good at all. The question that immediately arises is, of course, whether the loud-voiced extremists have already prejudiced the issue. Fortunately, however, the vociferous clamour for sanctions, boycotts, armed action, and what not, has come from private individuals, and associations of individuals, and not from the Governments upon whose shoulders serious responsibility rests.

The letter of Sir Francis Lindley to the London "Times," quite apart from any views people may have as to the real nature of the origin of the present unhappy conflict, is worthy of the consideration of all discerning men. Sir Francis states that he has not yet met any man with commonsense who believes that any ultimate good can come to the British Empire, or to European civilization, from a policy of sanctions or boycott. He urges the British Government to secure the abolition of Article XVI of the League of Nations Covenant, which deals with sanctions, "for as long as that Article stands there can be no appeasement between nations, nor any relaxation of the policy of self-sufficiency which is the bane of the world." It is clear that Sir Francis is here thinking more widely than just of the Sino-Japanese conflict, and we may well ask, if the Powers can assist China and Japan to settle their differences in a practical and reasonable way, whether a new approach cannot be made to the settlement of the disputes which are keeping Europe in a nightmare-like state of confusion and upset. That conciliation must replace condemnation of others is, we believe, a conclusion that is slowly but surely being forced upon the world. That it should have to take so long to bring this home to the nations may appear strange but the opposite notion seems to have taken its rise in the curious international psychology that was apparent at the end of the Great War and which unfortunately became part and parcel of the League Covenant. One thing

strikes us as being quite obvious and that is that if any nation thinks that its dealings with any other nation can be onesidedly protected by the League Covenant international relations must come to a state of increasing chaos.

To return to the situation of China herself. The Nine-Power Pact guaranteed the sovereignty, independence, and territorial and administrative integrity of China, but, to some extent, it was anticipatory in its action rather than absolute. These attributes of China's position in the world were not complete in 1923 nor are they wholly so to-day. It was the intention of the Powers that they should become so, as long as the peace of the world was not disturbed thereby, and the well-being of foreigners in China was not injured by premature and indiscreet action. Since the Nine-Power Treaty was entered into, China has made great progress in unification, in modernization, and in general improvement of the condition of the country. It is the Chinese contention that this steady and peaceful progress to full sovereignty in the modern sense has been opposed by Japan to a far greater extent than by any other Power vitally interested in the affairs of this country. But specific questions immediately become involved and must be disposed of between China and Japan themselves, although we feel that it is only right that any settlement reached should take studied note of the interests of other Powers concerned. The implementation of the Nine-Power Treaty is still something which is not complete, it is something which is progressive in nature; and for this reason we think that its signatories have a clear right to deliberate and speak upon the present unfortunate situation. But when they do so it must be with a very full sense of responsibility, an absence of prejudice, and with a real knowledge of all the relevant facts.

From The China Press, Shanghai, October 17, 1937.

TOKYO AND BRUSSELS

It is yet too early to predict whether Japan will participate in the deliberations at the Nine-Power Conference to be shortly held in Brussels. Though the Belgian Ambassador to Tokyo has tentatively sounded the attitude of the Gaimusho, no definite decision is or can be expected immediately. The position of the Japanese Government is indeed an awkward one. On the one hand, it can no longer pretend to be ignorant of the world-wide disapproval of its China policy so ruthlessly prosecuted by its fighting services, and on the other it cannot continue to cater to the whims and fancies of a handful of men who are bent upon "beating China to her knees" without the slightest prospect of success, immediate or remote.

The dilemma which is now confronting the Japanese Government is self-patent. If it should decide to attend the forthcoming Conference, it will find itself most uncomfortably embarrassed on account of the invasion of China and the atrocities consequent upon its prosecution. If it should decline participation, the refusal would be in itself an admission and an indictment.

It may be also pointed out that Japan's past experiences at international conferences have been none too encouraging, not because she was ever compelled to make sacrifices of any sort but because her own lack of statesmanship often resulted in making concessions under concerted pressure from Powers equally vitally interested in the political and administrative integrity of China as well as peace in the Far East. Japan was prevailed upon to part under pressure of public opinion with ill-gotten spoils which she could have surrendered voluntarily and in a gracious manner.

At the Washington Conference, for instance, she was constrained to agree, among other minor things, to return Shantung to China, though she succeeded in excluding the problem of Manchuria from the agenda. Even at that very moment, Japanese publicists did not hesitate to warn the world that Japan would abide her time and that she would steadily achieve such a degree of military competence as to enable her to defy world opinion at a future date.

That competence, or at least self-confidence in such competence, she seems to have regarded as already achieved, if one may adjudge her current invasion of China as a deliberate challenge to the Powers signatory to the Nine-Power Treaty. Whether she is sure enough of herself to disregard the genuine desire of the co-signatories is, of course, problematical. It must be emphasized in any event that, unless effective pressure can be brought to bear upon the Japanese Government by the nations attending the Conference at Brussels, the mere passing of judgment, however damaging morally, is not likely to deter the Japanese military from continuing on their mad war path.

For the Powers responsible for the convocation of the Brussels Conference an adequate exchange of views in advance is indispensable. It is highly gratifying to note that President Roosevelt is reported to have taken a personal interest in the preliminary conversations, while one cannot but entertain misgivings about the British Government's alleged decision to rule out the idea of economic sanctions altogether in preference to moral persuasion and practical compromises.

It is perhaps in anticipation of the elimination of the sanctions idea that Japan has unofficially conveyed the impression that she might agree to be represented at Brussels, provided she is not to be termed an "aggressor." To be free from being an "aggressor" is to be free from the penalty due to an "aggressor"—in other words, from economic sanctions. On this point London and Tokyo seem to have struck a note of accord, though it would be injudicious to suggest that London is thereby manifesting a change of attitude toward the fundamental points at issue or the right and wrong of the Sino-Japanese conflict.

On China's part, only undaunted resistance may help to hearten her friends soon to proceed to Brussels. Ironical though it may seem, it is in the final analysis her own power of combat which will heighten or lessen international support to her cause. If the Japanese military chieftains can be made fully aware of their difficulties, they will be able to

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It is, therefore, correct to maintain that Japan's attitude toward the coming Conference will depend in a large measure on the military developments within the next week or so. Conversely, China's prospect at Brussels will rest upon her military achievements in the same period. Nothing thus far has tended to indicate a sudden turn of events in Shanghai or North China, and it may be hoped that the futility of war will impress itself upon the Japanese Government in time and induce it to seek other means or channels which may be offered at Brussels for the purpose of settling the Sino-Japanese dispute.



From the Spring Press, Springfield, October 14, 1922.

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

From The Shanghai Evening Post and Mercury,
dated October 20, 1937.

Italy May Accept

ITALY is now reported in a mood to accept the Belgian invitation to the Nine-Power Conference on the Far East opening at Brussels on October 30, on the ground that the invitation did not come from the League of Nations. Whatever the reason, this change of attitude appears congenial to everyone concerned.

Naturally there is a desire on the part of such nations as the United States and Great Britain to have a full attendance at this meeting. No one wants a "packed jury" and a corresponding lack of real influence due to limited participation and a general feeling that the gathering is not wholly representative.

Japan will be influenced toward participation, it is indicated by the *Asahi Shimbun* of Tokyo, by the fact that nations from which she expects support will take part. The *Asahi* suggests: "Not a bad idea to participate in the Nine-Power Conference at Brussels, where Germany, Italy and Portugal will support Japan and attack the anti-Japanese atmosphere." We don't much care for the method of expression and the suggestion that any countries go into the conference with a closed mind on the issues, but the general idea of Nine-Power participation in a Nine-Power meeting is certainly to be backed.

The duty to participate is clear, under terms of the pact. As to the results of participation, none should indulge in forecast. Presumably it will be the purpose of the conference to seek the truth, to evaluate the situation as it stands at present, and to search out solutions. Cool heads and open minds should prevail, otherwise the meeting will break up in a "dog-fight" with nothing accomplished.

Surely none of the treaty signatories but would like an end to destructive warfare if it can be achieved on suitable terms. At the moment, the approaching meeting offers the first real opportunity to ascertain whether Japan's objectives and China's determination to defend her integrity are points completely impossible to bridge over. If the Sino-Japanese dispute can be solved by agreement, this is the chance.

From The China Press, Shanghai, October 28, 1937.

CLOUDS GATHER

ON the eve of the Nine-Power Conference and in the midst of the Non-Intervention Committee meeting, Europe presents an almost hopeless picture. While the peoples of the Old World are fervently praying for peace, governments are fast drifting toward war.

The sinking of the French liner, Oued Mellah, followed almost immediately by an air bombardment of the passenger air-line base of Air France at Fornells in the second largest of the Balearic Islands, may provide the last straw in a situation already charged with ugly potentialities.

There is not the least intention on our part to be an alarmist. The history of Europe is one of the balance of power. Ironically enough, the better the power is balanced, the closer is the approach to war. Today on the side of Fascism are arrayed both Italy and Germany, with possibly Poland to boot. On the side of Communism are grouped France and Russia, with Great Britain still being courted.

The next war in Europe is to be fought more in the air than on land or at sea. In the latest instrument of war France and Russia on the one hand and Italy and Germany on the other may boast of an equality in strength. Either camp enjoys an equal chance to win, and the scale may be turned in favor of that camp to which Britain may choose to throw her weight.

The decision for Britain is not an easy one. For the last few years she has been wavering between friendship for France and sympathy for Germany. In the Italo-Ethiopian conflict she sought to drive a wedge between Italy and Germany by invoking sanctions against the former and inducing the latter to assume neutrality. At the same time, France attempted to prevent German-Italian collaboration by refraining from censuring Italy. It now seems clear that both Britain and France have failed, and the recent meeting of Herr Hitler and Signor Mussolini has emphasized that failure almost with a vengeance. Much though Britain may wish to preserve the political ideology of capitalism with which there is more kinship in fascism, she may be compelled to ally herself with France and consequently with Russia.

The momentous decision has not yet been reached, as may be seen from the British efforts to steer clear of definite commitments. Once that decision is reached, the stage in Europe will have been completed for another conflagration.

It is probable that the British decision may be deferred until the situation in the Far East permits the formulation of a long-range foreign policy. In other words, Britain cannot plunge herself into a European conflict without keeping an eye on the Sino-Japanese war and bearing in mind the inter-relationships between both.

The march of events both in Asia and in Europe impels the conclusion that the Sino-Japanese war will not be brought to an end as long as the Powers in Europe cannot come to terms in regard to the Mediterranean and the Spanish civil strife. It is needless to point out that every step which Britain may take in the interest of Oriental peace will be checkmated by a fresh development in Europe to be precipitated by the Power or Powers in collusion with Japan. Conversely, every move which Russia may undertake to undermine the strength of Germany and possibly Italy in the western hemisphere will bring forth a counter-move on the part of Japan.

There remains the attitude of the United States to be considered. President Roosevelt appears to have made it abundantly clear that America is interested in exerting every effort to restore peace between China and Japan but is not concerned as yet with the impending conflict in Europe. The demarcation here is unmistakable, and yet one is perforce constrained to doubt if the demarcation can be effectively preserved. The entire nerve system of the world is too closely knit to allow imaginary boundaries to be drawn. Of this vital point the American people may not be aware, and they may not become so aware until they are brought face to face with the expansive and extensive destructive force of the fighting planes which are to be employed in the next world war, beside which the present Sino-Japanese conflict will seem to be comparatively insignificant in ravage and devastation.

For these reasons the Chinese Government has

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For these reasons the Chinese Government has sagaciously refrained from dragging any other Power into the scene, and from all indications it may continue so to refrain. If a world war is inevitable, the spark will be ignited in Europe; if peace is to be achieved, it has to be achieved here first. The liquidation of the Far Eastern situation will help to clear the atmosphere in Europe, and the task of liquidation will shortly befall the Nine-Power Conference. Japan has already had a bitter taste of war even with one weak nation alone; she should be ready to keep away from further entanglements and complications if she is to escape the dire consequences of a major war in which her own cities and industrial centers will be subject to air raids worse than those she has perpetrated in China. While the war clouds in Asia may not spread to Europe, it is not unlikely that the war clouds in Europe will ultimately spread to Asia. The fate of civilization as a whole may hang in the balance, and then China may become a small stake.

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Below the China Press, Shanghai, October 28, 1937.

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From The Shanghai Times, dated October 28, 1937.

NINE-POWER PARLEY

The decision of the Japanese Government to decline the invitation to attend the Nine-Power Conference at Brussels is one which had doubtless been taken after a very full review of the possible effect such a decision will have on the other Powers attending. It is also, doubtless, a direct outcome of the resolution which was passed by the Assembly of the League of Nations definitely adjudging Japan guilty of a breach of the Treaty and also because of the action of the United States Government in officially stating likewise. Japan feels that she has already been found guilty, *in absentia*, and that her own claim that she took action which was justified because of preceding circumstances has now not the slightest chance of being impartially listened to. We have no desire to present views either in support or contradiction of that contention, but we do regret that Japan has had cause to justify, in her own mind, a decision to stay away when the other party to the dispute—China—will be present. If China is going to attend then Japan should have attended also, not to be put in the dock but to lay her case fully and simply before the Powers who are not only interested themselves in the Far East but vitally interested in restoring peace. We have heard the opinion expressed that it would have been better if the other signatories to the Treaty had first met themselves without the attendance of either China or Japan, had examined the situation without what might prove to be the embarrassing presence and pleadings of either of the principal disputants, and then approached them with at least something in the way of a compromise suggestion. But, of course, it has to be recognized that the intransigent attitude of both Nanking and Tokyo, as so far indicated, is such as to make the efforts of others at Brussels appear rather hopeless. It has been stressed by Britain and some other Powers that the conference will concentrate wholly on the finding of a constructive solution and will not be concerned with penal measures, but when Nanking declares so convincingly that it is prepared for a prolonged war and when Tokyo insists that there must be a change of Chinese attitude before Japan will consider its essential task accomplished it is not encouraging to third parties, no matter how *bona fide* their desires and efforts might be. We regret Japan's abstention, in all the circumstances, and can only hope that what now appears to be so unpromising an outlook will, by true statesmanship, be not too slowly resolved into the prospect of that permanent peace which the Far East so badly needs for its welfare and progress.

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From The Shanghai Evening Post & Mercury, October 2, 1937

^{Post 10/2}
Japan's Washington Note

JAPAN'S ATTITUDE toward the bombing of non-combatants—or, to be precise, the attitude of Japan's military who now appear even to dictate diplomatic correspondence—has been so unmistakable that it is doubtless entirely accurate to report that the latest Japanese note to Washington "has been received with no surprise."

On the other hand it would be too much to ask that the United States should not be disappointed by Japan's failure to give any guarantee against the recurrence of this slaughter of the innocent. And the State Department can hardly be expected to accept with satisfaction the Japanese arrogation of a right to dictate movements of United States diplomats in China.

That right has not, cannot and will not be given Japan.

The United States, and the United States alone, will dictate the movements of United States diplomats.

In keeping with the rest of the note was the renewed refusal of the Japanese Government to acknowledge responsibility for damage to American property through Japanese military operations.

The Washington correspondent of the New York Times is essentially correct in saying that this note contributes no essentially new element to the situation and gives no intimation of a recession of policy in deference to world opinion; likewise that the note carries an implication that Japanese military and naval commanders are speaking, not a Foreign Office having any real control of a vital question in its special field. That, as we say, is correct so far as it goes.

But worthy of further notice is fact that this note affords evidence of the hollowness of Japanese diplomatic denunciations of perfectly accurate foreign press reports of the wanton air-bombing of civilian men, women and children.

We may include within the scope of these denunciations a wide variety of wild talk ranging from Mr. Okamoto's recent slanders of the foreign press in Shanghai to the latest London Embassy pronouncement.

The Washington note tacitly admits both the accuracy of past air-raid reports and the fact that further similar atrocities are in contemplation.

From The China Press, Shanghai, October 5, 1937.

JAPAN AND GERMANY

CERTAIN quarters in Japan have attempted of late to feel the way in which Germany may be induced to participate in a possible Soviet-Japanese war. It is apparently desired to enlist German support on the basis of the Anti-Comintern Pact, but thus far no response seems to be forthcoming from the Reich.

If disinterested observations may be accepted at their face value, Germany is not likely to waste her strength on an unworthy ally. Not that she is being reconciled to Communism as a political ideology, nor that she is ill prepared to face a foe in every respect her equal, nor yet that she is going back on her pledge under the bilateral pact with Japan. The reasons for German refusal to become involved in a Far Eastern conflict are many, and we may perhaps touch upon a few important ones in a brief manner.

First of all, it is necessary to bear in mind the salient point that the Anti-Comintern Pact was entered into by Germany for the sole purpose of combatting the active spread of Communism. It must have been far from her mind to provoke a war with Soviet Russia in order to accomplish that purpose. The pact was intended to be passive and not aggressive in nature, and it will never be so construed, in spite of Japanese assertions to the contrary.

Secondly, the pact in question must be regarded as a defensive measure for its signatories, and it is highly doubtful whether it has ever been considered by the German public as a military alliance. In other words, if Japan were to launch a campaign against Soviet Russia over the dispute of fishery rights, for instance, she could hardly claim to be fighting Communism for her own sake or for the sake of Germany. A pact of this character must be strictly construed, and strict construction will at once lay bare the fact that Germany never contemplated assisting Japan in the latter's continental policy of aggression under the cloak of a joint onslaught on Communism. Japan might have been naive enough to trust the subtlety of her own diplomacy; but Germany could not have been so naive as to have fallen a prey to Japan's sinister designs.

Thirdly, with voluntary abolition of the Chinese Communist Party and the incorporation of the Chinese "Red" army into the Chinese National Army, the *raison d'être* of the Anti-Comintern Pact is extinguished as far as China is concerned, and with it every valid excuse for German participation in a war on the Chinese soil. Her Government will not indulge in it; her people will be opposed to it. No longer can Japan create a "Red" scare in China; no longer will the other Powers believe it. The Pact has become a dead letter; it was never blessed with unmixed feelings anywhere.

From a general consideration of the obvious object of the Anti-Comintern Pact, one may proceed to analyse the practical effect on Germany which is bound to be produced by the present Sino-Japanese conflict and by the possible involvement of Russia through Japanese machinations.

It is commonplace to suggest that one would not try to help another who is not worthy or deserving of help. This homely truth among individuals holds also true among nations. In our opinion, Japan is neither worthy nor deserving of German support, openly or otherwise.

The military prowess of Germany is only too well known. Her people are equipped both materially and morally for the strongest national defence in case of necessity. If they were to be mobilised for the benefit of another nation, they have at least the right to be sure that that nation is equally equipped. The Japanese military operations in Shanghai and elsewhere have amply demonstrated the lack of fighting ability among the Japanese military and naval forces. The only point on which independent observers are ready to concede them due credit is their superior military equipment, and yet equipment alone cannot win a war, nor does it testify to the spirit of the fighting services. Thus the inherent strength of the Japanese army has been over-estimated, and in the circumstance Germany would be backing a wrong and unworthy horse if she should try to aid Japan when the latter begins to engage in a war not only with China but also Russia to boot. As the Japanese have already failed to achieve a swift victory in Shanghai, it is not likely that they will fare better with Russia.

Moreover, Japan is not deserving of German support.

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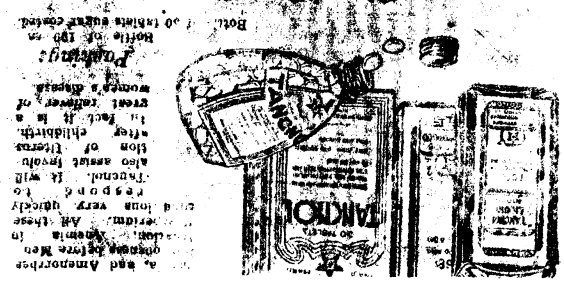
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Moreover, Japan is not deserving of German support. For years she has been encroaching upon Chinese territory and administrative rights until she has come to be looked upon as the most flagrant violator of international treaties and undertakings. Her indiscriminate bombing of Chinese civilians far removed from the scenes of actual warfare has



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FROM THE CHINA PRESS, SHANGHAI, OCTOBER 2, 1937.

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placed her "outside the pale of civilization," to quote Lord Meston, President of the Liberal Party, and Germany will be most ill-advised if she should throw in her own lot with an outlaw of the world.

From the German standpoint, participation on Japan's side would be most unprofitable, and this for two definite reasons.

Firstly, it has taken the Reich almost two decades to recover from the consequences of the last World War, and if any people should know of the horrors of war, it is the German citizens. Fast on the road to the pre-eminent trade and industrial position once occupied before 1914, it would scarcely pay her to undo what has been so remarkably accomplished by joining a war so unequivocally denounced by the world and so devoid of a laudable purpose. Germany, in brief, has profitted too much by peace to think of possible gains in war. If she should direct her attention toward the East, can she be sure of her security in the rear?

Secondly, Germany and Japan are keen competitors for the Chinese market. While there may be ideological ground for difference between Germany and Russia, there is certainly none for differences between Germany and China. Quite on the contrary, German trade in this country has enjoyed unprecedented development, and German traders are among the first victims of Japan's latest venture on the continent. The voluntary contributions made by the German community in Shanghai toward the relief of Chinese refugees should suffice to show where their sympathy lies. It may be true that Germany and Japan had trade agreements concluded concerning "Manchukuo," and yet Germany was willing to enter that deserted field only while she was still able to secure China's understanding of her difficult position and to continue her trade with the rest of this country. Japan must be given to understand that Germany is ready to cooperate with her only as long as the Chinese market is not to be thereby adversely affected.

What is more, if Germany should help Japan win a war in China, what guarantee is there that German interests will not go the way that all other foreign interests have gone under Japanese domination in Manchuria and North China? Indeed, Germany has more to gain by China's defeat of Japan than by Japan's conquest of China, and Germany is too practical a nation to let rare opportunities slip by or, worse still, to destroy such opportunities deliberately.

Consequently the German press has not hesitated either to condemn Japan's barbarity in bombing innocent Chinese or to praise the Chinese soldiers for their valor and ability. Its frankness in both respects should convince Japan of the futility of trying to draw the Reich into a selfish war designed solely for the personal aggrandisement of Japan's warlords and financial houses.

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

From The China Press, Shanghai, October 1, 1937.

SELF-CONTRADICTION

A COMMUNIQUE issued by the Japanese Embassy in Paris attempts to defend the Japanese operations in China as designed to restore "peace and prosperity." It further attempts to deny the bombing of civilian population in China by this specious argument:

Japanese soldiers always carry maps, on which military instructions are marked, and they are instructed by the General Staff to shell only military objectives.

It is only the wish to spare the civilian population living in the neighborhood of these cities (Nanking and Canton) that has prompted Japanese airmen to fly low at great personal danger.

We do not wish to contradict the official statement of the Japanese Ambassador to France. It does seem strange, however, that it is always the civilian population which has borne the greatest suffering as the result of Japanese air raids. The Japanese airmen must be poor either in vision or in marksmanship. In fact, if the Japanese Ambassador were so sure of the accuracy of their bombing ability, the notice served on the foreign Embassies and Legations in Nanking to leave that city would appear to be both superfluous and stupid.

From The China Press, Shanghai, October 1, 1937.

PATRIOTS FOR PEACE

IN Japan and in China the anti-war sentiment among the Japanese is being slowly voiced. Reports of the growth of this sentiment have occasionally slipped through the Japanese censors and found their way to this country. Closer at hand the public has also been acquainted with a similar movement. The latest evidence is offered by a series of pamphlets distributed locally.

Of these the one released by the Overseas Branch of the Japan Peace League appears to be the most illuminating. Among other things it denounces the Japanese invasion in China in these unmistakable terms:

The militarists desire to seize political power, the finance leaders attempt to monopolize Japan's financial market, while the nobility wants to overthrow His Imperial Majesty.

In this brief statement much food for thought is to be derived. Though one may hesitate to believe that the Mikado is in immediate danger of being ousted, it is reasonable to accept the charge that the warlords and financial leaders of Japan are seeking personal aggrandisement at the expense of the common people. Viewed in this light, the invaders of the Chinese soil are as much the enemies of the Japanese nation as of the Chinese Republic.

If the common enemies of the two countries should by chance win the war, the subjugation of China will be matched only by the further exploitation of the Japanese masses. If, on the contrary, they should, as all decent-minded observers hope they will, be defeated, their future in Japan will be doomed and their menace to world peace removed for good.

It stands to reason, then, that between the humble Japanese subjects and the distressed Chinese there exists a community of interest. The former are concerned with the elimination of militarism from their empire and the latter, with the deliverance from the clutches of an alien foe. For this community of interest both peoples must be prepared to endure sacrifices, so that the evil of jingoism may be wiped out from the Far East.

On the Chinese side staggering losses in lives and property are being endured with unprecedented stoicism. Villages have been destroyed, industrial plants demolished, civilians slaughtered, and yet all the Chinese have remained unmoved and undaunted, confident as they are of their ultimate triumph over Japanese vandalism and brutality. The suffering which has been borne without a murmur is the price which the Chinese are ready to pay for a free nation.

On the side of the oppressed Japanese a like determination to stand untold suffering is essential to the desired success in ridding their great empire of the one enemy which has disgraced its good name in the civilized world, and which is fast bringing about national ruin from which recovery will be both painful and slow.

If such a determination were to avail, it must be expressed in something more than pamphlets. The ardent advocates of peace must strive to bring the truth of the present war home to their compatriots. They must defy their warlords whose only weapon is the threat of prosecution or the employment of brutal force. They must so organize themselves that the prosecution of one advocate will only add to their ranks more adherents. They must agitate openly, not secretly, against war and for peace. They must, at their personal risks, rise to denounce their military taskmasters. They must prepare to die as patriots for peace, even as their soldiers have died and are still dying on the battlefield as tools of imperialism.

What the military depend upon is force; what they are afraid of is also force. If a few Japanese patriots are willing to sacrifice personal lives to challenge their warlords, they will be depriving the latter of their only weapon and at the same time awakening their fellow-citizens to the cause which they have dedicated themselves to espouse and serve.

Just as the salvation of China is the duty of every Chinese citizen, so is the salvation of Japan that of every Japanese. Both can co-ordinate their patriotic endeavor toward the common goal, but each must fight its own battle separately. In the heroic stand taken by the Chinese people we hope the Japanese will find ample inspiration in a struggle which is already long over-due.

From The China Press, Shanghai, October 1, 1937.

BACK TO BARBARISM

WHILE the entire world is strongly denouncing the Japanese military and naval authorities for their barbaric bombing and bombardment of unprotected Chinese cities, the Japanese Government has also resorted to another type of barbarism no less reprehensible.

From press reports it has been learned that in Formosa and in Korea the medieval custom has been revived which calls for the mass execution of members of a family for the treachery of one of its number. The revival is designed to forestall the possibility of uprisings among the Formosans and Koreans now in the fighting services. Incidentally, it is the best proof of the weakness in the Japanese military ranks engaged in the Sino-Japanese war.

In a more profound sense the anxiety over the loyalty of the Formosans and Koreans should serve to convince the Japanese military of the futility of trying to conquer another people and to hold them under an iron heel. In Formosa the Japanese rule has exceeded more than two generations, and in Korea it is approaching three decades. If it has taken Japan so much time to effect a semblance of submission over two comparatively small territories, it would take infinitely more time to subjugate China if China could ever be subjugated.

As noted students of Chinese history, the Japanese authorities must be able to recall that the founders of the Yuan Dynasty spent over 30 years to suppress "bandits" who were really Chinese patriots refusing to accept an alien rule, and an equal period to compose differences among the descendants of the conqueror himself. The Manchu regime fared none the better, and in spite of its benevolent rule it had to give way to revolutionary forces.

Even in "Manchukuo" the Kwantung Army is on constant vigilance against uprisings, and the Japanese nationals dispatched there to undertake the task of "colonization" are frankly wary of the same fate that befell their compatriots in Tungchow under the puppet regime of Yin Ju-keng.

Wise statesmanship in Japan has yet not asserted itself. If the war in China is prolonged and defection becomes more apparent among her fighting forces, the Japanese Government may perhaps change its policy toward China as well as toward the colonies whose loyalty it has yet to earn.

From The China Press, Shanghai, October 2, 1937.

DAMAGING EVIDENCE

WE have had occasion more than once to demonstrate that the present hostilities were as much an anathema to the Japanese masses as to the Chinese people. To the latter the war is one of determined resistance against Japan's further aggressions. To the former the hostilities constitute nothing less than a large-scale invasion of the territory of a friendly nation with whose people the Japanese masses have admittedly no quarrel but whose Government leaders Nipponese warlords are bent upon "chastising"—because they will not sign on the dotted line drawn up by Nippon's militarists and because they will not bend their knees to Tokyo's wishes or accede to made-in-Japan formulas of "sincerity" and "co-operation," etc.

In proof of our thesis we adduced extensive testimony ranging from eye-witness accounts of actual conditions in Japan—how the Japanese people were prevented from learning the truth about Sino-Japanese relations, how Japanese "victories" were exaggerated and how their reverses were minimized, how the populace were compelled to go to the railway stations and cheer the soldiers embarking for China, and how they were scared into subscribing to the war loans by tales of Chinese airplanes, impending visits, etc. All this is in order to bolster up the Japanese militarists' courage and strengthen the morale of their misled masses, but apparently to little avail. Thus testified a foreigner recently returned from the Island Empire: "Japan is afraid of China, right in her own country. Every night, all of the lights in Nagasaki are put out, in anticipation of an air raid. And the feeling is that it might come at any moment."

Since then it has also become public property that all is not well even in the puppet state of "Manchukuo," that defections by so-called "Manchukuo" troops have been reported with increasing frequency, and that reinforcements have been rushed from Japan to "Manchukuo," nominally to return the compliment of Soviet troop concentrations along the northern borders. And in these columns yesterday we adverted to the local distribution of anti-war pamphlets by various Japanese groups bitterly denouncing Japan's aggressions in China, as well as to the revival in Korea and Formosa of a mediaeval ruling which calls for the mass execution of a family when one of its members is guilty of treachery, in order to forestall the uprisings of Korean and Formosan revolutionaries now in Japan's fighting services, many of whom have been allegedly found harboring "dangerous thoughts."

Just as public opinion all over the world is mounting in condemnation of Japan's "unprecedented barbarism" in China, so fresh damaging evidence is steadily coming to light which effectively disposes of the Japanese propagandists' facile argument that the present hostilities have been forced upon Dai Nippon and that she is waging, not a war of unabashed invasion and relentless conquest, but a war of "self-defense". Such new evidence will shew how hollow is the Japanese militarists' claim.

Exhibit (1).—Patrol leader Yamashita conducted an air raid over Taitsang, near Kiating, on September 26 morning, but his plane was brought down by Chinese anti-aircraft guns and he was taken prisoner. Greatly moved by the treatment he had received in the field hospital, he declared to his captors: "I swear I will not take up arms again if I can safely go through the present Sino-Japanese hostilities. The Japanese people don't want war with China." Incidentally, he praised the Chinese soldiers, whose gallantry, he averred, "was entirely out of our expectation."

Exhibit (2).—The following illuminating entries appeared in a Japanese soldier's diary found on the battlefield, as the Japanese retreated from Yang-chia-tsun on September 26:—

1. Busy at sentry duty. Didn't get sufficient sleep.
2. Chinese night attack anticipated; dared not sleep soundly.
3. Chinese troops' resistance unexpectedly firm. Their attacks clever and resourceful. Detonations of trench mortar shells fearful and nerve-racking.
4. Food supply cut off several times. Had to rely on biscuits and bread. Recently we experienced a shortage of bread and cigarettes, showing increasing extent of war privations.
5. Am homesick and thoroughly disgusted with the war.

All this contrasts strangely with the stoic spirit exhibited by the Chinese defenders. Since the aggressor means to conquer this country, every Chinese defender has

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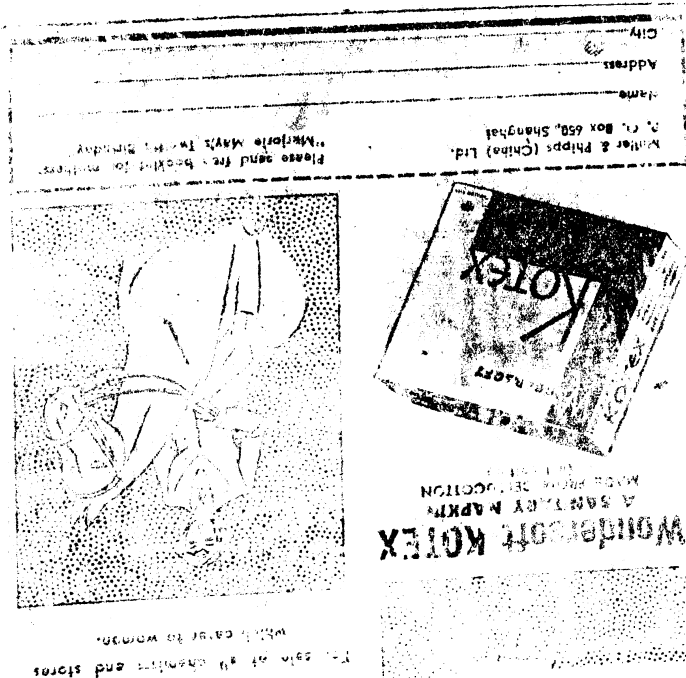
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All this contrasts strangely with the stoic spirit exhibited by the Chinese defenders. Since the aggressor means to conquer this country, every Chinese defender has but one choice—to resist the invader to the very end and to make the enemy pay dearly for every inch he may succeed in gaining, not through superior courage or fortitude but merely through the instrumentality of superior tools and more modern armament. The Chinese defender therefore knows not what it is to fear, since Japanese shells and bombs send one equally to perdition, whether one takes it manfully or shivering in one's shoes. And until the invader comes out of his trench to give combat, the defender may as well while the hours away by fiddling on his *Hu-Ch'in* or playing mahjongg. Japanese shells and bombs may screech and bellow destruction, but sweet music must continue to be played and the captivating game of mahjongg must not be interrupted.



From the CHINA PRESS, SHANGHAI, October 3, 1937.

From The Shanghai Evening Post & Mercury, October 11, 1937

A Poor Statement

THE SO-CALLED "vigorous defense of Japan's action in China" made last Saturday in a statement issued by the Association of Members of the Tokyo House of Representatives will receive the close attention intelligent people give all responsible policy utterances of the Japanese; but it is even more disappointing than the average, if such be possible.

Starting off by denial that Japan's action in China violates the Nine-Power Treaty or the Kellogg Pact, it goes on to say that "the present affair was started by China, who violated various agreements with Japan, fired on Japanese troops engaged in maneuvers, butchered a Japanese naval officer and a marine on official duty in Shanghai, and attacked districts in Shanghai where Japanese residents were concentrated for the deliberate purpose of annihilating them.

"Japan's expeditionary force was, therefore, sent to Shanghai as a self-defensive measure." The often made assertion becomes no more persuasive with repetition.

The Nine-Power Pact, the statement said, stipulates respect for the sovereignty, independence and territorial and administrative integrity of China, "but it never bans the right of self-defense, which may be exercised by a Power whose nationals are butchered by the Chinese or whose rights and interests are violated by China.

"The Kellogg Pact also never denies the exercise of the right of self-defense in a similar case."

China has made mistakes in dealing with Japan, certainly. But to concentrate on relatively minor matters in which China may or may not have been in the wrong, and to ignore the major matters in which Japan *certainly* has been and still is in the wrong, merely leaves things worse than before. For any unbiased outsider must conclude that if this is the most that can be said for Japan, Japan's case must be weak indeed.

To conclude with an unfounded assertion that "the Comintern is behind the present Sino-Japanese conflict" and bombastically declare that a "bolshvised China will be a menace not only to Japan but to the whole world" is merely to tub-thump. The world sees very little Russian link-up with China thus far, let alone domination, although Japan is clearly the chief force pressing China Russia-ward. But the world increasingly feels that Japan is setting herself up as a major menace through her very acts of aggression in China.

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

From The Shanghai Evening Post & Mercury, October 12, 1937

^{Post 10/12}
Seeing Matters Differently
 CHINA'S ATTITUDE, we are told by the *Tokyo Asahi Shimbun*, will chiefly determine the nature of the new administration to be conferred upon North China.

Such an utterance is likely to provoke a naturally hasty and bitter response from Chinese or friends of China. But the *Asahi's* ideas are interesting and worth consideration, not because of any inherent justice, but as giving light on the almost complete divorce of Japanese thinking on China from that of the rest of the world including China herself.

The *Asahi* declares that what Japan wants in North China is not territory, but "China's reconsideration of her attitude and co-operation with Japan.... Therefore it is clear that the new administration in North China will not aim at independence from Nanking or the permanent stationing of Japanese troops in North China."

As alternative, however, "if China refuses to reconsider her attitude and co-operate with Japan, and instead resorts to protracted warfare, it is also clear that Japan cannot retreat graciously. In such an eventuality, Japan will be possibly compelled to occupy key positions in China semi-permanently with a view to conducting protracted hostilities and urging China to reconsider. Then the new administration in North China will naturally assume a semi-independent character."

The idea that Japan's present China adventure is purely punitive seems deeply fixed upon the mentality of the Japanese public. Such an idea has never been considered in China. The two countries are worlds apart in their attitude toward this matter—and unfortunately for Japan, as we see the matter, Japan's artificially constructed viewpoint in that respect can in time take a terrific beating because of the Chinese unwillingness to accept such a viewpoint.

In other words, if the Japanese had been able to deliver one crushing blow and then withdraw from a bewildered and subdued China, the accomplished fact might do something to cause the world to feel Japan had the correct attitude. But China has already spoiled that lordly concept by refusing to take the blow as crushing, and by holding the Japanese forces locked in tight combat.

General Iwane Matsui's proclamation of last week discloses essentially the same attitude when he speaks of an aim "to scourge the Chinese Government and army who have been pursuing anti-foreign and anti-Japanese policies in collaboration with Communist influences." The phrase "to scourge" shows the punitive theory. The references to "anti-foreign" policies and "Communist influences" can be construed only as one more gesture toward a foreign support which even the Japanese must see is not to be had from the world at large.

As time goes on, Japan's concept of "punishing" China becomes increasingly ludicrous; while the very strength and prolongation of China's resistance lends weight to the Chinese concept that this is the revolt of a united nation against an intolerable series of aggressions on the part of her neighbor.

Similarly, such utterances as those of the *Asahi* with reference to the North China administration become increasingly hollow. Japan has had initial successes in North China, certainly, but in general the struggle is becoming more far-flung and intense rather than tending to relapse into the condition, say, of Manchuria in 1932.

Certainly it is becoming difficult for Japan to "retreat graciously" but that is hardly the responsibility of the aggressed; rather it should have been the forethought of the aggressor. But Japan's greatest military weakness has ever been her failure to consider lines of retreat, and this policy which did not much matter when Japan engaged in relatively minor and successful campaigns may yet be her Achilles' heel in this, apparently destined to prove the first major war of her history.

If Japan has the slightest notion that China may weaken in expectation of a less harsh Japanese attitude in North China, we fear that notion must be subject to change. The Chinese are committed to a long campaign which might break down under impact of a more successful Japanese military effort than has hitherto been in evidence, but which will not be called off on a basis of misty hope. China has had all too much experience with Japanese plans for her welfare.

From The North China Daily News, dated October 13, 1937.

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A GLEAM OF LIGHT

Prince Konoye seems, judging from his latest pronouncement, to be heedful of the criticism which Japan's present policy has aroused in Europe and America. It is true that he ascribes that criticism to a "misunderstanding" just as he explains that Japan's aggression which he considers to be a defensive gesture has been prompted by China's failure to understand Japanese friendship. His assurances that the Emperor Kang Teh, of whom it is noteworthy that Japanese official statements now speak as Pu Yi again, will not be restored to the Dragon Throne at Peiping and that the Open Door, of 19th century fame, will not be closed by Japanese policy will be duly noted. Coming from the Prime Minister of Japan they can hardly be dismissed as valueless, although active memories will recall that Count Uchida, speaking deliberately at Mukden as the mouthpiece of the Japanese Government, declared in November 1931 that the then ex-Emperor Pu Yi would neither be encouraged to take part in Manchurian affairs nor be used as an instrument of Japanese policy. Nor is it inappropriate to consider how far the Open Door has availed the foreign merchant in the new state of Manchoukuo, over which the Emperor Kang Teh with full support from Japan now presides. However that may be, the less menacing tone of Prince Konoye's statement deserves consideration. Even if it reaffirms the view that third-party mediation in the current conflict is not required, it is not hostile to the proposal for a conference of the signatories to the Nine Power Treaty, but quite properly suggests that Japanese policy on that point cannot be defined until an invitation to attend the conference has been issued. Differences of opinion regarding the relevancy of present Japanese actions in China to a policy of peace are not necessarily unbridgable and it is all to the good that Prince Konoye takes the trouble to assert that peace and friendly relations with other powers are still the aim of Japan. That is a gleam of light in an otherwise murky atmosphere.

In such a mood it is not impossible for Prince Konoye to be open to revision of his views on the fundamental causes of disagreement between Japan and China. For example, his persistence in regarding the "anti-Japanese" attitude of the Chinese Government and the communist tendencies of its leaders as the main offence should be capable of appeasement if the facts be carefully reviewed. So far from embracing communism the authorities at Nanking, ever since the Sian affair of last year, have firmly differentiated between the exotic theories of the communist armies and the economic grievances which they professed to champion in the name of Chinese nationalism. The result, greatly facilitated by Japan's invasion, has been to break down the barriers formerly dividing the communists from the followers of the Kuomintang and, on Nanking's terms, the communists are now merged in the national forces. It may be assumed that this union will enable the Chinese Government to give closer attention to the legitimate claims of the converts to its fold but nothing in the programme supports the view that a communist regime will replace the Kuomintang in the development of constitutional plans, unless desperation as the result of Japanese military pressure accrues from the course of events. Until the conflict burst in the North and spread over the whole of China, the energies of the Chinese Govern-

ment had been so strongly directed toward suppression of anti-Japanese activities that, not unreasonably, they were criticized at times as unduly fettering the exercise of the right of free speech. General Chiang Kai-shek had to endure internal attacks on the ground that he was in danger of yielding too much to Japanese claims. It was obvious to all, except apparently the Government at Tokyo, that the cumulative effect of the militarist programme which led from the creation of the autonomous regime of East Hopei, the ever-increased dominance of Japanese authority in Peiping, the smuggling troubles in the North, the undermining of the administrative fabric of the International Settlement in Hongkew, to the clash at Marco Polo Bridge would be to make the Chinese Government's position impossible unless it called a halt in the name of national solidarity.

These facts are imperfectly grasped by Japanese critics who now seem to imagine that foreign views are coloured by unscrupulous Chinese propaganda and uneasy apprehension for foreign interests. Making all allowances for the emotions of the boycott agitation (which this journal has condemned), it must be reiterated that the root cause of the world's anxiety lies in the recognition that, as President Franklin Roosevelt, Mr. Neville Chamberlain and M. Yvon Delbos have in their different ways asserted, the basis of Japan's actions here rests on the use of force to override observance of solemn treaty engagements. Technical disquisitions of the technical question of bombing from the air do not dispose of the awkward fact that the principles, conservatively stated in the British Note which dealt with the attack on His Majesty's Ambassador, six weeks ago, have not been fully observed. Japanese intentions to confine aerial and other offensive action to military or quasi-military objectives may be accepted, but unfortunately the interpretations applicable to many tragedies arising therefrom are not free from criticism. For instance, it is blandly suggested that because certain educational institutions are suspected of "anti-Japanese" prejudices their exposure to military correction is permissible. Nor is it by any means clear that a deliberate campaign of bombing Chinese cities throughout the length and breadth of the land can be justified on the ground that such action is concerned only with military targets, and that its destruction of non-combatant life and property is unavoidably accidental. Japanese apologists may rightly cast doubt on exaggerations which naturally appear in Chinese as in their own partisan statements, but they would do well to give some credit to the intelligence of statesmen who have ample means for checking the data thus forthcoming. There is far too much talk of propaganda in the hope of allaying uneasy consciences. As a rule, public opinion the world over has its own way of judging the broad facts of an international situation. Prince Konoye's more receptive attitude gives rise to the hope that he is beginning to be impressed by that consideration.

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

From The Shanghai Evening Post and Mercury,
dated October 14, 1937.

After Two Months

TWO MONTHS have passed today since the aerial bombings of "Bloody Saturday" brought home to Shanghai that the long-awaited major Sino-Japanese hostilities had at last arrived.

War has not been declared. Neither side has declared more than the vaguest of objectives. Progress has been far from sensational in any direction; and toward what is this progress in any event? Someone may know but no one will say. Millions of dollars' worth of damage has been done, trade has been halted, Japanese in China have been driven away from their livelihood and Chinese and foreigners have been driven away from their homes. No one knows the total cost in lives.

China is defending herself and Japan is waging a punitive campaign of self-defense. Make sense of that if you can. We can't.

Confusing as these two fruitless and havoc-wrecking two months have been, one great fact emerges. That is the fundamental origin of all this trouble in Japan's China aggression, which is coupled with an urgent and growing need for a definition of Japan's eventual aim.

To state such an aim would be a long way from accomplishing it, but at least the world—including China—would have a clearer notion of why Japan has pressed steadily into more trouble (clearly to her disadvantage for the time being at any rate) instead of seeking to keep the peace. Is there a reason or must we accept this whole debacle as a monument to militaristic stupidity?

Sooner or later an answer must come. If Japan will not give it the world will have to draw its own conclusions, which on the present showing cannot be flattering.

From The China Press, Shanghai, October 16, 1937.

JAPAN'S NEW "FEELER"

WE have had occasion in these columns to comment on various "feelers" from Japan—e.g. as expounded by Ambassador Shigeru Kawagoe and General Matsui, commander-in-chief directing Nipponese operations in the Shanghai area—looking towards the early cessation of present large-scale hostilities in this country. A new venture into the same nebulous realm is apparently being set in motion, according to reliable information obtained from well-informed quarters in Tokyo by the *Central News Agency*.

When the Japanese militarists embarked upon their campaign for "chastising" the Chinese Government, they had misled their fighting forces and the Nipponese taxpayers first into thinking that the Chinese Government would yield to Tokyo's threats and intimidations and then, when the Chinese Government preferred resistance to abject submission, into believing that the fighting would be over in just a few weeks. Disillusionment began to dawn upon the misguided populace, when not only every Japanese transport bound for these shores was loaded with troops and reservists but also when every Japanese steamer returning from the battlefields around Shanghai was filled with Nipponese dead and wounded.

Dai Nippon's war expenditure has been conservatively estimated at one million pounds sterling for every twenty-four hours. If so, the Tokyo Government's treasury must have already been depleted to the extent of at least £60,000,000. In the meanwhile all trade with this country has perforce come to a standstill, while an international boycott of Japanese goods is being mooted in many important countries. Little wonder, therefore, that even the supposedly omnipotent militarists are beginning to feel uncomfortable. And little wonder also that the Japanese nation at large is beginning to see things in their true light.

It is an open secret that all is anything but well within the Island Empire, despite the vaunted "war fever," repressive censorship and ostentatious display of solidarity. The taxpayers have not hesitated to complain and financial quarters, led by the powerful Mitsubishi interests, have not minced words in their opposition to the Tokyo Government's so-called "dragging-on" policy. At least 15,000 men and women are reported to have been put under police surveillance for their temerity in voicing opposition against their Government's aggressions in China. And no less than 20,000 civilians in Korea are understood to have been questioned or detained by the police for almost the same reasons.

What is more, dissensions are stated to have broken out between the War Office and the Foreign Office in Tokyo. The latter has been blamed by the former for "inactivity" and for permitting the diplomatic situation to deteriorate to such an extent as to bring on the present world-wide condemnation of Japan's actions in China. As a result, the Gaimusho that stands so pitifully between the devil of Nippon's militarism and the deep sea of the world's outraged conscience has at last been persuaded to send so-called goodwill envoys to explain the "true situation" of Japan's objectives in this country to credulous leaders in Europe and America. This is because, in the estimation of the Japanese warlords and their mouthpieces, it is wicked for the world opinion to rely so much on "tendencious Chinese propaganda," since Japanese aerial bombings of Chinese cities are intended, not so much to maim or injure Chinese non-combatants but, believe it or not, to "establish enduring peace in East Asia through sincere co-operation between Japan and China."

Since the Tokyo Cabinet is divided in its counsels and since Japan is confronted by an admittedly "unfavorable" outlook, it is understood that the Emperor of Japan himself may intervene in the decisions of his Cabinet and, as Dai Nippon's supreme military and naval commander, impose his will on Japan's fighting forces. Accordingly, the highest military command in Tokyo is understood to have issued instructions to the Japanese command in China to suspend all military operations before the end of this year upon the achievement of these three objectives: (a) Complete occupation of all Chinese territory north of the Yellow River; (b) Occupation of Hainan Island; and (c) A decisive victory on the Shanghai front.

If this is the latest *ballon d'essai* sent out by Tokyo, it will certainly share the same fate that befell Japan's previous efforts. Legions of Japanese propagandists and "good-will" envoys may argue themselves until they are

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If this is the latest *ballon d'essai* sent out by Tokyo, it will certainly share the same fate that befell Japan's previous efforts. Legions of Japanese propagandists and "good-will" envoys may argue themselves until they are black in the face, but they will not be able to get over the basic fact that Nippon's war machine is dealing out death and destruction in an alien territory and that China is fighting with her back against the wall to preserve her own existence as an independent nation whose sovereignty and territorial as well as administrative integrity Japan has pledged her own solemn word with other co-signatories in Washington to respect. As Generalissimo Chiang Kai-shek has declared, China's war of resistance can only be halted when Japanese armed forces are entirely withdrawn from Chinese soil. Until then it will be futile for Nippon's warlords to hope or attempt to call off the hostilities just because it suits them so to do. When such vital issues are at stake, the whims and caprices of blistering bullies do not count at all.

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LITTLE CLUB

From the China Press, Shanghai, October 18, 1937.

From The China Press, Shanghai, October 18, 1937.

A DANGEROUS GAME

THE increasingly apparent likelihood that Japan's military muckamucks have bitten off a much larger portion of the China "pie" than they can chew is being demonstrated daily on both the Shanghai and North China fronts. While friends of China during the first weeks of hostilities were perhaps a bit premature in pointing out any dire effects of the war on Japan's economic structure and in the great drain on her manpower, from a dispassionate point of view it is only now becoming fully evident to China, foreign observers in the Far East and to an anxious world at large that Japan is playing a martial game which is more than ordinarily dangerous—a game in which her very existence as a major world power is the stake.

Not the propaganda of the "clever Chinese," to borrow a phrase from the Japanese spokesmen, but the cold, disinterested eyes of many foreign observers arriving in Shanghai from Japan indicate that the war is not a popular one with the common people in Nippon. Almost all foreigners arriving here within the past fortnight after years or months of residence in Japan declare that the great mass of people are bewilderingly asking the question "What do we want in China? We do not know and our military leaders say nothing." Perhaps the most significant aspect of this question is that it is now being freely put by the women of Japan—the women who bear sons who are sent to Shanghai and to North China to be killed and wounded; the women who are left to carry the burden of family responsibility alone. They are finding it singularly strange, simple may be their thinking, that Japan should be fighting China. This is noteworthy because the Japanese woman is traditionally a figure in the Nipponese family circle who says little and tends strictly to the business of running the home, leaving political and other burning questions of the day to the head of the house to ponder. Undoubtedly the fact that the heads of many houses have been conscripted has forced upon the Japanese mothers or wives the necessity for doing some thinking of their own. The unpopularity of the army, particularly, is said to be everywhere evident, being more openly so in rural areas where fear of police vigilance is not so pronounced. "Flat feet" and "squinting" are reported to be among the more common ailments which are stimulated by male members of peasant households in their efforts to evade the Japanese draft.

Almost universal taxes are also making the war across the Yellow Sea an unpopular business. Living very close to the limits of their income, the average Japanese family is ill-prepared to cope with sudden increases in the cost of daily necessities and with the added burden of having to pay "war taxes" on almost everything he purchases.

It is not so much what the past and present unpopularity of the war has resulted in that interests the world, but what does the future portend? For China and Japan this question has vastly different implications. In reality "from here on out" Japan will be fighting the world—if not actually on the field of battle, at least in the equally matter-of-fact field of trade. It may be said in all truth that Japan now has not a single nation for a friend in the world that can possibly be of any assistance to her in her present China venture. Conversely, she has quite a formidable array of nations looking on her with increasing repugnance and horror. Even though sanctions or export embargoes abroad are never actually enforced against her, Japan faces an antipathy in the hearts of the peoples of the civilized world that is mounting daily and could not be erased from their minds for years were the war suddenly to halt today. Millions upon millions of people abroad will take and are taking the most obvious steps within their control to show their disapproval in voluntary and entirely personal boycotts of Japanese manufactures of all kinds. The time is not far distant when the familiar "Made in Japan" on everything from children's toys to more important articles for the export trade will become a leprous thing in the eyes of even the most humble purchaser abroad. With her income from exports reduced Japan will shortly have nothing more to ride on than the draining to the very marrow of her already impoverished people. Unlike China, she is so devoid of natural resources and her economic system so highly industrialized that the world's censure

From The Shanghai Evening Post and Mercury,
dated October 24, 1937.

Mysticism And Militarism

A MIXTURE of mysticism and militarism is urging Japan on to "the hazardous war enterprise with China," in the view of the Honolulu Star-Bulletin which explains its view as follows:

Mysticism: The deep-rooted and increasing belief that Japan must wield the hand of authority over Asia. The doctrine, rapidly growing into a tradition, that Japan's destiny from time immemorial has been that of hegemony over the mighty continent to which Japan originally was but a small nearby archipelago. The tenet drives deep into the people for decades past, that allegiance to the emperor is not merely a civic and temporal duty but a religious principle.

Militarism: The dominance of the military over the civil government in any crisis, or fancied or manufactured crisis. The freedom of the war department from control by the civilian office. The wide divergence, in fact, of the war department acts from foreign office's announced policies. The regimentation of a whole nation into a potential camp, armed for defense and equipped for offense expeditions. The "education" of a whole people by the propaganda of fear of attack from Russia—and the simultaneous education of that people into the belief that only by dominating China can Japan stave off the feared Russian communistic undermining.

This result, this combination of mysticism and militarism, is driving Japan into what is really an extremely perilous enterprise in territorial conquest.

Americans recently returned from Japan say that under all the noise of cheers, under the waving of banners, under the pomp and panoply of a nation going to war, is deep uneasiness on the part of thoughtful civilians.

They realize the lengths to which the military powers have carried their country.

They know that China, apparently vulnerable at its outer edges, is difficult to conquer wholly.

They foresee the costliness of a long war, and the danger of repercussions at home.

They believe that unless Japan can speedily beat China to her knees, in a campaign so decisive that China must submit utterly, the drain on Japan's limited resources will prostrate the country.

The voice of the anti-militarists is, however, stifled in Japan. They could scarce raise that dissenting voice in time of peace—much less can they differ in time of war. So there seems no chance that Japan will halt her armies and navy, or seek any compromise that China could accept.

Secretary Cordell Hull appeals to Japan and China to "refrain from resort to war." Noble as is the sentiment expressed, practical considerations make its acceptance by either nation impossible.

Neither side will now halt the grind, the war and the devastation of the war machines—short of a signal defeat for one side or the other.

From The China Press, Shanghai, October 14, 1937.

RUTHLESSNESS

THE brutal attack by a Japanese submarine on a peaceful fishing fleet, some of whose survivors have been brought to Hongkong, focusses attention on a form of ruthlessness which, as it gives its victims practically no chance of taking cover, and deprives any who live through the experience of their sole means of livelihood, without any hope of compensation, is more to be condemned than an air raid. For the past few weeks Japanese warships have been systematically destroying Chinese trading and fishing junks, often displaying callous disregard for life, if all tales are to be believed. Travellers arriving in Hongkong comment on the remarkable absence of Chinese craft along the coast, whereas, immediately British waters are reached, hundreds of junks are observed keeping within the safety zone.

A slight straying beyond the limited area under Hongkong jurisdiction has its penalties, as the recent action of a submarine has proved. Tales brought by occasional Chinese fishermen who have managed to escape death and have painfully found their way to Hongkong all agree that the attackers usually give them no chance: if craft are not disabled and left at the mercy of wind and tide, they are burned or sunk. Confirmation of these attacks has been obtained from several Captains of vessels who report meeting derelict junks, sometimes showing signs of fire, or submerged hulks which are duly reported as a danger to navigation. Occasionally these patient toilers of the sea, menaced by a foe who is about to deprive them of their all, have put up a short and pitifully unequal fight, matching their muzzle-loading cannon, intended to keep off ordinary pirates, against the might of Japanese naval guns.

The consequence, as reported in more than one case some time ago, has been the virtual blowing of the offending craft out of the water, with possibly a sole survivor, after drifting for days clinging to wreckage, living to tell the tale of this one-sided naval "war". Apparently nothing can be done to protect these peaceable seafarers. They have no powerful status; their national standing is that of the crews of Chinese small craft. Yet perhaps their fate is not quite in vain, for it is evident that the barbaric treatment to which many of them are being subjected will have its effect in further rousing and hardening world opinion against their aggressors.—South China Morning Post.

From The Shanghai Evening Post & Mercury, October 15, 1937

Beyond War's Necessities

AS A MEASURE of safeguard against "accidents," pledge was given weeks ago that no Japanese airplanes carrying bombs would fly over the foreign areas.

Not only have Japanese bomb-carrying planes repeatedly flown over the Settlement, but yesterday witnessed another cruel and senseless tragedy within Settlement limits when Japanese planes dropped two bombs near the Wing On cotton mill where in the course of the 1932 hostilities some 30 Chinese girls were killed. The present affair resulted in many deaths and injuries in a trolley tram.

Other bombings of yesterday caused the wounding of five U.S. Marines and the deaths or wounding of many Chinese in the supposedly neutral areas, together with much destruction of property both neutral and Chinese. Casualties and property destruction occurred in Hungjiao Road, which is an extra-Settlement highway.

Shelling has been in progress within this area for more than two months yet Chinese gunners strayed far from their marks during the late afternoon with the death of more than 11 Chinese and the wounding of half a hundred or more. Buildings damaged included the Navy Y.M.C.A. and the Soviet Consulate. Police officers were among the wounded.

An American sailor aboard the Augusta was wounded and the commander-in-chief of the U.S. Asiatic Fleet was narrowly missed by Japanese high explosive while he was standing on the deck of his flagship. And this is by no means a complete listing of the events of a single day.

A war is on, however undeclared, and war entails accidents and trouble for innocent bystanders.

Yet at least a clear statement of the facts and conclusions to be drawn from them is in order, and it is quite impossible to give airmen, gunners and military commanders a clear bill of health in such matters as the various affairs of yesterday. The best thing which can be said is that such acts constitute criminal carelessness.

However much war may be on, the International Settlement is not at war; the French Concession is not at war; the foreign warships detailed here are not at war. Both parties owe a clear duty to do everything possible to safeguard non-combatants, whether foreign or Chinese, in foreign areas or aboard vessels.

That everything possible is actually being done cannot be contended when such tragedies as those of yesterday can happen. No military necessity exists for even the remote chance of such occurrences.

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

From The North China Daily News, dated October 18, 1937.

GAS THEORIES

For the convenience of all concerned it will be hoped that the theories to which both contestants in the Sino-Japanese struggle have now subscribed on the subject of the enemy's employment of gas are founded on insecure premises. The Chinese authorities appear to have obtained medical certificates to the effect that wounded Chinese soldiers are suffering from exposure to gas. The Japanese Command has produced elaborate reasons for imputing to gas the performances of a certain shell presented to the Japanese lines by Chinese artillery. Somehow or other the outsider's faith in the better nature of both parties persists in offering scepticism. This does not imply a disbelief in the energetic propaganda thus generated. It merely emanates from the knowledge that it is quite easy for experts to be deceived by manifestations which appear to support the gas theory. For example entanglement in a smoke screen may give results which may be confused with gas burns, although fortunately not nearly so harmful. Unhappily, in spite of all prohibitions, gas seems to be an expected accessory to the modern warrior's equipment. All that is hoped at present is that it has not yet found its way to this curious embroilment which is not officially recognized as warfare.

From The China Press, Shanghai, October 20, 1937.

Pres 10/20

DESPERATION

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THE resort to poison gas by the Japanese fighting forces in Shanghai has been conclusively confirmed by two distinguished foreign experts. The joint testimony of Dr. H. F. Ettinger, chief surgeon of the Nanking Red Cross Hospital, and of Dr. B. Borcie, representative in China of the League of Nations Health Organization, stands unchallenged. In order to acquaint the public with the true state of affairs, this journal also produced on October 18 a picture of the Chinese soldiers upon whom poison gas had been used. From the joint testimony the following extract may be read with interest:

The patients, soldiers of the 61st and 87th Divisions of the Chinese Army, still have marked symptoms of conjunctivitis with photophobia and are covered with blisters varying in diameter between 0.2 and 0.5 c.m. Some of the blisters are beginning to dry up, while others show secondary infection and ulceration. The color of most of the lesions is copperish, but some contain a black pigment.

Hoarseness is a common symptom of all three cases. The eyelids in two cases are edematous, the eyes lacrimating constantly. One of the cases arrived with a marked broncho-pneumonia.

Against this indisputable evidence Japanese denials, unsupported by facts, can hardly be of avail. Nor would it prove effective counter propaganda for the Japanese to charge the Chinese with similar inhumane acts by merely producing poison gas shells as those fired by the Chinese.

On this particular subject we shall not try to dwell unduly, inasmuch as disinterested observers will in time make their voice heard throughout the world.

What interests us most is the fact that the Japanese have already employed so deadly a weapon at this early stage of the war. Some may feel that they are actuated, in this connection, by the desire to terminate the hostilities promptly by literally poisoning the Chinese soldiers to death, while others are inclined to the belief that after several unsuccessful big offensives the Japanese are now driven to desperation by a combination of circumstances. With this latter view we are heartily in accord, and for good reasons.

Firstly, it is generally admitted that no army or air force would risk international condemnation by using poison gas unless all other means of attack have been found ineffective. There is no doubt that the Japanese have been compelled to prosecute the Sino-Japanese war in Shanghai much longer than they had expected to or than it was expected of them. Even their latest promise to eliminate the Chinese forces by October 15 has been left unfulfilled.

Secondly, the chance discovery by a foreign resident here of a bomb fragment bearing the date of "12th year of Showa, 7th month" (i.e. July, 1937) has tended to show that the Japanese are now drawing upon their fresh munitions in order to maintain their position in Shanghai. It may be suggested of course, that the newly-made bombs might have been used either for their greater effectiveness or because the Japanese have to exert their utmost to bring the war to a speedy close. In either case the state of desperation in which they have been placed by the unexpected Chinese resistance is self-manifest.

Thirdly, the renewed unrest in "Manchukuo" has also given the Japanese military renewed concern. According to both Reuter and Fleetnews, the Kwantung Army has in the course of the last two months drafted more than 100,000 extra troops into the affected territory while armed forces actively hostile to the regime are estimated to exceed that figure. Many districts are reported completely out of control, and it is intimated that with the approach of cold weather uprisings will become more frequent and numerous.

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It is not contended that the puppet regime will in the circumstance go by the board overnight but it is pertinent to point out that whatever troops Japan must maintain in Manchuria cannot be expected to fight the war in China. This is but another way of showing that, with the casualty toll daily mounting in the Shanghai area, the Japanese military forces are being steadily depleted in spite of nation-wide conscription.

Fourthly, the unrest in Manchuria is also finding expression among the Formosan and Korean revolutionaries scattered throughout the mainland. Manifestoes issued by them in Shanghai should serve to convince the Japanese that at an opportune time the unfavorable position into which Japan has worked herself may kindle their patriotic fervor and give her military chieftains more causes for grave anxiety.

Fifthly, the growing discontent in Japan with the increasing burden of taxation and the failure to achieve a spectacular military success has of late become more audible and articulate. Liberal Japanese have risked arrests and even a worse fate in order to arouse the people to the futility of war in China; instances of suicides as a protest against the conscription system are also being witnessed. If the opinion of foreign observers long resident in the Island Empire should be any gauge of private opinion among the Japanese, the military are about to be held accountable for trying to gratify their personal ambition at the expense of the masses.

Sixthly, the momentum which the world-wide movement to boycott Japanese goods and to refuse selling supplies to the Japanese has added to the scores against the Japanese military. Japan needs both foreign credit and foreign raw materials to prolong the war. If both should be stopped of a sudden, the prospect of "beating China to her knees" will be dissipated in no time. Though official economic sanctions against Japan are still highly problematical, no government today would go out of its way to dissuade its citizens from severing trade relations with Japan in their private capacity. The anti-Japanese movement in China has become a world movement with which Japan will have to reckon.

Seventhly, the convocation of the Nine-Power Conference has created a new problem which the Japanese Government, as already commented upon in these columns, will find it most difficult to tackle. Either agreement or refusal to attend it will cause her unlimited embarrassment, and the very fact that such a conference has been summoned by the great Powers is in itself an indictment against the Japanese policy vis-a-vis China in the eyes of the Japanese public.

Finally, the dispatch of "popular" envoys to tour the principal countries of the world to defend the Japanese military campaign in China cannot but lead the Japanese taxpayers to wonder about the whole situation precipitated by what is described to them as a holy war of chastisement of "the lawless Chinese soldiery." They may well reason that if the Japanese Government has to send special publicists to explain its actions, then the Chinese soldiers can hardly be as "lawless" as they are painted to be.

The accumulation of events has steadily given rise in Japan to the belated realization that the war on the continent is drawing fire from all quarters of the world. Unless the military can achieve a swift victory before the Nine-Power Conference takes place, more exposure will be brought home to the Japanese and more condemnation visited upon the military. This feeling of desperation has compelled the latter to adopt the deadliest weapon against the Chinese defenders. Unfortunately, the warlords have failed to understand that more atrocities will only help to intensify international wrath and fortify Chinese determination to carry on. Thus, it is clear, the Japanese militarists are hit both ways. If they apply extreme measures, they will be condemned; if they fail, they will also be condemned by their own people. They have sowed the seeds of hatred, and it is hatred which they will reap.

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

From The North China Daily News, dated October 23, 1937.

UNSATISFACTORY RESULTS

The result of the latest air-raid over Shanghai should reinforce Mr. Nelson Johnson's protest to the Government at Nanking. In flying over the International Settlement at night Chinese airmen are at a great disadvantage if accuracy in the search for a target be desired. So far much damage has been done to the property of Chinese citizens and the military value of these raids cannot be said to be impressive, whereas in other adventures, notably in the defence of Nanking, Chinese aeroplanes have proved their worth. Mr. Johnson's plea is deserving of careful consideration by the Chinese authorities for it certainly is not their desire that their own countrymen should suffer as the result of the operations of the Air Force. The prompt expressions of horror which were evoked by the early tragedies of Aug. 14 were followed it was understood by the issue of precise instructions for avoiding the risk of flying over the Settlement. To this point Mr. Johnson has now rightly drawn attention. Japanese airmen are also involved, for their flights over the Settlement can still be noted. Although they have so far been comparatively free of criticism on account of bombs dropped within Settlement limits—yesterday unhappily provided another exception—the risks involved by activities against which diplomatic protests have been made cannot be overlooked.

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

From The North China Daily News, dated October 25, 1937.

BOMB VICTIMS

In retrospect, Shanghai's travail since bomb-carrying aeroplanes appeared over the city warrants the strongest degree of protest and endeavour to protect the lives of the millions of people residing here. The mounting list of civilian casualties through bombing, either accidental or intentional, makes the experience of other cities in the Great War and other conflicts seem negligible. How many civilians in the Chinese and foreign areas have lost their lives since the beginning of the hostilities is impossible to state, but the figure of 2,000 in the Foreign Settlement alone, is conservative in view of subsequent revelations. On that dreadful Saturday, August 14, when four bombs killed many hundreds it was difficult to ascertain the death roll. In Nanking Road it was then believed that between 150 and 200 had been killed and some hundreds wounded, but when the Fire Brigade report appears with the statement that there were 729 killed and 861 wounded, together with 1,012 killed and 1,007 wounded outside the Great World, the magnitude of the horror must impress even those minds hardened to the daily toll of deaths from bombs and shells. In comparison, London's losses from air raids during four years of war are of a minor proportion. According to Colonel A. Rawlinson, who was largely responsible for the anti-aircraft defences of London during the war, the civilian casualties for the entire period were 524 killed and 1,264 injured, with a property loss of a little over £2,000,000. This represents in about three years of air raids by dirigibles and aeroplanes approximately a quarter of the deaths suffered by Shanghai in a single day. Colonel Rawlinson, in prophetic vein, concludes his book on the defence of London, with these words:

Still more important is it for all to realize that the possibilities of any future air attacks must bear still less comparison to the above figures, for, owing to the increase in numbers and efficiency of aircraft, the dangers to which the inhabitants of our great cities would be exposed if a modern air attack in force reached them are such as to utterly defy description.

This was written a few years after the Great War and coincides appropriately with the words of the Fire Brigade report that "the scene at the junction of Yu Ya Ching Road and Avenue Edward VII is indescribable." Fifty more civilians suffered from the incendiary bomb dropped in Sinza Road on Friday and there will be more unless both sides can be prevailed upon to spare this city.

From The Shanghai Times, dated October 26, 1937.

THE KESWICK ROAD TRAGEDY

The sympathy of the whole community will have gone out to the 1st Battalion of the Royal Ulster Rifles in the tragic happening on Keswick Road on Sunday afternoon, by which Rifleman W. McGowan lost his life. To the other members of the Post and to the many civilian riders who were machine-gunned several times from a low-flying Japanese aeroplane there will be mingled commiseration extended to them at the harassing experience and congratulation at the narrow escapes they had. The action which was immediately taken by Japanese civil officials, and naval and military authorities indicates the perturbation and regrets felt over the unfortunate incident, and the fact that a Court of Enquiry is being held to establish where responsibility rests, that the question of punishment will be decided after the enquiry has made its findings, and that a full report of the case has been made to Tokyo, illustrates the anxiety which the higher Japanese ranks feel regarding the affair. The claim of the flier that the British Post was mistaken for a Chinese position by reason of the fact that Chinese troops west of the railway had been observed moving to new positions will be countered, one imagines, by the plea that all Japanese aviators engaged in bombing and machine-gunning over areas closely adjacent to the foreign-manned perimeter ought to be given such clear instruction as to the line of that perimeter that chances of accident are reduced to the very minimum. The railway line from Siccawei round to the back of St. John's University should be known to all as the line up to which foreign forces are in position and there should be no room for doubt on the part of any aviator engaged on either side in these present hostilities. No doubt, every step will now be taken to prevent a repetition of the occurrence, though the poignancy and distress of the present tragedy cannot be eradicated. It is one of those irretrievable errors which occur wherever human fallibility is involved and out of which innocents are the unfortunate sufferers.

But the incident should have its lessons, and one which instantly occurs is that the extreme Western area should not now be visited by any except those who are on guard duty or have urgent things to attend to. British Military Headquarters made it known on Sunday evening that they particularly desire that civilian riders should not proceed along Keswick Road for the present, and no doubt that advice will be taken. But opinion has been expressed that the military authorities, possessed as they are of much closer information than civilians can be on day-to-day developments and dangers, might more than has transpired hitherto in the direction of

warning and guiding the public. It would be no bad thing, for instance, if the Shanghai Municipal Council ordered the temporary closing of Jessfield Park in view of its relatively close proximity to an area over which military operations are bound to take place. As regards the Hungjao Road district, it was not until the Chinese military authorities issued an order on Wednesday last that, on account of activity by Japanese aircraft, no foreigners would be allowed to proceed in the Hungjao region farther west than the railway line, an exception being made in the case of foreigners wishing to go to inspect their property, provided they were armed with permits from their respective Consulates. Up till that time golfers and riders had been going out into a district which was highly hazardous, though upon which no foreign official action had been taken. In the conditions under which Shanghai is now living there would be every justification for the authorities—both military and civil—to take steps to impose the strictest of regulations for the safety of foreign lives for whom those authorities are, in the last analysis, responsible. The opinion has been ventured elsewhere that the line of Settlement defence in the Western District should have been out as far as the limit of the Council's Outside Roads, whereas it has been made to the east of a considerable quantity of valuable foreign property which was built only because of the protection which it was presumed the Council's roads, and authority over those roads, gave. Chinese troops are using those roads and have dug in considerably in between. That is a matter which it is now far too late to attempt to remedy, but those unfortunate people who possess property and live in that district, as well as those who live within a very short distance of the perimeter where it has now been established, are entitled, we think, to much more guidance and advice than has so far been tendered.

No-one desires to offer criticisms in strenuous times like these, but it should be put on record that considerable questioning exists among many sections of the international community at the complete air of secrecy and mystery which has surrounded all meetings of the Consular Body. It is felt that the public is fully entitled to know for its own guidance—through the press or other channels of information—what steps, if any, are taken to cope with the situation as it develops. For instance, well-informed and qualified observers believe that the whole of the Western District, both within and without the perimeter, will become more dangerous as the scene of heavy fighting tends to shift round to that sector, and, inasmuch as the British-held line upon which the Chinese will pivot is so near to a quite populous foreign area, some advice should be given to the public living in that vicinity. Consular authorities—at least some of them—have been secretive and silent, and the public has been left to guess as to what its best line of action should be. Incidentally, the foolhardy have been given an alibi. We have wandered quite a good deal away from the subject on which this comment was originally to be based, for, no matter what else might be said, the Keswick Road tragedy has to be written down as a grievous one that should have been avoided. In the hope that every possible precaution will be taken by the Japanese authorities in this regard it has not been inopportune, we think, to point out that the foreign community might be a little more closely advised by those upon whom it has to rely for its protection. Preventive action is always worth far more than regrets.

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

From The Shanghai Evening Post & Mercury, October 25, 1937

Inexcusable and Inexplicable

NOTHING more apparently inexcusable and at the same time inexplicable has occurred during the present hostilities than yesterday's Keswick Road affair.

This involved the repeated low-altitude machinegunning of a British outpost and foreign civilian riders and pedestrians by a Japanese airplane, broken out of an element of three, at a point east of the Hangchow railway where no Chinese troops are or have been. Results included the death of a member of the Royal Ulster Rifles, the killing of one horse under its German rider, the wounding of another horse, and finally a response of fire by the British with a light automatic gun which apparently took no effect. Obviously other incidents have been of far greater magnitude so far as casualties were concerned but there has been none, involving either belligerent, more completely puzzling.

The Editor of this newspaper traversed the entire length of Keswick Road from north to south shortly before yesterday's incident, having been along about half of the road an hour earlier.

Hungjao Road has now been closed to all without passes, with an examination station at its intersection with Chungshan Road, so Keswick Road presented an unusually crowded appearance as the day was sunny and fine. Not only were there many foreign riders on horseback, but cars passed along frequently and there were a considerable number of pedestrians intent on the bombings and the airplane evolutions to the northwest and west. There was not a single Chinese soldier anywhere east of the railway; there were no Chinese troops or emplacements anywhere nearer than Chungshan Road, in fact. Of civilian Chinese only an occasional farmer working in the fields was to be seen.

From an aviation point of view it may be added that there was an unlimited ceiling, perfect visibility, no clouds and extremely light breeze. Aerial operations by the Japanese included bombing (mostly without dives), distribution of propaganda leaflets, and very infrequent machinegunning.

It seems quite impossible that all Japanese pilots could not have been thoroughly informed of the conditions along Keswick Road, which were as they have been throughout the present hostilities. Foreign outposts are maintained on the road and it has been used by foreign defense units and foreign and Chinese civilians **EXCLUSIVELY, AT ALL TIMES**. Not only was this condition subject to check-up open to anyone in Shanghai but it was of a sort completely obvious from the air, even at a rather high altitude, on such a day as yesterday.

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24. 10/26.

KESWICK ROAD TRAGEDY

Compared with some of their other performances the Japanese invaders of China's soil may feel that the tragedy on Keswick Road is a trifling affair. When helpless non-combatants are killed in their hundreds by some airmen carrying out ostensibly military operations the protests are dismissed as perversely inspired by Chinese propaganda. The death of a British soldier engaged in holding his allotted post on the perimeter may seem a light thing to the Japanese, despite the prompt apologies made by their official representatives. It is as well that they should be undeceived. Reliable accounts of the tragedy show that the Japanese airman's action in machine-gunning the British post and the civilian riding party close by on the east side of the railway line was deliberate; no less than three times did he attack, and he apparently was deterred from making a fourth attempt only because the British soldiers properly opened fire when their comrade had been mortally wounded. Japanese spokesmen, with superb over-confidence, have frequently lauded the discipline, intelligence and accuracy of their airmen. They have constantly asserted that instructions to bomb military or quasi-military objectives have been laid down for the guidance of pilots. Circumstantial reports indicating that these instructions have been imperfectly fulfilled or flagrantly ignored in many parts of China have been pooh-poohed by Japanese spokesmen. On certain occasions the foreign community has had clear ocular evidence that neither accuracy nor restraint characterizes the occasions of Japanese airmen whether machine-gunning or bombing. On the one hand the public is asked to believe that the airman's observation is so acute that he can detect the spare parts of aeroplanes carried in a train which he has elected to bomb, on the other it is assured that even at a moderate height from the ground he cannot discern a Union Jack on the top of a car or distinguish between a party of British civilians and a posse of Chinese military officers.

It has been alleged that the delinquent in the Keswick Road outrage mistook the British post for a Chinese picket and, presumably, the ladies and gentlemen taking their exercise on the road for enemy fugitives. If the Japanese air force is not made aware of the position of the foreign troops garrisoning the perimeter of Shanghai then there is something radically wrong with the staff work of its superior commanders. Actually the British post attacked was so placed that the airman should have had no shadow of doubt of its identity, for Keswick Road is east of and runs parallel to the railway line which thereat gives a clear demarcation of the perimeter. No excuse can be tendered for any firing east of that line, if the airman were given such instructions as would be deemed appropriate by any competent authority in the circumstances. It is useless

to expect world opinion to accept Japanese valuations of the correctness of their airmen's actions when such flagrantly elementary lapses are recorded. The question naturally is asked whether, when independent foreign witnesses are absent, worse delinquencies do not occur in full justification of the very charges which Japanese apologists so strongly repudiate as insulting to their forces. No one will be so foolish as to aver that in assessing the consequences of the devastating operations of modern warfare on the edge of a great city, the possibility of honest error can be excluded. Yet there are limits. Above all it has again to be insisted that the onus of ensuring that his target has been correctly chosen lies upon the airman. The onus of proving that his instructions have been framed with due regard to the requirements of international convention lies upon his commanders.

In this light the Japanese forces have been sadly at fault and are attracting to themselves a volume of adverse criticism which cannot be satisfied unless really effective measures are taken to implement promises and assurances all too readily given but too negligently fulfilled. This consideration applies with great force to the persistence of Japanese bombers in flying over the International Settlement, in direct contravention of pledges solemnly given the neutral authorities. Ironically enough mourners at the funeral of Rifleman W. McGowan, the victim of Sunday's tragedy, had their attention distracted by the sight of three Japanese aeroplanes flying in formation over the Settlement—a symbol of sublime indifference to obligations professed on their behalf. No doubt the Japanese High Command is distressed at this want of confidence in its ability to enforce discipline and decent conduct in its subordinates. That cannot be helped. The bare facts have to be set down lest misunderstanding of British and other foreign opinion should arise. Sometimes it seems that the Japanese themselves are in danger of making the very mistake which they have attributed to the Chinese Government—of confusing conciliatoriness with weakness or a sense of impotence. It should be apparent to them that here in Shanghai they are carrying out their self-imposed mission of "beating China to her knees" under the eyes of a representative section of world opinion. Much restraint is shown in criticism and remonstrance. Frequently, indeed, voices here venture to deprecate too fiercely voluble protests which, across the seas, are being made against certain Japanese actions. This does not imply a lack of either discernment, reasoning power or love of justice. It arises mainly from a desire to subordinate emotional impulses to a sense of proportion, to prevent ephemeral passion from stunting the spirit of fairplay. Reliance on this moderation can be carried too far. It would be well for the Japanese authorities to bear in mind that point which is put to them in all friendliness, albeit with a feeling of real apprehension on their behalf, as the growing impatience of world opinion manifests itself.

From The China Press, Shanghai, October 27, 1937.

WHY THE KESWICK ROAD INCIDENT?

THE Keswick Road Incident appeared so incredible at first that we, in fairness to the Japanese, even refrained from offering the slightest comment. It was our intention to give them the benefit of an official explanation which might be accepted as satisfactory by all unbiased observers.

Unfortunately, the facts were too indisputable to permit a flat denial after the typical Japanese pattern so well known to the public. The Japanese military spokesman in an effort to mitigate the offence, could think of no better excuse than the suggestion that the pilot concerned, being a new comer, might have been confused in his sense of direction and mistaken the British soldiers at post "Q" as members of a Chinese posse.

This excuse has already been exploded adequately by our morning British contemporary. Yet it may be in order to review a few facts which in themselves should provide sufficient refutation of the feeble Japanese excuse. The shooting incident took place on a sunny afternoon when neutral foreign nationals were out horseback riding in the company of foreign women, in the neighborhood of the British Post. From all eye-witnesses it has been definitely ascertained that out of four Japanese planes circling overhead one detached itself and swooped down to about 100 feet above the ground before letting loose a round of machine-gun fire. Three times did it power dive, and it would have done so a fourth time but for the return fire from the British soldiers upon seeing one of their comrades being fatally wounded and another narrowly escaping death with a bruise.

Thus, even if one were generous enough to give credence to the Japanese suggestion that the air pilot was confused in his sense of direction, one could in no circumstance allow him the benefit of the doubt as to his power of vision. A person who could not distinguish British troops from Chinese soldiers or foreign nationals on horseback from Chinese cavalry or their women companions from Chinese amazons could never have been chosen for the position to which he was assigned, otherwise, by confusion of direction a Japanese pilot might conceivably power dive to the detriment and destruction of his fellow-countrymen whenever two opposing forces should happen to be engaged in a close-quarter combat.

Moreover, if the Japanese military spokesman should insist upon his theory of the incident, then the higher command of the Japanese air force must be held fully responsible for the failure to acquaint the pilots with the general lay of land surrounding the foreign administrative area. The responsibility is not lessened by plausible or specious arguments; it is a responsibility which is tantamount to criminal negligence when the danger to neutral civilian life is taken into consideration.

As usual, the Japanese officials were prompt to tender expressions of "regrets" to the foreign authorities concerned. Only this time the Japanese have done so perhaps once too often. It seems that "regrets" have become a standing formula in the Japanese scheme to defy the rudimentary sense of common decency. The promptness with which "regrets" are expressed, when compared to the dilatory tactics so frequently employed by the Japanese on similar occasions before tempts one to feel that perhaps Japanese officials were all prepared in advance to rush their "regrets" as soon as a preconceived incident arose.

Nor is it unfair to maintain that the Keswick Road Incident was a deliberate one. Judging from the accounts which this journal and its contemporaries have obtained from those who were fortunate enough to have taken cover in time to avoid the spray of machine-gun fire from the Japanese plane, little doubt can be entertained of the deliberate nature of the shooting.

The shooting, it may be emphasized, should not be judged by itself. Its significance will become self-patent when the history of the previous 10 days is recalled.

On October 14, a Japanese plane dropped two 50-lb. bombs on Markham Road in the perimeter of the International Settlement. As a result, a railless trolley was blown up and 10 persons were killed and 13 wounded. As no foreign or neutral life had been involved, the Japanese did not see fit to offer even a lame excuse, though the outrage was clearly in violation of the neutrality of the International Settlement and constituted a flagrant breach of the Japanese pledge of not allowing planes, loaded with bombs, to fly over this neutral area.

On October 22, two days prior to the Keswick Road

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

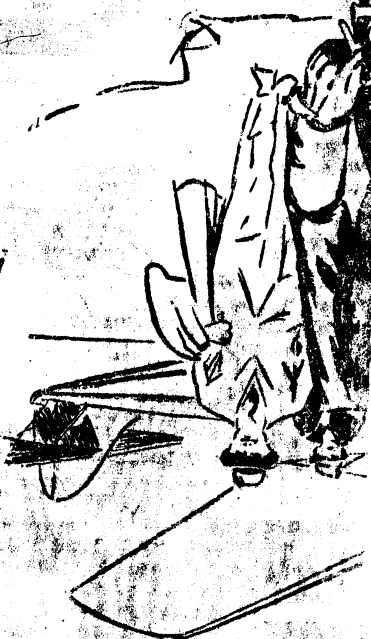
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On October 22, two days prior to the Keswick Road Incident, a Japanese plane dropped an incendiary bomb at the corner of Sinza and Myburgh Roads. The casualties included one American, 2 Sikhs and 27 Chinese of whom

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more than 10 had died. On account of the wounding of the American, the Japanese military spokesman had to concoct an explanation besides expressing the customary "regrets". The "regrets" are of no interest, because they are obviously meaningless. What amuses us most is the explanation based on the allegation that a small gasoline tank had loosened and dropped on the ground. Military experts were quick to give the lie to this ingenious explanation. It was pointed out that a small tank of gasoline could find no place in an airplane, because the amount could not last more than a few minutes in its motor.

To these three incidents, all deliberately perpetrated, must be added the wounding of the British Ambassador, the falling of a shell on the U.S.S. Augusta, the wounding of an American marine on the same warship at a later date, the bombing of the Sincere Department Store, the machine-gunning of three motor cars two of which were flying the Union Jack and of whose trip to Nanking the Japanese authorities had been previously notified, not to mention the frequent threats of danger to foreign forces near the Chapei boundary.

The series of incidents, particularly the three latest, cannot be lightly dismissed as chance occurrences. A moment's reflection on the scenes of their perpetration would lend weight to the proposition that the Japanese are determined to harass the foreign defence forces stationed along the perimeter of the International Settlement.

One of several general explanations in the public mind is that the Japanese have decided upon a definite plan to undermine the prestige of the foreign Powers in the minds of the Chinese people. Incident after incident has been created to challenge the foreign forces on the one hand and, on the other, to show to the Chinese that external help cannot be relied on to fight Japan. If this explanation were indicative of the Japanese motive, it is certain that all the incidents have already fallen short of expectations. The Chinese are resolved to resist aggression at any cost and without military assistance from the other Powers. This point must be manifest to the Japanese by now.

The second explanation attributes all the outrages to the Japanese desire to disturb the peace and order in the two foreign administrative areas, especially in view of the steady return to normalcy so evident everywhere in this metropolis. Here again the Japanese will meet with disappointment, as the Chinese as well as foreign residents have no intention to follow the line of least resistance and to close shop simply because of the reign of terror which might result from Japanese indiscriminate bombings.

The third explanation is based on the theory that the Japanese, while looking forward toward clearing the local northern area of the Chinese defence force according to their schedule none too effectively followed, would like to see the foreign posts on the extra-Settlement roads withdrawn within the Settlement limits. Should the Japanese succeed in occupying Chapei, Kiangwan, Nanzhang and their vicinity, they may proceed to stretch their line along Chungshan Road to the Native City at Nantao. That is why the Japanese planes have concentrated their attention on the western district, partly to drive away the Chinese and partly to force the foreign troops to abandon their present posts. Though we are not in a position to read the minds of the foreign authorities or dictate any policy for them, it may be safely presumed that the defence plan of the International Settlement will remain unchanged and that with each successive incident deliberately staged the determination to enforce the plan will become ever so much stronger.

When all these explanations are given due consideration, it cannot but be clear to all that further moderation will lead to more and worse incidents than it has been the misfortune of the public to witness. It is hoped that the British and other foreign authorities will make their neutral attitude most emphatic to the Japanese, lest this international community should suffer a fate the consequences of which it may be painful to contemplate.

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

From The Shanghai Evening Post, October 26, 1937.

Post 10/26
An Uninquisitive Inquiry
NO FOREIGN WITNESSES are to be called for the Japanese court of inquiry into the machinegunning of foreign defense force members and foreign civilians on Keswick Road Sunday afternoon, according to the Japanese spokesman.
That fact in itself means that the inquiry can hardly do any real work of inquiring. Of course we may rather improbably assume that the Japanese flyer has confessed himself in error on every point. While we think he *was* in error on every point we have no intimation that he has said so. Or the court may in advance have condemned him on a basis of obvious facts. That, too, is unlikely.
Only foreign witnesses could be of any value, for the simple reason that only foreign witnesses and the pilot himself know anything about the case first-hand. There were no Japanese except the pilot on the scene, and no Chinese either for the matter of that with the exception of a peasant or two tilling the fields at a distance. We very much doubt whether the testimony of any Japanese aviators, aside from the man who did the job, could be of more than very slight value since it appears that the offending pilot detached himself from an element of three and came down to low altitude—both of which actions removed him to some distance from his companions, and it does not appear that other pilots were in the immediate neighborhood.
The court is Japan's, of course. We do not wish to pre-judge its verdict and we have no idea what that will be. Perhaps those in charge feel that they already have plenty of information. Certainly, as we pointed out yesterday, no one with the slightest interest in the subject could lack full details as to Keswick Road—an extra-Settlement highway on which passage of all was permitted freely, where there were no troops of either belligerent, where everyone could go, see and photograph freely, and where there was no slightest excuse for thinking that there was any reason whatever for an aerial attack.
As we have intimated, foreign witnesses may not be necessary. But it would look rather better to have them if there is to be any inquiry at all. Otherwise why call it an "inquiry"?

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

From The Shanghai Evening Post, dated October 28, 1937.

Madness

NOTHING SHORT OF MADNESS is being displayed by Japanese pilots who, in apparently deliberate aggravation of the Keswick Road incident of last Sunday and in direct contradiction to the conciliatory attitude of their diplomats, machinegunned British posts along the perimeter yesterday.

One plane is said to have made five attacks near Brennan Road at 7.45 a.m. yesterday. Fire was returned by Lewis guns. Later the British anti-aircraft gunners were reported to have been forced to fire again as result of the activities of Japanese flyers over their sector.

Last night the American Admiral very rightly authorized self-defensive return of fire in case of attack with bombs or machineguns by planes of any nationality on the defense forces or non-combatants in the sector defended by the 2nd U.S. Marines Brigade. This extended an order given vessels of the U.S. Asiatic Fleet on September 2, authorizing similar action in case of attack.

It is clear that foreign defense units do not plan to stand for murderous nonsense. The utmost patience will be shown in future as in the past, we are sure, when incidents *clearly accidental* occur. This is war, whatever it be called, not a pink tea party. But war does not allow incidents which are not accidents. It accords no privilege to attack innocent by-standers without incurring vigorous return action.

We hope and believe that such incidents are merely passing details of this crucial section of an emergency period. It is impossible to think that Japanese high command has any directive part in such insane acts of *bravo*; but can Japanese high command avoid the most direct responsibility? Japan's fighting forces have been reputedly among the best-disciplined in the world, yet unprovoked onslaughts against inoffensive and neutral Occidental defense units speak poorly of discipline-if we are to choose the mildest possible description of the position.

Apparently the kindest thing that can be said of these attacks along the perimeter is that the flyers are drunk with irresponsibility, and feel themselves immune from punishment. Considering the situation as a whole, this may seem less strange to foreigners than to civilian Japanese steeped in the tradition of a loyal and disciplined fighting force. But Japan's China adventure is nothing to instill sane ideas in those let loose on a program of general frightfulness.

From The Shanghai Times October 11, 1937

IS PEACE POSSIBLE?

The broadcast speech delivered by General Chiang Kai-shek on the eve of the Double Tenth is a brave and steadfast statement although it is disconcerting in one respect in that the Generalissimo declared that the war will be a long one. "We should know that there is absolutely no hope of the hostilities being ended in the course of a few months" was the phrase he used. On the other hand, the Powers concerned are urged to lose no time in adopting measures to put an immediate end to the conflict in a Note from the Chinese Foreign Minister, Dr. Wang Chung-hui, accepting the invitation of the League to attend the forthcoming conference of signatories of the Nine-Power Treaty. The conflict, according to Dr. Wang, is "proving more and more disastrous in its effects with the passing of every day." The impressions made on Dr. Wang by the effects of the war are similar to those made on us and the question we ask ourselves is "How can the war be ended?" According to the formal statement issued by the Japanese Foreign Office on Saturday, what the Japanese Government seeks in China is merely the abandonment by China of her anti-Japanese policies and the establishment of enduring peace in East Asia, through co-operation between Japan and China. Japan, the statement emphasizes, harbours no territorial designs whatever upon China. China seeks, according to the Generalissimo, "deliverance from the present attacks on her national entity."

Taking these statements at their face value and entirely without any *arriere-pensee*, it would seem that there must be some basis for negotiations for a settlement of the differences between the two countries and it seems to us that if the good offices of Great Britain and America could be utilized to bring China and Japan together there might be some chance of ultimate success. Neither China nor Japan might perhaps get all they feel they ought to have but a settlement might be achieved which would gradually broaden out into genuine peace and friendship in the Orient. There can be little doubt that as a result of the conflict the peoples of China and Japan are going to be impoverished for many years

to come and seeing that the majority of both are already poor this is by no means a happy lookout. Foreign business continues to suffer very severely and, if the conflict is not soon brought to an end, must suffer a great deal more. It would seem, therefore, to be to the interest of all concerned to come to a peaceful arrangement at the earliest possible opportunity.

Whether the Nine-Power Conference, as such, will be able to do much to help China and Japan to come to terms remains to be seen. We cannot say that we feel very hopeful. The list of the Powers expected to attend makes rather curious reading. It includes South Africa, Bolivia and Mexico who have little or no concern with the affairs of China and Japan. Indeed, the idea of Bolivia helping to sit in judgment on the affairs of these two great countries strikes one as a little amusing. We are forced to the conclusion that if there is to be any kind of mediation from without it must come from Britain and America. But even if Britain and America do offer their good offices we believe that it is only possible for them to go a certain way for it is clear that China and Japan have got to settle this matter between themselves. Perhaps they may be assisted to settle it—but that is all. The question of the relations between China and other Powers would also have to be considered at the same time as that of drawing up a Treaty of Peace between China and Japan for the two matters would doubtless be found to be closely connected.

From The China Press, Shanghai, October 12, 1937.

HOW LONG?

THIS is the question which is being asked every day among the Chinese as well as among the foreign community. An exact answer can hardly be expected, and yet General Chiang Kai-shek, in his address on the eve of the "Double Tenth", was candid enough to warn against hopes for an early termination. Thus he declared:

We should know that there is absolutely no hope of the hostilities being ended in the course of a few months. We must visualise our ever-increasing hardships and afflictions so long as this struggle lasts, and be prepared boldly to face situations and experiences ten times more difficult and harrowing than what we are facing today. Our aim and object—the deliverance of China from the present attacks on her national entity—will be realised only if our people endure sacrifices with firm determination.

In this brief extract the policy of the National Government is once more affirmed. It is, of course, not to be understood that China wants to prolong the war indefinitely; rather is it correct to suggest that China would welcome peace so soon as the aim and object of deliverance can be attained. If Japan could be brought to see the wisdom of abandoning her aggression in China, peace may be restored overnight; if Japan should persist in her aggression, there can be no peace in sight now or this year or the year following.

The determining factor in the present armed conflict lies primarily in Japan and secondarily in China. As the aggressor Japan may discontinue her aggression at any moment; as the victim of aggression China can end the war only by defeating or exhausting Japan. The voluntary discontinuance of the war by Japan is a matter over which China can exercise no direct control; but it is within the power of China and of every Chinese citizen either to defeat Japan or to exhaust her to an extent which will make further aggression impossible. In this process of attrition the Chinese nation alone must play the leading role, while international support can be accepted only in the same sense as the flow of water from tributaries to the main stream.

In the course of the hostilities General Chiang Kai-shek has at no time encouraged the thought that the other Powers might be induced to fight China's war with Japan. What China may expect of them is what they may freely contribute toward her cause without involving themselves in war or in undue risks of war.

It is therefore not incompatible with the Chinese spirit of self-reliance to ask, as Dr. Wang Chung-hui did in his note accepting the invitation to participate in the Nine-Power Conference, that the signatories of the Nine-Power Treaty adopt effective measures to put an immediate end to the Sino-Japanese conflict. Of all the effective measures the only one which may be eliminated is a declaration of war on Japan by the Powers concerned. Aside from this highly undesirable course at present, there is a large variety of measures which may be employed to restore peace to the Far East and to remove the threat to peace elsewhere as the result of continued hostilities here.

It has already been driven home effectively to the leading chancelleries that the picture of devastation in China may be reproduced anywhere else in the world, and that the fate of China may become the fate of many another nation equally weak in military equipment. If an aggressor in Asia cannot be stopped from encroaching upon a neighbor's territory, what guarantee is there that a similar policy may not be pursued by nations addicted to the same evil ways as Japan?

The "epidemic" of lawlessness, as President Roosevelt pointed out, may, like the epidemic of any disease, recognise no territorial boundary or racial demarcation. Once given sufficient momentum, it may spread like wildfire to the ends of the earth. Japan has originated this epidemic; Japan must be made a good example for ill-intentioned and bad-mannered nations.

If the right-thinking peoples of the world should join in a concerted campaign against Japan, peace may be assured without firing a shot and in quick order. If they should adopt only a negative watchful attitude, peace may lurk perpetually around the corner. Thus it is evident that the duration of the war, while dependent upon China's power of resistance and readiness to sacrifice, may be shortened or prolonged according as the other Powers are prepared or not prepared to add to China's power of resistance or encourage her sacrifice by concrete demonstrations of support. If the world is anxious to have peace, the world must help China by doing it about.

General Chiang Kai-shek has clearly outlined the duty of

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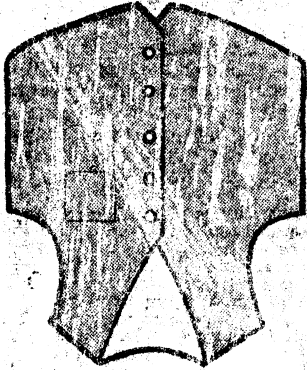
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General Chiang Kai-shek has clearly outlined the duty of every Chinese; Dr. Wang Ching-wei has likewise indicated the part which must be assumed by the major Powers. Only through this international collaboration may the war be stopped and peace realized on a firmer basis than ever before.

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FROM THE CHINA PRESS, SHANGHAI, OCTOBER 12, 1937.

From The Shanghai Evening Post and Mercury,
dated October 17, 1937.

China Tomorrow

CHINA TODAY is in travail—the travail of birth, or rebirth, remarks the New York Times. The faraway observer of events in the Far East, continues this organ, receives the impression of a prone, torpid, sprawling giant being picked, goaded and galvanized into new life. What shape or direction the China of tomorrow will take—eastward, westward, toward Russian communism or American democracy—no one at this stage can foresee. But it is already clear that the present conflict, whatever the outcome, is only one engagement in a longterm struggle for Asiatic power.

At some time, as yet incalculable, that means the end of Western privilege in the East. Senator Alberto de Stefani, the distinguished Italian economist and former Minister of Finance who has been acting in recent months as financial adviser to the Nanking Government, emerges from China to predict that the one certain outcome of the Sino-Japanese conflict will be to diminish the influence of the great Western Powers. All that Europe and America have done in the Orient, he says, will serve as the foundation of the new and nationalist China which he sees in process of development.

This forecast represents the view of most world observers. It does not imply a rapid weakening, much less a liquidation, of the privileges enjoyed in Asia by the nations of the West. The British are in no danger of being driven out of Hongkong, the French out of Indo-China, or outside nations out of the International Settlement of Shanghai and other protected zones. China herself would be the last to desire this. While the events of 1932 and today do not indicate that the international compounds offer much safety to the Chinese, or to foreign residents, the presence of these settlements signifies the enormous amount of outside capital invested in the development of China and the interest the Western capitals must therefore take in what happens there. This is a safeguard China cannot afford to sacrifice, even if she would. Until the Eastern balance changes decisively, modification of the position, status or prestige of the Western Powers encamped there is not at all likely.

In the long-range view, however, the prospect inevitably alters. A China nationalistic enough to save herself must eventually be too nationalistic to allow special privileges—capitulations—to foreigners. This prophecy is written in the stars. Not only is Asia stirred by the nationalist fever, but Africa as well. The relation of these great continents to Europe and the Americas is undergoing a mighty change, bound to have a revolutionary effect on the map unless some sort of internationalism overtakes these reborn nationalisms. If foreign prestige in the East cannot be defended without military intervention, this might easily pave the way, as Professor de Stefani foresees, for a future alliance between China and Japan.

Somewhere ahead, beyond measurable time but on the way, looms an Asia as actively Asiatic as it was passively so in the days before the Open Door. Japan is racing Chinese nationalism to gain control of that awakening world. How soon will China be ready to block her advance? The Italian financial adviser to Nanking, predicting that the war will assume large proportions, testifies that the Chinese have greatly increased their offensive and counter-offensive strength, have superior resources in food and man power and considerable deposits abroad. Their supplies of armament, he says, depend on these funds and the aid that may be forthcoming from Russia. This judgment of Chinese potentially is borne out by another witness with unusual experience on which to base an opinion. Nanking's German military adviser, Colonel Fritz Neiholdt, asserted in New York that the Chinese, united for the first time, will fight Japan "to the last ditch."

From The China Press, Shanghai, October 23, 1937.

THE TALK OF A TRUCE

MR. T. V. Soong, Chairman of the Board of Directors of the Bank of China, was not only speaking for himself as a Chinese leader but also voicing the opinion of the entire nation, when he declared in a recent interview with the Shanghai correspondent of the *London Daily Herald* regarding the possibility of a truce with Japan: "If a truce is possible now, we would never have resisted at Lukouchiao. We would have made peace there. We would not have waited for North China to be occupied." The talk of a truce in the present mood of Chinese national temper is, to say the least, idle and flippant.

It is most encouraging to hear from a great financier like Mr. Soong that China is economically capable of waging a war of resistance for as much as two years, or longer if necessary. Mr. Soong not only knows what he is talking about, but he speaks with an authority that is bound to inspire and command universal confidence.

The temporary loss of territory and the heavy sacrifices in lives and property are inevitable in a war of resistance, and certainly they will constitute no deterrents to the Chinese people who, in the light of their present ordeal, know fully well what to expect from a victorious Japan. So long as the war of resistance is being vigorously carried on, so long the hope will remain for China's recovery and regeneration. Any talk of a compromise with Japan at this moment will not only diminish that hope in the bosom of every Chinese, but will seriously jeopardize the political unity of the country which has been achieved through a united front against the Japanese aggression.

As well pointed out by Mr. Soong, the longer China maintains her struggle, the stronger she will become, and the correspondingly weaker Japan will be. The war is assuredly going to be costly to both China and Japan. But in face of China's determined and prolonged resistance, the final collapse will inevitably overtake Japan sooner than China. Therefore considering all the pros and cons, China has every reason to fight on and no reason whatsoever to compromise.

Furthermore, any attempt at concluding a truce now is not only prejudicial to the interests of China but also to the cause of world peace. Japan is rapidly becoming a world menace and as such it must be removed by collective international action. This point has been convincingly stressed by Dr. H. H. Kung, Vice-President of the Executive Yuan and Minister of Finance, in his statement on October 19. Dr. Kung said:

"The world today knows clearly the dangers of the Japanese menace. The lawless and brutal acts of the Japanese militarists have turned the world against them, notwithstanding the clever and extensive campaign of their propagandists. For, if Japan's policy of 'grab-and-smash' were to go unchecked in China, where will be the peace and security of other peoples in Asia, in the Pacific, in the world? And, if Japan's lawlessness and brutality were to go unchallenged, it must tend to undermine all the past and present efforts made towards peace and security in Europe. Nations realize Japan's unbounded lust for power and supremacy. They know that, if Japan should succeed in her present attempt to conquer and dominate China—which God forbid—then the burden of defending themselves against the common menace will soon fall upon themselves."

From The China Press, Shanghai, October 24, 1937.

A VIVID PICTURE

IN his radio broadcast to America Mr. T. V. Soong has painted a vivid picture of the danger to that country if Japan wins the war in China. In plain simple terms he has brought out, among other things, the immediate effect which is sure to be produced on the American program of national recovery. Japan is described as a bully, and China the present victim and America a potential one.

What Japan has done to China is likened to what a bully may do to a house of wooden blocks. In Mr. Soong's own words:

Do you remember the days of your childhood when you were playing at building houses out of wooden blocks; how painstakingly you were placing columns over pillars, and arches over columns, how slowly the house beautiful was emerging, but just at that moment a little bully arrived and by a single kick shattered the fabric of your dreams?

The history of my people for the last quarter of a century has been the story of ceaseless efforts to make of ourselves a modern democracy. We have been absorbed in the task of spiritual and material reconstruction. We were promoting mass education and public health; building our lines of communication and developing our farms, factories and mines; but again and again no sooner did we make some headway than along came Japan, the racketeer nation, public enemy No. 1, and destroyed the fruits of our labor.

What Japan has done to China, she is also doing to America at the very moment, though in an indirect manner. As Mr. Soong explains:

Like China you too were a child at play; piling block after block of your dream home, when along came the little bully and destroyed your creation also. Here you are trying to lift yourselves out of the economic depression, creating new organizations, making laws, experimenting and ceaselessly striving to improve your situation. You have made substantial progress, your success is in sight, your people are better fed, better housed, and better clothed; when along comes the bully Japan, and by raising the specter of a world war threatens to tumble your house of recovery into disorder. Your stock markets have gone down, you are even talking of seven-cent cotton and seventy-cent wheat; you are in danger of falling back into the depression by the fear of another world war. The vast internal market of your great country and the splendid isolation of your shores have not given you immunity from the baneful effects of the Japanese war on China.

The fallacy of isolation for any modern state has been labored not only by Chinese statesmen but also by the enlightened leaders in America. Under the leadership of President Roosevelt the American people, with the exception of a small minority, have come to realize the necessity of joint international action, to put an end to international brigandage which is being perpetrated by Japan.

Just how this laudable purpose is to be fulfilled is, of course, a matter for joint consideration among all the civilized states. One thing is certain: it requires no war to end war. Then what can the American people do? Mr. Soong pointedly answers this question:

What, you ask me, should be the role of peace-loving America? When a gunman shoots up your home town, what do you do? Do you put up your shutters and simply pray that the outlaw does not attack you next? No. Your pacifism is more constructive. You do not want to break the peace yourself, but if a gunman shoots your neighbor, you organize a posse and go after him. For you know that today it is your neighbor, tomorrow it may be you.

The posse, so to speak, may shortly be organized at the Brussels Conference in which America has already agreed to participate. In spite of skepticism in some circles, the "forces of constructive pacifism," as Mr. Soong has pointed out, "are, however, immeasurably greater than the forces of violence if you only realize it." Added to this point is the fact that the myth of Japan being a first class military Power is about to be exploded. "Japan, like all bullies, is a bluffer. Weak China has already pricked Japan's balloon of invincibility. Japan does not dare, she cannot make war against a combination of peace-loving nations. By frank and sincere co-operation with the nations that actively desire peace and by the determination to employ economic boycott against the aggressor nation, you could dictate peace. Your posse needs only to show a united front, and the bully will throw up his hands."

Or, as we have previously observed in these columns, "if Japan is not afraid of the world, why should the world be afraid of Japan?"

September
From The North China Daily News, dated ~~October~~ 27, 1937.

P. 2/27

MEASURE FOR MEASURE

It would be bad policy and still worse psychology if Chinese diplomats abroad were betrayed into the use of unnecessarily violent language in drawing attention to Japanese bombing exploits. This reflection is inspired by a cabled reference to a "tirade" of which Dr. C. T. Wang is said to have delivered himself. The description does not seem inappropriate in the light of quoted extracts. Technique of that kind is unimpressive because it may so easily be applied to a bad as well as to a good case. When Dr. Wang talks of Japan being "put beyond the pale" he is falling into the same error as that Geneva spokesman who, the other day, wanted to secure the "moral isolation" of Japan. There is no need to use violent words in description of a series of actions which are shocking and distressing the civilized world beyond measure. Actions, in fact, speak so much louder than words that the quieter the tone of the protest—which is quite properly made—the more effective is it likely to be. It is natural for those who are themselves participants in the ordeal of one of these ghastly holocausts to strain every possible combination of epithet, but the diplomat who has to reproduce the atmosphere in different conditions is well-advised to select his language with a nice regard for accuracy and proportion. Dr. Wang's outburst may do credit to his heart, but he has to consider the importance of ensuring respect for his head as he undertakes the onerous task of expounding China's case to the American people. Excessive emotion may create a momentary flare of resentment; that transient impulse may be swiftly erased by some trick of logic when equilibrium has been restored to the mind and seeks arguments wherewith to fortify the usual processes of reasoning. It would be unfortunate if Dr. Wang and his colleagues allowed this defect of method to defeat their admirable intentions, for the case presented to them by the folly of Japanese militarism is so abundantly strong.

Reluctantly has the world accepted the fact that aerial warfare is as much a part of modern conflict as artillery, submarines or mines. It is also recognized that the very power of the machine by which man rides the air widens the margin of error in aiming at a given target. So there is less surprise than grief when this new weapon is seen to expose civilians and combatants to equal danger. Actually this constitutes a reversal to ancient barbarism when the siege of a walled city drew practically no distinction between combatant and non-combatant, although even then conventions were desperately and not always unsuccessfully applied. Broadly the British Note to Japan on the wounding of H.B.M. Ambassador stated the principle:

Although non-combatants, including foreigners resident in the country concerned, must accept the inevitable risk of injury resulting indirectly from the normal conduct of hostilities, it is one of the oldest and best-established rules of international law that direct or deliberate attacks on non-combatants are absolutely prohibited, whether inside or outside the area in which hostilities are taking place. Aircraft are in no way exempt from this rule which applies as much to attack from the air as to any form of attack.

It requires little perception to arrive at the conclusion that recent Japanese attacks from the air on cities like Nanking, Hankow and Canton and in wantonly eliminating rural villages are gross violations of this humanitarian law. The trend of world opinion has shown this quite clearly. The wonder is that grasp of so elementary a fact has not apparently been secured in Tokyo. Statements have been made to indicate a formal intention on Japan's part to respond to the protests which have been so vigorously and promptly tendered by representatives of the great powers, but there is little to show that practical action has been taken. If behind these deliberately planned air-raids on urban areas there is a military purpose it seems to be that of expediting a termination of hostilities by breaking the morale of the enemy's "home front" and saving the fighting men from exposure to risk. Actually it would seem that the immediate consequence is to convert civilians into intrepid defenders and to stiffen their support of their own soldiers in the field. Yet even if the military

the personnel of Japanese cabinets in recent times, it will at once be asked why should Japanese airmen be instructed to carry out operations which, if they mean anything, seem calculated to carry the chastisement of death and destruction directly to the mass of the population. Similarly do they render equivocal service to those other objectives on which Japan ostensibly sets such store. Once again the public is asked to note that Japan desires to stamp out anti-Japanese activities in China. This palpably harps on a worn-out string. It takes no account of the vigorous efforts successfully made by the Chinese Government in recent years to suppress even moderate forms of criticism of Japanese actions. It ignores the complaisance which permitted Japanese representatives to intrude into Chinese educational institutions for the examination of the curricula. Yet the obvious question is whether the most intransigent Government at Nanking could have devised a more certain and devastating campaign for the dissemination of hatred of Japan than that which is now in operation under the direction of Japan's naval and military commanders. As for the contention that China must purge herself of Communism, thanks to Japanese aggression she has done so most effectively, for Chinese Communists have themselves settled the issue by merging their forces and programme in full subordination to the Kuomintang Government for the better consolidation of national unity. To that dubious success can Japan point. For the rest, if measure be set against measure, the straits to which her militarists are being driven in seeking to justify their aggression, are likely to have serious consequences when once the better mind of their people has been awakened to the true significance of the present reaction in China and the world outside. Dr. Wang need not indulge in "tirades." The facts will do all that is necessary.

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

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Japan is presenting China with a ready-made case and at the same time is calamitously damaging her own, such as it is. With almost tiresome iteration the world is asked to believe that Japan is not fighting the Chinese people but is generously carrying on a crusade on their behalf against an effete and corrupt government. Without troubling to inquire into the credentials thus claimed by one nation for judging and punishing the government created by another, with indiscreetly pondering over the idiosyncrasies of

TABLE 1

[illegible]

The British Ambassador, Sir Robert B. O. Sutherland-Kelvin, has been speaking against the proposed new Canton in the New York City Convention. He said that the proposed new Canton would be a "black hole" for the Chinese people, and that it would be a "black hole" for the Chinese people. He said that the proposed new Canton would be a "black hole" for the Chinese people, and that it would be a "black hole" for the Chinese people.

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HEREIN IS UNCLASSIFIED

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The following is a list of the names of the persons who were present at the meeting of the Board of Directors of the City of New York, held on the 10th day of January, 1890, at the City Hall, New York.

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The Chinese Government has been successful in its efforts to bring about a more stable situation in the Chinese provinces. The Chinese Government has been successful in its efforts to bring about a more stable situation in the Chinese provinces. The Chinese Government has been successful in its efforts to bring about a more stable situation in the Chinese provinces.

WOLFF NICH

Positions: Western
by Japanese

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BLON THE HOL-UP OF THE DUTY MEMO, dated 10/10/53, 10/10/53.
10/10/53

From The Shanghai Evening Post & Mercury, October 1, 1937.

General Han Speaks Out

DESPITE the fact that in China as elsewhere there is occasional discrepancy between word and act, great relief will unquestionably be felt over General Han Fu-chu's statement refuting rumors that he may save Shantung from invasion by falling in with the Japanese "autonomous five northern provinces" plan.

General Han declares that it is untrue that Japan's fixer-in-chief Doihara flew to Tsinan to discuss the federation scheme. Further he asserts that "all of us military people are defending the country and protecting the people" (although his own defense acts have not as yet been such as to break into the news dispatches) and he pledges that "I shall implicitly obey orders from the Central Government and submit absolutely to directions from the Generalissimo."

Too much importance cannot be attached to the fact that General Han has not plunged Shantung directly into the hot water of active warfare, perhaps. At a time like this, General Han's inaction coupled with Japan's rather pointed announcement that Tsingtao was exempt from blockade was bound to cause talk and it should be plainly stated that such talk will continue until General Han himself indulges in something more than conversation. But at least his words are thoroughly encouraging. All he need do is live up to them.

The General seems to have a lively perception of how his nation feels in the present juncture. He states a deep truth when he says that "our country's resistance against Japanese aggression is a struggle for existence and is the only way out for China." His personality and record are not seemingly those of a potential traitor.

But the Japanese efforts to lure him into their fold are clearly not at an end. Though General Doihara may not have called at Tsinan, Chinese reports say that a Japanese airplane visited there on September 22 and dropped three letters—one for General Han, one for Admiral Shen Hung-lieh, mayor of Tsingtao, and one for General Yu Hsueh-chung—asking for their attitude regarding an autonomous federation of the five northern provinces. We trust that General Han's present statement may fairly be regarded as an answer on behalf of all three.

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

From The China Press, Shanghai, October 3, 1937.

GENERAL HAN'S ASSURANCE

GENERAL Han Fu-chu has emphatically put a stop to all conjectures and speculations concerning his allegiance to the National Government. As usual, the source of mischief is the Japanese news agency which alleged that Major-General Doihara had taken a trip to Tsinan to propose peace and "cooperation" to the chairman of the Shantung Provincial Government. Of the local journals we were among the first to discredit this insinuation of disloyalty, and his renewal of allegiance has once and for all dispelled all possible doubts that might have been entertained in foreign quarters.

For years General Han has endeavored to develop the province under his administration, but has seldom sought limelight in the press. Popular with the people, he has

on more than one occasion been singled out by the Japanese as an object for insidious propaganda, and on each occasion his good name and honor had emerged unscathed. Now as before he has adhered to his firm stand by the National Government, and we are sure that all Japanese persuasions whether by eloquence or by coercion, will not be of any avail.

In the North as in Shanghai, the National Government stands ever ready to direct resistance against Japanese aggressions. If the Japanese continue to indulge in fabrications vainly calculated to cause internal dissension, they can only deceive themselves.

From The China Press, Shanghai, October 6, 1937.

UNSUNG HEROES

AMONG the unsung heroes of the present Sino-Japanese hostilities, perhaps there are none more deserving of praise than the thousands of Chinese boy scouts who are daily rendering vital service in places of danger and who are doing their good deeds without thought of personal safety or with an "eye on the grandstand." Residents of Shanghai, both Chinese and foreign, are more or less inclined to take for granted that the boy scouts will step into the breach where needed with their usual alacrity and quiet willingness. Foreign correspondents who are familiar with the activities of boy scouts in other parts of the world have been especially impressed with the yeoman service rendered by the Chinese scouts and in many instances have filed cables and written feature mail stories on their work during the past eight weeks.

In few other countries of the world does the boy scout give as much of his time and energy, even under normal conditions, to his people as is regularly witnessed in China. The Chinese scouts in years past have collected hundreds of thousands of dollars for the relief of famine and flood sufferers and have as well been mobilized in times of disaster or special emergency to give assistance to police and other authorities. One of the best commentaries on the good work of the Chinese scouts is the unquestioning attitude of the general public in co-operating in every way possible with them when they are on the job, whether it is directing traffic or caring for the wounded. Their uniform, though worn by boys for the most part still in their early teens, commands a respect that is based on demonstrated service in the past.

When the present war is concluded and the recording of it becomes a matter for historians, there is small doubt that these youths will be accorded their just acclaim. If for no other reasons than their sheer physical courage in going almost to the field of battle to carry off the wounded as stretcher-bearers and their tireless vigils at hospital entrances where the maimed and injured are received they should be given international recognition. A number of these boys have already been killed and wounded while in the performance of their duties, while hundreds of others are exposing themselves to dangers that many adults would shrink or are shrinking from.

Intimation has come from the Chinese Red Cross Society that many foreign-returned Chinese doctors might well emulate the example of their junior countrymen. In the many base hospitals lining the railways between Shanghai and Nanking and Shanghai and Hangchow, there is a definite need for doctors educated in the methods of the West. While there is a long and imposing waiting list of Chinese women nurses who have indicated their eagerness to enter hospitals wherever and whenever they are needed, this same willingness in a large degree is yet to be shown by foreign-returned doctors. It has been explained in some quarters that these medical men as a whole are reluctant to leave the foreign concessions of Shanghai because their services are required locally by the numerous emergency hospitals. Now that base hospitals are being established in the interior, doctors whose services have not been available before may now be expected to respond to the call for assistance.

Within the past week this paper carried a news account of the shortage of doctors in North China, where it is said that there are only three surgical operating units for all the armies fighting on the various fronts and that these medical units are "working their heads off" trying to give care to the wounded. Now is the time for Chinese doctors who have established themselves in the treaty ports to volunteer for service at inland hospitals. While conditions in base hospitals to the west of Shanghai are not as serious as they are in North China, there is still a crying need for foreign-trained Chinese specialists—doctors who can save the more seriously wounded patients who will otherwise die or be crippled for life because of lack of proper medical attention. During recent weeks these more serious cases have been brought into the International Settlement and French Concession, but with wounded patients now being moved out of these two areas and with stream of new war casualties being chiefly routed directly to the inland hospitals, it may be easily seen that in the future the doctors must go to the wounded and not the wounded come to the doctors.

While this situation may have arisen largely through a lack of understanding on the part of the foreign-returned doctors, it is now necessary that conditions be fully understood and some immediate action seen in the way of volunteering for service. It is noted with some satisfaction that fifty doctors volunteered for service late last week after an urgent appeal was issued by the Chinese Red Cross Society, but it is understood that the great bulk of these volunteers, while willing and courageous, are not the type of trained medical men who are most needed. Aside from the humanitarian reasons involved, there is the larger one from the military point of view of getting trained wounded soldiers back to the front again as soon as possible.

In passing, credit should be given to the large number of foreign missionary doctors and nurses who have stuck to their posts in many interior cities and villages and are now rendering valuable assistance through the giving of their specialized training and the actual supplying in many instances of sorely needed medical supplies.

With what appears to be a world-wide movement under way to give medical supplies and funds for the purchase thereof to China, it is obvious that preparations on a large scale will have to be effected in this country to see that they are utilized to the best possible advantage. One necessity is that there be an ample corps of trained doctors in the field actively working and directing this huge problem of caring for the wounded which war has brought to China.

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

From The China Press, Shanghai, October 6, 1937.

RECOGNITION OF BRAVERY

NEWSPAPER readers in China view with considerable interest the recognition in the German press of the "bravery and dauntless courage" of Chinese soldiers, as reported by German correspondents here who are now sending home cables on the hostilities in China. For many years the Chinese and German people, where they have come into contact, have worked together with an unusual degree of harmony and with a co-operation that has brought much to their mutual advantage. While in some quarters there may have existed in the immediate past a feeling of uncertainty as to where the real sympathies of the German people rested, it is now clear that the more horrible side of Japanese aggression in China has met with the censure of public feeling in Germany. With a large section of the German people realizing what China is going through—they having experienced many of the realities of war during the late days of the World War—it is not unnatural that their press would reflect a recognition of the determined stand that is being taken on the Shanghai front by the Chinese forces. It is also interesting to note that German papers are commenting on the inability of the Japanese to adopt steam-roller tactics with their huge war machine, and that the German press predicts increasing difficulties for the Nipponese as the war continues.

From The Shanghai Evening Post & Mercury, October 9, 1937

China Gathers Confidence

STRAWS show which way the wind blows. A month ago, National Government leaders at Nanking were discussing the probably imminent removal of the capital to an inland point, following the precedent of 1932. Today there is a different attitude, with much planning suspended. Many leaders now believe Japan will never penetrate to Nanking.

Only time can prove that point, but it is interesting to observe how the Chinese resistance around Shanghai has exceeded expectations. Nanking from the first took no defeatist attitude, and the projected removal of the capital would have been regarded as merely a strategic shift of no special significance save that it followed the general plan of falling back on China's great hinterland and lengthening Japanese communications lines. In many respects this might be to Japan's detriment and China's advantage, but unquestionably it is an important contribution to Chinese morale for the Chinese forces to hold as firm as possible for as long as possible.

Some quarters have speculated on Japanese military objectives to the extent of suggesting that Loyang in the north and Nanking in the local theatre represent the goals of Japan's thrusts. All this is purely speculative, however, and in any event so long as China is making the present undeclared war a most actively two-party affair we fail to see how any Japanese commander could safely say that this place, or that, would be the place to stop—particularly at a time when the advance toward the given point was crab-wise or non-existent.

Those who have been watching to knitting-together of Chinese national feeling, and the cheerful determination with which soldiers knowing themselves none too well supplied with mechanized forces have buckled down to unending opposition to a better-equipped foe, increasingly believe that China can and will fight on even though time whittles Chinese resources down to little more than the will to resist.

That is a mighty force indeed. Has Japan anything to match it? We do not believe so. There can be no deep moral support to an act of aggression. Such an act must succeed almost at once, or begin to run down a long incline toward failure which may well spell ruin.

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

From The China Press, Shanghai, October 10, 1937.

BUY LIBERTY BONDS

WHILE China is struggling for the defence of life, liberty and property as well as for world peace, it is only proper that the Chinese people, in observing this memorable occasion should demonstrate their patriotism now as before by generous subscriptions to the Liberty Bonds.

Today all facilities are offered to the public to make contributions freely and liberally. The bonds are designed to serve a double purpose. On the one hand, they will help to enrich the national coffer so essential to the regeneration of China; on the other, they will afford the prudent an opportunity for safe investment and for patriotic service to the nation.

In order to encourage every Chinese to avail himself or herself of this opportunity, it has been decided to accept, at a premium, gold or silver articles in exchange for the Liberty Bonds. There is no family in China which does not boast of articles of this kind, and consequently there is no family which cannot afford to buy the Liberty Bonds. A person who to the best of his ability buys one bond is as welcome as a person who may purchase ten times the amount. It is the spirit that counts; it is also the spirit which will hearten the national defenders throughout the length and breadth of this land.

also from Kungfu 100 ft. Co.

From The China Press, Shanghai, October 12, 1937.

A SENSIBLE SUGGESTION

MADAME H. H. Kung has appealed to the women of China to buy the Liberty Bonds. As the Chairman of the newly-created Women's Division of the Liberty Loan Committee, she has brought to general attention the practical manner in which every woman in China may contribute her share, however humble she may be. As Madame Kung observed:

I know many of you are not financially independent. But a practical and extremely simple way to meet this difficulty is to

turn in your jewelry, gold and silverware to the Liberty Bond funds. Money thus derived will immediately turn non-productive property to productive purposes. The Liberty Bonds may be used later as a fund for educating your sons and daughters.

The suggestion advanced by Madame Kung is not unlike the proposal indicated editorially two days ago in these columns. It is only too well known that in every part of China every woman or child has silver or gold chains, ear rings, bracelets, neck rings, or charms. They are all acceptable in payment for the Liberty Bonds. In fact, according to the rules governing their conversion, a premium is placed on them in preference to legal tender notes. Subscribers will not only get the full worth of these articles but something more.

The premium thus placed on silver or gold articles will directly raise the actual return on their market value and indirectly increase the net rate of interest. As an educational fund for children the Bonds represent a most safe form of investment. Their subscribers will render a patriotic service to the nation on the one hand and, on the other, procure future protection for their dependents.

The response from Chinese women so far has been highly encouraging. Under the personal leadership of Madame Kung and other prominent Chinese women leaders, the Women's Division of the Liberty Loan Committee should be able to establish an enviable record in the history of the Sino-Japanese war.

From The Shanghai Evening Post and Mercury,
dated October 14, 1937.

"Share The Wealth"

FULL SYMPATHY must be accorded every effort to interest the mass of the Chinese people in the present struggle for China's territorial, political and economic integrity. At present a number of movements are under way, particularly with reference to sale of the Chinese Liberty Bonds. Madame H. H. Kung, for example, has urged the women of the nation to turn in their jewelry, gold and silverware to the bond funds, and it cannot be questioned that if such actions are encouraged there must be a more widespread understanding of and devotion to the national cause.

Yet it is perhaps not wholly ungracious to inquire whether, while thousands of China's relatively poor or downright poverty-stricken are giving both their life-blood and their pitifully small means to further the national welfare, China's wealthy are really giving in proportion at this time.

To be specific, there seems to be a lack of anything to be described as "dollar-a-year" men, who are willing to give as freely from their millions of dollars as the masses are asked to give from their tens of dollars. The foreign areas have been left to handle an intensely difficult problem of swarming Chinese refugees with effective collaboration of no single outstanding wealthy Chinese of whom we have knowledge, to mention but one instance. Other issues more directly related to national defense, such as the care of the wounded who have been loaded into Settlement and Concession in such numbers as finally to compel restriction of admission, have likewise failed to attract the appearance of Chinese philanthropy although many individual Chinese—usually of limited means—have displayed great capacity for self-sacrifice.

We know that wealthy Chinese exist, though they are hard to find in the vicinity of the Bund of late. We know also that many of the less wealthy are displaying a capacity for sinking self in national service which puts to shame the cynical remarks and writings of many an old China hand. It seems impossible that the urgencies of the hour will not cause some of the Chinese millionaires to set a public example by giving large portions of their wealth to the common struggle. It is the one way that they can most effectively do their part and the value of such action would be incalculable, both in China and abroad.

From The China Press, Shanghai, October 15, 1937.

SOUR GRAPES

THE only Japanese newspaper in Shanghai, *The Shanghai United News*, has taken the liberty to belittle the progress which has been witnessed in the Chinese public subscription to the Liberty Bonds. What this war-time upstart in the journalistic world thinks of this patriotic loan is of no interest to us; it is more than welcome to entertain any illusion either for self-gratification or for self-deception.

Still, it is only proper to correct obvious errors of fact which might not otherwise be understood by the uninitiated public. The Liberty Loan was announced as soon as the idea first germinated, and before a central organization had been formed subscriptions began to pour in from different parts of the world.

The Ministry of Finance, however, was not persuaded by enthusiasm to overlook the details of organization and procedure. The Liberty Loan Act, like all other government loans, had to be sanctioned by the Legislative Yuan, and upon the requisite approval other rules of minor importance had also to be formulated. We are reliably informed that the process of completing the necessary arrangements took about one month, and meantime relevant literature had to be prepared and printed.

Thus the subscription to the Liberty Bonds did not begin till the first of September in Shanghai, while branches are being formed in other parts of the country. The plan of campaign is based on a quota system in order to dis-

tribute the burden of the loan equitably in all sections of the country and to give every Chinese citizen in every walk of life the opportunity to help the national cause.

As far as Shanghai is concerned, its quota was reached within the first days of the campaign, and contrary to the insinuations of the Japanese journal, the bonds are to be issued at par with no discount whatsoever.

It may be also pointed out that the subscription is entirely voluntary, and that unlike the war-time issues in Japan, no attempt has been or will be made to force the bonds down the throat of the public. In spite of the time consumed to perfect an efficient machinery for administration, more than half of the total issue has been subscribed for. If the quota plan had not been wisely persisted in, the entire amount could have been floated in no time, even in Shanghai and the neighboring provinces. The Japanese journal in question could not have been ignorant of these facts: perhaps it is these plain facts which were responsible for its display of a "sour grape" attitude.

From the Shanghai Times - October 15, 1937

Shanghai 10/15
A LOOK AROUND

The very large measure of success which has attended the Government's issue of Liberty Bonds is in itself a testimony to the spirit of the Chinese people in the present crisis. Setting out to collect at least \$500,000,000 for national revenues with which to finance the war against Japan, the Government has received striking proof of the people's patriotism, for latest figures show that a large percentage of that sum has either been already subscribed or promised. There can be little doubt that the goal will be eventually reached. After two months of fighting there is still a very brave and determined front being presented to the situation, for although there has been a disconcerting failure of the armies in North China to stem the Japanese thrust both westwards and southwards there has been a show of military effectiveness in this region which has disillusioned those who might have been of the opinion that Nanking's military machine was no match for a worthy contender. Just how costly in casualties the fighting here has been to the Chinese is variously estimated, but it cannot be doubted that losses have been high, though in relation to available man power they might be regarded as not dangerously serious. One thing which does seem fully established is that the medical and Red Cross provision is all too inadequate to meet the great need which has arisen, and Dr. Kohlhauss C. C. Pang, of the Red Cross Society of China, has himself reported that "the number of medical people in our country is entirely disproportionate to the size of our forces now fighting in the various fronts." It is known, however, that valiant efforts are being made to correct the disparity and to create effectively manned machinery to deal with the sick and wounded men who deserve so well of their countrymen. Generous response should be forthcoming

to Dr. Pang's appeal for more medical personnel, for, as he says, they are specially qualified to serve their country in this hour of dire need.

In connection with the anti-Japanese boycott movement which is being organized by Chinese here in Shanghai it is most sincerely to be hoped that the worst features of previous movements of this kind will be avoided. The Chinese have every right at a time like this to say that they will not buy Japanese goods, but there ought to be studious care taken against confiscatory or punitive action. It is reported that measures have been adopted by the Commission calling for the registration with the Commission of all Japanese goods imported prior to the outbreak of local hostilities on August 13, and that such goods will be either sold at public auction or be kept in the custody of the Commission with the co-operation of various trade unions concerned. If the goods are auctioned then fifty per cent. of the proceeds will be diverted for the purchase of Liberty Bonds. All Japanese goods purchased after August 13—and there cannot be many—will be totally confiscated. It was not considered wrong to buy Japanese goods until this crisis developed and merchants who did so in the ordinary course of trading should not be called upon to suffer special hurt. This is the sort of thing which leads to unhappy victimization, to public disorder by rowdy elements, and to the unjust working off of grudges against perfectly innocent traders and shopkeepers. Shanghai has had its disturbing incidents in connection with such a matter before, and although no-one wants to doubt the patriotism of those who are organizing and controlling the present boycott it is to be hoped that they will proceed with a full sense of their responsibilities and in accordance with the exercise of that public justice which all men hope to experience.

From The China Press, Shanghai, October 10, 1937.

"DOUBLE TENTH"—DOUBLE SIGNIFICANCE

THE "Double Tenth" this year has a double meaning for China and for the world. Never before has its observance been so important to the Chinese nation; never before has it been observed with so much enthusiasm and so much hopefulness. This occasion today will find all the Chinese united in one single thought, the thought of a new China, whatever land or time they may be in.

For China the double meaning of the "Double Tenth" can easily be appreciated. The occasion marks the end of a period of suppressed emotion and the beginning of an era when the people may breathe freely and think aloud. It is common knowledge that, ever since the close of the Sino-Japanese conflict in Shanghai in 1932, the Chinese had been admonished to heed the sensitive feelings of the Japanese and to refrain from expressions or actions likely to offend the proud empire across the China Sea.

When the Japanese Government or its spokesmen chose to denounce China and her people, the Chinese, out of the earnest desire to preserve peace and amity with Japan, had to observe the tenets of common decency and international comity. When the Japanese were free to smuggle Japanese goods into this country, the Chinese were compelled to employ round-about means to curtail such nefarious activities. When the Japanese agents redoubled their efforts to demoralise the Chinese race with morphine and heroin, the Chinese had to content themselves with polite appeals to the Japanese conscience.

When the Japanese took pleasure in provoking incident after incident in various parts of China, the Chinese had to bear the brunt cheerfully. And when any Chinese journal incurred the displeasure of the Japanese Government, its editor had to endure censure or punishment or languish in prison. The patience and forbearance so remarkably shown by the Chinese were even deprecated by Japan; and nothing which the Chinese did could have gratified Japanese whims and fancies.

With the outbreak of the present hostilities, however, the Chinese are able to give vent to their repressed sentiments. For once and forever they have begun to taste once again the freedom of expression *vis-a-vis* Japan. Though this freedom has never been abused in spite of Japanese atrocities, it is a prerogative which will be most jealously treasured.

Internally, too, the "Double Tenth" signifies the era of a unified nation. Political differences have been set aside; personal interests have been abandoned. National leaders from all parts of the country are united in a joint struggle against a common foe. Most gratifying in this respect is the dissolution of the Chinese Communist party, with the incorporation of the "Red" Army into the National Army.

From north to south, from east to west, there is one single ideal, and that is the liberation of China from the yoke which Japan has tried to impose on her Government and people. For this ideal thousands of lives are being sacrificed; for this ideal homes and cities are being demolished; for this ideal business and industry are being dislocated. These and other sacrifices are China's offerings to the Goddess of Liberty; they are now dedicated on this occasion to the China of tomorrow.

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

Thus it may be truly said that this day closes the Chinese history of recent past and inaugurates a new chapter for the future.

For the world, the "Double Tenth" also denotes a departure in international politics.

For the last six years the League of Nations as the international organization for peace has been confronted with many a dispute or armed conflict; and its influence has been found wanting except on minor occasions. In China as in Abyssinia, it not only did not succeed in preventing military occupation, but it also failed to crystallise world opinion and moral censure in good time. It took the League almost two years to reach a decision to condemn Japan's invasion of Manchuria, it took months to render verdict in the case of Abyssinia.

With the outbreak of the Sino-Japanese war of 1937, however, the League has shown increased vitality in dealing with the questions at issue. In less than three weeks it has condemned both Japanese bombing of undefended Chinese cities as well as civilians and Japanese invasion of this country. Though the effectiveness of moral censure alone is still open to doubt, it is significant that the League has acted in so expeditious a manner.

Equally impressive is the clear statement by President Roosevelt on the futility of an isolationist policy for America. It is likely that during his administration the United States may undertake to cooperate with the other countries more closely for the maintenance of peace in the Far East as well as in Europe.

The gradual realisation by the Powers of the need to outlaw barbarism in modern warfare and to outlaw war itself has come about partly as the result of the Japanese atrocities in China and the heroic defence of the Chinese fighting forces. The sacrifices now being made by the Chinese nation may be said to have contributed to this process of slow awakening to the danger of a world overrun by jingoists. It would be only fitting to record here that the celebration of the "Double Tenth" today may be also regarded as the celebration of the beginning of a new world order in which justice will triumph over bad faith and right over might.

In the midst of the re-birth of China and of the world, the Chinese people will find sufficient cause to rejoice more than ever in this national holiday. While the enemy is still on our soil, the day may not be distant when, with the combined strength of the Chinese defenders and world opinion, the enemy will be driven out of this land once and for all. It is not too much to hope that, when the next anniversary is to be observed, Far Eastern stability and peace so much advertised by the Japanese will become a reality through Chinese endeavor and sacrifice.

From The Shanghai Evening Post & Mercury, Oct. 21, 1937.

China And Japan: A Study

IF CHINA WINS this war by even approximate standards, it will be as much through psychology as anything else. Observation first hand and by distant report in China on the one hand, and by creditable witnesses in and from Japan on the other, lend much weight to this view after more than two months of local hostilities and three months for China as a whole.

It is most extraordinary (superficially considered) that China, which is being subjected to air-bombings, blockade, and unpleasant realization of the superior mechanization of the foe, should be keeping "heads up" considerably better than is reported from many elements of Japan. Fundamentally considered this is not extraordinary at all, but the logical and inevitable result of plainly discernable factors which should develop further with the passing of each week.

China has, in the first place, been for six years like a spring bent more and more to a greater and greater tension. From the period of the humiliating loss of Manchuria every Chinese has been itching to do something against Japan's march on the Asiatic mainland. The initial realization of their own national weakness only sharpened Chinese anguish and heaped fuel on a growing determination to prepare as rapidly as possible. In scores of ways, all lines began to draw toward national unity and the employment of every means of resistance to a cause universally felt to be that of resistance to intolerable aggression. There was no tendency toward development of a radical psychology, as pictured by the Japanese propagandists, but rather a whitening of the "Reds" who more than a year before the beginning of hostilities renounced their whole program in favor of a "united front" for combatting Japan. Of course a more radical attitude may develop with the passage of time, but the beginning of hostilities found the mass of Chinese comfortably assured that domestic matters were proceeding along accustomed lines—which may or may not be for the Chinese masses' best interest but which certainly accord in general with slow-moving Chinese psychology. Such recent shocks as had been administered in national affairs (the Sian kidnapping of General Chiang Kai-shek, for example) had all come out well and for the established order, by the popular view. The only real internal tension had been the pressures of Japan in inflicting hurts upon the nation, and Nanking's pressure to keep peace with Japan even at the cost of oppressing indignant sections of public opinion.

Thus the beginning of war meant, for China, relief. Popular enthusiasm was all for resistance, internal differences could be forgot, political prisoners could be freed, the nation could unite and test its strength. The eagerness for such a test had been manifested in scores of ways. There was no important public feeling against war anywhere to be seen.

Japan, on the contrary, had no reason for spontaneous enthusiasm for war. At various times, enthusiasms had been worked up for adventures in empire and certainly the Japanese people are docile and credulous by the Western standard. It evidently was not at all an impossible task to create a sort of synthetic enthusiasm over the departure of troops in the present instance, but the demonstrations were under orders, and subsequently abandoned under orders. A controlled press did its best to promote the idea that Chinese treachery, bolshevism and unfairness to vital Japanese interests compelled the military—who alone understood China—to resort, reluctantly, to "punitive" strokes which would be brief, dramatic, and followed by a forgiving generosity which would pay big dividends out of a humbled, grateful and productive China. Soon it was found necessary to conduct a hasty extension of the propaganda work to prepare the people for a longer campaign, while at the same time damping the patriotic demonstrations and otherwise settling down to a long haul.

Considering the obvious falsifications and distortions required to convince the people of Japan that a China war was at once necessary, blessed with a guaranteed success, and bound to be fruitful, and considering further the shock to faith in the army administered by the February rebellion of last year, and considering again the overwhelming army defeat in the last registration of opinion by the voters, it cannot be denied that the Japanese military have met with comparative success in carrying the home public along with them thus far. But the point to be emphasized is that such a process is an up-hill one in Japan while the retention of war support in China is a down-hill process.

Although things have not thus far gone too well in North China, the Chinese feel that better times are at hand in that campaign. Shanghai has been completely successful from the Chinese point of view despite the appalling losses in lives and property. On October 14 the Japanese Admiralty announced that Japanese naval aircraft had bombed 62 cities

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From The Shanghai Evening Post & Mercury, Oct. 21, 1937.

and towns in eight Chinese provinces, evidently with the hope of weakening Chinese national spirit (since few of these towns had any military objectives) yet every indication from every quarter is that tactics of that sort have only strengthened Chinese conviction that nothing good is to be hoped for out of Japan, and that the decision to fight was a right one. There is, moreover, a universal feeling that all China has to do is hang on over a period of months in order to break Japan at last; and that is what the Chinese are historically fitted to do best, and what they are prepared to do.

While the time element thus tends only to strengthen the Chinese belief that they are right, and following right tactics, the same certainly cannot be said for Japan. What the Japanese militarists have needed was a quick and successful war, not a long-drawn-out affair with Chinese "will to resist" hardening like concrete. The cost is heavy and cannot grow lighter; the Japanese taxpayer must dig ever deeper into his pockets, and the boycott checks to Japanese trade mean that those pockets have steadily less upon which to count for replenishment. Meanwhile the explanations of "why fight China?" must grow more and more difficult as the questions in even so well-regimented a nation as Japan must grow more and more pointed.

The China war is already unpopular with Japanese business and that unpopularity seems bound to spread throughout the mass of the entire population as time goes on. There seems no reason to expect any corresponding process in China during any immediately discernable future—in fact the process may quite well run in precisely the opposite direction as China's plan of a war of attrition appears to be working out successfully. It is true that China is being cut off from foreign trade and supplies in large degree, but such a thing hurts China less than it would any other comparable nation. China is historically self-sufficient, and China can live within herself once more, as she has in the past, if she must. Munitions are important but by one means and another they can be had. The war can be continued for a long time if necessary, and China is reconciled to that possible necessity. How long higher-strung and more dynamic Japan can heap up resources and hurl them against such a psychological Chinese Great Wall is a question. But China is convinced it has the general answer, with date to be filled in later.

From The Shanghai Times, October 30, 1937

BRAVERY AND PEACE

The world-wide tributes which have been paid to the bravery of Chinese troops have found a hearty echo in the minds and hearts of all in Shanghai, not excepting Japanese naval and military leaders. The prolonged resistance offered successively in the Paoshan, Woosung, Liuhong and Dahzang districts has been an outstanding feature of local hostilities, although that resistance was staged mostly in well-prepared defensive positions and at the cost of many casualties. The Chinese soldier has proved his high valour, not only here in Shanghai but on many occasions throughout history, and if, at other times, his reputation has suffered somewhat because of antiquated equipment, poor leadership, lack of discipline and dubious objectives there has come in 1937, as there did in 1932, a wealth of evidence to give the lie to those who would lightly dismiss the bravery of China's armies. What is now happening at the godown of the Joint Savings Society on North Soochow Road is an epic of high resolve, though it seems a sad waste of fine material for those beleaguered men to die holding out in a hopeless position. As an example, their sacrifice—if it has to come to that—will prove an inspiration and long be remembered as a gesture typifying the rise of a people's spirit. The bravery of those men of the Royal Ulster Rifles who undertook the rescue, under fire, of Chinese refugees stranded on the Jessfield Railway Bridge, has rightly earned the praise of all. Here was courageous expression of that instinctive humanity which all men like to feel they could show in similar circumstances, and to those who made the display in a purely volunteer way there is properly accorded grateful recognition. And when one speaks of bravery shown in this war sight should not be lost of the fact that many days of dogged resistance was offered by a relatively small force of Japanese Marines after fighting had first broken out in Hongkew, Wayside and Yangtze-poo. Foreign military observers have rightly assessed that first week or ten days of fighting as an action earning for those who waged it the high respect of all who understood the nature of their task and the strength to which they were opposed. In the landing operations at Woosung and points along the Yangtze coast there were many incidents of personal courage, and throughout the whole of the operations since there has been a call for advances in face of withering opposition.

There is no monopoly of martial ardour on either side, nor any lack of it. Brave men are not afraid to pay tribute to each other and that has been done in Shanghai. Men of courage are much the same all over the world, and from out of the Great War there have come countless monuments on all sides to the brave dead who fought for their respective countries. British, French, German, Italian, Ameri-

can and many other troops staged examples of heroism which each have gallantly recognized. Whether it was on the fields of Flanders, in the mountainous territory of North Italy, in the desert of Mesopotamia, before the bleak hills to the north of the Struma Valley, or anywhere else where separate parts of that great struggle were waged, men died brave deaths and are now honoured by their peoples. War is cruel and destructive, and in these days visits terrible hurt on all sections of the community, but it is unfair to the inner self of the human spirit not to recognize that in the waging of war men in the field display some of the highest traits of character of which man is possessed. Self-sacrifice, cool determination in face of dire danger, bravery for the sake of a humane cause—these are the finer concomitants of a process which on all other grounds has to be accounted the worst possible for the resolution of human problems and difficulties. War, despite the flowering it sees of the manly side of the human spirit and despite the recognition which is instinctively given to brave men, is indefensible when other means are available for adjusting national and international relationships. It is the lack of the use of those means, the stultification of diplomatic contacts by intransigent insistence on only one side of the argument, the negative inactivity of those whose task it ought to be to adjust human affairs according to human needs—no matter on what side of national boundaries they might exist—which is the well-spring of these physical and material disasters through which humanity seems periodically doomed to pass. If only a tithe of the self-sacrifice which war brings out were diverted to the promotion of peace, if the colossal expenditure in war were weighed against the lesser cost of peaceable adjustment, if blind and selfish nationalism could be broadened into a comprehension of the welfare of peoples as a whole, if arbitrary geographical boundaries could be forgotten in the promotion of mutual advantage through neighbourly co-operation, man would be taking constructive advantage of the intelligence with which nature has endowed him. If we could only learn to profit by the lessons of history, if we could guide instead of resist the flux and pressures of peoples and their economic needs in this world of changing technique and intercourse, if we could practise the belief of the interdependence of all nations we should have emerged out of a contradictoriness which so often now becomes the despair of thinking men. Here in Shanghai in this year 1937, in the Christian era we have seen the stuff of which men are made and it is no poor material. It is not enough to "tell for the brave"; their deaths and sacrifices constitute a challenge to man to devise constructive ways of peace in which all men can live and prosper.

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

From The Shanghai Evening Post & Mercury, October 1, 1937.

Good News

GOOD NEWS comes from Washington and Geneva. The American Red Cross has contributed U.S.\$100,000 to assist in the care of sick and injured of all nationalities in China; this money to be used by the Chinese Red Cross and other charitable organizations functioning in the area of hostilities; the League of Nations committee for Technical Collaboration in China has agreed to make available all money on hand to assist in medical, sanitary and technical help as result of a Chinese memorandum reporting acute shortage of medical and sanitary supplies and grave danger of spread of cholera and smallpox.

The need is urgent. Shanghai has a special interest in its immediate perception and amelioration. The two actions just reported should go far to change things for the better in the near future.

From The China Press, Shanghai, October 3, 1937.

A GRATEFUL NATION

IT is a grateful nation that is now looking beyond the seas at the expressions of friendship both in Europe and in America. On the one hand, immediate relief is being organised for the countless suffering Chinese, and on the other, definite measures are being agitated for the prevention of further atrocities on the Chinese soil. In this hour of national distress every Chinese is heartened to believe that the cause of righteousness is not lost and that common humanity is quick to respond to the dictates of conscience. Feebly though international morality may struggle to maintain its hold on mankind, it has never failed to command universal support at the crucial moment.

On the humanitarian side the League of Nations has practically pledged its available funds for the physical amelioration of the wounded and sick in China, both civilians and soldiers. The British Government is being urged to donate at least £100,000 to this cause, and from America a similar amount is expected to be forthcoming.

The private initiative shown by Sir Abe Bailey in calling upon his compatriots to give generously of their money to the aid of the Chinese is indeed most admirable, and so must be the leadership assumed by the Archbishop of Canterbury, the Archbishop of Westminster, the Archbishop of York and the Lord Mayor of London in attaching their personal endorsement to an appeal to be addressed to the British public. Whether the actual amount raised will be impressive or otherwise, the Chinese people cannot but feel a sense of gratitude which mere words can scarcely convey.

On the economic side the movement organised by British labor to boycott Japanese goods and to refuse the supply of Japanese requirements is attracting international attention. While medical relief may lessen the physical hardships of the Chinese, a tacit severance of economic relations will help to remove the factors which have brought about such hardships. The two movements are complementary: they will achieve the maximum good only when they are fostered together and with equal vigor.

On the success of the boycott no one is in a better position to speak in Shanghai than Mr. Frederick Louis Kerran. In an interview with this journal yesterday he declared that he was "absolutely certain that the whole of labor and trade union movement in Great Britain will rally to the cause of the Chinese people" and that he had "no doubt that effective plans will be organised to carry the economic boycott against Japan into effect."

Behind the two movements stands the sympathetic British press. Its editorial condemnation of Japanese massacres in China has doubtless lent much weight to the popular clamor for preventing further recurrences.

In America the latest clarification of the United States Government's policy vis-a-vis the Sino-Japanese conflict tends to confirm more than ever our conviction that its traditional friendship for the Chinese is by no means on the wane. The leading American journals have almost to a man condemned Japanese vandalism in China, with the result that the American public may be slowly prepared for such effective measures as the White House may decide to enforce either on its own authority or in conjunction with the other Powers.

Thus the world is fast moving toward concerted action in the Far East. It should be made clear, however, that international sympathy for the Chinese people must be distinguished from international agreement to shoulder the burdens of war for the Chinese. What the two movements signify is simply the universal determination to eliminate barbarism from military operations and to force Japan to pay heed to the elementary requirements of civilised warfare as well as to the tenets of international law.

The task of evicting the Japanese from the Chinese soil still remains primarily the task of the Chinese themselves, even though an economic boycott may conceivably shorten the period of war by depriving Japan of external supplies. With the spontaneous manifestation of goodwill by the friendly Powers, the Chinese should redouble rather than reduce their heroic endeavors to win the war. For the world-wide sympathy and material assistance there is no better way of proving appreciation than by strengthening our resistance and ridding Japan as well as the other nations of the menace of militarism so flagrantly bent upon conquering the world.

From The Shanghai Times, October 4, 1937

WESTERN HELP IN CHINA'S TRIALS

The noise made round the world by the outbreak of hostilities between China and Japan will probably be found to have been too big to last. While general sympathy with China is not likely to die out, it is already quite obvious that the notion entertained by some people, both Chinese and Occidentals, that it is the duty of the rest of the world actively to bear China's burdens is an exaggerated one. The majority of thinking Chinese fully realized from the beginning that the responsibility for carrying on the war, once started, must rest upon the shoulders of their own people and that foreign intervention was not a very likely proposition. The assistance which China can most depend upon from outside sources will be medical aid to combat the diseases which follow in war's wake in a country like this and the willingness of certain countries to supply her with munitions. Presumably, however, the latter will not be a free gift; they will have to be paid for sooner or later and very large orders may place a considerable strain on the country's finances. On Friday afternoon last, the League Council, in private session, unanimously adopted the report forwarded by the Committee for Technical Co-operation with China. This report recommended that all available resources of the League should be used for organizing immediate action against epidemics in China and that the League Assembly should be invited, at its next session, to increase the credits voted each year for technical co-operation with China, as the League's resources at present available are insufficient. It is stated that the unanimous adoption of the report by the League Council did not completely satisfy the Chinese delegation, who desired that medical assistance should be granted not only to victims of epidemics but also to the victims of hostilities. It appears that the Polish delegation was fearful lest the giving of medical assistance to China by the Powers might come to bear a political countenance, while the British delegation suggested that supplementary credits should be granted by the Red Cross and other private organizations rather than by the Governments concerned. It strikes us that the latter is a good suggestion and its adoption would prevent any recriminations later that European Governments were

actively assisting China to carry on war under the guise of giving medical assistance.

China's great need at the moment in connection with the struggle against sickness and suffering undoubtedly lies in the provision of an adequate supply of medicines and medical equipment. Of recent years great progress has been made in this country in the provision of clinics where the poor can receive treatment either free or at a very modest charge but this service, good in its way, is not existent in every part of the country and in some places medical resources are extremely scanty. The large number of refugees assembled in many centres, caused by hasty evacuation of homes destroyed in the course of hostilities, especially through aerial bombardments, greatly complicates the problem of maintaining the health of the people of this country at a reasonably high standard and there is the danger ahead that, if the war should last long, and large areas of the country be laid waste, serious epidemics might occur. Such epidemics might—and probably would—affect neighbouring countries considerably and even constitute a menace to the world at large. The demands for medical equipment for the field hospitals and other wartime medical institutions has already made serious inroads upon the country's reserves—at no time very large. That the need is great is shown by the fact that in reply to a telegram received from the Chinese Red Cross asking for aid, the British Red Cross has sent the medical supplies most urgently needed to China by air. As for personnel, the work of training men and women to take their share of public health effort should go on in an intensified manner. We do not know how far the work of the Central Field Health Station has been interrupted by the war but it is most essential that public health workers should be continuously trained to supplement the administrative functions of the National Health Administration. Thus, while the Western nations can be depended upon to assist China as much as possible with respect to her medical needs in the present period of severe trial, it is clearly incumbent upon the National authorities, with the assistance of the wealthier and more educated classes of the Chinese people, to put forth a worthy effort to maintain the standard of public health. We have no doubt that they will do so.

From The China Press, Shanghai, October 24, 1937.

THE REFUGEE PROBLEM

THE problem of providing food and shelter for the tens of thousands of refugees in Shanghai has been given much attention in the press both editorially and through correspondence. It is gratifying to note that constructive effort is now being organized to tackle it through the Shanghai International Red Cross or Shanghai International Committee of the Red Cross Society of China.

The Committee is headed by Dr. W. W. Yen, who is assisted by Father R. P. Jacquinet, Messrs. L. R. Jones and L. W. H. Plant, as well as other prominent Chinese and foreign civic leaders. The participation of leading citizens of Shanghai is an adequate guarantee of the steady support from all quarters and also of the wise distribution of relief among the needy.

There is another phase of the problem, however, which is as important as the solicitation of funds, and that is the employment of refugee labor for productive or useful purposes. To that end the Committee is understood to have

appointed a Labor Project Sub-Committee under the Refugee Sub-Committee, with Dr. John E. Baker as Director.

It is needless to point out that charity in the modern sense does not consist in merely giving for the asking but in helping the needy to help themselves to get on their feet. Should the refugees be provided with food and shelter on the one hand and with no work on the other, the demoralising effect is self-evident. Some of them may perhaps relish the idea of utter idleness, but most of those who have become destitute because of the ravages of war may have too much self-pride to feel happy as virtual paupers and a burden on the public.

Dr. Baker and his associates have rightly decided to seek employment for the local refugee labor, particularly in view of the possibility that the Sino-Japanese war may be indefinitely prolonged. In normal times the refugees may be put to work in repairing highways and similar projects in the country, but with the Japanese forces bombing and machine-gunning non-combatants as a daily routine, one could hardly suggest sending the refugees on the dangerous mission of undertaking peaceful jobs in the affected regions.

It follows that any employment which may be given to the refugees must be provided locally, that is, in the international Settlement and the French Concession. Along this line the Labor Project Sub-Committee is reported to be working, and it would be to the interest of the public as well as to the refugees themselves if local residents would give this problem their individual attention and submit proposals as to how the refugee labor may be used to the best advantage within the two foreign administrative areas. We are sure that members of the Shanghai International Red Cross will be prepared to consider proposals of this nature and, if found practical, to carry them out as far as circumstances will permit.

It is to be borne in mind that with the approach of the cold weather the refugee problem will become more acute. It would be a grievous mistake to think that it can be solved by a handful of men, however willing and able they may be. The problem is one concerning the entire community, and the entire community must help to solve it.

From The China Press, Shanghai, October 31, 1937.

NATION-WIDE GRATITUDE

MAYOR O. K. Yui has voiced the sentiment of the whole nation in expressing deep gratitude for the spontaneous assistance rendered by the foreign defence 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.

Eye-witnesses, both Chinese and foreign, can still recount the scene of horror enacted by the Japanese planes dispatched on a mission of bombing the Chinese, mostly women and children, who were trying to escape from the areas occupied by the invaders, to the southern bank of the Soochow Creek. The horror was mercifully minimised by the physical succor promptly offered by the British sentinels, while the feeling of revulsion against the invaders' brutality has been lessened by the gallantry and humaneness so generously made by the British soldiers.

Nor can one fail to appreciate the repeated offers made to induce the Chinese "Doomed Battalion" to disarm and to seek shelter within the sanctum of the International Settlement. The heroism displayed on the one hand and the admiration shown on the other cannot but kindle in Chinese hearts a feeling of kinship with all those who are so manifestly in sympathy with their national cause.

Especially are the Chinese grateful for the neutral attitude assumed by the foreign defence forces. One case in point is worthy of special reference. When two Japanese motor launches conveying Japanese troops to attack the members of the "Doomed Battalion" were approaching the Chekiang Road Bridge, they were immediately halted on the valid ground that the Japanese were intruding into the sector assigned to another national group for protection. This demonstration of strict neutrality has been most gratifying, for it is only neutrality which the Chinese are asking in this bilateral conflict.

The spirit of the rank and file of the foreign defence forces is also to be found in the orders issued by the British and American high commands in Shanghai. Airplanes of either Chinese or Japanese nationality which attempt to shoot at the defence posts or civilians will be fired upon. The orders given to that end do not draw any distinction between Chinese and Japanese flags. Inasmuch as the Chinese have always scrupulously observed the elementary tenets of humanity, it is certain that no incident will occur on this account. It remains to be seen whether the Japanese, who have repeatedly offered assurances of similar observance, will make good their pledge.

While we are voicing our gratitude to the foreign forces, we cannot but be moved by the killing and wounding of British and Italian soldiers who have so loyally defended the International Settlement in the greatest crisis in its history. On the part of the Chinese, every precaution has been taken to avoid inflicting any suffering on neutral nationals, and with the exception of two or three regrettable incidents, it may be said that they have deported themselves admirably well, considering the duration and extensiveness of the military operations.

With the change of the scene of war, the danger of stray shells and bullets will necessarily be shifted to different sectors of the Settlement and the French Concession. As may be evidenced from the careful avoidance of the two foreign administrative areas by the Chinese air force of late, the sincerity of the Chinese to respect the personal safety of local residents cannot be doubted.

If it should happen, as it has unfortunately happened, that Japanese gun fire drawn by the Chinese defence should be misdirected in range and accuracy to the detriment of friendly nationals, the Chinese authorities and people cannot but feel profound sympathy, though the responsibility must rest with the Japanese who are wont to play havoc with human life by random shots.

As the war progresses, the need of the Chinese for understanding and friendliness will become greater. The past must be a true indication of the future, and the need will surely be met more abundantly.

from The Shanghai Evening Post, dated October 20, 1937.

North Of The Creek

IN AN EFFORT to clear up the Japanese attitude toward the International Settlement's "North of the Creek" areas which are now under the domination of the Japanese Naval Landing Party and have been since the beginning of Sino-Japanese hostilities, this newspaper put certain questions to a Japanese spokesman who afforded a reasonably full elucidation of a complex, abnormal state of affairs.

He declared it was incorrect to say that the Japanese take the position that "North of the Creek" is now a civilian area, but on the other hand it is not construed to be "held by the military" nor is it under martial law. The situation is that the Japanese have only enough naval forces ashore to provide for patrol.

The reason civilians are not allowed in this area freely was stated to be due to "military exigencies" including proximity to the front lines and the guarding of military secrets. Some Japanese civilians live in this area but not even they are allowed in all parts.

During the course of the interview, the spokesman took the attitude in effect that the Japanese "defense area" was similar to that held by other foreign military forces. It was pointed out that the Settlement had declared no State of Emergency, and that therefore there had been putting into effect of a unified foreign defense plan in which the Japanese would be partners, as in 1932. Likewise the Japanese were imposing restrictions on the area under their control which had no counterpart in areas under control of others. The spokesman's reply was that the holding of the various defense areas was a result of conditions if not of the defense plan as in 1932, and that the special restrictions in the Japanese-controlled area were due to the fact that Chinese had attacked the Japanese lines, whereas this was not the case regarding the lines of other foreigners.

When it was suggested that civilians might be allowed to pass freely to their properties in Hongkew and Yangtzepoo on an understanding that it was at their own risk, it was replied that to provide statements to this effect would be practically equivalent to obtaining the passes now being made available once more on application of persons with business in the areas. Restrictions will be dropped when hostilities move farther from the area, it was pledged.

All this impresses us as more straightforward than some of the utterances recently reported, perhaps not with the fullest accuracy. One can accept a "hard-boiled" assertion of temporary military necessity with better grace if it is made directly, if it is accompanied by efforts to relieve the situation as much and as often as possible, and if it is made clear that those in occupation are not presuming on an emergency situation either to extend their authority unduly or to prolong it beyond necessity.

We are not yet convinced that the recent complete stoppage of access to the Hongkew-Yangtzepoo areas has been warranted by any apparent necessity, military or otherwise; but at the moment we see no reason for pressing this point if passes are really being issued with freedom and fairness—a case where the test of the pudding must be in the eating. There are vital business interests to be looked after which can be cared for without the slightest jeopardy to Japanese military secrets; which can in fact be attended to under Japanese supervision, if desired, for businessmen seldom care about standing on principle in such matters if there is a way to get the job done. Certain foreign good-will will be fostered by a generous yet businesslike attitude on the part of the Japanese with regard to giving as full access to "North of the Creek" as possible to all who have legitimate affairs there.

As to the reported Shanghai Municipal Police action in laying down rules against Chinese access to this area, we seem finally to have unraveled the actual facts which are not exactly in accordance with the original report.

Although a high Shanghai Municipal Council official confirmed that the police had issued such rules, endorsing this action both as a means of protection to the Chinese and as a symbol of continued S.M.P. authority in the now Japanese-controlled area, the fact appears to be that the rules were issued by the Japanese military authorities and through the S.M.P. In other words, the police were acting as a soundingboard for Japanese instructions.

This is conceivably better than for the police to frame the rules themselves, but it is a debatable point. Some may very well think that it puts the police in the position of ventriloquist's dummy. It certainly makes the police appear to be the point of origin of an order limiting the actions of people contributing a majority share of the municipal rates, and the presumption is that if necessary the S.M.P. will assist in enforcing this Japanese order.

We incline to think the S.M.P. will be wise to keep a hands-off attitude while the Japanese military is in actual control. Let the Japanese not only make, but both promulgate and enforce their own prohibitive rules if they so elect. It is not advisable to confuse the issue by lending police support to prohibitions which are no less illegal because based on plea of military necessity.

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

From The Shanghai Times, October 30, 1937

FACING THE OBVIOUS

One of the subjects uppermost in the minds of many residents of Shanghai is, of course, the question when it will be possible to secure the opening up of the Hongkew and Wayside districts which are now under Japanese military occupation and from which all civilians, except those in possession of specially issued passes, are excluded. It appears that on Thursday four members of the Consular Body called upon the Japanese Consul-General to discuss the matter. It is quite clear, however, that the answer to this question does not yet lie wholly in Japanese hands. So long as the Chinese batteries remain intact in Pootung and the Chinese Air Force is in a position to stage almost nightly raids over the areas in question it must be obvious to anyone that they are unsafe for general use and habitation. Even if the Japanese military were to agree to raise no objection to the general public entering Hongkew and Wayside once again it is clear enough that they could not at present prevent the Chinese firing into these areas. If it is ardently desired by the Consular Body that Hongkew and Wayside be reabsorbed into the general life of Shanghai at the earliest possible moment it will be necessary to secure not only the agreement of the Japanese military but also a definite undertaking from the Chinese forces that they will direct no kind of attack upon these areas henceforth. The fact that some damage was done to the property of the Shanghai Waterworks in Yangtzepoo during the hostilities on Thursday shows how dangerous conditions still are. The only conclusion to which we can come is that it would be folly to attempt to pretend that conditions "north of the Creek" can be normalized under present circumstances. It is true that the Chinese troops have left Chapei, which immediately adjoins Hongkew but the danger from shell and aerial bomb is almost as great as at the beginning of hostilities.

from The China Press, Shanghai, October 31, 1937.

THE COUNCIL'S STAND

Mr. Stirling Fessenden, Secretary-General of the Shanghai Municipal Council, is reported to have informed the Central News Agency that 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, and that this decision applies both to the maintenance of peace and order and to the administration of the International Settlement.

The statement made by Mr. Fessenden, needless to point out, is bound to produce a reassuring effect on the entire community. The position of the Council has been rendered difficult by the defection of one of the Powers responsible for its administration. The assignment of the district north of Soochow Creek may be viewed at best as an expedient solution to a bad situation, though the use of a part of the International Settlement as a base of military operations against the territorial sovereign can scarcely be defended on legal grounds.

With the Council, however, the residents have been induced to examine the situation from a practical standpoint, and accordingly no serious effort has ever been made to embarrass its administration. The time seems to have come not only to preserve the rest of the Settlement intact but also to ask the Japanese to withdraw from the sector occupied by them as a "military necessity."

The withdrawal of the Chinese forces from the northern part of Shanghai and the advance of the Japanese far beyond the Settlement limits in the north have automatically put an end to that "military necessity." If the Japanese had the slightest reason for appropriating a part of the International Settlement to their own use and destruction, that reason no longer exists now.

Enough damage has been done to property of other foreign nationals as well as civilian Chinese for whom the Japanese have avowed the truest "friendship," and no time should be lost to enable them all to salvage what is left. Once more peace should be restored to the ravaged area, and once more the International Settlement authority must be extended to the fullest extent.

In advancing this suggestion we are, not unaware of the numerous difficulties likely to confront the Council. Yet the record must be kept clear. If the Japanese should remain obdurate, the responsibility must be theirs. The Council in its own interest cannot tacitly acquiesce in continued military occupation when no "military necessity" obtains.

From The Shanghai Times, October 1, 1937

FINANCE IN CHINA

As time goes on it becomes more and more apparent that further relaxation in the emergency measures taken by the Ministry of Finance and the four Government banks is needed if the monetary situation in Shanghai is to be made adequate to the community's needs. One understands quite readily that the Ministry has the very important duty of preventing an outflow of capital—an outflow that would undoubtedly take place if unlimited cash withdrawals and the buying of foreign currency were allowed. It was ostensibly to protect the currency against a terrific strain, against the demand for foreign currency being greater than the ability of the Central Bank to provide, that the present regulations were devised. But to achieve that object methods have been adopted which have had the disastrous effect of immobilizing for internal circulation the vast majority of the cash which depositors had with the banks when the emergency closing took place on Saturday, August 14. Certain measures have since been taken designed to alleviate the situation and to facilitate the internal flow, but the unsatisfactory character and inadequacy of those measures is known to all business men of all nationalities in this city. There are a number of technicalities in connection with the Wei Wah system into which it is not necessary here to go, but the great fact is that cheques of that name—call it "transfer money" or what one will—are not currency and are finding little or no acceptance for the ordinary purposes of business. What has been described as "blocked currency" or "deferred" at all until it is made to fulfil the functions of currency, and that it does not now do. The Government itself does not accept Wei Wah cheques; how can business people do so? Within the circle of Chinese banks there can be the transference of credit from one individual account to another, but business cannot be wholly done by book entries. Cash is required in a hundred and one different ways and until greater liquidity is conferred on the vast sums of money standing to the credit of depositors in

Chinese banks there is bound to be a tying up of business which might otherwise help Shanghai out of some of its difficulties. As Mr. E. Kann pointed out in this week's "Finance and Commerce," the liquidity or otherwise of deposits in Chinese banks "will determine the pace of trade recovery in Shanghai."

Instances could be cited galore to prove that the present monetary situation is adding considerably to the worries of the moment. A great many undertakings cannot take Wei Wah cheques in payment of monies due to them for the simple reason that these concerns have current obligations which can only be paid for in cash. Surely it is not impossible to devise a scheme whereby internal liquidity could be achieved without throwing wide open the door to the egress of capital. Measures of control in that regard—in co-operation with foreign banks—ought not to be insuperably difficult of design. It has been widely suggested that the cash position of some of the Chinese banks is itself in need of artificial protection, but as the Ministry of Finance is the controlling body of currency and should have at its disposal for sagacious manipulation practically all the currency of the country it ought not to be beyond its powers to have a sufficiency of cash here to take care of internal requirements. Laymen readily recognize that there are intricacies in this matter and also that the maintenance of the exchange value of the dollar must lead to the greatest care and caution being exercised but it would be an extremely constructive act if the vast amount of money which is virtually frozen today, or even a liberal proportion of it, could be made available for the ordinary purposes of business. The absence of clearing facilities between the foreign and Chinese banks is also a serious handicap which, if liquidity were conferred, would be almost automatically removed. We have gone through seven weeks of restriction, but if this war is, as so many prognosticate, going to be a prolonged affair we shall suffer more than we otherwise might if no monetary and financial relief is forthcoming. This is so important a matter that it deserves the most serious consideration of all concerned.

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From The Shanghai Evening Post and Mercury,
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Shanghai's Troubles

PROSPECTS of commercial Shanghai are certainly not precisely bright. In the words of *Finance and Commerce*, in fact, they may be said to "still remain under a heavy cloud." This organ comments further as follows:

During the past week, former residents of the Settlement's war area were able to return to their old homes to retrieve some of their personal belongings. Over the week-end arrangements were made under which commodities of various kinds and some of the foodstuffs stored in the many godowns north of the Soochow Creek, were brought to the warehouses in the Central and Western districts. For two days there was an incessant stream of lorries passing to and fro over Garden Bridge, from which activity, incidentally, all truck-owners must have made very substantial profits.

The supplies obtained will doubtless contribute towards the alleviation of some of the immediate food problems, and, now that importers can put their hands again upon a portion of their stocks, it may be possible for them to do a little further business, if their dealers can be found with the cash ready to take delivery.

But even so, it is only a small and battered part of a once large and prosperous market that can be touched. The needs of the local community still have to be met, and this may be accomplished, in time, without very much difficulty. It is conceivable that a shortage will develop in certain lines and that importers, with the required stocks in their possession, will have little trouble in getting rid of them at very satisfactory prices. This, however, will be a merely temporary phase of profitable business.

While the country as a whole remains closed by war to all ordinary commercial traffic, Shanghai's means of livelihood will be cut off and there will be little more than a precarious existence for anyone.

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

from The North China Daily News, dated October 12, 1937.

KEEPING COMMERCE GOING

The unobtrusive manner in which the coastal steamers are keeping open the sea routes between various places in China and are stimulating the morale of commerce is evident to anyone who reads the daily accounts of the arrivals and departures here. The Shanghaider is too well acquainted with the habits of them who go down to the sea in ships to lack appreciation of the services which the local mercantile marine is thus rendering to the community. It is desirable, however, that the companies which are administering these lines and, especially, the personnel of the vessels concerned should have some explicit assurance on that point. These are not normal times as every business man in Shanghai has ruefully to acknowledge. The effort required to bring in these ships, to take them from port to port, to cope with demands for cargo space, to handle unexpectedly importunate passenger traffic and to pretend that the impish combination of weather, warfare, human eccentricity and international emergency requires merely a gallant gesture from the bridge to defeat, has to be studied to be fully understood in all its bearings. When, as is reported to-day, a hardworked ship insists that Shanghai can do without bananas, takes the Royal Navy to witness the truth of that assertion and yet finds that ingenuity has converted her deck into a banana-covered expanse, it will be agreed that seamanship and navigation do not cover all the responsibilities of the mariner's life nowadays. Nor should it be forgotten that when a ship has reached the goal of one of these variegated journeys, she has precious little time for that process known as "turning round". For that schedule has to be kept, however much it be interrupted between port and port. The tribute due to such resourcefulness cannot be warmly enough paid.

From The Shanghai Evening Post & Mercury, October 12, 1937

Yangtze Traffic Resumed

AS RESULT of the first crossing of the Yangtze boom by freight service from Shanghai interior-bound, it is forecast that a regular Shanghai-Nantungchow operation may be inaugurated with a view to resuming interior trade.

At the same time, it is learned that other traffic has been moving inland by interior waterways, recalling a day when canals formed the major arteries of the country. All these enterprises indicate that regular trade may once more become moderately active, affording at least a measure of relief (in conjunction with coastal shipping) to the temporary stagnation of this port.

The fact cannot be dodged that Shanghai's plight may well become bad if or when this city is cut off from rail and motor connection with the interior. Unless the river route can be used, we may all be in the position of the people on the desert island who made their living by taking in each other's washing. While that sounds like a joke, in practical application it might prove far from funny.

It seems inevitable that Shanghai's currently thin time is not likely to become fatter in any immediate future. The period of devastation should not last forever, but the period of trade and industrial stagnation may be prolonged for many months. North China at the moment seems least troubled in this respect (Canton having her worries over the frequent cutting-off of the Hankow railway) and an arrival from Tientsin informs us that both that port and Peiping show unmistakable signs of recovery and even of actual boom.

Our situation is by no means hopeless, and in fact by any long-term view Shanghai must regain its former position. Reconstruction will put a great many to work, when the time for such activity arrives. Shanghai is naturally favored by factors which nothing can permanently impair, and both trade and industry are bound to pick up as soon as Mars permits. Already the Industrial Section of the Shanghai Municipal Council is reported to be welcoming the return of certain industries and doing all that it can to encourage and co-operate with them, but for the time being it is clear that industry must chiefly serve local needs.

Free communications have value never better realized than in times like the present when communications are halted. It is decidedly encouraging to note any successful effort to restore movement of cargoes in and out of Shanghai, and we trust that the Yangtze route may be developed further.

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DN 10/20

ON GETTING UP

When sickness, grave or light, overcomes anyone between the phases of articulate childhood or inarticulate old age, the indomitable spirit which is in man invariably makes an early—usually too early—petition for medical grace to “get up”. The doctor demurs, makes a kindly promise of future complaisance but for the moment prescribes patience and no desertion of the sick bed. So it is not surprising that Shanghaianders who are nothing if not indomitable should be at pains to discuss ways and means of extricating their city from its present affliction. The diagnosis of their condition has lately been forthcoming in a courageous review by “Finance & Commerce”, extracts of which were reproduced in this journal. In brief the argument was that Shanghai must be prepared to face “hard times” but should not plunge so deeply into despair as to talk about “collapse or anything approaching it”. Shanghai just now is showing a mild improvement on conditions obtaining a month ago, partly owing to special activities arising from the local war itself and partly owing to the capacity of its own fat to provide it with sustenance for the time being. That means, of course, that further deterioration is to be expected and that it will be accentuated by the probable state of isolation which continuance of hostilities in China generally will produce. Over the critical period Shanghai may look to be carried by the determined efforts which are being made to keep the current of commerce flowing. Yet even that picture may be too dark. The patient, however, must not depend on being allowed to “get up” too soon. The malady has not run its course. The application of remedies has to be deferred until it is possible to ascertain the actual extent of the inroads made on a robust constitution. Meanwhile Shanghai has to be grateful for the die-hard spirit of its citizens, Chinese and foreigners alike. They have not allowed the immensity of the disaster to daunt them. They are ready at the slightest sign of encouragement to start the ball of commerce rolling again; they have definitely succeeded on a modest scale.

In due course it will be appropriate to consider the possibility of providing against future threats to Shanghai's security. It is natural that thoughts should already be turned to that problem. It is necessary, however, to confess that the time is not ripe for more than academic speculation on it. Until there is ground for defining the political conditions created by the struggle still proceeding it would be a mere waste of energy and time to proceed beyond the assertion that some means should be found to maintain Shanghai's status as a world city ministering to the commercial requirements of China and the Far East. Much will de-

pend on the outcome of the Brussels Conference. The matter may be left there, so that Shanghaianders can concentrate on the effort to carry on. Past history shows how remarkable are Shanghai's powers of recuperation. Even if it be admitted that the present is the gravest blow ever inflicted on the city, there is no reason to believe that those powers will fail although they will no doubt require more time for their exercise. Prophecy cannot be attempted with any degree of satisfaction; it will have been noted that “Finance & Commerce” argues that there is “little likelihood of any fundamental change in Shanghai's commercial situation during the next twelve months”. That conservative estimate should not be regarded as menacing. It should brace every citizen here to the effort which preparation for recovery demands.

So Shanghai may be forced by doctor's orders still to keep in bed but it will not allow itself to be reduced thereby to complete inactivity. Daily the symptoms of its malady will make their demonstrations. Thunder in the air, wreckage on the ground, casualties, suffering and distress cannot be at once eliminated. Yet the essential currents of social and economic life are kept running, feebly perhaps here and barely discernible there, but they are not completely blocked and each day may see a removal of obstruction if vigilance be allied to alert initiative. The coming of the winter season which, judging from the crop reports in the interior, could have been so full of prosperity for Shanghai as for China as a whole, gives a stimulus to well-devised co-operation. Fortunately there is no sign of panic or ill-considered despair. Shanghaianders are not inclined to take rebuffs lying down. That was signally shown when uncertainties at the beginning of the crisis gave rise to the fear that this city was to be left to its fate. With one accord merchants who identified themselves with Shanghai repudiated acceptance of any such policy of scuttle. The firmness met with immediate response. From that moment there could have been no real anxiety for Shanghai's future. Political conditions may change, but adaptability has ever been a mark of the growth of Shanghai and will not fail in the solution of this crisis, whatever form that may take, always assuming that statesmanship has not entirely lost its grip of realities.

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SHANGHAI SITUATION

With the winter approaching and no immediate prospect of hostilities in this area coming to a conclusion, Shanghai is faced with a number of difficult problems such as the keeping of the maximum amount of trade and industry going as may be possible, the maintenance of food supplies at reasonable prices, the preservation of the public health, and the care of the refugees and unemployed. Seeing that the trade of Shanghai is the very lifeblood of the city upon which all else depends it must be our paramount consideration to do all that we possibly can to maintain it at the highest possible level. Conditions being as they are, it is quite obvious that we cannot see far ahead as to what the future conditions for trade may be but it is incumbent upon the commercial community to do all that it can in the way of carrying on temporarily. The seriousness of the blow which the city's trade has suffered on account of the war is shown by the figures contained in the Shanghai Monthly Return of Foreign Trade for September issued by the Maritime Customs. Comparison with the January-August figures shows that imports from foreign countries into Shanghai during September totalled only \$7,319,744 against a monthly average from January to July of nearly \$63,000,000. Exports to foreign countries during September were valued at \$27,932,447, against an approximate monthly average for the first seven months of the year of \$43,000,000. Under all the circumstances this export figure for September is a remarkably good one and it will be both interesting and important to note whether it will be surpassed in the returns for the present month. These September export figures contain such items as animal products \$4,072,483, oils, tallow and wax \$4,291,821, tea \$2,786,564, textile fibres \$4,046,636, and ores, metals \$5,015,018. That such considerable quantities of these products could have been shipped abroad during such adverse circumstances as prevailed in Shanghai during September speaks well for the grit and energy of those commercial men who were concerned in the operations. It is of interest to note that quite a

considerable quantity of Chinese products are still being brought into Shanghai although we believe the majority of shipments have been made from stocks already stored in the city. It is obvious that the future prospects of trade, like a good many other things, fundamentally depend upon the progress of military operations and the extent of the duration of the conflict. All then is uncertain, and it is a matter of carrying on as carefully and methodically as possible from day to day.

While there is no real shortage of food supplies, prices have gone up considerably and the cost of living is definitely higher for all classes of the community. So long as ships are able to enter and leave the harbour, stocks of food here can be supplemented from abroad but if the present situation obtains for any length of time it will become necessary for much larger supplies to be drawn from outside resources and at such prices as will by competition alleviate the cost of living in the port. Despite the disorganization in a wide area of the countryside caused by the extensive military operations there is still a good flow of country produce into the city. Prices of fresh vegetables, eggs, poultry and meat have been enhanced but for those who can pay there is no difficulty in getting what is required. Next to the securing of proper and adequate food supplies, one of the most insistent of wartime problems is the preservation of decent health conditions. In Shanghai, this problem has been made difficult by the influx of tens of thousands of homeless refugees liable to the ravages of specific diseases and who have been deprived of the means, in many cases, of keeping themselves in even a moderately decent condition. Thanks to the public-spirited devotion of a number of Chinese and Foreign medical men and others, the refugees in the various camps established for their benefit have been cared for as adequately as the stress of circumstances and the limitation of funds would allow. On the whole, the bill of health is far better than it might have been. Cholera, which caused some alarm a little while back, is now on the wane, although intestinal diseases continue to be prevalent. With the coming

of the cold weather, there is always the danger of smallpox but vaccination against this disease has been vigorously proceeded with and it is hoped that any serious incidence may be averted. There are still over 56,000 refugees in the 125 camps under the inspection of the Public Health Department of the International Settlement and the prolonged existence of so many destitute people in our midst must continue to constitute a grave burden on the community.

The situation with regard to unemployment is somewhat obscure. Unemployment among Chinese industrial workers is grave and a great many other Chinese have also lost their jobs. Unemployment among foreigners, particularly among the Russians, has become noticeably increased and a large number of people have already had to be relieved. The Chinese authorities are doing their best to get as many Chinese industrial workers back to business as possible and a committee is at work trying to stimulate business. We fear that their efforts can do little more than touch the surface of the problem, so long as the city is practically invested by warring armies. The suggestion has been made in Chinese circles that industrial concerns should move up country and re-establish themselves in warfree spots, taking with them as many experienced workers as possible. In a few cases, we believe, this has actually been done but it is pretty certain that it is impossible on anything like a large scale. To a large number of foreigners, it must be surprising how the large Chinese population of Shanghai has been able to carry on so many weeks with such greatly diminished means of gaining a livelihood. The same thing has struck observers in other parts of China at other times but in somewhat comparable circumstances. Together with what seems to the Occidental a very low standard of living, it would seem that the Chinese masses possess a wonderful resilience all their own. It would be no exaggeration to say that the Western city were called upon to pass through all that Shanghai has suffered during the past nine weeks the population would have shown far greater visible distress.

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DN 1014

CONFUSION OF THOUGHT

The fiercely vocal agitation in Great Britain for the boycott of Japanese goods or for some form of economic pressure to be brought to bear on the Japanese Government is supported by well-meaning organizations and certain prominent men and women in British public life. The British Government has firmly refused to countenance the movement and may, eventually, take specific action to correct developments which might accrue from it. Industrial and commercial opinion does not favour direct action of that kind and China would be wise to reject any suggestion that such abstention is purely formal. From America has come a definite repudiation of the boycott theory on the sound ground that it cannot be propagated except by stirring up hatred, that its practical effects would be long-delayed and that in the meantime it merely would strengthen the hands of the militarists in Japan. Already it is discerned that the boycott proposal mainly rests on excessive exploitation of the reports of aerial bombing of Chinese cities. This is understandable as the movement demands for its success those broad effects which can be obtained more readily by flamboyant appeals to emotion. This seriously weakens China's case. As this journal has pointed out, the decision to bomb a large number of Chinese cities, many of which even by the greatest stretch of the imagination can hardly be called military objectives, is a gross defiance of humanitarian principles and heavily discounts the value of Japanese assurances. Yet the agitation is as indiscriminate in its citation of examples as the bombing is alleged to be. The result is that Japanese spokesmen can immediately evoke sympathy by concentrating attention on those activities by which it is difficult to deny that military targets were sought and, in many cases, hit or narrowly missed. This has encouraged Japanophiles to come forth with specious assertions to discredit all charges however well substantiated. They are wrong, of course, for, contrary to the impression which they seek to create, appalling tragedies have happened in Hong-kew and Yangtzepoo and have no connection with aerial action. It must, however, be firmly said that the bandying of "atrocities" charges is an arid occupation. It invites *tu quoques*, as has already been observed by Japanese emphasis on Tungchow and on the tragedy of "black Saturday" in Shanghai. It develops a fanatical antagonism which sweepingly indicts a nation and, thus, delays the operation of healing processes essential to the termination of hostilities.

British objectors to bombing from the air are not on a good wicket. They cannot disclaim all responsibility for the failure of the Disarmament Conference to arrive at an international interdiction of that form of warfare. It is true that the British attitude was partly swayed by the conviction that such a ban would be impracticable for, once warfare had begun, the conversion of any form of aeroplane into a bombing machine would be simple and inevitably occur. Yet there was also the undoubted fact that the British reservation was expressly framed to retain the power of bombing from the air in carrying out "policing operations" in Iraq—at that time under a British mandate—in Palestine and on the North-West Frontier of India. It will of course be urged in reply that in carrying out bombing operations, as the recent campaign in Waziristan showed, the Royal Air Force takes most elaborate precautions to give notice for the clearance of the affected area well before the bombing begins. In addition to the dropping of

warning leaflets, emissaries are sent to induce the civilian inhabitants to evacuate the area with their families and cattle so that the action is as far as possible confined to the bombing of combatants and the destruction of their lairs. This may all be admitted, but it does not alter the fact that the whole question of bombing cannot be satisfactorily discussed by appeals to popular emotion on the basis of information which, although circulated in good faith, does not possess the high degree of accuracy necessary to the formulation of an indictment. Although there is an evident discrepancy between official Japanese assurances and the results achieved by some of their airmen, it is only fair to say that maps recovered from the bodies of dead Japanese pilots at Nanking have shown that the air force staff took precautions to mark those maps for the guidance of the bombers with symbols to indicate what were and what were not military or quasi-military objectives. This is said with no desire to qualify the condemnation which this journal has considered it necessary to pass on the recklessness of certain Japanese slaughter of civilians from the air, whether in the Shanghai area or further afield. It is brought to notice with the object of showing that judgment on the subject requires a dispassionate treatment altogether impossible for the organizers of a boycott campaign.

There remains the grave injustice which this exploitation of emotion does to China herself. Into the background is thus thrown the basic issue on which China's appeal for world sympathy rests. The reaction of intelligent men who refuse to be led into an untenable position created by ill-advised and ill-informed fanaticism naturally encourages counter-propaganda to obscure the real charge against Japan. That charge must therefore be reiterated: it is that, on fantastically insufficient ground, Japan, tied to the chariot-wheels of a dominant militarist clique, has launched a large-scale military and naval war of aggression on a neighbour who, faced with no alternative but to resist, is palpably the weaker party. Because, forsooth, the Government of China is open to certain criticisms, many of which might be applied with considerable force to other governments as well, because Japan's economic needs seem to suggest that the technique of the housebreaker would bring her speedier relief than the devices of diplomacy, because in certain eventualities, remote and in essence problematical, Japan's strategic security demands the power to control China's northern territory, the invasion of China by military, aerial and naval power has been accomplished. From Tokyo the word is sent forth that China has to be "beaten to her knees." That inconvenient statement of the facts is even now being ignored by too many foreign observers. They will be further encouraged in thus dismissing the eternal verities of right and wrong—without observance of which neither civic, nor national, nor international life can remain intact—if responsible opinion is to be side-tracked, as must happen when the inefficient processes of mob-oratory and mass demonstration are applied to the discussion of the highly intricate and controversial issue of aerial bombing. Reduced to its simplest proportions, Japan's declaration that she wages war to exorcise communism, anti-Japanese feelings and corruption from the Government of China implies that the powerful nation has the right to chastise a weaker neighbour merely because that neighbour's standards of efficiency and ethics do not conform to some arbitrary doctrine of respectability. Meanwhile any doubt of the infallibility, perfection or capacity of the would-be instrument of chastisement has to be stigmatized as *lèse majesté* or a sin against impeccable rectitude. Those who are rightly concerned lest Japan's grave breach of a fundamental canon of international conduct may pass unchallenged should tenaciously adhere to that vital issue and should not allow themselves by confusion of thought to be lost in a maze of irrelevances.

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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

From The North China Daily News, dated October 6, 1937.

D.N. 10/6
THE REAL OBJECTIVE

Agreeing with this journal's view that Japan's aggression in China is the main issue arising from the present crisis, the Rev. Ronald Rees and pseudonymous correspondents deserving no less respect traverse its firm objections to the advocacy of a boycott or the exercise of economic pressure with the ostensible purpose of ending that aggression, without the use of arms. Courtesy demands an effort to reply. A Chinese correspondent unwittingly puts a weapon ready to hand. He cites the schoolboy's crude "sanction" of sending to Coventry. How seldom does that achieve its purpose; how often do the tyrannical majority eventually have the uncomfortable feeling that the solitary victim of their immature assumption of the powers of judge, jury and executioner is in the right. Were a boycott of Japan established the same result would accrue, and the real delinquency be forgotten. A boycott must lead to violence. The picketer who seeks to "persuade" the shopkeeper not to sell or the customer not to buy the forbidden goods, is bound sooner or later to awaken the stubborn spirit of liberty which may assert itself, first in harsh words and then, perhaps, in actual physical resistance. From that to rioting is a short step. The idea that a boycott would stiffen the moderate man in Japan against his militarists is poor psychology. It would create a sense of resentment which would rather take refuge in national solidarity, seeing that an attack on the nation's economy is intended. A boycott is as indiscriminate as certain forms of bombing from the air. It finds support from unscrupulous traders as a useful stimulus to their business, an artificial buttress against fair competition. It may penalize the Japanese who object to war as an instrument of policy just as much as those who deliberately rely on aggression. It is an anti-social act similar to all measures of oppression, such as excluding a man from a club because of his political convictions, threatening a newspaper through its advertisement columns. It invites reprisals. It stirs up hatred. It brings its exploiters to the threshold of war. It recoils on the heads of those who apply it, for it disturbs the normal operation of international trade. Worst of all, if ethics be brushed aside, it never can secure such unbroken unity in its support as to prove effective.

Mr. Rees with some ingenuity insists that the boycott or some form of economic pressure is incumbent on Great Britain because she cannot as a member of the League be neutral. Mr. Rees, like this journal, may be convinced that Japan is the aggressor but that conviction rests on no formal declaration by the League. Therefore, the neutrality of Great Britain—consequently her position as a friend of both parties—is not affected. Even if the League in its present state were to indict Japan as an aggressor, it must be remembered that the United States of America never joined the League, Germany and Japan have withdrawn from it, Italy is hostile although a member still. Can it be argued that the obligations of the Covenant in their full force with special regard to sanctions in such conditions hold good. Reducing the issue to an absurdity if defections from the League left it with no other members than France and Great Britain, would it be seriously maintained that on those two stalwarts lay the duty of enforcing the collective system? The principles of the Covenant are still upheld by Great Britain and other members. They cannot be considered apart from the realities of the

defections to which reference has been made. China herself has recognized that the Covenant cannot be strained to its logical fulfilment. The rump of the League in its wisdom has tried Japan *in absentia*—a proceeding which manifestly limits acceptance of the resultant findings. Mr. Rees admits that the main issue is that of Japan's aggression, but he considers the dubious emotions arising from the aerial bombings are useful instruments for rousing popular enthusiasm on China's behalf. China deserves to be protected from her friends in that event. This journal has lacked clarity of expression if it has not established the fact that this bombing question is highly controversial and hedged about by technical difficulties. Japan has certainly exposed herself to serious criticism by a negligent observance of recognized humanitarian conventions. There is no ground for believing that, given the use of the bombing machine, China or any other nation would successfully avoid condemnation if only because the development of scientific invention has outstripped the capacity of the human agent to control the instrument thus evolved. What guarantee can be given that the British airman ordered to bomb military objectives in a certain country will not be so affected by the atmospheric conditions, the light, the excitement of the adventure, the activities of anti-aircraft artillery that his accuracy of aim, even his detection of the target, is wildly at fault? This gives room for definite rejection of the very charges on which the movement for a boycott is really based, and the consequent weakening of the fundamental case against aggression.

It is astonishing to find the principles of British Liberalism invoked to justify the contention that it is good to foment indignation and passion for the establishment of principles. Has not Conservative fervour working on such lines been condemned as jingoism—happily an extinct phase in the progress of Mr. Neville Chamberlain's party? It is just this appeal to emotion which has to be deprecated by well-wishers of China and Japan, assuming that they desire what this journal desires—a speedy restoration of peace. Granted that the Japanese people have tragically given hostages to militarist fortune, it should still be the aim of all responsible third parties to work for the composure of relations between the two warring neighbours. By pillorying the whole of the Japanese nation instead of concentrating criticism on the aggression launched by its militarist clique, the rest of the world is merely throwing Japan as a whole into the arms of that clique, embittered, isolated, resentful. Unfortunately hostilities are in progress. They are marked by the free emission of sentiments which in calmer times would be ridiculed as fantastic. Why should they be aggravated by the deliberate intrusion of destructive measures of affront? Is not the positive alternative for which Mr. Rees asks that of soberly stating the case for reconciliation, for exposition of the moral weakness of a policy of aggression,

for the sake of the hour and day in a speech here on made by President Roosevelt in his pro-temer-stones" of his pro-teme Court for "knocking Nothing is more ting for years are ex material that she has the considerable re the war, by whatever face her with the nec desperate lengths be rather of driving Jap and far less of st unmanizing the war

ATTACKED
Roosevelt Deplores
of "New Deal"

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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

From The North China Daily News, dated October 6, 1937.

D.N. 10/6
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From The Shanghai Times, October 1, 1937

THIRD PARTY ROLE

It is understood, says Reuter, that the proposal for an economic boycott of Japanese goods, which is being advanced in some quarters, will not meet with the approval of British Government circles. We have never supposed that it would. The use of an economic weapon for a political purpose is, at best, dangerous and undesirable and the boycott is a double-edged tool which is better left alone. Trade is a reciprocal matter and no part of it can be destroyed without serious repercussions in other quarters. We saw quite recently how, in the case of the sanctions against Italy in the course of the Italo-Abyssinian dispute, the Welsh miners lost a valuable market for the coal they produce, with consequent distress among them. We regard the outbreak of hostilities between China and Japan as a great misfortune for the Far East. There is no reason for making it a general misfortune for humanity at large by deliberately extending the scope of its repercussions. It ought, indeed, to be the object of all men of sound understanding and goodwill to endeavour to limit the amount of suffering and disturbance caused by this conflict. It is rather surprising to observe a man of the standing of Mr. J. M. Keynes urging that it is the duty of the British Empire, the United States and other nations represented at Geneva to warn Japan that they will sever all trade relations with her "unless she mends her ways." We lay no blame upon Mr. Keynes for his desire to cripple Japan as much as possible in her contest with China but the principle of the method which he advocates we must certainly challenge.

Although the British Cabinet is not likely to support any boycott against Japanese goods, it is reported that if the need arises, Great Britain is prepared to act as a mediator between the contending parties. Indeed, an assurance that the British Government was ready to participate, with other Powers, in a conference to arrange for a settlement of the Far Eastern conflict was made by Viscount Cranborne at Wednesday's meeting of the League Advisory Committee. Lord Cranborne told the meeting that the policy of the British Government was based, in the Far East and

elsewhere, on the necessity of maintaining peace. It was a policy calling, essentially, for the fullest international co-operation, and also a policy which was in complete harmony with the principles of the League Covenant and demanding the establishment of friendly understanding between China and Japan. Lord Cranborne also said that the British Government recognized that the relations between China and Japan were normally a matter for the two countries to settle themselves, but in the unhappy event of the conflict which had arisen it was, quite apart from any question of League obligations, obviously impossible for the British Government to accept the view that this was a matter only affecting the parties to the conflict and that third parties must stand completely aside. Lord Cranborne's statement is reasonable enough; for Great Britain has large interests in China which are directly affected by the Sino-Japanese dispute. We feel, too, that Great Britain has strengthened her right to have a say in the final issue by reason of the fact that she made representations at the beginning to both Nanking and Tokyo to keep the peace with one another. Nevertheless, it must be conceded at once that no form of mediation or intervention between China and Japan can come easily to a third party. Only the very ignorant or the hopelessly prejudiced can believe it to be a simple matter. There are some complicated international issues in Europe but the problem of the Far East is far more intricate. Foreigners in China are not unnaturally disposed to put their own interests first before giving sufficiently close consideration to the political, social and economic relations which must exist between China and Japan. From this fact, some strange notions and prejudices have arisen. But it is fully realized, both in London and Washington—Geneva does not really count for much in this matter—that conditions in the Orient are very different from what they were twenty, or even ten, years ago.

Any kind of mediation or intervention between China and Japan must entail serious responsibilities upon those making it. It is quite impossible to effect any active interference and then wash one's

hands of the consequences. The situation therefore calls for the most anxious attention and careful thought on the part of the British Government which is most unlikely to be led astray from judicious handling of the case by the somewhat hysterical utterances of the few who allow their natural feelings to carry them away. What commonsense calls for is a settlement of all differences between China and Japan that will be lasting in point of time and of a nature that will establish an area of general progress in the Far East. It is extremely probable that this settlement must be accompanied by certain readjustments between the Treaty Powers and China, although it is too premature to say precisely to what extent these readjustments will be found to be desirable. Whatever happens, it ought to be understood clearly that prevailing conditions in the Far East—we might add Asia generally—constitute something of a challenge to all Occidentals whose everyday standard of living is so much higher than that of Orientals. The Sino-Japanese conflict is merely one phase of something very much bigger—the struggle of the masses of Asia for a more satisfactory standard of living. That a phase of this struggle should have taken the form of a conflict between China and Japan is due to a set of peculiar circumstances. Although we cannot say that this set of peculiar circumstances was an accident there can be no doubt that they are destined to pass into something different. No temporary patching up of the present situation is really worth attempting.

From The Shanghai Evening Post & Mercury, October 18, 1937

World Boycott

BOYCOTT of Japanese goods in the peace-loving countries of the world has ceased to be a debatable thing and has come to be a fact, however much or little this may be formalized.

Typical of what is happening is this extract from a letter: "I have discharged my Japanese yard boy and am doing the work myself, to my infinite satisfaction. He won't be sending any more of my money back to Japan. Nor my next-door neighbor's, either; he having pursued the same plan. We feel that we cannot buy any Japanese goods while Japan acts in China as she has been doing. These marauders will have civilization catching up

with them one of these days. They will pay, and pay plenty."

Trade unions in various countries have taken definite positions for boycott. From Denver comes a dispatch saying that the annual convention of the American Federation of Labor has voted unanimously in favor of joining with the British labor movement in a boycott of Japanese goods, and the A. F. of L. also adopted a report expressing an aim to extend the boycott beyond Great Britain and the United States by enlisting the support of trade unions in other countries. The rival Committee for Industrial Organization has taken the same position.

Of course this labor support is not wholly disinterested. The A. F. of L. convention, for example, adopted the boycott resolution in retaliation "for the barbarous and systematic massacre of Chinese population" but lacked to this is a canny taking into account of the fact that Japanese goods have been undermining the American and British markets to the detriment of domestic labor's selfish interest.

There is a real danger point from the Japanese viewpoint. Japan's stupendous trade expansion during recent years has aroused plenty of enmity by no means based on humanitarian concern either for the bombed Chinese population or the sweated Japanese workers. It had its base in that powerful and universal factor, self-interest. All that labor and industry abroad wanted was a good excuse to go into action.

Japan's China policy has now afforded such excuse. We have recently seen how altruism and selfishness may link hands to get something done, after long procrastination, in the case of Philippine independence. It is true that years of effort by friends of the Philippines advanced the cause of independence very little if any; but once the people with an interest in keeping Philippine sugar, coconut oil and cheap labor from America swung into action, the united effort put over independence with "the greatest of ease." Carrying the quotation farther, that "daring young man on the flying trapeze," Japan, may well come a cropper through the operation of similar forces.

The idealists in any country may be relatively negligible in such a practical matter as clamping down a boycott. Labor cannot always have its own way. Big capitalistic industrial interests seldom rule the roost as fully as the *New Masses* fondly believes. But let a number of these usually conflicting elements get together and you have an accumulation of power which may move mountains much bigger than Japan's trade abroad.

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

- 3 -

<u>Encl. No.</u>	<u>Title of Editorial</u>	<u>Name of Newspaper</u>	<u>Date</u>
87.	Facing the Obvious	Shanghai Times	Oct. 30, 1937.
88.	The Council's Stand	China Press	Oct. 31, 1937.
89.	Finance in China	Shanghai Times	Oct. 1, 1937.
90.	Shanghai's Troubles	Shanghai Evening Post & Mercury	Oct. 3, 1937.
91.	Keeping Commerce Going	North China Daily News	Oct. 12, 1937.
92.	Yangtze Traffic Resumed	Shanghai Evening Post & Mercury	Oct. 12, 1937.
93.	On Getting Up	North China Daily News	Oct. 20, 1937.
94.	Shanghai Situation	Shanghai Times	Oct. 20, 1937.
95.	Confusion of Thought	North China Daily News	Oct. 4, 1937.
96.	The Real Objective	- - ditto - -	Oct. 6, 1937.
97.	Third Party Role	Shanghai Times	Oct. 1, 1937.
98.	World Boycott	Shanghai Evening Post & Mercury	Oct. 18, 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

No. 566

THE FOREIGN SERVICE
RECEIVED OF THE
DEPARTMENT OF STATE
UNITED STATES OF AMERICA

1937 DEC 27 PM 12 26

AMERICAN CONSULATE GENERAL

Tientsin, China, November 26, 1937.

CONFIDENTIAL

SUBJECT:

Report by American Citizen of
Conditions in Suiyuan Province.

SEARCHED	INDEXED	FILED	Mo
SERIALIZED	FILED	FILED	Mo
DEC 28 1937			
FBI - NEW YORK			

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

I have the honor to enclose, as of possible interest to the Embassy, a copy of a memorandum covering a conversation between Consul Berger of this office and an American resident of Suiyuan regarding conditions in that province since its occupation by the Japanese.

Respectfully yours,

J. K. Caldwell,
American Consul General.

Enclosure:

1. Memorandum dated November 24, 1937.

800
DCE:k

Original to Embassy, Peiping.
Copy to the Ambassador, Hankow.
Copy to Embassy, Nanking.
Copy to Embassy, Tokyo.
Copy to Consulate General, Mukden.
Five copies to Department, without covering despatch.

A true copy of
the signed original
M

4 other
copies
received
J. K. Caldwell

AN 10 1938

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

Enclosure to despatch No. 586, dated November 26, 1937, from American Consulate General, Tientsin, China, on the subject of "Report by American Citizen of Conditions in Suiyuan Province".

November 24, 1937.

CONFIDENTIAL

MEMORANDUM

Subject: Report by American Citizen of Conditions in Suiyuan Province.

During a conversation with an American resident of Suiyuan who was in Suiyuan throughout the recent Sino-Japanese hostilities there, he informed me that the Chinese forces defending Suiyuan at the time of the Japanese occupation of the province were under the command of General Ma Chan-shan and consisted of only a few thousand cavalry, with a small amount of light artillery; that the Japanese invaders were not numerous, though they apparently outnumbered the Chinese. Mongolian and "Manchukuo" troops took no active part in the fighting; and the Japanese only occupied the country along the railway, the mountainous area south of Kusihua and west of Tatung being still occupied by Chinese troops, reported to be "reds".

He stated that there was no fighting in the city of Suiyuan and no looting by Chinese troops or civilians, but that the Japanese troops were very disorderly, robbing and raping indiscriminately. When questioned, he cited numerous cases of robbery and rape which had come under his personal observation. He added that the Japanese troops have not generally taken a great deal of merchandise, but have entered Chinese shops and required the shop-keepers to give them money, that the Japanese are forcing the Chinese merchants to turn over their stocks of native products, such as hides and skins, seeds and wool at ridiculously low prices, and as a result, the Chinese are in a most serious situation economically.

He stated that he had found it necessary to eject numerous Japanese soldiers from his compound at various times, particularly during the early days of the Japanese occupation, but that he had succeeded in avoiding forcible action, relying only on persuasion; that all of the American residents of Suiyuan are safe, but that the Japanese had looted a number of the mission stations when no Americans were present, seeming particularly intent upon the destruction of all books and pamphlets.

David C. Berger,
American Consul.

300
DCB:M

A true copy of
the signed original
M

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

NO. 567

THE FOREIGN SERVICE
RECEIVED OF THE
DEPARTMENT OF STATE
UNITED STATES OF AMERICA

1937 DEC 27 PM 12 29

AMERICAN CONSULATE GENERAL

DIVISION OF
COMMUNICATIONS
AND RECORDS
Tientsin, China, November 30, 1937.
CONFIDENTIAL

SUBJECT: Report by American Citizen on
Conditions in Interior of Hopei.

The Honorable

M
Berge
ONI-MID
Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

in confidence. DT
I have the honor to enclose, as of possible
interest to the Embassy, a copy of a memorandum
covering a conversation between Consul Berger of
this office and an American resident of Tientsin
regarding present conditions in the interior of
Hopei Province to the west of Tientsin.

Respectfully yours,

J. K. Caldwell,
American Consul General.

Enclosure:

1. Memorandum dated November 29, 1937.

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DOB:M

Original to Embassy, Peiping.
Copy to the Ambassador, Hankow.
Copy to Embassy, Nanking.
Copy to Embassy, Tokyo.
Copy to Consulate General, Mukden.
Five copies to Department, without covering despatch.

A true copy of
the signed origi-
nal

Division of
AN EASTERN AFFAIRS
DEC 28 1937
Department of State

FILED

AP 1 - 138

Enclosure to despatch No. 567, dated November 30, 1937, from American Consulate General, Tientsin, China, on the subject of "Report by American Citizen on Conditions in Interior of Hopei".

November 29, 1937.

M E M O R A N D U M

Subject: Report by American Citizen on Conditions in Interior of Hopei.

An American resident of Tientsin called on me this morning and informed me that he had just returned from an inspection trip to Hsinchenhsien (新鎮縣) and Pehsien (霸縣), about 50 miles west of Tientsin. He stated that he had visited a very large number of villages during the week that he had spent in that area, and described conditions there as follows:

The area visited is at the extreme eastern end of the entrenched line across the Pinghan railway held by the Chinese prior to the Japanese southward drive during September. When the Japanese passed through this area during September they murdered from three to one hundred and fifty men in each of the villages visited with, as far as could be ascertained, no other purpose than to frighten and subdue the Chinese. The Chinese were not frightened, however, nor had they any idea of ceasing to resist Japanese aggression in whatever way they could.

There are no Japanese troops in the area at the present time, but the Japanese have bombed one village during the past week. The bombing of this village was on account of the killing in the village of a Japanese adviser to the Magistrate of Hsinchenhsien and several of his Chinese associates early in November, the killing having been done by agents of the Red Army which has sent its propagandists and recruiting agents throughout this section of the province and who exercise considerable influence in all of the districts to the west of Tientsin and south of the Yungtingho. The agents of the Red Army in this area carry on no propaganda other than resistance to the Japanese.

Tremendous areas of the countryside are at present under water, but the villagers generally state that they have sufficient food to carry them through the winter, but are dubious of their ability to feed their livestock. With the freezing of the inundated area, which will occur shortly, the villagers expect much banditry, although they have so far not suffered very much. Considerable groups of bandits are reported in other areas further south and west and also along the rivers and canals leading out of Tientsin. Most of these, however, are not professional bandits but are partisans and local ruffians.

800
DCB:M

David C. Berger,
American Consul.

A true copy of
the signed original
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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

227

AMERICAN CONSULATE

Tsingtao, China, September 21, 1937.

Subj: Political and Military Situation in Tsingtao.

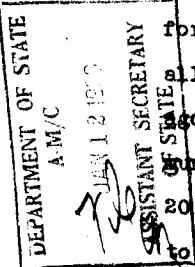
The Honorable

Nelson A. Trusler Johnson, ONC
American Ambassador,
Nanking, China.

Sir:

I have the honor to enclose an article which appeared in the TSINGTAO TIMES on September 19, 1937, under the heading "THE TIGHTENING CORDON". There is little doubt that the Chinese authorities have in the past 10 days increased their vigilance from a military point of view as is testified by the fact that foreigners are now prohibited from traveling on the outskirts of the city. However, over the very roads on which foreigners may not travel in motor cars, Chinese of all classes may be seen freely traveling. A few weeks ago I personally went to the outer limits of the Tsingtao Municipal area in a westerly direction, approximately 20 miles from the consulate; yesterday when I endeavored to reach the same point the motor car was stopped at a distance of 10 miles from the center of the city.

Occasionally Chinese soldiers are to be seen on the streets of Tsingtao, but only very infrequently. These soldiers are said to be members of Yu Hsueh-chung's forces. But so far as is known, it cannot be definitely stated that Yu Hsueh-chung's troops are actually quartered within the



- 2 -

the limits of the Tsingtao municipal area.

The presence of Yu Hsueh-chung's forces near Tsingtao is not at all to the liking of Admiral Shen, the Mayor of Tsingtao, nor is the presence of these troops in Shantung welcomed by General Han Fu-chu according to the average Chinese who takes an interest in such matters. I spoke to one of the soldiers, at first thought to be one of Yu's troops, but he said he belonged to a part of the Revenue Guards still remaining outside of Tsingtao.

The one commercial airfield in Tsingtao has recently been rendered by the Chinese unfit for use; short trenches of approximately 20 feet in length and 4 feet in width have been dug while 4 foot posts of perhaps 5 inches in diameter have been placed between trenches and stones strewn over the runway which was constructed this spring. The only Chinese airforce in Tsingtao consists of a squadron of 6 seaplanes, some of which this morning made their first flight within more than two months following the appearance of two unidentified airplanes which were believed to be Japanese. These two airplanes flew over the Tsingtao coast at about 9 o'clock this morning when the Chinese seaplanes took to the air at 9:30.

Effect of American Government's Action with Respect to Shipment of Arms

There is enclosed a memorandum prepared on September 19, 1937, by Vice Consul Hawthorne, in which some interesting observations were made, particularly with respect to the Chinese reaction to President Roosevelt's prohibition of the transportation of arms and ammunition on board United States Government owned vessels. The observations of Vice Consul Hawthorne made on September 19,

were

- 3 -

were all the more of interest in view of a REUTER telegram issued today, September 21, at Nanking in which the following appears:

"The Italian and German Embassies, have decided to remain in Nanking for the present. The French Embassy is awaiting instructions from Paris.

The Chinese authorities point out that all other Embassies, apparently, are remaining and are very indignant at the American Embassy's decision to evacuate. They contend that America has, hitherto, rejected every Chinese request, like moving away from the Japanese warships in the Shanghai harbour, but are "taking every opportunity to meet Japan's wishes". The Chinese authorities describe this and President Roosevelt's partial embargo on the shipment of arms as a "betrayal of Chinese-American friendship." Chinese circles openly intimate that retaliatory measures are possible."

This consulate in conversation with one or two Chinese officials, has detected a feeling that "those who are not for us are against us." Strict neutrality from a Chinese point of view is difficult to conceive; there is no doubt whatsoever that the Mayor of Tsingtao, shortly after the outbreak of the Shanghai hostilities, entertained a hope that the foreign powers would come to the assistance of China.

Generally speaking with the exception of the restrictions on the travel of foreigners on the outskirts of Tsingtao, and the known defense preparations in the country, one would say that outwardly Tsingtao is regaining a normal appearance, although to be sure the absence of 16,000 Japanese and the closing of their shops is noticeable. A fair number of Americans have left Tsingtao, but this exodus is not so marked among British, German and other nationals. Approximately 60 American men, women and children have registered with this consulate

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- 4 -

sulate their desire to leave on the U.S.S. CANOPUS and
CHAUMONT for Manila and Japan on naval vessels between now
and the middle of October. On Saturday, September 18,
I addressed another meeting of missionaries and empha-
sized the fact that following the departure of the U.S.S.
CHAUMONT from Tsingtao on October 15, evacuation by naval
vessels would not be available.

Respectfully yours,

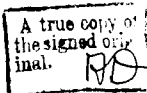
Samuel Sokobin,
American Consul.

Enclosures:

1. Clipping of September 19,
2. Vice Consul Hawthorne's Memo of September 19.

800
SS/AD

Original and 5 copies to Embassy, Nanking.
Copy to Embassy, Peiping.
Copy to Chefoo.



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 TIGHTENING CORDON

Reports we have received indicate the slow but certain restriction of free movement in all areas adjacent to the municipal boundaries. There appears reason to suppose that all the territory outside the municipal boundary is now under the control of the military, to whom the civil authorities, apparently, have surrendered control. Gradually the lines have been pushed nearer and nearer to the city and if, in the end, the city is also occupied we shall not be at all surprised. The reason for the encircling by Chinese forces of this city is hard to discover, but, whatever it may be, we regard the movement as a gigantic and deplorable mistake. The Japanese, by a gesture almost without parallel in modern history, withdrew the whole body of the nationals in an effort to avoid Tsingtao being drawn into the sphere of conflict. It would have been an easy matter for them to land sufficient force, supported by local reservists, to hold Tsingtao against any force than Chinese were then, or are now, in a position to bring against it. They withdrew, and their withdrawal is being used by the Chinese military as a pretext for military occupation of by far the greater part of the Special Area. What military activities are going on behind the cordon line we do not know. It is not our business. In view of Japan's action, the only sane, statesmanlike policy on the part of the Chinese would have been to maintain the pre-clash Status Quo.

This can only be done by both parties honouring the obligations the Rendition Treaty imposes. The Japanese, in this instance, at any rate have more than honoured theirs. If the treaty is invalidated in the absence of the Japanese, it will be by China. This may mean that Tsingtao will be once again thrown into the melting pot, a fate to be avoided whatever the outcome of the present conflict, no more equitable result could be framed for Tsingtao than any other city, than the provisions are endangered by military aggressiveness the tightening cordon indicates.

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

AMERICAN CONSULATE
Tsingtao, China, September 19, 1937.

STRICTLY CONFIDENTIAL.

MEMORANDUM:

In a conversation which I had with Mr. V. L. D'Alton, in charge of the Tsingtao Post Office, last night, the latter informed me, in the strictest confidence, that the twelve censors who had for some time been attached to the Post Office primarily for censoring Chinese correspondence in an effort to prevent the circulation of communistic literature, had recently been discharged. In their place had arrived another group of censors appointed by the Central Tangu. The man in charge of the group had called on Mr. D'Alton a few days ago and stated that he and his men proposed to censor all mail passing through the Post Office, including foreign mail. To this request Mr. D'Alton demurred, saying he saw no reason for such action and asked the Chief censor to obtain written authority therefor. The censor then stated that he was not primarily interested in British and American correspondence, but was anxious to censor all Chinese, Japanese and German mail. Mr. D'Alton insisted that in any event he would have to have written authority.

Yesterday, September 18, 1937, Mr. D'Alton received an official request from Admiral Shen, Mayor of Tsingtao, to permit the newly appointed censors access to the mails. This request is being referred to Nanking. In the meantime the censors have agreed to confine their activities to the censorship of Chinese and Japanese mail, though Mr. D'Alton said that he had no effective way of preventing them from censoring other mails as well.

Mrs. D'Alton said that these new censors are just one group of recently arrived trouble makers, of which there are many in town. He expressed the opinion that the activities of Admiral Shen in fortifying the immediate vicinity of Tsingtao, as well as the dismissal of certain local officials, are the result of pressure of these new arrivals from Nanking.

My informant further expressed the opinion that General Han Fu-chu and the Japanese have already concluded a working agreement and that the Central Government troops in this part of Shantung and Han's troops will probably clash before the present trouble is over.

He referred to the numerous posters now appearing in public places, each of which usually concludes with the exhortation "slay the enemy", and said that such propaganda is dangerous to all foreigners here because the ignorant masses, and indeed most of the educated Chinese, place all foreigners in the same category.

Add

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

- 2 -

Add to this propaganda the disappointment which the Chinese may feel because America or some other power has not come to China's aid in the present crisis, American and other missionaries having led the Chinese to believe that their respective Governments would, in the event of hostilities with Japan, pull China's chestnuts out of the fire, and the resentment aroused because of the "pro-Japanese" attitude recently displayed by the American Government in prohibiting American ships to carry Arms to China (and/or Japan), and the stage is set for another of China's periodical outbursts of anti-foreignism.

Mr. D'Alton added that the military preparations now in progress in the environs of the city would probably provoke the Japanese into taking action contrary to their present plans or wishes.

Carl O. Hawthorne,
American Vice Consul.

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

No. 230

AMERICAN CONSULATE

Tsingtao, China, October 15, 1937.

Subject: Situation in Shantung.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Nanking, China.

Sir:

I have the honor to report that the situation in Tsingtao continues very quiet in spite of the advance of the Japanese along the Tientsin-Pukow Railway toward Tsinan. Possibly the calmness which prevails may be due to a belief that hostilities in this part of Shantung will be avoided after all by the conclusion of an agreement between General Han and the Japanese or between some other powerful Chinese faction in Tsinan and the Japanese. In this connection it may be said that there are fairly definite reports that General Ko Kuang-t'ing, Chairman of the Railway Board, heads a group which would be quite willing to negotiate with the Japanese in regard to Shantung and which opposes any hostilities in this region. Many rumors involve General Ko and his pro-Japanese attitude, so much so that on September 28, 6 p. m., this consulate reported that there was in circulation a report to the effect that General Ko had been shot and killed in Tsinan...

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- 2 -

Tsinan by Chinese because of his reputed pro-Japanese attitude. It appears however that General Ko had not been shot but there is little doubt that he is (or was) opposed to hostilities against the Japanese. Closely allied to General Ko is another member of the Board of Management of the Kiao-Tai Railway, Mr. Ts'ui Shih-chieh (崔士傑). The latter was one of those who as early as the first week in August proposed that a Peace Maintenance Commission similar to the one set up in Tientsin and also to the one now functioning in Peiping be established in Tsingtao. This office in its despatch no. 220 of August 20, 1937, file 800, reported to the Embassy at Nanking that certain Chinese considered the time was ripe to stage a coup d'etat aimed at the removal of Admiral Shen and his administration. Since then the leaders of this movement have found it necessary to flee from Tsingtao; those who do not deem it safe to return to this city include Mr. Ts'ui Shih-chieh. It is more than probable that this group which has for one of its objectives the ousting of Admiral Shen and his administration and the installation in Tsingtao of its own pro-Japanese clique as the governing body, have been endeavoring to influence General Han or other influential persons in Tsinan to adopt a like policy. Such reports as have come from Tsinan with reference to General Han's military activities indicate that he has not taken an unequivocal stand in opposition to the Japanese. At the moment information has come to the consulate

to...

- 3 -

to the effect that a large withdrawal of Chinese officials of all classes from Tsinan has already begun and it would hardly appear likely that there will be a serious or prolonged siege of Tsinan.

Assuming that the Japanese do occupy the provincial capital of Shantung, as seems altogether likely, the question is what the effect of this occupation will be on Tsingtao. The Japanese occupation of Tsinan will naturally be of the greatest strategic importance and it is hardly conceivable that Tsingtao will remain unaffected thereby. Between Tsingtao and Tsinan there were garrisoned fairly good sized Chinese forces; more recently a large part of these forces have been moved southward from the Kiao-Tsi Railway, probably toward the Lunghai Railway, while it is understood that General Han has retired some of his troops along the railway to Tsinan. There can be no great numbers of Chinese troops along the Kiao-Tsi Railway at present. While a small force remains in the vicinity of Tsingtao, it is difficult to believe that such a force could possibly resist successfully any invasion of Japanese troops from the sea or oppose successfully a Japanese movement from Tsinan toward Tsingtao. In other words on both flanks (i. e. by land or by sea) Tsingtao is open to Japanese penetration. It would appear that during the entire campaign in the north and particularly in Shantung there has been no unified steady direction of military defence...

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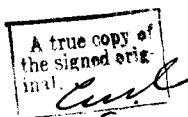
defence against the Japanese advance on the Tsinpu Railway. Apparently Nanking's attitude has been that General Han must assume responsibility for military policy, for military operations, for service of supply. On the other hand, General Han, having been given this responsibility, has felt that Nanking was failing to send the necessary support. Such resistance as has been given to the Japanese would appear to be weak and ineffectual and lacking in force or cohesion. The crumbling of the Chinese defense along the Tsinpu Railway appears to have been due altogether to the absence of any defined policy on the part of General Han or his superiors.

Respectfully yours,

Samuel Sokobin,
American Consul.

800
SS/AD/CML

Original and five copies to Embassy, Nanking,
Copy to Embassy, Peiping,
Copy to Commanding Officer, U. S. S. MANHEHEAD.



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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

Dec. 29, 1937

JWB

(Tokyo's 2692 - "Sino-Japanese Relations"
12/10/37)
This despatch need not be read.

It is a routine despatch transmitting
for the files detailed records of
press, letters, and memoranda -
matters already reported by
telegraph.

JMJ

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 FOREIGN SERVICE
DEPARTMENT OF THE
UNITED STATES OF AMERICA

1937 DEC 27 PM 1 57

AMERICAN EMBASSY

No. 2692.

DIVISION OF
COMMUNICATIONS
AND RECORDS

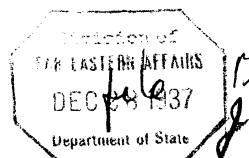
Tokyo, December 10, 1937.

SUBJECT: SINO-JAPANESE RELATIONS.

For Distribution Check	
Grade	In U.S.A.
For	

STRICTLY CONFIDENTIAL

Copy in 7E



7994/11672
The Honorable

The Secretary of State
Washington.

Sir:

With reference to the Embassy's despatch No. 2666 dated November 26, 1937, I have the honor to transmit herewith, for the purpose of the records, further copies of various notes, letters, memoranda, and other documents relating to Sino-Japanese relations. Documents relating to the Chinese customs administration have been transmitted under separate despatches, as follows: 2606, September 30; 2627, October 16; 2674, November 29; and 2693, December 10, 1937.

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Annex:
List of enclosures.

Respectfully yours,

Joseph C. Grew
Joseph C. Grew.

FILED
DEC 31 1937

793.94/11340

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List of enclosures transmitted with
despatch No. 2692, December 10, 1937.

1. The Ministry of Foreign Affairs to the American Embassy.
2. The British Ambassador, Sir Robert L. Craigie, to the Minister for Foreign Affairs, Mr. Hirota.
3. The American Counselor, Mr. Dooman, with the Director, East Asia Bureau of the Foreign Office, Mr. Ishii.
4. The American Embassy to the Ministry of Foreign Affairs.
5. The Counselor of the British Embassy, Mr. Doods, to the American Counselor, Mr. Dooman.
6. The American Embassy to the Ministry of Foreign Affairs.
7. The American Counselor, Mr. Dooman, with the Director of the American Bureau, the Foreign Office, Mr. Yoshizawa.
8. The British Ambassador, Sir Robert L. Craigie, to the Minister for Foreign Affairs, Mr. Hirota.
9. The British Ambassador, Sir Robert L. Craigie, to the Minister for Foreign Affairs, Mr. Hirota.
10. The British Ambassador, Sir Robert L. Craigie, to the Minister for Foreign Affairs, Mr. Hirota.
11. The British Ambassador, Sir Robert L. Craigie, to the American Ambassador, Mr. Grew.
12. The American Counselor, Mr. Dooman, with the Director of the American Bureau, the Foreign Office, Mr. Yoshizawa.
13. The American Second Secretary, Mr. Crocker, with the Chief of the First Section of the American Bureau, Foreign Office, Mr. Ishii.
14. The American Embassy to the Ministry of Foreign Affairs.
15. The American Second Secretary, Mr. Crocker, with the Chief of the First Section of the American Bureau, Foreign Office, Mr. Ishii.
16. The British Embassy to the American Ambassador, Mr. Grew.
17. The British Embassy to the American Ambassador, Mr. Grew.
18. The Ministry of Foreign Affairs to the American Embassy.
19. The First Secretary of the British Embassy, Mr. Clarke, to the American Counselor, Mr. Dooman.
20. The American Embassy to the Ministry of Foreign Affairs.
21. The American Embassy to the Ministry of Foreign Affairs.
22. The British Embassy to the American Ambassador, Mr. Grew.

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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

Enclosure No. 1 to despatch
No. 2692 dated December 10, 1937,
from the Embassy at Tokyo.

The Japanese Ministry of Foreign Affairs
to the American Embassy

(Translation)

No. 143, American I, confidential.

Department of Foreign Affairs

Tokyo, November 25, 1937.

Memorandum.

The Japanese Foreign Office has the honor to acknowledge the receipt of memorandum of November 12 from the United States Embassy in Tokyo stating that on November 2 the property of the American Church Mission at Sungkiang was bombed and destroyed by Japanese airplanes. Investigation of the matter by Japanese authorities discloses that, when Japanese naval planes bombed various military establishments of the Chinese army at Sungkiang those engaged in the action were duly solicitous of the rights and interests of foreign Powers, but that as the day was rainy visibility was low and any beacons or marks indicating the property of Americans were not distinguishable from the air. At that time the Japanese army had advanced to the Soochow-Honan area and Sungkiang was within the zone of fighting; and it is believed that the United States Embassy will understand that mishaps are possible in spite of the strictest caution. It is clear that the present case was wholly the result of an error consequent upon low visibility. The Japanese Government hereby expresses profound regret for the occurrence and has the honor to state that it stands ready to give consideration to the matter of loss or damage thereby sustained by the Mission.

(Copy sent to the British Ambassador, Tokyo)

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 2692 of DEC 10 1937
from the Embassy at Tokyo.

The British Ambassador, Sir Robert L. Craigie,
to the Minister for Foreign Affairs, Mr. Hirota.

(Left by the British Ambassador with the M.F.A.
on 29th November 1937)

His Majesty's Government in the United Kingdom learn that the Japanese authorities at Shanghai have approached the Shanghai Municipal Council with a demand that the extra-Settlement areas between the Perimeter in the west and the Settlement boundary should be policed by them since the former Chinese Government police were disarmed by the defence forces early in August and no Shanghai Municipal police have been regularly functioning there except on the Municipal roads. The Japanese proposal is opposed by the Shanghai Municipal Council, by all the defence Commanders and by the leading Consuls as the Council are ready to post additional police there, but the Japanese authorities have been pressing this demand strongly.

It is felt by the British authorities at Shanghai that the presence of Japanese Military Police inside the British defence lines might create incidents with the Chinese population, 50% of whom will automatically come into the Settlement to swell the existing excessive number of refugees.

It is the earnest desire of His Majesty's Government to avoid incidents between Japanese and British troops, but the proposed Japanese action will greatly increase the danger of this besides throwing a severe additional burden upon the Municipal Administration by adding to the number

of

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

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of refugees.

His Majesty's Government therefore desire to urge upon the Japanese Government the importance of allowing the Municipal Council to police the area within the British defence sector to the West of the Settlement. His Majesty's Ambassador understands that this the Council are prepared to do effectively.

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

Enclosure No. 3 to despatch
No. 2692 of DEC 10 1937
from the Embassy at Tokyo.

Conversation

November 30, 1937

Mr. Ishii, Director, East Asia Bureau
of the Foreign Office,

Mr. Dooman.

Subject: Marching of Japanese troops through
neutral areas of Shanghai.

I called on Mr. Ishii by appointment. I said that I could perhaps best explain the purpose of my visit by having him read the aide-mémoire (copy attached). Mr. Ishii read the aide-mémoire, but he said nothing. I asked then whether there was anything he could say. Mr. Ishii replied that the Foreign Office had received no report from Shanghai indicating that Japanese troops would be sent into the neutral areas in the near future, and he doubted very much whether any decision had been taken to that effect.

Mr. Ishii then asked whether the foreign troops would forcibly resist the passage of Japanese troops. I said that I was surprised that he should have put such a question to me, for the reason that members of the profession to which he and I belonged should be concerning themselves with solving problems in a peaceful manner to the satisfaction of all concerned. I then spoke at considerable length on the conditions in the International Settlement, pointing out the danger of incidents arising out of the presence in the Settlement of refugee Chinese. Mr. Ishii merely stated that he would telegraph at once to Shanghai and ask how matters stood.

E.H.D.

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 2692 of DEC 10 1937
from the Embassy at Tokyo.

The American Embassy to the
Ministry of Foreign Affairs.

Aide-mémoire.

Indications have been given by the Japanese authorities at Shanghai that they intend to dispatch troops to occupy on December 1st certain buildings within those sectors of the International Settlement allotted for defense purposes to the American and Italian detachments, and that Japanese forces are to be transported through the International Settlement south of Soochow Creek to Nantao and other points beyond the International Settlement.

The International Settlement has a special status related to extraterritoriality and to the Treaties, and by long usage has been recognized as a neutral area. Those parts of the International Settlement protected by the "neutral" foreign forces have been set aside in the past by mutual agreement in plans for the defense of the International Settlement. The defense plan stipulates that any commander desiring to arrange special protection for his nationals in a sector other than his own shall first obtain the concurrence of the sector commander concerned. Under existing conditions, such concurrence might reasonably be withheld, as the introduction at this time of Japanese troops into a thickly populated area would actually constitute a grave danger to peace and order.

Entirely apart from the legal aspects of the action proposed by the Japanese authorities, it is earnestly to be hoped that the Japanese Government will share the view
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

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that the presence of Japanese troops south of Soochow Creek at this time must create new problems in the way of protecting and safeguarding other foreign rights and interests. With the huge Chinese population heavily augmented by refugees forced to leave the countryside, the problems of the authorities of the International Settlement are extremely grave, and notwithstanding all precautions, there may be expected to occur incidents likely seriously to prejudice the safety of foreign residents and otherwise lead to most serious difficulties.

In view of the fact that armed Chinese forces have been carefully excluded from the areas concerned, it would be appropriate if the Japanese forces were directed by the Japanese Government to abstain from entering the areas at this time.

Tokyo, November 30, 1937.

(Copy sent to the British Ambassador, Tokyo.)

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

Enclosure No. 5 to despatch
No. 2692 of DEC 10 1937
from the Embassy at Tokyo.

Counselor of the British Embassy, Mr. Dodds,
to Counselor of the American Embassy, Mr. Dooman.

British Embassy,
Tokyo.

1st December, 1937.

With the compliments
of
Mr. J.L. Dodds

Mr. Eugene H. Dooman,
American Embassy,
Tokyo.

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

(The British Embassy to the Ministry
of Foreign Affairs)

Shanghai

His Majesty's Government in the United Kingdom are informed that the Japanese Naval Landing Party propose to occupy on the 1st December certain buildings and mills in the American and Italian sectors formerly occupied before the hostilities; to send lorries with provisions into the Settlement to supply them; and to supply other troops in the Toyoda Mills and in Wantao by lorries through the Settlement.

His Majesty's Government feel that, as the Japanese mills are in some cases situated on the Perimeter, their re-occupation would bring the Japanese forces into dangerously close proximity to other foreign troops. For this reason it would seem undesirable that the Japanese authorities should replace armed guards in the Mills until the other forces have withdrawn from the perimeter area.

British Embassy

30th November, 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

Enclosure No. 6 to despatch
No. 2692 dated December 10 1937,
from the Embassy at Tokyo.

The American Embassy to the Ministry
of Foreign Affairs.

EMBASSY OF THE
UNITED STATES OF AMERICA

No. 829.

The American Embassy is informed that there remain
at Nanking about forty Americans, including five members
of the American Embassy staff, who are at the Embassy.
The U.S.S. PANAY is also at Nanking. It is understood
that a number of Americans, together with a number of other
nationals are being accommodated on Jardine Matheson and
Company's hulk which lies four miles up river from the
Nanking bund.

The foregoing is brought to the attention of the
Foreign Office with the request that the appropriate
military and naval authorities be promptly notified.

Tokyo, December 1, 1937.

(Copy sent to the British Ambassador, Tokyo)

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

Enclosure No. 7 to despatch
No. 2692 of DEC 10 1937
from the Embassy at Tokyo.

Conversation

December 2, 1937

Mr. Seijiro Yoshizawa, Director of the
American Bureau, the Foreign Office,

Mr. Dooman.

Subject: Marching of Japanese troops through
neutral areas of Shanghai.

Having sent Mr. Yoshizawa a copy of the aide-mémoire which I had handed on November 30th to Mr. Ishii, I called on Mr. Yoshizawa and informed him that the Japanese Assistant Military Attaché at Shanghai had yesterday at noon informed the British military authorities that Japanese troops would be sent into the neutral areas tomorrow, December 3d.

Mr. Yoshizawa said that a report had been received from the Consul General at Shanghai that, although there had been a project to send Japanese troops into the neutral areas, the plan had been "abandoned and, therefore, the question does not arise". I expressed great satisfaction over the outcome, and Mr. Yoshizawa said that he felt as I did.

E.H.D.

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. 8 to despatch
No. 2692 of DEC 10 1937
from the Embassy at Tokyo.

The British Ambassador, Sir Robert L. Craigie,
to the Minister for Foreign Affairs, Mr. Hirota.

(Left with the Vice M.F.A. on 2nd December)

Reports have been received from Shanghai to the effect that it is the intention of the Japanese authorities there to disrupt the present financial organisation by enforcing the closure of the Chinese Government Banks there.

Apart from the consideration that these banks are now employed on purely commercial transactions, His Majesty's Government would view with grave concern any action which would have the effect of adding to the already considerable difficulties experienced by British financial interests in Shanghai. The closure of the Chinese Government banks would, it is true, inflict great harm on the Chinese community in Shanghai, but it would also seriously embarrass the whole foreign community as well, including Japanese interests, and might indeed involve the immediate closure of all other Chinese banks there and a complete stoppage of all economic activity.

There is the additional consideration that, while prolonged hostilities will in any case make it difficult for China to maintain the stability of her currency and Government finances, the destruction of Chinese financial machinery at Shanghai cannot but have serious repercussions on Japan herself, rendering more complicated an eventual settlement of the Far Eastern situation.

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. 9 to despatch
No 2692 of DEC 10 1937
from the Embassy at Tokyo.

The British Ambassador, Sir Robert L. Craigie,
to the Minister for Foreign Affairs, Mr. Hirota.

(Left with the Vice-M.F.A. on 2nd December)

On 29th November as a result of the decision of the Japanese authorities to place a censor in the Chinese telegraph office all the inland telegraph Service from Shanghai ceased, the operators of the Chinese Government Telegraph Administration refusing to work under such censorship.

The attention of the Japanese Government is called to the damage which the suspension of telegraphic communication with Shanghai will inflict on British commercial interests in China. It is hoped that the Japanese authorities may find it possible to adopt some method that will minimize that damage.

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. 10 to despatch
No. 2692 of DEC 10 1937
from the Embassy at Tokyo.

The British Ambassador, Sir Robert L. Craigie,
to the Minister for Foreign Affairs, Mr. Hirota.

(Left with the Vice-M.F.A. on 2nd December)

With regard to compensation for the casualties suffered by the British forces in Shanghai as a result of the recent hostilities in Shanghai it is suggested that the Japanese Government might be prepared to take over the exact liability which would otherwise have fallen on the British War Office.

For the sake of convenience the liability in each case would be capitalised on an actuarial basis and would naturally vary from case to case according to whether a disability, widows or dependants pension was payable. Furthermore pensions to dependants would vary according to the relationship, age etc of the beneficiary.

The war Office have undertaken to deal with this matter as expeditiously as possible but it will take some weeks to determine exactly what pensions would be due under the Army Regulations.

If however the Japanese Government agree in principle to take over the War Office's liability to compensate, His Majesty's Ambassador will furnish them with exact figures as soon as enquiries and calculations are complete.

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. 11 to despatch
No. 2692 dated December 10, 1937,
from the Embassy at Tokyo.

The British Ambassador, Sir Robert L. Craigie,
to the American Ambassador, Mr. Grew.

PRIVATE AND CONFIDENTIAL

BRITISH EMBASSY
TOKYO
2nd December, 1937.

My dear Grew,

I have been giving some thought, as I expect you have also, to the question of ultimate financial assistance in the development of Northern China. There can be little doubt, I think, that there is a desire in business circles here to avoid some of the mistakes made in connection with Manchukuo and a recognition that Japan would be unable to develop Northern China adequately with her own resources.

Feelers have been put out from time to time and my own invariable reply is that everything must depend on the terms of peace, foreign capital being a shy bird which is unlikely to be attracted to regions where a recurrence of political trouble may be expected.

It seems to me that the virtual control of international finance by New York, Paris, and London, is one of the best weapons in our armoury and that we should therefore use it shrewdly. I am thinking of sending to my Government the telegram, of which I enclose a draft herewith for your private information, but before doing so I should be glad to know whether you would consider sending a telegram on similar lines to your Government.

Believe me,

Yours very sincerely,

His Excellency R. L. CRAIGIE.
The Honourable Joseph Clark Grew,
Ambassador Extraordinary and Plenipotentiary
for the United States of America
at Tokyo.

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 British Ambassador, Sir Robert L. Craigie,
to the American Ambassador, Mr. Grew.)

COPY

Proposed
telegram
to
Foreign
Office

It is clear that Japan is beginning to feel the need of foreign capital for both present and future requirements at home and in China and Manchuria. Approaches are now being made to United States financial interests by Japanese industrialists, notably by Aikawa of Nippon Sangyo.

Any success obtained by Japan in securing credits in England, France or the United States would encourage the prolongation of hostilities and diminish our chances of exercising moderating influence in the final settlement; whereas the hope of obtaining economic assistance after the settlement is at present a factor which keeps responsible financial and industrial circles anxious for our good will.

It would be therefore useful if the three Governments concerned could take an identical line with regard to Japanese requests for financial assistance in any form. The best answer to any such approaches is to say that everything must depend on the terms of peace.

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. 12 to despatch
No. 2692 of Dec 10 1937
from the Embassy at Tokyo.

Conversation

December 3, 1937.

Mr. Seijiyo Yoshizawa, Director of
the American Bureau, the Foreign Of-
fice,

Mr. Dooman.

Subject: Marching of Japanese troops through
neutral areas of Shanghai.

Reading in the Japanese papers that there was to be held today at noon a "demonstration" of Japanese troops through the International and French Settlements, I called Mr. Yoshizawa on the telephone this morning and inquired whether we could still count on the statement which he had made to me yesterday that plans to send Japanese troops into the neutral areas had been abandoned.

Mr. Yoshizawa said that nothing on the subject had been received from the Consul General at Shanghai subsequently to the report which he had mentioned yesterday to me. However, he had a feeling that the accounts in the papers this morning would prove to be correct. I urged Mr. Yoshizawa that something be done at once to prevent the military authorities needlessly aggravating the situation at Shanghai and ignoring foreign rights and interests. If the demonstration were held, the statement which he had made to me (as well as a statement in the same sense made by a Mr. Inouye of the Foreign Office to the Counselor of the British Embassy) would be cited as evidence of the ability of the military to do as they pleased in spite of contrary assurances given by the Foreign Office. Mr. Yoshizawa said that he was afraid that
this

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

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(this case would rise to haunt him, but that there was not enough time to keep the plan -- if press reports are true -- from being carried out.

E.H.D.

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. 13 to despatch
No. 2692 of DEC 10 1937
from the Embassy at Tokyo.

The Chief of the First Section of the American
Bureau, Foreign Office, Mr. Ishii, with
Mr. Crocker, Second Secretary of Embassy.

Conversation.

December 3, 1937.

SUBJECT: Party proceeding from Hankow to Hong Kong
via Canton December 10, 1937.

I called upon Mr. Ishii this morning by appointment and read to him the pertinent portions of Hankow's telegram via Shanghai, December 2, 5 p.m., and I then asked that the appropriate authorities be informed and expressed the earnest hope that the party on the train proceeding from Hankow to Hong Kong via Canton would be given safe conduct. I then handed Mr. Ishii a memorandum, copy of which is attached.

Mr. Ishii read the memorandum and then stated after considerable pause that he feared that there might be great difficulties in connection with the proposed journey. He said that he had previously arranged for the safe conduct of a party of Americans on a train from Hankow to Canton, but that he did not know whether he could be successful the second time. He arose and led me to a map of China on the wall, upon which he traced the proposed route, at the same time shaking his head in a very dubious manner. He inquired whether it would not be better for the party to take another route, and he made a gesture with his hand from Hankow eastward, but as the map was entirely in Chinese characters I am unable to say exactly the route which he meant. However, I replied that I felt sure that the officials at Hankow who had arranged for the evacuation of the party under reference had undoubtedly chosen the route only after the most careful consideration

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

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consideration, and that I felt we must leave it to those on the spot to decide the matter. Mr. Ishii agreed. He then said that he would immediately inform the appropriate authorities and that he would do what he could. He said he would let me know what the result of his efforts was.

E.S.C.

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

Enclosure No. 14 to despatch
No 2692 of DEC 10 1937
from the Embassy at Tokyo.

American Embassy to the Ministry
of Foreign Affairs.

MEMORANDUM

The American Embassy is informed that a party of about seventy foreign nationals, mostly American and British women, children, and invalids, is booked for Hong Kong starting by train leaving Hankow at ten a.m., December tenth. The American Embassy expresses the earnest hope that this party may be given safe conduct and that the appropriate authorities may be informed to that end.

Tokyo, December 3, 1937.

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

Enclosure No. 15 to despatch
No. 2692 dated December 10 1937,
from the Embassy at Tokyo.

The Chief of the First Section of the American
Bureau, Foreign Office, Mr. Ishii, with
Mr. Crocker, Second Secretary of Embassy.

Conversation

December 3, 1937.

SUBJECT: Party proceeding from Hankow to Hong Kong
via Canton December 10, 1937.

Mr. Ishii telephoned me this afternoon to say that he had referred the matter of safe conduct for a party of foreigners by train from Hankow to Hong Kong on December 10 and that the naval authorities had said that the railway from Hankow to Canton was not open to traffic; that there were several bridges out and that the route was impracticable; that the naval authorities would suggest that the party might be routed down the river from Hankow to Nanking and thence to Shanghai and that if such route were chosen they would consider a request for safe conduct; that in any case it would be preferable for the request and arrangements to be made between the interested consuls and the Japanese authorities at Shanghai.

Mr. Ishii said that the British had taken up a similar question (I presume he referred to the evacuation of the British Chargé d'Affaires and his party who are leaving today from Hankow for Hong Kong) and that the naval authorities had given them a similar reply.

(I later discussed this matter with Mr. Clarke of the British Embassy who confirmed the foregoing but stated that the British Chargé and his party had decided to take the train from Hankow and proceed as best possible. Mr. Clarke said that the arrangements had been made at Shanghai and

that

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(that the Foreign Office had merely been informed; he further said that the Japanese authorities had not guaranteed safe conduct but had taken due note of the proposed journey and said that they would do what they could to avoid damage to the train.)

E.S.C.

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. 16 to despatch
No. 2692 of DEC 10 1937
from the Embassy at Tokyo.

The British Embassy to the American Ambassador,
Mr. Grew.

BRITISH EMBASSY,

TOKYO.

5th December, 1937

WITH THE COMPLIMENTS

OF

HIS BRITANNIC MAJESTY'S EMBASSY.

His Excellency,
The Honourable Joseph Clark Grew;
Ambassador Extraordinary and Plenipotentiary
for the United States of America
at Tokyo.

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 British Ambassador, Sir Robert L. Craigie, to
the Vice-Minister for Foreign Affairs, Mr. Horinouchi.)

(1200/70/37)

British Embassy.

Tokyo.

30th October, 1937.

My dear Vice-Minister,

As I promised you on the 29th October, I am
sending you enclosed in this letter a brief memo-
randum on the attack which was made upon two barges
belonging to the Asiatic Petroleum Company by Japa-
nese aircraft near Wusih on the 14th October.

Believe me,

My dear Vice-Minister,

Yours very sincerely,

(sgd) R.L. CRAIGIE.

His Excellency

Mr. Kensuke Horinouchi,

H.I.J.M. Vice-Minister for Foreign Affairs.

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 British Embassy to the Ministry of Foreign
Affairs.)

Memorandum.

On the 14th October last a motor oil barge belonging to the Asiatic Petroleum Company, with another barge in tow, was machine-gunned and bombed by Japanese aircraft about six miles below Wusih on the Grand Canal. Both barges were flying the red ensign in addition to a large Union Jack nailed on the roof of the rear wheel-house.

According to the master's report there was no Chinese craft in the vicinity when the Japanese aircraft circled the barges twice at a low altitude. The pilots were clearly visible from the barges. They first fired about the barges by machine-gun and later dropped two bombs. The bombs missed their target and only one of the barges, the "Seng Mao", was hit by several machine-gun bullets.

British Embassy,

Tokyo.

30th October, 1937.

(The British Ambassador, Sir Robert L. Craigie, to the
Vice-Minister for Foreign Affairs, Mr. Horinouchi.)

(1228/70/37)

British Embassy

Tokyo

5th November, 1937

My dear Vice-Minister,

In my letter of 30th October I gave Your Excellency an account of an attack on two barges belonging to the Asiatic Petroleum Company by Japanese aircraft near Wusih on 14th October.

I have now received the instructions of my Government to seek an assurance from the Japanese Government that this matter will be thoroughly investigated and that disciplinary action will be taken against those responsible for the attack.

In this case, as I pointed out to Your Excellency at our interview on 30th October, there would seem to have been a direct attack on non-combatants carried out at so low an altitude that the Japanese aviators were clearly visible from the barges. Moreover, as one of the barges bore the Union Jack nailed to the roof of the wheel-house and both were flying the Red Ensign, there could be no doubt as to their nationality and it would therefore appear that the aviator responsible for the attack was acting in disregard of the undertakings of the Japanese Government to respect the lives and property of the nationals of third Powers.

I

His Excellency,

Mr. Kensuke Horinouchi,

H.I.J.M. Vice-Minister for Foreign Affairs.

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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I hope that Your Excellency will accordingly be good enough to cause the matter to be very carefully examined and to give me the assurances which my Government have requested as to the taking of disciplinary action.

Believe me,

My dear Vice-Minister,

Yours very sincerely,

(SGD) R.L. CRAIGIE.

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 Vice Minister for Foreign Affairs, Mr. Horinouchi,
to the British Ambassador, Sir Robert L. Craigie.)

(No. 1261/70/37)

THE GAIMUSHO

8th November, 1937.

T O K I O

My dear Ambassador,

I have received your letter of the 30th October enclosing a memorandum on the subject of an aerial attack alleged to have been made on two barges belonging to the Asiatic Petroleum Company on the 14th October and of your further letter of the 5th November.

In pursuance of the conversation we had on this subject on the 29th October, I have had enquiries made and I have just been informed that the Commander-in-Chief of the British Asiatic Fleet requested the Commander-in-Chief of the Third Fleet of the Japanese Navy to make an investigation of the case and a reply was sent denying that any vessels known to be of British ownership were attacked on that day.

I am enclosing copies of the letters which were exchanged between the British and Japanese Commanders-in-Chief.

Believe me,

My dear Ambassador

Yours very sincerely,

(SGD) Kensuke Horinouchi.

His Excellency
Sir Robert Craigie, K.C.M.G., C.B.,
The British Ambassador.

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

(Captain of H.M.S. "DANAE" at Shanghai to the Commander-in-Chief of the Third Imperial Japanese Fleet, Vice-Admiral Hasegawa.)

H.M.S. "DANAE"

at Shanghai,

18th October, 1937.

Dear Sir,

My Commander-in-Chief has instructed me to request that you will investigate the report that he has received from the Senior Naval Officer, Chinkiang that on Thursday, 14th October, the A.P.C. motor barge "SENGMAO" was machine gunned and bombed by one aircraft 20 Li below Wusih on the Grand Canal, and about eight bullet holes were made in the structure.

I am, Sir,

Yours sincerely,

Captain, Royal Navy,
Senior British Naval Officer,
SHANGHAI.

Vice-Admiral K. Hasegawa, D.S.O.,
Commander-in-Chief,
Third Imperial Japanese Fleet.
H.I.J.M.S. "IDSUMO"

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

(Commander-in-Chief, Imperial Japanese Third Fleet, Vice-Admiral Hasegawa, to the British Commander-in-Chief, Admiral Little.)

October 21st, 1937.

Admiral Little,
Commander-in-Chief,
British Asiatic Fleet.

Dear Admiral Little:

I am in receipt of the letter from Captain Maund dated the 18th instant in which he mentions that according to the report that you have received from the Senior Naval Officer, Chinkiang, the A.P.C. motor barge, "Sengmao", was machine-gunned and bombed by one aircraft on the 14th October.

In reply, I have to inform you that while it is true that Japanese naval aircrafts, on the 14th instant, machine-gunned and bombed Chinese vessels that were being engaged in the transportation of Chinese military supplies in the waterways in the area of Wusih and Soochow but they did not machine-gun or bomb any of the vessels which were known to be of British ownership.

In carrying out their aerial attacks, Japanese aircraft have been instructed to exert very careful attention towards the interests of third Powers, but in view of the fact that the water-ways in the area mentioned above are being extensively utilized for the transportation of Chinese military supplies, our aircraft actually find it very difficult to make distinction in case vessels or motor-cars of British firms are moving close to those

Chinese

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

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Chinese vessels or motor-cars which are being utilized by Chinese troops.

In such cases, I have to add, I would not be in a position to guarantee the safety of any of those British vessels or motor-cars.

Yours faithfully,

(sgd) K. Hasegawa,

Commander-in-Chief, Imperial Japanese
Third Fleet.

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 British Ambassador, Sir Robert L. Craigie, to
the Vice-Minister for Foreign Affairs, Mr. Horinouchi.)

No: 1269/70/37

British Embassy,
TOKYO.

My dear Vice Minister,

Thank you for your letter of the 8th November concerning an aerial attack made on two barges belonging to the Asiatic Petroleum Company, on the 14th October, in which you were good enough to enclose copies of letters exchanged between the Commander-in-Chief of the British Fleet in Far Eastern waters, and the Commander-in-Chief of the Third Fleet of the Japanese Navy.

I should explain that the instructions of my Government, in accordance with which I wrote to you my letter of the 5th November, were sent to me in full knowledge of Vice-Admiral Hasegawa's letter of the 21st October.

My Government have, of course, received with satisfaction the assurances given in Admiral Hasegawa's letter and on other occasions by the Japanese authorities that Japanese aircraft have been instructed to exercise great care regarding the interests of third Powers. On this occasion, however, these instructions do not seem to have been respected since the barges in question were clearly marked with British flags, and the attack was carried out at so low an altitude that the aviators were clearly visible to
the

His Excellency,
Mr. Kensuke Horinouchi,
H.I.J.M. Vice-Minister for Foreign Affairs
T o k y o.

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the occupants of the barges.

Moreover in the report furnished by the Asiatic Petroleum Company it was stated (as explained in the memorandum contained in my letter to Your Excellency of 30th October) that there were no Chinese craft in the vicinity. Even had there been any Chinese ships in the neighbourhood, my Government cannot accept the implication that it would no longer be necessary to exert the greatest care in distinguishing vessels of British nationality.

I feel that this is a really bad case of neglect of instructions by Japanese Aviators and that, if such cases are allowed to pass without disciplinary action being taken, they are bound to recur in future. As I know that the Japanese Authorities are sincerely desirous of preventing this type of attack not only on non-combatants but also on the British flag, I trust that further enquiry may be made to elucidate the facts and that I may be informed of the results in due course.

Believe me,

My dear Vice-Minister,

Yours very sincerely,

(SGD) R. L. CRAIGIE.

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 Vice-Minister for Foreign Affairs, Mr. Horinouchi,
to the British Ambassador, Sir Robert L. Craigie.)

30th November, 1937.

My dear Ambassador,

In your letter of the 12th November, Your Excellency asked that further investigations should be made into an attack from the air on two barges belonging to the Asiatic Petroleum Company.

I accordingly caused the appropriate authorities to make thorough enquiries once more and these have revealed that about the time of the attack on the barges, i. e. October 14th, the Chinese were using junks and small motor craft in considerable numbers for the transport of troops and War supplies from the direction of Wusih by the Grand Canal and the neighbouring Creeks. In order to put a stop to this transport, the Imperial Forces repeatedly bombed these vessels for several successive days and, in carrying out this bombardment, they continually met with heavy anti-aircraft fire from the Chinese Forces in order to avoid which they were obliged to maintain a considerable altitude. Your Excellency will readily understand that, in these circumstances, it was impossible to distinguish the barges in question by means of a flag fixed to the roof of the wheel house which was no larger than about 1 or 2 metres breadth.

Further, according to the report of the thorough examination of the squadron which carried out the bombard-

ment

His Excellency
Sir Robert Craigie, K.C.M.G., C.B.,
The British Ambassador.

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ment on the day in question, it goes without saying that no Japanese Aviator had consciously bombed the British flag and that at the time of the attack no airman entertained the least misgivings that the barges might have been British.

This incident arose then from the absolute conviction on the part of the Japanese airmen that the barges in question were Chinese Craft engaged in the transport of troops and war supplies and, as the bombs were dropped from a height of over 1,000 metres there is no truth whatever in Your Excellency's statement that the barges were bombed from a low altitude. As will be clear from the foregoing, the occurrence of this incident, however regrettable, must be regarded as an unfortunate accident for which the impossibility of distinguishing the markings was entirely responsible.

The Imperial Government will, of course, exercise the utmost care to prevent the occurrence of similar incidents in the future, but I would like to point out to Your Excellency that at the front, or in its neighbourhood, it is not possible in practice to fly at low altitudes in defiance of the elementary principles of warfare in order to make sure of nationality and that the use of small flags only as markings represents a most serious defect in the matter of guaranteeing safety. I therefore hope that, in future, when British barges intend to pass through danger zones which are being repeatedly bombed by the Imperial Forces, they will report to our authorities giving adequate notice beforehand with details as to the date of transit, a rough description of the barges, the markings and other
necessary

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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necessary information.

This being so, the Imperial Government is unable to accept His Majesty's Government's assertion that this incident constitutes a bad case of disregard by Japanese Aviators of their instructions and they are therefore unable to consider taking disciplinary action against those responsible as requested in Your Excellency's letter of the 5th November.

Believe me, etc.,

(Sgd) Kensuke Horinouchi

H.I.J.M. Vice-Minister for Foreign
Affairs.

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

Enclosure No. 17 to despatch
No. 2692 of DEC 10 1937
from the Embassy at Tokyo.

The British Embassy to the American Ambassador,
Mr. Grew.

BRITISH EMBASSY,

TOKYO.

6th December 1937

WITH THE COMPLIMENTS

OF

HIS BRITANNIC MAJESTY'S EMBASSY.

His Excellency,
The Honourable Joseph Clark Grew
Ambassador Extraordinary and
Plenipotentiary
for United States of
America at Tokyo.

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 British Ambassador, Sir Robert L. Craigie,
to the Minister for Foreign Affairs, Mr. Hirota.)

No. 191 (1367/70/37)

British Embassy

Tokyo.

3rd December, 1937.

Your Excellency,

In view of the operations of the Japanese forces in the neighbourhood of Nanking, I have the honour, under instructions from His Majesty's Principal Secretary of State for Foreign Affairs, to request that Your Excellency will be so good as to cause instructions to be sent to the Japanese military authorities on the spot to afford the necessary protection to British subjects and to British property in Nanking. A Map of Nanking showing all British-owned property and houses occupied by British subjects was communicated to the Japanese Ambassador in Shanghai by His Majesty's Ambassador to China on August 17th last.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

(Sd) R. L. CRAIGIE

His Excellency

Mr. Koki Hirota,

H.I.J.M. Minister for Foreign Affairs.

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. 18 to despatch
No. 2692 of DEC 10 1937
from the Embassy at Tokyo.

The Ministry of Foreign Affairs to
the American Embassy
(Translation)

No. 150, American I, Department of Foreign Affairs,
Confidential. Tokyo, December 6, 1937.

Note Verbale.

The Japanese Foreign Office has the honor to acknowledge the receipt of the memorandum of November 19 from the United States Embassy in Tokyo stating that on November 12 the property at Wusih belonging to the American Church Mission and St. Andrews' Hospital, and a separate plot on which there stands a church, were bombed by aeroplanes of the Japanese forces.

Investigations which the appropriate authorities were instructed to make have revealed the fact that on November 12, when Japanese naval planes bombed military establishments of the Chinese army at Wusih, the combatant personnel, as a matter of course, paid due attention to the rights and interests of foreign countries but that, as the day was cloudy and heavily overcast, they could not distinguish any designation or mark indicating the property of Americans, even though they endeavored to do so. Further, it was revealed that on that day the line of operations of Japanese forces had already extended to the east of Kunshan and that in view of the fact that Wusih was a basis of important military operations of the Chinese army at that time bombing operations were repeatedly carried out against the Chinese military establishments and that in so doing it was necessary to maintain high altitude in order to avoid the intense anti-aircraft gun-fire of the Chinese army. In view of the foregoing, it is believed that the American Embassy will understand that incidents such as that under reference
are

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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are liable to occur, notwithstanding the exercise of great care. The occurrence of the present incident is wholly attributable to a mistake due to the imperfect range of vision. The Japanese Government hereby expresses regret and has the honor to state that it will do all in its power to prevent recurrence of such incidents and that it is prepared to give proper consideration with regard to the losses and damage inflicted on the American property involved in the present case.

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. 19 to despatch
No. 2692 of DEC 10 1937
from the Embassy at Tokyo.

The First Secretary of the British Embassy, Mr. Clarke,
to the Counselor of the American Embassy, Mr. Dooman.

BRITISH EMBASSY,

TOKYO.

9th December, 1937.

Dear Dooman,

The Ambassador has asked me to let you know that at the interview he had with the Minister for Foreign Affairs yesterday of which I told you last night he drew the attention of the Minister to the Wuhu incident in which two British merchant ships were attacked, one being gutted and one beached full of water.

Speaking informally in advance of any instructions from London, Sir Robert said he felt sure that His Majesty's Government would take a serious view of this case if the facts turned out to be as reported. Not only had there been a complete disregard of the assurances in regard to safeguarding the lives and property of non-combatants but a further indefensible attack on the British flag at a point where there were no Chinese forces and no opposition to the Japanese aircraft. It would appear from enquiries made here that the latter were military (not naval) machines. Sir Robert concluded by asking whether there was any message he could send to London.

The Minister promised to make immediate enquiries into the facts and to communicate with him again.

Mr. Eugene H. Dooman,
American Embassy
TOKYO.

I

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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I also enclose for your confidential information a copy of the letter of protest which our Commander-in-Chief delivered to Admiral Hasegawa on 6th December.

Yours sincerely,
Ashley Clarke.

P. S. Since the above was written we have received a telegram from London approving what Sir Robert said, the main facts having been authenticated by the Commanding Officer of H.M.S. Ladybird. In accordance with the instructions in the telegram Sir Robert will address a letter this afternoon to the Minister for Foreign Affairs stating that his protest has been approved by the Foreign Office and that he reserves the right to claim compensation.

A.A.C.

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 British Commander-in-Chief, Admiral Little,
to the Commander-in-Chief of the Imperial Japanese
Third Fleet, Vice-Admiral Hasegawa.)

I regret to inform you that I have received reports from the British Senior Naval Officer at WUHU stating that the British steamers TUCKWO (3,770 tons gross) and TATUNG (1,560 tons gross) were attacked yesterday by Japanese aircraft while at anchor off that port. Both vessels were hit. The TUCKWO is reported as completely gutted and the TATUNG beached full of water.

2. The TUCKWO and TATUNG were flying the British flag in accordance with recognised practice and in addition were displaying the Union flag painted a large size on horizontal surfaces. I am informed that no Chinese Man-of-war was at WUHU and only two Chinese merchant ships, the nearest being one and a half cables distant; these were not hit. A very few junks were loading refugees at the Bund. No Chinese soldiers were in the vicinity and there was no opposition to the aircraft. Japanese aircraft flew at about 6,000 feet and they were identified by their markings. H.M. Ship "Ladybird" was also at anchor off WUHU and witnessed the attacks, her Commanding Officer receiving a slight flesh wound. There was one other British casualty and some Chinese.

3. Serious damage was also made to stationary HULKS of Messrs. Jardine Matheson & Co, and Butterfield and Swire and to godowns ashore belonging to these firms all of which were marked conspicuously with the British Union Flag, a bomb passing through the flag on one roof.

4. Without prejudice to any action my Government may consider

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

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sider desirable, I wish to protest strongly against this reckless attack on merchant ships of a friendly Power and the menace to non-combatants. The Aircraft apparently took no steps to identify the nationality of the vessels before making the attacks.

5. I request that Japanese aircraft may be instructed in their responsibility to identify British ships and to take the necessary steps not to attack them.

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. 20 to despatch
No. 2692 dated December 10, 1937,
from the Embassy at Tokyo.

The American Embassy to the Ministry
of Foreign Affairs

EMBASSY OF THE
UNITED STATES OF AMERICA

Aide-mémoire.

The American Embassy is informed that the following
eighteen American citizens are planning to remain in
Nanking indefinitely in connection with hospital, safety
zone and newspaper work:

M. Searle Bates,
3 Ping Tsang Hsiang;

Miss Grace Bauer,
University Hospital;

Frank Tillman Durdin,
Italian Embassy;

George A. Fitch,
3 Ping Tsang Hsiang;

Ernest H. Forster,
10 Sze Taio Hsiang;

Miss Eva Hynds,
University Hospital;

John G. Magee,
10 Sze Tiao Hsiang;

James H. McCallum,
3 Ping Tsang Hsiang;

C. Bates McDaniel,
British American Tobacco Residence;

Arthur Menken,
Italian Embassy;

W. P. Mills,
3 Ping Tsang Hsiang;

C. H. Riggs,
23 Hankow Road;

Lewis S. C. Smythe,
3 Ping Tsang Hsiang;

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H. L. Sot,
3 Ping Tsang Hsiang;

A. T. Steel,
7 South Kulou;

Dr. C. S. Trimmer,
University Hospital;

Miss Minnie Vautrin,
Ginling College;

Dr. Robert Wilson,
University Hospital.

The officers of the American Embassy at Nanking are ashore during the daytime and evenings. In the absence of officers of the Embassy the buildings and two compounds of the American Embassy and a dugout at the Ningpo Road Corner, adjacent to the main premises, are in the care of Messrs. T. C. Teng and We Yu Chiao, Chinese clerks. Servants of the Embassy and of its officers, together with the servants' families, are living on the premises as well as seventeen special police who are paid by the Embassy, all of whom have been given identification cards.

It is requested that the foregoing information be communicated to Japanese military authorities with the request that the American citizens named, as well as all persons connected with the Embassy mentioned above, be given all possible protection and facilities.

Tokyo, December 10, 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

Enclosure No. 21 to despatch
No. 2692 of DEC 10 1937
from the Embassy at Tokyo.

The American Embassy to the Ministry
of Foreign Affairs.

Memorandum EMBASSY OF THE
UNITED STATES OF AMERICA

The American Embassy has received the following communication from the "International Committee", Nanking, (composed of nationals of Denmark, Germany, Great Britain, and the United States):

"The International Committee has secured agreement of defense Commissioner Tang Sheng Chih to the propositions embodied in the following telegrams -

Telegram No. 1.

'The International Committee which has organized a safety zone in Nanking would respectfully make this further humanitarian proposal to the Chinese authorities, namely, that they should undertake not to carry on military operations within the walled city of Nanking, provided the International Committee can secure the agreement of the Japanese authorities not to attack the walled city. A practical means of procedure, the International Committee proposes for the forces in the vicinity of Nanking a truce of three days, during which time the Japanese troops would maintain their present position and the Chinese troops would withdraw from the walled city. The International Committee would request, for the sake of the great number of civilians now endangered, the earliest possible reply to this proposal signed Rabe Chairman'.

Telegram No. 2.

'The International Committee which has organized a
safety

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safety zone in Nanking would respectfully make this further humanitarian proposal to the Japanese authorities, namely that they should undertake not to attack the walled city of Nanking provided the International Committee can secure the agreement of the Chinese authorities not to carry on military operations therein. As a practical means of procedure, the International Committee proposes for the forces in the vicinity of Nanking a truce of three days, during which time the Japanese troops would maintain their present positions and the Chinese troops would withdraw from the walled city. The International Committee would request, for the sake of the welfare of the great number of civilians now endangered, the earliest possible reply to this proposal. Signed Rabe Chairman.'

"General Tang wishes us through you to communicate the first telegram to General Chiang Kai-shek. We are transmitting the second through Atcheson to the Japanese authorities in Tokyo and Shanghai.

"Please inform the other Embassies of these proposals. The International Committee hopes the proposals may have their indorsement. Speed essential. Signed Rabe Chairman."

Tokyo, December 10, 1937.

(Copy sent to the British Ambassador, Tokyo)
(" " " French Ambassador, ")

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. 22 to despatch
No. 2692 of DEC 10 1937
from the Embassy at Tokyo.

The British Embassy to the American Ambassador,
Mr. Grew.

BRITISH EMBASSY,

Tokyo.

10th December 1937.

Left with Minister for Foreign Affairs
on the 9th December, 1937.

WITH THE COMPLIMENTS

OF

HIS BRITANNIC MAJESTY'S EMBASSY.

His Excellency
The Honourable Joseph Clark Grew
Ambassador Extraordinary and
Plenipotentiary
for the United States of America
at Tokyo.

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 British Ambassador, Sir Robert L. Craigie,
to the Minister for Foreign Affairs, Mr. Hirota).

(December 9, 1937)

It is clear that the Municipal Police took all the precautions humanly possible during the march of Japanese troops through the Settlement on 3rd December, and considering the provocation offered by this march it is surprising that there were no further incidents.

The unrestrained interference of the Japanese military authorities is likely to destroy the Municipal Administration and the authority which it exerts for the preservation of law and order in the Settlement. By such action the Japanese military authorities will gain nothing and will only succeed in producing chaos in this thickly populated area to the great danger of the many valuable foreign interests, including Japanese interests.

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 FOREIGN SERVICE
DEPARTMENT OF THE
UNITED STATES OF AMERICA

1937 DEC 16 PM 2 32

AMERICAN EMBASSY

No. 2666. DIVISION OF
COMMUNICATIONS
AND RECORDS

Tokyo, November 26, 1937.

SUBJECT: SINO-JAPANESE RELATIONS.

STRICTLY CONFIDENTIAL

Copy in 7F

793.94/11115

The Honorable

The Secretary of State
Washington.

Sir:

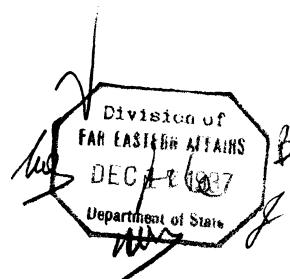
With reference to the Embassy's despatch No. 2642 dated October 29, 1937, I have the honor to transmit herewith, for the purpose of the records, further copies of various notes, letters, memoranda, and other documents relating to Sino-Japanese relations.

Respectfully yours,

Joseph C. Grew
Joseph C. Grew

710.
ESC:mg

Annex:
List of enclosures.



793.94/11672

DEC 27 1937

FILED

F/FG 11/1672

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

List of enclosures transmitted with
despatch No. 2666, November 26, 1937.

1. The British Ambassador, Sir Robert L. Craigie, to the Minister for Foreign Affairs, Mr. Hirota.
2. The British Ambassador, Sir Robert L. Craigie, to the Minister for Foreign Affairs, Mr. Hirota.
3. The American Ambassador, Mr. Grew, with the Minister for Foreign Affairs, Mr. Hirota.
4. The British Ambassador, Sir Robert L. Craigie, to the Vice Minister for Foreign Affairs, Mr. Horinouchi.
5. The American Ambassador, Mr. Grew, to the British Ambassador, Sir Robert L. Craigie.
6. The American Ambassador, Mr. Grew, to the British Ambassador, Sir Robert L. Craigie.
7. Conversation between Mr. Clarke and Mr. Matsumura of the Ministry of Foreign Affairs, on 30th October.
8. The American Embassy to the Ministry of Foreign Affairs.
9. The American Ambassador, Mr. Grew, with the British Ambassador, Sir Robert L. Craigie.
10. The Minister for Foreign Affairs, Mr. Hirota, to the British Ambassador, Sir Robert L. Craigie.
11. The Minister for Foreign Affairs, Mr. Hirota, to the British Ambassador, Sir Robert L. Craigie.
12. Chief of the Bureau of American Affairs, the Foreign Office, Mr. Yoshizawa, with the American First Secretary, Mr. McGurk.
13. The Minister for Foreign Affairs, Mr. Hirota, to the British Ambassador, Sir Robert L. Craigie.
14. American Second Secretary, Mr. Crocker, to the British First Secretary, Mr. Clarke.
15. The British Ambassador, Sir Robert L. Craigie, to the Minister for Foreign Affairs, Mr. Hirota.
16. The Belgian Ambassador, Baron de Bassompierre, to the Minister for Foreign Affairs, Mr. Hirota.
17. The Ministry of Foreign Affairs to the American Embassy.
18. The Minister for Foreign Affairs, Mr. Hirota, to the Belgian Ambassador, Baron de Bassompierre.
19. The American Embassy to the Ministry of Foreign Affairs.
20. The American Ambassador, Mr. Grew, with the Minister for Foreign Affairs, Mr. Hirota.
21. The British First Secretary, Mr. Clarke, to the American Second Secretary, Mr. Crocker.
22. The British First Secretary, Mr. Clarke, to the American Second Secretary, Mr. Crocker. (Enclosure No. 3 to this letter was transmitted to the Department with Embassy's despatch No. 2642, October 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

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23. The American Ambassador, Mr. Grew, with the Minister for Foreign Affairs, Mr. Hirota.
- 23 a. The American Ambassador, Mr. Grew, to the Minister for Foreign Affairs, Mr. Hirota.
24. The American Second Secretary, Mr. Crocker, to the British First Secretary, Mr. Clarke.
25. The American Second Secretary, Mr. Crocker, with the British Third Secretary, Mr. Haigh.
26. American Embassy to the Ministry of Foreign Affairs.

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 2666 of NOV 26 1937
from the Embassy at Tokyo.

The British Ambassador, Sir Robert L. Craigie, to the
Minister for Foreign Affairs, Mr. Hirota.

British Embassy,

Tokyo.

11th October, 1937.

Your Excellency,

I have the honour to state that, according to information which has reached His Majesty's Government, the payments due in August and subsequently out of the revenues of the Peking-Mukden Railway have not yet been made. The sums due are those on (a) the Shanghai-Fenchiang Railway mortgage redemption loan of 1913 (amounting to £ 5,000 per mensem, including the liquidation of arrears) and (b) the debt owing to the Metropolitan Cammell Carriage Company (amounting to £ 3,600 per mensem under the agreement concluded in 1934). It appears that since the 29th July last the Peking-Mukden Railway has been used exclusively by the Japanese military authorities without any payments being made for these services. The Railway has in fact had to borrow from the South Manchurian Railway to cover its running expenses.

2. The General Manager of the Peking-Mukden Railway to whom informal representations have been made in regard to the latter default, has promised to resume payments as soon as the financial condition of the railway has improved.

3. Under instructions from His Majesty's Principal Secretary of State for Foreign Affairs, I have the honour

to

His Excellency,
Mr. Koki Hirota,
H.I.J.M. Minister for Foreign Affairs

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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to inform Your Excellency that His Majesty's Government in the United Kingdom do not consider it admissible that the Japanese authorities should make use without payment of a Railway which is mortgaged to the British bondholders. They feel sure that the Japanese Government will agree that payment should be made at regular rates for the carriage of troops, and His Majesty's Government would therefore be glad if the Japanese Government would be so good as to give orders to this effect. I also have the honour to request that provision may be made for payment in respect of the past use of the Railway in order that the sums referred to above may be duly remitted and the arrears liquidated.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

(SGD) R.L. CRAIGIE.

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

Enclosure No. 2 to
despatch No. 2666 of NOV 26 1937
from the Embassy at Tokyo.

The British Ambassador, Sir Robert L. Craigie,
to the Minister for Foreign Affairs, Mr. Hirota.

British Embassy

Tokyo

27th October, 1937.

Your Excellency,

I have the honour to acknowledge the receipt of Your Excellency's note No. 199 of 25th October, the contents of which I at once communicated to His Majesty's Government concerning the attack by Japanese aircraft on a British military post in Shanghai.

2. I have now the honour, under instructions from His Majesty's Principal Secretary of State for Foreign Affairs to inform Your Excellency that His Majesty's Government in the United Kingdom accept the apology and assurances contained in Your Excellency's note.

3. I am instructed to add that His Majesty's Government consider that the retaliatory fire by the British post was entirely justifiable and that it must be expected again if ever a case of this kind should recur.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

His Excellency
Mr. Koki Hirota,
H.I.J.M. Minister for Foreign Affairs.

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

Enclosure No. 3 to despatch
No. 555 dated NOV 26 1937
from the Embassy at Tokyo.

Conversation

October 27, 1937.

The American Ambassador, Mr. Grew, with
the Minister for Foreign Affairs, Mr. Hirota.

Subject: Japanese refusal to attend Nine Power Conference.

The Minister for Foreign Affairs asked me to call on him at the Foreign Office at 6:20 this afternoon in order to give me a copy of the Japanese reply refusing the invitation of the Belgian Government to attend the Nine Power Conference in Brussels. Mr. Hirota saw the British Ambassador at 6:10 and the Belgian Ambassador at 6:30 and in the meantime the Vice Minister was similarly conferring with the French, Italian, and German Ambassadors. Mr. Hirota also gave me a long explanatory statement in Japanese which he said would be communicated to the State Department by the Japanese Embassy in Washington.

Mr. Hirota's only comment was that he hoped that we would understand the Japanese point of view and that if we wished to help the situation the best thing we could do would be to persuade Chiang Kai-shek to negotiate for peace.

J.C.G.

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

Enclosure N 4 to despatch
No. 2666 of NOV 26 1937
from the Embassy at Tokyo.

The British Ambassador, Sir Robert L. Craigie, to the
Vice-Minister for Foreign Affairs, Mr. Horinouchi.

C O P Y.

British Embassy,

Tokyo.

28th October, 1937.

My dear Vice-Minister,

With a view to obviating the serious dangers to foreign lives in the International Settlement at Shanghai the following two suggestions have been made by our authorities on the spot:-

(a) Japanese Aeroplanes should comply strictly with conditions already agreed upon in Shanghai, namely that they should not fly over any portion of the International Settlement nor over districts within the defence of perimeter. (This would include the area of the Toyada Mills, at present occupied by British troops).

(b) That only skilled pilots should be employed for operations near the perimeter.

In view of the increased danger to the International Settlement of which the renewed attack on British troops on 27th October is a flagrant example, the two suggestions made above seem to me eminently reasonable and I should be grateful if Your Excellency would let me know whether you can give me any assurance on these points.

Believe me

My dear Vice-Minister

Yours very sincerely,

His Excellency
Mr. Kensuke Horinouchi, H.I.J.M.
Vice-Minister for Foreign Affairs.

SGD R.L. CRAIGIE.

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 ⁵ to despatch
No. 2666 of NOV 26 1937
from the Embassy at Tokyo.

The American Ambassador, Mr. Grew, to the British
Ambassador, Sir Robert L. Craigie.

Tokyo, October 29, 1937.

My dear Colleague:

With reference to my letter of October 26, relating to an attack by a Japanese airplane on a party of non-combatants, including five Americans, while riding in Keswick Road, Shanghai, and to your reply of October 27, I am enclosing herewith for your information a copy of the note addressed to me by the Minister for Foreign Affairs, on October 26, expressing regret, stating that measures are being devised to prevent the recurrence of such incidents, that those responsible will be appropriately dealt with, and offering compensation for injuries which may have been incurred.

I also enclose a copy of my reply to the Minister for Foreign Affairs on October 28, in which the appreciation of the American Government is expressed for the prompt expression of regret offered by the Japanese Government.

Very sincerely yours,

Joseph C. Grew.

His Excellency
The Right Honorable
Sir Robert L. Craigie, K.C.M.G., C.B.
His Britannic Majesty's Ambassador
Extraordinary and Plenipotentiary
at Tokyo.

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 10. 6 to despatch
No. 2666 of NOV 26 1937
from the Embassy at Tokyo.

The American Ambassador, Mr. Grew, to the British
Ambassador, Sir Robert L. Craigie.

Tokyo, October 29, 1937.

My dear Colleague:

I am sending you herewith for your information a translation of a memorandum addressed to us by the Ministry of Foreign Affairs on October 19, and a copy of an aide-mémoire which we sent to the Ministry of Foreign Affairs yesterday on the subject of the use by the Japanese forces of the International Settlement at Shanghai as a base of military operations.

Very sincerely yours,

Joseph C. Grew.

His Excellency
The Right Honorable
Sir Robert L. Craigie, K.C.M.G., C.B.
His Britannic Majesty's Ambassador
Extraordinary and Plenipotentiary
at Tokyo.

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. 7 to despatch
No. 2666 of NOV 26 1937
from the Embassy at Tokyo.

Conversation between Mr. Clarke and Mr. Matsumura of
the Ministry of Foreign Affairs, on 30th October.

I left with Mr. Matsumura a copy of the attached paper
based on a telegram dated 29th October from the British
Consul-General at Shanghai and asked that the Ministry of
Foreign Affairs would do what they could to expedite the
reopening of the districts in question.

Mr. Matsumura promised to telegraph to Shanghai but
pointed out that the areas were not yet safe in spite of the
recent advance of Japanese troops since the Chinese were
still in Pootung. They continued to fire at Japanese war
vessels in the river and shells were consequently still fall-
ing in the Settlement.

H.A.C.

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

At Shanghai yesterday (29th October) the British, American, French and German Consuls General called on their Japanese colleague and requested that certain districts of the Hongkew and Yangtzepoo areas should be completely re-opened and all restrictions withdrawn as soon as possible.

The Japanese Consul-General replied that the Japanese authorities were anxious to do this but the district was not quite safe and he could fix no date. He offered to increase the small number of permits and passes now being issued.

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

Enclosure No. 8 to despatch
No. 2550 of NOV 26 1937
from the Embassy at Tokyo.

The American Embassy to the
Ministry of Foreign Affairs.

Memorandum

Information has just been received by the American Embassy that the property of the Methodist Episcopal Mission at Sungkiang, which is approximately eighteen miles southwest of Shanghai, was bombed on October 29 by Japanese planes. While no casualties were reported, it is stated that the girls school was destroyed by one or more bombs, and other buildings, which were all plainly marked by American flags, were damaged. It is further stated that no Chinese troops were in or near the property.

The American Government, which adheres to the views previously expressed to the Japanese Government, protests against an unwarrantable attack which exposed to grave danger the lives of Americans and other non-combatants and inflicted damage upon a humanitarian establishment.

Tokyo, October 30, 1937.

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

Enclosure No. 9 to despatch
No. 2600 of NOV 26 1937
from the Embassy at Tokyo.

Conversation

October 30, 1937.

The American Ambassador, Mr. Grew, with the
British Ambassador, Sir Robert L. Craigie.

The British Ambassador came to see me this morning and started the conversation by observing that Anglo-Japanese relations are going from bad to worse. Three more British soldiers have been killed, presumably by Japanese shells, in the British sector of the International Settlement and feeling in England against Japan is steadily mounting. The Ambassador said that he is also worried about the attitude of the Japanese Navy which is becoming intensively anti-British and he fears that almost anything can happen. He is concerned about the organization of the new Fourth Fleet which is now operating in southern waters and he fears that its main purpose may be to cut off Hong Kong as a first step in carrying out the naval policy of "southern advance". He said that the Netherlands Minister is equally concerned on this subject. Sir Robert said that he had learned that the French Government had closed the frontier of Indo-China to the export of arms and ammunition and other war supplies into China which he thought might be a temporary measure pending the deliberation of the Brussels Conference. Hong Kong now remains one of the only channels for the importation of such supplies into China.

Sir Robert Craigie then turned to the domestic situation and says he fears that Hirota's position is weakening and that the military elements aim to establish

Matsuoka

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Matsuoka as Prime Minister. He and General Pabst both fear the possibility of another coup similar to the February 26 Incident. One of the reasons ascribed by Sir Robert to the weakening of Hirota's position is the ascendancy of Chinese propaganda and the failure of Japanese propaganda abroad which has resulted in giving foreign nations an erroneous impression of the basis of the present Sino-Japanese hostilities.

Sir Robert then turned to the Brussels Nine Power Conference which is to meet on November 3 and said he hoped that I would be willing to act with him in sending identic telegrams to our respective Governments containing recommendations which might help the conference. In brief, his idea is that if good offices or mediation are to result from the Conference, the Conference must take care not to go beyond its mandate of attempting "to promote peace by agreement" and it should avoid expressing judgment as to the origins of the conflict or the responsibilities involved. The more the Conference can maintain an appearance of impartiality, the better will be the prospect of eventually successful mediation. Furthermore, mediation, if undertaken at all, should be entrusted to one power, preferably to the United States or Great Britain, and not to a group of powers or to America and Great Britain acting together, for this would imply an element of pressure, and foreign pressure, or any semblance of it, would be resisted to the last ditch. The Conference, too, should carefully consider the possible effects of its proceedings on the internal situation here. Hirota's position is shaky; the military

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military and the chauvinists want Matsuoka to take his place, and if that should happen, not only would we have to expect even greater ruthlessness in China but American and British interests here would inevitably suffer. The war spirit here is noticeably growing.

We were able to subscribe to the essential part of Sir Robert's proposed identic telegram and finally agreed to a text which was sent - to Washington and to London - but a good deal of it we objected to and that part Sir Robert agreed to eliminate. For instance, he had included in his draft an enumeration of possible peace terms which the Japanese might demand, but this, we pointed out, was pure speculation and might mislead. Then also we didn't like his theory that Hirota's position was shaken largely because of the successful Chinese propaganda abroad and the lack of organized Japanese propaganda to offset it. This may come into the picture but it is a detail. Anyway, the final draft which was satisfactory to both Sir Robert and myself was despatched about 7 in the evening. Our French colleague agreed to telegraph in the same general sense to Paris.

J.C.G.

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

Encl. ~~1~~ ¹⁰ to despatch
No. 2056 of NOV 26 1937
from the Embassy at Tokyo.

The Minister for Foreign Affairs, Mr. Hirota, to
the British Ambassador, Sir Robert L. Craigie.

C O P Y

Translation

Urgent

1st November, 1937

Confidential

No. 205.

Your Excellency,

The Imperial Japanese Government profoundly regret the occurrence of the incident in the western sector of Shanghai in which British soldiers were killed and wounded as the result of accidental firing by the Japanese forces on the 29th October and I hereby offer an apology in their name.

2. I have further the honour to inform Your Excellency that the Imperial Japanese Government have taken the necessary precautions to prevent the recurrence in the future of incidents of this nature and that on the completion of their investigations, they will deal in an appropriate manner with those concerned in this affair. They are moreover prepared to pay the necessary compensation of the British soldiers who were killed or wounded.

I avail, etc.

(Sgd) Koki Hirota (L.S.)

H.I.J.M. Minister for Foreign Affairs.

His Excellency,

Sir R. L. Craigie,

H.B.M. Ambassador.

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

Enclosure No. 11 to despatch
No. 2656 of NOV 26 1937
from the Embassy at Tokyo.

The Minister for Foreign Affairs, Mr. Hirota, to the
British Ambassador, Sir Robert L. Craigie.

TRANSLATION

November 1, 1937.

Sir,

I have the honour to acknowledge the receipt of Your Excellency's Note No. 161 of October 11th, in which you ask, in connexion with the suspension of payment of sums due to British firms by the Peking-Mukden Railway owing to its use by Japanese forces without payment of charges therefor, that such charges may be paid in future together with the amount which has remained unpaid in the past.

The Peking-Mukden railway has in the past continuously been used by Japanese forces without payment, though it seems that recently, owing to military operations in the district, the use thereof has greatly increased. I regret that of late the payment of sums due by the Railway to British firms should have been suspended; but, as the claims of Japanese nationals upon Chinese railways have also all been unpaid, such suspension is in the circumstances regarded as inevitable.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

Koki Hirota (L.S.)

H.I.J.M. Minister for Foreign Affairs.

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

Enclosure No. 12 to despatch
No. 2686 of NOV 26 1937
from the Embassy at Tokyo.

Conversation

November 1, 1937.

Chief of the Bureau of American Affairs,
the Foreign Office, Mr. Yoshizawa, with
the American First Secretary, Mr. McGurk.

At Mr. Dooman's direction I called on Mr. Yoshizawa this afternoon and read to him Shanghai's telegram No. 904 of October 29, 5 p. m. relating to the desire of merchants in Shanghai to remove or otherwise handle their merchandise in the Hongkew and Yangtzepoo areas.

Mr. Yoshizawa stated that those districts were still under the control of the Japanese military; that while the Chinese may have been driven out of those districts, the Chinese continue to fire into them, and the Japanese military are loath to allow foreigners more facilities than within the requirements of safety. He said, however, that he would take up the matter and see what could be done.

J.F.M.

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

Enclosure No. 13 to despatch
No. 2636 of NOV 26 1937
from the Embassy at Tokyo.

The Minister for Foreign Affairs, Mr. Hirota, to
the British Ambassador, Sir Robert L. Craigie.

(Translation)

No. 205

1st November, 1937.

CONFIDENTIAL

Your Excellency,

The Imperial Japanese Government profoundly regret the occurrence of the incident in the western sector of Shanghai in which British soldiers were killed and wounded as the result of accidental firing by the Japanese forces on the 29th October and I hereby offer an apology in their name.

2. I have further the honour to inform Your Excellency that the Imperial Japanese Government have taken the necessary precautions to prevent the recurrence in the future of incidents of this nature and that on the completion of their investigations, they will deal in an appropriate manner with those concerned in this affair. They are moreover prepared to pay the necessary compensation to the British soldiers who were killed or wounded.

I avail, etc.

(Sgd) Koki Hirota (L.S.)

H.I.J.M. Minister for Foreign Affairs.

His Excellency,

Sir R.L. Craigie,

E.B.M. Ambassador.

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. 14 to despatch
No. 2666 of NOV 26 1937
from the Embassy at Tokyo.

American Second Secretary, Mr. Crocker, to
the British First Secretary, Mr. Clarke.

November 4, 1937.

My dear Ashley:

With reference to our telephone conversation the other day concerning the desire of merchants in Shanghai to have access to their goods in the Hongkew and Yangtzepoo areas, I am enclosing herewith for your information a copy of a conversation between Mr. McGurk and Mr. Yoshizawa, Chief of the American Bureau at the Foreign Office on this subject.

Sincerely yours,

Edward S. Crocker.

Ashley Clarke, Esquire,
British Embassy,
Tokyo.

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

Enclo Jra No. 15 to despatch
No. 2006 of NOV 26 1937
from the Embassy at Tokyo.

The British Ambassador, Sir Robert L. Craigie, to
the Minister for Foreign Affairs, Mr. Hirota.

C O P Y

British Embassy,

Tokyo

6th November, 1937

Your Excellency,

I did not fail to convey to His Majesty's Government in the United Kingdom the terms of Your Excellency's note No. 205 of 1st November regarding the accidental killing of three British soldiers in the western sector of Shanghai by Japanese forces on 29th October.

Under instructions from His Majesty's Principal Secretary of State for Foreign Affairs I have the honour to inform Your Excellency that His Majesty's Government gladly accept the apology and assurances offered by the Imperial Japanese Government and that they regard this incident as closed.

I am further to convey to Your Excellency an expression of their thanks for the spontaneous and prompt amends which the Japanese Government have made and which have been much appreciated. His Majesty's Government have every confidence that the possibility of any similar accidents in the future will be precluded by the observance by the Naval and Military authorities on the spot of the precautionary measures now agreed upon, which are essential in the present delicate and difficult situation.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

His Excellency
Mr. Koki Hirota,

H.I.J.M. Minister for Foreign Affairs.

(Sd) R.L. CRAIGIE

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. 15 to despatch
No 2666 of NOV 26 1937
from the Embassy at Tokyo.

The Belgian Ambassador, Baron de Bassompierre,
to the Minister for Foreign Affairs, Mr. Hirota.

(Translation)

N O T E V E R B A L E

The representatives of the countries participating in the Brussels Conference on November 3, last, have duly noted the reply which the Japanese Government made on October 27 to the invitation of the Belgian Government, as well as the statement which accompanied this reply.

2. In these documents the Imperial Government states especially that it has no territorial ambition with regard to China, that it has on the contrary a sincere desire to aid in the material and moral development of the Chinese nation, that its desire is also to promote cultural and economic cooperation with the foreign Powers in China, and that it intends furthermore scrupulously to respect foreign rights and interests there.

3. The points mentioned in this statement represent certain of the fundamental principles of the treaty concluded at Washington on February 6, 1922 (the Nine Power Treaty). The representatives of States signatory to this treaty have taken note of the statements of the Imperial Government in this regard.

4. The Imperial Government denies furthermore that there can be any question of a violation of the Nine Power Treaty by Japan, and it formulates several complaints
against

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against the Chinese Government. The Chinese Government on its part maintains that there has been a violation of the treaty, denies the complaints of the Japanese Government and sets forth complaints on its part.

5. The treaty envisages precisely the steps to be taken in such a situation. It may be recalled that the exchange of views which are taking place at Brussels is essentially based on these provisions, and comprise the frank and complete exchange of views which are envisaged in Article 7. The conference has been called for the purpose of assisting in the solution by peaceful means of a conflict between States which are parties to the treaty. One of the parties to this conflict, that is to say China, is represented at the conference and has shown itself to be disposed to associate itself entirely in the work of the conference. The conference regrets the absence of the other party, that is to say Japan, whose cooperation is particularly desirable.

6. The Imperial Government has expressed "its firm conviction that to try to find a solution at a meeting of so many powers which have diversified interests in the Far East, or practically none at all, can only complicate the situation and create new obstacles".

It may be remarked that all the Powers which are parties to the treaty are, under the provisions of this act, qualified to exercise the rights which the treaty confers upon them; that all the powers which have interests in the Far East are affected by the existing hostilities, and that the whole world is preoccupied by the

repercussions

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repercussions of these hostilities on the peace and the security of the members of the Family of Nations.

However, the representatives of the States which are meeting at Brussels believe it possible to dispel the doubts of Japan on this subject; they would welcome being informed whether the Imperial Government is disposed to delegate one or more representatives to undertake an exchange of views with the representatives of a limited number of powers who would be designated for this purpose. Such an exchange of views would take place within the scope of the Nine Power Treaty, and in conformance with the stipulations of the treaty.

The objectives to be pursued would be to clarify certain points mentioned above, and to seek for a settlement of the conflict. Regretting the continuation of the hostilities, firmly convinced that only a peaceful settlement can bring a lasting and constructive solution of the existing conflict, and confident in the efficacy of the methods of conciliation, the representatives of the States assembled at Brussels greatly desire such a settlement.

7. The States represented at the conference would greatly appreciate being informed as soon as possible of the views of the Imperial Government with respect to their proposal.

Tokyo, November 7, 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

Enclosure No. 17 of despatch
No. 2666 of NOV 26 1937
from the Embassy at Tokyo.

The Ministry of Foreign Affairs to the American Embassy.
(Translation)

Confidential
No. 139 American Bureau

Department of Foreign Affairs
Tokyo, November 11, 1937

NOTE VERBALE

With reference to the memorandum of October 30 of the American Embassy in Tokyo to the effect that the property of the Methodist Episcopal Mission at Sunkiang, southwest of Shanghai, was bombed by Japanese planes on October 29, that the girls' school belonging to the said church was destroyed, and that other buildings on which the American flag was clearly displayed were bombed, the Imperial Ministry of Foreign Affairs has taken note of the circumstances in the Embassy's communication and has caused the authorities concerned in the incident to make an investigation. It is recognized that Sunkiang is close beside the area of Japanese military operations and that a large body of Chinese troops were there concentrated. Although the Japanese forces, in acting as combatants and in carrying out their bombing of this area, were of course duly heedful of foreign rights and interests, they had at the time of the bombardment no data concerning the location of the property of the American church in this area. For the sake of safety, flying at a very low altitude had to be avoided in the vicinity of the area occupied by the Chinese forces. On this account the Japanese forces could not recognize the markings of the said school and other buildings. It is very sincerely regretted, but it is clear that the incident was wholly due to a mistake.

Furthermore, the Imperial Ministry of Foreign Affairs, on behalf of the Imperial Government, has the honor to state that, whereas it has been particularly mindful of non-combatants and humanitarian

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

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humanitarian establishments, it will exert its best efforts not to repeat actions of this kind, and that it is ready to give adequate consideration in regard to the damage to the above-mentioned school and buildings.

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 1. 18 to despatch
No. 2666 for NOV 26 1937
from the Embassy at Tokyo.

The Minister for Foreign Affairs, Mr. Hirota, to
the Belgian Ambassador, Baron de Bassompierre.
(Translation by the Foreign Office)
(Released November 12, 1937)

Note Verbale

The Imperial Government have the honour to acknowledge the receipt of the Note Verbale, dated the 7th November, concerning the Brussels Conference.

While they are pleased to take cognizance of the fact that the opinion of the participating Powers set forth in the said Note is the result of careful consideration, the Imperial Government regret that this opinion is not sufficient to persuade them to modify the views and policy clearly expressed in their last answer, dated the 27th October, and in their public statement of the same date. It is stated by the participating Powers that they would be prepared to designate representatives of a small number of powers for an exchange of views with one or several representatives of Japan within the scope of the Nine Power Treaty and in conformity with its provisions. However, the Imperial Government adhere firmly to the view that their present action, being one of self-defence forced upon Japan by the challenge of China, lies outside the scope of the Nine Power Treaty, and that there is no room for any discussion of the question of its application. It is certainly impossible for them to accept an invitation to a conference convened in accordance with the stipulations of that treaty after Japan has been accused of having violated its terms.

Since the present affair has its origin in the special conditions of East Asia, the most just and equitable solution can be reached through direct negotiations between the

two parties who are directly and immediately interested. It is the firm conviction of the Imperial Government that an attempt to negotiate within the framework of a collective organ such as the present Conference, would only arouse popular feelings in both countries and hinder a satisfactory solution of the affair. The Imperial Government would be glad if the Powers, appreciating fully the above-mentioned view, should contribute to the stabilization of East Asia in a manner consonant with the realities of the situation.

The participating Powers state that all the Powers having interests in the Far East are affected by the present hostilities and that the whole world views with apprehension the repercussions of these hostilities on peace and on the security of the members of the family of nations. As regards this consideration, the Imperial Government desire to point out that, as has been made clear in Japan's successive declarations, they are doing everything in their power to respect the rights and interests of Foreign Powers in China, and that they have the deepest concern for the firm establishment of peace in East Asia through a satisfactory conclusion of the present affair.

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

Enclosure No. 19 to despatch
No. 2666 of NOV 26 1937
from the Embassy at Tokyo.

The American Embassy to the
Ministry of Foreign Affairs.

EMBASSY OF THE
UNITED STATES OF AMERICA

Memorandum.

Information has just been received by the American Embassy that the property of the American Church Mission at Sungkiang was bombed and destroyed by Japanese aeroplanes on November 2, 1937.

The American Government, which adheres to the views previously expressed to the Japanese Government, protests against an unwarrantable attack which exposed to grave danger the lives of Americans and other non-combatants and inflicted damage upon a humanitarian establishment.

Tokyo, November 12, 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

Enclosure No. 20 to despatch
No. 688 of NOV 26 1937
from the Embassy at Tokyo.

Conversation

November 16, 1937

The American Ambassador, Mr. Grew, with the
Minister for Foreign Affairs, Mr. Hirota.

The Minister for Foreign Affairs last evening asked
me to come to see him at his official residence at 9:30
this morning and he talked to me along the following
lines:

1. Reports received from the Brussels Nine-Power
Conference indicate that the draft resolution submitted
to the Conference provides for united action against Japan.
The Minister does not know whether the draft which he has
seen was passed by the Conference without alteration or
amendment. If the clause for united action remained in
the resolution as passed he fears that it will have a very
unfortunate effect on Japanese public opinion. He inter-
prets the term "united action" as envisaging some sort of
economic boycott or other sanctions. He said that any such
united action, far from helping to terminate the hostilities,
would actually result in prolonging them indefinitely.

2. The Minister said that according to the informa-
tion which he has received through the diplomatic repre-
sentative of "a certain Power" the United States Government
not only took the initiative in convoking the Conference
but is also taking the lead in Brussels (I here interrupted
the Minister to interpolate the information which we had
received from the Department and also the gist of the
statement made by Mr. Eden in the House of Commons to the
effect that the initiative for calling the Conference had
been taken by a group within the League of Nations of which
the United States is not a member and that the United
States

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States, when asked where it felt the Conference should be held, had merely suggested Brussels as the rendezvous. The Minister repeated nevertheless that his information was to the effect that the United States had been the real leader from the start). Mr. Hirota said that he hoped that I would bring the views in paragraph 1 to the attention of our representatives in Brussels.

3. Mr. Hirota then said that these rumors of American initiative were bound to appear soon in the Japanese press and that this would have a most unfortunate effect on Japanese public opinion. The Japanese public hitherto has felt that Great Britain is the country which has been foremost in endeavoring to develop a solid front against Japan but that if the Japanese press now reported the United States as taking the leadership in Brussels the onus would be largely transferred to the United States.

4. The Minister said that good relations with the United States, as he had often told me, was his fundamental policy and that he greatly "feared" the results of such a change in Japanese public opinion.

5. Up to the moment of the President's speech in Chicago on October 5 the Japanese public had felt that the United States was the only country which had been genuinely impartial during the Sino-Japanese hostilities. All of the other countries, he said, for one reason or another had special interests in China and their impartiality was therefore doubted. The position of the United States in the estimation of the Japanese public, however, was such that it was generally felt that the United States

might

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might play the same role in helping to terminate the present hostilities as it had played in the Russo-Japanese war as being the most impartial of all Japan's friends. The President's Chicago speech had temporarily modified this view but the fact that in his recent speech opening Congress the President had made no reference to the Far Eastern situation made the Japanese public feel that perhaps the United States is not so rigid in its attitude as had been feared.

6. Mr. Hirota then said that the Japanese military movements in China are progressing favorably and there is no need for the Army to go much further than it has already gone although they will be perfectly capable of doing so if they consider it necessary. In China's own interests now is the time to bring about peace. The Chinese Government is considering evacuating Nanking to some other capital and this, the Minister said, will be a very foolish move. As a matter of fact Chiang Kai-shek's position is far from secure and some of the principal generals are already forming an opposition. If peace is made now the Japanese demands will be "reasonable" and not a foot of Chinese territory will be taken by Japan. If, however, the warfare continues the present attitude of the Japanese Government may no longer apply and more drastic terms may result in view of the increased sacrifices involved.

7. If the United States wishes to help, the best thing it can do is to persuade the Chinese Government to open negotiations with Japan. As soon as there is some indication that such negotiations will be acceptable to

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the Chinese Government Mr. Hirota would send a representative to Shanghai to talk with a representative of the Chinese Government either in public or in strict secrecy as the Chinese Government might wish. (Mr. Hirota, having mentioned the continued presence of the Chinese Ambassador in Tokyo, I took this occasion to inquire whether diplomatic channels would not therefore exist which could be utilized along the lines of Mr. Hirota's suggestion. Mr. Hirota merely assented that these channels did exist but made no further comment thereon.)

8. When Mr. Hirota had finished the foregoing statement, I repeated it to him, point by point, and inquired whether I had correctly understood everything that he had said. The Minister assented. I said that I would promptly report the conversation to Washington. I then said to the Minister that I hoped that he would do his best to prevent the Japanese press from publishing unconfirmed rumors concerning the attitude of the United States and, in any case, that he would endeavor to calm such adverse press reactions against the United States as might occur, especially until my Government's reaction to our present conversation had been ascertained. The Minister replied that he agreed with me as to the importance of this and that he would do his best.

J.C.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

Enclosure No. 21 to despatch
No 2666 of NOV 26 1937
from the Embassy at Tokyo.

The British First Secretary, Mr. Clarke, to
the American Second Secretary, Mr. Crocker.

BRITISH EMBASSY,

TOKYO

17th Nov. 1937.

Dear Ned,

With ref. to our conversation this morning I send
you herewith a copy of a paper left with the M.F.A. by
Sir Robert Craigie on 15th November concerning the re-
cent press interview given by General Matsui.

The M.F.A. promised to look into this and agreed
as to the need for settling these matters in a peaceful
atmosphere.

Yours ever,

Ashley C -

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

The British Ambassador, Sir Robert L. Craigie
to the Minister for Foreign Affairs, Mr. Hirota.

November 15, 1937

On the 11th of November General Matsui gave an interview to the press in Shanghai in which he is reported to have stated that he was compelled to conclude that it was extremely difficult to preserve peace and order in Shanghai in co-operation with the Foreign Powers whose attitude had been most un-neutral. He is also reported as having said that while generally speaking he respected the interests of third Powers he would have to take steps to remedy the situation if need arose.

Utterances so worded may convey a most unfortunate impression and it is hoped that they have been misreported and that whatever was said was not to be understood as invalidating in any way the promises of the Japanese Government that British interests would be safeguarded.

It is further hoped that the questions which may exercise the mind of the Japanese authorities in regard to anti-Japanese activities and Chinese Government operations in the Settlement will be allowed to be discussed and provided for in a peaceful atmosphere which should not be complicated to the disadvantage of all concerned by abrupt action on the part of the Japanese Forces.

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. 22 to despatch
No. 2556 of NOV 26 1937
from the Embassy at Tokyo.

The First Secretary of the British Embassy, Mr. Ashley
Clarke, to the American Second Secretary, Mr. Crocker.

BRITISH EMBASSY,

TOKYO.

18th November, 1937

Dear Ned,

Many thanks for your letter of today's date enclosing
correspondence regarding the bombing of an American Mission
at Sungkiang.

I send you herewith copies of the following documents
for the purposes of your confidential records:

1. To Minister for Foreign Affairs - 11th October
Peking-Mukden Railway.
2. From Minister for Foreign Affairs - 1st November
Peking-Mukden Railway.
3. From Minister for Foreign Affairs - 25th October
British soldier killed 24th October.
4. To Minister for Foreign Affairs - 27th October
British soldier killed 24th October.
5. To Vice-Minister for Foreign Affairs - 28th Oc-
tober Flying over Shanghai.
6. From Minister for Foreign Affairs - 1st November
British soldiers killed 29th October
7. To Minister for Foreign Affairs - 6th November
British soldiers killed 29th October.

Edward S. Crocker, Esquire,
American Embassy,
Tokyo.

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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8. Record of conversation - 30 October
Hongkew and Yangtzepoo.

No. 5 above was already sent to you on 27th October and is only attached for convenience of reference.

As regards No. 5 above, no written answer was received but the matters referred to therein were discussed between our authorities and the Japanese authorities at Shanghai and according to our information satisfactory assurances were given at least in regard to point(a).

Yours ever,

Ashley Clarke.

P. S. Nos. 3 and 6 were spontaneous communications.

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

Enclosure No. 23 to despatch
No. 2586 of NOV 26 1937
from the Embassy at Tokyo.

Conversation

November 18, 1937.

The American Ambassador, Mr. Grew, with the Minister for Foreign Affairs, Mr. Hirota.

In accordance with the Department's instruction No. 300, November 16, 8 p. m. I called this morning on the Minister for Foreign Affairs at his official residence and precisely carried out the Secretary's directions. I read to him the text of the final paragraph of the declaration drawn up by the Brussels Conference and pointed out that no where in the declaration did the phrase "united action" appear. I remarked that the term "common attitude" is quite a different matter and I hoped that this clearing up of an erroneous impression would completely set at rest the fears which he had expressed to me the other day. Mr. Hirota assented.

I then said that in the message from Mr. Hull which he had asked me to communicate directly to Mr. Hirota it was made clear that there was not an atom of truth in any allegation that the initiative in convoking the Brussels Conference was taken by the United States. It is Mr. Hull's understanding that neither the United States nor any other Power represented at the Conference has gone farther than to assume its share of the common responsibility for an exchange of views concerning the situation in the Far East. I then once again spoke of the originally inaccurate press reports concerning Mr. Eden's speech in the House of Commons and I also repeated Mr. Welles's statement to the press definitely correcting the misunderstanding

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-2-

ing. I said I feared that an effort was being made in various quarters to injure the relations between the United States and Japan by spreading rumors to the effect that the United States had not only taken the initiative in convoking the Conference but is also taking active leadership in the Conference, and I appealed to Mr. Hirota, on behalf of good relations between our countries, to do everything possible to counteract the effect of these rumors and to let the actual facts be known. Mr. Hirota said that he would take definite steps in that direction and that he would also convey to his colleagues what I had said to him.

I then read to Mr. Hirota Mr. Hull's message concerning their mutual efforts to maintain and develop good relations between our countries and Mr. Hull's apprehension lest the present situation in the Far East would injure those relations. Mr. Hirota expressed great pleasure at this message and asked me to thank Mr. Hull for it. He asked if he might have the paper on which I had written the message but as the message had come in confidential code and would have to be paraphrased I said to Mr. Hirota that I would write him the message later on the plea that the paper in my hand was not sufficiently neat to leave with him.

Mr. Hirota then referred to our conversation the other day and said that reports are now coming in to him that Chiang Kai-shek and the Chinese Government are evacuating Nanking. He repeated that he felt this to be most unfortunate because if chaos should result it would mean an indefinite prolongation of the hostilities. He said "we want to talk with Chiang Kai-shek and this will now be

very

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-

very difficult". I merely inquired once again whether diplomatic channels between the two Governments are not still in existence to which Mr. Hirota smilingly assented but without comment.

J.C.G.

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

Enclosure J. 23A to despatch
No. 2666 of November 26, 1937,
from the Embassy at Tokyo.

The American Ambassador, Mr. Grew, to the Minister
for Foreign Affairs, Mr. Hirota.

November 18, 1937.

My dear Mr. Minister:

In accordance with your request I take great pleasure
in communicating to Your Excellency the message from Mr.
Hull which was conveyed orally in our conversation this
morning.

Mr. Hull sincerely appreciates Your Excellency's
desire that good relations with the United States should
be maintained. At all times during the past five years
Mr. Hull has striven with that end in view and in all
frankness and friendliness Mr. Hull feels that he must
express his apprehension lest the cause of promoting and
developing those mutually good relations, which both Your
Excellency and Mr. Hull have constantly in mind, should
be injured by the present situation in the Far East.

With high respect, I am, my dear Mr. Minister,

Sincerely yours,

Joseph C. Grew.

His Excellency
Mr. Koki Hirota,
His Imperial Japanese Majesty's
Minister for Foreign Affairs,
Tokyo.

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

Enclos 1, No. 24 to despatch
No. 2686 of NOV 26 1937
from the Embassy at Tokyo.

The American Second Secretary, Mr. Crocker, to
the British First Secretary, Mr. Clarke.

EMBASSY OF THE
UNITED STATES OF AMERICA
Tokyo, November 18, 1937.

Ashley Clarke, Esquire,
British Embassy,
Tokyo.

Dear Ashley:

I am sending you herewith for the completion of your records, in accordance with our conversation yesterday morning, copies of a memorandum addressed by us to the Foreign Office, on the subject of the bombing of an American Mission at Sunkiang, and a translation of the reply thereto.

Very sincerely yours,

Edward S. Crocker,
Second Secretary.

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 **1**. 25 to despatch
No. 2666 of NOV 26 1937
from the Embassy at Tokyo.

Conversation

November 24, 1937

Mr. A. A. F. Haigh, Third Secretary,
British Embassy.

Mr. Crocker.

Subject: Ambassador Johnson's departure
from Nanking on November 23.

At the request of the Ambassador, I telephoned to Mr. Haigh this morning and read to him the Department's telegram No. 312, November 23, 7 p. m., and I asked him whether the British Embassy had any intention of notifying the Foreign Office here of the departure from Nanking of the British Ambassador. I explained that it was apparently the intention of the Department that we take no action unless action was taken by the British and other Embassies. Mr. Haigh replied, upon referring the matter to the Ambassador, that they had no present intention of communicating on the subject to the Foreign Office, but that if the occasion should arise when action seemed desirable he would not fail to let me know. He also asked that similarly we should let him know if at any time we deemed it desirable to take action. I assured him that I would keep him informed.

E.S.C.

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. 26 to
despatch No. 2666 of NOV 26 1937
from the Embassy at Tokyo.

The American Embassy to the Ministry of Foreign Affairs.

Memorandum

Information has been received by the American Embassy that the property at Wusih of the American Church Mission, Saint Andrews Hospital, and a separate compound containing a church building, both marked clearly with American flags painted on the roof, were bombed on November 12 by Japanese planes. The extent of the damage is unknown, but the American residents were apparently unharmed.

The American Government, which adheres to the views previously expressed to the Japanese Government, protests against an unwarrantable attack which exposed to grave danger the lives of Americans and other non-combatants and may have inflicted damage upon a humanitarian establishment.

Tokyo, November 19, 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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
DEPARTMENT OF STATE

December 29, 1937.

Reference Tokyo's No. 2898, December 11, 1937. Subject: Anglo-American relations as regards Japan.

OFFICE OF THE SECRETARY

The British Ambassador in Tokyo believes that the customs and other civil problems which have arisen in Shanghai have brought about a divergence of views between the Japanese military and civil government in Tokyo, and that the present crisis involves a definite "show down"; he believes that the threats of the Japanese military to seize outright the customs in Shanghai are largely a bluff and that the bluff should be called.

Sir Robert Craigie feels that the United States should stand shoulder to shoulder with Great Britain in opposing Japanese depredations because injury to British interests in the Far East would automatically injure the interests of the United States, and our failure to cooperate will tend to drive Great Britain into the arms of Germany and Italy. When asked what kind of joint action he had in mind, Sir Robert Craigie referred to a particularly secret approach made to our Government by the British representatives in Washington (an approach which Ambassador Grew fails to describe).

JAN 1 1938 Ambassador

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

-2-

Ambassador Grew's comments upon Sir Robert Craigie's views are as follows:

(1) There is no evidence of a divergence between Japanese civil and military elements on broad national policy, and it is not believed that a substantial divergence exists. (2) A threat of coercion by other powers would only drive the moderates into the camp of the extremists and would be a complete miscalculation of Japanese psychology. (3) There must be prior consultation between the United States and Great Britain if there is to be a common front, as Sir Robert Craigie proposes; without prior consultation we would have to share the consequences of British ineptitude (which Ambassador Grew intimates are numerous). (4) It is not certain that a lowering of British prestige and influence in the Far East must necessarily injure American interests.

*Could not lowered British
prestige weaken the American
position, thus affecting American
prestige? LNS*

Jmf
FE:JMJ: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



THE FOREIGN SERVICE
DEPARTMENT OF THE STATE
UNITED STATES OF AMERICA

1937 DEC 27 PM 1 26

AMERICAN EMBASSY

DIVISION OF
COMMUNICATIONS Tokyo, December 11, 1937.
AND RECORDS

No. 2696.

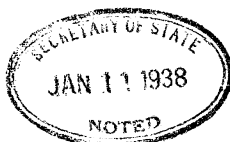
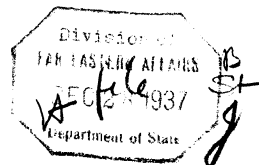
SUBJECT: ANGLO-AMERICAN RELATIONS AS REGARDS JAPAN.

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711.41

Class	For	File	Index	Serial	Copy

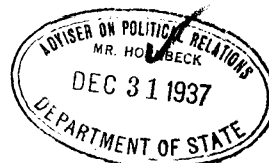
Copy 7K

STRICTLY CONFIDENTIAL.



The Honorable

The Secretary of State,
Washington.



S i r :

In a long conversation my British colleague recently elaborated certain views on the general situation especially as affecting the United States, France, and Great Britain. He feels that the present problems which have arisen in Shanghai have brought about a divergence of views between the Japanese military on the one hand and the civil Government in Tokyo on the other hand. The latter, realizing

that

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-2-

that good relations with our three countries as well as their financial and economic cooperation will become increasingly important in future, wish to avoid unnecessary antagonisms. The present crisis therefore involves a definite "show down". If the military succeed in having their way in the customs and other civil problems in China they will interpret as weakness the lack of effective measures on the part of the interested Powers and will become increasingly truculent while the authority of the Foreign Minister and other civil officials in Tokyo will inevitably and commensurately suffer. Craigie believes that the threats of the Japanese military to seize outright the customs in Shanghai is largely bluff and he feels that their bluff should be called. Shanghai's 1089, December 5, 10 a.m., which I read to him, seemed to him to be another case in point. He knows that General Matsui is markedly anti-British.

Sir Robert Craigie furthermore feels that unless the United States now stands shoulder to shoulder with Great Britain in opposing Japanese depredations on our legitimate interests the results will be two-fold. First, the current cry that England is trying to push the United States out in front will, if we fall behind, temporarily promote America's reputation in Japan but in the long run it will injure more than benefit us because (a) the Japanese will feel that they can ride rough-shod over our interests with impunity and because (b) injury to British interests in the Far East must automatically injure the interests of the other democratic Anglo-Saxon Power. Second, if the

United

85-3

-3-

United States fails to cooperate with Great Britain it will tend to drive the latter ultimately into the arms of Germany and Italy which in the long run would inevitably prove disadvantageous to America. He feels that we should both be firm but should never take positions or utter threats which we are unable or unwilling to back up.

I pointed out to Sir Robert that throughout the present Sino-Japanese hostilities we have adopted a common attitude with Great Britain and that in every case where the interests of both our countries were involved we had, so far as I was aware, proceeded very closely if not actually step by step together, at least along parallel lines. I asked him what sort of action he especially had in mind. He then referred to a particularly secret approach recently made to our Government by the British representative in Washington, the nature of which I shall not herein mention, and expressed the belief that only drastic action can bring the Japanese military to their senses while at the same time, paradoxical as it may seem, affording moral support to the Foreign Minister, the civil Government and the liberal elements in Japan. I said that I doubted very much if the American Government, Congress, and the public would favor such a step as he had in mind but that I was not specifically informed.

The foregoing conversation is reported because it summarizes many talks along the same lines which Sir Robert Craigie has had with me since his arrival in Japan, and in reporting his views I feel that I should comment

on

85-4

-4-

on some of the important points on which he dwelt.

(a) We have no evidence that there is a divergence between the Japanese civil and military elements on broad national policy. Some westernized Japanese, with foreign business or cultural associations, privately and secretly express disapproval of the direction which Japanese national policy is taking, but with public expressions of thought effectively under control there is no way of determining whether or not there is any substantial dissentient opinion. We do not believe there is.

(b) I agree with Sir Robert that a great deal of bluffing is being done by the Japanese military with regard to the Chinese customs and other matters of something less than primary importance as we have already had evidence that firm opposition does produce good effects. It is apparent that the Japanese are testing us out to see how far they can safely go in these matters. However, assuming that those in authority in Japan have divided into two camps, as the Ambassador suggests, I believe that the expectation that a threat of coercion by other Powers with regard to the primary problem arising out of Japan's effort to subjugate China would do anything else but drive the moderates into the other camp would be a complete miscalculation of Japanese psychology. Further, it would have to be realized that if a threat of coercion should not have the effect which Sir Robert so confidently anticipates, the Powers would have either to implement the threat

85-5.

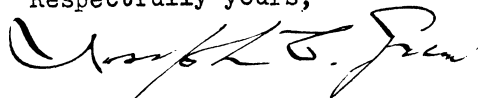
-5-

threat or be prepared to lose completely their prestige in the Far East.

(c) It is obvious, of course, that prior consultation must be postulated if there is to be the common front of the United States and Great Britain which Sir Robert proposes; and whether that would be a practicable proposition the Department alone is in a position to judge. Without prior consultation we would have to share with the British the consequences of British ineptitudes, both of action and of statement, such as those which have contributed their full measure toward the developing of the feeling of exacerbation now prevailing between Great Britain and Japan.

(d) I do not altogether share Sir Robert's views that a lowering of British prestige and influence in the Far East must necessarily injure American interests. The barometer of the prestige and influence of foreign nations in Japan is constantly fluctuating. Today's friend may, through some incident or development, become detested tomorrow, and vice versa. I feel that our cooperative action with Great Britain during the Sino-Japanese hostilities has been adequate and that our attitude in this respect has been sound and sane.

Respectfully yours,



Joseph C. Grew.

710
JCG:EHD/C

4 Carbon Copies
Received 7-12-72

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

793.92
 notes
 (w/)

December 14, 1937.

My dear Senator King:

Referring to our conversation of this morning and your request for documents, I send you herewith copies of Brussels Conference documents as follows: statement by Mr. Davis, November 2; statement by Mr. Davis, November 13; declaration by the Conference, November 15; report of the Conference, November 24; also, a print of the so-called "Tanaka Memorial."

With regard to the Brussels Conference documents, might I especially call to your attention the declaration of November 15 and the declaration of November 24 (which appears on pages 4 and 5 of the press release dated November 27 entitled "Text of the Report Adopted November 24, 1937, by the Nine Power Treaty Conference at Brussels).

With regard to the "Tanaka Memorial," may I say that, in supplying the print, I assume no responsibility
 and

The Honorable

William H. King,

United States Senate.

700.94/11841A

f/m

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

- 2 -

Please
do not
attribute
to me or
to the
Department
any com-
ment on
this
matter.
S.K.H.

and express no opinion with regard to the authenticity of that document. Many observers have taken the position that it is probably a "faked" document. An explanation was current some five or six years ago that it was something copied by a clerk from a paper in General Tanaka's files. "Experts" have advanced the view that it contains much which General Tanaka might have written but that it also contains, passim, various statements which General Tanaka himself certainly would have never made.

With kindest regards and best wishes -- always,
I am,

Yours sincerely,

Stanley K. Hornbeck

743, 94/11 8411A

Enclosures:

As described above.

A true copy of
the original
[Signature]

✓
CB 1A
DEC 14 1937, PM

PA/H:SKH:ZMK

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

86-1

~~ASAA~~

FE

TELEGRAM RECEIVED

EG

GRAY

1-1336

FROM

Tsingtao via N. R.

Dated December 27, 1937

Rec'd 3:25 p.m.

Secretary of State,
Washington.

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

Division of
FAR EASTERN AFFAIRS
DEC 28 1937
Department of State
[Handwritten initials]

December 27, 10 a.m.

DT

*note
92101 Tsingtao*

The actual situation in the Tsingtao municipal area since Saturday night has been one of quiet, from outward appearance. However, the Mayor has issued a statement from which the following is quoted: "We should not cherish any hope of escape (for Tsingtao). The enemy have completed their encircling plans thus maneuvering Tsingtao into an impossible position. The enemy will then seize the city at a single stroke. We shall not yield a fraction (of Tsingtao) unless it is absolutely necessary. With disaster so close, with the exception of those on military police and public utility duties, all should withdraw from Tsingtao as soon as possible".

Mayor also refers to those who would try to save themselves and their families at the cost of betraying their own country, "such people are unwittingly committing suicide" apparently, the mayor has in mind a group which is probably counselling nonresistance or compromise.

The

793.94/11842

F/FG

END

1937

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

86-2

-2- December 27, 10 a. m. from Tsingtao via N. R.

The mayor's statement is disturbing to many. Furthermore, there is every good reason to believe that all Chinese governmental authorities in Tsingtao, both national as well as municipal, have received instructions from the central government to destroy public utilities and property of whatever nature, namely, the telephone central, telegraphic apparatus and railway rights of way. The Consulate is certain that the main waterworks were mined last week ready for destruction at any moment. However, some of the officials will probably refuse to obey instructions in this respect. There is little doubt that all Chinese accept the loss of Tsingtao as inevitable, as may be judged in instruction from General Manager of the Bank of China to the local branch of a foreign bank to ship to Hong Kong 30,000,000 dollars in bank notes which the foreign bank is holding for the Bank of China.

Sent to Peiping, Hankow.

SOKOBIN

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

87-1

TELEGRAM RECEIVED

NPL

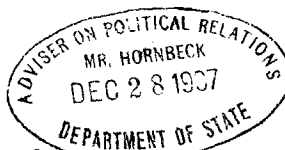
1-1286

FROM GRAY

Tsingtao Via N.R.

Dated December 27, 1937

Rec'd 7:45 p.m.

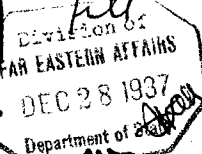


Secretary of State,

Washington.

December 27, 4 p.m.

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



At a meeting of the local consular corps on December 25, which I was unable to attend, there was discussed the responsibility of preserving order in Tsingtao in the event of the departure of Chinese municipal police and other Chinese authorities before the arrival of Japanese forces. The following appears in the minutes of the meeting:

"It was suggested and agreed that each consul would send a circular to find out how many of his own nationals would act as special constables in case of need. They should wear a special brassard, which (#) be prepared in advance, and would be armed with truncheon (baton). It was felt that the presence of foreigners and the men-of-war kept the Chinese from losing their heads"

Today the Senior Consul General (British) asked me to define position of this Consulate on the subject of the "constables". This Consulate replied that under

no

793.94/11843

F/FG

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

87-2

-2-

NPL December 27, 4 p.m. from Tsingtao.

no circumstances could it sancion the assumption of
police powers by any group of American citizens in
Tsingtao. Is this reply approved?

Sent to the Department, Peiping, Hankow.

NPL:RGC

SOKOBIN

(#) Apparent omission

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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

87-3. *Gray*
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE ✓
PARTIAL
PLAIN

1937 DEC 28 PM 6 19

Washington,

December 28, 1937.

7 P. M.

793.94/11843
NOTE
893.105
DIVISION OF
COMMUNICATIONS
AMERICAN CONSUL

TSINGTAO (CHINA) via N. R.

Your December 27, 4 p.m.

On the assumption that it was your intention simply to indicate to the Senior Consul that the matter of Americans acting as QUOTE special constables UNQUOTE was one which you were not repeat not called upon to approve or disapprove, the Department feels that you might have added that although you were continuing to urge all Americans to withdraw from Tsingtao you of course would not repeat not wish to interpose any objection or obstacle to appropriate provisional measures which Americans and other foreigners who elected to remain in Tsingtao might find it desirable to adopt for their self-protection during a temporary period of emergency.

Please repeat to Hankow and Peiping.

FE
FE:JCV:NN:EVB:SS

FE
FE

Hell
PA/H

Enciphered by _____

Sent by operator _____ M., _____, 19____

793.94/11843

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

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

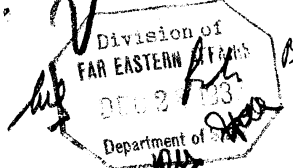
FROM

USS MARBLEHEAD

December 28, 1937

Rec'd 3:10 a.m.

ACTION: CINCAF
INFO: 2ND BRIGADE
COMYANGPAT
COMSOPAT
NAVY DEPARTMENT
ALUSNA PEIPING



793.94

0027. Quiet good order prevails crew continues
1900 no change seen in military situation no Chinese
troops or marines in town rumored they left 25th. Out-
lined on horizon resembling naval vessel. Chinese
civilians continue to evacuate rumors every boat about
arrival Jap forces, none which seem very logical occasion-
al seaplane over bay or city 2300.

RR:

793.94/11344

FILED
DEC 28 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

EG

This message must be
closely paraphrased be-
fore being communicated
to anyone.

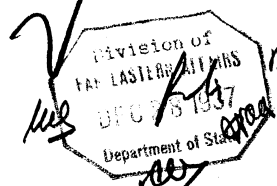
FROM

ALUSNA PEIPING

December 28, 1937

Rec'd 7:05 a.m.

ACTION: NAVY DEPARTMENT
INFO: SECOND BRIGADE
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMYANGPAT
COMSCPAT
USS MARBLEHEAD



0028. Bridge at Tsoshan 85 miles west of Tsingtao
reported destroyed by order Han Fu Chu which cuts Yu Sueh
Chung's line of retreat to Hsuehow. Rumors continue that
battleship MUTSU was sunk 70 miles from Liuho in October.
Japanese column leaving Changtien toward Tsingtao. Jap
carrier planes at Jihchow conducting raids on Kaomi,
Changlo. 1025.

RR

793.94/11345

F/FG

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

Dec. 28, 37

Reference Tokyo's 686.

As it appears that
Paragraph 2 of this telegram
refers to Tringtau's Dec
21, 5 p.m. (attached), copies
which were sent to Shanghai
& Hankow, no action on
the part of the Dept.
seems to be called
for.

I concur
JMS

WMS

793-94/11846

88-1

TELEGRAM RECEIVED

MBo

GRAY

1-1236

FROM Tokyo

Dated December 28, 1937

Rec'd 6:52 a.m.

Secretary of State,
Washington.

686, December 28, noon.

The Naval Attache reports that the following statements were made to him yesterday by the senior aide to the Navy Minister.

"One. He informed me of the orders transmitted to Vice Admiral Hasegawa to prevent a recurrence of any happening similar to the PANAM incident. These orders were from the chief of the naval general staff and the Minister of the Navy. Lieutenant Layton believes they are worded in a language seldom if ever used before and that Vice Admiral Hasegawa's reply is noteworthy. Captain Kondd is furnishing me with translations.

Two. I gave him the letter in regard to the proposed foreign neutral zone in Tsingtao. He said Vice Admiral Hasegawa was the responsible one to act and asked whether our authorities in Shanghai had informed him to which I replied I do not know but that our position in such cases was to transmit information to the government authorities

793.04/11346

F/EG

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

88-2

2- No. 686, December 28, from Tokyo.

authorities here with the expectation that they take the proper action. We assumed that our government authorities in China acted in a similar manner. In this connection he volunteered the information that the Navy was not contemplating any action for the present against Tsingtao. When asked about the army, he stated that "that was an army matter."

Three. When asked whether the Navy was contemplating operations against South China, the reply was he could not give any information about that."

Repeated to Shanghai for relay to Johnson.

GREW

RR:

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

89-1

TELEGRAM RECEIVED

JR

PLAIN and GRAY

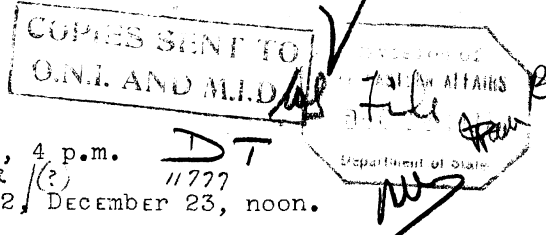
1-1336
AMEMBASSY HANKOW

FROM Peiping via N. R.

Dated December 28, 1937

Rec'd 7:05 a.m.

Secretary of State,
Washington.



852, December 28, 4 p.m. DT
Reference our 732, December 23, noon.

One. The Japanese military at Tientsin announced last evening the occupation of Tsinan by Japanese forces and the severe bombing of Taian, thirty miles south of Tsinan, where Han Fu Chu was reported to be at that time.

Two. The Embassy received official notification this morning from the local Japanese Embassy that the Japanese blockade has been extended to include Tsingtao.

Three. The press published this morning a letter addressed to General Yen Hsi Shan by the officer in charge of the Japanese special military affairs organ at Tiayuan in which three proposals are made; namely, the guarantee of the safety of ^{Yen} and his soldiers; the cessation of resistance and the withdrawal of Yen's forces to southern areas in preparation for a campaign against communist forces; and the driving out of Shansi of all troops of General Chiang Kai Shek. The letter concluded

793.94/11847

F/EG

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

89-2

-2- #852, December 28, 4 p.m., from Peiping via N. R.

concluded with the statement that, unless Yen agrees by December thirtieth, the Japanese army will consider him lacking in sincerity and will take whatever action may be necessary. A resident of Shansi has recently reported that Yen is guarded by National Government officers either in the extreme left side Shansi or at Sian.

Repeated to the Ambassador. By mail to Tokyo.

RR

LOCKHART

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

WAA

FE

TELEGRAM RECEIVED

EG

1-1330

FROM GRAY

Tokyo

Dated December 28, 1937

Rec'd 9:30 a.m.

Secretary of State,
Washington.

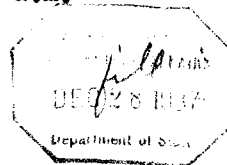
690, December 28, 4 p.m.

Department's 380, December 27, 9 p.m. danger areas
on the Yangtze.

Action taken under last paragraph of Department's
telegram. The British Ambassador is taking similar
action in the form of a memorandum left with the Foreign
Office this evening. REPEATED TO SHANGHAI FOR
RELAY TO JOHNSON.

GREW

WWC:RR



793.94/11348

FILED
DEC 29 1937

F/F G

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

D.

TELEGRAM RECEIVED

JR

PLAIN

1-1236

Tsingtao via N. R.

FROM

Dated December 28, 1937

Rec'd 10:45 a.m.

Secretary of State,

Washington.

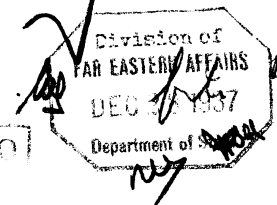
PRIORITY.

28th, 9:45 p.m.

Violent explosion just occurred, ^{DT}more Japanese
property destroyed.

SOKOBIN

RR



793.94/11849

F/FG
DEC 28 1937

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

TELEGRAM RECEIVED

JR

1-1236

PLAIN
FROM

Tsingtao via N. R.

Dated December 28, 1937

Rec'd 11:20 a.m.

AMEMBASSY HANKOW

AMEMBASSY PEIPING

Secretary of State,
Washington.

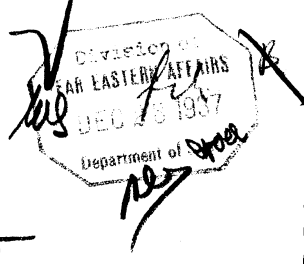
PRIORITY.

28th, 9:57 p.m.

Another explosion, exact location undetermined.

SOKOBIN

RR



793.94/11350

F/FG
EX-100
ED 31 1937

MICROCOPY

976

ROLL

47

