

MICROCOPY

976

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54

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

Microfilm Publication M976

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

Roll 54

1930-39

793.94/13071-13450
Apr.-July 1938



**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.

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

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

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

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

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

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

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

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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

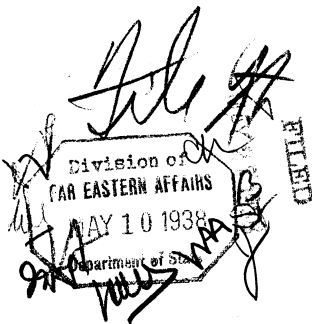
In Records of Boundary and Claims Commissions and Arbitrations, Record Group 76, there are records relating to the Claims Commissions of 1858 and 1901 between the United States and China.

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.

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



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

TELEGRAM RECEIVED

EG

000

FROM PLAIN

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

Peiping via N. R.

Dated May 24, 1938

Rec'd 8:25 a.m. Division of
FAR EASTERN AFFAIRS

MAY 24 1938
Department of State

Secretary of State,

Washington.

317, May 24, 6 p.m.

One. The Japanese claim to have captured this morning Lanfeng from which they state Chinese troops are retreating to the northwest and northeast and to have cut the Lunghai Railway east of Kaifeng. According to the Japanese spokesman Japanese planes bombed Lanfeng yesterday before the evacuation; also Chengchow and the railway station and military barracks at Kaifeng. A Japanese force is said to be just north of Chengchow on the Pinghan Railway but the location of these troops in relation to the Yellow River is not clear.

Two. Repeated to Hankow, Shanghai; by mail to Tokyo.

SALISBURY

HPD

793.94/13071

F/FG

MAY 26 1938

FILED

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

TELEGRAM RECEIVED

EG

GRAY AND SPECIAL GRAY

COPIES SENT TO FROM
ONE AND WILL

Shanghai via N. R.,

Dated May 24, 1938

Rec'd 7:55 a.m.

Secretary of State,
Washington.

713, May 24, 1 p.m.
My 702, May 21, noon.

One. Japanese forces have completed the occupation of Lienyunkang at the eastern terminus of Lunghai Railway and are attacking Lanfeng, 40 miles east of Kaifeng. Chinese forces driven from Hsuehowfu are reported to be withdrawing southeastward in the direction of Lingpi, Sutien and the Hungtze Lake.

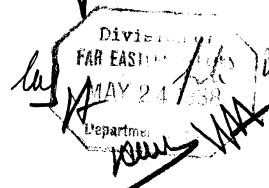
Two. Chinese guerrillas continue active in the central China and Shanghai areas; heavy artillery fire was audible in the French concession and western district of Shanghai on May 21.

Three. Reference my 686, May 18, 9 p.m. A British Consular source states that the Japanese have agreed to make an apology in the Wilkinson case if the British authorities will admonish Wilkinson for his alleged improper entry into the Japanese military area. The British will not do this and the affair is still unsettled.

Repeated to Hankow and Peiping.

LOCKHART

WWC:RR



793.94/13072

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F-16

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

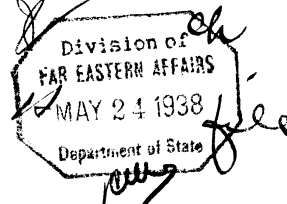
RECEIVED
DEPARTMENT OF STATE

1938 MAY 23 PM 2 53

DIVISION OF
COMMUNICATIONS
AND RECORDS

Ack'd
945 Pennsylvania Avenue, N. W.,
Washington, D. C.,
May 23, 1938.

793 94
Hon. Cordell Hull,
Secretary of State,
Washington, D. C.



Dear Sir:

I am sending you some material
which has been recently received from
China and which will help you to under-
stand some of the conditions there.

Sincerely,

Helen M. Loomis

Helen M. Loomis, Secretary,
CHINA INFORMATION SERVICE.

L/b.

793.94/13073

JUN 1 1938

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F/FO

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

(China Information Service)

THE JAPANESE SACK OF NANKING
by
Dr. Edward James
(Nanking Theological Seminary)

This is not war. E'en Mars himself
Would be ashamed that such a thing
Were done, such senseless horrors wrought
In madness vile to make him King.
This is a blight, a pestilence
Of hate primordial, a return
Of human kind to that low state
In swamp or forest long ago
When beasts, not yet of pity ware,
Devoid of conscience, crushed their prey
With fangs and claws and monstrous strength,
Wallowed in froth of blood and gore
Insatiate still while could be found
That which might satisfy their lust.
No beast of forest, swamp, or cave
Could e'er devise or carry out
With malice, hatred, and design
Of cruelty and lust sustained
Of murder, rapine, loot, and fire
Upon a prostrate, helpless foe
Such wrath vindictive, poisonous;
The wells of sweet humanity
Must dry, and all the world aghast
Stand shuddering at the fateful time.

To bended knee, with face in dust,
To upraised hands and cry to heaven,
The one reply, the bayonet's thrust,
And down to death, no mercy given.
The gentler sex, no age secure,
By thousands, thousands dragged away
To worse than death, no arm could save,
No voice could plead, but only pray.

Is this their boast of Samurai?
Is this the mind of Bushido?
Fair Japan's name dragged to the dust
By what her lust-drunk soldiers do.
What word of "peace" can Japan speak?
What promise make, or pledge be given?
What trust from others can she seek
When all her pledged word is riven:
Alas, the knell of Japan's doom
Has sounded by her own decree;
Eternal purposes make room
For movements that shall set men free.
Let all mankind united stand
Against such base betrayal, till
The brotherhood of every land
Shall find and work the common will.
May greater justice haste the day
When mind and thought in common care
Shall find the nobler, peaceful way
To give to each and all due share.

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

(Received by "Clipper". China Information Service.)

HOW PEIPING UNIVERSITIES ARE FARING UNDER
JAPANESE RULE

Hankow, May 2. -- Before the Sino-Japanese war Peiping was the hub of university life in China with fourteen flourishing establishments worth about \$50,000,000 in property value. Since the Japanese occupation of the Old Capital university life has been dislocated, the only institutions still functioning being several foreign establishments and one Chinese university.

In all cases the change in political regime has necessitated alterations in text books and subject matter taught. Real liberty of thought and teaching has been banished. Japanese soldiers now hang their washing from the windows of the celebrated Peking National University. The \$20,000,000 National Tsinghua University, the most lavishly equipped establishment in the Far East, is being used as a barracks despite the fact that it is maintained by Boxer Indemnity funds from America.

It is estimated that less than one-third of the thousands of students now remain in Peiping. Most of them are in hiding, while a large number joined the guerrilla bands in North China. As for the stranded students who have no school to go to nor money to pay for it if they had, they are living in such secrecy that it would be extremely difficult to reach them through any of the recognized channels without encountering serious complications with the Japanese authorities.

Before the war, the Central Government used to remit about \$360,000 each month from Nanking for the maintenance of each of the four national universities in Peiping.

The same ban on student activity pertains at Tientsin where the Nankai University was smashed to atoms and the Peiyang Engineering College was turned into a barracks. The following authentic survey of the Peiping universities under Japanese domination reached Hankow in April:-

I. -- Peking National University -- China's oldest university in the modern sense, founded shortly after 1900, has produced many famous modern Chinese scholars. It was the home of the Chinese "literary renaissance" of Hu Shih and the accompanying movement toward mass education.

Peking was reckoned as one of the poorer national universities, as its plant was old and in poor condition, valued altogether at little more than \$1,000,000. (All figures are given in Chinese currency). Formerly it had a thousand students and about 200 teachers.

It is now occupied by the Japanese Army, whose soldiers hang their washing in the front windows of the administration building. A few buildings have been turned to the provisional Chinese government in Peking for use as a police college. The provisional puppet government announced vague plans to reopen, combining it with the remnants of other national universities here, but these plans are far from materialized. According to T'ang Erh-ho, minister of education in the puppet government, Peking University cannot be reopened until students, teachers, and money are forthcoming.

At the outbreak of the present war, most teachers and students fled to the south, as the Japanese regarded the university as an important center of anti-Japanism. Most of these refugees have been cared for by emergency universities established by the Central Chinese Government in Changsha and Yunnanfu. It is safe to assume that only very few teachers or students of Peking University as it was before July, 1937, remain in North China.

II. -- Peiping National University. -- The College of engineering, in West City, Peking, is now occupied by Japanese soldiers. Formerly it had about 400 students and 80 faculty members. School property is valued at around half a million dollars, with a yearly budget of about \$300,000.

The College of Agriculture in the west suburbs of Peking is now occupied by Japanese artillery troops. Formerly it had about 200 students and sixty faculty members. School properties are valued as less than half a million, which included considerable experimental land. The yearly budget is about \$240,000.

The College of Medicine in West City, Peking, has not functioned since the outbreak of war, but a small hospital connected with it is still operating. This college has not been occupied by the Japanese Army, possibly out of consideration for T'ang Erh-ho, chairman. Formerly it had about 200 students and fifty faculty members. The property is valued at quarter of a million, with a similar yearly budget.

The Women's College in East City, Peking, formerly had around 300 students, with sixty faculty members. The property is valued at less than \$300,000, with a small yearly budget. The College is now closed and unoccupied.

The College of Law and Commerce in West City, Peking, is occupied by the Hsin Min College, a political training institute which had been set up for young Chinese by the Japanese. This school formerly had around 600 students, with seventy faculty members. Most of them were radicals and have left North China for the South.

III. -- National Normal University. -- This University formerly had around 1,000 students and 180 faculty members. The property is valued at \$600,000, with a yearly budget of \$85,000. Part of the campus in the south city of Peking is still occupied by Japanese troops, but another part has been evacuated by them as the puppet government plans to reopen this part, possibly combining it with Peking University, but on a much smaller scale than before.

The Central Chinese Government has opened an emergency school at Sianfu, Shensi, for students from Peking Normal and also from Peiping University, but it is now known here how many students have been able to proceed to Sian to enter this institution.

IV. -- National Tsinghua University. -- Situated eight miles northeast of Peking, this university was founded 1912 by a foundation established to administer returned Boxer Indemnity Funds from America. It was made into a national university by the Central Chinese Government in 1927, and rapidly changed from a mere preparatory college which sent its graduates to America for further study to the nation's largest and costliest university. The property is valued at from \$10,000,000 to \$20,000,000, and is equipped lavishly with the best laboratories, libraries, and campus in China, if not in the entire Far East. It had over 1,000 students and around 200 faculty members.

For some years the Japanese regarded Tsinghua as one of the principal fountainheads of anti-Japanism in China, and after taking the Peking area last summer they promptly occupied the campus. In spite of the fact that Tsinghua is still supported by Boxer Indemnity funds returned from America, the Japanese claim that Tsinghua is a purely Chinese institution.

Practically all students and teachers of Tsinghua fled to South China soon after the war began. A small maintenance committee was formed to look after the immense property by a few teachers and office workers who did not go south. These men have recently been denied entrance to the campus proper and told to confine their activities to the south residence compound. Japanese troops occupy nearly all buildings inside the campus, including three new and very expensive natural science buildings, all equipment in which had to be moved on twenty-fours' notice. The Japanese refuse to use the modern dormitories nearby as barracks. Members of the maintenance committee state that it is obvious to them that the Japanese are exhibiting all the indications of spite and revenge in their dealings with the provisional government concerning Tsinghua. It is alleged that the Japanese are shipping out the scientific equipment, but this cannot be confirmed.

V. -- Yenching University. -- This American founded and supported university formerly had 800 students and slightly over 100 faculty members. Now it has 500 students, despite the fact that many students did not return North this autumn after the vacation because of the war. Situated seven miles northwest of Peking, it is valued at about \$5,000,000 and its yearly budget is about \$800,000. Students are mostly from wealthy families.

VI. -- Fu Jen University. -- This university is Catholic founded and supported. The property is valued at around \$1,000,000, with a yearly budget of half a million. Formerly it had around 700 students, and has nearly that number now.

VII. -- Sino-French University. -- This university is supported by returned French Boxer Indemnity funds. It is part of a complicated system of colleges, middle and primary schools supported on this basis in Peking, and has suffered no apparent reverses as a result of the war. It has about 150 students in the university proper, with 50 faculty members.

VIII. -- China College. -- Founded and supported by Dr. C. T. Want, present Chinese Ambassador at Washington, is one of the few purely Chinese institutions in Peking still operating. The property is valued at around half a million, with yearly expenses of about \$200,000. It still has around 1,000 students and 100 faculty members. Chinese state that the acting head of the school, Mr. Ho Chih-kung, has been cooperating with the Japanese, which is probably the sole reason that the school can still operate. Dr. Want's support is not forthcoming now. Students are mostly poor. Few have left Peking since the war.

IX. -- Min Kuo University. -- This now closed establishment formerly had 500 students and 80 faculty members with a yearly budget of \$100,000 and property valued at less than \$200,000. The school, which was operated privately, was heavily in debt in spite of some subsidy which had been coming from Nanking. Chinese state that most of the students were those which had failed entrance examinations into the better schools. Most of them were poor and are probably still in Peking.

X. -- Chao Yang University. -- This university was private but partly subsidized formerly by national government. Now it is closed down. It formerly claimed around 1,000 students and 100 faculty members. It was a poor school, with property valued at \$300,000. It has no prospect of reopening and the same can be said of Min Kuo University.

XI. -- Hua Pei College (North China China College). -- This university is now completely in Japanese hands, according to Chinese sources, and is devoted mainly to teaching the Japanese language. It now has some courses in ancient Chinese medical practice. It is commonly regarded as a place where students go only after they have failed to enter all other schools. Formerly it had 400 students and fifty faculty members with property worth little over \$100,000.

XII. -- Chiao Tung University (University of Communications). -- This was primarily a training institute for railway workers. Other branches were in T'angshan, Hopei, and in Shanghai. All three are now occupied by Japanese. The branch in Peking had some new buildings valued at around 800,000 dollars. The Peking branch was closed down just before hostilities broke out in North China, at the same time the former Salt College was also closed. Most of the students and teachers had therefore already gone south, state informed Chinese.

XIII. -- Peking Union Medical College. -- This important establishment is Rockefeller endowed, with slightly over 100 students and about the same number of faculty members. It has not been seriously affected by the hostilities. The students are mostly wealthy or taken care of by fellowships provided by the College. It is the best school of its kind in the Far East.

XIV. -- Northeastern University. -- This was founded in Mukden by General Chang Hsueh-liang, and was moved to Peking after the Manchurian Incident. It is now completely closed and under occupation by Japanese soldiers. The plant was valued at a quarter of a million. It had 700 students and 100 faculty members, virtually all of whom have fled south because their prolonged agitation against Japan during the past several years made it impossible for them to remain. Before the recent trouble broke out, many had already left for Sianfu where a branch of the university had been established. Students were mostly poor refugees from Manchuria and depended almost entirely upon the school for their support. Virtually none are left here, it is stated by Chinese. None of the faculty remains.

Various other minor colleges, nearly all supported by private or missionary funds and which enjoy a measure of foreign protection, still exist in Peking. They have not suffered particularly from the war, except insofar as the change in political regime has necessitated alterations in textbooks and subject matter taught in classes. The extent to which individual students are affected by the war remains to be investigated.

VI. -- Nankai University. -- This large private university in Tientsin was completely destroyed by Japanese artillery and bombing planes last August. It had about 500 students and 100 faculty members, and was valued at \$4,000,000, with a yearly budget of half a million. Its destruction is generally credited to anti-Japanism. Virtually all students and teachers fled south.

XVI. -- Peiyang Engineering College, Tientsin. -- This college had 500 students and 40 teachers. It is now closed and under Japanese military occupation. The students are probably remaining in the North, though there is no definite check. The puppet government in Peking plans to reopen it in the vague future.

XVII. -- Hopei Provincial College of Agriculture, Paotingfu. -- This college had 150 students and 20 teachers. It is worth \$300,000. The students and teachers all fled south before Paotingfu was captured. The same is true of the Hopei Provincial College of Medicine at Paotingfu, which was similarly equipped. Japanese troops destroyed all equipment in both these colleges and are still occupying the buildings.--END.

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

MISSIONARY SEES HELL IN AIR RAID

A United Church of Canada missionary in northern Honan--beyond the Yellow River--saw hell with his own eyes when he was caught in one of numerous Japanese air raids. With smouldering ruins and torn bodies of Chinese civilians all around him, he had the impression that it was only a dream "because human beings couldn't mean to treat each other so".

In his letter to friends at home telling them of his experience he wrote:

"Let me tell you of what I, one paw with only one set of eyes, saw and experienced. Word had come that a British lady lay dying of dysentery, for lack of drugs and nursing, 150 miles north of us. The station sent Miss ---- and me to assist. We travelled towards the lines all night, passing refugee trains loaded with panic-stricken people. In the early morning, at the half-way point, news came that the enemy were near at hand. Miss---- accepted our advice to go back on the same train which turned around. At ten o'clock I climbed aboard an empty coal train, hoping to get farther north. On the passing track near the station were two refugee trains, with people clinging to every available handhold. I counted ten men and eighteen bags of flour on the cow-catcher of the first engine. Sanitary conditions on the trains were fearful; food couldn't be bought.

"Suddenly, out of the north roared five huge bombers and two scouting planes. Wheeling swiftly over the ---- Station and row of inns near the track, where I had eaten a few minutes before, they made for the trains, and the mad mass of people scattered in every direction. I had time to run a hundred feet out beyond the buildings into the fields. Looking up I saw directly in front of me and almost overhead those beautiful birds. Suddenly little black drops began to show under their wings. Dropping on my face beside a grave mound, I crawled on my stomach into the earth--no longer a man, but something lower.

"Two seconds later the world went mad. The scouters dived and machine-gunned us. Twenty huge explosions tore up the earth and buildings before me, the heavens turned black with smoke and dust. I was showered with hot bits of steel and stones and smoking human flesh. Men beside me had their heads sliced open like a watermelon before the knife. One poor chap got up and ran with blood flowing down to the ground from a scalp wound. We bound it up with a handkerchief and his puttees. A crater ten feet deep and twenty-five feet wide lay within ninety feet of me, where I lay in the muck. Smouldering bodies and torn bodies, fifty of them, lay stretched out before us as the smoke cleared away. Most of them civilians. My inn was blown down. Our locomotive had its tender blown off the track. A young woman from one of the refugee trains lay as if sleeping on her back between the rails, a machine-gun bullet in her heart.

"No first aid was available and little needed, for modern explosives do their job thoroughly. Nor was there time for it, for before the hum of the first flight of planes had gone a new group came along. Once again those of us who had ventured back to the trains and stations ran madly through the suburb into the fields. Soldiers shouted to us to lie down so as not to attract the attention of the pilots. Soon bullets began to shiz past where I was lying as the soldiers fired at those still running. Once again that devilish roar of bombs. Four more times that morning, until after one in the afternoon, those planes came back and systematically bombed each quarter of the town and the fields round the station, where the refugees'

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

-2-

trains had been parked.

"Fortunately they got away between raids. With our engine damaged and the line blocked, there was nothing for me to do but to turn back and walk to the next town, fifteen miles away, to catch from there that night the last refugee train. As I sat on piles of mining machinery, supperless and cold, in the open, the glare of the fire-box of the engines at head and rear of the train, as it came reflected back from the night mists and smoke, added to my impression that it was only a dream, that humans beings couldn't mean to treat each other so."--END.

CHINA INFORMATION SERVICE
May 18, 1938.

Received by China Clipper.

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

Not for Publication

EXPERIENCES OF AN AMERICAN MISSIONARY WOMAN

UNDER JAPANESE RULE IN CHINA

The following letter was written by Miss Mary Culler White of the Methodist Episcopal Mission (South). Miss White was at Ba-deu near Mokanshan, Chekiang, when Japanese soldiers occupied that area. In the letter she describes the harrowing experiences which she and her Chinese Christian friends suffered. Please do not publish or quote by name.

The soldiers of the Japanese army of occupation are drunk with power and insane with lust. I speak advisedly having lived, as an isolated American, in territory now controlled by the Japanese.

My station is Wuchen, Chekiang, but in November 1937 it became impossible to remain there, so I refuged with my Bible women and other Chinese friends to the village of Ba-deu, a hamlet about six English miles from the mountain resort of Mokanshan. There was a church there with a voluntary pastor, Mr. Vi, who was so calm, so capable, so generous, and so beloved that many other Christian refugees came there also. I rented a house across the street from the Church and settled down with my group to do missionary work.

During the latter part of December the whole "hsien" or county of Wukaung to which Ba-deu belongs was captured by the Japanese. Early in January the Japanese soldiers made their first visit to Ba-deu. A Chinese gentleman who was on the reception committee brought the ranking officer to call on me. I was introduced to him as an American woman who was refugeeing there and carrying on missionary work with my Bible women, who were also introduced to him. He was most polite to me and to the people of the town; and, before he left, he wrote two notices in Japanese saying that the good people of this town were not to be molested and that the Chinese were instructed not to run when they saw Japanese coming. One notice was posted on the main bridge of the town and another at the church. We felt reassured, and the next time the soldiers came we did not leave our home. Several visits passed without incident although on one occasion some private soldiers came into my home and asked me to go up stairs. As they had no officer with them I refused, and after a little examination of our living room and our food, they left.

Then came the day of January 26th---a day never to be forgotten in the calendar of my life. It was just after breakfast and I was at the window in my upstairs bedroom when a group of Japanese soldiers called to me from the street. I answered cordially and they went on up the street past our house. A few minutes later they returned and beat on our front door calling to me at the same time. I went down and opened the door but stood in the aperture as I did not wish them to come in. They insisted on coming in and I said, using signs as well as words, that I would agree to let two come in. When these two came in the others pushed rudely past me and came in also. I tried to detain them in the living room but again they pushed past me and went upstairs where my young ladies were. By the time I reached the second floor I found that my attractive young co-workers had scattered in the four rooms that comprised the upstairs; also that two beautiful girls from next door had fled to us because the Japanese had entered their house by a cellar door which we used in common. Two of the upstairs rooms were passage-ways as well as bedrooms, but the Japanese made for the inner rooms which had no exit. I followed one group of soldiers and saw the evil eyes of the men on the girls while one of their number actually pointed with his finger and counted the beds! Another of the men had his hand stretched out to slip the bolt on the door and prevent the girls from escaping; but some power held him back for an instant and in that moment the girls fled to the outer room.

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Meantime one of my workers, a practical young woman of about thirty-five, was calling me to come to my room which was also an inside room. There I found several of my young women and my neighbors' girls. The Japanese were again trying to push in, but the young lady who had called me had grapped a broom and was sweeping dust into their faces while she calmly pretended to be cleaning the room. The Japanese fear dust almost as much as they fear cannon balls, and some of them had come to a halt. Others were more bold and pushed into the room. One, who had a small red cross kit with him selected a blooming girl belonging to my neighbor and asked me her age. I replied truthfully that I did not know. Our conversation was limited as the Japanese did not know English and spoke only broken Chinese; but by every gesture at my command, I was urging them out of the room and toward the stairs. I seemed doomed to failure for again a hand was stretched out to bolt the door; but for the second time a higher power held back the arm, and I was able to get the most dangerous one--the one with the red cross outfit--out of the room and to the top of the stairs. There he stopped, and in clearer Chinese than he had yet used, made his demand, "You give me two young women." (Two in Chinese meaning several.) Bear in mind that all these men were fully armed with mausers and rifles, and that this one had a hypodermic needle as well. Also remember that our exit was cut off both by the men on the stairs and others at the front and back entrances below. We were trapped! "You give me two women!" I went cold all over, but by the help of God, I talked on evenly in my best Chinese. "I have been polite to you, and you must be polite to us." With this expression repeated over and over, and with a volume of silent prayer going up from all our hearts, I finally got the group down the stairs and out on the street. Later the red cross man came back and offered to give me a hypodermic injection! But by that time I had Pastor Vi with me and we sent for the officer in charge of the group. This man was able to understand English when it was written, so I wrote on a paper, "I am an American woman. This is my house. I have Chinese ladies living with me. We look to the glory and honor of great Japan to protect us all." After reading this and making many bows, they took their departure, the little piece of paper with "the honor and the glory of Japan" going with them.

After this incident I put a big sign on my door saying that this was the home of an American; but it was not needed at once as we had bad weather and the soldiers did not return. During the third week in February, however, they came back in force. This time they were looking for Chinese soldiers who had become active in the hills around Ba-deu. At first only a few came, but on February 19th about two hundred came at 2:00 P.M. and occupied the town. The people of the village, sensing danger, fled to the mountains, while the local Christians, and we who were there as refugees, went to the church and held a service of song and prayer. The men were seated on one side of a central aisle and the women on the other, with as many of the younger women as possible huddled toward the front.

Pastor Tai, who is our Presiding Elder, or District Superintendent, led the service, and carried off the trying situation with dignity and assurance. I was the door keeper, and I bowed my best to the detachments of soldiers who came, asking them to come in and have seats on the men's side; but they were bent on mischief. A few of them searched for Chinese soldiers of whom there were none in the church or village; but most of them were looking for beautiful women of whom there were many right at hand. I tried to keep our visitors in the back of the church near the door. My prestige as an American was supposed to help in this respect; and of course they knew that I was an American, first, because some of them had been to Ba-deu before; second, because of the sign on my door; and third, because of my personal appearance. (I have fair skin, gray eyes and snow white hair.) But none of these things counted for much with that bunch of Japanese soldiers. One of them slipped past me and seated himself in a vacant pew on the women's side just behind my neighbor and one of her beautiful daughters. He pulled the hair of the mother and then of the girl. I walked forward and politely, but firmly, asked him to sit

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somewhere else. He moved, and things were quieter for a time; but more and more soldiers were crowding in at the door, and they began to talk and disturb the service. I turned and motioned to them, asking them to be quiet. One of them became defiant and made motions with his hands on his own neck, threatening to cut off my head. It was so absurd that I laughed as I said in Chinese, "I am not afraid." He then put his hand on his pistol and made the motion of taking it out and shooting me in the heart. I laughed again, and repeated that I was not afraid. On this he came forward, and taking me by the shoulder with his left hand, struck me in the chest with his right fist. It was more of a threat than a blow; but it was hard enough to hurt. I was surprised and indignant, but again I was able to smile and say, "I am not afraid." Most of the young women were fully alarmed by this time, and they sat with faces averted and heads bowed. One soldier, bolder than the rest, walked up the aisle, and, selecting an attractive young lady at the end of the first pew, lifted away the hair that partially covered her face. He was looking at her with a dangerous stare, but I was at his heels, and I motioned him back to the door. He took me by both shoulders and gave me a shake; but he went back and let the girl alone. When I had resumed my seat, he came to where I was, and unbreaching his rifle, showed me the long cartridge in the cylinder, at the same time making threatening signs to show me how easily he could kill me. I smiled and said in English, "I am not afraid."

After that I was not molested; but the atmosphere was getting tenser all the time, and it was becoming harder and harder to keep the service going. All the men in the church were taken out on the street and searched. One preacher was slapped in the process and several persons had their lives threatened. About four o'clock, a Japanese soldier stalked through the church and entered the preacher's home which adjoined the church in the rear. Several others followed, and we knew that the house was being searched. We felt that it was best to leave the investigators entirely alone; but there was a half-witted woman in the congregation whom I have taken care of for nineteen years. She was seated among the women where we thought she was safe; but she wanted to see what the soldiers were doing in the parsonage so, she slipped away, and went into the house. Soon we saw, through the rear door of the church that the house was being looted. Soldiers were coming down the stairs laden with bedding and clothing. This was being carried out through a side door into a poultry yard which, in turn, opened on the street. This was too much for the feeble-minded woman. She took hold of an armful of bedding as it was being carried out, and protested. The soldier slapped her twice so hard that the blows resounded through the church. Even so, she remained in the house to watch what was going on. The looting continued to the accompaniment of the scripture choruses which we were singing, "In nothing be anxious, But in everything, by prayer and supplication, with thanksgiving, Let your requests be made known unto God."

After the looting of the house, the yard which was just outside the windows of the church was attacked. The chickens were caught and carried off, then the ducks and last of all the family pig. The loud squawks and squeals almost drowned our voices, but we sang on, "In nothing be anxious" repeated over and over. I turned to the front door and saw three ginrickshas pass piled high with bedding--loot from other houses down the street--perhaps our own. Meantime the officers were making inquiries in writing of the preachers and a non-Christian village elder who was with us in the church. "Were there Chinese soldiers in the town?" Ans. "None." "Were there plain clothes men in the town?" Ans. "We don't know." "Why don't you know?" and so on. The minutes passed slowly. It seemed the longest half day of my life. The last song died in our throats about the time that the interrogator wrote his last request and passed it to the village elder. "Will you give us some women?" My eyes were glued to the paper as that non-Christian, but fatherly Chinese gentleman took the paper and wrote, "They are all God's daughters." And

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the soldier let it go at that. Night was falling by this time. The lamps and the oil had been looted, and we knew that our few candles were no defense against the dangers that the dark would bring. But God sent help through the ranking officer who came into the church about this time bringing his interpreter with him. After a bit of conversation he took a Chinese pen and wrote three notices--one for each entrance to the church lot--saying this was an American church and that the people belonging to it were good people who should be protected. He then instructed our whole group of more than sixty people to remain in the church all night, saying through the interpreter, "If any of you go out on the street you will be shot by Japanese soldiers. We promised to stay put: but as I had no coat with me and no bedding for myself or my co-workers, I asked the officer to allow me to go home under the escort of a soldier and get some things. Calmly he looked at me and said, "I think your house has been occupied by Japanese soldiers." And I had left it carefully locked at 2:00 P.M. Before the officer departed he gave us an anxious moment by proposing that some of the soldiers stay in the church all night to protect us! With profuse politeness we thanked him, but suggested that it might be better for us to bar the door on the inside while the soldiers remained outside on sentry duty.

When the last soldier had gone and the big gate had been triple barred and locked, we sat down in the semi-darkness and the cold to relax a little. It was then 7:30 and we had been under the strain since 2:00 o'clock! But we could not relax long. There were stories to hear. My feeble-minded woman said that she had been taken to a dark room in the back of the house and criminally assaulted. Her graphic description of what had taken place, together with her subsequent pain and illness made us know that she was speaking the truth.

One of my Bible women also came and said that she had had a narrow escape. She was a youngish looking woman of about forty-five who had thought that her age would save her from insult. She said that she had grown frightened for the life of one of the preachers as he was being rigorously questioned in the church. For this reason she had left the group and gone into the prayer room which was just across a little passage way from the rear door of the church. While she was praying she became conscious that there was someone in the room. She got up and found a Japanese soldier beside her. The man began to unbutton her sweater, and, thinking that he wished to loot, she helped him take it off. Next he began to unbutton her long Chinese robe. She thought that he was searching for money, and she was getting ready to hand him what she had, when another soldier entered the room. The first one then said to her in Chinese, "You come with me to the back of the house." She then realized her danger; but, with great presence of mind, she said, "Will you, sir, please go first?" As soon as he was outside the door, she darted across the passage way into the church, where she crowded up to the front and so escaped.

These stories did not make it easier to pass the night as we sat or reclined on the hard benches of that cold church. But the hours wore away at last, and with the coming of dawn we could hear the Japanese soldiers starting for the hills back of Ba-deu. It took a long time for them to pass. No one came to tell us that we could come out; but about 8:30 the street was clear and we ventured out. Not an inhabitant of the town was to be seen. We ran to my house where we found the notice "Home of an American" torn down, and all the doors broken in. The place was in utter confusion from the top floor to the cellar. All that was desirable had been taken--bedding, clothing, valuables. The other things had been thrown on the floor and trampled on, or ruthlessly torn up. My brief case and trunks had been ransacked and important papers and cherished pictures were lying in a dirty mass on the floor. All my Bible women had suffered in the same way, and their things and mine were hopelessly mixed in the debris that covered the floor of every room. We hastily salvaged what we could and ran with it to the church. Later we went up and down the street and found all the houses open and empty of inmates. The people had fled when the Japanese had arrived the day before and had not yet returned. Some of

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our bedding was found in our neighbors' houses to which no one but the Japanese could have taken it, since they were the only people in the town except those shut up in the church.

The day thus strangely begun was Sunday, and we had our service in the morning as usual; but before we could gather our scattered cooking utensils together and prepare our dinner, four Japanese soldiers arrived. One of them had a red cross kit, and was able to speak a few fragmentary words in English. We began a service at once, but there were many interruptions. They said that they were looking for Chinese soldiers, but they soon began to make absurd demands. They said, "We will sleep in this house to-night." To which I replied, "I have a house across the street which I will put at your disposal." When I took them over, showed them the mess, and explained its cause, the red cross man had the grace to bow his head in shame, and bring his hand to a salute.

But he was soon back in the church making other demands. He wanted Pastor Vi's boy, a lithe lad of about nineteen to be his ricksha coolie. We intervened by offering to find a coolie for him who could really pull a ricksha. Then he said roughly, "We must have women to go with us and cook our food. These two will do. Come on, now!" He had selected the two daughters of Pastor Vi, one of whom was a Bible woman and the other a trained nurse. One of the girls found courage to protest, and I looked at that callow youth and said in English, "Never." He seemed to get my meaning for the four of them got up and made a final departure from the church.

The usually imperturbable Pastor Vi was now thoroughly aroused. Although it was already four o'clock, he got up and said, "We must leave this place at once. Let all who can do so start immediately for Mokanshan." There was no way to go except on foot and the walk included a climb of 2000 feet. In spite of these difficulties two groups of about twenty each, started. The first got safely out of the village, but the second was stopped by Japanese soldiers who were returning enmasse to make camp at Ba-deu. The soldiers would neither let the party go on to Mokanshan or return to the church. Pastor Tai and I were sent for and when we went down to the place, we found that what the soldiers wanted was the bundles of bedding which the would-be-travellers were carrying. I explained to the captain that these people had been looted the night before and so had very little left. The officer replied naively, "Their bedding must have been taken by the local Chinese because Japanese soldiers do not do such things." We knew that it would do no good to argue, so we politely insisted that he let our people go back to the church with their bedding. At first he was adamant. The Japanese soldiers needed that bedding and we must "lend" it to them. But finally we hit upon the expedient of dividing each bundle and letting them have half. Even then they would not let our group return until I had promised that out of our scant supply we would find other bedding for them at the church and send it down. In return I extracted a promise that we might bar the church door and spend the night in peace. I also tried to secure a written permit for the party to go to Mokanshan the next morning, but this, the captain refused. When all had been arranged we went back to the church, sent what we had promised, and then, for a second time, settled down to sleep on the benches of the floor of that cold building.

Early Monday morning all the able bodied members of our group were eager to start for Mokanshan. Pastor Tai and I went to the headquarters of the Japanese, where, by much writing of Chinese and many bows we got a verbal promise that they would let the group pass. I was to take the party past camp and the sentries, and then return to stay with the more helpless ones until they, too, could be evacuated. Before we started the Chinese girls tied up their heads like peasants and put on the worst clothing they could borrow; but the camouflage was only a partial success. I took the group out of the back gate and across the hills that lay back of the church until

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we reached the main road where the Japanese had their headquarters. There we were halted and told to wait until the captain had time to see us. Moments dragged into hours and it seemed that the captain would never come. The girls were seated on a little hill just above the road where the Japanese were making a fort. The soldiers were all around us gathering rocks and digging up earth. They were staring at the girls and making rude jokes as they went about their work. We were like a little flock of kids there on the hillside, and I felt that the presence of one American woman offered but thin protection to the group. The time dragged on. More jokes, and more lewd glances. There was only one thing that we could do and that was to pray. And then, quite suddenly, a cultured Chinese gentleman whom I had never seen, came out of the captain's headquarters and said in perfect English, "May I introduce myself, Miss White? Mr. D. L. Sherertz and I have come down from Mokanshan to take you all back with us. Mr. Sherertz has the American flag and all will be arranged soon." And then I knew that this was Mr. Ho Tsang, a diplomat and former consul to New York who had been educated in Japan and who had now come along to interpret and act as a go-between. He returned to Mr. Sherertz and the conference at the headquarters continued. We still stood or sat on the hillside, but everything was different now, for we knew that deliverance had come.

A little later Mr. Sherertz appeared and the stars and stripes floated out between those lewd soldiers and that group of girls. I thanked God, and at the same time said in my heart, God is as real as that flag, only we cannot see Him. Mr. Sherertz said that he had some sedan chairs outside the village so that we could return to the church, get the infirm and the aged, and then all go to Mokanshan together. As we carried out this plan we found that the Japanese had suddenly become courteous. They even urged us to leave quickly as they said there might be fighting in the village within a couple of hours. We were all on the road by noon--a long string of refugees composed of about fifty people. The flad and the gifted Mr. Ho got us safely past the Japanese sentries, and by nightfall all the party had reached Mokanshan.

Thus our women and girls escaped that which they feared worse than death; but as I came away I was thinking of the thousands of women in Japanese occupied territory who have no American woman with them, no friendly Mr. Sherertz to come with the flag, and no knowledge of a heavenly Father to whom they can pray. What of them?

May 20, 1938,
CHINA INFORMATION SERVICE,
Washington, D. C.

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

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JR

FROM

FOURTH MARINES

May 24, 1938

Rec'd 10:20 a.m.

ACTION: CINCAF
OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
ASST NAVAL ATTACHE SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

Division of
FAR EASTERN AFFAIRS
MAY 24 1938
Department of State

8624. Japanese occupied Lanfeng today, claim capture ford on Yellow River at Chenliukowonan and columns reached point 15 miles east Kaifeng. Japanese planes bombed Chinese troops concentrations Chumatian Honan Liuan Anhwei 23 May, Chenghsien and Kaifeng Honan 24 May. Increased guerrilla activities Shanghai small arms, fire audible city morning 24 May. 1828.

KLP

793.94/13074

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MAY 26 1938

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Chefoo/132 FOR Despatch #2 to Embassy, Peiping

FROM Chefoo (Roberts) DATED April 13, 1938
TO NAME 1-1127 o p o

REGARDING:

Sino-Japanese relations: Report on conditions
in Chefoo Consular district for month of March,
1938.

aa

793.94/ 13075

13075

B. Relations with Other Countries.

1. Japan:

793.94
Japanese naval forces occupied Weihaiwei on March 7, 1938, without opposition⁽¹⁾, proclamations⁽²⁾ being scattered over the city by aircraft immediately prior to the landing. Officials of the "Peking Provisional Government" from Chefoo proceeded to Weihaiwei and assumed their new positions.

In Chefoo Japanese naval forces constructed sand-bag emplacements at strategic points throughout the city and enforced a rigid 8 p.m. curfew for all Chinese, following a raid by Chinese guerrilla forces on the night of March 12-13⁽³⁾. Foreigners were permitted to use the streets after 8 p.m., but were greatly inconvenienced by the constant challenging of patrols and the inability to obtain usual forms of transportation after dark.

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

DOCUMENT FILE

NOTE

SEE 893.61321/41 FOR #45-

FROM Osaka (Mainson) DATED April 28, 1938.
TO NAME 1-1127 ***

REGARDING: Japanese development of North China cotton farming.
Plans for-, Encloses translation of survey by agent of quasi-governmental company.

FRG.

793.94/ 13076

1376

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

793.94

DOCUMENT FILE

NOTE

SEE 890.00/94 FOR Memorandum
State Department
Far Eastern Division
FROM (Jones) DATED May 21, 1938
TO NAME 1-1127 070

REGARDING: Situation in the Far East: past week in review.

FRG.

793.94/ 13077

13077

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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

May 27, 1938.

~~ICV~~
~~MSM~~
~~WAA~~

~~RCM~~
~~MMH~~

Reference despatch no. 2254 of
May 14 from the Embassy at Paris.

This despatch encloses a memorandum containing information obtained from a former Secretary of the French Embassy at Tokyo, now serving in the Far Eastern Section of the Ministry of Foreign Affairs. Items of interest reported are:

1) Confirmation of the report that a contract has been signed by a French Company (not the one that operates the Hanoi-Yunnanfu railway) and the Kwangsi Provincial Government for the construction of a railroad from Dong Dang to Nanning.

2) The prohibition of transshipment of arms through Indochina is still in force but is not strictly observed partly because the Governor General of French Indochina is pro-Chinese. French munitions manufacturers have been pressing for the removal of the embargo.

3) Twelve

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

-2-

3) Twelve French pilots left for service in China under six months' contracts.

4) The total value of munitions exported from France (presumably since the beginning of hostilities) to May 11 is 150 million francs.

You may care to read the last paragraph of the memorandum in regard to the French Ambassador to China.

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FE:Penfield:MJY

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



EMBASSY OF THE
UNITED STATES OF AMERICA

Paris, May 24, 1938

No. 2254

Subject: The War in China.

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in confidence DT

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DIVISION OF
EUROPEAN AFFAIRS
JUN 8 1938
DEPARTMENT OF STATE

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To

*Paris
Lohys*

ADVISER ON POLITICAL RELATIONS
MR. HORNBECK
JUN - 1 1938
DEPARTMENT OF STATE

The Honorable

The Secretary of State,
Washington.

Sir:

1/ I have the honor to transmit herewith a copy
of a memorandum of information obtained by an
officer of this Embassy from an officer of the
French Ministry of Foreign Affairs with regard to
the war in China.

ASSISTANT SECRETARY
OF STATE
JUN 2 - 1938
A-M/C

Respectfully yours,

For the Ambassador:

Edwin C. Wilson
Edwin C. Wilson
Counselor of Embassy

Enclosure:
1/ Memorandum
In quintuplicate
LH/jwd

4 copies
received

FILED
JUN 29 1938

753.94/13073

1/HQ/3073

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

to despatch No.
OF MAY 14 1938
from the Embassy at Paris.

Paris, May 11, 1938.

MEMORANDUM FOR THE MR. E. A. BROWN:

From: Lawrence Higgins.

Subject: Mail d'Orsay Information on the War
in China.

Daeyens of the Far Eastern Section of the Ministry of Foreign Affairs lunched with me today. He is not very bright, but the following bits of information from him may fit into the Chinese mosaic.

A few days ago a contract was signed between a French company and the Government of the Province of Kwangsi for the construction by the former of a railroad from Dong Dang in French Indo-China to Nanning. It is not the company that owns the Hanoi-Yunnanfu railroad. Work is to be begun at once; the country to be traversed is fairly flat; the airline distance between the two terminals is 200 kilometers. Dong Dang is already connected by railroad with Hanoi, and there is now a highway passable to automobiles between Dong Dang and Nanning. Arms shipments pass over this route, but it is insufficient to handle the traffic between Indo-China and China.

The decree of last October which interferes with shipments of arms ordered subsequent to last August 15 over the Hanoi-Yunnanfu railroad is still in force, but is gotten around in some cases, partly because the Governor General of French Indo-China is pro-Chinese. Since the war has been going against the Japanese there

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

- 2 -

is increased pressure on the French Government from a group of French munitions manufacturers and Deputies, - notably Georges Mandel, who is very pro-Chinese, - to remove the embargo entirely.

Twelve French pilots recently left for service in China under six months' contracts with the Government. They will take over their planes at Kowloon. At Hankow there is a squadron piloted by French in hangars along-side squadrons manned by Germans and Russians.

The total value of munitions exported from France to China to date is 150 million francs.

The Paul d'Orsay's estimates of Japanese military strength are: 1,200,000 men mobilized, of which 800,000 are on the Asiatic mainland, 200,000 in Japan proper, and the rest in Chosen, Sakhalin, Formosa, etc. The figures of those on the mainland are compiled principally from reports of observed troop landings at ports.

The Ministry has been receiving a number of reports of insubordination and small mutinies in the Japanese forces from its Consuls.

The recent recall of the German Ambassador in China to Berlin for consultation has suggested the idea to the Paul d'Orsay that the German Government may be considering the withdrawal of the German military mission which is rendering valuable service under General Falkenhausen with the Chinese armies in the South. The mission consists of some 30 officers. The Italian military mission was recalled several months ago. Munitions are still being sent to China from Germany.

French

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

- 3 -

French interests in China are less well-served because of the cowardice of the Ambassador, Naggiar. He is intelligent and clever but is afraid to travel around by air and sticks too close to Shanghai. He is of Armenian extraction, and his father was a Syrian "protégé" of the French. Formerly Minister to Belgrade, he was in the official cortège when King Alexander and Barthou were assassinated at Marseille, and became so terrified that he stripped off the coat of his uniform to conceal his identity, and disappeared into the crowd.

L.H.

LH/jwd

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

HRE

GRAY
TELEGRAM RECEIVED

TSINGTAO VIR N. R.

Dated May 24, 1938

1-1236

FROM

Rec'd 8:11 p.m.

Secretary of State
Washington

COPIES SENT TO
CABLE AND WIRE

Division of
FAR EASTERN AFFAIRS
MAY 27 1938
Department

May 24, 9 p.m.

193.94
It is reported that Japanese and Japanese appointed Chinese officials abandoned Tsimo about thirty miles north of Tsingtao yesterday and that Chinese mobile units have taken over town but no fighting is known to have occurred.

An American who returned from Laiyang about 72 miles northwest of Tsingtao has reported that there are no Japanese in that place.

Chinese mobile units have recently damaged roads in Laoshan a close distance northwest of Tsingtao.

An American who has come from Weihsien states that Japanese have recently strengthened their garrisons on railway. The Weihsien garrison varies from 200 to 800 Japanese. Chinese mobile units have been interfering with the arrival of foodstuffs into Weihsien. He reported that Poshan district coal mines are flooded and that a coal shortage is feared. He anticipates that lack of repairs to Yellow River dykes may cause inundations that will harm Chinese farmers but also retard Japanese operations in Shangtung.

Sent to Hankow Peiping.

GOURLEY

RGC:EMB

793.94/13079

MAY 27 1938

FILED

F/FG

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Tsingtao/118 FOR Despatch #298 to Embassy, Peiping

FROM Tsingtao (Gourley) DATED April 9, 1938
TO NAME 1-1127 070

REGARDING: Sino-Japanese relations: Report concerning-, during month
of March, 1938.

aa

793.94/13080

13080

Japanese Airplanes.

The airfield and bay at Tsingtao are used as a base for some of the bombing planes carrying on operations in the southern part of the Province of Shantung. On March 18 one of the naval hydroplanes returned slightly damaged from a bombing expedition and crashed in the bay but was subsequently rescued.

Japanese Army and Navy Forces.

The number of Japanese marines and military in Tsingtao varies but during March was estimated by some to be only a few hundred, by others over a thousand. In Tsingtao the marines outnumber the military but additional soldiers are stationed at a little distance away at Litsun.

In the interior the Japanese have small garrisons in the district centers but are far from being in control of the countryside. One of the larger garrisons is at Weihsen and consists of about 300 to 400 men.

In Tsingtao there is rivalry between the military and navy in the seizure of public buildings and private houses. Unneeded Chinese houses are turned over to a German real estate agent for renting.

Chinese Forces.

Persons who have traveled in the interior express
the

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the opinion that the difficulties of the Japanese in the Province of Shantung in areas supposed to be under their control are increasing.

Estimates of the number of Chinese guerrillas and plain clothes men vary considerably but reports from various districts indicate that they are to be found scattered in many parts of the province.

In March they were said to be especially strong in the south but reports of their presence have come from places in the north and central regions, especially Laiyang, Pingtu, Kaomi, and Weihsien. Plain clothes men are said to be as near Tsingtao as Tsimo. Although outside of the actual war areas no important skirmishes with guerrillas were reported, it appears that on several occasions very small detachments of Japanese have been destroyed.

In some parts of Shantung, where in February the average peasant seemed more or less reconciled to Japanese control, mistreatment of women and others by Japanese has caused young men to join the guerrilla bands, which are said to be under the guidance of Central Government officers. Missionaries have recognized some of their own students among plain clothes men.

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Military.

In the Tsingtao consular district there were no important national military occurrences during the month of March.

Tsingtao was used by the Japanese as a base from which air-bombing planes and military forces were sent out against military forces of the Central Government of China in southern Shantung and as a base for the care of Japanese wounded who were brought in at night.

Conflicting reports continued to reach Tsingtao of fights between the Japanese and the Central Government forces outside of the Tsingtao consular district. Yet through bombing threats made on March 26 and 27 the Japanese confessed clearly that in spite of their southward advances they were not yet in possession of places like Yih sien (嶧縣) in South Central Shantung and Linl (Ichowfu) (臨沂) in Southeast Shantung.

b. Provincial.

In the Tsingtao consular district in March the Japanese were in control of the important towns but in the rural districts there roamed about bands variously described as guerrillas, plain clothes men and bandits.

On journeys out into the countryside Chinese-speaking American missionaries report having encountered guerrillas and plain clothes men who claimed connections with the Central Government of China. These bands show consideration to foreigners but are considered a real menace to small detachments of Japanese soldiers who venture out of the towns.

According

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According to one report during the first part of March twenty members of the Japanese garrison at Pingtu (平度) were isolated by Chinese plain clothes men in or near Pingtu and shot.*

In March guerrillas removed two stone bridges on the road to Pingtu, as well as in other places. Although no serious damage was done to the railway between Tsingtao and Tsinan, care had to be used in operating trains, because ties were sometimes removed.

On March 12 a band of guerrillas is reported to have made a night raid on Brshihlipu and to have burned some railway property. On the 13th they returned again but a detachment of Japanese had in the meantime been sent to guard the railway at that point.

On March 12 four Japanese tobacco buyers were said to have been killed by plain clothes men or robbers at Fangtze. The Japanese stated that this report was true.**

A postal truck was attacked and the Chinese driver was killed by unknown assailants in March near Weihshien.**

One Japanese civilian was reported killed at Chowtsun on the railway to Tsinan.**

During the middle of March the local Chinese and English press reported that Mr. Liu Tse-yung, Chairman of the Peace Maintenance Committee at Yeh Hsien, had been kidnapped by Chinese guerrillas. At the same time they reported that the Yeh Hsien home of Mr. Chao Chi, Chairman of the Tsingtao Peace Maintenance Committee, had been burned. Obligated later to deny

* Despatch to Embassy No. 289 of March 17, 1938.

** Radio of March 15, 5 p. m.

7037
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the second report, the newspapers maintained that the first report was true.

According to reports of Americans traveling in the interior, during the first part of March bands of men wearing five-barred flag insignia, estimated as numbering between several hundred and two thousand, were said to be operating near Weihsien under the former bandit Liu Kuei-t'ang (also known as Liu Hei-ch'i) in collaboration with the Japanese, such "collaboration" at times, however, taking the form of pillage of villages. Later in the month, however, the same bands were said to have turned against the Japanese and to have been harassing them in the rural districts farther south.

Six Japanese soldiers were reported to have been killed in March in or near Laiyang (萊陽).

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

DOCUMENT FILE

NOTE

SEE 393.0063/3 FOR #244-

FROM Kobe (McConaughy) DATED April 16, 1938
TO NAME 1-1127 ***

REGARDING: Assignment of Y.M.C.A. liaison officer to Japanese military headquarters at Peiping.

Informers concerning reported-; informant interprets this to be indicative of change in military's attitude toward foreign mission interests.

FRG.

793.94 / 13081

13081

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

May 24 1938

In reply refer to
FE

793.94

My dear Mr. Myers:

A few days ago in Boston you gave me a copy of the text of a document which you intend to publish as a Japanese note handed to the Ambassadors of Great Britain and of the United States on April 26, 1934. In as much as the text under reference would not appear to be identical in phraseology with the statement received on that date by the American Ambassador at Tokyo from the Japanese Minister for Foreign Affairs, it is believed that you might be interested in obtaining this last-mentioned text. I am therefore sending you enclosed a copy thereof with the request, however, that in any use which you might make of it no attribution or reference whatsoever be made to the Department of State.

You

Mr. Denys P. Myers,
Fletcher School of Law and Diplomacy,
Medford, Massachusetts.

793.94/13081A

13081A

0037

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

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You will recall the comment which I made to you when you were in Washington that the Department's records hardly warranted describing the document as a "note". I would suggest the word "statement".

Sincerely yours,

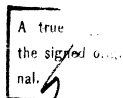
M. M. H.
Maxwell M. Hamilton
Chief
Division of Far Eastern Affairs

Enclosure:

From Japanese Minister
for Foreign Affairs,
April 26, 1934.

gms
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5-21

FE



✓
23 1938.

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

Statement sent to the American Ambassador at Tokyo on April 26, 1934, by Mr. Hirota, Japanese Minister for Foreign Affairs.

"Japan has not infringed upon China's independence or interests nor has she the intention to do so. In fact, she sincerely desires the preservation of territorial integrity of China and her unification and prosperity. These ends should, fundamentally speaking, be attained by China herself through her self-awakening and voluntary efforts.

"Japan has no intention to trespass upon the rights of other powers in China. Their bona fide financial and commercial activities will redound to the benefit of China which is quite welcome to Japan. She, of course, subscribes to the principles of the open door and equal opportunity in China. She is observing scrupulously all existing treaties and agreements concerning that country.

"However, Japan cannot remain indifferent to anyone's taking action under any pretext, which is prejudicial to the maintenance of law and order in East Asia for which she, if only in view of her geographic position, has the most vital concern. Consequently, she cannot afford to have questions of China exploited by any third party for the execution of a selfish policy which does not take into consideration the above circumstances."

4. Japanese Note handed to the ambassadors of
Great Britain and the United States, April¹ 6, 1934.¹

Japan has not infringed the independence of China nor damaged its interests, nor has it any intention of so doing. On the contrary, Japan sincerely desires to preserve the territorial integrity, unification and prosperity of China. These aims should, in principle, be attained by China herself, through the reawakening of her national energies and her own efforts.

Japan has no intention of violating the rights of other powers in China. Prosecuted with good faith, financial and commercial activities can produce nothing but beneficial results for China, results which Japan contemplates with satisfaction. Japan subscribes, naturally, to the principles of the open door and of equal opportunity in China. It is observing scrupulously all the treaties and agreements in force concerning that country.

Nevertheless, Japan can not remain indifferent in face of possible intervention by a third party which, on any pretext whatsoever, would be prejudicial to the maintenance of order and justice in the Far East, where Japan, if only in view of her geographic position, has interests of vital importance.

Consequently Japan can not admit that the problems of China be exploited by third parties bent on pursuing an interested policy, which does not take into consideration the above-mentioned considerations.

1 La documentation internationale, I, 21; an alternative translation is in Wheeler-Bennett, John W., and Heald, Stephen, Documents on International Affairs, 1934, 475.

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

MAY 5 - 1938

MAY 4, 1938.

POSSIBILITIES IN THE FAR EASTERN SITUATION

It is doubtful whether three months ago many would have ventured to predict that the Chinese would today still be holding out against the Japanese along the Lung-Hai railway. So stubborn has been the Chinese defense against repeated Japanese assaults that today it is not entirely idle to consider the possibility of the Chinese being able to hold the line indefinitely, and perhaps even to cause the foe to withdraw from the Lung-Hai line toward the seaboard.

793.94

Although neither the loss of Hsuehchow nor the clearing away of the Chinese wedge between the Japanese occupied areas in north China and central China would be necessarily fatal to the Chinese cause, the failure of the Japanese to attain these objectives in the course of the next few months would be a very serious blow to Japan's prestige as a first class military power. It may, therefore, be expected that Japan will concentrate all its resources if necessary into the attainment of these objectives.

Should, nevertheless, the Chinese be successful in thwarting Japan's purpose, such a development, which in itself would be somewhat surprising, might well be followed by other developments of an unexpected nature

arising

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arising from the possibility that the Japanese, who are apt to be thrown off their balance under high tension, might take some irrational and fanatical action. Such an action might not necessarily be initiated by the high command but might be precipitated by some move of a subordinate officer. Among the conceivable possibilities are the provoking of a clash with the Soviet Union or even Great Britain prompted by any one or a combination of several motives not readily susceptible of clear analysis. Another possibility is that some Japanese officer with a mad thought of vindicating the honor of the army might lead his troops into a terrible disaster.

One very serious weakness of the Japanese which might make it difficult for the Japanese people to rise to a grave crisis is the absence of an outstanding leader, as the Chinese have in Chiang Kai-shek, who could hold the public confidence. Should the illusions on which the Japanese people have pinned their hopes, such as the one that the Chinese are only awaiting deliverance by Japan from their rapacious war lords, be shattered, should the reports of a succession of brilliant victories be proved untrue and faith in the invincibility of Japanese arms be destroyed, Japanese leadership would be likely to encounter new problems at home.

SMJ
FE:Ballantine:SMJ:REK

m. n. h.

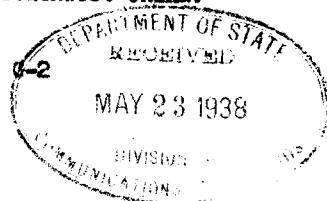
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Department of State letter, August 10, 1972
By Milton O. Huatzen NARS, Date 12-18-75

file
Steffelshman
copy
May 11/973
2657-H-439
653
CONFIDENTIAL

American Embassy
Office of the Military Attache
Canton, China
April 22, 1938

Subject: Military preparations in southwest China.

To: Assistant Chief of Staff, G-2
War Department
Washington



The following report contains information obtained from personal observations made during a recent (March 16 - April 13) trip thru Yunnan and Kwangsi provinces and Tonkin, and from conversations with Chinese officials and others in the course of the journey.

1. Yunnan Province. a. Divisions at the front. The 60th army under command of Lu Han, and consisting of the 182d division under An Te-hua, the 183d division under Kao Yin-huai, and the 184th division, Chang Ch'ung, left their assembly point at Kutsing, north-eastern Yunnan, on October 16, 1937, and arrived by marching at Changteh, Hunan, on November 23. During this march they lost a large number of men thru illness, straggling, and desertion; consequently the army remained at Changteh for a rest and reorganization until December 12, when they left for an undisclosed destination in Hupeh province. Early in March some 1600 conscripts from the militia were sent from Yunnan as replacements. Up to the end of March, the 60th army had not yet been in action.

b. Military organization and training. The regular provincial military establishment consists of four infantry regiments and nine separate infantry battalions, one artillery regiment, one engineer regiment, and various detachments. The strength of an infantry battalion is 400; that of a regiment over 1200. Troops in this province, whether regular or conscript, are not organized in divisions, but preparations are made for quick mobilization as divisions, each of which will consist of two brigades of two infantry regiments each, and one battalion of 75 mm. guns (mountain). The divisions sent to the front had the same organization. For training purposes the province is divided into ten districts of about ten hsien each. Military training theoretically covers a period of five to six months, with 60,000 men undergoing training all the time. However, on March 6, 2,000 men finished their second training period in the Kuming (Yunnanfu) district, and this training had begun on December 16, so that the six-month period is obviously subject to reduction.

c. Advanced Flying School. This school was formerly at Hangochow and was moved to Yunnan about October, 1937. The student personnel is composed of 800 cadets, graduates of the primary course at Liuchow, Kwangsi. Instructors were all Chinese until about April 1, when six Americans arrived. This school graduated 183 pilots on February 26, and of these 55 specialized in bombardment, 43 in observation, and 85 in pursuit. Pursuit graduates were to remain for an additional six weeks training. Graduation exercises

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(witnessed by several foreigners) consisted of bombing and machine gunning ground targets, attacking targets towed by planes, aerobatics, formation flying with the training planes, sham dog-fights. Equipment in use at this school includes forty Douglas training planes, six small Russian pursuit ships, single 5-cylinder motor, 15 feet wing-spread, top speed about 250 mph, two Curtiss Hawk II's and seven Curtiss Hawk III's with retractable landing gear. The field is used jointly by military and commercial planes, and is quite large - 1000 yards by 600 - and is in very good shape, although there are no metalled runways.

d. Central Military Academy, Yunnan Branch. This is the only military training school for officers and non-commissioned officers in the province. December 7, 1937, 406 cadets graduated from the academy and were commissioned. On February 18, 1938, 600 men graduated from the non-commissioned officers' three-months course and were appointed corporals and sergeants in the newly organized battalions of Yunnan troops. On March 7, 500 cadets entered the military academy. These men had been selected from 1,300 applicants. On March 23, the name of the school was ordered changed to Central Military Academy, Fifth Branch.

2. Kwangsi Province. a. Conscription. A general conscription will take place about the middle of May to the end of June. Some 1,500,000 men will draw lots, and of these 10% will be selected for active military service. All Chinese males in the province between the ages of 18 and 40 are liable, regardless of whether or not they are natives of Kwangsi. Drafting may be avoided by payment of NC\$100 per year, and at that rate for the remainder of the current year (i.e., NC\$50.00). Payment must be made before lots are drawn; after the drawing there will be no exemptions whatever.

b. Militia Administrative Officers Training School. Located at Nanning, this school called in Chinese Min T'uan Kan Pu Tsueh Hsiao provides the basic training for leaders

throughout the province, and the whole military organization of the province is based on this academy. There are at present 2800 students in different courses, varying from six months to 18 months. Training is intensive in political, military, and administration courses. On graduation a young man goes to a small town or village to take a triple position: San Wei I T'i or three positions in one.

The three positions are 1) Hsiang-chang or mayor (in which capacity they carry out all political orders of the provincial government); 2) principal of primary or basic schools; 3) head of the militia reserve training, local section. He gets a salary of perhaps NC\$200 and has an opportunity to work up by promotion to larger villages, towns, or hsien towns, or even ch'u or provincial subdivisions. Thru the training and propaganda conducted by these indoctrinated graduates, the people of the province are thoroughly organized and controlled by the provincial authorities.

(Note: A copy of the regulations for this school has been secured and a translation is being prepared for forwarding to the War Department.)

c. Central Military Academy, Kwangsi Branch was moved from Nanning after the Japanese air raids to Wu-ming, about 35 kilometers north of Nanning, where they are now in makeshift quarters in several

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scattered buildings and old temples. There are at present 1000 students, from 16 to 25 years of age, in the academy.

d. Lungchow Training School for Non-commissioned Officers. In this school at present some 4000 students are taking what is normally a one-year course but which has been reduced to six months intensive training. Seven hundred men will graduate in October.

e. Kwangsi University. The university is divided into three branches as follows: 1) at Kweilin, the college of Arts and Law with 206 students registered in four-year courses of political science, economics and law, and a two-year course in banking; 2) at Wuchow, the college of Science and Engineering with 376 students in four-year courses of mathematics, physics, chemistry, civil engineering, mechanical engineering, mining, and metallurgy; 3) at Liuchow, the college of agriculture with 122 students in four-year courses in agronomy, and forestry, and 74 students in a special two-year course in general agriculture. In each college, military training is carried on throughout the entire course, with both classroom and field work. During the first two years, 15 hours per week is devoted to military training, and during the last two years about 10 hours per week. This training is directly supervised by officers of the 5th Route Army. For example, at Wuchow the PMS&T is a colonel and there are seven assistants. The students are organized as a battalion of two companies. On graduation they may be called to active military service, and if so, are usually appointed to staff positions or assigned to some technical job.

f. Slogans used in propaganda work. The following slogans were taken from a desk calendar in a Nanning hotel room, and are cited as showing the direction of war propaganda measures. These slogans also appear painted on walls and on signs all over the province. 1) Intensify the expansion of agriculture and mining and do your utmost to increase production. 2) Economize on clothing and food; buy national salvation bonds. 3) Plant more crops to replenish the army's food supply. 4) Be enthusiastic for the national salvation: if you have money, spend it; if you have strength, use it. 5) With artillery and machine guns defeat the offensive of the Japanese militarists. 6) Get rid of traitors; guard against counter-activities. 7) Cut off the Japanese sources of revenue; prevent the importation of enemy goods. 8) The whole nation is mobilized and is carrying on the "scorched earth" war of resistance. 9) If we resist to the end, at last we shall gain the victory.

3. Pakhoi. One regiment (1049th) of the 175th Kwangsi division is stationed at Pakhoi, Kwangtung. Headquarters of the division is at Watlam (Yueh-lin) in Kwangsi. Kwangsi troops are charged with the defense of the Liuchow peninsula. They are fully capable of doing the job. From Pakhoi a newly-opened road with all-weather surface runs to Nanning which can be reached by car in about seven hours, including time necessary to ferry three or four streams. Another road connects Pakhoi with Watlam via Linchow (Hopu), but no definite information of the condition of this road was available.

4. Hainan Island. In Hainan, with headquarters at Hoihow, is stationed the 152d (Kwangtung) division, which is charged with defending the island. Units of this division have on several occasions repulsed small landing parties from Japanese warships, but against any landing in force, it would have little chance of accomplishing its mission since it is scattered too much along the coasts. This division has the standard organization of two infantry brigades or two regiments each, and one artillery battalion of 75 mm. mountain guns; total strength about 9000. Hoihow has been raided four or five times by Japanese planes. On one occasion a government yamen next door to the offices of the Standard Oil Company was completely demolished by a

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bomb, and twice the Japanese have tried without success to destroy the small fort which is located not far from the customs pier northwest of the city. In the raids some ten or twelve people have been killed and as many more wounded, but damage to property with the exception mentioned above, has been negligible.

5. Haiphong. From Chinese sources in this city, I learned that Chinese there and at Hanoi make regular contributions to the Chinese Central Government thru agents appointed to receive and transmit the funds. Contributions consist of the following: 20% of the cost of food for a family or an individual; two days pay per month; 2½% of all profits from business, and a flat sum, varying in amount, on exports and imports of Chinese business firms. No definite information could be obtained on the size of amounts raised in this manner, other than statements that they amounted to several "tens" of thousand (Mex) dollars per month. There are no exemptions from these contributions, and the whole business is simply a matter of local Chinese public opinion.

6. Comments on Chinese attitude toward the war. I was impressed, in all the localities mentioned in this report, with the spirit of calm determination to win the war manifested by all ranks of the Chinese people. This was especially noticeable in Kwangsi, where the people are aggressive and self-confident but where one hears none of the bragging characteristic of Kwangtung. In Kwangsi, also, I noticed that people were very well informed on the general situation, and a dozen times people of various ranks told me that they were very glad that America was friendly to the Chinese, and that they hoped we should continue to help them. In this connection, I was received officially in this province with the greatest courtesy and friendly assistance. In Yunnan, although I was told that the officials had been lukewarm toward the central government until the recent successes in Shantung, when they started to "climb on the bandwagon," still the attitude of such people as I talked to at random seemed to be firmly in favor of continuing the war to the bitter end. Although they expect that China will suffer very greatly, they seemed resolved to make all necessary sacrifices to defeat the Japanese.

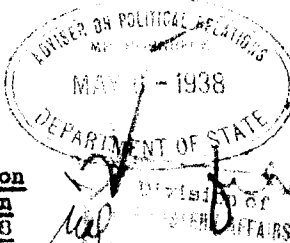
/s/ F. N. Roberts

F. N. Roberts
Captain, Inf., DOL
Assistant Military Attache

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

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G-2 Digest of Information
Sino-Japanese Situation
April 30 - May 6, 1938

GENERAL

EBH/gshuman *May 19, 1938*

The British Ambassador at Tokyo after a long period of negotiations, has reached a tentative agreement with the Japanese Foreign Office in regard to the servicing of the loans secured by the Chinese Maritime Customs, with particular reference to the customs collected in ports under Japanese control. The details of the agreement are too lengthy to cover but the net result is to the effect that the quota of customs funds from Japanese-controlled ports would be forwarded in paper notes while the Chinese Government would be required to settle for the total loan requirements in gold (foreign exchange). Customs receipts in Japanese-occupied areas in China are now greater than the total receipts in other Chinese ports. The agreement would cost the Japanese nothing, give them an additional source for badly needed foreign exchange, protect the bondholders, who are predominantly British, and leave the Chinese Government holding the sack. Whether the Chinese Government will agree to this arrangement without heavy pressure from England and France is doubtful. The two European governments are in a position to exert such pressure by their ability to control vital munitions flow and credits for China. Another phase of this transaction bordering on sharp diplomatic practice was the publishing in London of a statement that the United States had no objections to the tentative agreement, thus delicately intimating that the United States was a party to the transaction. Late dispatches from Hankow state that the Chinese Finance Ministry announced that it would not be bound by the British-Japanese customs agreement.

Masayuki Tani, Japanese Ambassador at large at Shanghai again hinted on April 29 on the possibility of an eventual understanding between Great Britain and Japan over the China situation. He pointed out that since Britain has embarked upon her "realistic" foreign policy, no friction can occur between Great Britain and Japan.

Articles 1 to 3, 13, 21 to 26, 31, and 50, and appropriate penalty clauses of the Japanese National Mobilization Law were made effective on May 5. These give the Government practically complete control of the industrial, economic, and educational life of the nation. The bill passed the Diet over the opposition of the major political parties on March 16 by means of heavy government pressure, and on the promise by Prince Konoye that the law would not be invoked for the present "China Incident". The invoking of the salient features of this act at this time is an indication of the seriousness of the military situation in China and of the economic situation in Japan.

7-10-38
 MAY 26 1938
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The following points indicate to some degree the inflationary process now going on in Japan. Bank deposits in Japan reached an all time high level at the end of March. The Bank of Japan retail price index for Tokyo for April 15 showed an increase of 2.7 per cent over the index for March 15. Foodstuffs were up only two per cent but light and fuel prices jumped 10.4 per cent. Study of price indices indicates a continued rapid advance in living expenses in Japan despite the Government's control efforts. Japanese business leaders acknowledge the necessity for measures to curb vicious inflation but they continue to deprecate additional control schemes involving serious curtailment of business and the restriction of profits.

According to press reports from Tokyo, under the gasoline rationing regulations now in force, private car owners can purchase only two gallons of gasoline per day. Taxis are now limited to seven gallons per day.

United Press dispatch from Shanghai reports a well informed neutral source as saying that there has been a wave of suicides among minor Japanese officials in China.

Wang Ke Min, number one boy in the Puppet Provisional Government at Peiping, together with his boss, General Kita, spent several days in Shanghai conferring with Japanese and Chinese officials in the Nanking "Reformed" Government. According to the Shanghai Japanese press, a complete understanding regarding the merger of the two governments has been reached as a result of the conferences. Kita and Wang flew to Tokyo on May 1, probably to get the necessary sanction to the terms of the merger.

According to the Ra Fu Shimpō, a Japanese paper published in Los Angeles, a meeting of Japanese consular officers will be held at the Japanese Embassy in Washington for three days, beginning May 16. Japanese officials from Canada, Honolulu, Vancouver and from many cities in the United States will attend. The announced agenda calls for a discussion of American feelings toward Japan since the outbreak of the "war," consular duties, the promotion of good feeling, and progress made by Japanese residents.

NORTH CHINA THEATER

Chinese guerrilla activities in immediate vicinity of Peiping are on the increase since the withdrawal of large Japanese forces in order to reinforce the Shantung front. Some observers estimate that only two to three thousand Japanese troops remain in the Peiping metropolitan area, including Tungchow and Mentoukow. Japanese aircraft bombed villages near Marco Polo bridge on May 4. Train and bus service between Tungchow and Peiping was suspended on May 5 and rifle fire from the direction of Tungchow was clearly audible in Peiping. A number of Chinese plain clothes soldiers are reported to be inside Peiping walls and the local Japanese garrison is taking strict precautionary measures.

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Chinese irregulars in a surprise attack captured Chochow on the Ping-Han southwest of Peiping on April 29. They are reported to have been driven out by Japanese reinforcements the same day. The Liuliho bridge north of Chochow was damaged on April 30. Service was restored the following day.

General Chen Chen at Hankow on May 2 stated that Japanese are now occupying only strategic points in Shansi and unless they are reinforced the Japanese will lose the entire province.

Reports from Hankow state that a large body of Chinese troops is now within 15 miles of Kweisui, Suiyuan. The Japanese have been forced to dispatch reinforcements to Kweisui because of the threat of Ma Chan-shan's forces.

During the period April 25 to May 1, 1,000 Japanese casualties were sent out from Chingwangtao on hospital ships.

LUNGHAI FRONT

Japanese spokesmen are practically silent regarding the situation in southern Shantung. The Chinese claim to have made a 12-mile advance northeast of Taierchwang, to have captured Latowchen, 4 miles southwest of Tancheng on May 5, and to have cut the communications of the Japanese units inside Tancheng. Bitter fighting is going on with heavy casualties on both sides. From all indications all Japanese movement to the south in Shantung has again been definitely stopped and the two eastern columns of their drive appear to be in difficulties. There are no authenticated reports of additional Japanese reinforcements arriving. Two thousand Chinese ex-communist troops are reported to have reached central Shantung after marching across Japanese lines of communication from Shansi.

A Japanese detachment from Taining is reported to have reached Nanyang, on the Grand Canal west of Tenghsien, where they are held by Chinese forces.

South of the Lung hai the Japanese reinforced brigade marching north from Mantungchow is reported to have reached Kowantun, about 75 miles south of Haichow on May 3. Chinese claim this force was attacked and driven back toward Yencheng.

Only desultory action is reported along the Hwai River, where last week the Japanese were reported to have crossed in the vicinity of Hwaiyuan and Pengpu.

To the west the only action reported is the capture of Lungwangtsao, just south of Taining, south Hopei, by Chinese units on May 1. Chinese report that except for one or two points there are no Japanese troops within 50 miles of the Yellow River.

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Japanese airplanes have been active in trying to destroy Chinese communications and troop columns on the Lunghai and south Shantung sector. Hsuechow was bombed several times this week but only civilian casualties were reported.

Reliable reports from Hankow state that there are 55 Chinese divisions totaling about 400,000 troops in the eastern Lunghai sector (on both sides of the railway, east of Kaifeng). Estimates on Japanese forces in Shantung vary from 80,000 (Chinese intelligence) to 130,000 (M. A.). South of the Lunghai along the Hwai River are three Japanese divisions. A reinforced Japanese brigade is in the column in eastern Kiangsu moving north toward Haichow and another Japanese reinforced brigade is at Chaohsien, Anhui, northwest of Nuhu, moving along the railway toward Hefei.

CENTRAL CHINA THEATER

Action is reported near Hangchow where the Chinese occupied Yuhang, less than 80 miles west of Hangchow on May 5 after a bloody battle. The Japanese claim to have crossed the Chientang River southwest of Hangchow and that they are mopping up the south bank of the river. This report has not been confirmed.

In the Nanking-Nuhu area Chinese claim minor successes, particularly in the vicinity of Nuhu. Many Chinese units are reported to have filtered into the area east of Nanking and are causing the Japanese much apprehension.

The Japanese force which landed at Holsien on April 25 is reported to have taken Chaohsien on the Hefei railway after passing through Hanshan. This force consists of a reinforced brigade and is said to have 60 tanks. The objective of this force is not yet apparent.

The most sanguinary air battle of the war occurred in the vicinity of Hankow on April 29. Reliable reports state that a Japanese air force consisting of 12 bombers and 24 pursuit ships attacked the Chinese arsenal at Hanyang. They were met by 25 pursuit planes manned by Chinese pilots near Hankow and were later intercepted by 25 more pursuit planes manned by Russian flyers. Nine Japanese bombers and 13 pursuit planes were downed. Chinese lost eight or nine planes. Chinese report they bombed the Nuhu airdrome on April 29 and 30, destroying several Japanese planes.

Tension between the Japanese and military and civil authorities at Shanghai is increasing as a result of Chinese terrorist activities and Japanese retaliatory measures. Clashes between British and Japanese troops were narrowly averted.

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

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SOUTH CHINA THEATER

Little military activity was reported in South China during the week. The airfield and railways in the vicinity of Canton were bombed on April 30. The Foochow airfield was raided on May 1. No damage was reported in either case.

COMMENT

The Japanese drive in southern Shantung directed against Haichow again seems to be petering out. The elements on the east wing of this attack appear to be in difficulties and may have trouble in extricating themselves. It is too early to see the full significance of the action there. It is possible that the Japanese expect to push their main attack on the west through Tsining or Hanchuang and therefore have used comparatively weak forces to protect their east flank. Japanese "face" continues to suffer as long as the Chinese hold, and any retrograde movement must rankle as a distinct disgrace. After June first the rains in this area will be a distinct handicap to the Japanese mechanized forces and unless they can take Haichow by then, they must wait months for dry weather before the roads are fit for use.

The effects of the withdrawal of Japanese units from so-called quiet areas to bolster the Shantung forces are beginning to show up. Shansi, Suiyuan, and even the immediate vicinity of Peiping and Tientsin are reporting tension and attacks by Chinese irregulars. Guerrilla activities would normally be expected to increase this time of the year because of the cover afforded by standing crops. Now that important Japanese garrisons have been weakened, much more action may be expected.

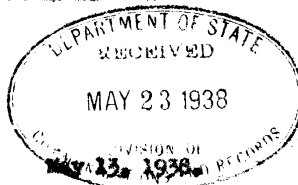
The invocation of the much discussed "National Mobilization Law" is a sure indication of the difficulties besetting the Japanese both internally and in their military campaign. The "China Incident" is definitely taking on the aspect of a real war as far as the Japanese are concerned.

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

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FE
DM

MEMORANDUM FOR THE CHIEF OF STAFF.

Subject: Far Eastern Situation.

193. 94
1. Herewith are Summary and Situation Map covering events in China for the week ending May 13.
 2. The important events for the past week have been:
 - a. Important Japanese advances toward Kweichow from southwestern Shantung and northwestern Anhui, indicating the presence of strong Japanese reinforcements and imperiling the Chinese defending the eastern Lungtai sector.
 - b. Occupation of Amoy by Japanese naval forces on May 11.
 - c. Increasing pressure by the Japanese on the German Government to withdraw the German advisers to the Chinese army and to curtail supplies and other aid for China.

[Signature]

M. R. W. McCabe,
Colonel, General Staff,
Assistant Chief of Staff, G-2.

2 encls.

MAY 26 1938

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

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U-S Digest of Information
Sino-Japanese Situation
May 7-13, 1938

GENERAL

Foreign Office officials in Tokyo on May 8 confirmed that Japan had again protested Germany's aid to China in the present "Incident." They particularly resent the presence of German advisers now playing an important role in Chinese strategy. Major General Ott, German Ambassador to Japan, is now en route to Berlin. He will stop at Hong Kong on the way home to confer with the German Ambassador to China. It is reported that the two Ambassadors will discuss the advisability of withdrawing the advisers.

News dispatches from Berlin state that Japanese difficulties in China are causing some members of the German General Staff to doubt the advisability of continuing the loose German-Japanese military alliance implied in the anti-Comintern pact. Judged by the Japanese military record in the present war, these officers feel that the Japanese military machine might be of doubtful value against Russia. While official Germany continues pro-Japanese, unofficially there always has been and there is now a growing sentiment in favor of the Chinese. There is no talk of recalling the German advisers to China.

Press reports from Berlin dated May 12 state that Germany has signed a treaty with Manchoukuo as a gesture of friendship toward Japan, providing for the immediate establishment of normal diplomatic relations.

✓
Yosuka Matsushita, President of the South Manchurian Railway and member of the Japanese Cabinet Advisory Council, in an interview with Hugh Byas on May 6 "clarified" to some extent Japan's purpose in China. His most significant utterance was in reply to a query about the "immutable" Japanese policy announced at the Imperial Conference on January 16, 1938. Matsushita said as long as the Kuomintang-backed Chinese Central Government adhered to their announced objectives of regaining Korea and Formosa, there could be no negotiation between Japan and that Chinese Government. However, if some of the Chinese aims were modified, mediation was possible. This is the first intimation from a responsible Japanese source that the "immutable policy" had some flexibility. On May 9, Foreign Minister Hirota, also in an interview with Hugh Byas, again reaffirmed the "immutable" principles and stated that no peace would be negotiated with the Chiang regime.

At Geneva on May 10, Dr. Wellington Koo, Chinese delegate to the League of Nations, after citing the resolutions by the Council and League Assembly in February recommending individual aid to China, requested the Council to produce concrete results from the resolutions.

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

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He stated only one League member (Russia?) had come to China's aid. Koo also requested that the Council apply the provisions of the Covenant (relating to aid to aggrieved nations and sanctions against aggressors) in this case.

According to reports from Tokyo, the Japanese press has begun a campaign to induce the public to sell all its gold to the Japanese Government.

The Tokyo War Office is arranging an inspection trip for foreign military observers in Central China for 10 days from June 1. The Japanese headquarters at Shanghai is reported to be planning to take a group of foreign correspondents on a visit to the Shantung front about May 30. These reports may be taken as an indication that the Japanese expect decisive action by those dates. Reports from Shanghai state the six additional Japanese divisions are en route to China. The report does not specify whether reinforcements are destined for Shantung or for Central China.

Machine gun units of the 4th Marines left Shanghai on May 6 for target practice at Chingwangtao. They embarked on the Navy transport HENDERSON and will return in about 25 days.

NORTH CHINA THEATER

Reports from this area were meager this week. Guerrilla activity was reported at Changping, 22 miles northwest of Peiping; at Yangliuqing, 9 miles west of Tientsin, and at Tsunhsia, 80 miles northeast of Peiping. Reports from Chinese sources in Chahar state that irregulars are also active near Chinglungchiao, the station on the Ping-Sui Railway where tourists alight for a view of the Great Wall.

Shansi reports from both sides indicate that operations in that province are confined to minor clashes between irregulars and Japanese forces holding the railways and the Taiyuan-Tatung highway. Chinese claim the Japanese have evacuated south Shansi and are moving into northern Honan. Chinese continue to reoccupy large sections of southeastern and northern Shansi.

Seven hundred and fifty Japanese casualties were evacuated by hospital ship at Chingwangtao during the period May 2-6 inclusive.

Yang Ke-min returned to Peking from Tokyo on April 9. Unofficial advisers state that the conferences he attended in Tokyo regarding the merger between the two puppet governments were ended satisfactorily.

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LUNGHAI FRONTIER

In southern Shantung, the weight of Japanese pressure appears to have shifted to their right (west) wing. Japanese forces from Tsining have crossed the Grand Canal and are reported to have taken Kinsiang and Futai. This move, unless stopped, is a definite threat to Kweitch, and imperils the Chinese forces on the Lunghai to the east. To the east, while claims are conflicting, the Japanese appear to have advanced south of Tancheng to a point approximately 5 miles from the Lunghai. A Chinese division is reported to be northeast of Tancheng and this force will tend to slow the advance of the Japanese left (east) wing. No action is reported in the center at Hanchwang or in the vicinity of Tsierschwang.

In the sector south of the Lunghai the Japanese have made surprising gains in the last few days. Their western column has pushed through Hancheng and on May 13 is reported to have captured Yancheng, Homan, only 30 miles south of Tangshan and 55 miles south-east of Kweitch, on the Lunghai Railway. This thrust, together with the drive from Tsining north of the Lunghai, are the most serious threats the Chinese have had to face for some time. On the Tsin-Pu the Japanese have reached the outskirts of Kuchen, while their column to the extreme east has reached Fowning and is reported to have swung toward the west with Hwaiyin on the Grand Canal as an objective.

Our military observer at Hankow reports that the German advisers have no anxiety about the Japanese thrusts south of the Lunghai. They believe the Chinese forces defending that area fully capable of stopping the advance before the Japanese get too far. They also appear confident that the Chinese forces in southern Shantung will be able to hold the Japanese attacks. However, the developments of the last two days in southwestern Shantung and south of the Lunghai may change the picture rapidly.

The Japanese air force has been very active during the week. Hauchow, Kaifeng and smaller towns along the Lunghai Railway have been bombed heavily. Hanhauchow, about 60 miles south of Hauchow, was bombed destructively on May 5. An Italian mission compound there was badly damaged.

Chinese reports from Shantung state that the Japanese are preparing to use gas on a large scale in that area. Both sides have made similar claims before but so far no authentic cases have been reported. The Chinese in 1935 had constructed facilities for the manufacture and loading of mustard, CN and DM at the Kungshien arsenal not far from Chengchow. There is no information available as to amount of stocks, if any, that have been built up. The Japanese too have facilities for the manufacture of the above and other gases. However, it is doubtful if either side is capable of employing chemicals on a large scale without serious danger to themselves.

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CENTRAL CHINA THEATER

Two Japanese thrusts are going on in this area. One, which started from Hohsien on April 28, has pushed through Chaochien on the Hainan Railway and is now on the Chaochien-Hofei highway about 25 miles from Hofei. The significance of this thrust is not readily apparent. While some observers believe the thrust directed at Hankow or the Ping-Han Railway, the size of the force involved, reported as a reinforced brigade, does not indicate so distant or so important an objective. The second thrust is south of Hangchow where the Japanese have finally crossed the Chientang River and are reported to have occupied Shaoching. This drive appears to be directed at Ningpo.

Chinese activities in the area consist principally of harassing guerrilla operations. Nantungchow on the Yangtze, the base of the Japanese most eastern column moving toward the Lungchai, was attacked and held for three days until Japanese reinforcements arrived. Tangtu, on the Nanking-Nuhu Railway, was reported to have been held by Chinese irregulars. The Haiyen-Haining highway northeast of Hangchow was cut by Chinese guerrillas on May 7.

Related reliable reports from Shanghai state that on April 8 a train of 45 cars brought over 1,000 bodies of Japanese soldiers to Shanghai for cremation and return to Japan. This is an indication of the cost to the Japanese of the Chinese guerrilla activities.

Chang Sung-yi, the Chairman of the Footing Peace Maintenance Commission, was assassinated by Chinese guerrillas on May 8.

Despite constant representations by American diplomatic and consular officials in Tokyo and China, Japanese still refuse to permit American citizens to proceed to points in the interior to safeguard their properties. At Nanking particularly and other points in the interior, Japanese business men are acting in comparative freedom while other foreign business men are prohibited from resuming their activities or even to make visits of inspection and take steps to prevent further deterioration of stocks and equipment.

SOUTH CHINA THEATER

Amy Island was occupied by Japanese naval forces late May 11. A heavy air and naval bombardment which started at 4 a.m. May 10 was followed by the landing of Japanese sailors variously estimated as from 500 to 2,000. No Japanese army units are reported. The Chinese forces, mainly Kwangtung troops, are reported to have withdrawn to the mainland. The Japanese landing operations and their subsequent action on the island were continuously supported by extensive air and naval bombardment. About 50,000 Chinese civilians took refuge on Kulangsu Island,

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just south of Amoy where most foreigners reside. The U.S.S. ASKEVILLE is standing by prepared to evacuate American citizens if it becomes necessary or to assist the local police with a landing party. Other American naval vessels are reported en route to Amoy and to Foochow. So far there has been no disorder. A concentration of 37 Japanese warships near Amoy on May 9 preceded the attack.

Unconfirmed reports state that 80,000 Japanese troops are concentrated at Formosa preparing to exploit the occupation of Amoy into a drive on Canton or the railway. This is considered doubtful.

Japanese air activity continued unabated throughout South China. The Canton area was raided on May 7 and May 12. Foochow airfield was bombed on May 10. Chinese planes reportedly from Canton bombed a concentration of (167) Japanese warships off Macao. One destroyer was reported damaged by the attack.

Japanese also made unsuccessful attempts to land on Lappa Island west of Macao on May 6 and 8. On May 9 they made an attempt to land on Lanta Island, 11 miles northwest of Hong Kong, but were repulsed.

COMMENT

After a few days of comparative quiet the Lunghai fronts, both north and south, have again become seriously active. While no accurate reports of Japanese reinforcements are available, the increasing Japanese pressure toward Kweichow from southwestern Shantung and from the south indicates that new and stronger Japanese forces have been brought to the scene. Reports from Chinese sources cite intense Japanese artillery fire on both fronts while the Chinese continue to suffer from a shortage of artillery and artillery ammunition. As an instance, Yu Kueish-chung, who commands six Chinese divisions on the eastern Lunghai, has only six field guns and two howitzers in his command.

The situation of the Chinese forces on the Lunghai east of Kweichow appears to be quite serious. The two western Japanese drives have made considerable progress in the last two days and are now only 25 miles north and 35 miles south of the railway at Tangshan. The corridor through which the Chinese on the eastern Lunghai must withdraw in case a retirement becomes necessary is getting dangerously narrow. Unless the Chinese parry these threats soon, a sizeable body of Chinese troops is likely to be pinched off. It is believed that the most formidable Chinese defensive positions lie in the zone about 15 or 20 miles on either side of the Lunghai. At the present rate of progress the Japanese should reach them in a day or two and the issue should then be decided.

As reported above the Japanese are arranging visits by foreign correspondents and military observers to Shantung and Central

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

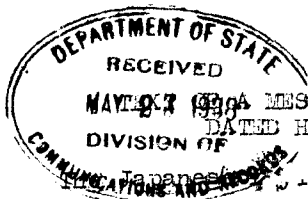
CONFIDENTIAL

China the latter part of this month, indicating that the Japanese expect decisive results by that time.

In South China the Japanese naval authorities claim that they occupied Amoy in order to protect 20,000 Formosans who were being oppressed by the Chinese. However, there have been reports of Japanese overtures to the Fukienese Government to secede from Chinese Central Government authority and to form a local puppet regime under the five-barred flag. The negotiations apparently were unfruitful and the Fukien capital was moved from Foochow to Yungan, about 150 miles inland, on April 26 because of fear of impending Japanese reprisals. The action at Amoy is therefore quite likely to be pressure to bring the Chinese into a more amenable mood. Japanese occupation of Amoy can have no immediate effect on the war. The distance from Amoy to Canton or to the sensitive munition routes running north from Canton is too great for effective military action unless a costly large scale invasion is intended. The general terrain in this part of South China is also forbiddingly mountainous. So far only Japanese naval forces have been involved in this venture.

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



Division of
COMMUNICATIONS AND PROPAGANDA

MAY 19 1938

4:10 P.M.

1938.9.4
The Japanese are continuing to fight and its continue the raid of points on the eastern section of the Lunghai Railroad. Fighting is proceeding at Huangkow, east of Tangshan in North Kiangsu, and Yifeng in East Honan. A Japanese cavalry unit of a few hundred men supported by tanks reached the vicinity of Huangkow Station while another unit having been driven off from Wei Huang appeared at nearby station Yifeng. Meanwhile a Japanese force of four thousand strong, which has been pressing northward on Tangshan from Yungcheng, was repulsed at points thirty kilometers north of Yungcheng. The invaders have sustained several hundred casualties including a regimental commander. One Japanese battalion Commander was taken prisoner yesterday morning.

The Japanese statements that they have established themselves on the Lunghai Railroad thereby cutting off Hsuehchow is groundless. In South Shantung the Chinese are holding the line north of Tai erhchwang. In West Shantung the Chinese line runs from the vicinity of Hotseh to Kinhsiang with Chuyeh still in Chinese hands. The Japanese report that Generalissimo Chiang Kai-shek has gone to Chungking due to indifferent health is absolutely without foundation. The Generalissimo has been in good health and has just returned to Hankow after the inspection of various battle fronts. The rumors concerning the alleged movements of General Li Tsung-jen are also not true, as General Li is still directing operations in the Hsuehchow sector.

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MAY 23 1938

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

TEXT OF A MESSAGE RECEIVED AT THE CHINESE
EMBASSY, DATED HANKOW, MAY 19, 1:00 A. M.

The Lunghai Railroad is once more clear of Japanese troops following the dispersal of the Japanese raiding units at two points on the Railway (Huangkow and Yifeng). The Chinese column^{is} advancing to Yungcheng from Huangkow after routing the Japanese raiders. Further westward another raid by two hundred Japanese cavalrymen and four hundred infantry men was halted in the vicinity of Yifeng. Part of the raiding party was surrounded by the Chinese, and the rest had fled northward.

A Japanese detachment disguised as Chinese soldiers displaying Chinese flags recently advanced from Yutai in South Shantung toward Fenghsien in North Kiangsu. Before the treachery was discovered, Chinese troops were attacked and suffered considerable casualties.

Division of
Foreign Relations
4:10 p.m.
RCS
RA
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

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Division of
FAR EASTERN AFFAIRS
4:10 P. M.
RCS
PAH
FE

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

CHINESE EMBASSY
WASHINGTON, D. C.

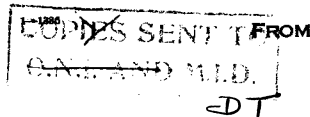
Mr. Maxwell M. Hamilton
Chief, Far Eastern Division
State Department

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

TELEGRAM RECEIVED

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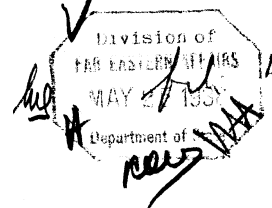


FOURTH MARINES

May 25, 1938

Received 8:20 a.m.

ACTION CINCAF
OPNAV
INFO AMCON SHANGHAI
COMDESRON FIVE
COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING



193.94
8625 Japanese column advancing on Kweitch from east. Chinese claim recapture of Tangshan on Lunghai 45 miles east of Kweitch. Japanese planes bomb Pinghan line north of Hankow 1842.

RR

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MAY 27 1938

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TELEGRAM RECEIVED

JR

1-1236

FROM

GRAY

COPIES SENT TO
C.N.I. AND W.L.D.

DT

Peiping via N. R.

Dated May 25, 1938

Rec'd 9:22 a.m.

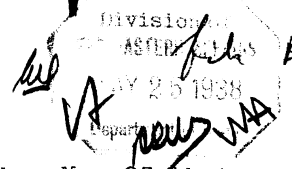
Secretary of State,

Washington.

318, May 25, 3 p.m.

One. United Press report from Hankow May 23 that Paotingfu Hopei had been attacked by 10,000 Chinese Communist troops who captured the south suburb of the city does not (repeat not) appear to be true. According to an American resident of Paoting who came to Peiping yesterday Chinese Communist soldiers raid the south suburb almost every morning but make no attempt to hold it. He thinks the report may have arisen from an apparently heavy recent engagement near Paotingfu in which artillery was used by both sides, the Chinese throwing some trench mortar shells into the Japanese headquarters and causing several casualties. Otherwise he states conditions are similar to those reported in the Embassy's 295, May 14, 1 p.m.

Two. Travelers continue report Japanese army atrocities against Chinese civilians in South Hopei and Shangtung. In addition to the burning and some bombing of



793.94/13037

MAY 27 1938

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

-2- #318, May 25, 3 p.m., from Peiping.

of villages suspected of having harbored Chinese guerrillas, male inhabitants of such villages are often killed by shooting or bayonetting and the women raped, the latter being often disembowelled afterwards. According to an American who has just traversed part of Shantung the continuing atrocities there are on a par with those committed in Nanking in the early days of Japanese occupation.

Three. Japanese spokesman gave out this morning no (repeat no) new information in regard to the Lunghai fronts.

Four. Repeated to Embassy Hankow and Shanghai, by mail to Tokyo.

SALISBURY

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

1-1286

FOURTH MARINES

FROM

May 26, 1938

Rec'd 7:26 a.m.

ACION: CINCAF
OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

COPIES SENT TO
D1

Division of
FAR EASTERN AFFAIRS
MAY 26 1938
Department of State

8626. Chinese 26 May admitted fall Lanfeng. Claimed
capture Tsaochow Shantung behind Japanese lines 70 miles
west Tsining. Japanese planes bombed Siangyang Hupeh
170 miles northwest Hankow damage slight. 1815.

RR

FILED
MAY 31 1938

793.94/13083

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

4800

TELEGRAM RECEIVED

lw

Peiping via N.R.

1-1236
A portion of this telegram must ^{FROM} Dated May 26, 1938
be closely paraphrased before being
communicated to anyone. (A) Rec'd 6 a.m.

Secretary of State
Washington

paraphrase
COPY SENT TO
ONE AND ONLY
in strict confidence
DT



323, May 26, 1 p.m.

One. The Counselor of the local German Embassy who has many years of service in China has just returned from four weeks in Chahar and Suiyuan where he traveled as far as Outer Mongolia border. He has given the Embassy the information contained in the next paragraph.

(GRAY) Two. The Japanese military hold no (repeat no) places off the Peiping-Suiyuan Railway. The Chinese and Mongol population along the railway is bitterly anti-Japanese. Chinese irregulars approach close to cities along the railway and frequently cause traffic to be suspended. They occupy such points as Changpei 25 miles north of Kalgan and Anpei northwest Paotou. The Japanese have given up all pretense of developing a puppet Mongol regime and direction of affairs along the railway is for the time being in the hands of Japanese military. ^{Prince Teh} ~~Tangteh~~ no longer has significance. The

Japanese

FILED
JUN - 1 1938

793.94/13039

4801

1w -2- No. 323, May 26, 1 p.m. from Peiping

Japanese are obtaining little raw material because Chinese and Mongols, having received inadequate compensation, now do not bring their produce to market.

Three. Informant stated that the number of Japanese troops along the railway is small. However, reports current in Peiping indicate that some reinforcements have been sent to the area during the past few days, presumably some of those troops mentioned in the Embassy's 307, May 18, 6 p.m.

Repeated to Embassy Hankow, by mail to Tokyo.

SALISBURY

KLP

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

(CONFIDENTIAL)

PARAPHRASE

STRICTLY CONFIDENTIAL

A telegram (no. 323) of May 26, 1938, from the American Embassy at Peiping reads substantially as follows:

After spending four weeks in Suiyuan and Chahar Provinces where he traveled as far as the border of Outer Mongolia, the Counselor of the German Embassy in Peiping who has served for many years in China has just returned to Peiping. He has given the Embassy information to the following effect:

The Japanese military hold no places off the Peiping-Suiyuan Railway. The Chinese and Mongol population along the railway is bitterly anti-Japanese. Chinese irregulars approach close to cities along the railway and frequently cause traffic to be suspended. They occupy such points as Changpei, twenty-five miles north of Kalgan, and Anpei northwest Paotou. The Japanese have given up all pretense of developing a puppet Mongol regime and direction of affairs along the railway is for the time being in the hands of Japanese military. ^{Prince Teh} Langton no longer has significance. The Japanese are obtaining little raw material because Chinese and Mongols, having received inadequate compensation, now do not bring their produce to market.

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793.94/13089
 V-26-38
 FE: ECG, C-

ACR
 FE

793.94/13089

DECLASSIFIED: E.O. 11652, 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

MG

1-1235

FROM: RAY

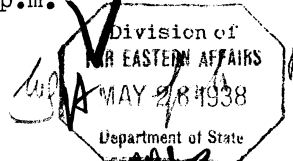
Foochow via N.R.

Dated May 26, 1938.

Rec'd 1 p.m.

Secretary of State,
Washington.

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



May 26, noon.

Single Japanese plane dropped off about 15 bombs on Foochow airfield at 11:30 this morning. Plane was fired upon by anti aircraft guns but without effect. To Hankow and Peiping.

WARD

RR

CSB

793.94/13090

MAY 31 1938

FILED

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Amoy/127 FOR #155

FROM Amoy (Alteffer) DATED Apr. 7, 1938
TO NAME 1-1127 ***

REGARDING: Military situation in Amoy Consular District during March,
1938: report on same. (Copy of despatch #110 to Embassy)

wd

793.94/13091

793.94
13091

1. Relations with Japan.

(a) Continued Japanese Aerial Operations over South Fukien.

Japanese aerial activities were centered principally in and around Changchow (漳州) during March. On March 5th five planes were seen flying over Amoy toward Changchow (漳州), where it was reported that six bombs were dropped. This town was again invaded by thirteen Japanese planes on March 17th. It was reported that twenty bombs were dropped on this occasion, but because of repeated aerial visitations in February, it is reported that most of the people in this place disperse to the surrounding country during the day. There were no casualties reported as a result of either of these attacks. However, on March 30th it was reported that Japanese planes dropped about thirty bombs on Changchow (漳州), killing five civilians and inflicting other casualties. Ten bombs were also dropped on Lung Yen (龍岩) by Japanese planes on March 1st, without material damage.

(b) Japanese Naval Activities around Quemoy.

On March 3rd, moving from Quemoy, two Japanese warships appeared to be inspecting Ta Teng (大嶼) island from close offshore positions.

From

- 4 -

From these positions, these vessels then fired about ten shells at An Hai (安海) on the mainland. No damage was reported as a result of this bombardment. On March 25th, Ta Teng (大嶝) island and the mainland at Ao Tou (澳頭) were shelled by Japanese warships. No landings were attempted after these engagements and no particular damage was reported at either place.

(c) Activities on Quemoy.

It was reported during March that the Provincial Government at Foochow took occasion to investigate rumors which were in circulation in Amoy that Japanese forces operating from Quemoy had taken Tung Shan (東山) and Chang Pu (漳浦). It developed that these rumors were baseless, and that they originated in Quemoy. A local newspaper reported that the Japanese force on the Island was increased to about 250 men.

Relief contributions amounting to about Yuan \$35,000 have been received by a committee in Amoy for the relief of Chinese refugees who have evacuated Quemoy during the past four months. About Yuan \$9,000 of this fund has been expended for food, medical treatment and pay for work provided for refugees.

A serious rice shortage is reported on Quemoy despite shipments made from Formosa. Several junk loads of rice destined for Quemoy from Chioh Be (石碼) were reported seized during March by the Amoy harbor police.

(d)

- 5 -

(d) Destruction of Roads.

District Magistrates in South Fukien and the Mayor of Amoy have had orders from the Central Government for some time to destroy motor roads near the sea coast. It is said that roads running between important towns in the interior have been left for farm and village traffic. However, it is stated that the motor road between Amoy and Foochow is intact for daily bus travel.

(e) Training of Militia.

In accordance with orders from the Provincial Government, the training of militia of eight counties in this Consular district has been coordinated under the Commander of the 239th Brigade in Chuanchow (泉州). A report from Tung An (同安) indicates that approximately 20,000 militia have completed training in that area and are ready to take over the defence work of that district, equipped with 10,000 rifles.

DECLASSIFIED: E.O. 11652, 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 393.1163/824 FOR Despatch #421

FROM Hankow (Jarvis) DATED April 19, 1938
TO NAME 1-1127

REGARDING:
Sino-Japanese conflict: Tributes paid to Christian
efforts during -, by Madame Chiang Kai-shek and
the Generalissimo.

8a

793.94/13092

13092

DECLASSIFIED: E.O. 11652, 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 846d.00 P. R./68 FOR Despatch #2

FROM Singapore (Patton) DATED May 6, 1938
TO NAME 1-1127

REGARDING: Sino- Japanese conflict. For the first time since the outbreak of, -public opinion in Malaya was more concerned with internal affairs than with international events. At beginning of the war fear was felt that Japan's ultimate aims included territorial acquisition in this part of the world.

fp

792.94/ 13093

13093

DECLASSIFIED: E.O. 11652, 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 894.00/789 FOR Tel #330, 7pm

FROM Japan (Grew) DATED May 25, 1938

TO _____ NAME _____ 1-1127 ***

REGARDING: Japanese cabinet to be reconstituted with view to meeting the wishes of those elements who feel that the Japanese Government has not been prosecuting the China conflict with sufficient vigor. Comments in this regard.

wb

793.94/13094

13094

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

~~JCV~~ 5/14
MSM.

We have already
received most of this
but a few passages are
marked.

JCV

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

SHANGHAI TO WUSIH AND RETURN

Japanese Army Repairing Roads and Bridges

MANY VILLAGES BURNED OR BOMBED

Special to the "N. C. D. N."

The writer has just completed a trip by car which included a night spent in Wusih and the journey to that city by way of the road through Taitsang and Changshu. The return trip was from Wusih through the suburbs of Soochow and back to Shanghai through Quinsan.

One of the most interesting observations of the trip is the fact that after passing the area of prolonged fighting near Shanghai, all the fields usually planted in winter wheat had been sown before the armies swept by. Nearly all villages near the road are burned or destroyed by bombing. Not a single chicken, duck or goose was seen during the entire trip. Farmers were working in the fields and numerous parties of country people under Japanese military overseers were mending the roads. All destroyed bridges have been restored.

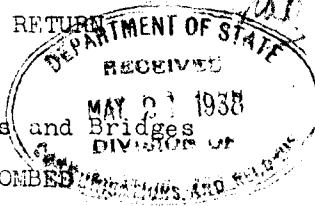
Appalling Destruction.

Just before reaching Wusih, the road passes through the once busy market town of Toongding. This town shows the most appalling destruction. There is hardly a house standing. A few people were seen picking among the ruins for the salvage of such articles as had escaped fire and shell.

At Wusih the northern suburbs for a mile were burned, as were all cotton mills, excepting one. Many silk hongs and ware-houses suffered a similar fate. Hotels, shops, godowns and residences in the area between the railway station and city wall were destroyed. The railway stations and freight godowns are in ruins. Telephone and electric wires are down.

On entering the city the same destruction is to be noted. It is estimated that at least half the buildings in Wusih have been burned. This includes all of the shopping district from the centre of the city to the north gate on out to the long iron bridge which spans the Grand Canal, on the road to Weishan. The long street which runs parallel with the Grand Canal, south of the city, for a distance of a mile has been burned on both sides. This city, which was once a great manufacturing centre and grain depot, lies prostrate.....

It is said that opium is easily obtainable and not expensive, comparatively speaking. The road from Wusih to Soochow is in good condition until it passes Mutu. From that town through the suburbs of Soochow, on to Quinsan and from there to Taitsang it is bad.



Division of
FAR EASTERN AFFAIRS
MAY 21 1938

793.94/13095

FILED

MAY 21 1938

F / FG 13095

100 / 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

Extracts from:

"TWO AND A HALF MONTHS AFTER THE OCCUPATION OF HANGCHOW"

By an Eye Witness.

"The country was covered in a mantle of snow, and most interesting to relate, the farms were cultivated on both sides of the track almost all the way from Shanghai to Hangchow

"Hangchow was first occupied by the Japanese on December 24th and it was an interesting experience for me who had left the city a few days before this occupation, to see what had happened in the meantime

"As to economic conditions I found that Hangchow was practically a dead city. Shops and residences were barricaded. Most of them had been looted of bedding and furniture and were entirely empty..... There was a small market at the Drum Tower for the sale of vegetables and fresh fish. With the exception of a few foreign properties which had not been occupied by foreigners, the other missionary properties were intact. Two residences belonging to the CIM had been looted clean of their contents. Outside of the refuges it was not safe for Chinese women to move about and one evening a man was brought into the hospital who had just been bayoneted on a less frequented street because a woman had been demanded of him and he could not or would not produce one. On the following morning at 9 o'clock as I entered the hospital another man was brought in on a stretcher, bayoneted for the same reason. The man of the night before had died within two hours of his arrival and it can be pretty well assumed that the second man would not have long to live. Many of the surrounding villages have been burned on the assumption that they had quartered guerilla troops. These guerilla troops in small numbers unexpectedly come on a village, perhaps stay there a few hours for rest, attack the Japanese and then retire, but they are rarely caught, for in the so called "mopping up" operations it is the villagers who suffer. On one occasion a friend counted twenty villages ablaze along Chien Tang river from Hangchow toward Fuyang. An autonomous government has been formed but has not been able to function with any efficiency because of the large number of troops in the city. There is no money in the city for the payment of taxes, for the payment of school fees and for the development of economic life. Until there is safety of life and property and until transportation is available one cannot expect anything in the way of economic rehabilitation. It must be admitted, however, that on some of the streets there is a certain movement of population and fairly free molestation, but not entirely so. Out of the original population of Hangchow the autonomous government has registered a present population of three hundred thousand but as such registration may include absent members of a man's family, it is probable that the actual population of Hangchow is upward of seventy to one hundred thousand.

Copied in The Washington Office April 28, 1938.

7 0 8

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-

Japanese goods most widely sold are cigarettes, matches, sugar and candies, candles. There is scarcity of kerosene and gasoline.

These notes assume general knowledge of burning and looting, the latter almost universal.

M. S. Bates, of Nanking,
(Do not quote name)

CONDITIONS IN NANKING
MORE THAN THREE MONTHS AFTER OCCUPATION

Nanking, 20 March 1938.

American Embassy,
Nanking.

Dear Mr. Allison:

Yesterday between 3:30 and 4:00 p.m. a Japanese soldier committed rape upon a refugee, a nineteen-year-old girl, in our Hsiao Tao Yuan compound at 3 Hsiao Fen Ch'iao. The soldier came and went on a bicycle with yellow markings.

I arrived there about 4:05. As I approached the soldier, he brandished his bayonet and insolently said: "Want girls". The situation was uncomfortable for several minutes, but finally the soldier decided to withdraw. There was no indication of drunkenness.

Each day there are made known to us through direct personal contacts three or four cases of murder, wounding, or rape by soldiers. Many more must occur unknown to us, since regularly there are some which bring themselves to our attention. We have made no formal reports, since these cases seldom occur on our property. But they greatly concern our proper relief work, and they indicate a lack of order and discipline that has possibilities of more serious trouble. On March 11 Mr. X and I observed the completion to the raping of a woman by two soldiers in a hut just adjoining the wall of our own residence.

New military units have recently come into the city. Will not the Japanese authorities, for the sake of their Army's reputation, if not for humanitarian reasons, put a stop to these crimes continuing more than three months? If strict orders are not made plain to the soldiers, it is clear that the generals do not care about such crimes. If orders are made plain, it is clear that the soldiers show contempt for the generals. In any case innocent persons suffer and there is insecurity.

Respectfully yours,

Nanking Resident.

CHINA INFORMATION SERVICE, Washington, D. C.
May 3, 1938.

108

DECLASSIFIED: E.O. 11652, 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-

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Respectfully yours,

Nanking Resident.

CHINA INFORMATION SERVICE, Washington, D. C.
May 3, 1938.

CONJECTURAL NOTES AND A FEW FACTS ON NANKING ECONOMICS--Mar.1,1938.

There is no production save market gardening and a little work on household articles. I doubt if there are 10,000 civilians gainfully employed out of the 300,000 population, if we count out the hordes of competitive pedlers. No private Chinese store other than roadside stalls or the tiniest of local shops. A score or two of Japanese stores, of which thirteen are now designated to sell freely to Chinese. No bank. No regular exchange shop that I have observed. Self-Government Committee is running a sizable food store for wholesale and retail of staples and some fresh food.

Rice supplies are believed to be limited to a few week's needs, though actual knowledge is scarce outside the Army. Demand is unreliable, as military and naval requirements cannot be calculated. Desperate efforts of the Self-Government Committee to get quantities of rice from Shanghai are indicators of the outlook. Vegetables will probably carry the population in its present purchasing power. Poultry and eggs are lower, also meats; but prices have lost part of their meaning when so few are able to consider such luxuries. Beans, oils, and peanuts are appearing in small quantities from north of the river, but transportation is still very limited. Risks of trade are so great that there is an unreasonable margin between basic prices and retail charges.

Crop outlook for the immediate region is wretched. Village headmen estimate that in the triangle Lungtan, Tangshan, Nanking, there remain 300 buffaloes out of the normal 3,000; and that human labor under favorable conditions would permit only one-third of the rice crop ordinarily secured by the use of animals. Along and near the main roads practically all buildings and tools have been burned or looted. The University of Nanking is having great difficulty in feeding and maintaining seven laborers on its five farms outside Taipingmen, which need fifty at this time of year besides several buffaloes. Soldiers rove through the community every day taking anything useful or edible; so it is not thought possible to risk animals or stores of food, even if they could be had. Of those considerable farms and their stores, a few of the smaller buildings and one lot of beans remain, the latter brought into the city for safekeeping. Certain farmers refused to answer questions about seed, declaring that food for tomorrow was the real question. Neighbors of the University farms were asked to aid in pulling out cotton stalks from last year's cropping; they replied that they would gladly do it for only a little food, but for no amount of money whatsoever, as money was of no use to them.

In the past week 500 rickshas have been licensed, and are doing a small business. The normal figure was 10,000, I believe. There is a plan to revive a skeleton service of motor-buses, though some say that only 25 machines have any hope of reconstruction. The Self-Government Committee also desires to start a regular trucking service to and from Shanghai for commercial parcels, which suggests that the railway is not really open. Indeed, except for two trains this past week to return refugee residents of Shanghai, the only trains have been military. The Committee hopes to run small steamers to Yangchow soon. An occasional N. K. K. boat brings goods for Japanese interests only, so far as we know.

108

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

SUMMARY OF JAPANESE DEPREDATIONS -- UNIVERSITY OF NANKING

	Military Theft From					Men re- moved	Women Raped	Other Violence	Flag Torn Down
	Entry	Univ.	Staff	Refu- gees	Damage				
1. Main Campus	175	\$1500	\$ 30	\$ 200	\$200 (shell)	2	5	Blows 5	
2. Library	200		10	700	100	200	25	Bayonet 1 Blows 15	
3. Girls' Dormitory	100			800	50	6	4		
4. Gardens	120	2360		300	30	3	6		
5. Shop and Agronomy	40	100	100	150			3		
6. Hsiao Tao Yuan	80	70	500	1000	150	5	36		2
7. Middle School	240	300	200	2500	60	48	44	Killed 3 adults & 2 children	1
8. Sericulture	150			1200		140	80	Bayonet 7 Blows many	
9. Rural Leader Training	120	3300	200	800		235	55	Blows many	1
10. Residences Americans (15)	160		8000	1500	50	2	7		1
11. Residences Chinese (37)	300		1600	2500	300	3	25		2
12. Hospital	35		450	200	150	3			
TOTALS.....	1720	\$7630	11090	\$11850	\$1090	647	290		7

Explanatory Notes:

- "Entry" refers to forced or irregular entry by Japanese military on a single occasion, usually by a group of three to six or more soldiers.
- Money is figured in Chinese currency.
- Removal of men refers to seizure on the accusation of having been soldiers, or for forced labor. It does not include more than 400 taken away (most of whom were promptly murdered) during registration conducted by the military upon our various premises; nor does it include recruitment of laborers under conditions of partial compulsion.
- The figure for women raped refers to those raped on our premises and to those abducted from our premises for purposes of rape which was reported to us upon their return. Many of these women were raped repeatedly, but each woman is reported only once. Moreover, the actual number of women raped must have been very much larger, for shame and fear of vengeance greatly restrained reporting; and other cases were covered under the useful convention of taking women for washing.
- The flag cases include one of destruction on the spot, one of removal from the premises, and two others of trampling and contemptuous usage.
- Evidence upon which this reporting is based: daily reports to me or to the International Committee by camp leaders, several of whom were our own experienced staff members; cautious estimating to bridge gaps, in every case well below what some of our best American and Chinese staff consider to be the true report; check by diaries of staff members. Roughly a fifth of the items reported were seen by Americans, though we did not have free the equivalent of more than one man's full time for police and inspection work.
- All properties displayed conspicuously the proclamations distributed by the American Embassy, and from Dec. 20 proclamations from the Japanese military police. Both were habitually ignored and frequently torn down.
- Ten compound protests in writing were made to the Japanese Embassy by Jan. 10, then twelve through the American Embassy, besides oral reports to both.
- We believe that Japanese soldiers burned \$23,000 of farm property Jan. 2-3, but the evidence is not adequate for this and other farm items.

708

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

TRANSLATION OF AN ARTICLE FROM A JAPANESE PAPER IN SHANGHAI
(THE SINSHUN BAO) (What the Japanese want their people and
the world to believe. Actually they have done no medical
work whatever, and all women are simply terrified of them.)

JAPANESE TROOPS GENTLY SOOTHE THE REFUGEES
THE HARMONIOUS ATMOSPHERE OF NANKING DEVELOPS ENJOYABLY

The Municipality of Nanking is as still as the streets of the dead. The sun's merciful rays spread forth with partiality for refugees' districts in the north-west. The herd of refugees which fled from the midst of death for their lives have met with the gentle soothing from the Japanese Army. They respectfully kneel by the side of the road in joyful thanks. Before the Japanese troops entered the city, they suffered from the oppression of the anti-Japanese armies of the Chinese. Indeed, not a grain of rice or millet could reach their hands, the sick could not get medical aid, the hungry could not get food. The sufferings of the plain good citizens were infinitely miserable. Fortunately the Imperial Army entered the city, put their bayonets into their sheaths and stretched forth merciful hands in order to examine and to deal, difusing grace and favor to the excellent true citizens.

In the region west of the Japanese Embassy, many thousands of herded refugees cast off their former absurd attitude of opposing Japan, and clasped their hands in congratulation for receiving assurance of life. Men and women, old and young, bent down to kneel in salutation of the Imperial Army, expressing their respectful intention. This for Chinese has an especial significance, and it certainly could not have appeared except from a sincere heart and genuine purpose. Within the refugee zone they gave out military bread, cakes and cigarettes to the refugees of both sexes and all ages, all of whom were greatly pleased and spoke their thanks. Also from the walls and barracks were distributed gifts of good will, politely given to the poor and refugees.

likewise health squads began to carry on medical and remedial work. Those who had serious eye diseases and had fallen into a condition approaching blindness were completely cured by the Japanese doctors. Children with whooping cough were carried in by their mothers for medical attention, and women with diseased feet and great swellings received treatment. As soon as they tasted the flavor of the medicine, and they enjoyed the taste of food, the crowd of refugees, their countenances beaming with joy, could not cease their thanksgiving. After the medical inspection and healing was over, the vast herds gathered around the soldiers beneath the sun-flag and the Red Cross flag shouting "Banzai" in order to express their gratitude. Etc. Etc.

(China Information Service, Washington, D. C.
May 2, 1938)

OBSERVATIONS IN NORTH CHINA

I have just come back from a short business trip to North China. Prior to this, I had never put my feet on Japanese-occupied territory since the Lukouchiao Incident, nor had I talked to any Japanese during this period, although I see many of them in Shanghai each day. When I planned a visit to North China, many expressed concern for my safety, because I am connected with a very active social organization. Since I am no longer a youth in his teens, my principle is to avoid unnecessary trouble and risks. But when duty calls, I would not hesitate in going anywhere and doing anything, even if that should involve personal danger. So I embarked on a British steamer at Shanghai two weeks ago and headed for Tientsin.

When our boat passed through Woosung, passengers went up on deck to see the ruins caused by the Japanese bombardment early last autumn. It was a pathetic sight---these buildings, many of which had been re-built since their destruction by the Japanese in 1932, having met the same fate once again within six years.

Our boat arrived at Tsingtao the next afternoon. Conditions there were far from normal, as shown by the following facts: First, steamers were not allowed to dock as before. Passengers getting off had to make their own arrangements at their own expense and risk. Second, a foreign friend of mine in Tsingtao, whom I had asked by letter to come to see me on board, sent his regrets that regulations prevented him from doing so. Third, passenger trains between Tsingtao and Tsinan have not been able to run though the Japanese have controlled the whole line for three months. Some ten missionaries, British and American, who evacuated Tsinan and came to Tsingtao when the former was threatened, found that the only way to return to Tsinan now was through Tientsin, thence by train to Tsinan.

Our boat got to Weihaiwei the next morning. A foreign missionary came on board and brought me the news that the Japanese naval landing party had taken possession of the port on March 7th and that on the night of March 8th the building of a Christian organization was set on fire. It was too early then to get all the details concerning the cause of the fire and the extent of the damage. But knowing what the Japanese had done in Nanking during the first three weeks of its occupation, one could not help suspecting that this was but one more Japanese atrocity.

On the afternoon of the same day, we arrived at Chefoo, which was occupied by the Japanese without fighting on February 2nd. A friend came on board and told me that the Japanese soldiers did not behave well during the early days of the occupation. There was looting, raping, and that sort of thing. They are, however, under better control now. A puppet government has been set up. Its officials are trying hard to enlist the cooperation of the local gentry and business men. One evening, they gave a dinner to scores of community leaders, during which the chief official urged their hearty cooperation with the new regime. After his speech, to the disappointment of the hosts, none of the guests had the enthusiasm to rise and make a speech in response. Then, after thanking the hosts, the guests dispersed.

DECLASSIFIED: E.O. 11652, 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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Under pressure the local Chamber of Commerce has delegated one man to serve on the Maintenance Committee. In spite of the order that they carry on business as usual, most of the shops were still not officially open, having the shop-fronts boarded up and leaving only the gate open, which could be easily bolted in case of need. Chinese mobile units were quite active in the neighborhood of Chefoo. For instance, in Mupingsien, which is only twenty miles from Chefoo, the new magistrate sent by the new regime was decapitated as soon as he arrived there. Later, while in Peiping I read a Reuter dispatch to the effect that a Chinese mobile unit had actually entered Chefoo city. It is hard to tell the exact number of men engaged in guerilla warfare in Shantung but it is very clear that Chinese mobile units are operating even in the eastern part of that province.

Early on the morning of the fourth day, our boat arrived at Taku Bar. Ordinarily, a lighter would take the passengers from the steamer to Tangku, whence they would go to Tientsin by train. However, the lighter took us straight from Taku Bar to the Bund of the British Concession of Tientsin, so there was no inspection of any kind. The trip from Taku Bar to Tientsin took six hours, from 8 in the morning till about 2 in the afternoon. I had some difficulty in getting accommodation in a hotel in the British Concession. As the Concession is considered a comparatively safe place for Chinese to live in, it is enjoying a boom. Not only do people prefer to rent houses in the Concession, but travellers choose to live in the hotels there.

In this connection, I wish to report an incident. A few months ago, the Japanese found a Chinese distributing anti-Japanese propaganda leaflets in the British Concession, and the Japanese authorities demanded that the British authorities turn this man over to them. The British refused to do so, whereupon the Japanese presented a further demand, threatening that if, by a certain time on a certain day, the man was not turned over, they would come into the Concession and seize him. The British Concession authorities, evidently after consultation with the Home Government through the British Embassy, sent a very strong reply to the Japanese, saying that the man was not to be turned over and that, if the Japanese should use force in seizing him, which they had no right to do, the British would defend the integrity of the British Concession, even if it should mean the sacrifice of the entire battalion of British troops then garrisoning the Concession. The upshot was that the Japanese dubbed the incident another case of "misunderstanding"! But, at any rate, it is the firm stand taken by the British authorities in connection with this incident that has caused people to think the British Concession to be a comparatively safe place to live, so far as Japanese encroachments are concerned.

Having failed to find accommodation in a hotel in the British Concession. I decided to go on to Peiping on the same day by the 3.45 train. There was hardly any inspection at the East Station of Tientsin. It is said that two or three months ago the inspection at that station was quite strict, but that since the removal to Peiping of the headquarters of General Terauchi, Commander-in-Chief of the Japanese Forces operating in North China, the inspection at the Tientsin station has been considerably relaxed.

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I knew that since its occupation, the name of the former national capital had been changed from "Peiping" back to "Peking". However, in purchasing my railway ticket, through a slip of the tongue, I still asked for a "Peiping" second-class ticket. To my surprise, the booking clerk repeated the same name and gave me the ticket. When I got out to the platform, I saw a train standing there. Anxious to make sure whether that train was the one going to Peiping, I inquired of a policeman on duty. Through another slip of the tongue, I again used the former name of the ancient capital. But the policeman, in his reply, also used this name. These two little incidents go to show that you cannot change people's habits overnight simply by issuing an order.

The train was very crowded. Hardly a seat was to be found in the second-class coaches. A good many of the passengers were Japanese. It was a through train from Mukden, so many of the passengers had come all the way from that city. A friend of mine told me that something smacking of the famous Gold Rush is now going on in North China. There is a great influx of Japanese into Peiping. The South Manchuria Railway is taking over the administration of all the Chinese railways that have been seized by the Japanese forces, so many employees of the S. M. R. have come to peiping. Then there are those who have come to seek a fortune by engaging in business, either legitimate or illicit.

The train got to Peiping at 6.25 p.m., on schedule time. I had a foreign friend travelling with me. At the Peiping station the inspection was very strict, not only because the headquarters of General Terauchi is now located in that city but also because the city is the seat of the new North China puppet government. The foreign friend told me this story. One day, he was walking beside a Chinese on the platform, thinking that walking with him might help him to get through the inspection more quickly. Instead, however, the Chinese was given an unusually thorough search, either because the Japanese, seeing him walking with a foreigner, suspected him all the more, or because they wanted to bring home the fact that for a Chinese to rely on foreign assistance would only invite more trouble. Having had this experience, my foreign friend told me that he would let me go through the station alone. When I was approaching the gate leading to the station from the platform, where the inspection took place, I saw a line formed of Chinese passengers waiting to be inspected. I paid no attention to that, but went straight to the gate without being searched, as a few others were doing. I think I must have been taken for a Japanese! Whether that was an honor or a shame, I do not know, but I was glad to pass through without being unnecessarily delayed.

Once admitted to the city, one would be seldom troubled by the Japanese again. Outwardly, Peiping was quiet, peaceful and orderly. Not many apparent changes were to be seen except the following: The old five-bar Chinese flags and Japanese flags were much in evidence, also attractive propaganda posters condemning the National Government under the Kuomintang. Then there were to be seen many new Japanese dancing halls and sukiyaki restaurants. Prostitutes, who were formerly confined to an area outside the city, were now allowed inside the city. Opium dens openly advertising different brands of opium, were also much in evidence. And, lastly, many new Japanese-style bath tubs were being made by Chinese carpenter shops, which were doubtless meeting a new demand. Apart from these changes, life seemed to be

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normal, and unless one talked with people to learn the present situation, one would not find Peiping much different from what it used to be. But when one began to inquire of people about present conditions there, one would find first, that the people do not support the new regime at all, and secondly, that they are at heart still loyal to the Central Government. This is true, not only of the educated classes, but of the rank and file of the people as well. For example, one day, one of those attractive propaganda posters having been put up, a girl student who happened to pass by riding on a bicycle purposely got off to look at it. But the policeman on duty persuaded her to ride on, saying something like this: "There is nothing good to see; all that is said on the poster is nothing but lies."

One day a banker overheard several ricksha coolies talking among themselves. At the time some Japanese airplanes were demonstrating in the air above the city. Seeing this the ricksha coolies said, "The Chinese forces are coming back pretty soon. They will shoot down all these planes and drive the Japanese out."

Now-a-days, newsboys in Peiping are allowed to sell nothing but the Japanese-controlled papers. However, when they get off the main streets and into the alleyways, they shout some news of their own imagination such as this: "Chang Hsueh-liang is directing the Heilungkiang forces fighting against the Japanese!" This shows what the news-boys would like to see happen. Naturally, news of this kind would at once attract the attention and get the approval of prospective buyers of the papers.

The above is indicative of the attitude of the lower strata of the population of Peiping toward the new regime. What about the attitude of the educated classes there? During my visit I had opportunity to meet and talk with a cross-section of the intellectuals, including bankers, industrialists, business men, professors, pastors and newspaper reporters. All of them tried to impress on me the fact that the spirit of the people of North China is not dead. The Japanese, including Christians, are doing their best to win the goodwill and confidence of the Chinese people, but with the exception of a very small number, all of them are doing this from ulterior motives, that is, they are helping to further the cause of Japanese imperialism.

I heard that since the outbreak of hostilities Japan has mobilized a total of some 1,200,000 troops. Of this number nearly a million men are now engaged on garrison duty in Korea, "Manchukuo" and in the occupied territories south of the Great Wall, leaving only a little over 200,000 troops available for offensive warfare. This explains the strategy of concentrating their attack on one point which the Japanese have had to employ.

As I have said above, things in Peiping city are normal on the surface. However, if one goes to the outskirts of the city, like the Western Hills, he is liable to be kidnapped, not to mention the possibility of his being insulted by Japanese soldiers. At present, no one is allowed to visit the Temple of Heaven except by special permit. Chinese mobile units are said to be operating in the neighborhood of the city. Many people told me that they could often hear the boom of cannon and the rat-tat-tat of machine guns from the distance in the

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quiet of the night. In other words, so far the Japanese have been able to maintain control only in areas along the main lines of communication; in areas further inland complete anarchy reigns. The country people living in the villages near the railways and highways in North China truly find themselves between the devil and the deep sea. The Japanese military authorities are holding the village people responsible for the safety of the railroad tracks and the telegraph wires. When they are interrupted by Chinese mobile units, the Japanese destroy the villages near the scene of the trouble and slaughter the people living therein, on the ground that they are co-operating with the Chinese mobile units and do not report the presence of the mobile units to the Japanese. On the other hand, if the villagers should report the presence of the mobile units, they would be regarded as traitors and killed by the mobile units after the withdrawal of the Japanese forces. Then, there are armed bands like the Red Spears and bandits, who make the lot of these villagers most unenviable.

In Peiping not only are mails and telegrams censored, but even telephone calls are listened to by secret agents. One day a Chinese was discussing a personal matter with a friend over the phone. Among other things, he said, "I'm afraid this is a matter which we can't discuss over the phone; I'll come to your place to talk it over with you face to face." The next day, this man was summoned to the Japanese gendarme headquarters and questioned at considerable length as to the nature of the matter referred to in the phone conversation. It was only after the man had explained in detail that this was a purely personal matter, and after his statement had been carefully checked against that of his friend, that he was set free.

With regard to the currency situation in North China, it was the original intention of the Japanese to force the notes issued by the new "Federated Reserve Bank" on the market and, in turn, collect the notes issued by the three Government banks of China for the double purpose of getting foreign exchange and undermining the financial position of the National Government. However, this scheme has been frustrated by the new regulations governing the purchase of foreign exchange, recently promulgated by the National Government. The people of North China are reluctant to accept the new notes, but they are compelled to do so. Many shop-keepers, seeing that their commodities are to be paid for with these notes, purposely raise the prices, while others even refuse to do business. And when they do get these notes, they will pass them out as quickly as possible.

The new puppet regime in North China has at its head a group of men made up largely of former members of the notorious Anfu clique, which the famous May 4 (1919) student uprising aimed to overthrow. This signifies backwardness, for it will be remembered that the civil officials in the old days, who came from the Anfu clique were mostly pro-Japanese traitors, while the military officials coming from that same political party were mostly selfish warlords who were largely responsible for plunging the country into incessant civil strife. For instance, the present mayor of Tientsin, Pan Yu-kwei, was arrested and imprisoned during Yuan Shih-kai's regime for selling government posts. Ma Liang, the present governor of Shantung, a Mohammedan over seventy years of age, is a man of mediocre ability.

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There is an interesting story told about him. When he was Commissioner of Defense in Tsinan, he was asked to preside over and address a meeting of a certain organization. He was fully one hour late in getting to the meeting, and when he began to talk he asked the audience for a subject! Getting no response and after much thought, he decided to talk on the subject of Evolution. He said he believed what the Bible and the Koran say on this subject, namely, that man was made of clay, because he had watched his own children grow in their infancy and noticed that dirt grew with them! Then he changed his subject to that of Patriotism. Altogether, he kept on talking for over two hours, which means that the audience was kept in the auditorium for three hours, including the hour in which they waited for him.

These ex-Anfuites have organized a new political party known as the Hsin Min Hui (new people's society). This party, though avowedly opposed to the Kuomintang, is nevertheless imitating the latter in more ways than one. It stands for the following (1) support of the new regime, (2) industrial development of the country, (3) broadening of Eastern culture and Eastern morals, (4) anti-Communism and (5) alliance with a friendly power in the interest of peace in the Far East. The Hsin Min Hui has also started a daily, known as the "Hsin Min Pao" and opened a college called the Hsin Min Hsueh Yuan, which trains men for the new regime. No president has been elected for the party as yet, for according to the constitution of the party, the president of the new regime concurrently serves as president of the party. But so far, no president has been secured for the puppet regime itself. It should be noted that Wang Keh-min is only Chairman of the Provisional Government.

Tang Erh-ho the so-called Minister of Education, has made an attempt to re-open the various government colleges in Peiping, but so far his efforts have not proved a success. The tendency seems to be to unite these institutions of learning into one single university. If this is the case, the people of North China are to consider themselves fortunate, in view of the fact that no college whatsoever is permitted in "Manchukuo". So far, no government college in Peiping has re-opened. There is a total enrollment of 1700 in the private colleges now, as compared with the total enrollment of 12,000 in both government and private colleges a year ago. This means that Peiping is no longer the largest student centre in China.

As for private secondary and primary schools in Peiping, most of them have not been interfered with, except (1) that they must use new text-books, (2) that in junior and senior middle schools Japanese has become a required foreign language, and (3) that students are required to participate in the celebration of special occasions.

In connection with (3) it is interesting to note that at the celebration of the inauguration of the new regime and of the fall of Nanking, which took place at Tien-an-men, when Pan Yu-kwei, the mayor of Tientsin, led the yells, he was not supported by the students. It was almost a solo!

With regard to conditions in Yenching University, classes are being conducted as usual. Each student has been given a pass with a photograph which identifies him and helps to avoid unnecessary trouble. The bus service between Yenching and Peiping city continues to operate.

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I spent four nights at Peiping. On the train going back to Tientsin, I came across a group of foreign newspapermen from Japan who were on a trip, which was said to be financed by a group of Japanese business men, to see things in "Manchukuo" and North China for themselves. They expressed a desire to go west on the Peiping-Suiyuan railway, but were not allowed even to go to Kalgan. In fact, they were asked to visit only Tientsin, Peiping, Tsinan and Tsingtao, cities where there was not much fighting and hence the damage done as a result of Japanese invasion is not serious.

Upon my return to Tientsin, I had better luck in the matter of finding hotel accommodation in the British Concession. Life in the foreign-controlled areas of Tientsin is quite normal, and is not much different from that in Shanghai. I made an auto trip to the Chinese city and saw with my own eyes the damage done to the buildings in one section of the city as a result of Japanese bombardment for one day. For a change I decided to take a Kailan Mining Administration boat for my trip back to Shanghai. Since there was no stop on the way the trip from Chinwanto to Shanghai took only a little over two days. I was very fortunate that throughout the entire trip I escaped inspection of any kind.

Before closing, I wish to report a little incident which occurred on the train from Tientsin to Chinwantao. On the train there was a Chinese who had the bad habit of spitting carelessly. When he spat, some splashes of his saliva fell on the face of a Japanese soldier who lay down next to his seat. His ire aroused, the Japanese soldier gave the Chinese a heavy blow. While this certainly was a good lesson in itself for that man I can imagine that he felt in his heart he had to endure this insult simply because he was travelling in Japanese occupied territory.

Shanghai, March 21, 1938.

CHINA INFORMATION SERVICE,
May 2, 1938.

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

HRE

TELEGRAM RECEIVED

PLAIN

1-1886
COMMUNICATIONS
SECTION
U.S. DEPARTMENT OF STATE
WASHINGTON, D.C.
MAY 27 1938

FROM

PEIPING VIA N. R.

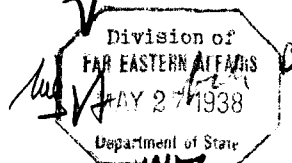
Dated May 26, 1938

Rec'd 7:40 p.m.

Secretary of State

Washington

325, May 26, 3 p.m.



793.94
One. The Japanese claim to have captured Tangshan thirty miles west of Hsueh May 23 midnight and state that an attack on their forces between Lanfeng and Kaifeng yesterday by fifteen hundred Chinese troops was repulsed with heavy Chinese losses. According to the spokesman chief Japanese activity in Hsueh area is widespread mopping up operations.

Repeated to Embassy Hankow and Shanghai. By mail to Tokyo.

SALISBURY

RGC:HDH

RECEIVED
MAY 31 1938

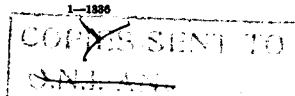
793.94/13096

F/FG

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

TELEGRAM RECEIVED

JR



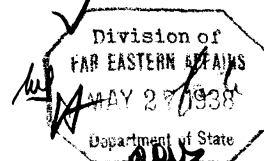
FROM FOURTH MARINES

May 27, 1938

Rec'd 9:11 a.m.

ACTION: CINCAF
OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
ASST NAVAL ATTACHE SHANGHAI



793.94

8627. Heavy fighting continuing Kaifeng sector.
Japanese column driving on Kweitep captured Yucheng 167
miles northeast Kweitep, 38 Japanese naval units reported
concentrated off Kwangtung coast. Japanese aircraft
claims to have broken Canton-Hankow line at 6 points
27 May. 1836.

KLP

793.94/15097

MAY 31 1938

FILED

F/FG

109
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Mr. Messersmith:

Dr. Hornbeck handed me the attached letter to Mr. McIntyre for your signature and said that this is the way FE believes it should be handled. He added that he had taken the matter up with Mr. Welles and he too agrees that this is the proper way to handle the matter. He submits it for your approval.

VNG

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

MAY 24 1938

In reply refer to

FE

793.94

My dear Mr. McIntyre:

Several days ago I received a telephone message from the White House that the President has been asked by a friend for copies of "the note which we sent the British Government and their reply on the subject of the Japanese invasion of Manchuria".

793.94/461a
 On February 12, 1932, the then Secretary of State telegraphed the American Minister to Switzerland, then at Geneva, for delivery to the British Secretary of State for Foreign Affairs the text of a rough draft of a declaration which it was proposed be made by the American Government and the British Government to the other governments parties to the Washington Conference Nine Power Treaty. The draft set forth a proposed joint or common statement of facts and declaration in support of the provisions and principles of the Nine Power Treaty, in relation to both the Manchuria and the Shanghai situations. The British Government

The Honorable

Marvin H. McIntyre,

Secretary to the President,

The White House.

*Send under cover
 to Miss Gully,
 The White House.*

793.94/13097A

F/EG

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

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Government offered certain objections to the draft declaration by reason of which the American Government felt constrained to drop the proposal. Shortly thereafter, the views of this Government on this matter were incorporated in the letter addressed by the Secretary of State under date February 23, 1932, to Senator Borah, Chairman, Committee on Foreign Relations, United States Senate. A copy of that letter is enclosed for convenience of reference.

The American Government thus sent the British Government no "note". It did send the British Government the draft declaration mentioned above. We could of course furnish the President, should he so desire, a copy of the draft declaration, but we would point out that the draft was presented to the British Government only in a rough form; the proposal made therein proved abortive; and although the fact of the approach to the British has been made known, the text of the draft declaration has never been made public.

With regard to the "reply" made by the British Government in reference to the draft declaration, the Department received under date ^{793 94/42 37} February 16, 1932, a telegram from the American Chargé d'Affaires at London quoting certain observations made by the British Secretary of State for Foreign Affairs in regard to the draft. We would not be

at

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

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at liberty to make available to inquirers the text of these observations without first obtaining the assent of the British Government. Other observations were communicated by trans-Atlantic telephone.

I would therefore suggest that the President might care to outline the situation to the inquirer along the lines indicated in this letter.

Sincerely yours,

George Messersmith

Enclosure:

From the Secretary of
 State to Senator Borah,
 February 23, 1932.



MAY 24 1932

FE:MMH:JHS:REK
 5/23/38

FE
 M.M.H.

PAH
 SIA

A-M

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

DEPARTMENT OF STATE

FOR THE PRESS

February 24, 1932

CONFIDENTIAL RELEASE FOR AFTERNOON NEWSPAPERS WHICH DO
NOT APPEAR ON THE STREETS BEFORE 10 A.M.,
EASTERN STANDARD TIME, WEDNESDAY, FEBRUARY 24,
1932. NOT TO BE PREVIOUSLY PUBLISHED, QUOTED
FROM, OR USED IN ANY WAY.

TEXT OF LETTER FROM THE SECRETARY OF STATE, THE HONORABLE
HENRY L. STIMSON, TO THE HONORABLE WILLIAM E. BORAH,
CHAIRMAN, COMMITTEE ON FOREIGN RELATIONS, UNITED STATES
SENATE, FEBRUARY 23, 1932.

February 23, 1932.

The Honorable
William E. Borah,
Chairman, Committee on Foreign Relations,
United States Senate.

My dear Senator Borah:

You have asked my opinion whether, as has been sometimes recently suggested, present conditions in China have in any way indicated that the so-called Nine Power Treaty has become inapplicable or ineffective or rightly in need of modification, and if so, what I considered should be the policy of this Government.

This Treaty, as you of course know, forms the legal basis upon which now rests the "Open Door" policy towards China. That policy, enunciated by John Hay in 1899, brought to an end the struggle among various powers for so-called spheres of interest in China which was threatening the dismemberment of that empire. To accomplish this Mr. Hay invoked two principles (1) equality of commercial opportunity among all nations in dealing with China, and (2) as necessary to that equality the preservation of China's territorial and administrative integrity. These principles were not new in the foreign policy of America. They had been the principles upon which it rested in its dealings with other nations for many years. In the case of China they were invoked to save a situation which not only threatened the future development and sovereignty of that great Asiatic people, but also threatened to create dangerous and constantly increasing rivalries between the other nations of the world. War had already taken place between Japan and

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China. At the close of that war three other nations intervened to prevent Japan from obtaining some of the results of that war claimed by her. Other nations sought and had obtained spheres of interest. Partly as a result of these actions a serious uprising had broken out in China which endangered the legations of all of the powers at Peking. While the attack on those legations was in progress, Mr. Hay made an announcement in respect to this policy as the principle upon which the powers should act in the settlement of the rebellion. He said

"The policy of the Government of the United States is to seek a solution which may bring about permanent safety and peace to China, preserve Chinese territorial and administrative entity, protect all rights guaranteed to friendly powers by treaty and international law, and safeguard for the world the principle of equal and impartial trade with all parts of the Chinese Empire."

He was successful in obtaining the assent of the other powers to the policy thus announced.

In taking these steps Mr. Hay acted with the cordial support of the British Government. In responding to Mr. Hay's announcement, above set forth, Lord Salisbury, the British Prime Minister expressed himself "most emphatically as concurring in the policy of the United States."

For twenty years thereafter the Open Door policy rested upon the informal commitments thus made by the various powers. But in the winter of 1921 to 1922, at a conference participated in by all of the principal powers which had interests in the Pacific, the policy was crystallized into the so-called Nine Power Treaty, which gave definition and precision to the principles upon which the policy rested. In the first article of that Treaty, the contracting powers, other than China, agreed

1. To respect the sovereignty, the independence and the territorial and administrative integrity of China.
2. To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government.
3. To use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China.
4. To refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly states, and from countenancing action inimical to the security of such states.

This Treaty thus represents a carefully developed and matured international policy intended, on the one hand, to assure to all of the contracting parties their rights and interests in and with regard to China, and on the other hand, to assure to the people of China the fullest opportunity to develop without molestation their sovereignty and independence according to the modern and enlightened standards believed to maintain among the peoples of this earth. At the time this Treaty was signed, it was known that China was engaged in an attempt to develop the free institutions of a self-governing republic after her recent revolution from an autocratic form of government; that she would require many years of both economic and political effort to that end; and that her progress would necessarily be slow. The Treaty was thus a covenant of self-denial among the signatory powers in deliberate renunciation of any policy of aggression which might tend to interfere with that development. It was believed - and the whole history of the development of the "Open Door" policy reveals that faith - that only by such a process, under the protection of such an agreement, could the fullest interests not only of China but of all nations which have intercourse with her best be served.

-3-

In its report to the President announcing this Treaty, the American Delegation, headed by the then Secretary of State, Mr. Charles E. Hughes, said

"It is believed that through this Treaty the 'Open Door' in China has at last been made a fact."

During the course of the discussions which resulted in the Treaty, the Chairman of the British delegation, Lord Balbour, had stated that

"The British Empire delegation understood that there was no representative of any power around the table who thought that the old practice of 'spheres of interest' was either advocated by any government or would be tolerable to this conference. So far as the British Government were concerned, they had, in the most formal manner, publicly announced that they regarded this practice as utterly inappropriate to the existing situation."

At the same time the representative of Japan, Baron Shidehara, announced the position of his government as follows:

"No one denies to China her sacred right to govern herself. No one stands in the way of China to work out her own great national destiny."

The Treaty was originally executed by the United States, Belgium, the British Empire, China, France, Italy, Japan, the Netherlands and Portugal. Subsequently it was also executed by Norway, Bolivia, Sweden, Denmark and Mexico. Germany has signed it but her Parliament has not yet ratified it.

It must be remembered also that this Treaty was one of several treaties and agreements entered into at the Washington Conference by the various powers concerned, all of which were interrelated and interdependent. No one of these treaties can be disregarded without disturbing the general understanding and equilibrium which were intended to be accomplished and effected by the group of agreements arrived at in their entirety. The Washington Conference was essentially a disarmament conference, aimed to promote the possibility of peace in the world not only through the cessation of competition in naval armament but also by the solution of various other disturbing problems which threatened the peace of the world, particularly in the Far East. These problems were all interrelated. The willingness of the American government to surrender its then commanding lead in battleship construction and to leave its positions at Guam and in the Philippines without further fortification, was predicated upon, among other things, the self-denying covenants contained in the Nine Power Treaty, which assured the nations of the world not only of equal opportunity for their Eastern trade but also against the military aggrandizement of any other power at the expense of China. One cannot discuss the possibility of modifying or abrogating those provisions of the Nine Power Treaty without considering at the same time the other promises upon which they were really dependent.

-4-

Six years later the policy of self-denial against aggression by a stronger against a weaker power, upon which the Nine Power Treaty had been based, received a powerful reinforcement by the execution by substantially all the nations of the world of the Pact of Paris, the so-called Kellogg Briand Pact. These two treaties represent independent but harmonious steps taken for the purpose of aligning the conscience and public opinion of the world in favor of a system of orderly development by the law of nations including the settlement of all controversies by methods of justice and peace instead of by arbitrary force. The program for the protection of China from outside aggression is an essential part of any such development. The signatories and adherents of the Nine Power Treaty rightly felt that the orderly and peaceful development of the 400,000,000 of people inhabiting China was necessary to the peaceful welfare of the entire world and that no program for the welfare of the world as a whole could afford to neglect the welfare and protection of China.

The recent events which have taken place in China, especially the hostilities which having been begun in Manchuria have latterly been extended to Shanghai, far from indicating the advisability of any modification of the treaties we have been discussing, have tended to bring home the vital importance of the faithful observance of the covenants therein to all of the nations interested in the Far East. It is not necessary in that connection to inquire into the causes of the controversy or attempt to apportion the blame between the two nations which are unhappily involved; for regardless of cause or responsibility, it is clear beyond peradventure that a situation has developed which cannot, under any circumstances, be reconciled with the obligations of the covenants of these two treaties, and that if the treaties had been faithfully observed such a situation could not have arisen. The signatories of the Nine Power Treaty and of the Kellogg-Briand Pact who are not parties to that conflict are not likely to see any reason for modifying the terms of those treaties. To them the real value of the faithful performance of the treaties has been brought sharply home by the perils and losses to which their nationals have been subjected in Shanghai.

That is the view of this Government. We see no reason for abandoning the enlightened principles which are embodied in these treaties. We believe that this situation would have been avoided had these covenants been faithfully observed, and no evidence has come to us to indicate that a due compliance with them would have interfered with the adequate protection of the legitimate rights in China of the signatories of those treaties and their nationals.

On January 7th last, upon the instruction of the President, this Government formally notified Japan and China that it would not recognize any situation, treaty or agreement entered into by those governments in violation of the covenants of these treaties, which affected the rights of our Government or its citizens in China. If a similar decision should be reached and a similar position taken by the other governments of the world, a caveat will be placed upon such action which, we believe, will effectively bar the legality hereafter of any

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

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title or right sought to be obtained by pressure or treaty violation, and which, as has been shown by history in the past, will eventually lead to the restoration to China of rights and titles of which she may have been deprived.

In the past our Government, as one of the leading powers on the Pacific Ocean, has rested its policy upon an abiding faith in the future of the people of China and upon the ultimate success in dealing with them of the principles of fair play, patience, and mutual goodwill. We appreciate the immensity of the task which lies before her statesmen in the development of her country and its government. The delays in her progress, the instability of her attempts to secure a responsible government, were foreseen by Messrs. Hay and Hughes and their contemporaries and were the very obstacles which the policy of the Open Door was designed to meet. We concur with those statesmen, representing all the nations in the Washington Conference who decided that China was entitled to the time necessary to accomplish her development. We are prepared to make that our policy for the future.

Very sincerely yours,

(Signed) HENRY L. STIMSON.

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

TELEGRAM RECEIVED

JR

1-1226

FROM PLAIN

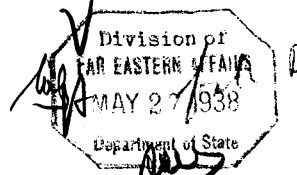
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O.N.I. AND M.I.D.

Peiping via N. R.

Dated May 27, 1938

Rec'd 8:10 a.m.

Secretary of State,
Washington.



329, May 27, 3 p.m.

One. The Japanese spokesman stated this morning that (one) a Japanese column is approaching Kweitch from the east and is expected to capture that city within a few days, (two) the Japanese expect to capture shortly Kaochen eight miles northeast of Lanfeng, (three) the Chinese are obstinately attacking Japanese troops between Kaifeng and Lanfeng and at a point north of Lanfeng but are being repulsed, and (four) Lanfeng which was bombed yesterday by Chinese planes is actually surrounded by the Chinese who have taken positions some distance away at various places including Kweitch but Doihara (whose troops are presumably there) is one of the best Japanese strategists and will be able to extricate himself.

Two. Repeated to Embassy Hankow, Nanking, AmConsul Shanghai. By mail to Tokyo.

SALISBURY

RR:WWC

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

DOCUMENT FILE

NOTE

SEE 893.20/671 FOR Tel #265. 11am

FROM China (Hankow) (Johnson) DATED May 26, 1938
TO NAME 1-1127 ***

REGARDING: Japanese forces are making determined effort to obtain control of Lunghai railway and appear to be having considerable success. Chinese forces in retreat will break up into guerrilla bands. Loss of Hankow seems only question of time.

wb

793.94/13099

13099

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

CA

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U.S. DEPT OF STATE
MAY 28 1938

United States Senate

COMMITTEE ON FINANCE

Division of
FAR EASTERN AFFAIRS
MAY 28 1938
Department of State

May 26, 1938

June 7 1938.

OFFICE OF
AND
MUNITIONS
CONTROL
MAY 31 1938
Ack. 673/38
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DEPARTMENT OF STATE

COMMUNICATIONS
AND RECORDS

Dear Mr. Secretary:

I enclose a letter which I have received from Mr. Clyde F. Gould of the Business Institute, Detroit, Michigan, who writes concerning conditions in China. With the return of the letter I would be pleased to have any comments you might make which I might transmit to Mr. Gould.

Sincerely yours

Prentiss M. Brown

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

793.94/13100

JUN - 8 1938

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[COMP. _____]

THE BUSINESS INSTITUTE

Michigan Building
220 Bagley Avenue
Detroit, Michigan
May 24, 1938

Honorable Prentiss M. Brown
c/o United States Senate
Washington, D. C.

My dear Senator:

I am greatly aroused!

The other evening I was horrified beyond measure when I listened to George A. Fitch, Secretary of the Y.M.C.A. in Nanking, China, give his lecture "What I Saw in Nanking" at the local Y.M.C.A.

Mr. Fitch described atrocities that seem humanly unbelievable, which the Japanese soldiers have inflicted upon the Chinese people, including men, women, and children non-combatants. He told of little girls ten years of age having been raped some-times thirty times a night by cruel barbarous soldiers. He told of the raping of women in the stage of pregnancy and of others treated in like manner who were seventy years of age. He told how a soldier cupped his hand over the baby's mouth while he raped the mother. The baby was thus smothered to death.

Motion pictures which had been smuggled out of Nanking were shown. One picture is vivid in my mind--a woman whose head was partly beheaded after she had become useless to the rape-hungry soldiers. The soldiers tried to sever her head with bayonets--were unsuccessful--left her for dead--she was then brought to the makeshift hospital operated by the few foreign workers (most of them Americans) in the Nanking University compound.

I saw a motion picture of a six year old boy who had been beaten over the head with an iron pipe by the Japanese soldiers. What crime did he commit? He had been picked up by the Japanese 120 miles away and made to bear burdens, beyond his weak strength, as the Japanese marched on Nanking. Then, two days out of Nanking, he had committed the unforgivable sin of asking for food. This request was answered by a beating with the iron pipe.

I saw pictures of scores of wounded men, women, and children who had had gasoline poured upon them and a torch applied. Some of these wounded, horribly burned, had crawled or were carried to the comparative safety of the refugee camp, operated by the Americans and their associates.

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

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I hear Mr. Fitch tell of men (just because they were males) led away to be machine-gunned, bombed by hand grenades, or used as living dummies for bayonet practice.

Literally thousands of the citizens (not Chinese soldiers) of Nanking have been horribly mutilated and murdered and thousands of other Chinese citizens (not soldiers) are having their lives blotted out while I dictate this letter and you read it.

Yes, I am aroused, but I am also ashamed. Ashamed because, we, as Americans, are the greatest contributors to this savage Japanese butchery, a slaughter that has had no parallel since Genghis Khan and his hordes swept across Europe.

Without gasoline and oil, nitrates, cotton, scrap-iron, steel, manganese, and other war making material which we Americans are supplying to the Japanese, the undeclared war in China would cease.

The Japanese military believe, and that is one reason why they are so increasingly arrogant, America will do nothing to prevent this slaughter. The Japanese believe, possibly without some reason, that we are more interested in profits than morals.

Can we not invoke the present laws against Japan since she is the belligerent? Can we not grant more liberal credits to China? Germany, a God-hating people, is offering 25 years to pay--we as a God-loving people demand fifty per cent cash, the balance on delivery, of goods purchased by China.

Invite George A. Fitch to come before a group of Congressmen and tell his story. He has something! As a representative of the American people, you should hear him.

The Kanaga Memorial, the handiwork of Count Kanaga of Japan, discloses that the imperialistic plans of Japan include eventual war with America. A copy of this Memorial is probably in the files of the State Department.

Let

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

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Let America take a lesson from the European situation. France and England now realize their "do-nothing-policy" has lost Spain and Austria to the dictator countries. So likewise will the Philippines and Hawaii fall into Japanese hands if she wins in China.

With best wishes for your continued good work at Washington, I remain

Sincerely yours,

CLYDE F. GOULD

CFG:mh

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

Aug 9 1938

In reply refer to
 CA 793.94/13100

My dear Senator Brown:

I acknowledge the receipt of your letter of May 26, 1938, transmitting a letter of May 24 from Mr. Clyde F. Gould, Detroit, Michigan, in regard to the situation now obtaining in the Far East.

With reference to the exportation from the United States to Japan of war and other materials, it is suggested that you may wish to inform Mr. Gould along the following lines:

"There is transmitted herewith a copy of the Joint Resolution of Congress approved May 1, 1937, amending the Joint Resolution approved August 31, 1935. You will observe that Section 1 (a) of this Joint Resolution states that whenever the President shall find that there exists a state of war between, or among, two or more foreign states, he shall proclaim such fact. Should the President issue a proclamation finding that a state of war exists between China and Japan the export of arms, ammunition and implements of war to both those countries would immediately be prohibited by the terms of the Neutrality Act. In the absence of such a proclamation, however, there exists no legal authority for preventing the export of arms either to both those countries or to Japan alone.

"The Joint Resolution furthermore does not under any circumstances authorize the President or the

Secretary

The Honorable
 Prentiss M. Brown,
 United States Senate.

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

-2-

Secretary of State to prohibit the export of commodities other than arms, ammunition and implements of war."

You doubtless will be interested in knowing that since July 1, 1937, the Department of State has issued licenses for the export of arms, ammunition and implements of war to China in the value of \$12,659,412.31, and to Japan in the value of \$7,615,216.28.

Mr. Gould's letter is returned herewith as requested.

Sincerely yours,

Cordell Hall

Enclosures:

1. Joint Resolution.
2. Letter from Mr. Gould, dated May 24, 1938.



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CA:RVH:LGR 5/31-6/14/38

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

DEPARTMENT OF STATE

ADVISER ON POLITICAL RELATIONS

June 6, 1938.

Military Intelligence reports that a copy of this despatch first reached them today, June 6.

The record shows that this despatch reached the Department of State on May 27; that it reached the Division of Far Eastern Affairs on May 31.

The Army complains of delay.

It would appear that there has been delay at at least one and apparently two points in this Department.

Division of
EASTERN AFFAIRS
JUN - 8 1938
PA/H:SKH:ZMK of State

SKH

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

June 3, 1938.

~~JCV~~ ~~JXP~~
~~WAA~~ ~~ROM~~
~~JWB~~ MMH
WAA

Hankow's despatch no. 28, April 22, 1938, "Transmitting two memoranda prepared by Captain Dorn".

The attached despatch transmits two memoranda of interest, the first covering an interview with Mr. K'an Ch'i-hao, representative of General Li Tsung-jen, and the second covering an account of the battle of Taierchuang.

The interview with Mr. K'an Ch'i-hao brings out among other interesting points the following:

1) The "Kwangsi system" has produced 1,090,000 trained and equipped men. The original 200,000 Kwangsi troops who suffered heavy casualties at Shanghai have already been increased in number to 300,000. Contrary to other reports no foreign advisers have been employed in the training of these troops. Formerly the greater part of the equipment for these troops was purchased from Germany; now all such purchases are made in France and Czechoslovakia.

2) General

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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

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2) General Pai Chung-hsi, himself a Mohammedan, is endeavoring to unite politically China's 30,000,000 Mohammedans. A beginning in this direction was achieved when he arranged for the military training in the Kwangsi Military Academy of two hundred young Mohammedans selected from the most prominent families of the northwest.

3) Since the commencement of hostilities General Pai Chung-hsi has remained clear of politics, but he does not intend to continue to do so. He hopes to crush all "corrupt political groups" including (a) the Ch'en Li-fu - Ch'en Kuo-fu clique whom he considers "political grafters"; (b) the "money group" including H. H. Kung and T. V. Soong, who by control of the country's finances "have enriched themselves at the expense of the people"; (c) the pro-Japanese group headed by Wang Ch'ing-wei. He feels that the election of Wang Ch'ing-wei as Deputy Leader of the Kuomintang was necessary in that (a) he is the senior member of the Party and (b) the Generalissimo will have a better opportunity to control Wang's political activities in that Wang is now in position

similar

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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

-3-

similar to that of Vice President of the United States, that is to say, politically powerless.

4) The Kwangsi-Kwangtung group is recommending that China be governed by an elected Parliament with proportionate representation for, and proportionate participation in the Government by, all groups.

The memorandum covering the battle of Taierchuang, while interesting from the point of view of military strategy, is now past history and of little present value due to the recent defeat of the Chinese armies in the Hsuehchowfu area.

MRP
FE:Ringwalt:MJY

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



EMBASSY OF THE
UNITED STATES OF AMERICA

Hankow, April 22, 1938.

No. 28.

Subject: Transmitting two memoranda prepared by
Captain Dorn.

For Distribution-Check		Yes	No
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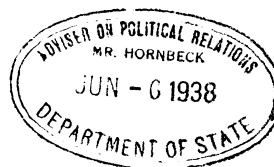
MAY 27 PM 2 51

DIVISION OF
COMMUNICATIONS
AND RECORDS

The Honorable

The Secretary of State,
Washington, D.C.

Copy in FE
Division of
WAR EASTERN AFFAIRS
JUN 31 1938
Department of State
new



793.94/13101

Sir:

I have the honor to transmit two memoranda re-
cently prepared by Captain Frank Dorn, U.S.A. One of
the memoranda contains military information of inter-
est obtained in an interview with Mr. K'an Ch'i-hao,
one-time Commissioner for Foreign Affairs at Canton,
now representative of General Li Tsung-jen and member
of the War Advisory Council, and also sets forth Mr.
K'an's views with respect to the present and future
political situation. The other describes in some de-
tail the recent battle at Taierchuang, where the Jap-
anese advance toward the strategic city of Hsuchowfu

was

JUN 20 1938

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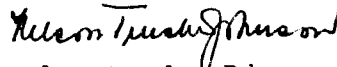
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

was turned into retreat. As Captain Dorn points out, the capture of Hsuehowfu might have enabled the Japanese forces eventually to gain complete control of the Tsinpu Railway from Peiping to Shanghai. Even more important than the military result at Taierchuang, is in my opinion the heartening effect which this Chinese victory - the first humiliation of Japan's military machine in modern times - has had on the morale of the Chinese people.

Colonel Stilwell has requested that copies of the two enclosed memoranda be made available to the War Department.

Respectfully yours,


Nelson Trusler Johnson.

✓
Enclosures:

2 memoranda, one accompanied by sketch map. ✓

Original and four copies to the Department.

Copies to Peiping and Tokyo.

CWA.EA

710/800

7

COPY

Hankow, April 11, 1938.

Subject: Interview with Mr. K'an Ch'i-hao, representative
of General Li Tsung-jen and member of the
War Advisory Council.

On April 10, 1938, the undersigned interviewed Mr. K'an Ch'i-hao from 3.30 p.m. to 6 p.m. The following embodies the information and ideas expressed by Mr. K'an and the answers to questions given to him.

1. When General Pai Chung-hsi arrived at Hsuehowfu recently he at once appointed a Major General with summary powers of execution to visit all Division Commanders at the front, and to order all officers who did not advance on Taierchuang to be shot. This was necessary because most of the Army Corps Commanders are political appointments with little or no ability. The Division Commanders are younger and better trained. General Li Tsung-jen, recognizing this situation, issues orders directly from his own headquarters to Division Commanders, and seldom deals with the more senior Corps Commanders except in matters of routine.

Japanese casualties at Taierchuang totalled between 8,000 and 9,000 dead, about 9,000 wounded, and about 600 prisoners who are now being sent to Hankow. Chinese casualties were very heavy, totalling over 20,000.

Fighting is now in progress in and around Tsinan, but no serious effort will be made to recapture that city until after the capture of Yih sien. In Yih sien a force estimated as one division, plus the 4,000 or 5,000 who escaped from Taierchuang, are now being surrounded. It is expected that these 20,000 men will be wiped out within the next

few

- 2 -

few days. The mission of the Chinese mobile units who have reached the vicinity of Tsinan is to destroy all Japanese communications, rather than to attempt to occupy and hold the city. It is considered too dangerous to risk a battle at Tsinan until after the Yih sien situation has been liquidated.

At present China has twenty newly-trained and equipped divisions ready to take the field. In one more month thirty more new divisions will be trained and equipped, making a total of fifty new divisions. The strength of the new divisions is 10,000.

2. Nine Chinese divisions in the Hofei area have prevented the Japanese in Anhwei from launching an attack to the north of the Hwai River. In addition there are Central Government divisions at Suhsien, Mengcheng, and Showhsien. Should the Japanese attempt to advance to the north, these Chinese divisions could either cut their rear or force them to the east into the swamp country northeast of Pengpu.

The Japanese in Anhwei have two possible plans for an offensive: (1) to strike west to Sinsiang, and from that place to branch either towards Hankow or towards Kweitch; (2) to strike north through Suhsien towards Hsuchowfu. Because of the danger to their rear, neither plan is considered dangerous at present.

3. The "Kwangsi system" of training has produced 1,090,000 trained and equipped men, who are called for military duty by drawing lots on a conscription basis as they are needed. Men are not allowed to transfer with others when their number is called. The original Kwangsi 200,000 troops who suffered heavy casualties at Shanghai have

already

- 3 -

already been expanded to 300,000. No foreign advisers have been employed in this training.

A comparatively small percentage of rifles and machine guns have been manufactured in the Kwangsi arsenals. Formerly the greater part was bought from Germany; now all such purchases are made in France and Czechoslovakia. All small-arms ammunition is manufactured in local arsenals. All small arms are of a standard caliber, regardless of where purchased or manufactured. The Central Government is now purchasing the greater part of the arms and equipment for the Kwangsi troops, but it still allots cash to the Kwangsi military authorities for a part of such purchases.

4. Pai Chung-hsi recognizes the political power of China's 30,000,000 Mohammedans, should they become united, and is working to achieve this union. Pai is now accepted as the leader by most of the Mohammedans of the northwest, but to date their natural independence and old tribal customs have tended to prevent real unification. A beginning in this direction was achieved when Pai arranged for the military training of two hundred young Mohammedans at the Kwangsi Military Academy. These boys were selected carefully from the most prominent families of the northwest.

5. At present there is no three-way "Party" struggle for control; but there is a definite three-way struggle for power. However, this political side of the picture has been submerged in the union of the three principal groups under the leadership of Chiang Kai-shek.

When Pai Chung-hsi and Li Tsung-jen flew to Nanking to offer their services to the Central Government at the

beginning

- 4 -

beginning of the present hostilities they announced that they wished to drop all past differences. They made no statement of a "southern" policy, made no complaints, and made no demands. For six months General Pai remained clear of politics, but he will not continue to do so in the future. He is determined to crush all corrupt political groups, and means to use all of his power to accomplish this purpose. He and General Li Tsung-jen consider the three worst groups to be: (1) the Ch'en Li-fu - Ch'en Kuo-fu clique, who are looked upon as political grafters and self-seeking opportunists; (2) the "money group" - H. H. Kung, T. V. Soong, and their adherents - who by their control of the country's finances have enriched themselves at the expense of the people; and (3) the pro-Japanese group, Wang Ch'ing-wei and his followers. General Pai's first step in this direction was the denunciation of the Ch'en brothers at the recent Party Congress. This is in no sense disloyalty to the Generalissimo or the Central Government, but is an effort to clean out crooked politicians with a view to continuing the present united front through and after the present hostilities.

✓ 6. The election of Chiang Kai-shek to the position of Party Leader with full authority in the party and the right of veto has long been desired. His position as the most powerful single man in China justifies his election and should tend to unite more closely the various factions. The election of Wang Ch'ing-wei as Deputy Leader was undesirable, but necessary, for the following reasons: he is the senior member of the Party and is therefore entitled to a high place; his election will probably give the Generalissimo a better opportunity to control Wang's polit-

ical

- 5 -

ical machinations; and it places Wang in a position of honor somewhat similar to that of the Vice-President of the United States, politically powerless. If it had not been for Wang's seniority the election of the Generalissimo to his present position would have been accomplished long ago. Though Wang Ch'ing-wei's pro-Japanese tendencies are recognized as a danger, it is hoped that his election will force him and his followers into more active support of the present United Front.

7. Though the three principal groups - the Kuomintang, the Communists, and the Kwangsi-Kwangtung clique - have settled their differences for the present, there is a danger of a break-up after the termination of the war unless they can continue the United Front through the period of readjustment and reconstruction. The elimination of the self-seeking political groups mentioned above must be accomplished in order to free the hands of the three principal groups who in reality have no political differences. The Kwangsi-Kwangtung group still considers itself as a part of the Kuomintang, and only broke from the main organization because of the unfortunate influence of the so-called Nanking crowd who insisted on compromise with or surrender to the Japanese.

✓ The Generalissimo is the logical and desired leader, but it cannot be expected that he will live forever. Nor can it be expected that his present dictatorial powers can outlast the war for more than a relatively short while. The solution offered by the Kwangsi-Kwangtung group is that China must be governed by an elected Parliament or Congress with proportionate representation for all groups, and proportionate participation in the Government by all groups.

This

- 6 -

This is obviously difficult of accomplishment, but a formula must be worked out by the continuation of the present union of the three principal powers in China. Should this plan meet with success, the election of Chiang Kai-shek either as Premier on the British pattern or as President of China on the American pattern, would be expected.

Fortunately for the future, the present hostilities, as has always happened in times of crises, will bring out the real leaders and tend to submerge mere politicians. From this premise it is to be hoped that the men of ability and action who are now in high positions will remain at the top to lead the country through the long difficult period of reconstruction and rehabilitation.

FRANK DORN

Captain, F. A.

(A true copy - EA)

COPY

Hankow, April 10, 1938.

Subject: The Battle of Taierchuang.

The battle in the vicinity of Taierchuang March 21 to April 7, 1938, began as a concerted attempt on the part of the Japanese to occupy Hsuehchowfu and the eastern section of the Lunghai Railway. Had the Japanese succeeded they might have gained complete control of the Tsinpu Railway from Peiping to Shanghai.

The plan involved the use of three Japanese columns:

(1) A force estimated at a brigade landed at Nantungchow near the mouth of the Yangtze River, advancing north through eastern Kiangsu, with the apparent mission of diverting Chinese troops from the Hsuehchow area to the south, rather than to take an actual part in the seizure of that area. This column was stopped at Tungtai, 65 miles north of Nantungchow, before April 3rd and has been rendered inactive since that time. (2) A column from the Tsingtao-Kiaohsien area advanced towards Lini, with two missions: the first, to effect a junction with the main column near Taierchuang; the second, to attack the Lunghai Railway east of Hsuehchow, thus rendering Chinese resistance ineffective in that region. This column, estimated as a reinforced brigade, was blocked on the main highway in the vicinity of Lini by the Chinese 57th Division, the 39th Division, and troops under Chang Tze-chung, before April 1st. However, a part of this column, probably a regiment, succeeded in reaching and occupying Hsiangcheng, 25 miles southwest of Lini, by a flank march through the mountains of the region. (3) The main column, General Isogai's 10th Division, and the

105th

- 2 -

105th Brigade of the 103rd Division under General Itagaki, marched south along the Tsingpu Railway until it reached the junction of the Yih sien-Taierchuang branch line near Lincheng. At this point a part of the force continued south along the main railway line towards Hsuehchow. The main body proceeded east and southeast along the branch line with the mission of forming a junction with the Lini column east or northeast of Hsuehchow, from which point the combined forces would attack that city. These troops reached Yih sien on March 21st, when the engagement can be said to have begun.

The country to the north and northeast of the Yih sien-Taierchuang area is rugged and mountainous; to the west are a series of large lakes; and to the south the Grand Canal follows a southeasterly course.

On March 28th the main body reached the vicinity of Taierchuang and immediately pushed forward to occupy the North Station, the North Gate, and the northeast section of the city. After four days of sanguinary street fighting (April 1st) the Japanese were compelled to retire from all but the extreme northeast corner of the city where they remained until April 6th. On March 29th a part of the main body moved to the east and south with the intention of encircling the city. On April 1st this column reached the south gate, and by the use of tear gas forced an entrance. On the following day troops of the Chinese 31st Division under General Ch'ih Feng Ch'eng practically wiped out this force of Japanese compelling the remnants to retire to the east and north. During these engagements in and around Taierchuang the Chinese 31st Division lost between 70 and 80 per cent of its men in casualties. Reinforcements from the Hankow area (the 60th Army Corps, and the 6th and 93rd Divisions)

- 3 -

Divisions) arrived, and what was left of the 31st Division was replaced with reserves.

On April 3rd Japanese forces attempted to cross the Grand Canal at points west of Yih sien in order to compel the Chinese left to retire, but the attempt failed. On the same day a number of small villages east of the Yih sien - Tai er chu ang road changed hands several times. On this and the following day the Japanese used lachrymatory gas extensively, resulting in a large number of gas casualties among the Chinese.

On April 3rd the Japanese launched a severe attack in a southeast direction, in an effort to break the Chinese center. Had this maneuver succeeded, they would have forced a wedge between the Chinese right and center, and probably have forced the Chinese center to retire to the south side of the Grand Canal. But a counter-attack by the Chinese right wing caused the effort to fail, and compelled the Japanese to withdraw to the immediate north and northwest of Tai er chu ang.

Beginning on March 30th Chinese units crossed the northwest extension of Lake Veshan, 25 to 30 miles west of Tai er chu ang, and the Grand Canal near Tung ping and Wen shang, occupying Liang hsiatien south of Tsowhsien, and Nanshaho south of Tenghsien. Within the next three days these Chinese units and their reinforcements had secured control of the Tsinpu Railway by seizing all villages along the line (but not the walled towns) south of Taian, thus stopping Japanese reinforcements and supplies from Tsinan. On April 3rd a part of these Chinese mobile units moved east of the railway area to control effectively all roads from the north. It should be noted that the Chinese made no effort to attack the strong Japanese defenses at Tsi-

ning,

- 4 -

ning, but merely engaged the Japanese in that area sufficiently to prevent their giving assistance to the 10th Division and the 105th Brigade.

On April 4th and 5th the Chinese began to close in on the Taierchuang area. On the evening of the 5th this maneuver had been completed, except in the area on the northwest. (See attached sketch map.) Assisted by a heavy artillery bombardment and a tank attack, the Japanese made a final effort to break through to the southeast on the afternoon of the 5th. The minimum estimate of the number of weapons employed by the Japanese in this effort was sixty 75-mm or 77-mm guns, twelve 150-mm guns or howitzers, and forty tanks. The Chinese north wing (extreme right) and southeast wing (extreme left) advanced, threatening to close the circle completely and compelling the Japanese to give up the attempt. Out of gasoline, Japanese tanks ceased all operations from this time on. On April 6th the Japanese artillery executed a heavy bombardment of the Chinese positions without result. During this night Japanese troops began to retreat rapidly towards Yihsien and the mountains east of Yihsien. On April 7th the Chinese occupied the encircled area.

The Chinese claim to have found between 5,000 and 6,000 Japanese dead on the field; 3,000 more dead who had been buried in mass graves containing between 500 and 600 corpses each; about 3,000 wounded; and to have taken about 600 half-starved prisoners, between 60 and 70 field pieces; over 40 tanks; 70 armored cars; and over 100 passenger motor vehicles. Estimates indicate that the Japanese had suffered an average of 300 wounded a day during the previous two and a half weeks fighting, which would place their total wounded at about 8,000. These figures may be somewhat exaggerated,

but

- 5 -

but since all estimates from various sources agree, it is more than likely that any such exaggeration is slight. About 5,000 Japanese escaped in the direction of Yihsien, and there joined a force estimated as a division. A large number of Japanese officers and men were found on the field at Taierchuang who had committed suicide by hari-kari.

By April 9th Chinese units had reached Wuhushan in the hills northwest of Yihsien; had captured Chitsun, and reached Tsaochwang; and had occupied the area to the immediate southwest of Yihsien. The Japanese column from Lini was forced to retire from Hsiangcheng on April 5th, and two days later was partially encircled at Lini. On April 9th Chinese units who had crossed the Grand Canal at Tungping and Wenshang reached the vicinity of Tsinan. Their mission was not to exert great efforts to capture the city - since the large force of Japanese still in Yihsien would be a danger to their rear - but to destroy all Japanese communications from Tsingtao and the north.

FRANK DORN

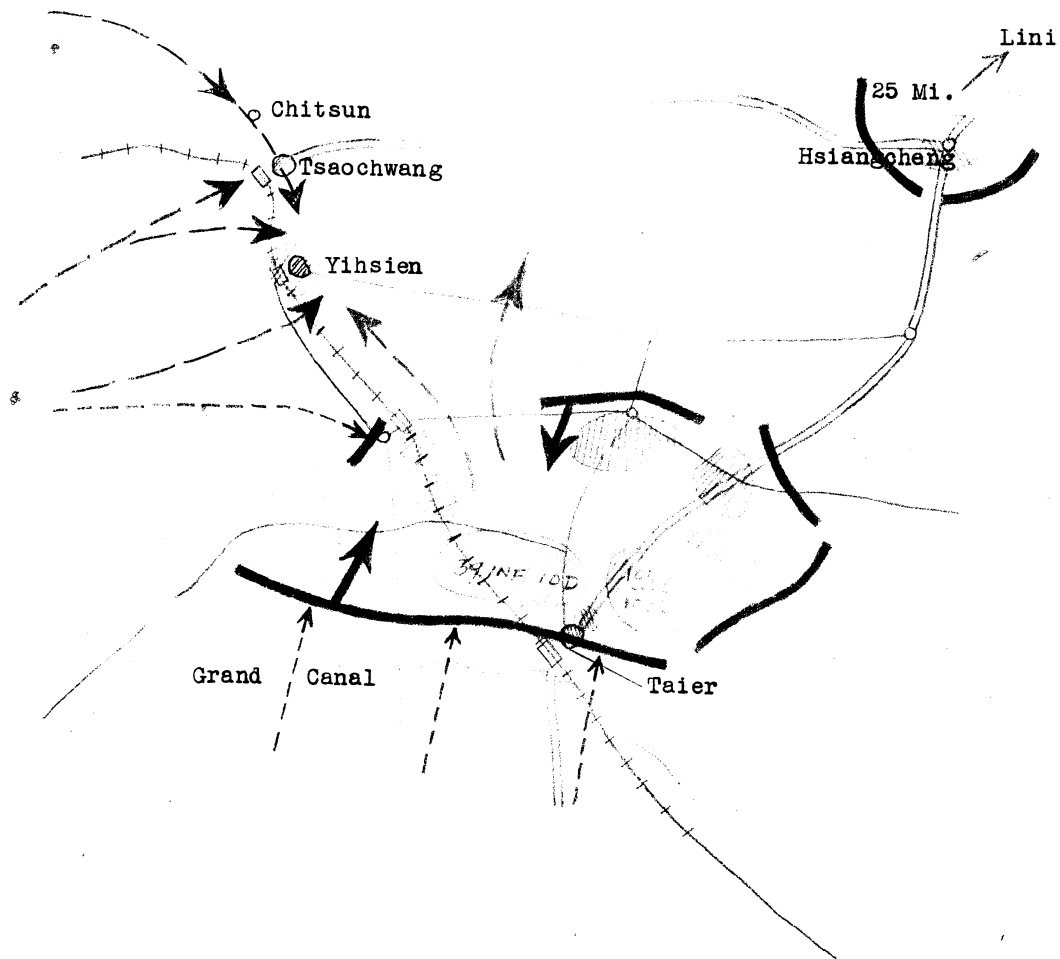
Captain, F. A.

(A true copy - EA)

Note:

The information contained in this memorandum was obtained from the following sources: Chinese Intelligence Section, German Military Advisers to the Chinese Government, and the Hankow representative of the Kwangsi Army. It is believed to be substantially accurate, though it may prove necessary to revise it in certain respects as more complete information becomes available.

DECLASSIFIED: E.O. 11652, 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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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

EG

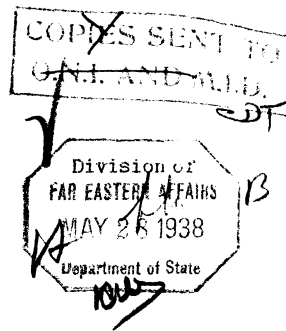
FROM

COMSOPAT

May 28, 1938

Rec'd 8:31 p.m. May 27

ACTION: OPNAV WASHN
USS ASHEVILLE
RADIO CAVITE
INFO: AMCONS HONG KONG SHANGHAI
COMDESRON FIVE
COMSUBRON FIVE
CINCAF
COMYANGPAT
AMEMBASSY AMBASSADOR CHINA
USS MARBLEHEAD
USS TUTUILA
USS EDSAL
FOURTH MARINES
ALUSNA PEIPING



0027. For AmCross Manila, AmCross Hong Kong.

Air raids railroads vicinity Canton sixteen BLP
and seven BSP sighted Kulangsu. Amoy quiet. 125
refugees sailed on SS ANKING for Manila, 114 on
SS HAUYANG for Swatow and 366 for Hong Kong. 2000

EMB:HDH

793.94
note
793.48

793.94/13102-

JUN-1 1938

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JUN-1 1938

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

TELEGRAM RECEIVED

EG

FOURTH MARINES

1-1286

May 28, 1938

FROM

Rec'd 10:15 a.m.

ACTION: CINCAF
OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
AMBASSADOR CHINA
ASST NAVAL ATTACHE SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
USS MARBLEHEAD
ALUSNA PEIPING

COPY SENT TO
ONE AND ALL

Division of
FAR EASTERN AFFAIRS
MAY 28 1938
Department of State

793.94

8828. Japanese claim capture Kweitch 28 May
also state they still hold Langeng admit Lanfeng
surrounded on west south and east by Chinese forces.
Chinese attacks on Chenlukow ford repulsed. Chinese
planes bombed Lanfeng caused little damage. 1831

CSB

793.94/13103

JUN - 1 1938

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

TELEGRAM RECEIVED

EDA

1-1286

FROM

GRAY

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

SHANGHAI VIA N.R.

Dated May 28, 1938

Received 10:10 a.m.

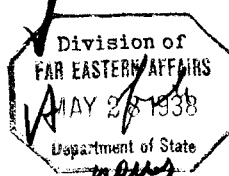
DT

Secretary of State

Washington

732, May 28, 2 p.m.

My 713, May 24, 1 p.m.



193.94
note
394.4101

Military observers believe that the Japanese now control the Lunghai Railway with the exception of Kweitch, from Sinanchen east of the Grand Canal to Lowang eight miles west of Langfeng. Heavy fighting is in progress in the Langfeng area and Japanese advance on Kaifeng appears to have slowed up due to the determined Chinese opposition. The Japanese column driving on Kweitch is reported to have captured Yuancheng, sixteen miles northeast of its objective. Main Chinese forces appear to have cleverly extricated themselves from the attempted Japanese encirclement of Hsuehowfu and strong Chinese units are reported to be maneuvering in the Hsuehowfu area and harassing the flank and rear of the Japanese columns pushing west. It appears fairly certain from statements made by General Hata following the fall of Hsuehowfu and from the composition of the new Cabinet that

793.94/13104

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JUN-1 1938

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

EDA - 2 - #732, May 28, 2 p.m. from Shanghai

that Japanese will attempt to drive on to Hankow.

A settlement of the Wilkinson incident has been effected I understand. The settlement is quite satisfactory to the British authorities and includes fairly specific information regarding the disciplinary action taken. In a statement made to the press regarding the settlement the Japanese Consul General said that a new set of precautionary measures was now being taken by the Japanese military authorities to prevent the recurrence of such cases.

LOCKHART

GW:CSB

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

DOCUMENT FILE

NOTE

SEE 800.20210/80 FOR #292
FROM Honduras (Erwin) DATED May 10, 1952
TO NAME 1-1127 ***

REGARDING: Japanese propaganda in Honduras.

Legation reports that the Japan Foreign Trade Federation,
Tokyo, is distributing pamphlets in Tegucigalpa entitled
VISTA OFICIAL DEL CONFLICTO CHINO-JAPONES.

END

793.94 / 13105

13/65

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

Tegucigalpa, May 19, 1939.

No.592

Subject: Japanese Propaganda in Honduras

AIR MAIL

The Honorable

The Secretary of State,
Washington, D. C.

Sir:-

In compliance with the instructions contained in the Department's circular telegram of February 4, 1938, requesting reports on all developments in Japanese, Nazi and Fascist activities in the American Republics, I have the honor to enclose herewith a single copy of a pamphlet entitled VISTA OFICIAL DEL CONFLICTO CHINO-JAPONÉS, published by the Japan Foreign Trade Federation, Yayoi Building, No.5, Ginza Nishi 7-Chome, Kyobashi-Ku, Tokyo, which is

being

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

- E -

being circulated in Tegucigalpa. It has been impossible for the Legation to obtain more than one copy of this publication.

Respectfully yours,

John D. Erwin

Enclosure:

1. Single copy of pamphlet entitled
VISTA OFICIAL DEL CONFLICTO CHINO-JAPONÉS.

820.02

A true copy
of the signed
original.

B2:1BZ

113

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

File

193.94
TRANSLATION OF AN ARTICLE FROM A JAPANESE PAPER IN SHANGHAI
(THE SINSHUN BAO) (What the Japanese want their people and
the world to believe. Actually they have done no medical
work whatever, and all women are simply terrified of them.)

JAPANESE TROOPS GENTLY SOOTHE THE REFUGEES
THE HARMONIOUS ATMOSPHERE OF NANKING DEVELOPS ENJOYABLY

The Municipality of Nanking is as still as the streets of the dead. The sun's merciful rays spread forth with partiality for refugees' districts in the north-west. The herd of refugees which fled from the midst of death for their lives have met with the gentle soothing from the Japanese Army. They respectfully kneel by the side of the road in joyful thanks. Before the Japanese troops entered the city, they suffered from the oppression of the anti-Japanese armies of the Chinese. Indeed, not a grain of rice or millet could reach their hands, the sick could not get medical aid, the hungry could not get food. The sufferings of the plain good citizens were infinitely miserable. Fortunately the Imperial Army entered the city, put their bayonets into their sheaths and stretched forth merciful hands in order to examine and to deal, difusing grace and favor to the excellent true citizens.

In the region west of the Japanese Embassy, many thousands of herded refugees cast off their former absurd attitude of opposing Japan, and clasped their hands in congratulation for receiving assurance of life. Men and women, old and young, bent down to kneel in salutation of the Imperial Army, expressing their respectful intention. This for Chinese has an especial significance, and it certainly could not have appeared except from a sincere heart and genuine purpose. Within the refugee zone they gave out military bread, cakes and cigarettes to the refugees of both sexes and all ages, all of whom were greatly pleased and spoke their thanks. Also from the walls and barracks were distributed gifts of good will, politely given to the poor and refugees.

Likewise health squads began to carry on medical and remedial work. Those who had serious eye diseases and had fallen into a condition approaching blindness were completely cured by the Japanese doctors. Children with whooping cough were carried in by their mothers for medical attention, and women with diseased feet and great swellings received treatment. As soon as they tasted the flavor of the medicine, and they enjoyed the taste of food, the crowd of refugees, their countenances beaming with joy, could not cease their thanksgiving. After the medical inspection and healing was over, the vast herds gathered around the soldiers beneath the sun-flag and the Red Cross flag shouting "Banzai" in order to express their gratitude. Etc. Etc.

(China Information Service, Washington, D. C.
May 2, 1938)

793.94/13106

F/FG
13/06

OBSERVATIONS IN NORTH CHINA

I have just come back from a short business trip to North China. Prior to this, I had never put my feet on Japanese-occupied territory since the Lukouchiao Incident, nor had I talked to any Japanese during this period, although I see many of them in Shanghai each day. When I planned a visit to North China, many expressed concern for my safety, because I am connected with a very active social organization. Since I am no longer a youth in his teens, my principle is to avoid unnecessary trouble and risks. But when duty calls, I would not hesitate in going anywhere and doing anything, even if that should involve personal danger. So I embarked on a British steamer at Shanghai two weeks ago and headed for Tientsin.

When our boat passed through Woosung, passengers went up on deck to see the ruins caused by the Japanese bombardment early last autumn. It was a pathetic sight---these buildings, many of which had been re-built since their destruction by the Japanese in 1932, having met the same fate once again within six years.

Our boat arrived at Tsingtao the next afternoon. Conditions there were far from normal, as shown by the following facts: First, steamers were not allowed to dock as before. Passengers getting off had to make their own arrangements at their own expense and risk. Second, a foreign friend of mine in Tsingtao, whom I had asked by letter to come to see me on board, sent his regrets that regulations prevented him from doing so. Third, passenger trains between Tsingtao and Tsinan have not been able to run though the Japanese have controlled the whole line for three months. Some ten missionaries, British and American, who evacuated Tsinan and came to Tsingtao when the former was threatened, found that the only way to return to Tsinan now was through Tientsin, thence by train to Tsinan.

Our boat got to Weihaiwei the next morning. A foreign missionary came on board and brought me the news that the Japanese naval landing party had taken possession of the port on March 7th and that on the night of March 8th the building of a Christian organization was set on fire. It was too early then to get all the details concerning the cause of the fire and the extent of the damage. But knowing what the Japanese had done in Nanking during the first three weeks of its occupation, one could not help suspecting that this was but one more Japanese atrocity.

On the afternoon of the same day, we arrived at Chefoo, which was occupied by the Japanese without fighting on February 2nd. A friend came on board and told me that the Japanese soldiers did not behave well during the early days of the occupation. There was looting, raping, and that sort of thing. They are, however, under better control now. A puppet government has been set up. Its officials are trying hard to enlist the cooperation of the local gentry and business men. One evening, they gave a dinner to scores of community leaders, during which the chief official urged their hearty cooperation with the new regime. After his speech, to the disappointment of the hosts, none of the guests had the enthusiasm to rise and make a speech in response. Then, after thanking the hosts, the guests dispersed.

-2-

Under pressure the local Chamber of Commerce has delegated one man to serve on the Maintenance Committee. In spite of the order that they carry on business as usual, most of the shops were still not officially open, having the shop-fronts boarded up and leaving only the gate open, which could be easily bolted in case of need. Chinese mobile units were quite active in the neighborhood of Chefoo. For instance, in Mupingsien, which is only twenty miles from Chefoo, the new magistrate sent by the new regime was decapitated as soon as he arrived there. Later, while in Peiping I read a Reuter dispatch to the effect that a Chinese mobile unit had actually entered Chefoo city. It is hard to tell the exact number of men engaged in guerilla warfare in Shantung but it is very clear that Chinese mobile units are operating even in the eastern part of that province.

Early on the morning of the fourth day, our boat arrived at Taku Bar. Ordinarily, a lighter would take the passengers from the steamer to Tangku, whence they would go to Tientsin by train. However, the lighter took us straight from Taku Bar to the Bund of the British Concession of Tientsin, so there was no inspection of any kind. The trip from Taku Bar to Tientsin took six hours, from 8 in the morning till about 2 in the afternoon. I had some difficulty in getting accommodation in a hotel in the British Concession. As the Concession is considered a comparatively safe place for Chinese to live in, it is enjoying a boom. Not only do people prefer to rent houses in the Concession, but travellers choose to live in the hotels there.

In this connection, I wish to report an incident. A few months ago, the Japanese found a Chinese distributing anti-Japanese propaganda leaflets in the British Concession, and the Japanese authorities demanded that the British authorities turn this man over to them. The British refused to do so, whereupon the Japanese presented a further demand, threatening that if, by a certain time on a certain day, the man was not turned over, they would come into the Concession and seize him. The British Concession authorities, evidently after consultation with the Home Government through the British Embassy, sent a very strong reply to the Japanese, saying that the man was not to be turned over and that, if the Japanese should use force in seizing him, which they had no right to do, the British would defend the integrity of the British Concession, even if it should mean the sacrifice of the entire battalion of British troops then garrisoning the Concession. The upshot was that the Japanese dubbed the incident another case of "misunderstanding"! But, at any rate, it is the firm stand taken by the British authorities in connection with this incident that has caused people to think the British Concession to be a comparatively safe place to live, so far as Japanese encroachments are concerned.

Having failed to find accommodation in a hotel in the British Concession. I decided to go on to Peiping on the same day by the 3.45 train. There was hardly any inspection at the East Station of Tientsin. It is said that two or three months ago the inspection at that station was quite strict, but that since the removal to Peiping of the headquarters of General Terauchi, Commander-in-Chief of the Japanese Forces operating in North China, the inspection at the Tientsin station has been considerably relaxed.

-3-

I knew that since its occupation, the name of the former national capital had been changed from "Peiping" back to "Peking". However, in purchasing my railway ticket, through a slip of the tongue, I still asked for a "Peiping" second-class ticket. To my surprise, the booking clerk repeated the same name and gave me the ticket. When I got out to the platform, I saw a train standing there. Anxious to make sure whether that train was the one going to Peiping, I inquired of a policeman on duty. Through another slip of the tongue, I again used the former name of the ancient capital. But the policeman, in his reply, also used this name. These two little incidents go to show that you cannot change people's habits overnight simply by issuing an order.

The train was very crowded. Hardly a seat was to be found in the second-class coaches. A good many of the passengers were Japanese. It was a through train from Mukden, so many of the passengers had come all the way from that city. A friend of mine told me that something smacking of the famous Gold Rush is now going on in North China. There is a great influx of Japanese into Peiping. The South Manchuria Railway is taking over the administration of all the Chinese railways that have been seized by the Japanese forces, so many employees of the S. M. R. have come to peiping. Then there are those who have come to seek a fortune by engaging in business, either legitimate or illicit.

The train got to Peiping at 6.25 p.m., on schedule time. I had a foreign friend travelling with me. At the Peiping station the inspection was very strict, not only because the headquarters of General Terauchi is now located in that city but also because the city is the seat of the new North China puppet government. The foreign friend told me this story. One day, he was walking beside a Chinese on the platform, thinking that walking with him might help him to get through the inspection more quickly. Instead, however, the Chinese was given an unusually thorough search, either because the Japanese, seeing him walking with a foreigner, suspected him all the more, or because they wanted to bring home the fact that for a Chinese to rely on foreign assistance would only invite more trouble. Having had this experience, my foreign friend told me that he would let me go through the station alone. When I was approaching the gate leading to the station from the platform, where the inspection took place, I saw a line formed of Chinese passengers waiting to be inspected. I paid no attention to that, but went straight to the gate without being searched, as a few others were doing. I think I must have been taken for a Japanese! Whether that was an honor or a shame, I do not know, but I was glad to pass through without being unnecessarily delayed.

Once admitted to the city, one would be seldom troubled by the Japanese again. Outwardly, Peiping was quiet, peaceful and orderly. Not many apparent changes were to be seen except the following: The old five-bar Chinese flags and Japanese flags were much in evidence, also attractive propaganda posters condemning the National Government under the Kuomintang. Then there were to be seen many new Japanese dancing halls and sukiyaki restaurants. Prostitutes, who were formerly confined to an area outside the city, were now allowed inside the city. Opium dens openly advertising different brands of opium, were also much in evidence. And, lastly, many new Japanese-style bath tubs were being made by Chinese carpenter shops, which were doubtless meeting a new demand. Apart from these changes, life seemed to be

-4-

normal, and unless one talked with people to learn the present situation, one would not find Peiping much different from what it used to be. But when one began to inquire of people about present conditions there, one would find first, that the people do not support the new regime at all, and secondly, that they are at heart still loyal to the Central Government. This is true, not only of the educated classes, but of the rank and file of the people as well. For example, one day, one of those attractive propaganda posters having been put up, a girl student who happened to pass by riding on a bicycle purposely got off to look at it. But the policeman on duty persuaded her to ride on, saying something like this: "There is nothing good to see; all that is said on the poster is nothing but lies."

One day a banker overheard several ricksha coolies talking among themselves. At the time some Japanese airplanes were demonstrating in the air above the city. Being this the ricksha coolies said, "The Chinese forces are coming back pretty soon. They will shoot down all these planes and drive the Japanese out."

Now-a-days, newsboys in Peiping are allowed to sell nothing but the Japanese-controlled papers. However, when they get off the main streets and into the alleyways, they shout some news of their own imagination such as this: "Chang Hsueh-liang is directing the Heilungkiang forces fighting against the Japanese!" This shows what the news-boys would like to see happen. Naturally, news of this kind would at once attract the attention and get the approval of prospective buyers of the papers.

The above is indicative of the attitude of the lower strata of the population of Peiping toward the new regime. What about the attitude of the educated classes there? During my visit I had opportunity to meet and talk with a cross-section of the intellectuals, including bankers, industrialists, business men, professors, pastors and newspaper reporters. All of them tried to impress on me the fact that the spirit of the people of North China is not dead. The Japanese, including Christians, are doing their best to win the goodwill and confidence of the Chinese people, but with the exception of a very small number, all of them are doing this from ulterior motives, that is, they are helping to further the cause of Japanese imperialism.

I heard that since the outbreak of hostilities Japan has mobilized a total of some 1,200,000 troops. Of this number nearly a million men are now engaged on garrison duty in Korea, "Manchukuo" and in the occupied territories south of the Great Wall, leaving only a little over 200,000 troops available for offensive warfare. This explains the strategy of concentrating their attack on one point which the Japanese have had to employ.

As I have said above, things in Peiping city are normal on the surface. However, if one goes to the outskirts of the city, like the Western Hills, he is liable to be kidnapped, not to mention the possibility of his being insulted by Japanese soldiers. At present, no one is allowed to visit the Temple of Heaven except by special permit. Chinese mobile units are said to be operating in the neighborhood of the city. Many people told me that they could often hear the boom of cannon and the rat-tat-tat of machine guns from the distance in the

-5-

quiet of the night. In other words, so far the Japanese have been able to maintain control only in areas along the main lines of communication; in areas further inland complete anarchy reigns. The country people living in the villages near the railways and highways in North China truly find themselves between the devil and the deep sea. The Japanese military authorities are holding the village people responsible for the safety of the railroad tracks and the telegraph wires. When they are interrupted by Chinese mobile units, the Japanese destroy the villages near the scene of the trouble and slaughter the people living therein, on the ground that they are cooperating with the Chinese mobile units and do not report the presence of the mobile units to the Japanese. On the other hand, if the villagers should report the presence of the mobile units, they would be regarded as traitors and killed by the mobile units after the withdrawal of the Japanese forces. Then, there are armed bands like the Red Spears and bandits, who make the lot of these villagers most unenviable.

In Peiping not only are mails and telegrams censored, but even telephone calls are listened to by secret agents. One day a Chinese was discussing a personal matter with a friend over the phone. Among other things, he said, "I'm afraid this is a matter which we can't discuss over the phone; I'll come to your place to talk it over with you face to face." The next day, this man was summoned to the Japanese gendarme headquarters and questioned at considerable length as to the nature of the matter referred to in the phone conversation. It was only after the man had explained in detail that this was a purely personal matter, and after his statement had been carefully checked against that of his friend, that he was set free.

With regard to the currency situation in North China, it was the original intention of the Japanese to force the notes issued by the new "Federated Reserve Bank" on the market and, in turn, collect the notes issued by the three Government banks of China for the double purpose of getting foreign exchange and undermining the financial position of the National Government. However, this scheme has been frustrated by the new regulations governing the purchase of foreign exchange, recently promulgated by the National Government. The people of North China are reluctant to accept the new notes, but they are compelled to do so. Many shop-keepers, seeing that their commodities are to be paid for with these notes, purposely raise the prices, while others even refuse to do business. And when they do get these notes, they will pass them out as quickly as possible.

The new puppet regime in North China has at its head a group of men made up largely of former members of the notorious Anfu clique, which the famous May 4 (1919) student uprising aimed to overthrow. This signifies backwardness, for it will be remembered that the civil officials in the old days, who came from the Anfu clique were mostly pro-Japanese traitors, while the military officials coming from that same political party were mostly selfish warlords who were largely responsible for plunging the country into incessant civil strife. For instance, the present mayor of Tientsin, Pan Yu-kwei, was arrested and imprisoned during Yuan Shih-kai's regime for selling government posts. Ma Liang, the present governor of Shantung, a Mohammedan over seventy years of age, is a man of mediocre ability.

-6-

There is an interesting story told about him. When he was Commissioner of Defense in Tsinan, he was asked to preside over and address a meeting of a certain organization. He was fully one hour late in getting to the meeting, and when he began to talk he asked the audience for a subject! Getting no response and after much thought, he decided to talk on the subject of Evolution. He said he believed what the Bible and the Koran say on this subject, namely, that man was made of clay, because he had watched his own children grow in their infancy and noticed that dirt grew with them! Then he changed his subject to that of Patriotism. Altogether, he kept on talking for over two hours, which means that the audience was kept in the auditorium for three hours, including the hour in which they waited for him.

These ex-Anfuities have organized a new political party known as the Hsin Min Hui (new people's society). This party, though avowedly opposed to the Kuomintang, is nevertheless imitating the latter in more ways than one. It stands for the following (1) support of the new regime, (2) industrial development of the country, (3) broadening of Eastern culture and Eastern morals, (4) anti-Communism and (5) alliance with a friendly power in the interest of peace in the Far East. The Hsin Min Hui has also started a daily, known as the "Hsin Min Pao" and opened a college called the Hsin Min Hsueh Yuan, which trains men for the new regime. No president has been elected for the party as yet, for according to the constitution of the party, the president of the new regime concurrently serves as president of the party. But so far, no president has been secured for the puppet regime itself. It should be noted that Wang Keh-min is only Chairman of the Provisional Government.

Tang Erh-ho the so-called Minister of Education, has made an attempt to re-open the various government colleges in Peiping, but so far his efforts have not proved a success. The tendency seems to be to unite these institutions of learning into one single university. If this is the case, the people of North China are to consider themselves fortunate, in view of the fact that no college whatsoever is permitted in "Manchukuo". So far, no government college in Peiping has re-opened. There is a total enrollment of 1700 in the private colleges now, as compared with the total enrollment of 12,000 in both government and private colleges a year ago. This means that Peiping is no longer the largest student centre in China.

As for private secondary and primary schools in Peiping, most of them have not been interfered with, except (1) that they must use new text-books, (2) that in junior and senior middle schools Japanese has become a required foreign language, and (3) that students are required to participate in the celebration of special occasions.

In connection with (3) it is interesting to note that at the celebration of the inauguration of the new regime and of the fall of Nanking, which took place at Tien-an-men, when Pan Yu-kwei, the mayor of Tientsin, led the yells, he was not supported by the students. It was almost a solo!

With regard to conditions in Yenching University, classes are being conducted as usual. Each student has been given a pass with a photograph which identifies him and helps to avoid unnecessary trouble. The bus service between Yenching and Peiping city continues to operate.

1 1 4

DECLASSIFIED: E.O. 11652, 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 spent four nights at Peiping. On the train going back to Tientsin, I came across a group of foreign newspapermen from Japan who were on a trip, which was said to be financed by a group of Japanese business men, to see things in "Manchukuo" and North China for themselves. They expressed a desire to go west on the Peiping-Suiyuan railway, but were not allowed even to go to Kalgan. In fact, they were asked to visit only Tientsin, Peiping, Tsinan and Tsingtao, cities where there was not much fighting and hence the damage done as a result of Japanese invasion is not serious.

Upon my return to Tientsin, I had better luck in the matter of finding hotel accommodation in the British Concession. Life in the foreign-controlled areas of Tientsin is quite normal, and is not much different from that in Shanghai. I made an auto trip to the Chinese city and saw with my own eyes the damage done to the buildings in one section of the city as a result of Japanese bombardment for one day. For a change I decided to take a Kailan Mining Administration boat for my trip back to Shanghai. Since there was no stop on the way the trip from Chinwantao to Shanghai took only a little over two days. I was very fortunate that throughout the entire trip I escaped inspection of any kind.

Before closing, I wish to report a little incident which occurred on the train from Tientsin to Chinwantao. On the train there was a Chinese who had the bad habit of spitting carelessly. When he spat, some splashes of his saliva fell on the face of a Japanese soldier who lay down next to his seat. His ire aroused, the Japanese soldier gave the Chinese a heavy blow. While this certainly was a good lesson in itself for that man I can imagine that he felt in his heart he had to endure this insult simply because he was travelling in Japanese occupied territory.

Shanghai, March 21, 1938.

CHINA INFORMATION SERVICE,
May 2, 1938.

114

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

SHANGHAI TO WUSIH AND RETURN

Japanese Army Repairing Roads and Bridges

MANY VILLAGES BURNED OR BOMBED

Special to the "N. C. D. N."

The writer has just completed a trip by car which included a night spent in Wusih and the journey to that city by way of the road through Taitsang and Changshu. The return trip was from Wusih through the suburbs of Soochow and back to Shanghai through Quinsan.

One of the most interesting observations of the trip is the fact that after passing the area of prolonged fighting near Shanghai, all the fields usually planted in winter wheat had been sown before the armies swept by. Nearly all villages near the road are burned or destroyed by bombing. Not a single chicken, duck or goose was seen during the entire trip. Farmers were working in the fields and numerous parties of country people under Japanese military overseers were mending the roads. All destroyed bridges have been restored.

Appalling Destruction.

Just before reaching Wusih, the road passes through the once busy market town of Toongding. This town shows the most appalling destruction. There is hardly a house standing. A few people were seen picking among the ruins for the salvage of such articles as had escaped fire and shell.

At Wusih the northern suburbs for a mile were burned, as were all cotton mills, excepting one. Many silk hongs and warehouses suffered a similar fate. Hotels, shops, godowns and residences in the area between the railway station and city wall were destroyed. The railway stations and freight godowns are in ruins. Telephone and electric wires are down.

On entering the city the same destruction is to be noted. It is estimated that at least half the buildings in Wusih have been burned. This includes all of the shopping district from the centre of the city to the north gate on out to the long iron bridge which spans the Grand Canal, on the road to Weishan. The long street which runs parallel with the Grand Canal, south of the city, for a distance of a mile has been burned on both sides. This city, which was once a great manufacturing centre and grain depot, lies prostrate.....

It is said that opium is easily obtainable and not expensive, comparatively speaking. The road from Wusih to Soochow is in good condition until it passes Mutu. From that town through the suburbs of Soochow, on to Quinsan and from there to Taitsang it is bad.

0141

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

Extracts from:

"TWO AND A HALF MONTHS AFTER THE OCCUPATION OF HANGCHOW"

By an Eye Witness.

"The country was covered in a mantle of snow, and most interesting to relate, the farms were cultivated on both sides of the track almost all the way from Shanghai to Hangchow

"Hangchow was first occupied by the Japanese on December 24th and it was an interesting experience for me who had left the city a few days before this occupation, to see what had happened in the meantime

"As to economic conditions I found that Hangchow was practically a dead city. Shops and residences were barricaded. Most of them had been looted of bedding and furniture and were entirely empty..... There was a small market at the Drum Tower for the sale of vegetables and fresh fish. With the exception of a few foreign properties which had not been occupied by foreigners, the other missionary properties were intact. Two residences belonging to the CIM had been looted clean of their contents. Outside of the refuges it was not safe for Chinese women to move about and one evening a man was brought into the hospital who had just been bayoneted on a less frequented street because a woman had been demanded of him and he could not or would not produce one. On the following morning at 9 o'clock as I entered the hospital another man was brought in on a stretcher, bayoneted for the same reason. The man of the night before had died within two hours of his arrival and it can be pretty well assumed that the second man would not have long to live. Many of the surrounding villages have been burned on the assumption that they had quartered guerilla troops. These guerilla troops in small numbers unexpectedly come on a village, perhaps stay there a few hours for rest, attack the Japanese and then retire, but they are rarely caught, for in the so called "mopping up" operations it is the villagers who suffer. On one occasion a friend counted twenty villages ablaze along Chien Tang river from Hangchow toward Fuyang. An autonomous government has been formed but has not been able to function with any efficiency because of the large number of troops in the city. There is no money in the city for the payment of taxes, for the payment of school fees and for the development of economic life. Until there is safety of life and property and until transportation is available one cannot expect anything in the way of economic rehabilitation. It must be admitted, however, that on some of the streets there is a certain movement of population and fairly free molestation, but not entirely so. Out of the original population of Hangchow the autonomous government has registered a present population of three hundred thousand but as such registration may include absent members of a man's family, it is probable that the actual population of Hangchow is upward of seventy to one hundred thousand.

Copied in The Washington Office April 28, 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

-2-

Japanese goods most widely sold are cigarettes, matches, sugar and candies, candles. There is scarcity of kerosene and gasoline.

These notes assume general knowledge of burning and looting, the latter almost universal.

M. S. Bates, of Nanking,
(Do not quote name)

CONDITIONS IN NANKING
MORE THAN THREE MONTHS AFTER OCCUPATION

Nanking, 20 March 1938.

American Embassy,
Nanking.

Dear Mr. Allison:

Yesterday between 3:30 and 4:00 p.m. a Japanese soldier committed rape upon a refugee, a nineteen-year-old girl, in our Hsiao Tao Yuan compound at 3 Hsiao Fen Ch'iao. The soldier came and went on a bicycle with yellow markings.

I arrived there about 4:05. As I approached the soldier, he brandished his bayonet and insolently said: "Want girls". The situation was uncomfortable for several minutes, but finally the soldier decided to withdraw. There was no indication of drunkenness.

Each day there are made known to us through direct personal contacts three or four cases of murder, wounding, or rape by soldiers. Many more must occur unknown to us, since regularly there are some which bring themselves to our attention. We have made no formal reports, since these cases seldom occur on our property. But they greatly concern our proper relief work, and they indicate a lack of order and discipline that has possibilities of more serious trouble. On March 11 Mr. X and I observed the completion to the raping of a woman by two soldiers in a hut just adjoining the wall of our own residence.

New military units have recently come into the city. Will not the Japanese authorities, for the sake of their Army's reputation, if not for humanitarian reasons, put a stop to these crimes continuing more than three months? If strict orders are not made plain to the soldiers, it is clear that the generals do not care about such crimes. If orders are made plain, it is clear that the soldiers show contempt for the generals. In any case innocent persons suffer and there is insecurity.

Respectfully yours,

Nanking Resident.

CHINA INFORMATION SERVICE, Washington, D. C.
May 3, 1938.

CONJECTURAL NOTES AND A FEW FACTS ON NANKING ECONOMICS--Mar.1,1938.

There is no production save market gardening and a little work on household articles. I doubt if there are 10,000 civilians gainfully employed out of the 300,000 population, if we count out the hordes of competitive pedlers. No private Chinese store other than roadside stalls or the tiniest of local shops. A score or two of Japanese stores, of which thirteen are now designated to sell freely to Chinese. No bank. No regular exchange shop that I have observed. Self-Government Committee is running a sizable food store for wholesale and retail of staples and some fresh food.

Rice supplies are believed to be limited to a few week's needs, though actual knowledge is scarce outside the Army. Demand is unreliable, as military and naval requirements cannot be calculated. Desperate efforts of the Self-Government Committee to get quantities of rice from Shanghai are indicators of the outlook. Vegetables will probably carry the population in its present purchasing power. Poultry and eggs are lower, also meats; but prices have lost part of their meaning when so few are able to consider such luxuries. Beans, oils, and peanuts are appearing in small quantities from north of the river, but transportation is still very limited. Risks of trade are so great that there is an unreasonable margin between basic prices and retail charges.

Crop outlook for the immediate region is wretched. Village headmen estimate that in the triangle Lungtan, Tangshan, Nanking, there remain 300 buffaloes out of the normal 3,000; and that human labor under favorable conditions would permit only one-third of the rice crop ordinarily secured by the use of animals. Along and near the main roads practically all buildings and tools have been burned or looted. The University of Nanking is having great difficulty in feeding and maintaining seven laborers on its five farms outside Taipingmen, which need fifty at this time of year besides several buffaloes. Soldiers rove through the community every day taking anything useful or edible; so it is not thought possible to risk animals or stores of food, even if they could be had. Of those considerable farms and their stores, a few of the smaller buildings and one lot of beans remain, the latter brought into the city for safekeeping. Certain farmers refused to answer questions about seed, declaring that food for tomorrow was the real question. Neighbors of the University farms were asked to aid in pulling out cotton stalks from last year's cropping; they replied that they would gladly do it for only a little food, but for no amount of money whatsoever, as money was of no use to them.

In the past week 500 rickshas have been licensed, and are doing a small business. The normal figure was 10,000, I believe. There is a plan to revive a skeleton service of motor-buses, though some say that only 25 machines have any hope of reconstruction. The Self-Government Committee also desires to start a regular trucking service to and from Shanghai for commercial parcels, which suggests that the railway is not really open. Indeed, except for two trains this past week to return refugee residents of Shanghai, the only trains have been military. The Committee hopes to run small steamers to Yangchow soon. An occasional N. K. K. boat brings goods for Japanese interests only, so far as we know.

SUMMARY OF JAPANESE DEPREDEATIONS -- UNIVERSITY OF NANKING

	Entry	Univ.	Military Theft From Univ. Staff	Refugees	Damage	Men re- moved	Women Raped	Other Violence	Flag Torn Down
1. Main Campus	175	\$1500	\$ 30	\$ 200	\$200 (shell)	2	5	Blows	5
2. Library	200		10	700	100	200	25	Bayonet Blows	1 15
3. Girls' Dormitory	100			800	50	6	4		
4. Gardens	120	2360		300	30	3	6		
5. Shop and Agronomy	40	100	100	150			3		
6. Hsiao Tao Yuan	80	70	500	1000	150	5	36		2
7. Middle School	240	300	200	2500	60	48	44	Killed 3 adults & 2 children	1
8. Sericulture	150			1200		140	80	Bayonet Blows many	7
9. Rural Leader Training	120	3300	200	800		235	55	Blows many	1
10. Residences Americans (15)	160		8000	1500	50	2	7		1
11. Residences Chinese (37)	300		1600	2500	300	3	25		2
12. Hospital	35		450	200	150	3			
TOTALS.....	1720	\$7630	11090	\$11850	\$1090	647	290		7

Explanatory Notes:

1. "Entry" refers to forced or irregular entry by Japanese military on a single occasion, usually by a group of three to six or more soldiers.
2. Money is figured in Chinese currency.
3. Removal of men refers to seizure on the accusation of having been soldiers, or for forced labor. It does not include more than 400 taken away (most of whom were promptly murdered) during registration conducted by the military upon our various premises; nor does it include recruitment of laborers under conditions of partial compulsion.
4. The figure for women raped refers to those raped on our premises and to those abducted from our premises for purposes of rape which was reported to us upon their return. Many of these women were raped repeatedly, but each woman is reported only once. Moreover, the actual number of women raped must have been very much larger, for shame and fear of vengeance greatly restrained reporting; and other cases were covered under the useful convention of taking women for washing.
5. The flag cases include one of destruction on the spot, one of removal from the premises, and two others of trampling and contemptuous usage.
6. Evidence upon which this reporting is based: daily reports to me or to the International Committee by camp leaders, several of whom were our own experienced staff members; cautious estimating to bridge gaps, in every case well below what some of our best American and Chinese staff consider to be the true report; check by diaries of staff members. Roughly a fifth of the items reported were seen by Americans, though we did not have free the equivalent of more than one man's full time for police and inspection work.
7. All properties displayed conspicuously the proclamations distributed by the American Embassy, and from Dec. 20 proclamations from the Japanese military police. Both were habitually ignored and frequently torn down.
8. Ten compound protests in writing were made to the Japanese Embassy by Jan. 10, then twelve through the American Embassy, besides oral reports to both.
9. We believe that Japanese soldiers burned \$23,000 of farm property Jan. 2-3, but the evidence is not adequate for this and other farm items.

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

MJD

SPECIAL GRAY

TELEGRAM RECEIVED
Canton via N. R.

Dated May 27, 1938.

1-1286

FROM Rec'd. 8:30 a. m., 29th.

Secretary of State,
Washington.

COPIES SENT TO
ONLAND
DI

Division of
FOREIGN AFFAIRS
MAY 29 1938
Department of State
Kew

May 27, 11 a. m.

793.94
Japanese air raids on Kwangtung continued during second half of May with exception of days when weather inclement. Principal objectives were railways, particularly Canton-Hong Kong line with extensive but not serious damage to it on 26th and 27th at Shaklung.

Japanese naval landing parties attempted landings on small scale at Bias Bay and at several points in Chungshan district, where martial law was declared as precautionary measure. Landing parties either withdrew or were repulsed by Chinese militia. Japanese naval vessels periodically shelled but without effect west delta coast points and Bias Bay area. Reasons for landings and shellings believed to test defenses and to create uneasiness in South China. Chinese officials do not believe invasion of Kwangtung imminent.

Severe raid on Canton city this morning. Japanese planes repeatedly flew over Shameen. Damage not yet ascertained.

LINNELL

PEG

793.94/13107

JUN - 2 1938

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

BC

1-1938

FROM Special Gray

Canton

Dated May 28, 1938

Received 29th 8:30 AM

COPIES SENT TO
ONE AND WIDE
DT

Secretary of State,
Washington.

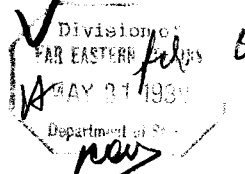
May 28, 7 p.m.

Japanese planes raided Canton city this morning with numerous civilian casualties and Canton-Hankow Railway with damage to yards. Raid this afternoon nearly demolished Canton-Hankow Railway station and adjoining repair shop; also rolling stock; and set fire to adjacent match factory with more civilian casualties. Some bombs at station fell not more than one-quarter mile from Shameen.

Sent to Peiping, Hankow, Shanghai.

LINNELL

WSB



793.94/15108

FILED
JUN - 3 1938

F/HG

DECLASSIFIED: E.O. 11652, 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

MG

1-1286

FROM

Comsopat

May 28, 1938.

Rec'd 11:55 a.m.

Action Opnev
Info Comsubron 5
Comdesron 5
Cincaf
Comyangpat
Amambassador China
USS Asheville
USS Marblehead
USS Tulsa
USS Edsall
4th Marines
Alusna Peiping

COPIES SENT TO
ONI AND M.I.D.

Division of
FAR EASTERN AFFAIRS
MAY 31 1938
Department of State
Ray

793.94
2028 Air raids railroads Canton city heavily
bombed thirty nine BLP and eight BSP sighted forty
nine bombs dropped area in vicinity Canton Hankow
station badly damaged over five hundred casualties.

2000

HPD

793.94/13109

JUN - 2 1938

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

MJD 1-1286

FROM

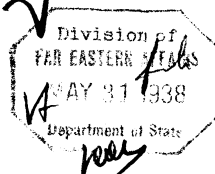
FROM: 4th Marines

Action: Cincaf
Opnav

May 29, 1938.

Info: Amcon Shanghai
Comsubron 5
Arstalusna Shanghai
Comdesron 5
Comyangpat
Comsopat
Amambassador China
USS MARELEHEAD
Alusna Peiping

Rec'd. 8:30 a. m.



773.94

8629 No news from fronts Japanese planes bombed
Faichow Shantung, Kanhsien Kiangse, Nanhsiang Kwantung,
Kwangchang Nanchang Kiangse and Ningpo Chuki Chekiang
29 May. 1815

COPIES SENT TO
[illegible] DT

WSB

793.94/13110

JUN - 2 1938

FILED

F/FG

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

TELEGRAM RECEIVED

MJD

1-1226

FROM

PLAIN AND GRAY

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

DT

Peiping via N. R.

Dated May 28, 1938.

Rec'd. 8:30 a. m., 29th.

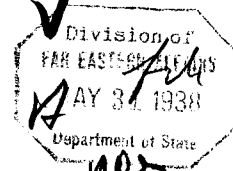
Secretary of State,
Washington.

333, May 28, 1 p. m.

Japanese spokesman states that Japanese troops
evacuated Lanfeng early yesterday morning and that other
Japanese troops captured Kweichow this morning. Repeated
to Embassy Hankow, Nanking, Shanghai, mail to Tokyo.

SALISBURY

WSB



793.94/13111

F/FG

FILED

JUN - 1 1938

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

TELEGRAM RECEIVED

BC

1-1236

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

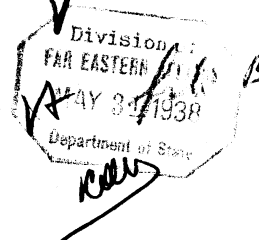
FROM

Comsopat

May 29, 1938

Received 7:15 PM

Opnav. Washington, D.C.
Info: Comsubron 5,
Comdesron 5,
Cincaf,
Comyangpat,
Amembassy China,
USS ASHEVILLE,
USS TULSA,
USS EDSAL,
4th Marines,
Alusna Peiping.



0029 General bombing of Canton morning and after-
noon twenty four BLP ten BSP sighted forty five bombs
all sections city attacked casualties and property
damage heavy, Kulangsu Amoy area quiet 2230.

csb

793.94/13112

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JUN - 2 1938
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MBo

1-1336

FROM 4TH MARINES

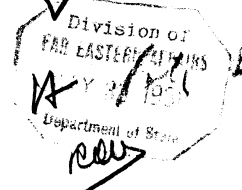
May 30, 1938

Rec'd 11:15 a.m.

ACTION: CINCAF
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INFORMATION: AMCON SHANGHAI
COMSUBRON 5
ASST ALUSNA SHANGHAI
AMAMBASSADOR CHINA
USS MARBLEHEAD
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COPIES SENT TO
CINLANTFLT



8630. 20 Japanese planes severely bombed Canton 30
May Japanese claim entered Pehsien northwest Kiangsu 1938.

HTM:SMS

793.94/13113

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JUN - 2 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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

May 27, 1938.

The enclosures to Miss Loomis's letter contain little, if any, information not already received by the Department.

The first and third enclosures describe, respectively, the experiences of an American missionary woman, especially in regard to the treatment of women by Japanese soldiers in a Chinese village, and an air raid by Japanese as seen by a Canadian church missionary. The second enclosure gives detailed information with regard to the present condition of universities in Peiping. The marked portion on the tagged page in regard to Tsinghua may be of interest.

E.g.C.

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

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RECEIVED
DEPARTMENT OF STATE

1938 MAY 26 AM 10 57

DIVISION OF
COMMUNICATIONS
AND RECORDS

945 Pennsylvania Avenue, N. W.,
Washington, D. C.,
May 23, 1938.

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

Dear Sir:

I am sending you some material
which has been recently received from China
and which will help you to understand some of
the conditions there.

Sincerely,

Helen M. Loomis
Helen M. Loomis, Secretary,
CHINA INFORMATION SERVICE.

L/b.

Division of
FAR EASTERN AFFAIRS
12 MAY 27 1938
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file

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EXPERIENCES OF AN AMERICAN MISSIONARY WOMAN

UNDER JAPANESE RULE IN CHINA

The following letter was written by Miss Mary Culler White of the Methodist Episcopal Mission (South). Miss White was at Ba-deu near Mokanshan, Chekiang, when Japanese soldiers occupied that area. In the letter she describes the harrowing experiences which she and her Chinese Christian friends suffered. Please do not publish or quote by name.

The soldiers of the Japanese army of occupation are drunk with power and insane with lust. I speak advisedly having lived, as an isolated American, in territory now controlled by the Japanese.

My station is Muchen, Chekiang, but in November 1937 it became impossible to remain there, so I refuged with my Bible women and other Chinese friends to the village of Ba-deu, a hamlet about six English miles from the mountain resort of Mokanshan. There was a church there with a voluntary pastor, Mr. Vi, who was so calm, so capable, so generous, and so beloved that many other Christian refugees came there also. I rented a house across the street from the Church and settled down with my group to do missionary work.

During the latter part of December the whole "hsien" or county of Wukaung to which Ba-deu belongs was captured by the Japanese. Early in January the Japanese soldiers made their first visit to Ba-deu. A Chinese gentleman who was on the reception committee brought the ranking officer to call on me. I was introduced to him as an American woman who was refugeeing there and carrying on missionary work with my Bible women, who were also introduced to him. He was most polite to me and to the people of the town; and, before he left, he wrote two notices in Japanese saying that the good people of this town were not to be molested and that the Chinese were instructed not to run when they saw Japanese coming. One notice was posted on the main bridge of the town and another at the church. We felt reassured, and the next time the soldiers came we did not leave our home. Several visits passed without incident although on one occasion some private soldiers came into my home and asked me to go up stairs. As they had no officer with them I refused, and after a little examination of our living room and our food, they left.

Then came the day of January 26th---a day never to be forgotten in the calendar of my life. It was just after breakfast and I was at the window in my upstairs bedroom when a group of Japanese soldiers called to me from the street. I answered cordially and they went on up the street past our house. A few minutes later they returned and beat on our front door calling to me at the same time. I went down and opened the door but stood in the aperture as I did not wish them to come in. They insisted on coming in and I said, using signs as well as words, that I would agree to let two come in. When these two came in the others pushed rudely past me and came in also. I tried to detain them in the living room but again they pushed past me and went upstairs where my young ladies were. By the time I reached the second floor I found that my attractive young co-workers had scattered in the four rooms that comprised the upstairs; also that two beautiful girls from next door had fled to us because the Japanese had entered their house by a cellar door which we used in common. Two of the upstairs rooms were passage-ways as well as bedrooms, but the Japanese made for the inner rooms which had no exit. I followed one group of soldiers and saw the evil eyes of the men on the girls while one of their number actually pointed with his finger and counted the beds! Another of the men had his hand stretched out to slip the bolt on the door and prevent the girls from escaping; but some power held him back for an instant and in that moment the girls fled to the outer room.

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Meantime one of my workers, a practical young woman of about thirty-five, was calling me to come to my room which was also an inside room. There I found several of my young women and my neighbors' girls. The Japanese were again trying to push in, but the young lady who had called me had grabbed a broom and was sweeping dust into their faces while she calmly pretended to be cleaning the room. The Japanese fear dust almost as much as they fear cannon balls, and some of them had come to a halt. Others were more bold and pushed into the room. One, who had a small red cross kit with him selected a blooming girl belonging to my neighbor and asked me her age. I replied truthfully that I did not know. Our conversation was limited as the Japanese did not know English and spoke only broken Chinese; but by every gesture at my command, I was urging them out of the room and toward the stairs. I seemed doomed to failure for again a hand was stretched out to bolt the door; but for the second time a higher power held back the arm, and I was able to get the most dangerous one--the one with the red cross outfit--out of the room and to the top of the stairs. There he stopped, and in clearer Chinese than he had yet used, made his demand, "You give me two young women." (Two in Chinese meaning several.) Bear in mind that all these men were fully armed with mausers and rifles, and that this one had a hypodermic needle as well. Also remember that our exit was cut off both by the men on the stairs and others at the front and back entrances below. We were trapped! "You give me two women!" I went cold all over, but by the help of God, I talked on evenly in my best Chinese. "I have been polite to you, and you must be polite to us." With this expression repeated over and over, and with a volume of silent prayer going up from all our hearts, I finally got the group down the stairs and out on the street. Later the red cross man came back and offered to give me a hypodermic injection! But by that time I had Pastor Vi with me and we sent for the officer in charge of the group. This man was able to understand English when it was written, so I wrote on a paper, "I am an American woman. This is my house. I have Chinese ladies living with me. We look to the glory and honor of great Japan to protect us all." After reading this and making many bows, they took their departure, the little piece of paper with "the honor and the glory of Japan" going with them.

After this incident I put a big sign on my door saying that this was the home of an American; but it was not needed at once as we had bad weather and the soldiers did not return. During the third week in February, however, they came back in force. This time they were looking for Chinese soldiers who had become active in the hills around Ba-deu. At first only a few came, but on February 19th about two hundred came at 2:00 P.M. and occupied the town. The people of the village, sensing danger, fled to the mountains, while the local Christians, and we who were there as refugees, went to the church and held a service of song and prayer. The men were seated on one side of a central aisle and the women on the other, with as many of the younger women as possible huddled toward the front.

Pastor Tai, who is our Presiding Elder, or District Superintendent, led the service, and carried off the trying situation with dignity and assurance. I was the door keeper, and I bowed my best to the detachments of soldiers who came, asking them to come in and have seats on the men's side; but they were bent on mischief. A few of them searched for Chinese soldiers of whom there were none in the church or village; but most of them were looking for beautiful women of whom there were many right at hand. I tried to keep our visitors in the back of the church near the door. My prestige as an American was supposed to help in this respect; and of course they knew that I was an American, first, because some of them had been to Ba-deu before; second, because of the sign on my door; and third, because of my personal appearance. (I have fair skin, gray eyes and snow white hair.) But none of these things counted for much with that bunch of Japanese soldiers. One of them slipped past me and seated himself in a vacant pew on the women's side just behind my neighbor and one of her beautiful daughters. He pulled the hair of the mother and then of the girl. I walked forward and politely, but firmly, asked him to sit

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somewhere else. He moved, and things were quieter for a time; but more and more soldiers were crowding in at the door, and they began to talk and disturb the service. I turned and motioned to them, asking them to be quiet. One of them became defiant and made motions with his hands on his own neck, threatening to cut off my head. It was so absurd that I laughed as I said in Chinese, "I am not afraid." He then put his hand on his pistol and made the motion of taking it out and shooting me in the heart. I laughed again, and repeated that I was not afraid. On this he came forward, and taking me by the shoulder with his left hand, struck me in the chest with his right fist. It was more of a threat than a blow; but it was hard enough to hurt. I was surprised and indignant, but again I was able to smile and say, "I am not afraid." Most of the young women were fully alarmed by this time, and they sat with faces averted and heads bowed. One soldier, bolder than the rest, walked up the aisle, and, selecting an attractive young lady at the end of the first pew, lifted away the hair that partially covered her face. He was looking at her with a dangerous stare, but I was at his heels, and I motioned him back to the door. He took me by both shoulders and gave me a shake; but he went back and let the girl alone. When I had resumed my seat, he came to where I was, and unbreaching his rifle, showed me the long cartridge in the cylinder, at the same time making threatening signs to show me how easily he could kill me. I smiled and said in English, "I am not afraid."

After that I was not molested; but the atmosphere was getting tenser all the time, and it was becoming harder and harder to keep the service going. All the men in the church were taken out on the street and searched. One preacher was slapped in the process and several persons had their lives threatened. About four o'clock, a Japanese soldier stalked through the church and entered the preacher's home which adjoined the church in the rear. Several others followed, and we knew that the house was being searched. We felt that it was best to leave the investigators entirely alone; but there was a half-witted woman in the congregation whom I have taken care of for nineteen years. She was seated among the women where we thought she was safe; but she wanted to see what the soldiers were doing in the parsonage so, she slipped away, and went into the house. Soon we saw, through the rear door of the church that the house was being looted. Soldiers were coming down the stairs laden with bedding and clothing. This was being carried out through a side door into a poultry yard which, in turn, opened on the street. This was too much for the feeble-minded woman. She took hold of an armful of bedding as it was being carried out, and protested. The soldier slapped her twice so hard that the blows resounded through the church. Even so, she remained in the house to watch what was going on. The looting continued to the accompaniment of the scripture choruses which we were singing, "In nothing be anxious, But in everything, by prayer and supplication, with thanksgiving, Let your requests be made known unto God."

After the looting of the house, the yard which was just outside the windows of the church was attacked. The chickens were caught and carried off, then the ducks and last of all the family pig. The loud squawks and squeals almost drowned our voices, but we sang on, "In nothing be anxious" repeated over and over. I turned to the front door and saw three ginrickshas pass piled high with bedding--loot from other houses down the street--perhaps our own. Meantime the officers were making inquiries in writing of the preachers and a non-Christian village elder who was with us in the church. "Were there Chinese soldiers in the town?" Ans. "None." "Were there plain clothes men in the town?" Ans. "We don't know." "Why don't you know?" and so on. The minutes passed slowly. It seemed the longest half day of my life. The last song died in our throats about the time that the interrogator wrote his last request and passed it to the village elder. "Will you give us some women?" My eyes were glued to the paper as that non-Christian, but fatherly Chinese gentleman took the paper and wrote, "They are all God's daughters." And

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the soldier let it go at that. Night was falling by this time. The lamps and the oil had been looted, and we knew that our few candles were no defense against the dangers that the dark would bring. But God sent help through the ranking officer who came into the church about this time bringing his interpreter with him. After a bit of conversation he took a Chinese pen and wrote three notices--one for each entrance to the church lot--saying this was an American church and that the people belonging to it were good people who should be protected. He then instructed our whole group of more than sixty people to remain in the church all night, saying through the interpreter, "If any of you go out on the street you will be shot by Japanese soldiers. We promised to stay put: but as I had no coat with me and no bedding for myself or my co-workers, I asked the officer to allow me to go home under the escort of a soldier and get some things. Calmly he looked at me and said, "I think your house has been occupied by Japanese soldiers." And I had left it carefully locked at 2:00 P.M. Before the officer departed he gave us an anxious moment by proposing that some of the soldiers stay in the church all night to protect us! With profuse politeness we thanked him, but suggested that it might be better for us to bar the door on the inside while the soldiers remained outside on sentry duty.

When the last soldier had gone and the big gate had been triple barred and locked, we sat down in the semi-darkness and the cold to relax a little. It was then 7:30 and we had been under the strain since 2:00 o'clock! But we could not relax long. There were stories to hear. My feeble-minded woman said that she had been taken to a dark room in the back of the house and criminally assaulted. Her graphic description of what had taken place, together with her subsequent pain and illness made us know that she was speaking the truth.

One of my Bible women also came and said that she had had a narrow escape. She was a youngish looking woman of about forty-five who had thought that her age would save her from insult. She said that she had grown frightened for the life of one of the preachers as he was being rigorously questioned in the church. For this reason she had left the group and gone into the prayer room which was just across a little passage way from the rear door of the church. While she was praying she became conscious that there was someone in the room. She got up and found a Japanese soldier beside her. The man began to unbutton her sweater, and, thinking that he wished to loot, she helped him take it off. Next he began to unbutton her long Chinese robe. She thought that he was searching for money, and she was getting ready to hand him what she had, when another soldier entered the room. The first one then said to her in Chinese, "You come with me to the back of the house." She then realized her danger; but, with great presence of mind, she said, "Will you, sir, please go first?" As soon as he was outside the door, she darted across the passage way into the church, where she crowded up to the front and so escaped.

These stories did not make it easier to pass the night as we sat or reclined on the hard benches of that cold church. But the hours wore away at last, and with the coming of dawn we could hear the Japanese soldiers starting for the hills back of Ba-deu. It took a long time for them to pass. No one came to tell us that we could come out; but about 8:30 the street was clear and we ventured out. Not an inhabitant of the town was to be seen. We ran to my house where we found the notice "Home of an American" torn down, and all the doors broken in. The place was in utter confusion from the top floor to the cellar. All that was desirable had been taken--bedding, clothing, valuables. The other things had been thrown on the floor and trampled on, or ruthlessly torn up. My brief case and trunks had been ransacked and important papers and cherished pictures were lying in a dirty mass on the floor. All my Bible women had suffered in the same way, and their things and mine were hopelessly mixed in the debris that covered the floor of every room. We hastily salvaged what we could and ran with it to the church. Later we went up and down the street and found all the houses open and empty of inmates. The people had fled when the Japanese had arrived the day before and had not yet returned. Some of

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our bedding was found in our neighbors' houses to which no one but the Japanese could have taken it, since they were the only people in the town except those shut up in the church.

The day thus strangely begun was Sunday, and we had our service in the morning as usual; but before we could gather our scattered cooking utensils together and prepare our dinner, four Japanese soldiers arrived. One of them had a red cross kit, and was able to speak a few fragmentary words in English. We began a service at once, but there were many interruptions. They said that they were looking for Chinese soldiers, but they soon began to make absurd demands. They said, "We will sleep in this house to-night." To which I replied, "I have a house across the street which I will put at your disposal." When I took them over, showed them the mess, and explained its cause, the red cross man had the grace to bow his head in shame, and bring his hand to a salute.

But he was soon back in the church making other demands. He wanted Pastor Vi's boy, a lithe lad of about nineteen to be his ricksha coolie. We intervened by offering to find a coolie for him who could really pull a ricksha. Then he said roughly, "We must have women to go with us and cook our food. These two will do. Come on, now!" He had selected the two daughters of Pastor Vi, one of whom was a Bible woman and the other a trained nurse. One of the girls found courage to protest, and I looked at that callow youth and said in English, "Never." He seemed to get my meaning for the four of them got up and made a final departure from the church.

The usually imperturbable Pastor Vi was now thoroughly aroused. Although it was already four o'clock, he got up and said, "We must leave this place at once. Let all who can do so start immediately for Mokanshan." There was no way to go except on foot and the walk included a climb of 2000 feet. In spite of these difficulties two groups of about twenty each, started. The first got safely out of the village, but the second was stopped by Japanese soldiers who were returning enmasse to make camp at Ba-deu. The soldiers would neither let the party go on to Mokanshan or return to the church. Pastor Tai and I were sent for and when we went down to the place, we found that what the soldiers wanted was the bundles of bedding which the would-be-travellers were carrying. I explained to the captain that these people had been looted the night before and so had very little left. The officer replied naively, "Their bedding must have been taken by the local Chinese because Japanese soldiers do not do such things." We knew that it would do no good to argue, so we politely insisted that he let our people go back to the church with their bedding. At first he was adamant. The Japanese soldiers needed that bedding and we must "lend" it to them. But finally we hit upon the expedient of dividing each bundle and letting them have half. Even then they would not let our group return until I had promised that out of our scant supply we would find other bedding for them at the church and send it down. In return I extracted a promise that we might bar the church door and spend the night in peace. I also tried to secure a written permit for the party to go to Mokanshan the next morning, but this, the captain refused. When all had been arranged we went back to the church, sent what we had promised, and then, for a second time, settled down to sleep on the benches of the floor of that cold building.

Early Monday morning all the able bodied members of our group were eager to start for Mokanshan. Pastor Tai and I went to the headquarters of the Japanese, where, by much writing of Chinese and many bows we got a verbal promise that they would let the group pass. I was to take the party past camp and the sentries, and then return to stay with the more helpless ones until they, too, could be evacuated. Before we started the Chinese girls tied up their heads like peasants and put on the worst clothing they could borrow; but the camouflage was only a partial success. I took the group out of the back gate and across the hills that lay back of the church until

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we reached the main road where the Japanese had their headquarters. There we were halted and told to wait until the captain had time to see us. Moments dragged into hours and it seemed that the captain would never come. The girls were seated on a little hill just above the road where the Japanese were making a fort. The soldiers were all around us gathering rocks and digging up earth. They were staring at the girls and making rude jokes as they went about their work. We were like a little flock of kids there on the hillside, and I felt that the presence of one American woman offered but thin protection to the group. The time dragged on. More jokes, and more lewd glances. There was only one thing that we could do and that was to pray. And then, quite suddenly, a cultured Chinese gentleman whom I had never seen, came out of the captain's headquarters and said in perfect English, "May I introduce myself, Miss White? Mr. D. L. Sherertz and I have come down from Mokanshan to take you all back with us. Mr. Sherertz has the American flag and all will be arranged soon." And then I knew that this was Mr. Ho Tsang, a diplomat and former consul to New York who had been educated in Japan and who had now come along to interpret and act as a go-between. He returned to Mr. Sherertz and the conference at the headquarters continued. We still stood or sat on the hillside, but everything was different now, for we knew that deliverance had come.

A little later Mr. Sherertz appeared and the stars and stripes floated out between those lewd soldiers and that group of girls. I thanked God, and at the same time said in my heart, God is as real as that flag, only we cannot see Him. Mr. Sherertz said that he had some sedan chairs outside the village so that we could return to the church, get the infirm and the aged, and then all go to Mokanshan together. As we carried out this plan we found that the Japanese had suddenly become courteous. They even urged us to leave quickly as they said there might be fighting in the village within a couple of hours. We were all on the road by noon--a long string of refugees composed of about fifty people. The flad and the gifted Mr. Ho got us safely past the Japanese sentries, and by nightfall all the party had reached Mokanshan.

Thus our women and girls escaped that which they feared worse than death; but as I came away I was thinking of the thousands of women in Japanese occupied territory who have no American woman with them, no friendly Mr. Sherertz to come with the flag, and no knowledge of a heavenly Father to whom they can pray. What of them?

May 20, 1938,
CHINA INFORMATION SERVICE,
Washington, D. C.

(Received by "Clipper". China Information Service.)

HOW PEIPING UNIVERSITIES ARE FARING UNDER
JAPANESE RULE

Hankow, May 2. -- Before the Sino-Japanese war Peiping was the hub of university life in China with fourteen flourishing establishments worth about \$50,000,000 in property value. Since the Japanese occupation of the Old Capital university life has been dislocated, the only institutions still functioning being several foreign establishments and one Chinese university.

In all cases the change in political regime has necessitated alterations in text books and subject matter taught. Real liberty of thought and teaching has been banished. Japanese soldiers now hang their washing from the windows of the celebrated Peking National University. The \$20,000,000 National Tsinghua University, the most lavishly equipped establishment in the Far East, is being used as a barracks despite the fact that it is maintained by Boxer Indemnity funds from America.

It is estimated that less than one-third of the thousands of students now remain in Peiping. Most of them are in hiding, while a large number joined the guerrilla bands in North China. As for the stranded students who have no school to go to nor money to pay for it if they had, they are living in such secrecy that it would be extremely difficult to reach them through any of the recognized channels without encountering serious complications with the Japanese authorities.

Before the war, the Central Government used to remit about \$360,000 each month from Nanking for the maintenance of each of the four national universities in Peiping.

The same ban on student activity pertains at Tientsin where the Nankai University was smashed to atoms and the Peiyang Engineering College was turned into a barracks. The following authentic survey of the Peiping universities under Japanese domination reached Hankow in April:-

I. -- Peking National University -- China's oldest university in the modern sense, founded shortly after 1900, has produced many famous modern Chinese scholars. It was the home of the Chinese "literary renaissance" of Hu Shih and the accompanying movement toward mass education.

Peking was reckoned as one of the poorer national universities, as its plant was old and in poor condition, valued altogether at little more than \$1,000,000. (All figures are given in Chinese currency). Formerly it had a thousand students and about 200 teachers.

It is now occupied by the Japanese Army, whose soldiers hang their washing in the front windows of the administration building. A few buildings have been turned to the provisional Chinese government in Peking for use as a police college. The provisional puppet government announced vague plans to reopen, combining it with the remnants of other national universities here, but these plans are far from materialized. According to T'ang Erh-ho, minister of education in the puppet government, Peking University cannot be reopened until students, teachers, and money are forthcoming.

At the outbreak of the present war, most teachers and students fled to the south, as the Japanese regarded the university as an important center of anti-Japanism. Most of these refugees have been cared for by emergency universities established by the Central Chinese Government in Changsha and Yunnanfu. It is safe to assume that only very few teachers or students of Peking University as it was before July, 1937, remain in North China.

II. -- Peiping National University. -- The College of engineering, in West City, Peking, is now occupied by Japanese soldiers. Formerly it had about 400 students and 80 faculty members. School property is valued at around half a million dollars, with a yearly budget of about \$300,000.

The College of Agriculture in the west suburbs of Peking is now occupied by Japanese artillery troops. Formerly it had about 200 students and sixty faculty members. School properties are valued as less than half a million, which included considerable experimental land. The yearly budget is about \$240,000.

The College of Medicine in West City, Peking, has not functioned since the outbreak of war, but a small hospital connected with it is still operating. This college has not been occupied by the Japanese Army, possibly out of consideration for T'ang Erh-ho, chairman. Formerly it had about 200 students and fifty faculty members. The property is valued at quarter of a million, with a similar yearly budget.

The Women's College in East City, Peking, formerly had around 300 students, with sixty faculty members. The property is valued at less than \$300,000, with a small yearly budget. The College is now closed and unoccupied.

The College of Law and Commerce in West City, Peking, is occupied by the Hsin Min College, a political training institute which had been set up for young Chinese by the Japanese. This school formerly had around 600 students, with seventy faculty members. Most of them were radicals and have left North China for the South.

III. -- National Normal University. -- This University formerly had around 1,000 students and 180 faculty members. The property is valued at \$600,000, with a yearly budget of \$85,000. Part of the campus in the south city of Peking is still occupied by Japanese troops, but another part has been evacuated by them as the puppet government plans to reopen this part, possibly combining it with Peking University, but on a much smaller scale than before.

The Central Chinese Government has opened an emergency school at Sianfu, Shensi, for students from Peking Normal and also from Peiping University, but it is now known here how many students have been able to proceed to Sian to enter this institution.

IV. -- National Tsinghua University. -- Situated eight miles northeast of Peking, this university was founded 1912 by a foundation established to administer returned Boxer Indemnity Funds from America. It was made into a national university by the Central Chinese Government in 1927, and rapidly changed from a mere preparatory college which sent its graduates to America for further study to the nation's largest and costliest university. The property is valued at from \$10,000,000 to \$20,000,000, and is equipped lavishly with the best laboratories, libraries, and campus in China, if not in the entire Far East. It had over 1,000 students and around 200 faculty members.

For some years the Japanese regarded Tsinghua as one of the principal fountainheads of anti-Japanism in China, and after taking the Peking area last summer they promptly occupied the campus. In spite of the fact that Tsinghua is still supported by Boxer Indemnity funds returned from America, the Japanese claim that Tsinghua is a purely Chinese institution.

Practically all students and teachers of Tsinghua fled to South China soon after the war began. A small maintenance committee was formed to look after the immense property by a few teachers and office workers who did not go south. These men have recently been denied entrance to the campus proper and told to confine their activities to the south residence compound. Japanese troops occupy nearly all buildings inside the campus, including three new and very expensive natural science buildings, all equipment in which had to be moved on twenty-fours' notice. The Japanese refuse to use the modern dormitories nearby as barracks. Members of the maintenance committee state that it is obvious to them that the Japanese are exhibiting all the indications of spite and revenge in their dealings with the provisional government concerning Tsinghua. It is alleged that the Japanese are shipping out the scientific equipment, but this cannot be confirmed.

V. -- Yenching University. -- This American founded and supported university formerly had 800 students and slightly over 100 faculty members. Now it has 500 students, despite the fact that many students did not return North this autumn after the vacation because of the war. Situated seven miles northwest of Peking, it is valued at about \$5,000,000 and its yearly budget is about \$800,000. Students are mostly from wealthy families.

VI. -- Fu Jen University. -- This university is Catholic founded and supported. The property is valued at around \$1,000,000, with a yearly budget of half a million. Formerly it had around 700 students, and has nearly that number now.

VII. -- Sino-French University. -- This university is supported by returned French Boxer Indemnity funds. It is part of a complicated system of colleges, middle and primary schools supported on this basis in Peking, and has suffered no apparent reverses as a result of the war. It has about 150 students in the university proper, with 50 faculty members.

VIII. -- China College. -- Founded and supported by Dr. C. T. Want, present Chinese Ambassador at Washington, is one of the few purely Chinese institutions in Peking still operating. The property is valued at around half a million, with yearly expenses of about \$200,000. It still has around 1,000 students and 100 faculty members. Chinese state that the acting head of the school, Mr. Ho Chih-kung, has been cooperating with the Japanese, which is probably the sole reason that the school can still operate. Dr. Want's support is not forthcoming now. Students are mostly poor. Few have left Peking since the war.

IX. -- Min Kuo University. -- This now closed establishment formerly had 500 students and 80 faculty members with a yearly budget of \$100,000 and property valued at less than \$200,000. The school, which was operated privately, was heavily in debt in spite of some subsidy which had been coming from Nanking. Chinese state that most of the students were those which had failed entrance examinations into the better schools. Most of them were poor and are probably still in Peking.

X. -- Chao Yang University. -- This university was private but partly subsidized formerly by national government. Now it is closed down. It formerly claimed around 1,000 students and 100 faculty members. It was a poor school, with property valued at \$300,000. It has no prospect of reopening and the same can be said of Min Kuo University.

XI. -- Hua Pei College (North China College). -- This university is now completely in Japanese hands, according to Chinese sources, and is devoted mainly to teaching the Japanese language. It now has some courses in ancient Chinese medical practice. It is commonly regarded as a place where students go only after they have failed to enter all other schools. Formerly it had 400 students and fifty faculty members with property worth little over \$100,000.

XII. -- Chiaotung University (University of Communications). -- This was primarily a training institute for railway workers. Other branches were in T'angshan, Hopei, and in Shanghai. All three are now occupied by Japanese. The branch in Peking had some new buildings valued at around 800,000 dollars. The Peking branch was closed down just before hostilities broke out in North China, at the same time the former Salt College was also closed. Most of the students and teachers had therefore already gone south, state informed Chinese.

XIII. -- Peking Union Medical College. -- This important establishment is Rockefeller endowed, with slightly over 100 students and about the same number of faculty members. It has not been seriously affected by the hostilities. The students are mostly wealthy or taken care of by fellowships provided by the College. It is the best school of its kind in the Far East.

XIV. -- Northeastern University. -- This was founded in Mukden by General Chang Hsueh-liang, and was moved to Peking after the Manchurian Incident. It is now completely closed and under occupation by Japanese soldiers. The plant was valued at a quarter of a million. It had 700 students and 100 faculty members, virtually all of whom have fled south because their prolonged agitation against Japan during the past several years made it impossible for them to remain. Before the recent trouble broke out, many had already left for Sianfu where a branch of the university had been established. Students were mostly poor refugees from Manchuria and depended almost entirely upon the school for their support. Virtually none are left here, it is stated by Chinese. None of the faculty remains.

Various other minor colleges, nearly all supported by private or missionary funds and which enjoy a measure of foreign protection, still exist in Peking. They have not suffered particularly from the war, except insofar as the change in political regime has necessitated alterations in textbooks and subject matter taught in classes. The extent to which individual students are affected by the war remains to be investigated.

VI. -- Nankai University. -- This large private university in Tientsin was completely destroyed by Japanese artillery and bombing planes last August. It had about 500 students and 100 faculty members, and was valued at \$4,000,000, with a yearly budget of half a million. Its destruction is generally credited to anti-Japanism. Virtually all students and teachers fled south.

XVI. -- Peiyang Engineering College, Tientsin. -- This college had 500 students and 40 teachers. It is now closed and under Japanese military occupation. The students are probably remaining in the North, though there is no definite check. The puppet government in Peking plans to reopen it in the vague future.

XVII. -- Hopei Provincial College of Agriculture, Paotingfu. -- This college had 150 students and 20 teachers. It is worth \$300,000. The students and teachers all fled south before Paotingfu was captured. The same is true of the Hopei Provincial College of Medicine at Paotingfu, which was similarly equipped. Japanese troops destroyed all equipment in both these colleges and are still occupying the buildings.--END.

MISSIONARY SEES HELL IN AIR RAID

A United Church of Canada missionary in northern Honan--beyond the Yellow River--saw hell with his own eyes when he was caught in one of numerous Japanese air raids. With smouldering ruins and torn bodies of Chinese civilians all around him, he had the impression that it was only a dream "because human beings couldn't mean to treat each other so".

In his letter to friends at home telling them of his experience he wrote:

"Let me tell you of what I, one paws with only one set of eyes, saw and experienced. Word had come that a British lady lay dying of dysentery, for lack of drugs and nursing, 150 miles north of us. The station sent Miss ---- and me to assist. We travelled towards the lines all night, passing refugee trains loaded with panic-stricken people. In the early morning, at the half-way point, news came that the enemy were near at hand. Miss---- accepted our advice to go back on the same train which turned around. At ten o'clock I climbed aboard an empty coal train, hoping to get farther north. On the passing track near the station were two refugee trains, with people clinging to every available handhold. I counted ten men and eighteen bags of flour on the cow-catcher of the first engine. Sanitary conditions on the trains were fearful; food couldn't be bought.

"Suddenly, out of the north roared five huge bombers and two scouting planes. Wheeling swiftly over the ---- Station and row of inns near the track, where I had eaten a few minutes before, they made for the trains, and the mad mass of people scattered in every direction. I had time to run a hundred feet out beyond the buildings into the fields. Looking up I saw directly in front of me and almost overhead those beautiful birds. Suddenly little black drops began to show under their wings. Dropping on my face beside a grave mound, I crawled on my stomach into the earth--no longer a man, but something lower.

"Two seconds later the world went mad. The scouts dived and machine-gunned us. Twenty huge explosions tore up the earth and buildings before me, the heavens turned black with smoke and dust. I was showered with hot bits of steel and stones and smoking human flesh. Men beside me had their heads sliced open like a watermelon before the knife. One poor chap got up and ran with blood flowing down to the ground from a scalp wound. We bound it up with a handkerchief and his puttees. A crater ten feet deep and twenty-five feet wide lay within ninety feet of me, where I lay in the muck. Smouldering bodies and torn bodies, fifty of them, lay stretched out before us as the smoke cleared away. Most of them civilians. My inn was blown down. Our locomotive had its tender blown off the track. A young woman from one of the refugee trains lay as if sleeping on her back between the rails, a machine-gun bullet in her heart.

"No first aid was available and little needed, for modern explosives do their job thoroughly. Nor was there time for it, for before the hum of the first flight of planes had gone a new group came along. Once again those of us who had ventured back to the trains and stations ran madly through the suburb into the fields. Soldiers shouted to us to lie down so as not to attract the attention of the pilots. Soon bullets began to shiz past where I was lying as the soldiers fired at those still running. Once again that devilish roar of bombs. Four more times that morning, until after one in the afternoon, those planes came back and systematically bombed each quarter of the town and the fields round the station, where the refugees'

DECLASSIFIED: E.O. 11652, 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-

trains had been parked.

"Fortunately they got away between raids. With our engine damaged and the line blocked, there was nothing for me to do but to turn back and walk to the next town, fifteen miles away, to catch from there that night the last refugee train. As I sat on piles of mining machinery, supperless and cold, in the open, the glare of the fire-box of the engines at head and rear of the train, as it came reflected back from the night mists and smoke, added to my impression that it was only a dream, that humans beings couldn't mean to treat each other so."--END.

CHINA INFORMATION SERVICE
May 18, 1938.

Received by China Clipper.

0170

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

June 1 1938

In reply refer to
FE

My dear Miss Loomis:

The receipt is acknowledged with thanks of your letter of May 23, 1938, addressed to the Secretary of State and of a similar letter addressed to me, with which you enclose certain material which you have recently received from China with regard to conditions in that country.

The enclosures to your letters have been read with interest and your courtesy in sending this material to the Department is appreciated.

Sincerely yours,

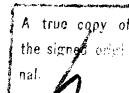
M. H.
Maxwell M. Hamilton
Chief
Division of Far Eastern Affairs

Miss Helen M. Loomis,
Secretary, China Information Service,
945 Pennsylvania Avenue, N. W.,
Washington, D. C.

JUN 1 1938

EEC
FE:EGC:MJY
5-31-38

new
FE



793.94/13114

F/FG

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

TELEGRAM RECEIVED

JR

FOURTH MARINES

1-1386

FROM May 31, 1938

Rec'd 7.35 a.m.

ACTION: CINCAF
OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
AST ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMEMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

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

Division of
AFFAIRS
JUN 1 1938

793.94

8631. Chinese claim recapture Mengcheng Northern
Anhui Japanese planes raided Canton 31 May. 1532.

RR

793.94/13115

JUN - 2 1938

FILED
F/FG

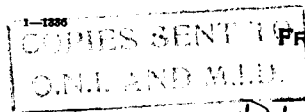
W

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

TELEGRAM RECEIVED

JR

GRAY



FROM Foochow via N. R.

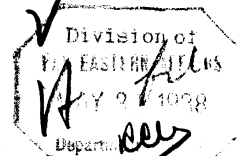
Dated May 30, 1938

Rec'd 6:10 p.m.

Secretary of State,
Washington.

May 30, 3 p.m.

Three Japanese planes dropped about ten bombs on
air field at 10:30 this morning. Fired upon by anti
aircraft batteries, they remained in vicinity for half
an hour either to locate batteries or map this area,
whereafter they flew inland, followed by two more
Japanese planes. Returning toward sea at 2 p.m., planes
dropped 3 or 4 bombs in and near air field. To Hankow.
Repeated to Peiping.



WARD

WVC
RR

793.94/13116

JUN - 2 1938

K

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

June 4, 1938.

As the Acting Secretary, Mr. Welles, made the statement on June 3 condemning the ruthless bombing of unfortified localities and as this statement was contained in Radio Bulletin no. 129 of June 3, 1938 which the Consul General at Canton receives, no action appears to be necessary in regard to this telegram.

^{1 MB}
FE:Ballantine:MJY

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

TELEGRAM RECEIVED

EDA

1-1286

FROM SPECIAL GRAY

CANTON VIA N.R.

Dated May 30, 1938

Received 6:10 p.m.

Secretary of State

Washington

May 30, 4 p.m.

Executive of American Association of South China has asked me to forward its request that the United States Government protest Japan against the "present bombing of the undefended City of Canton". It is a fact that the bombings of May 28, 29 and 30 have been widely scattered throughout the city and that many civilians, men, women and children have been killed or wounded and many private houses and buildings destroyed.

No Chinese planes have fought the attackers, the only attempt at defense has been by anti-aircraft guns.

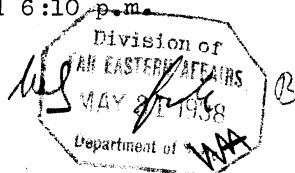
British Consul General and French Charge d'Affaires have informed me that they are asking their governments to protest to Japanese Government.

Repeated to Embassies Hankow and Peiping.

LINNELL

HPD

11



793.94/13117

Mr. Ballantine

372

DEPARTMENT OF STATE
DIVISION OF CURRENT INFORMATION

Radio Bulletin No. 129.

June 3, 1938.

NOTE: This digest has been compiled from press and other sources and is in no way an expression of official opinion.

WHITE HOUSE

Press Conference. At his press conference this morning, the President announced that he had approved slum clearance contracts totaling \$57,000,000, negotiated by the U. S. Housing Authority. The projects to be undertaken are located in Baltimore, Cleveland, Detroit, Pittsburgh and four other cities. The President added that it was expected that approximately \$50,000,000 a month would be devoted to similar projects through the balance of the year.

A correspondent referred to newspaper reports that the President was contemplating the appointment of a commission to investigate the working of the National Labor Relations Act and to make recommendations for its revision. The President stated that the story was incorrect, and explained that a group was being appointed to visit Great Britain and to study the operation of the British Trades Union Act, but that its investigations had no relation to the NLRA. He went on to say that there was considerable misinformation in the United States as to what the British methods of dealing with labor problems were, and that the study to be made would ascertain the actual facts of the matter. In reply to a question regarding his attitude on the revision of the Wagner Act, the President said that the whole subject of labor relations was an evolutionary one, and that this country was behind Great Britain in the stage it had reached in this evolution. A correspondent asked whether it would be possible to avoid comparisons between British methods and our Labor Relations Act. The President replied that when the group made its report, there would be a basis for valid comparison. In response to correspondent who asked whether the press had been correct in naming Dean Lloyd K. Garrison and Mr. Gerard Swope as members of the group, the President said that the list had not been completed, but that it would comprise representatives of labor, employers and the Government.

STATE DEPARTMENT

Press Conference. At the press conference this afternoon, Acting Secretary Welles made the following statement:

"The Government of the United States has on numerous occasions expressed its belief that the outbreak of serious hostilities anywhere in the world might in one way or another affect the interests of this country. Both in the Far East and in Europe there have been going on hostilities every aspect of which the American people and this Government have deplored. When the methods used in the conduct of these hostilities take the form of ruthless bombing of unfortified localities with the resultant slaughter of civilian populations and in particular of women and children, public opinion in the United States regards such methods as barbarous. Several times during the past year, especially on September 28, 1937, and on March 21, 1938, the Secretary of State has expressed the views of this country to the effect that any general bombing of an extensive area wherein there resided a large population engaged in peaceful pursuits is contrary to every principle of law and of humanity. During the past few days there have taken place in China and in Spain aerial bombings which have resulted in the death of many hundreds of the civilian population. This Government, while scrupulously adhering to the policy of nonintervention, reiterates this nation's emphatic reprobation of such methods and of such acts--which are in violation of the most elementary principles of those standards of humane conduct which have been developed as an essential part of modern civilization."

A correspondent asked whether there was any particular reason for issuing the above statement at the present time. The Acting Secretary replied that he believed it was perfectly apparent to everyone that there had been incidents in the last few days directly connected with his statement. In reply to a correspondent who said there might be a direct hook-up between the statement and sections of the speech being delivered tonight by the Secretary at Nashville, the Acting Secretary said that there was a very definite connection. A correspondent referred to recent British statements, particularly those addressed to General Franco, with regard to bombing, and asked whether there was any connection between the Acting Secretary's statement and the British action. The Acting

Secretary

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Secretary replied that the American Government was acting entirely independently. In response to a correspondent who asked whether copies of the statement would be delivered by American diplomatic representatives to governments abroad, the Acting Secretary said that the statement was a declaration of the attitude of the Government, and that anything sent to our diplomatic representatives would be for information and not for delivery. Asked whether he had discussed the subject with the President this morning, the Acting Secretary replied that he had.

A correspondent asked whether the Acting Secretary's statement and the Secretary's Nashville speech could be taken together as constituting a double-barreled statement of policy. The Acting Secretary replied that he believed the Secretary's speech would be the only barrel that need be used, but that it had seemed desirable and useful for the Government to make its attitude known with regard to the incidents of the last few days.

A correspondent asked whether recognition of the right of the Mexican Government to expropriate foreign-owned property included the recognition of its right to expropriate mobile as well as immobile property. The Acting Secretary replied that he would not add to what had been said by the Secretary some weeks ago, but that the specific case to which he believed the correspondent referred was one of immobile property within the jurisdiction of the United States, and so for determination by the Federal courts and not by the Executive (See "British Oil Tanker", Radio Bulletin No. 125). A correspondent asked whether this Government's attitude on expropriation would be affected by the geographical location of the property expropriated. The Acting Secretary replied that he could not answer such a hypothetical question, since the conditions existing in each specific case might be the determining factor. In reply to an inquiry as to whether proposals made by the Mexican Government relative to the oil problem had been forwarded to the oil companies, the Acting Secretary replied that they were still under consideration in the Department. Answering an inquiry regarding the plans of Ambassador Daniels, the Acting Secretary said that he understood the Ambassador was spending the week-end in North Carolina, and that he believed he would be back in Washington next week and that he would return to Mexico City in the near future.

Asked about the reports of a disturbance with Ecuadoran-Peruvian boundary, the Acting Secretary said that he knew only what had appeared in the press. A correspondent said that press reports indicated that an American representative was sitting in on the matter. The Acting Secretary said that he had seen the report, but that it had not been confirmed.

Asked whether the Department had received reports on the progress being made by the Chaco Peace Conference, the Acting Secretary replied that there was little he could say so far, but that discussions were continuing and that it was hoped they would result in a satisfactory outcome.

A correspondent said that press despatches had been received to the effect that the Japanese military forces had seized a Baptist Mission at Soochow, and that it was being used as a crematory for the Japanese dead. The Acting Secretary replied that he had only seen the news reports. He went on to say that the Government had observed with gratification the steps which the Japanese Government had taken with a view to allowing American citizens to reoccupy their property and resume their occupations in China (see below), but that there of course remained other questions to be taken care of: the return to the American owners of the property of the University of Shanghai, the question of other American properties in the lower Yangtze Valley, the question of the removal of obstacles to the return of American missionaries to their properties in places other than Nanking, and the question of the return of American business men to their properties in Nanking and in other places in the Lower Yangtze Valley. The Acting Secretary added that the American Government was confident that the Japanese Government would promptly take appropriate action with regard to these matters. Asked whether a reply had been received to the note delivered to Japan on June 1, the Acting Secretary replied in the negative. Asked whether his above remarks were in the nature of further representations to Tokyo, the Acting Secretary said that they were not, but that they constituted merely an expression of gratification for steps which had been taken and an indication to the correspondents that there were other matters which had not been settled.

American Rights in China. The Department announced yesterday that according to advices received from the Consulate General at Shanghai, the property of the American Southern Baptist Mission in the Chapei district of the city had been

formally

-3-

formally returned by the Japanese authorities to the Mission on June 1, and that the Japanese military authorities had agreed to the return to Nanking of American missionaries formerly resident there and had so far issued ten passes for that purpose. It was further announced that according to the Embassy at Tokyo the Japanese Government was sending an interdepartmental committee to visit the Japanese-controlled area in Central China to investigate the situation relating to the occupancy of American property and to formulate means for the satisfactory adjustment of the situation.

CONGRESS

Recovery Bill. The Senate yesterday rejected the amendment inserted in the Recovery Bill by the Appropriations Committee which would have prohibited the allocation of PWA funds for the construction of municipal power systems competing with privately owned plants. This action was taken after Majority Leader Barkley had stated that the inclusion of a restriction of this character in the bill would open the way to litigation and that he was authorized by the President to declare that "he does not contemplate or expect or intend to allocate funds out of this appropriation for this purpose unless and until such municipality as may apply for such allocation has in good faith made an offer to purchase the existing private plant coming within the above description at a fair and reasonable price."

The Senate on Wednesday increased from \$50,000,000 to \$125,000,000 the fund under the bill which the President can devote to direct relief.

BUSINESS

Securities Issues. The New York Journal of Commerce stated yesterday: "With the appearance today of \$100,000,000 financing for United States Steel, aggregate security offerings today and yesterday total more than \$200,000,000. This amount sets a record of many years for so short a period, and would have been considered large during the 1929 boom. Financing for the two days, exclusive of the Steel issue, included \$60,000,000 Pennsylvania notes, \$33,000,000 Commonwealth Edison bonds, an issue of \$11,494,000 for Boston and other smaller issues." The U. S. Steel issue, of 10-year 3-1/4 percent debentures due on June 1, 1948, was offered by Morgan, Stanley and Co., Inc., priced at 100 and interest.

Aircraft Exports. The Department of Commerce declared today that April aeronautic exports had established a new record, totaling over seven million dollars, an increase of 17 percent over March, and 125 percent over April 1937.

Stock Market. Volume of trading yesterday: 480,000 shares. Dow-Jones closing stock averages for yesterday: industrials--110.68; railroads--20.52; utilities--18.76.

Stocks were irregularly lower today in the lightest trading in several years. Bonds were lower and quiet, curb stocks mixed, and Chicago stocks irregularly lower. Cotton futures were up 75 cents a bale and rubber futures easier. At Chicago wheat and corn closed fractionally higher.

MISCELLANEOUS

CIO and British Labor Laws. CIO leader John L. Lewis was quoted as stating today that the CIO had been asked by a representative of the Department of Labor whether one of its representatives, now in Europe, could act on a commission to obtain information on British labor laws. He made public a letter with reference to the matter which he had addressed to Secretary of Labor Perkins: "Presumably this information was for the use of your Department. The answer was in the affirmative. Newspaper stories today indicate that the information will be used as a basis for modification of the Wagner Labor Relations Act. The Committee for Industrial Organization cannot sanction such an enterprise, nor permit its representative to serve on such a commission. It will oppose amendment or modification of the Wagner Act."

Treasury Refunding. Secretary of the Treasury Morgenthau announced yesterday that in order "to clear the decks" for possible cash borrowings in September, the Treasury in its June 15 financing would offer to refund both the \$618,000,000 of 2-7/8 percent notes maturing June 15 and the \$596,000,000 of 2-1/2 percent notes maturing September 15.

At Secretary Morgenthau's press conference yesterday, correspondents referred to Senator Wheeler's criticism in the Senate on Tuesday of the operations of the stabilization fund. Secretary Morgenthau declared that the stability of the

dollar

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

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dollar was an important consideration with foreigners doing business with American exporters, and asserted that it was only because of the stabilization fund and the tripartite monetary agreement that it had been possible to stop the competitive race of devaluation. He said that American manufacturers and farmers had an advantageous position abroad, and asserted that American export figures were the only bright spot in the business picture.

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

793.94/13118

TRANSFERRED TO 793.94116-

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

JR

TELEGRAM RECEIVED

SPECIAL GRAY

Canton via N. R.

1-1226

FROM Dated May 30, 1938

Rec'd 7:20 p.m.

Secretary of State,
 Washington.

May 30, 1 p.m.

COPIES SENT TO
 O.M. AND A.L.D.
 DT

Division of
 FAR EASTERN AFFAIRS
 MAY 31 1938
 Department of State

793.94

Three Japanese air raids on 28th, two on 29th and one on morning 30th, the most severe air raids Canton has experienced, indicate Japanese are attempting methodically to destroy vital areas of city. Objectives were Canton-Hankow Railway station and yards, civic center and government building area, plane repairing and factory / Yu Han Mou's residence. There was extensive damage to station, immaterial damage to the Exchange Department building, Gendarmerie headquarters and auditor's office. Most of the many bombs dropped missed apparent objectives and fell on thickly populated and good residential districts in a number of parts of city. Official newspaper reports that on 28th 600 civilians killed, about 1,000 injured, 200 buildings destroyed and 400 burned; that on 29th 500 civilians killed and wounded and 300 buildings destroyed. These figures

793.94/13119

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JUN - 3 1938

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

-2- May 30, 1 p.m., from Canton via N. R. ✓

figures possibly too large. Damage on 30th not yet
ascertained but believed to be great.

Sent to Peiping, Hankow, Shanghai.

LINNELL

KLP

118
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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TELEGRAM RECEIVED

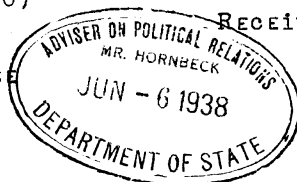
EDA
This telegram must be
closely paraphrased
before being communi-
cated to anyone (C)

FROM TOKYO

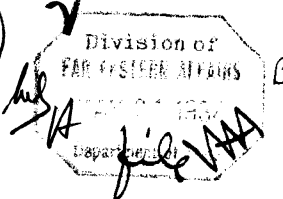
Dated May 31, 1938

Received 11:16 a.m.

Secretary of State
Washington



343, May 31, 10 p.m.
193.94/12412
Our 100, February 12, noon.



My British colleague has addressed a letter to me dated May 30, stating that his Government feels that if the Japanese Government acts upon its rumored intention to make public announcement of the occupation of certain Chinese islands it might be difficult for the Japanese to relinquish control of these islands on the conclusion of hostilities. Having been instructed to express his views, after consultation with our French colleague and myself, on the desirability of renewing representations to warn the Japanese authorities against such a step before they commit themselves so far that they cannot withdraw without loss of prestige, Craigie has expressed to me the feeling that in view of Hirota's attitude at their meeting on February 9 (see our telegram under reference) any further representations would have no useful results. Craigie is furthermore of the opinion that public announcement of the occupation of the Chinese islands would not, provided it

793.94/13120

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JUN 4 1938

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

4803

EDA - 2 - #343, May 31, 10 p.m. from Tokyo

it does not mention annexation, make their relinquishment more difficult than it already is; and furthermore that if public announcement is made we can seize the opportunity to reserve all our rights.

I have replied briefly stating that my feeling coincides with his but that I have not consulted my Government and that this represents only my personal attitude.

Copies of Craigie's letter and of my reply go forward by pouch today.

This Embassy knows of no intended Japanese announcement concerning occupation.

GREW

CSB

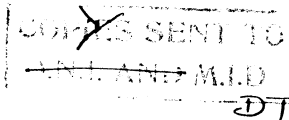
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

EDA

1-1238

FROM

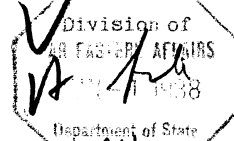


COMSOPAT

May 31, 1938

Received 1:44 p.m.

743.94
ACTION OPNAV
INFO COMSUBRON FIVE
COMDESHON FIVE
CINCAF
COMNAVGPAT
AMEMBASSADOR CHINA
USS ASHLEY
USS MARDELHEAD
USS TUTUZA
USS EDSAL
FOURTH MARINES
ALUSNA PEIPING



0031. Air raids railroads and Canton eight bombs
Saichuen industrial area and western section city eight
BSP sighted Kulangsu. Amoy area quiet 2330.

klp

FILED
JUN - 3 1938

793.94/13121

F/HG

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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

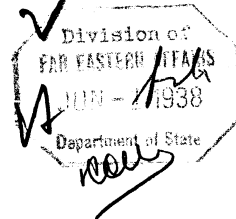
FROM FOURTH MARINES

June 1, 1938

Rec'd 8:15 a.m.

ACTION: CINCAF
OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMYANGPAT
CONSOPAT
AMEMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING



793.94

8601. Japanese column advancing westward from
Kweitch captured Ningling 20 miles west Kweitch 9 miles
south of railway column moving west from Pohsien nearing
Luyi. Doiharas Division still in critical position.
Chinese claim recaptured Puchow Southern Shansi. 1815.

KLP

FILED
JUN - 3 1938

793.94/13122

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

EDA 1-1236 CORRECTED COPY
FROM

GRAY

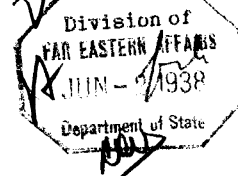
CHEFOO VIA N.R.

Dated June 1, 1938

Received 8:45 a.m.

SECRETARY OF STATE
WASHINGTON

June 1, 2 p.m.



Japanese naval landing party yesterday morning sent force estimated at 500 men towards Mowping 20 miles east of Chefoo on the Wei-hai-wei route and with seaplane bombing villages engaged Chinese guerrillas. Rain prevented return of Japanese forces last night leaving Chefoo defenses weak. Small band Chinese irregulars entered Chefoo from West engaged Peace Preservation Corps and retiring after assault on several of the corps and smashing windows of Japanese heroin shop. Japanese cruiser KUMA and two auxiliary ships shelled points west and southwest of Chefoo for two hours beginning at midnight. No damage to American lives and property. Peiping please inform Commander-in-Chief.

ROBERTS

KLP:CSB

793.34/10123

JUN - 3 1938

FILED

F/FG

TELEGRAM RECEIVED

EDA ***

FROM GRAY

CHEFOO VIA N.R.

Dated June 1, 1938

Received 8:45 a.m.

Secretary of State

Washington

June 1, 2 p.m.

Japanese naval landing party yesterday morning sent force estimated at 500 men towards Nowping 20 miles east of Chefoo on the (?) route and with seaplane bombing villages engaged Chinese guerrillas. Rain prevented return of Japanese forces last night leaving Chefoo defenses weak. Small band Chinese irregulars entered Chefoo from West engaged Peace Preservation Corps and retiring after assault on several of the corps futile. Windows of Japanese heroin shop (*). Japanese cruiser KUMA and two auxiliary ships shelled points west and southwest of Chefoo for two hours beginning at midnight. No damage to American lives and property. Peiping please inform Commander-in-Chief.

ROBERTS

KLP: CSB

(*) Apparent omission

796.94/13123

JUN - 3, 1938

FILED

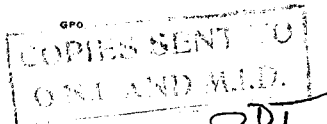
F/FG

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

EDA

GRAY



FROM SHANGHAI VIA N.R.

Dated June 1, 1938

Received 7:38 a.m.

Secretary of State

Washington

745, June 1, 2 p.m.



193.94
Following from Tokyo: "June 1, 9 p.m. Nagasaki reports as follows: "May 31, 10 a.m. Two aeroplanes unknown nationality reported between Kagoshima and Almakusa Islands shortly after nine o'clock last night. Strict light control enforced throughout entire Consular district until one this morning."

Repeat to Department and Hankow as our 347, June 1, 9 p.m. Grew."

LOCKHART

CSB

FILED
JUN - 3 1938

793.94/13124

F/FG

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

TELEGRAM RECEIVED

CA

Plain

COPIES SENT TO

1-1226
ONE HUNDRED

FROM

NANKING VIA N R

Undated

Rec'd 10:40 P.M. JUNE 1-38

Action: Alusna Peiping

Info: Astalusna Shanghai; Cincaf, Navdept.

Division of
FAR EASTERN AFFAIRS
JUN - 2 1938
Department of State

793.94
0001. 21 Jap pursuits failed rendezvous 18 bombers
northwest Kiukiang morning 31st for Hankow raid. Former
came on alone at low altitude looking for their convoy
were met below city by 40 Sinos who shot down 12 losing
2 themselves. Bombers circled meeting place one hour then
turned back. Other Chinese sent from Nanchang to inter-
cept them encountered 6 N I P seaplanes who had been
bombing Yangtze boom, got 2 of them 2031.

NPL EMB

793.94/13125

FILED
JUN - 3 1938

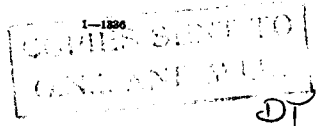
F/FG

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

TELEGRAM RECEIVED

CA

Gray



SHANGHAI VIA N R
FROM
Dated June 1, 1938
Rec'd 5:35 p.m.

Secretary of State,
Washington



755, June 1, midnight.

My 732, ¹³¹⁰⁴ May 28, 2 p.m.

793.94
One. The Japanese claim to have taken Kwoyang and Pohsien in western Anhwei while another column, moving southwestward, is said to have reached Chow Kiakou, 30 miles east of the Pinghan line and 85 miles south of the Lunghai. Heavy fighting is reported in north Kiangsu where Japanese units are driving northwest from Shaopeh, Tungtai and Yencheng in an effort to mop up Chinese forces that evacuated eastward from Hsuehowfu.

Two. May 30, anniversary of the Nanking Road incident of 1937, passed off quietly in Shanghai but increased Japanese air activity was noticeable, perhaps due to rumors that the Chinese would mark the day with an air raid in this vicinity. Operations against Chinese guerrillas continue at various points around Shanghai and in the Minghong-Sungkiang areas.

Repeated to Hankow and Peiping.

LOCKHART

NPL EMB

793.94/13126

F/HG

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

793.94

DOCUMENT FILE

NOTE

SEE 893.20/673- FOR #1250-

FROM U.S.S.R. (Davies) DATED May 4, 1938
TO NAME 1-1127 ***

REGARDING: Present strength and effectiveness of the Chinese forces.
Article, appearing in PRAVDA, April 25, 1938: translation of-,
enclosed.

FRG.

793.94 / 13127

13127

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 890.00/95- FOR Memorandum

State Department
Far Eastern Division

FROM (Jones) DATED May 28, 1938
TO NAME 1-1127 GPO

REGARDING: The situation in the Far East; week in review.

FRG.

793.94/
13128

13128

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

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AND M.I.D.
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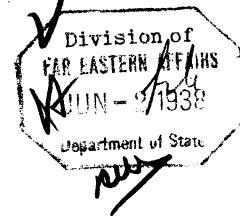
FROM

FOURTH MARINES

June 2, 1938

Received 9:44 a.m.

ACTION CINCAF
OPNAV
INFO AMCONSUL SHANGHAI
COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING



793-94

8602. Chinese claim capture Chichsien, Shansi
25 miles east Puchow. Japanese sailors on 31 May
repulsed in attempt land north bank Yangtze 21 miles
upstream from Wuhu 1820.

klp

793.94/13129

FILED
JUN - 3 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. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

CORRECTED COPY

EG

1-1336

FROM GRAY

Foochow via N. R.

Dated June 1, 1938

Rec'd 8 a.m. June 2nd

Secretary of State,
Washington.

June 1, 5 p.m.

10B
6/28/38

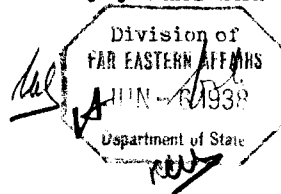
Japanese planes which bombed Foochow on May 30
also made five raids on ~~Kichow~~ ^{KWEILIN} and four on Pucheng
on the same day. Reconnaissance flight over Foochow
made by a single Japanese plane yesterday at 4:45 p.m.,
followed by attack by three planes on ferry on Foochow-
Amoy Road from Nantai Island to the mainland south of
Foochow.

BETWEEN 6 and 7 this morning five Japanese planes
bombed and sank two Chinese patrol boats, one of which
was stationed at the Min River barrier and the other at
the Mingan Pass. Number of casualties is not known. At
the same time another Japanese plane scattered hand
bills over Foochow attacking Chiang Kai Shek and urging
young men of Fukien not to enlist.

To Hankow and Peiping.

WARD

WWC:KLP



703.94/15130

FILED
JUN - 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

TELEGRAM RECEIVED

JR

1-1226

FROM GRAY

COPIES SENT TO
ONE AND ALL

Foochow via N. R.

Dated June 1, 1938

Rec'd 8 a.m. 2nd

Secretary of State,
Washington.

June 1, 5 p.m.

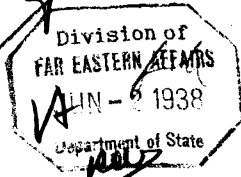
Japanese planes which bombed Foochow on May 30
also made five raids on Kweilin and four on Pu on the same
day. Reconnaissance flight over Foochow made by a single
Japanese plane yesterday at 4:45 p.m., followed by attack
by three planes on Amoy on Foochow-Amoy Road from Nan
Island to the mainland south of Foochow.

Between 6 and 7 this morning five Japanese planes
bombed and sank two Chinese patrol boats, one of which
was stationed at the Min River barrier another at the
Mingan Pass. Number of casualties is not known. At
the same time another Japanese plane scattered hand
bills over Foochow attacking Chiang Kai Shek and urging
young men of Fukien not to enlist.

To Hankow and Peiping.

WARD

WWC:KLP



793.94/13130

JUN - 4 1938

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

DOCUMENT FILE

NOTE

SEE 394.4121/7 FOR #384
FROM Great Britain (Johnson) DATED May 24, 1938
TO _____ NAME _____ 1-1127 GPO

REGARDING: Shooting by Japanese soldiers of Chinese soldiers taken
prisoner at Amoy: transcribes questions in the House of
Commons on May 18 and the answers of the Under Secretary
regarding same.

wb

793.94/13131

13/31

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

QUINTUPLICATE

No. 384

LONDON, May 24, 1938.

SUBJECT: Behavior of Japanese Troops.

The Honorable

The Secretary of State,
Washington, D.C.

Sir:

I have the honor to transcribe below questions in the House of Commons on May 18 and the answers of the Under-Secretary for Foreign Affairs regarding the wounding of Mr. Wilkinson, a British subject, by a Japanese soldier near Shanghai, and the shooting by the Japanese of a number of Chinese soldiers taken prisoner at Amoy:

Lieut.-Commander

DECLASSIFIED: E.O. 11652, 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-

"Lieut.-Commander Fletcher asked the Prime Minister whether he can make any statement concerning the wounding of Mr. L. Wilkinson by a Japanese soldier in the neighbourhood of Shanghai?

Mr. Butler: I understand that Mr. Wilkinson was arrested by a Japanese military patrol in the Hungjiao area outside the defence perimeter of Shanghai about 7 a.m. on 13th May, and that after he had informed the Japanese that he was a British subject he was struck by them and wounded in the back with a bayonet. He was not sent to military headquarters until 4 p.m., where he was interrogated before being released with apologies on behalf of the patrol. On hearing the news of Mr. Wilkinson's arrest, the latter was at once taken up by the British authorities at Shanghai, who have protested strongly to the Japanese against this illegal detention of a British subject and also against the whole circumstances of the case. His Majesty's Ambassador in Tokyo has also been instructed to take up this matter with the Japanese Government.

Lieut.-Commander Fletcher: Is it not the case that Mr. Wilkinson's record in Japan shows that he is a man who is incapable of having given any offence or of having been engaged in any activities in connection with the Japanese; and will His Majesty's Government do more than protest, and will demand a proper apology and compensation in this case?

Mr. Butler: I entirely support all the observations made by the hon. and gallant Gentleman.

Mr. Noel-Baker asked the Prime Minister what action he proposes to take about the violation of the Hague Conventions involved in the wholesale shooting of Chinese prisoners and the machine-gunning of boats containing Chinese women and children during the course of the recent attack by the Japanese army on the island of Amoy?

Mr. Butler: I have no official reports that boats containing Chinese women and children were machine-gunned, but a number of Chinese soldiers were taken prisoner and shot on Amoy bund by the Japanese. His Majesty's Government cannot too strongly deplore and

condemn

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

-3-

condemn such a violation of the Hague Conventions."
(Hansard, Cols. 370-371).

Respectfully yours,

For the Ambassador:

Herchel V. Johnson
Counselor of Embassy.

HM/JC

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

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DOCUMENT FILE

NOTE

SEE 793.94116/44 FOR Note

FROM Chinese Embassy (.....) DATED June 1, 1938
TO NAME 1-1127 ...

REGARDING: Wholesale slaughter of defenseless non-combatants by Japanese
aerial raids.
Positive steps toward cessation of-, Asks that U.S. government
take-,

FRG.

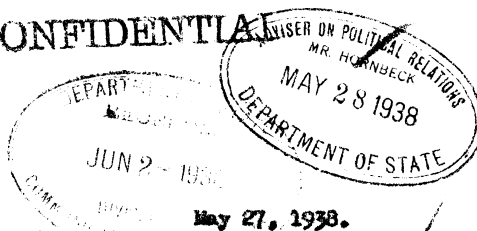
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MEMORANDUM FOR THE CHIEF OF STAFF:

Subject: Far Eastern Situation.

1. Herewith are Summary and Situation Map covering events in China for the week ending May 27.
2. The important events for the past week have been:
 - a. Major reorganization of the Japanese Cabinet, an immediate result of which will probably be an intensification of the Japanese military effort in China.
 - b. Continued large scale mobilization in Japan.
 - c. Orderly withdrawal to the west and south-west of the major part of Chinese forces in the Hsushow area.
 - d. Severe battle now in progress in the vicinity of Kaifeng.
 - e. Instructions from Berlin recalling German military advisers to the Chinese Government and cessation of shipments of German munitions to China as a result of insistent requests by the Japanese Government.
 - f. Flight of two Chinese airplanes over Kyushu.

2 encls.

E. H. W. McCABE,
Colonel, General Staff,
Assistant Chief of Staff, G-2.

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G-2 Digest of Information Sino-Japanese Situation May 21-27, 1938

GENERAL

A major shakeup in the Japanese Cabinet was reported on May 26. General Kazushige Ugaki was appointed Foreign Minister succeeding Koki Hirota, resigned. General Seishiro Itagaki was appointed Minister of War, succeeding General Sugiyama, resigned. General Sadao Araki was appointed Minister of Education succeeding Marquis Aida who has taken over the newly created Welfare Ministry. Mr. Shin Ikeda was appointed Finance Minister succeeding Mr. Kaya, resigned. Shinji Yoshino, Minister of Commerce and Industry, has resigned and while no successor has been named, it is believed that Ikeda will take this post concurrently with that of Finance Minister. It is also rumored that Baron Kiichiro Hiranuma, now President of the Privy Council, would be made special adviser to the Premier. Other changes may be pending.

Of the 13 ministries in the Honoye Cabinet, 5 are now headed by influential military and naval leaders. Of these General Araki and Admiral Suetsugu, Ministers of Education and Home Affairs respectively, are leaders of the Pan Asian movement among the more radical groups in the army and navy. Both have been outspoken in their denunciation of British and Russian policies and actions in the Sino-Japanese war. The newly appointed War Minister, General Itagaki, is now en route to Tokyo from China, where he commanded the 5th Division in the Taierchwang debacle. Itagaki is a leader of the so-called "younger officer" group. He is a shrewd schemer, an able commander, and is credited with much of the success of the Manchurian conquest during his tour as chief of staff of the Kwangtung Army. General Ugaki, the new Foreign Minister, belongs to the more conservative faction in the army. He is rated as one of Japan's foremost liberals and is reported to be a bitter personal enemy of the saber-rattling General Araki. Opposition of the radical factions in the army prevented Ugaki from becoming Prime Minister in January, 1937. Mr. Ikeda, the new Finance Minister, is now Governor of the Bank of Japan. Prior to that he was managing director of the vast Mitsui interests. He is probably the most able financial expert in Japan.

The German Government has finally acceded to the insistent Japanese requests that she withdraw the German advisers to the Chinese Government and cease supplying China with munitions. The German Ambassador in Hankow informally notified the Chinese Government on May 23 to the above effect. The loss of the advisers, if effected, will be a serious blow to the Chinese but even more serious will be the abrupt cessation of the flow of German war material. The German advisers are not an official German mission. Each is under individual contract with

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the Chinese Government. A few are Jews and others are equally reluctant to return to Germany under the Nazi regime. A number are reported to have already announced their intention to stay with the Chinese. It is also reported that the Chinese may refuse to permit the Germans to leave on the grounds that secret military information might be disclosed thereby. Chinese sources blame Italy for Germany's decision in this matter. However, it is well known that Japan has time and again protested German aid to China. That the Japanese requests finally bore fruit at this time indicates that some secret concessions have been granted to Germany either in connection with trade in Japanese-occupied areas or in some other field.

Japanese reports from Tokyo state that the French Government has agreed to allow French officers to act as advisers to the Chinese Army. Other Japanese reports predict that Russians will replace the withdrawn German advisers.

On the night of May 19-20, two Chinese Martin bombers took off from an undisclosed airport and flew over Nagasaki, Fukuoka, and other cities on Kyushu Island. The planes dropped leaflets appealing to the Japanese people to join the Chinese people in bringing about peace by opposing the military clique. Messages from captured Japanese aviators telling of their good treatment at Chinese hands were also dropped. The planes returned to Hankow safely after a reported 2,500-mile flight. It is probable that leaflets were carried instead of bombs in order to permit the inclusion of the additional fuel necessary for so long a flight.

It is reliably reported that the Chinese Government has negotiated a credit of approximately \$2,770,000 with French financial circles. The credit is to be used for the purchase of munitions in France.

NORTH CHINA THEATER

A reliable foreign observer who has just returned from a journey through Chahar and Suiyuan states that the Japanese control only the railway line in the area. Chinese irregulars are in possession of Changpei on the Unga road 25 miles north of Kalgan, and of Anpei, about 50 miles northwest of Kalgan. Frequent suspension of rail traffic is caused by Chinese raids on the railway. The Mongol regime headed by the Teh Wang has little actual power and the Japanese apparently control the railway area directly without any pretense of puppet government authority. The Chinese and Mongol population along the railway is rabidly anti-Japanese. Flow of raw materials into Japanese hands has slackened considerably because they failed to pay just prices and the Chinese and Mongols do not now bring their products to market. The number of Japanese troops along the railway is reported to be small but additional units are believed to have been dispatched over the Ping-Gui line during the last few days.

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Chinese irregular activities in Shantung continue. Tsino, 25 miles north of Tsingtao, was occupied by Chinese irregulars May 23. The Japanese garrison and Chinese officials appointed by the Japanese withdrew to Tsingtao. Weihaiwei, which was occupied by the Japanese on March 7, is now cut off from the hinterland. Chinese irregulars now control the country outside of a 10-mile radius around the city. Upkeep on the Yellow River dikes in Shantung has been at a standstill during the war. A foreign observer reports that unless repairs are made soon there is danger of floods in Shantung as the river rises.

Travelers in North China continue to report Japanese atrocities against Chinese civilians in south Hopei and in Shantung. The actions of the Japanese soldiery are said to be on a par with the outrages committed in Hanking during December and January.

Reports from Peiping state that the Provisional Government will forbid the circulation of Chinese Central Government banknotes after June 10. Federal Reserve Bank notes, notes of other puppet regimes, and Japanese yen will then be the only media of exchange in North China.

LUNGHAI FRONT

It is difficult to form a true picture of the military operations since the fall of Hsuehchow. Reports from both sides are sharply contradictory. It is evident, however, that most of the Chinese forces have succeeded in making a fairly orderly withdrawal to the west and southwest. Chinese forces variously estimated at from 20,000 to 100,000 are still east of the Tsin-Tu along the Hwai River and the Grand Canal area. Japanese units are busily engaged in mopping these up, making extensive use of small mobile columns and aircraft.

The situation west of the Tsin-Tu and north of the Lunghai is still obscure. Chinese forces are reported to be in Tangshan on the Lunghai and are known to be holding the Kwaiteh area in force. The main focus of the operations has swung westward to the Lanfeng-Kaifeng area where a severe battle is now in progress. Lanfeng has been claimed by both sides on alternate days. It is probable that the Japanese 14th Division is now in possession. This unit under General Doihara is reported to have made contact with the Japanese 100th Division on the left bank of the Yellow River at the bend northeast of Kaifeng. The Japanese are reported to be constructing a pontoon bridge at this point under harassment by Chinese aircraft. The Chinese are making a desperate effort to hold Kaifeng. They claim that Tsaochow, 45 miles northeast of Lanfeng, was recaptured on May 24, thus cutting Doihara's rear.

South of the Lunghai, minor battles are reported to be in progress at Yuncheng, at Mengcheng, and in the vicinity of Hefei. Li Tsung-jen, who was in command of the Hsuehchow area defense, is establishing

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a new headquarters near Liuan, about 45 miles west of Hefei. According to Chinese sources this may indicate a Chinese drive in that area.

To the east Japanese naval units occupied Lienyunkang, the port for Haichow (eastern terminus of the Lunghai railway) on May 24 and have moved inland. It has been reported that large army units have been landed at this point also but this has not been confirmed. The Chinese destroyed all port facilities and tore up the railroad long before the retirement.

The Japanese continued extensive air bombardment of the Chinese troops and positions during the week, using both army and navy aircraft. Chengchow, Kaifeng, Lanfeng, Kwaiyin, Hwaiian, Liuan, Chumation and Siangyang were strafed. The last town is 170 miles northwest of Hankow. The only Chinese air activity reported in the area were attacks on the Japanese pontoon bridge under construction at the bend of the Yellow River northeast of Kaifeng.

Japanese claim to have opened through rail service between Tientsin and Haichow. This is possible but doubtful. They also claim that through service to Tുകow, opposite Nanking, will soon be restored. The Chinese completely destroyed about 30 miles of railway north of Fengpu. Numerous Chinese units still remain in the area. These will have to be mopped up and it probably will be some time before the Tsin-fu is in complete operation.

CENTRAL CHINA THEATER

Sharply increased guerrilla activity in the vicinity of Shanghai is reported during the week. Minhang, Pootung and Mantao were the scenes of attacks. An engagement requiring the use of artillery took place just west of Shanghai on May 21. Small arms fire is audible from the west in the French Concession and in the Shanghai western district almost nightly. A Chinese force is reported to have occupied Haimen, southeast of Mantungchow, on the north bank of the Yangtze River.

Japanese gunboats were active up river from Nuhu. Tatung and a point near Tungling were subjected to bombardment with no decisive results. The Japanese forces now at Hefei may turn southward for an attack on Anking and the progressive nibbling by Japanese warships along the Yangtze may be in furtherance of such a move. The river barriers and defenses at Kukiang are intact and will prevent a Japanese move up the river until the Chinese are forced out by land operations.

SOUTH CHINA THEATER

Japanese air activity through South China continues with little damage reported. Over 20 Japanese warships and transports are reported in the Pearl River delta. Many Chinese refugees are entering Macao in

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anticipation of a Japanese attack in the delta area.

The Amoy area is reported quiet. No Japanese forces have landed on the mainland as yet.

The Japanese Government on May 25 protested to Great Britain against the statement in the British House of Commons by the Undersecretary for Foreign Affairs criticizing the action of Japanese in executing Chinese prisoners at Amoy. The Japanese naval authorities at Amoy are also reported to have warned the local British Consul regarding reports of the shooting of prisoners published in the London press.

COMMENT

The financial cost of the war to Japan so far has been stupendous. In the Russo-Japanese war the cost was figured out to be ¥12.70 per day per man mobilized. With the increased use of mechanical auxiliaries such as aircraft, tanks, more artillery and firepower, the cost of the present hostilities must be much more. ¥20 a day would be a conservative figure. No less than 1,250,000 Japanese are now mobilized, giving a daily expenditure at this rate of ¥25,000,000. Figured on the basis of money appropriated so far the costs will amount to only ¥13.45 per man per day. But to take the amount of money appropriated so far as a true picture of the cost is fallacious. The expenditure rate rises at an increasing rate as the war progresses. If one adds to these costs the damage done to Japanese normal peace time economy, the vital necessity for Japan to bring this "Incident" to a close is readily apparent.

One certain concomitant result of the Cabinet shakeup in Japan will be the intensification of the military effort in China. More troops and supplies will be made available to the military commanders and no "breathing spell" such as occurred after the fall of Nanking will be permitted. Every effort will be made to place China in a position where the Japanese hope she must sue for peace. A drive on Hankow may now be definitely expected, for not until Hankow is captured can there be any hope of suspending large scale operations in China.

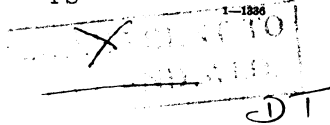
The Chinese appear to be aware of the probable Japanese intentions. This is evidenced by the desperate resistance now being put up in the vicinity of Kaifeng and by the building up of large forces west of Hefei to forestall or resist a drive from that point. Whether the Chinese will be able to stem a determined Japanese drive is problematical. Large scale Japanese mobilization continues. With new Japanese levies made available and a unified Cabinet determined to make a speedy end to the war drain, the Japanese forces should be able to attain their military objectives. Whether that will close the "Incident" remains to be seen.

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

TELEGRAM RECEIVED

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FOURTH MARINES

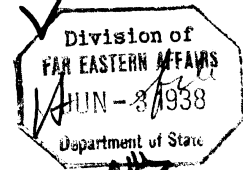
FROM
June 3, 1938

Rec'd 8:30 a.m.

ACTION: CINCAF

OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
AST ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING



793.94

8603 Japanese planes raided Canton 3 June.

Artillery fire heard in Chapei afternoon 3 June 1836

HPD

793.94/13134

FILED
JUN-4 1938

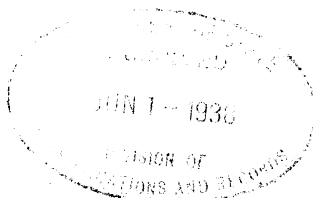
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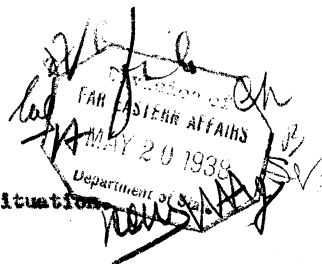
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

CONFIDENTIAL

0-2/2657-1-139



May 20, 1938.



MEMORANDUM FOR THE CHIEF OF STAFF:

Subject: Far Eastern Situation

792.94

1. Herewith are Summary and Situation Map covering events in China for the week ending May 20.

2. The important events for the past week have been:

a. Capture of Hsuechow by Japanese forces on May 20. The extent of the Chinese defeat cannot be properly evaluated at this early date.

b. Heavy fighting now in progress in the area west of the Tsin-Pu railway, southeast of the Yellow River and north of the Lunghai railway.

c. Continued schism among Japanese leaders in Tokyo over the control of policies in the occupied areas on the Asian mainland.

792.94/1013E

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OSD letter, May 3, 1973
By Milton O. Gustafson NARS Date May 19 1973

2 encls.

E. E. W. McGARR,
Colonel, General Staff,
Assistant Chief of Staff, G-2.

5 1938

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1/5/38

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

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3-8 Digest of Information
Sino-Japanese Situation
May 14-20, 1938

GENERAL

News dispatches from Tokyo indicate that differences on control of Japanese policy in occupied areas on the mainland continue to rock the Cabinet. Foreign Minister Hirota insists that the conduct of Japanese policy in China is a function of the Foreign Office and has threatened to resign if this responsibility is placed in another Government organ. The Planning Board and the Legislative Bureau are drafting a plan to establish a separate Asia Ministry directly under the Premier, while the Japanese Army insists that it is essential that political, economic and cultural projects be coordinated with military operations. The army and the Premier seem to be in alignment on this question, though there are minor differences. The navy appears to have adopted a hands-off policy. The plan of the Japanese Foreign Office is, according to Hirota, one tending to unify Japanese foreign policy and at the same time an administrative reform. They propose to change the name of the Foreign Office to that of Ministry of External Affairs, to enlarge the Asiatic Bureau and make it semi-independent, and to revamp Japanese diplomatic missions abroad by furnishing them not only with military and naval attaches but also with representatives from the Ministries of Commerce and of Finance.

The League Council on May 14 passed resolutions expressing sympathy toward China in the present struggle and urging League members to do their utmost to aid China. The League also condemned the use of gas in warfare. Mr. Bonnet and Lord Halifax, the French and British delegates, promised to make serious efforts to have their governments act in accordance with the League resolutions. The Chinese delegates were reported to be pleased with the League action, and particularly with the statements by Bonnet and Lord Halifax. It is also reliably reported that Lord Halifax had informed Wellington Koo that satisfactory arrangements for British commercial credits to China would be concluded.

A report from Harbin states that 1,000 carts and horses and large numbers of Chinese coolies were commandeered for the army on May 11, probably for use on the eastern border of Manchuria. Russian and Japanese speaking Chinese were taken from their places of employment. The impressing of labor and transportation is legal under the Manchoukuo National Defense Mobilization Law just made effective. It is also reported that the 2nd Japanese Division has been moved from Harbin to the east.

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

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Press reports from Tsingtao state that the local Chamber of Commerce, under Japanese control, has ordered its members to withdraw their accounts from the local branches of the Hong Kong and Shanghai Bank and the Chartered Bank (English banks) and to conduct exchange business only with the Yokohama Specie and the Chinese Federal Reserve Banks. Failure to comply will bring a refusal of import and export permits.

NORTH CHINA THEATER

Reliable reports from Peiping state that the 18th Army Corps (formerly 8th Route Army, ex-communist) has a concentration of 20,000 troops at Anping, 20 miles due south of Paoingfu on the Ping-Han Railway. Paoing is reported virtually in a state of constant siege with frequent skirmishes between the Japanese garrison and Chinese units. The railway is constantly being damaged but not seriously enough to interrupt service for any length of time.

At Chefoo, Shantung local Japanese naval authorities have stopped all shipments of gasoline and kerosene into the interior as a measure in combating guerrillas in the vicinity.

In Shansi, Chinese report the recapture of 24 towns. They estimate Japanese casualties in Shansi as 27,780.

LUNGHAI FRONTS

Despite Chinese denials it appears definite that Hsuechow has been captured by Japanese forces on May 20. Several comparatively small Japanese forces consisting of cavalry and mechanized units worked their way around Chinese main defensive positions and aided by most destructive air attacks by combined army and navy aircraft, secured footholds around the city. The heavy air bombardment reduced Hsuechow to a shambles and determined attacks by the Japanese detachments captured the city. Large numbers of the Chinese defending the environs of Hsuechow are withdrawing to the south and southeast, and are now being subjected to intense air attack. The main Chinese lines north and south of Hsuechow appear to have remained fairly intact so far. It is too early yet to ascertain the extent of the Chinese defeat but undoubtedly their casualties were heavy, and many additional Chinese units will be cut off before the situation clarifies. The Japanese, however, admit that the bulk of the Chinese forces and the best troops, eluded their encirclement. Japanese casualties too have been extremely heavy, some units suffering as high as 80 per cent casualties in the fighting. Many Japanese wounded are being sent out via Tsingtao but no accurate reports are available.

The Japanese forces operating against the Lung hai, including the units to the east near Fowming and to the southwest in the Hsuei

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

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area, consist of 13 to 16 divisions or their equivalents in mixed brigades; all told 260,000 to 300,000 troops. At least 8 Japanese divisions were to the north of the Lunghai. Against them on both sides of the Lunghai from Kaifeng eastward were approximately 55 Chinese divisions totaling 420,000 troops. Thirty-one Chinese divisions were reported in the Hanchwang - Taierschwang - Tancheng sector, northeast of Hsuehchow, late in April. Many of these units, however, were shifted westward to the area north of Fenghsien, Shanshsien and Tsaochow to meet the growing Japanese pressure there. It is in this latter area that the main Japanese threat lies now.

North of the Lunghai some Chinese units are still holding in the Pih sien - Taierschwang - Hanchwang sector but their situation is most precarious. In the area west of the Tsin-Pu Railway and southeast of the Yellow River, the Japanese are driving hard toward the Lunghai. Strong Chinese forces are holding Fenghsien, Shanshsien and Tsaochow. Numerous Japanese raiding parties have succeeded in getting through to the railway. Most were driven off but one Japanese mobile unit is still holding a small station a few miles east of Lanfang, east of Kaifeng, where they are being heavily attacked by Chinese. Two Chinese Divisions are reported to be crossing the Yellow River north of Puh sien to attack the Japanese rear areas.

South of the Lunghai, there is no news of the Japanese column in the extreme east. On the Tsin-Pu, Chinese are reported to be still holding at Kuechen and Puh sien though the latter city is being subjected to heavy Japanese attacks. Still farther south the Chinese claim to have recaptured Chuhsien on the Tsin-Pu Railway south of Changpaling. This can have no immediate effect on the present operation.

West of the Tsin-Pu and south of the Lunghai, severe fighting is going on at Yungcheng, at Mencheng and in the vicinity of Hefei. The Chinese claim to have inflicted a severe defeat on the Japanese at Yungcheng, and they claim to be more than holding their own at Mencheng. The issue at Hefei appears to be in doubt at the present moment.

Japanese made extensive use of their aircraft. All important towns in the Lunghai area were subjected to heavy bombardment almost daily. The Japanese spokesman at Shanghai said that over 100 Japanese airplanes bombed Hsuehchow on May 16. Little Chinese antiaircraft fire was reported and in the latter stages Japanese bombers, mainly navy, operated over Hsuehchow from low altitudes. No reports have come in on Chinese air activity in this area.

General Terauchi is reported to have moved his headquarters into Shantung in order to direct the fighting. It is expected that he will make a triumphant entry into Hsuehchow as soon as it can be arranged.

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

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Domei (Japanese News Agency) reports that the Chinese are planning to destroy the Yellow River dikes near Lanfeng. This action is quite possible but it is doubtful that the Chinese will flood the area until the bulk of their forces have retired west of Kaifeng.

CENTRAL CHINA AREA

Chinese guerrillas are reported to be active near Shanghai. The Shanghai-Hangchow railway and adjacent highway were cut west of Hsaching. Bridges were dynamited and communications were destroyed. Guerrilla activities are also reported between Hangchow and Hsichow (near Lake Tai) to the north. Last week's reports of the capture of Shaching, southeast of Hangchow, by Japanese have proved to be unfounded.

Four Japanese warships shelled Tikangchen on the right bank of the Yangtze, 30 miles above Wuhu on May 18. No results were reported.

Shanghai Chinese press reports that 3,000 Formosan farmers arrived there May 16. They are to be used for cultivating the land in occupied areas.

The Japanese Embassy spokesman at Shanghai announced on May 18 that the "Reformed Government" was studying the question of taking over control of the Chinese courts in the International Settlement.

SOUTH CHINA THEATER

From Canton come reliable reports stating that 70 Chinese airplanes including 12 bombers and 32 pursuit planes of Russian manufacture arrived in the vicinity of Canton last week. Seventeen Russian pilots from Siberia were reported to be with this contingent. Two attacks were made on Japanese naval forces on May 11. One Japanese plane was shot down; fuel tanks on an island airfield (Hepae?) were set afire; and one or two Japanese destroyers badly damaged, all with no Chinese losses. The Chinese air force left the Canton area early May 12 to avoid reprisals. Japanese naval aircraft have been active in trying to locate this force and to destroy its landing facilities. Japanese raids on airdromes in the vicinity of Canton were held on May 13, 15, 16, 18 and 20. Little damage was reported. The Kwangtung railways also were strafed but railway service continued.

The Japanese Navy is in complete control of the island of Amoy. At Kulangsu, just south of Amoy where most of the foreigners reside the situation is rapidly returning to normal. Approximately 60,000 Chinese refugees from Amoy are on the island and order is being maintained by the local police assisted by landing parties from the American and British war vessels in the harbor. Fukien is still nervous. Japanese planes bombed Fort Tipan on the mainland south of Kulangsu on May 18 and also shelled that point with naval gunfire on May 13. The

CONFIDENTIAL

Foochow airfield was bombed on May 15. So far no additional Japanese landings have been reported. Chinese authorities at Foochow, however, apparently expect further and intensified Japanese action. Over 70 Japanese warships are reported to be concentrated off the Fukien and Kwangtung coasts. Seven Japanese transports and 12 warships have been reported southwest of Macao for several days. These are reported to be based at the Ladrone Islands, where a large force of Japanese blue-jackets have been landed. Kwangtung Chinese fear this indicates a projected landing near Macao or the Lappa Islands.

Reliable reports from Shanghai state an agreement had been reached on April 3 between the Chinese Government and a French syndicate for the construction of the Nanning-Changankwan Railway running from Indo-China to Nanning, Kwangsi. The contract calls for completion within nine months. Another railway is now under construction from Nanning north through Kweilin to connect with the Canton-Hankow Railway. When these railroads are completed, they will form an alternate munition route in case the Canton-Hong Kong or the southern section of the Canton-Hankow Railways are cut.

COMMENT

The apparent strategy of the Japanese action against the Lung-hai is in the form of turning movement from the north and to the west of the Tsai-Pu Railway. It is in this area that the heaviest Japanese pressure may be found. They hoped by this maneuver to trap the large Chinese forces concentrated in the Manchwang - Taierschwang - Tancheng area. The turning movement had been developing for over two weeks and the Chinese, apparently becoming cognizant of this threat, moved many units to the west to meet it. The Japanese have failed so far to entrap the bulk of the Chinese forces but the danger is not entirely over.

In the Hauchow operation the Japanese made extensive and valuable use of flying columns consisting of small forces of cavalry and mechanized units. These succeeded in evading prepared Chinese positions and where they were not countered by well trained Chinese troops, raised considerable havoc. They were aided in no small measure by assistance from the air. In these tactics they took a leaf from the Chinese book on guerrilla operations and improved upon it.

The complete lack of news regarding activities of Chinese air force during recent stages of the Lung-hai operation is difficult to account for. The Chinese must now have at least 250 to 300 combat planes available. Seventy of these were reported in the Canton area on May 11 and 12. A large number of pursuit ships are also probably held out for the defense of the Hankow area. It is probable that the Chinese command did not want to risk their ships in an area where the Japanese apparently maintained overwhelming air superiority.

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

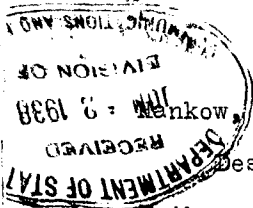
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It is too early to anticipate the course of the war for the immediate future. Much depends on the outcome of the operations now going on west of the Tsin-Pu Railway. Japanese officers and spokesmen insist that they will push on to Hankow. The fall of Changchow (junction of the Lungchai and Ping-Han Railways) will probably affect Chinese guerrilla operations in the north, as an important supply line for them is from Hankow along the Ping-Han and Lungchai Railways to the northwest. Should the Japanese also succeed in taking Hankow, it is difficult to see how large scale Chinese operations can continue. However, by pushing on to the west and south the Japanese will extend their lines of communications by hundreds of miles while the Chinese will be falling back on interior lines. It is therefore quite possible that the Japanese may stop at Kaifeng and take the troops so released for an attack in the Canton area to sever the most important channel of munitions for the Chinese forces. The Japanese Navy has become increasingly aggressive in South China and a combined operation which would involve a thrust inland of only from 20 to 50 miles would, if successful, effectively block most of the supplies China receives from abroad, and thus save an expensive and difficult overland campaign.

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

From Chinese Embassy



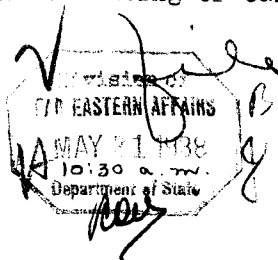
10:30 P.M. Mankow, May 30, 6:30 P.M.

OK

Despite stubborn resistance by the units of the depleted
Doihara Division which is estimated to have suffered 4,000
killed since crossing into East Honan, the Chinese re-entered
Sakyitsai, strategic point north-east of Lanfeng. About one
hundred kilometers eastward the Chinese have withdrawn from
Kweitech salient which the Japanese planes and heavy artillery
for days have severely bombarded. Heavy fighting is now
raging in the vicinity of Ningling and Pohsien (Anhwei) re-
spectively west and south of Kweitech. After months of hard
fighting the Chinese in East Shansi recovered Fenglintu,
important point on the great elbow of the Yellow River thus
removing the threat to Tungkwan. Yungchi and Yumenkow on
the east bank of the Yellow River were also recaptured.

General Yu Han-mow, Kwangtung Pacification Commissioner,
reported that over one thousand civilians were killed as a
result of indiscriminate Japanese bombing of Canton on
Saturday and Sunday.

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JUNE 2 1938

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

June 14, 1938.

~~JGV~~
~~WAA~~
~~JWB~~

Harbin's 53, April 2, 1938, entitled
"An Illustration of How the Japanese
Authorities Protect and Reward Useful
Chinese."

This is an interesting, if not particularly important, account illustrating how the Japanese authorities protected and rewarded a useful Chinese gangster, member of the notorious Chinese "Green Clan", which he betrayed to the Japanese during the Shanghai incident of 1932. This Chinese was forced subsequently to leave Shanghai, but after service in Harbin he has now ~~reportedly~~ been given the position of Inspector General of Police at Nanking.

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

No. 53

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

1938 JUN 3 PM 12 47

DIVISION OF
COMMUNICATIONS
AND RECORDS

American Consulate General,
Harbin, Manchuria,
April 2, 1938.

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Division of
FAR EASTERN AFFAIRS

JUN - 6 1938

Department of State

SUBJECT: AN ILLUSTRATION OF HOW THE JAPANESE
AUTHORITIES PROTECT AND REWARD
USEFUL CHINESE.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

Sir:

I have the honor to enclose a copy of my des-
patch No. 47, dated April 2, 1938, addressed to the
Embassy at Peiping, entitled "An Illustration of
How the Japanese Authorities Protect and Reward
Useful Chinese."

Respectfully yours,

George R. Merrell
George R. Merrell,
American Consul.

In quintuplicate.

Enclosure:

copy of despatch No. 47, dated
April 2, 1938, to the Embassy
at Peiping.

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GRM:av

793.94/13137

JUL 1 - 1938

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Carbon Copies
Received

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

No. 47

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

American Consulate General.
Harbin, Manchuria,
April 8, 1938.

CONFIDENTIAL - Staff Use Only.

SUBJECT: AN ILLUSTRATION OF HOW THE JAPANESE
AUTHORITIES PROTECT AND REWARD
USEFUL CHINESE.

The Honorable

Welson Trusler Johnson,
American Ambassador,
Peiping, China.

Sir:

I have the honor to report, as of possible interest to the Embassy, an example of how the Japanese authorities manipulate, protect, and reward Chinese who have been useful to them, as related to me by a pro-Chinese Chinese who is well known to the Consulate General.

The subject of this illustration is Mr. Ch'ang Yu-ching (常玉清), who was until recently chairman of the Cart Drivers' Association of Harbin, and now is reported to be the Inspector General of

- Police -

- 2 -

Police at Nanking. Mr. Ch'ang, who is a native of the Province of Kiangsu, was one of the leaders of the "Green Clan" (Ching-pang 青帮) in Shanghai up until the time of the last Sino-Japanese conflict in Shanghai in 1932. This clan, as described to me, was originated some two or three hundred years ago by the junk men on the Grand Canal and later came to possess powerful influence among the working classes in various parts of China and particularly along the Yangtze River. Its plan of organization was simple and informal with no definite headquarters or plan of action. Its members, who were mainly stevedores, ricksha coolies, cart men, factory workers, gangsters, thieves, and bandits, were enlisted by its various leaders wherever they happened to be, without formal application or initiation. The clan made no discrimination against rich or poor, high or low, official or private, legal or illegal, and had as its simple purpose mutual benefit of its members to be obtained by whatever means possible. In the past it had developed a sort of Robin Hood aura about it in view of the fact that its illegal acts were considered excusable since they were mainly directed against corrupt officials. The clan's mysterious influence in Shanghai, where Mr. Ch'ang Yu-ching was leader of at least five hundred of its members, is said to have been partially due to the fact that a number of rich and prominent residents had been obliged to join the clan for

- their -

- 3 -

their own protection. The chief detective of the French Concession, Mr. Hwang Chin-yung, for example, is alleged to have been one of these members, and it is even stated that Mme Chiang Kai-shek, having been captured by the clan during one of her sojourns in Shanghai some years ago, was forced to join the organization.

At the time of the last Sino-Japanese conflict in 1932, Mr. Ch'ang Yu-ching is reported to have betrayed the organization as well as his country by giving his services, and those of his clansmen, to the Japanese Army for the transportation of munitions, provisions, et cetera, and thus to have won the approbation of General Ueda, in Command of the Japanese Army in Shanghai at the time, and now Commander-in-Chief of the Japanese forces in Manchuria.

As a result of Mr. Ch'ang's betrayal, he was forced to leave Shanghai. The Japanese authorities apparently gave him a safe conduct to Japan, and he later took up temporary residence in Mukden.

Subsequently he was brought to Harbin, where the Japanese Army was desirous of giving him a remunerative position as a reward for the assistance rendered in Shanghai. Since he was not considered competent as an administrative officer, however, he was given the coveted position of Chairman of the Cart Drivers' Association, one of many such organizations created at the time under official protection for the simple purpose of collecting fees from its members who were coerced into membership.

- It is -

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

- 4 -

It is estimated that there are about seven thousand carts in Harbin and that their contribution to the Association amounts to about a million Manchurian yuan annually, although one of Mr. Ch'ang's associates now states that the Cart Drivers' Association is not a paying concern in view of the fact that the majority of the cart drivers have Japanese affiliations and are, therefore, not obliged to join the Association. It seems doubtful, however, that the organization which serves no real purpose would still exist if it did not furnish a lucrative income to its officers and Japanese protectors.

When the Chinese withdrew from Shanghai last autumn, Mr. Ch'ang, presumably with his pockets stuffed with money, was taken by the Japanese to Shanghai. According to my informant it was planned that he would be installed as Mayor of Greater Shanghai. An attempt was made, however, by members of his former clan still left in Shanghai, to assassinate him, and for some time it was thought in well informed circles here that he was dead.

Although the statement cannot be confirmed in Harbin, Mr. Shigemitsu, Vice Chairman of the Cart Drivers' Association states that Mr. Ch'ang Yu-ching has now been given the position of Inspector General of Police at Nanking. If this is true, it would indicate that the Japanese had had to forego their previous view that Mr. Ch'ang's attributes were not adequate for an administrative position of any importance and that by comparison with the few Chinese

- willing -

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

- 5 -

willing to accept positions in the "renovation"
government he was considered the best candidate,
the most amenable puppet, available.

Respectfully yours,

George R. Merrell,
American Consul.

In quintuplicate to Department
by despatch No. 53, April 2, 1938.

Copy to Embassy, Hankow.
Copy to Consulate General, Mukden.
Copy to Embassy, Tokyo.
Copy to Consulate, Dairen.

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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

June 7, 1938.

~~JWB~~
~~ROM~~
~~MMH~~

Reference Tokyo's despatch no. 2936, May 16, 1938, "Statements of the Minister for Foreign Affairs and the Premier concerning the Sino-Japanese Conflict and other International Matters".

Mr. Hirota's statements are less important than they were when the despatch under reference was written, but nevertheless they are of some interest.

When queried as to whether Japan had territorial ambitions in China, Mr. Hirota stated that since the main purpose of the "China incident" is to make it possible for the peoples of China and Japan to cooperate economically and socially, it was "a small matter" whether the territory was Chinese or Japanese. He added that the test of the matter was the present Japanese policy "of letting the Chinese govern themselves" in territories occupied by the Japanese army. Mr. Hirota stated that the Peiping and Nanking régimes would not be amalgamated until they controlled "much

more

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


DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

-2-

more territory" than they do at the present time.

The Minister for Foreign Affairs asserted that Japan is making no plans for a change in the status of the International Settlement at Shanghai, but desires that some cognizance be taken of the increase in the number of Japanese residents there.

According to Mr. Hirota, the Anglo-Italian agreement and the Anglo-French talks were welcomed in Japan and stated, according to the one newspaper account, that "for Britain to reach an accord with either Italy or Germany is for her to approach the anti-comintern pact".


FE:Jones:MJY

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
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

No. 2936

Tokyo, May 16, 1938.

SUBJECT: STATEMENTS OF THE MINISTER FOR FOREIGN AFFAIRS
AND THE PREMIER CONCERNING THE SINO-JAPANESE
CONFLICT AND OTHER INTERNATIONAL MATTERS.

RECEIVED
DEPARTMENT OF STATE

1938 JUN 3 PM 12 37

For Distribution Check

Grade	
For	

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O.N.I. AND M.I.D.



793.94/13138

The Honorable

Secretary of State

Washington.

Sir:

Certain significant statements concerning the hostilities in China and Japan's relations with other countries were made by Mr. Hirota, the Minister for Foreign Affairs, in an interview with foreign press correspondents at his official residence on May 9. In the course of a newspaper interview with reporters on the same day Prince Konoye, the Premier, made several interesting declarations with regard to the Sino-Japanese conflict and

Japan's

F/FG

1/1

-2-

Japan's internal political affairs.

With respect to China, the Minister for Foreign Affairs reiterated the Government's often announced policy, namely, that Japan would not deal with the Chiang Kai-shek Government since it was past the power of General Chiang to separate himself from the "communist elements" surrounding him; that the elimination of the Chiang Kai-shek régime, the greatest anti-Japanese force in China, was of the utmost importance for the promotion of "good relations between China and Japan"; and that the "reform of Chiang Kai-shek" was impossible, and hence the incident would probably be protracted. Asked if dealing with Chiang Kai-shek might eventuate if some friendly Power should offer to mediate, Mr. Hirota observed that Japan's attitude was understood by all the Powers and that therefore, in his opinion, no third Power would take steps towards mediation between Japan and General Chiang. Despite this clear-cut statement, Mr. Neville Chamberlain, the British Prime Minister, was reported by Domei to have declared in the House of Commons on May 11 that Great Britain would be glad to offer its services, either singly or jointly with other powers, in order to bring about an equitable peace between China and Japan, but that no useful purpose would be served by offering mediation until both sides had indicated willingness to accept it.

Queried as to whether Japan had territorial ambitions in China, Mr. Hirota asserted that, since the main purpose of the "incident" was to make it possible for the peoples of China and Japan to cooperate economically and socially, it was "a small matter" whether the territory was Chinese or Japanese. He added that the test of the matter was the present Japanese "policy of letting the Chinese govern themselves" in territories occupied

-3-

occupied by the Japanese army. The Minister for Foreign Affairs stated further that recognition by Japan of the anticipated new Government to be formed in China by amalgamation of the Peiping and Nanking régimes would not be possible until it controlled "much more territory" than the two régimes did at present, and that recognition of the amalgamated Government would come when that Government had become strong enough to be recognized as the central Government of China, at which time China would be "a practically independent country and on a position of complete equality with Japan". In reply to a direct question, Mr. Hirota said that the proposed amalgamated Government in China would be asked to pay indemnity for acts committed under the Government headed by General Chiang Kai-shek.

As regards the Powers rights and interests in China, Mr. Hirota asserted that although Japan was making no plans for a change in the status of the International Settlement at Shanghai after the close of the incident, it was very much to be desired that some formula be found which would take cognizance of the increase in the number of Japanese residents there; that not only Italian capital but also other foreign capital would be welcomed in the development of North China; and that China must be powerful enough "to put itself in order" before extra-territoriality and "unequal treaties" could be abolished in that country.

In addition to his observations concerning China, the Minister for Foreign Affairs commented on Japan's relations with Soviet Russia, Great Britain, and the United States, and on affairs in Europe. The Soviet Union, he said, was insisting that only urgent pending questions be discussed between the two countries, while Japan wished that as many questions as possible be taken up,

including

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including that of the fisheries; no break with the Soviet Government was anticipated, even if Soviet-Japanese negotiations for the settlement of outstanding problems should fail; and Soviet assistance to China, although conspicuous, had been less in extent than expected by China; and, in his (Mr. Hirota's) opinion, the Soviet Government would stop such assistance, realizing that it had been extended in vain. According to Mr. Hirota, Japan's relations with the United States and Great Britain had improved and were "very smooth", while Germany by its actions in China had increasingly shown its friendship for Japan. He stated that the recently concluded Anglo-Italian agreement and the Anglo-French talks that followed were both welcomed in Japan because of their ^effect on peace in Europe. According to the NICHU NICHU version of the interview, when questioned with regard to the international effect, especially that on the anti-comintern pact, brought about by the Anglo-Italian understanding, Mr. Hirota replied that "for Britain to reach an accord with either Italy or Germany is for her to approach the anti-comintern pact".

While on route to Kyoto by train on May 9, Premier Konoye granted an interview to newspaper correspondents, the principle object of which appeared to be a desire to dispel apprehension arising from reports of Japanese reverses on the Hsuehchow front in Kiangsu Province. The Premier declared that the China incident was progressing smoothly in the desired direction; that in his belief the progress of the present hostilities would be even more important than the capture of Nanking had been; and that the Chinese propagandists, taking advantage of the comparative inactivity in the last few weeks, had been circulating false

rumors

-5-

rumors concerning Chinese successes in the war zone. Premier Konoye's remarks concerning the protraction of the conflict were of the same tenor as Mr. Hirota's, his principle point being that the hostilities must go on to a finish and that the Japanese Government would have no dealings with General Chiang Kai-shek, even if that leader were to sue for peace. However, the Premier added that the only course now open to the Chiang régime was to abandon its existence and to join hands with the Peiping régime.

Taking up the question of the establishment of an organ in the Japanese Government for directing the China policy, Premier Konoye said that it might be expected that a new phase in the hostilities of such a nature as to facilitate the fusion of the North and Central China régimes would develop in the course of the present month and that by that time the Government would have reached a final decision on the plan for such an organ. He admitted that there was still some difference of opinion in the Government on the fundamental nature of Japan's China policy and that opposition was anticipated from various quarters, no matter what form of central machinery the Government should desire to set up.

The Premier concluded his remarks by stating that he wished to deal for the time being with the China incident and only with those domestic issues which had a direct bearing on the incident, with the exception of plans for reforming the Government system and the Diet system, which would be taken under consideration "without any loss of time".

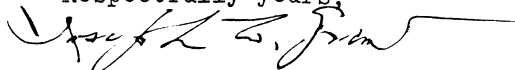
1,2/ There are enclosed clippings from the JAPAN ADVERTISER
3,4/ of May 10 and the NICHU NICHU of May 11, which give the substance
of

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
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of the statements made by Mr. Hirota and Prince Konoye.

Respectfully yours,



Joseph C. Grew.

Enclosures:

- 1/ JAPAN ADVERTISER "Merger of Regimes Nears, Says Konoe"
- 2/ " " "Break with Soviet Doubted by Hirota
Even if Talks Fail"
- 3/ NICHU NICHU "Foreign Minister Answers Queries
of Newspapermen Regarding Policy"
- 4/ " " "Impending Development in War Zone
More Important Than Nanking's Fall"

710.
GDA:s

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

Enclosure No. /, to despatch
 No. 2936, dated May 16, 1938.
 from the Embassy at Tokyo.

The Japan Advertiser.

Tokyo, Tuesday, May 10, 1938.

MERGER OF REGIMES NEARS, SAYS KONOE

Propitious Developments by
 End of May Forecast by
 Premier

GIVES PRESS INTERVIEW

Cabinet Head Talks Aboard
 Train Bound for The
 Kwansai

New developments in the China incident likely to facilitate the projected merger of the two new regimes in Central and North China may be expected to occur before the end of May, Premier Konoe declared in an interview yesterday. The interview was granted on board the Premier's train while he was on his way to the Kwansai to attend the memorial festival in honor of the late Emperor Komei at Kyoto.

Final decision on the Government's China policy has been delayed, the Premier admitted, but he said this question will occupy the Cabinet's attention in the immediate future and a decision is likely to be reached to coincide with the promised "new developments." Similarly the projected incorporation of "development" companies in China will be pushed ahead with maximum speed, he said.

The Premier emphasized that operation of the new companies in China will be conducted so as to minimize friction with the rights and interests of paralleling foreign concerns.

The question of effecting reforms within the Government system and in the Diet's organization also have been delayed, but these issues also are slated to receive further attention without delay, he said.

Concluding, the Premier said the China incident and pertinent domestic issues must occupy a foremost place in the Government's mind, but promised that other vital independent questions, such as those of reforming the Government, will not be shelved for long.

Contents of Interview

The substance of the Premier's interview was reported by Domei as follows:

"The China incident is progressing smoothly in the desired direction. I believe, however, that even more important than the capture of Nanking will be the progress of the hostilities hereafter.

"Due to the stationary state of the fighting, various foreign rumors have been caused; therefore our strategy in the immediate future is likely to prove important with respect to the country's international position.

"It is clear that the hostilities must go on to a finish. Even were General Chiang Kai-shek to sue for peace now, the Government having announced to cease all dealings with his regime, would be in no position to discuss truce with him. It is Government's policy to deal with the future and present China exclusively through the 'Provisional Government' at Peiping and the 'Renovation Government' at Nanking. The only course now open to the Chiang regime is to abandon its resistance and to join hands with the Administration at Peiping.

"Although it has been officially decided that the 'Provisional Government' eventually should merge with the 'Renovation Government,' the date of the merger cannot yet be anticipated since there are questions pertaining to the issue which still require further study. It is Japan's desire to see this union materialize as soon as possible and thereafter to extend recognition to the unified Government. In accordance with this wish the Japanese Government will continue to render assistance to the two new Governments.

"The policy for guiding the new regime and the question of establishing a central machinery for direction of our China policy will be undertaken both about the middle of this month. The Government has not yet decided finally what kind of organ should be established. Nor has it reached any decision with respect to the organ's personnel.

"At recent meetings of the Cabinet Advisory Council, the four-Minister conference and at the five-Minister conference, several proposals were made in connection with the project. It was suggested that the proposed organ should be directly attached to the Cabinet, also that for the time being a temporary directionary board should be created.

"In any case, it may be expected that a new phase in the hostilities of a nature to facilitate the fusion of the North and Central China regimes will develop in the course of this month, and that by that time the Government will have reached a final decision on its project of establishing the organ for direction of policy. Opposition is expected from various quarters, but the Government is determined to materialize the organ, convinced that it is impossible to please every quarter at once.

Differences Exist

"There is still some difference of opinion among members of the Advisory Council on the fundamental nature of our China policy; consequently I wish to examine their wishes further before reaching a final decision. The concrete proposals will be drawn up by the Legislative Bureau and by the Planning Board. To facilitate the final decision the Government may decide to hold a series of liaison conferences before the end of May.

"Already a decision has been reached that Baron Seinosuke Goh should be

appointed the chairman of the preparatory committee of the North China Development Company and the Central China Promotion Company. The first plenary session of the committee is expected to be held May 12. It has not yet been definitely decided yet, however, whether the Baron will be appointed first president of the North China Development Company. The Baron's wishes in this respect will be ascertained shortly through the Commerce and Industry Minister and the Finance Minister.

"In China the Government will endeavor to respect the rights and interests of foreign Powers in order to avoid friction between the new companies and foreign concerns.

Opposition Inevitable

"Whenever organized attempts are being made to settle a problem, such efforts are inevitably confronted by opposition from some quarter. If such opposition must be called political unrest in the present domestic situation, then it must be admitted that the trouble lies outside the Government and not within it. The immediate and outstanding problem for the Government is to reach a final China policy. Solution of this problem, the Government is convinced, will at once liquidate all forms of outside opposition.

"Because of the pressing nature of this issue, I have not had time yet to consider the question of appointment of an independent Welfare Ministry. Postponement of the question is not of vital concern, especially since the absence of a full-time Minister so far has caused no difficulty to the nation, or to the Government.

Reforms Delayed

"The question of effecting reforms in the Government system also has been delayed mainly because a number of Cabinet members recently have been absent from the capital. This question, however, will be taken up fully at the Cabinet conference on May 13.

"There appears to be criticism against the Legislative Bureau's reform plan as being 'attenuated' and 'Unoriginal,' but it is my opinion that the enforcement even of this suggestion would be better than none. The Cabinet already is in fundamental agreement that reforms should be carried out, but it is admitted differences of opinion are likely to arise over the bureau's proposals. At the Cabinet meeting on May 13, the director of the Legislative Bureau will be asked to offer a full explanation of the project.

"Dr. Rentaro Mizuno has been selected as chairman of the Diet System Investigatory Commission. There will be no vice-chairman of the commission. I intend minutely to consult Dr. Mizuno on details of the proposed reform plan.

"Finally I wish to state that it is my wish to deal for the time being with the China incident and only with domestic issues which have a direct bearing on the incident, leaving other questions to be considered at a future date. However, as an exception to the latter, there are a few domestic questions which call for immediate attention and these I intend to consider without any loss of time. The plan for reforming the Government system and the Diet system clearly are to be included in this category."

Enclosure No. 2, to despatch
No. 2936, dated May 16, 1938.
from the Embassy at Tokyo.

The Japan Advertiser.

Tokyo, Tuesday, May 10, 1938.

BREAK WITH SOVIET DOUBTED BY HIROTA EVEN IF TALKS FAIL

Difference Lies in Scope of
Negotiations Desired by
Two Countries

OTHER RELATIONS 'SMOOTH'

Foreign Minister Discusses
Japan's Stand in Conference
with Press

CHINA TO BE INDEPENDENT

No break with the Soviet Union on outstanding problems is expected even if negotiations now being attempted should fail, Foreign Minister Koki Hirota told foreign correspondents yesterday at a press conference in his official residence.

Relations with the United States and Great Britain have improved and are "very smooth," he stated, and Germany in its actions in China has shown increasingly its friendship for Japan. Commenting on European affairs, he said that the Anglo-Italian agreement and the Anglo-French talks that followed were both welcomed here for their value in preserving peace in Europe.

Recognition by Japan of the anticipated new Government to be formed in China by amalgamation of the Peiping and Nanking regimes will not be possible until it controls much more territory than the two regimes do at present, he said, reiterating that Japan is still determined not to deal with the Chiang Kai-shek Government, holding that it is now past the power of General Chiang to separate himself from the Communist elements which surround him. Mr. Hirota repeated that he expects the incident to be drawn out.

Shanghai Plan Denied

Though affirming that Japan is making no plans for a change in the status of the International Settlement at Shanghai after the incident is over, he stated that it is very much to be desired that some method be found which will take cognizance of the increase in Japanese residents there.

Asked whether Japan has no territorial aspirations in China, Mr. Hirota asserted that as the main purpose of the incident is to make it possible for the peoples of China and Japan to co-

operate economically and socially it is "a small matter" whether the territory is Chinese or Japanese. He added that the test of the matter is the present policy of the Japanese in territories occupied by the army of letting the Chinese govern themselves.

It is expected that the trade deal which Japan desires to make with Italy through the Italian economic mission now visiting here will be extended to those other territories in this region "which may be interested," and it is hoped that Italy will put capital into the development of North China. He expressed regret over rumors indicating that Japan wishes foreign mining interests in North China to sell out to the Japanese and reasserted that not only Italian capital but other foreign capital will be welcomed in the development of that region.

Discussions Held Up

Although Japan is attempting negotiations with the Soviet Government, the Soviet Union is insisting that only urgent pending questions be discussed, while Japan wishes that as many questions as possible, including fishing, be taken up. It is this difference which is preventing solution of the difficulties, continued Mr. Hirota. He anticipates, however, no break with the Soviet Union on outstanding difficulties. Even if negotiations fail, he said, the two countries will be left just where they were before negotiations began, and there was no break then.

Mr. Hirota asserted that Soviet assistance to China has been conspicuous but less than China expected and that he thinks that the Soviets will stop that assistance recognizing that it is in vain.

While admitting that it is difficult at the present time to find men of big calibre to work with the new regimes in Peiping and Nanking, the Foreign Minister asserted that eventually such men will come to recognize the true aims of Japan and will co-operate with the new regimes. Asked who these men might be he reiterated that the present officials of the two regimes must do the choosing.

Mr. Hirota pointed out that Mr. Wang Keh-min during his visit here, stated his willingness to "sacrifice himself if necessary" to form a cabinet in North China.

Though the eventual location of the capital of the new Republic of China must be decided by the Chinese its location will probably depend on the direction of present affairs and on the position shown most desirable by the past history of China, said Mr. Hirota.

Investments Welcome

Recognition of the new Chinese Government by Japan will come, he said, when the two regimes merge into one and that Government becomes strong enough to be recognized as the central Government of China. When that time comes, he continued, China will be a perfectly independent country and on a position of complete equality with Japan. It is expected that this Government will be an enlightened one so that foreign firms need have no fear

for their investments and that it will welcome the foreign capital which Japan and other countries will invest. It is hard to think that the Government will not welcome foreign investments, he pointed out. In this respect he said Japan does not intend to make any special agreement with Italy in North China.

Though the abolition of extraterritoriality and of unequal treaties is the hope of the Chinese people, said Mr. Hirota, it is a prerequisite that China itself be powerful enough to put itself in order to achieve that result.

The Chiang Kai-shek regime, Mr. Hirota said, is the greatest anti-Japanese force in China and therefore the elimination of that regime is of the greatest importance for the promotion of good relations between China and Japan. The change in attitude toward General Chiang, who had been considered friendly toward Japan at one time was attributed to his losing his "sound judgment" after the Sian incident. It seems, said Mr. Hirota, that in the hands of the Communist elements, he was rather a weak person. The reform of General Chiang, thinks Mr. Hirota, is impossible.

No Dealing Possible

Asked if dealing with General Chiang might eventuate if some friendly foreign Power offered to mediate, the Foreign Minister observed that because the attitude of Japan is understood by all Powers he did not think any third Power would take steps toward mediation between Japan and General Chiang.

If General Chiang, himself decides to give up military opposition to Japan, there will be no need for discussions, asserted Mr. Hirota, for General Chiang has retreated. "I hope it (the incident) will be ended as soon as possible but in view of Chiang Kai-shek's position I fear it will be a protracted one," he said.

He reiterated Diet statements in which he asserted that whatever the government in China, indemnity would be expected. He assented when asked if this meant that the new amalgamation Government would be asked to pay for acts committed under the Government headed by General Chiang.

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

Enclosure No. 3, to despatch
No. 2936, dated May 16, 1938.
from the Embassy at Tokyo.

The Tokyo Nichi Nichi.

Tokyo, Wednesday, May 11, 1938.

Foreign Minister Answers Queries Of Newspapermen Regarding Policy

'Foreign Investments Will Be Welcomed to Develop North China; Trade Obstacles Will Gradually Be Removed as New Regime Is Stabilized'

Foreign Minister Koki Hirota in his interview with foreign newspapermen in Tokyo on Monday, May 9, at 3.30 p.m. at his official residence, described the diplomatic path that Japan is following.

The questions and answers were:

Q: What would be Japan's attitude if General Chiang Kai-shek amended his stand, especially if he should make peace proposals through a third nation?

A: Nothing has been changed in Japan's attitude of not dealing with the Chiang regime. Since General Chiang is at present the "captive" of the communists, he would lose his position if he should make peace proposals. I do not believe such a thing can be considered.

Furthermore, I do not think that any third nation will embark upon the task of intermediation because all know well Japan's true intention in dealing with the China Emergency.

Q: Where will be the capital when the provisional government of Peking and the restoration government of Nanking are amalgamated?

A: That is a question to be decided by the Chinese among themselves. But considering the history

of China, I think the site of the capital can be imagined.

Q: When will Japan recognize the new Chinese regime?

A: The recognition will probably be given when the new regime, after the amalgamation of the two governments, has come to possess the power of a central government.

Q: Will the Sino-Japanese cooperation be on an equal footing, following Japan's recognition of the new Chinese regime?

A: The newly-born China is a perfectly independent state and I think the cooperation should be on an equal footing.

Q: What measures are being taken to bring the Sino-Japanese conflict to a speedy end?

A: I can't say, as that is connected with the military operations. But it is my policy to attain our objective, in cooperation with the Peking government and the Nanking government.

Q: Will the open door policy be followed in the development of North China?

A: Foreign investment will be welcomed. The trade obstacles, from

which foreign countries are suffering at present, will undoubtedly be removed gradually as the Peking government becomes stabilized.

Q: What is the state of the negotiations on the problem of the Shanghai Municipal Council?

A: Negotiations are progressing with the countries concerned, but they have not yet reached a stage satisfactory to Japan.

Q: What is the development of the diplomatic negotiations with Soviet Russia?

A: (After giving an outline of the development). There is a lack of sincerity on the part of Soviet Russia regarding the negotiations.

Q: What is Japan's attitude concerning Soviet aid to China?

A: A strong protest has been filed with the Moscow government by arraying the facts with regard to Soviet Russia's assistance to China. Japan is watching the attitude of Soviet Russia. It is likely, however, that aid to the extent which China desires has not been given of late.

Q: What is the international effect, especially on the anti-Comintern pact, brought about by the Anglo-Italian and Anglo-French pacts?

A: For Britain to reach an accord with either Italy or Germany is for her to approach the anti-Comintern pact. It does not weaken the effect of that pact. I think the Anglo-French pact is a desirable agreement for the maintenance of peace in Europe.

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

Enclosure No. 4, to despatch
 No. 2936, dated May 6, 1938.
 from the Embassy at Tokyo.

The Tokyo Nichi Nichi.

Tokyo, Wednesday, May 11, 1938.

'Impending Development in War Zone More Important Than Nanking's Fall'

KONOE REAFFIRMS AID TO NEW REGIMES

Chinese Propagandists Circulate Monstrous Lies Abroad; Rumors of Compromise With Chiang Utterly Without Basis, Premier States

Premier Prince Fumimaro Konoe considers that the impending war development in China will have an even farther-reaching effect upon the Far Eastern situation than the fall of Nanking last year.

The Premier clarified the government's stand once again aboard the train that carried him on a hurried trip to Kyoto Monday afternoon, May 9, because the comparative lull on the China front has given rise to considerable conjecture, mostly traceable to Chinese propaganda.

Advantage Is Taken of Comparative Inactivity

He said in part:

"The Chinese propagandists, taking advantage of the comparative inactivity in the last several weeks, have as usual been circulating fabrications of all sorts abroad. Some of them have gone so far as to declare the war situation has been turning decidedly unfavorable for Japan.

"I assure you that such a monstrous untruth will be blown to the four winds when the war sees fresh developments shortly and the falsity of the Chinese propaganda will be exposed. In that light, we may as well consider the coming development even more important than the fall of Nanking.

"Rumors have frequently been circulated to the effect that Japan is considering a compromise with the Chiang Kai-shek regime, pending further development of the war situation. As the government has repeatedly declared, however, our established policy is to support and to cooperate with the North China regime, which upholds an anti-Comintern and a pro-Japanese policy. Under no circumstances, will we consider direct

peace negotiations with the Chiang regime.

"I presume that the provisional and restoration (Wei Hsin) governments will have made much headway for amalgamation by the end of the month."

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

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

FROM

GRAY

Chefoo via N. R.

Dated June 4, 1938

Rec'd 6:45 a.m.

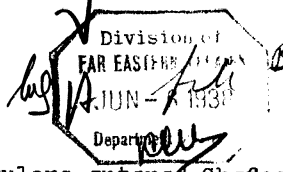
Secretary of State,
Washington.

June 4, noon.

793 94
Small force of Chinese irregulars entered Chefoo
at 11 p.m., third, and were driven out by and forces.
Japanese auxiliary vessel fired five shells to south-
west of city. No damage to American lives and
property. Repeated to American Embassy, Peiping,
Hankow.

ROBERTS

GW:HPD



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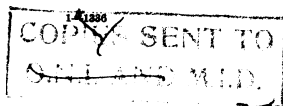
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FROM FOURTH MARINES

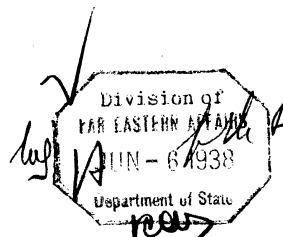
June 4, 1938

Rec'd 10:10 a.m.

ACTION: CINCPAC

CENAV

INFO: ANCON SHANGHAI
COMBBERON FIVE
ASST ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMEMBASSADOR CHINA
USS HARBLEHEAD
ALUSNA PEI PING



753.94

8604. Japanese 4 June claim their column moving south from Mengcheng, Anhwei, captured Fengtai on north bank Hwei River, same column now attacking Showhsien south of Fengtai. Japanese columns on Lunghai reported capture Tungsu 20 miles due east Kaifeng, another column attacking Chenlui 13 miles southwest Kaifeng. Japanese planes heavily bombed Canton 4 June. Heavy guerilla fighting last two days at Wauching village 5 miles southwest French Concession. Some Japanese dead. now being returned Shanghai 1850

KLP

753.94/13140

JUN - 8 1938

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DOCUMENT FILE

NOTE

SEE 893.51 Salt Funds/184 FOR Memorandum
State Department
Far Eastern Division
FROM (Adams) DATED May 12, 1938
TO NAME 1-1127 GPO

REGARDING: Japanese military activities in South China; importance of
maintenance by Chinese of communications on the Canton-
Hankow Railway.

Comments of Dr. Esson M. Gale, former American Consular Officer,
of the Chinese Salt Administration on-

FRG.

793.94/ 13141

13141

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

793-94

DOCUMENT FILE

NOTE

SEE 894.021/63 FOR #2938-

FROM Japan (Grew) DATED May 16, 1938
TO NAME 1-1127 ***

REGARDING: Japan's China policy and proposed reorganization of the Japanese Foreign Office.

FRG.

793.94/13142

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

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1-1226

FROM

GRAY

Tsingtao via N.R.

Dated June 4, 1938

Rec'd 7 a.m. 5th

COPIES SENT TO
ONI AND MLD.

DT

Secretary of State

Washington

June 4, 1 p.m.

My May 24, 9 a.m. 13079

It is reported that Tsimo, 30 miles north of Tsing-
tao was reoccupied by Japanese on May 30 after a skirmish
with Chinese plainclothes men in control of town. It is
also reported that one Japanese noncommissioned officer
and one or two Japanese soldiers were killed. An
American missionary was told in Tsimo that the Japanese
took reprisals on nearby villages massacring, according
to Chinese rumors, almost 100 civilian men and women.

Sent to Hankow, Peiping.

RR

GOURLEY

JUN - 9 1938

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793.94/13143

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

lw

1-1286

FROM GRAY

Shanghai via N.R.

Dated June 4, 1938

Rec'd 7 a.m., 5th

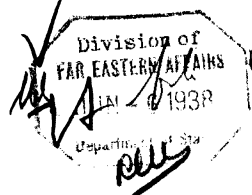
COPIES SENT TO
C.N. AND M.I.D.

Secretary of State

Washington

780, June 4, 5 p.m.

My 755 / June 1, midnight.



One. There are indications of increased Japanese activity on the Yangtze River above Wuhu, where British sources report mine sweeping operations in progress. An attempted landing by Japanese sailors on the north bank 20 miles above Wuhu is believed to have been unsuccessful. Press reports claim that Japanese forces in central Anhwei have retreated from Tashushan and are on the defensive near Hefei.

Two. Artillery fire continues, occasionally audible in Shanghai.

Three. Domei reports the arrival in Shanghai of three delegates of the "Provisional Government", headed by Pao Kuan Cheng, to attempt on method of negotiations with the "Reformed Government of Central China".

Four. A meeting of 45 representatives of local

Peace

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

1w -2- No. 780, June 4, 5 p.m. from Shanghai

Peace Maintenance Society in this general district has been concluded. Reported decisions include reorganization consecutively district governments and cooperation with Japanese forces in suppression of "bandits". The delegates were addressed by Liang Hung Chih, feted by the Japanese, and are said to have been given \$700,000 as the first installment of 2,000,000 promised by the "Reformed Government" for rehabilitation purposes.

Repeated to Hankow and Peiping.

LOCKHART

KLP

124

DECLASSIFIED: E.O. 11652, 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

June 13, 1938.

~~JGV~~
~~JHS~~
~~JWB~~

Tsingtao's 217, April 24, 1938, entitled "Taking of Tenghsien as Seen from American Mission Compound."

The attached despatch describes the taking of Tenghsien as reported to Consul Gourley by Dr. W. M. Hayes, an American Presbyterian missionary.

The Japanese military offered compensation in the form of "consolation" money for the relatively slight property damage done to the mission. This money was refused and officials of the mission presented the Japanese authorities with a signed statement to the effect that as the damage done the buildings of the mission was not serious they declined any financial "consolation."

793.94/13145

ARM
FE:Ringwalt:HES

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

No. 217

AMERICAN CONSUL

Tsingtao, China, April 24, 1938.

1938 JUN 4 AM 11 46

DIVISION OF
COMMUNICATIONS
AND RECORDS

G
Gourley ONI-MID

SUBJECT: Taking of Tenghsien as Seen from
American Mission Compound.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

Division of
FAR EASTERN AFFAIRS
JUN - 1938
Department of State

EDT

793.94/13145

I have the honor to attach to this despatch
a story of the taking of Tenghsien (滕縣) in
southern Shantung by the Japanese in March, 1938,
as related by Dr. W. M. Hayes, an American Pres-
byterian missionary, and to give a summary below.

On the morning of March 16 several planes be-
gan dropping bombs on the city of Tenghsien or out-
side the East Gate. At about 8 o'clock in the morn-
ing Japanese artillery began a vigorous attack on the
east suburb. The firing was especially brisk for an
hour or more. Afterwards it slowed down a little but
still was quite frequent. A bomb or shell exploded
on the road a short distance east of the American
Presbyterian Mission compound, fragments falling within
the compound and breaking window glass. Outside the
compound one Chinese was killed.

On ...

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

- 2 -

On the afternoon of March 16 from the Mission compound dense clouds of smoke were seen rising from the east suburb. After a short lull firing began again.

The cannonading and machine-gun and rifle fire continued intermittently all night and began vigorously before daybreak on the morning of March 17. Two planes dropped bombs in the city and east suburb. Heavy clouds of smoke rose twice just south of the mission's north compound, the second time being evidently from an incendiary cannon shell, as there was no plane then in sight. During the morning more and more houses were burning in the city and the east suburb.

Some time during the day on March 17th a shell burst just south of the chapel of the Mission. A bomb or shell also fell in the yard of one of the women missionaries, burst and shattered most of the window glass of her house. A woman servant was also killed on the premises of the women's school.

The major part of the battle was over on the afternoon of March 17 and there were many Japanese in occupation of the road east of the Mission. In the city there was smoke everywhere and a strong wind made it look as if the city would burn up. Even after the battle seemed over one of the Mission's best Chinese young men students was killed by a shot as he was crossing the Mission school campus. The shot was fired from the railway past the American flag. The

Japanese ...

- 3 -

Japanese officer to whom the killing of the student was reported later admitted that it was inexcusable.

About 5:30 p. m. on the 17th some Chinese planes arrived and engaged a Japanese plane which was flying low just over the house of one of the missionaries. They soon flew off after hitting the Japanese plane which crashed a short distance to the west of the railroad, both the aviator and the pilot being killed.

At 6:30 on the afternoon of March 17 Japanese soldiers broke into the house of one of the American missionaries. Permission was given to them to stay all night, as they clearly intended to do so, but they were asked not to break into any more houses. By the next morning there were at least 200 Japanese inside the Mission premises.

During the night of March 17 Szechwan soldiers came from the west and took up their position just north of the Mission's dormitories. The Chinese and Japanese soldiers exchanged shots, the Japanese having made holes in the mud wall west of the Mission compound. Several bullets pierced the roofs of some of the Mission houses and the Memorial Hall.

On the morning of March 18 the Japanese began digging trenches in the yard of the missionary's house which they had occupied during the night but later they left the Mission compound, the Chinese soldiers having retired from the city.

On the afternoon of March 18 a Japanese officer

came ...

- 4 -

came to the Mission to see whether the foreigners were all safe, as he wished to radio the news to Tientsin.

On March 19 a Japanese officer came twice during the day, wishing the missionaries to accept "consolation" money and to sign a paper expressing the pleasant relations of the missionaries with the Japanese. The missionaries declined to sign. During the day the sky was lighted up with fires burning in the city and outside of the railway track to the southwest.

On March 20 a Japanese officer came and the missionaries were again asked to sign a paper drawn up by the Japanese. The missionaries finally persuaded the Japanese to accept a paper which the Mission had drawn up. In the paper the Mission declined to accept money for damage to buildings but said that it expected adequate protection in the future for its property, for the lives of the missionaries, and also for all Chinese Christians and refugees with the Mission. The Mission, however, accepted from the Japanese commander a donation of Chinese wheat for Chinese refugees and needy Christians.

The Japanese commander at one time requested that the Mission should supply the Japanese 200 coolies to carry baggage for them at a certain rate but the Mission firmly refused.

It was learned on March 20 that a number of people in the city had been ruthlessly stabbed, apparently

with ...

724


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

- 5 -

with the intention of terrorizing the Chinese.

On March 21 the Mission asked the Japanese for compensation for cows which it had learned had been killed. The Japanese refused and were told that the item would be reserved to be taken up by the American authorities.

Respectfully yours,


L. H. Gourley,
American Consul.

✓
Enclosures:

1. ✓ Diary Report of Taking of Tengkhsien by
Dr. W. M. Hayes.
2. Rough sketch of Mission compound at Tengkhsien.

800/350
LHG/CHS

In quintuplicate to Department,
Copy to Embassy, Peiping,
Copy to Embassy, 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

Enclosure No. 1

Extract from a letter dated Tenghsien, Shantung,
 March 21, 1938, from Dr. W. M. Hayes, to his son.

DIARY REPORT OF TAKING OF TENGHSIEN

March 16. Our first plane arrived at 7:20 a. m. and dropped five or six bombs either in the city or just outside the East gate. This one was followed at approximately 7:30, 7:40, 9:20 & 10:40 a. m., probably all different planes which for some reason did not drop any bombs that I could recognize, but from 9:10 it would be difficult to be certain as the Japanese artillery began at 8:10 a vigorous attack on the East suburb. For an hour or more the firing was brisk. Afterwards it slowed down a little, but still was quite frequent. We did not hear any shells or bullets whistling overhead, so judge that most of the shots were aimed directly at the city, or by the defenders toward the east. Some of the nearby Chinese made for our cellar without delay bringing quilts, eatables, etc., evidently expecting a long engagement. Our servants like the Hebrews (I Sam. 14:11) quickly hid themselves in their dugouts. So many interruptions today that I am not getting much "forrarder" only between times working on Ephesians. The machine-guns are busy all forenoon with their "peh, peh, peh" so the attack must be a determined one. As the Japanese have not made a success of opening up the r.r. from the South, they are making a vigorous attempt from the north. We have not heard from any of our missionary colleagues all morning as the present is not a propitious time for making calls. This is one of the times, when, as Whittier says, "To stay at home is best".

When a bomb exploded on the road a few rods east of us fragments fell in our back yard. One broke a pane of glass in the little room upstairs. Ken & I were standing just north of the house and when the fragments fell we made a quick move to the south though the danger was then past. I have some bits laid away as souvenirs. It is these fragments that usually do the devilment. This bomb killed one poor fellow and wounded another. Bang! there goes a big one, and immediately after it I saw a man making a dive for the dugout in our front yard without so much as "by your leave". This dugout was made under my supervision and never seemed to meet the servants' approval so they made another in the garden in the most approved style with little side-pockets each large enough to accomodate one person, the entire dugout being well covered and good and deep. We prefer the basement with kerosene away from the house.

2 p. m. Dinner over in safety. Dense clouds of smoke arising from the east suburb which looks ominous for the city as the Chinese would hardly burn the houses of their own people. Mrs.--- nerves are pretty

- 2 -

well unstrung; she is not afraid but her head and back both ache severely. Mrs. Hopkins has just been over to call the Seminary men to dinner. They are in our basement. The servants there were all afraid to venture out but she sized it up that as yet there is no danger in this compound. The firing after a short lull has begun again and seems nearer so it seems as if the Chinese were losing though they certainly are putting up a good fight.

March 17th, 8:30 a. m. The cannonading, machine-gun and rifle fire continued intermittently all night and began vigorously before daybreak. Still, all in all we had a good night's rest. Two planes have dropped bombs in the city & East Suburb. Two heavy clouds of smoke rose twice just south of the mission North compound; the second time evidently was from an incendiary cannon shell, as there was no plane then in sight. The servants, gatemen and their families nine students and a number of other people all slept in our basement. Only 2 small windows open in the room occupied by the students and the door closed between it and the other rooms - air pretty thick. Japanese reinforcements and ammunition said to have arrived during the night. Smoke still rising at 9 a. m. in the East Suburb, evidently still burning houses, others are reported burned in the city by incendiary shells. At 10:30 another bomb or shell; at 12:10 more houses are burning both in the city and the East Suburb; 12:30 the Japanese about 200 are in the road just East of us. Shortly after, 3 of them appeared on the east and west road south of us standing guard at its east end, remaining there all afternoon evidently expecting Chinese reinforcements from the N. There is smoke now everywhere and as a strong wind has risen it looks as if the city will be burned up. 6:30 p. m. a few Japanese soldiers broke into the Kepler house and when I went over to see them asked leave to stay there all night. As they clearly intended to do so, permission was of course given; but with the request that they would not break into any of the other houses. By the next morning there were at least 200 of them inside the premises. This was our worst day.

March 18. 6:30 a. m. During the night a wagon with ammunition came in where they were breaking down the NE gate. The Szechuen soldiers came in during the night from the west and took up position just north of the dormitories. In the morning they were exchanging shots, the Japanese having made holes in the mud wall west of the compound, but lost one man probably by a hand grenade. During the night several bullets pierced the roofs of some of the houses one at least pierced the roof of Irene's Hall (Memorial). Going out at 6:15 a bullet whistled over my head but no harm was done to our house. A shell though yesterday burst just south of the Chapel. In the early morning those in the K--- Yard were busy digging small trenches but at 7:10

- 3 -

they were all gone as the Chinese soldiers had retired from the city. The sad part of it is that one of our best students was shot after the battle was over as he was crossing the campus. The shot was fired from the railroad right past the American flag and into the campus which was supposed to be inviolate. The Japanese officer to whom I reported the killing of the student admitted that such an act was inexcusable, but that does not restore to life nor punish this criminal act. A bomb fell in Miss Dodd's yard, burst and shattered most of the window glass in her house. A woman servant was also killed in the woman's school premises. About 5:30 p. m. some Chinese planes arrived but too late to aid in the battle. Two of them however engaged a Japanese plane just over our house flying so low as to almost touch our chimnies. The noise was something terrific. They must have seen that they had accomplished their purpose for they flew off leaving the Japanese plane to crash a short distance to the west of the railroad track -both the aviator and the pilot being killed. This was on the 17th but we did not hear the results till the next day. About 2:40 p. m. many Japanese soldiers with Chinese carts loaded down with articles and with Chinese coolies carrying baggage for them and leading cows (Elder Feng's two foreign cows both disappeared) went west on the road south of us. Vae Victis! A Japanese officer escorted by Dr. D-- came up about noon to see whether the foreigners were all safe or not as he wanted to radio the news to Tientsin. Messrs. Dodd and Hopkins have shown up well during these dangers and should have a blue ribbon apiece. Dr. Dodd has very kindly looked after the Presbyterian mission property in the north suburb. His former Presbytery which dropped his name from their roll should be informed of this. At night we saw the heavens lighted up with big fires in the city and to the southwest.

March 19. Thank the Lord for a quiet rest last night, no cannon, machine gun or rifle shot all night. A Japanese officer came out twice during the day wishing us to accept "consolation" money, also wanting us to sign a paper which they had drawn up expressing our pleasant relations with them. We declined "to sign on the dotted line" and drew up one of our own which however was not acceptable to them. Two planes flying low passed us going south, probably would have done us no harm but our faith is small so all took refuge again in the basement. The skies are again lighted up with fires in the city & outside of the r. r. track to the south west. This destruction of property is certainly not the best way to encourage trade which is one of the objects of the present war. China has been Japan's best customer; but Japan has objected to China deciding on her own tariff and insists on having a voice in it.

March 20. Thank the Lord for another quiet night. A good part of this Sabbath day has been taken up with

- 4 -

discussions with the Japanese lieutenant regarding the paper which he wishes us to sign and which we decline to do. We decided also to decline the money, whereupon the Japanese commander offered to donate for the refugees and needy Christians. As this is probably Chinese wheat anyhow, we decided to accept it.

They finally agreed to the following paper which we drew up:- "As the damage done to the buildings of the American Presbyterian Mission during the recent battle here is not serious we respectfully decline the financial consolation offered by yourself. However we do earnestly desire and expect adequate protection in the future not only for our property but also for ourselves, and also for all Chinese Christians and refugees here with us. We sincerely trust that the Japanese military authorities will guarantee this protection to us."

A number of people in the city and round about have been ruthlessly stabbed, the intention apparently being to terrordrize the people - no other aim is conceivable. Two planes went south about 9 a. m. we should be happy never to see or hear another of these aves Diaboli.

At first the Japanese commander requested that we furnish them with 200 coolies to carry baggage for them at a certain rate; but we declined the request so firmly that they did not mention it again. We are surely thankful that the danger for the present is over; that the women on our compound have not been molested; that so little harm has been done to our property and that none of our number has been injured, but we do mourn the death of Mr. Feng Yang Kwang.

March 21. The Japanese refuse to make any compensation for the loss of the cows and they were told that we would reserve that item to be taken up by the American authorities. The high Japanese command in Peking has kindly inquired by radio of the commander here regarding our safety. He must have failed to receive the radio sent by the commander on the 18th, or has been disturbed by some false report - a report somehow having been spread abroad some days ago that all our buildings had been destroyed. ~~CHINESE BEGUN AGAIN.~~

March 22nd. Two of us went into the city under escort to see the commander and requested permission to see Dr. Yu's Drug Store, the city chapel, and Elder Feng's shop - 11 of which was declined on the ground that the streets were muddy and had not yet been cleared of carts, trucks etc.

They saw that the city gates had been burned, that so far as they could see all outside doors had been broken down and that the streets were full of wreckage, doors, tables, chairs, etc. The Japanese claimed 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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they had killed 3,000 Chinese soldiers (which is probably a fair estimate for the latter fought bravely) but would not disclose their own losses, that being a "military secret". Their losses though were not light. This is the first day since the 18th that we have had no Japanese visitor. On a previous visit they claimed that they had nothing against the Chinese people as such and that the war was "in the interests of justice, humanity and peace", evidently a made up speech committed to memory as the officer who made it could speak but little English.

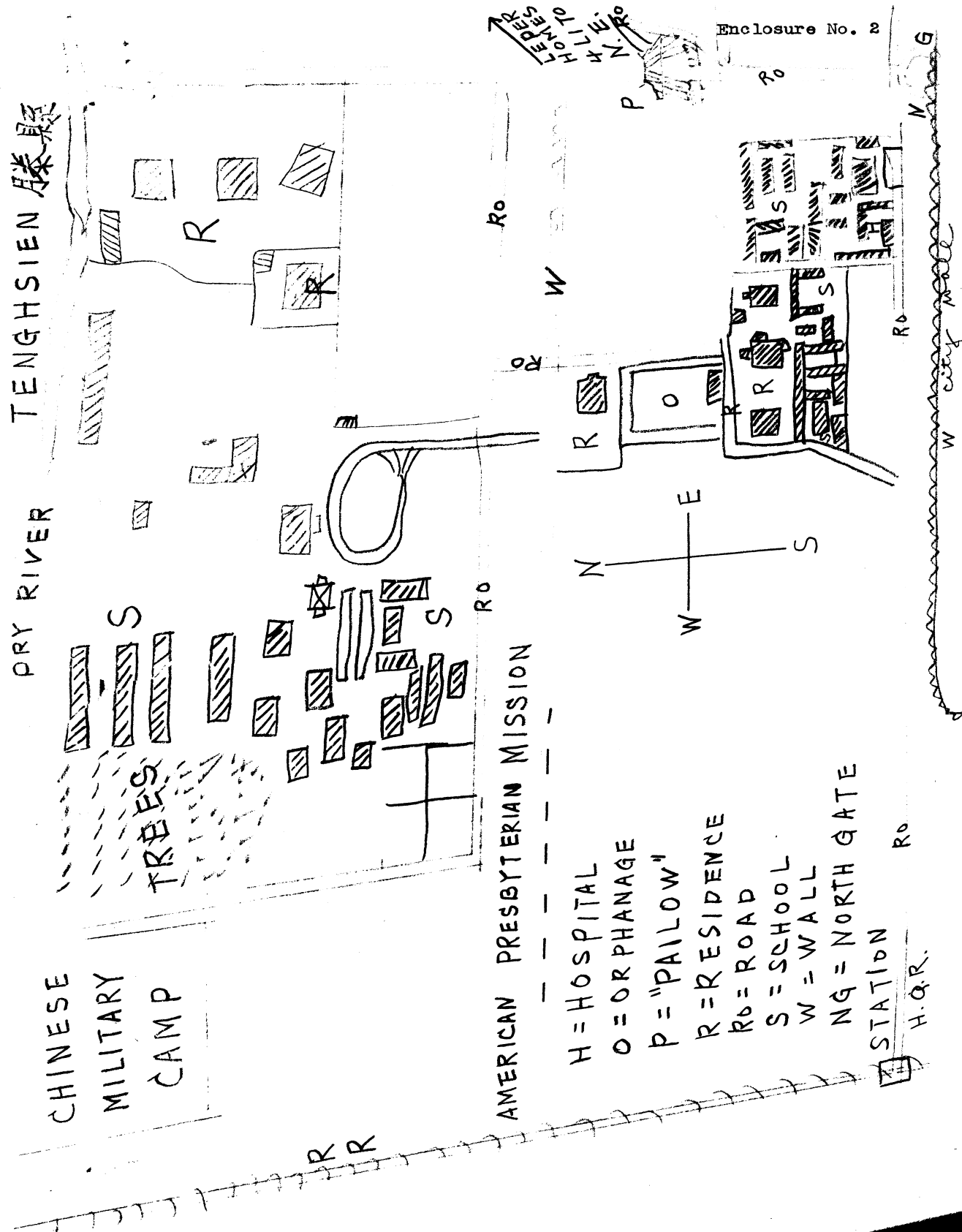
March 25. The troops which captured hoc locum have moved on and others have taken their places. The new commander sent two officers out to call but being in class I did not see them however Messrs. D-- and H-- did. Two of Satan's birds flew south in the forenoon and came back in the afternoon going in the direction of Tsining.

March 28th. All right up to this morning.

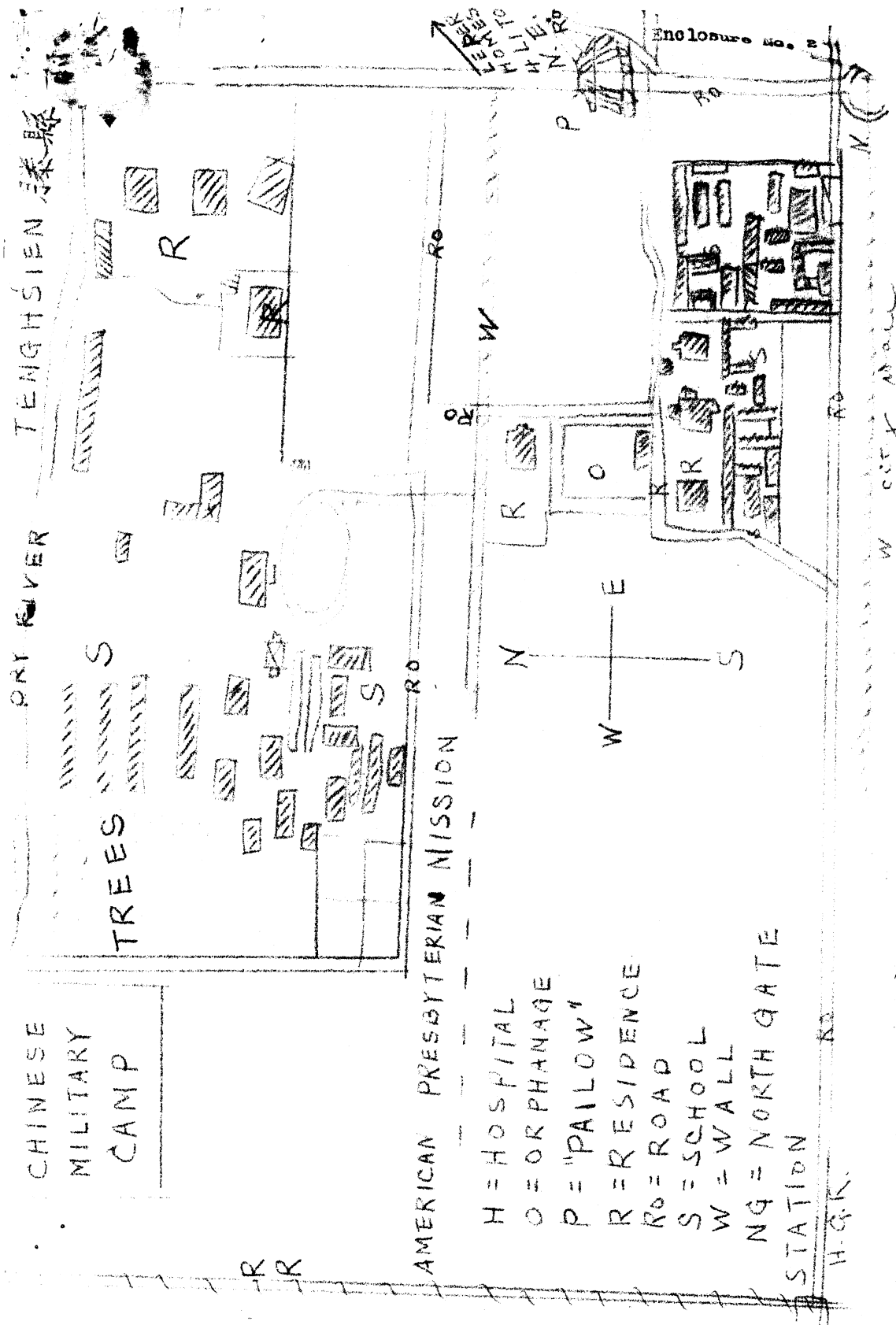
One of the city fathers, not a Christian, said that in the last ten days we have gained more influence than in the ten previous years.

Copied by: CML
Compared with CML

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



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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

June 13, 1938.

Nanking's no. 3 of April 28, 1938, entitled
"Losses Suffered in Nanking by Chinese as a
Result of Present Hostilities."

This despatch contains a summary of losses
suffered by Chinese residents of Nanking inci-
dent to hostilities there. It is based on a
survey conducted by the Nanking Municipal
Autonomous Committee. Actually, the investiga-
tion was largely made by Drs. Bates and Smythe
of the faculty of Nanking University. The fol-
lowing figures and percentages should prove of
interest:

Total losses	¥10,000,000.00
Losses due to military operations	1.09%
Losses due to fire	52.9 %
Losses due to looting by Japanese	31.5 %
Losses due to stealing by Chinese	10.15%
Losses from unknown causes	4.27%

The attached table is worthy of a certain
amount of study.

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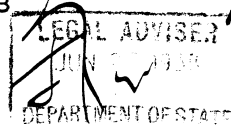
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



No. 3
(Old No. 622)

EMBASSY OF THE
UNITED STATES OF AMERICA
Nanking, April 28, 1938



Confidential.

Subject: Losses Suffered in Nanking By Chinese As A
Result of Present Hostilities.

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DEPARTMENT OF STATE

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in confidence DT

ONI MID
copy in FE (Jad)
Division of
FAR EASTERN AFFAIRS
JUN 1 1938
Department of State

The Honorable

The Secretary of State,
Washington, D. C.

Sir:

I have the honor to report that, according to preliminary results of a survey completed, under the auspices of the Nanking Municipal Autonomous Committee, the total losses suffered by Chinese families now in Nanking, within the city walls, amounts to more than \$35,000,000 Chinese currency or slightly more than \$10,000,000 United States currency, converted at the average rate prevailing at the time the losses occurred (US\$1.00 equal CN\$3.40). As stated above, this figure represents only the losses of those Chinese families in Nanking at the time of the investigation, not more than one fourth the normal population, and by far the largest losses suffered in this city were by those persons, generally of the wealthier classes, who left the city upon the approach

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JUN 29 1938

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- 2 -

1/ approach of the Japanese forces. It is extremely interesting to note, from the table enclosed herein, that the losses suffered as a result of actual military operations were less than \$400,000 Chinese currency(US\$112,000), or not quite two percent of the total losses. Nearly eighty-five percent of the total loss was caused by fire and looting which took place after the occupation of the city and was not in any way due to military operations. The losses due to fire amounted to \$18,695,350 Chinese currency(US\$5,498,632) which amounts to nearly fifty-three percent of the total. Losses due to looting which accounted for over thirty percent amounted to \$11,114,087 Chinese currency(US\$3,268,849) while stealing (looting by Chinese as distinct from Japanese) accounted for some ten percent of the losses or \$3,582,225 Chinese currency(US\$1,053,596).

While this survey was ostensibly made under the auspices of the Municipal Autonomous Commission, actually it was instigated, supervised and the results tabulated and checked by Dr. M. S. Bates and Dr. Lewis S. C. Smythe, both American citizens and members of the faculty of Nanking University. The connection of these Americans with the investigation has been kept secret by the Chinese officials concerned because of fear on their part that the local Japanese authorities, to whom certain of the results of the investigation were made available, would not furnish passes and other facilities to the Chinese investigators employed in the survey if foreigners were known to have a part in it. A similar investigation is

being

- 3 -

being made of losses suffered by farm families in districts near Nanking, the complete results of which are not yet available. It is believed that the fact that the local Chinese officials were willing to cooperate with these Americans at the risk of incurring the displeasure of the Japanese authorities from whom they get their power, is indicative of the difficulty the Japanese will have in compelling even the supposedly pro-Japanese Chinese officials to carry out their desires to the utmost degree.

While Dr. Smythe has stated that there may be some exaggeration in the figures obtained for losses he believes that the percentages given for losses due to military operation, fire, looting, and stealing reflect fairly accurately the true condition. It is believed it would be difficult to find in the annals of modern warfare another case where, of the losses suffered by the population of an invaded country, the loss due to actual military operations such as shelling, bombing and street fighting, made up such a small percentage of the total loss.

It will also be noted from the enclosed table that the loss of movable property was approximately twice that of buildings. Among the various kinds of movable property listed the greatest losses were suffered by the following items, in the order named: stock for sale, shop equipment, raw materials for manufacturing and machinery tools. The above items alone accounted for a total loss amounting to \$11,970,100 Chinese currency (US\$3,520,618) which exceeds the value
of

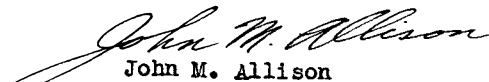
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By Milton D. Gustafson NARS, Date 12-18-75

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of the buildings loss which was \$11,420,350 Chinese currency (US\$3,417,750). When it is remembered that all the above figures must be multiplied at least four times to obtain an indication of the actual loss suffered by the population of Nanking as it was before the occupation, it is obvious that the problem of economic rehabilitation which confronts the present local administration is one which will call for exceptional effort and ability if it is to be solved in a satisfactory manner. Unfortunately there is considerable reason for believing that but few of the present officials realize the true magnitude of the task before them, and that those who do lack either the experience or the authority to bring about the desired results.

Respectfully yours,

For the Ambassador,


John M. Allison
Third Secretary of Embassy

✓
Enclosure:

1/ As stated.

801.46/850.1
JMA/JMD

Original and three copies to Department.
One copy to Ambassador N. T. Johnson, Hankow.
Copy to the American Embassy, Peiping.
Copy to the American Embassy, Tokyo.

3-
LJN

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

Preliminary Summary of
 LOSSES OF FAMILIES LIVING IN NANKING NOW.

Based on Survey of every 50th inhabited dwelling house and every 50th family in refugee camps during the month of March (includes only non-farming areas within city walls.)

Items	Totals for 50 x 782 families = 39,100 families						
	Avg. Per Family	Total	Military	Value Lost	Oper.	Fire	Looting
							Stealing
							Unknown
<u>Movable Property:</u>							
Machinery							
Tools	16.13	630,500		424,000	152,250	17,250	37,000
Shop	71.95	2,813,400		1,698,500	895,550	143,250	76,100
Equipment							
Household							
Furniture &	122.95	480,747	63,000	1,631,700	1,497,225	761,800	853,750
Utensils							
Raw mater-	22.80	891,500		150,800	678,200	35,500	17,000
ials for Mfg							
Stock for	195.00	7,624,700	6,000	2,407,650	3,177,650	1,874,250	159,150
Sale							
Family Food	5.70	222,900	3,500	42,400	144,425	15,525	17,050
Supplies							
Clothing &	126.60	492,634	24,250	1,025,500	2,871,490	691,150	313,950
Bedding							
Bicycles	2.82	110,100	12,500	6,000	89,600		2,000
Ricksha	3.40	156,250	11,500	63,250	66,650		14,850
Cash Money	8.34	326,242		11,500	313,292		1,450
Jewelry	1.54	60,150		5,000	51,400		3,750
Others	33.06	1,292,755	27,500	98,750	1,130,855	25,750	9,900
Total Mova-							
ble Pro-	610.29	23,862,312	157,250	7,575,050	11,059,587	3,564,475	1,505,950
perties							
Buildings							
(Owned)	292.06	11,420,350	226,800	11,120,300	54,500	17,750	1,000
Grand Chg	902.35	35,282,662	384,050	18,695,350	11,114,087	3,582,225	1,506,950
Total* US\$	265.40	10,376,488	112,956	5,498,632	3,268,849	1,053,596	443,221
Percentage		100.00	1.09	52.99	31.50	10.15	4.27

April 20, 1938

* Exchange figured at US\$1.00 equal to Chinese \$3.40, the average rate prevailing during occupation of Nanking.

125
DECLASSIFIED: E.O. 11652, 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

1-1230

FOURTH MARINES

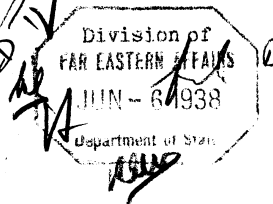
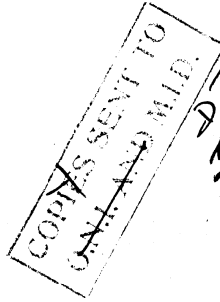
FROM

June 5, 1938

Rec'd 7:20 p.m.

ACTION: OPNAV
CINCAF

INFO: AMCONSUL SHANGHAI
COMSUBRON FIVE
ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING



8605. Chinese reported withdrawing from Kaifeng
area Japanese naval planes active bombing points Chekiang
and Kiangsi Provinces. 1805.

NPL

733.94/13147

F/FG
FILED
JUN - 8 1938

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

TELEGRAM RECEIVED

JR

~~CORPS~~ SENT TO
LINE AND M.L.D.

DT

FOURTH MARINES

FROM

June 6, 1938

Rec'd 7:27 a.m.

ACTION: CINCAF
OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING



793.94

8606. Japanese claim complete occupation Kaifeng
Canton bombed 6 June heavy casualties civilian population.
1600.

RR

793.94/13148

F/HG
FILED
JUN - 8 1938

126
DECLASSIFIED: E.O. 11652, 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 ***

FROM

This telegram was received
in Navy cipher and must be
closely paraphrased before
communicating to anyone

COMYANGPAT

June 6, 1938

Received 10:30 a.m.

ACTION CINCAF

NAVY DEPARTMENT

INFO: AMCON SHANGHAI

COMSUBRON FIVE

ASSISTANT NAVAL ATTACHE SHANGHAI

COMDESRON FIVE

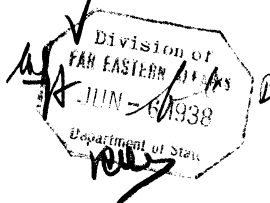
COMDR SOUTH CHINA PATROL

AMAMBASSADOR CHINA

USS MARBLEHEAD

FOURTH MARINES

NAVAL ATTACHE PEIPING



0004. High official confirms fall Kaifeng today,
general withdrawal Lunghai line including Chengchow next
two days General Hsu Yuan Ch Aun defender Yencheng under
arrest, next line resistance Sintien 2105

CSB

793.94/13149

JUN - 8 1938

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

EDA ***

FROM

This telegram was received
in Navy cipher and must be
closely paraphrased before
communicating to anyone

FOURTH MARINES

June 6, 1938

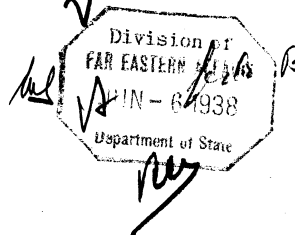
Received 10:30 a.m.

TO CINCAF

INFO: NAVY DEPARTMENT

0006 Five divisions reported mobilizing in Japan
for transfer to China 1620

csb



793.94/13150

F / FG

FILED

JUN - 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

~~DEC~~
~~FC~~

TEMPLE UNIVERSITY
PHILADELPHIA

OFFICE OF
GEO. D. SWAN
JUN 6 - 1938
DIVISION OF
COMMUNICATIONS AND RECORDS

ack'd

June 9 1938.

June 3, 1938

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

Division of
FAR EASTERN AFFAIRS
JUN - 7 1938
Department of State
Ch
fil
now

Dear Secretary Hull:

From 1913 to 1926 I lived and worked among the Japanese as a Y M C A secretary. This experience fully acquainted me with the difficulties the Japanese face in trying to assure for themselves a national destiny. But this China "war" has become such a horrible affair that we should be no party to it. I am writing to express the hope that at least your department of the government will discourage American financial interests from granting credits and loans that might enable the Japanese military authorities to continue this struggle. It may well be that nothing can be done about selling Japan for cash goods that are useful in the prosecution of this war, but I do hope that we shall not "give" steel, oil, cotton, machinery, etc. to the Japanese military oligarchy in this desperate venture upon which they are embarked in China.

703.94/13151

Very truly yours,
Geo. D. Swan
George D. Swan

GDS/K

FILED
JUN 10 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. Gustafson NARS, Date 12-18-75

June 9 1938.

In reply refer to
 FE 793.94/13151

My dear Mr. Swan:

The receipt is acknowledged of your letter of June 3, 1938, in which you express the hope that the Department will discourage American financial interests from granting credits and loans to the Japanese.

The views expressed in your letter have received careful consideration and the spirit which prompted you to bring them to the Department's attention is appreciated.

Sincerely yours,

For the Secretary of State:

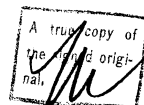
M. M. Hamilton
 Maxwell M. Hamilton
 Chief

Division of Far Eastern Affairs

Mr. George D. Swan,
 Temple University,
 Philadelphia, Pennsylvania.

gdc
 FE:ECG:HES
 6-8

gdc
 FE



793.94/13151

F/FG

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

DOCUMENT FILE

NOTE

SEE 893.156/77 FOR Despatch #

FROM Tsingtao (Gourley) DATED April 27, 1938
TO NAME 1-1127 ***

REGARDING: Japanese regulations concerning use of Tsingtao Harbor:
Excerpts of letter from Japanese Consulate General
at Tsingtao, on subject of-, quoted.

aa

793.94/13152

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Shanghai/115 FOR Despatch #1407

FROM Shanghai (Lockhart) DATED May 4, 1938
TO NAME 1-1127 ***

REGARDING: Sino-Japanese situation: Report concerning-, for
month of April, 1938.

aa

793.94 / 13153

/3/53

Relations with Japan.

79394
Military Operations. Simultaneously with the offensive launched by the Japanese on the southern Shantung front offensive operations were renewed against Haichow and the Lunghai railway from the south. (4) Approximately two divisions of troops drawn largely from garrison posts in the central China area were employed in the push up the Tsingpu railway towards Haichow. The initial Japanese attempt to cross the Kwai River south of Kucheng is reported to have been unsuccessful but later efforts carried them across and resulted in an advance to within striking distance of Suhsien, approximately fifty miles south of Haichow. Meanwhile a Japanese column consisting of five or six thousand men landed at Wohsien, Anhwei, on the north

-7-

north bank of the Yangtze River and advanced west to the vicinity of Hanshan, a distance of approximately twenty-five miles. In Kiangsu and to the east of the Grand Canal the Japanese claimed that the forces which landed in March at Nantungchow on the north bank of the Yangtze River had pushed north to the vicinity of Yencheng, approximately one hundred and twenty miles south of the Lunghai railway.

Chinese guerrilla activities greatly increased throughout the central China area. This is attributable in part to the fact that Japanese garrisons both in the principal cities and towns and along lines of communication were reduced to a minimum to provide reinforcements for the renewed offensive operations on the southern Tsinpu front and also because of efforts made by the National Government to control and coordinate guerrilla activities. In this latter connection it was learned from several reliable sources that the National Government despatched a considerable number of specially trained agents into the area for the specific purposes mentioned and that coordinated attacks on Japanese garrisons and outposts were contemplated some time during May. (5) These developments resulted in the creation of a very tense atmosphere throughout the area embraced in this consular district where a tightening up of military restrictions was noticeable.

Japanese Minister of War Visits Shanghai Area. The visit of General Sugiyama, Japanese Minister of War, aroused much speculation. Information concerning his movements was closely guarded but after his departure it was revealed that he arrived in Shanghai on April twelfth

and

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-

and after visiting the battlefields in the immediate vicinity of Shanghai proceeded to Nanking and Hangchow. He left for Japan on April seventeenth. While here he is reported to have conferred frequently with General Iwata, Commander-in-Chief of the Japanese Expeditionary Forces in Central China, and also to have discussed current problems with Japanese naval and civil officials, including the Japanese Consul General. General Sugiyama is understood to have been impressed with the desirability of pressing the military campaign to an early conclusion and it is perhaps not without significance that the leading Tokyo papers expressed similar views shortly after General Sugiyama's return.

Admiral Hasegawa and other Important Japanese Naval Officers Transferred. The transfer of Admiral K. Hasegawa, Commander-in-Chief of the Japanese China Sea Fleet and his Chief of Staff Rear Admiral R. Sugiyama, was announced effective April twenty-fifth.(8) At the same time the transfers of Rear Admiral T. Honda, former Japanese Naval Attache, and Rear Admiral D. Ohkouchi, Commander of the Japanese Naval Landing Party in Shanghai, were also announced. Admiral Hasegawa's successor, Admiral K. Oikawa, and his Chief of Staff Rear Admiral J. Kusaka, arrived in Shanghai on April thirtieth and assumed command the same day. Rear Admiral Ohishido succeeds Rear Admiral Ohkouchi as Commander of the Japanese Naval Landing Party, while Rear Admiral Honda is succeeded by Rear Admiral H. Nomura. These transfers are not believed to have any special significance.

Japanese

-9-

Japanese Seek to Control Radio Broadcasting in Shanghai.

During the month several communications were received by foreign and Chinese broadcasting stations at Shanghai notifying them firstly that a Broadcasting Superintendence Bureau had taken over the superintendence of radio broadcasting in Shanghai, and secondly requiring all broadcasting stations to register and to give certain information for that purpose. Since the first communication was unsigned there was considerable speculation as to the identity of the bureau but it was subsequently ascertained by the Shanghai Municipal Police that this bureau is controlled by the Japanese office for the censorship of telegrams and cables. These communications were ignored by foreign registered broadcasting stations but the Japanese intimation that Chinese stations would be closed if they did not register resulted in all but three suspending their programs. With a view to preventing trouble with Chinese stations located in the International Settlement the Shanghai Municipal Police arranged with the bureau in question to distribute the registration forms. Exactly how far the Japanese intend to proceed in this matter was not clear as the month closed, but this development is indicative of their desire to exercise at least supervisory control over all forms of communication radiating from Shanghai.

Activities of Japanese Puppet Governments. A controversy ranged through the month between the so-called "Reformed Government" and the "Great Way Government" of Shanghai, the former seeking to absorb the latter. There were numerous points at issue, such as the abolition of the

"Great

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

-10-

"Great Bay Government", the issuance of commissions to its members by the "Reformed Government" and the substitution of the five barred flag used by the "Reformed Government" for the flag flown by the "Great Bay Government" from its inception. However, the point most bitterly contested concerned the control of the revenues which are being collected by the "Great Bay Government". The latter, has since its inception, made every effort to collect revenues not only sufficient to meet actual administrative expenses but also adequately to recompense its head and the subordinates who bought their posts. These efforts met with a great measure of success for taxes have been levied on an increasing number of articles and Shanghai is now surrounded by tax barriers reminiscent of the days when likin was levied throughout this area. The "Great Bay Government" is said to be collecting half a million dollars per month and to be netting a clear monthly profit of fifty thousand dollars. It is not surprising therefore that the "Reformed Government" should cast covetous eyes on this revenue and suggest that all moneys collected by the "Great Bay Government" be remitted to it. This desire is the more understandable in view of the financial insecurity of the "Reformed Government". These attempts at absorption were strenuously opposed by the head of the "Great Bay Government" and his satellites who were reported to have the support of several influential Japanese in Tokyo. This friction was increased by an attempt made on the life of the head of the "Great Bay Government". Japanese news reports claimed that during the last week in April the "Great Bay Government" capitulated but this report lacked confirmation. (7)

Little

127
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Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

-11-

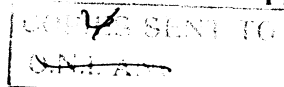
Little of note appears to have been accomplished by the "Reformed Government" during the first month of its existence. All important members of the so-called "Government" remained in Shanghai and were seemingly unwilling to take up their duties at Nanking. Mr. Liang Hung-chih, acting head of the "Reformed Government", flew to Peking early in April to confer with the heads of the "Provisional Government" and on April twenty-sixth Mr. Wang Yeh-min, head of the "Provisional Government", arrived in Shanghai by air and conferred with officials of the "Reformed Government" with whom it was announced complete agreement had been reached regarding the merging of the two "Governments" and the equal division of customs revenues.

1271
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

REB

FROM COMSOPAT



June 6, 1938

Rec'd 1:50 p. m.

ACTION: OPNAV

793.94
INFO: COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMYANGPAT
AMAMBASSADOR CHINA
USS ASHEVILLE
USS MARBLEHEAD
USS TULSA
USS EDSALL
FOURTH MARINES
ALUSHA PEIPING



0006. Air raids railroads Canton and vicinity,
heavy bombing attacks Canton City on fourth, fifth and
sixth, serious casualties and damage. 2000

HPD

FILED
JUN - 9 1938

793.94/13154

F/FG

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Swatow/125 FOR Despatch #4

FROM Swatow (.....Young.....) DATED May 6, 1938
TO NAME 1-1127 ***

REGARDING:

Sino-Japanese activities: Report on conditions in
Swatow Consular District during month of April, 1938.

aa

793.94 / 13155

13155

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

(b) Relations with Japan.

143-44
After an absence of three weeks Japanese airplanes returned to Eastern Kwangtung when a group of five planes*left a naval vessel stationed at Namao Island on the morning of April 7th, flew over Swatow at 8:50 a.m. Following the Pan River through Chaochowfu to Meih sien (Kaying) where twelve bombs were dropped on the aviation field doing slight damage and resulting in no casualties. On the return trip one plane made a forced landing with engine trouble in a small river at Chang-sha nine miles from Meih sien and another plane in an attempt to render assistance was shot down with machine-gun fire. The four occupants of the two planes escaped into the mountains under cover of machine-guns and pistols, where they remained for several days. During the afternoon of the same day and on the two following days Japanese airplanes visited Meih sien in an obvious attempt to locate the missing aviators but it has been reported that all four have been killed. During these visits five bombs were dropped in the outskirts of Meih sien on

April

*Telegram April 8, 9 A.M.

-3-

April 8th and five on April 9th, but no serious damage has been reported.

On April 18th Japanese airplanes dropped four bombs near Meihaien and proceeded to Chao-chowfu where four more bombs were released and the vicinity was machine-gunned, but no resulting damage was reported.

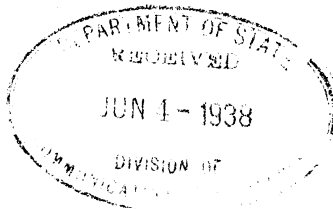
Two Japanese naval vessels shelled the small coast port of Swabue (汕尾) approximately 120 miles south-west of Swatow on April 14th, the more than 100 projectiles expended were reported to have caused only slight damage.

A similar bombardment on a smaller scale was conducted on April 16th against the small fishing village of Haimun, Chaoyang-hsien, about fifteen miles south of Swatow, by two Japanese warships resulting in the destruction of a few huts and the injuring of a few persons.

During the morning of April 28th three Japanese heavy bombers (reported to be the largest seen in this vicinity) passed over Swatow and proceeded to Ku-tang-ping (古塘坪) in the outskirts of Meihaien where twelve bombs were dropped destroying two houses and killing two persons.

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

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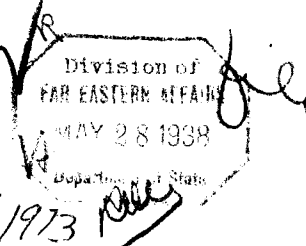
2657-H-439
667

2CR

American Embassy
Office of the Military Attache
Canton, China
5 May, 1938

Subject: Intelligence report for April, 1938.

To: Assistant Chief of Staff, G-2
War Department
Washington



L. H. Gustafson

Mar 19, 1973

1. Air Raids. During April the Japanese made 608 plane flights, dropped 1143 bombs, lost at least 11 planes; Chinese losses from bombing and machine gunning included 377 killed, over 500 wounded (319 in the last two weeks), some 250 buildings demolished, including several school buildings, one customs launch and 14 other boats sunk, considerable damage to the tracks of the two railway lines, serious damage to one of the Sheklung bridges, two Gloster Gladiators lost and two damaged in dog fights. The Japanese consistently bombed the railways, paying special attention to the loop line connection just north of Canton, and to the airfields at Tsung-fa and Tien Ho. Potentially the most serious bombing was on April 15 when nine planes bombed the Sheklung bridges. One bomb struck a bridge pier on one of the smaller bridges, exploding on the shoulder of the pier about four feet under water. A large chunk was knocked out of the shoulder, the whole pier was cracked vertically, and the bearing plates of the track were moved nine inches out of line. Temporary repairs required three days during which passengers had to walk across the bridge and all freight traffic was suspended; thereafter for two or three days, a light locomotive was used to pull trains across. At present all trains go through as usual but creep very slowly across this bridge. Two other severe bombings caused great loss of life: On April 10, two bombs from one or more Japanese planes of a flight flying very high on account of antiaircraft fire, struck a uniform factory about 3/4 mile north of Shameen in the west section of Canton, and 102 were killed, 149 seriously and 146 slightly wounded, mostly women and children workers of the factory. On April 17 twelve planes bombed the northern edge of Canton city: 48 killed, 126 injured, 109 buildings and 2 school buildings demolished. Only dog fight of the month was on April 13 when 24 Japanese planes in two groups of 10 and 14 were surprised and attacked by 18 Gloster Gladiators just east of Canton. Results: 8 Japanese planes brot down; 4 Chinese planes, of which two were total losses and two are being repaired; 2 Chinese pilots killed and 2 wounded. The same afternoon 18 Japanese planes bombed the Tsung-fa airfield, apparently attempting to catch the Chinese planes on the ground, and being misled by the presence of dummy planes still in use at that field. (In connection with this attack by Chinese planes, a reliable source states that of the original 36 Gladiators, 11 have been lost, and four are at present under repairs at Canton.) On several occasions during the month Japanese planes dropped handbills, almost all of which were anti-communist or anti-Chiang Kai Shek. An interesting point is that according to news reports on April 24 during a raid in the Ching Yuen district north of Canton along the Hankow railway (in the course of which a railway workshop was demolished), the bombers encountered a heavy rainstorm which

793.94/13156

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18/526

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

forced them down for half an hour on the river. On April 13 one of two Japanese planes over Boca Tigris was shot down by AA guns there. In retaliation four planes bombed the forts and two ships (destroyers ?) moved up the channel and shelled them with about ten rounds, mostly shorts. According to a reliable and semi-official source, about the 20th of April, an entirely undamaged Japanese sea-plane, piloted by Japanese (i.e., not by Koreans or Formosans) came down in the vicinity of Canton and surrendered, the two occupants saying they were opposed to fighting the Chinese and would not do so any longer. The plane is now being refitted for use by the Chinese.

2. Tank divisions. (From authoritative British sources:) At Sian Tan near Changsha, the 200th (Tank) Division has been organized and is now in training. The division has two tank regiments: the first consists of 80 Russian tanks, probably 8-ton, each equipped with wireless; there are 18 Russian instructors on duty with this regiment. The second regiment is made up as follows: 36 British 6-ton Vickers (3 with wireless), 95 Italian, 5 German, and several French tanks. The division also has an armored car battalion with German equipment, and an anti-tank battalion equipped with 47mm guns. Another tank division, the 201st, still largely on paper, is being formed at Yunnanfu. Equipment will probably consist of Russian tanks. (Thirty-two 8-ton Russian tanks recently were shipped there.)

3. Munitions shipments into southwest China. A very reliable British source confirms that as of the last of April, no munitions were being shipped into Yunnan because "the French are taking no chances of having the Yunnan railway bombed." However, one or two Dewoitine pursuit planes have been sent to Yunnanfu during the last month according to reliable information from that place. The same British source stated, however, that small quantities of munitions, mostly, he thought, from the SS Lord Corcoran shipment at Haiphong, are dribbling into Kwangsi. There has been no change in the official French attitude.

4. Chinese finances. An American source in Hongkong states that one of his clients is a munitions firm which is offering the Chinese one Mauser-type rifle with 1000 rounds of ammunition for about £7, but that the Chinese are offering over £8 and will go as high as £9 for the same article if given credit terms of 50% in six months and the balance in two years. Informant believes that this is significant of financial stringency of the Chinese government.

5. Canton Customs Receipts. An authoritative source states that during the month of April, 1938, customs receipts at Canton were just under \$3,000,000 (national currency), as compared with \$800,000 for the same month last year. This represents the huge increase in imports and exports by water thru Canton. Kowloon and Macao customs are doing comparatively as well.

6. Hunan activities. From conversations with three foreigners who recently made trips by motor truck thru Hunan province, it is learned that the two-way, all-weather roads in that province are in excellent shape and are kept so by an efficient maintenance organization. These roads are about 30 feet between shoulders with 20 feet of gravelled surface. Hundreds of men were observed being given instruction in truck-driving. Thousands of men were seen drilling throughout the province; some in uniform, some not. Along the Canton-Hankow railway, the line is being widened, apparently for

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double-tracking; there are many new sidings and small stations; much work is being done on the roadbed, especially new ballasting; a good many short spur lines are being constructed from the main line - for what purpose informant did not know; there are large quantities of reserve rails and ties along the railway. On his return trip by rail from Hankow, one informant counted 13 military supply trains of 12 to 15 cars each, including four or five carloads of planes, cars loaded with gasoline, trucks, etc., one train of 12 cars loaded with artillery (probably 75mm), three troop trains, and some twenty other freight trains which he could not identify as shipments of munitions. All three of these men reported that they received the most courteous and helpful treatment throughout Hunan province and that they were impressed by the determined attitude of the people toward the war.

7. Canton Antiaircraft defense equipment. In 1933 Ch'en Chi-t'ang's government bought 12 75mm Vickers Antiaircraft guns thru Jardines. The AA organization formed at that time was under command of a certain Col. Ko, who had not had special training in this line, and as a result the troops had very little training until 1937 when Ko was relieved by Major (now Lt. Col.) Yu Pai-ch'uan, a 29-year old British returned student, who was educated at English universities, and at Woolwich, and who also had had the course at the British antiaircraft school. Since he took command, considerable progress has been made in the training and efficiency of his organization so that the defense has generally been able to keep the hostile planes over 6000 feet in the vicinity of Canton, altho very few planes have been brot down by the batteries.

From official British reports, the following technical information on these guns has been extracted: The 12 guns are set up in three 4-gun batteries at a maximum of about 16,000 yards apart around Canton city. This 3-battery organization is used instead of the preferable one of six sections, simply because there are not enough instruments for the latter set-up. Each battery consists of four Vickers-Armstrong 75mm high angle fire guns, semi-mobile, flat square base, with 4 welded steel tubular jack arms for initial levelling. Sand bags are required to hold the gun in place, and final levelling is by inter-platform adjustment. Normal M motor Case III is the control, together with M motor automatic fuze setter. This appears satisfactory, altho there is no fuze factor corrector. The gun has an air recuperator with normal recoil of 23 inches. Muzzle velocity is 2450 feet per second. Standard streamlined shell is used, with ceiling of 30,000 feet. The gun has a horizontally sliding breech block with hand and semi-automatic action. The inner A tube is easily removable.

U. B. 2A Barr & Stroud height and range finders are used, transmitting height electrically to a Mark V Vickers predictor, which has provision for vertical and lateral spotting corrections in addition to normal dials.

Traction: $3\frac{1}{2}$ -ton 25 HP water-cooled engine, 5 speed, full track tractor similar to a light dragon. Instruments are all contained in a large 4-wheel trailer which also carries a small petrol electric generating plant to charge either of two main batteries or even provide power direct for the Case II transmission. Trailer is towed by a large Armstrong tractor with 4-cylinder air-cooled engine. A $1\frac{1}{2}$ -ton motor truck is attached to each battery for carrying supplies.

Searchlight equipment consists of three 90-cm Barr & Stroud HCD lamps. The light is controlled electrically by M motor from the sound locator which has parabolic sound collectors.

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In addition to the guns described, several guns of Swedish make have recently been purchased. Details will be obtained as soon as possible.

8. Food situation in Kwangtung. To prevent a food shortage in Kwangtung, on April 13 the Central Government issued a second authorization to merchants in Canton to import foreign rice free of duty up to 750,000 piculs. (The first authorization some months ago allowed free importation of one million piculs.) On April 14 one source of supply for this province was cut off when the Kwangsi commissioner of reconstruction moved to stop the export of rice from that province, especially thru Wuchow, because of the prospect of drouth. On April 15, following the personal plea of Gen. Yu Han-mou, Chiang Kai Shek authorized running 60 special trains on the Canton-Hankow line for the importation of rice from Hunan into Kwangtung. Each train will carry about 40,000 piculs. A further measure to insure adequate food supply was the decision on April 21 of the National Bureau of Agriculture to make loans up to NC\$20,000,000 to farmers in both Kwangtung and Kwangsi for the purpose of speeding up agricultural production.

9. Defense measures. On April 7 it was reported in the newspapers that the Kwangtung Self-Defense Corps had been organized in accordance with the Central Government's orders; that some 700,000 rifles had been donated by the people of the province for the use of this corps; and that the first stage of training was well under way with over 700,000 enrollees. On the financial side, the \$15,000,000 provincial defense bond issue was not selling so well. Up to April 10 only NC\$2,000,000 had been received, and the time limit for the first of the three stages was extended from April 15 to May 31, by which date it was hoped that \$5,000,000 could be collected. It was officially stated that of the entire issue, most would be spent on munitions and defense works, but that \$1,000,000 would be earmarked for purchase of munitions for the Pao An Tui, and \$1,200,000 for training of local militia. Since the Hankow conference of the Kuomintang, there has been a great deal of speech-making and editorializing on the subjects of contributions to the national and provincial defense, purchase of bonds, etc., and also pleas for the closer cooperation of the province with the central government, and for a complete reorganization and new deal in the provincial branch of the Kuomintang.

10. Instance of Japanese reprisal. An official report from the magistrate of Chung Shan district states that on April 21 a small detachment of local militia made a night raid on the Japanese on San Cho Island and killed and wounded several Japanese and captured some arms and ammunition. In retaliation Japanese sailors and marines raided and looted the villages on the island and "killed everyone they encountered," and planes dropped some 50 bombs on the villages, killing 180 people and demolishing many houses.

(signed) F. N. Roberts

F. N. Roberts
Capt., Inf., D. O. L.
Asst. Military Attache.

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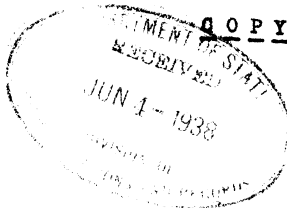
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

June 1
page 1
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I do not find
that these contain
any information of
special interest to
FE which has not
been already received
in other form

for

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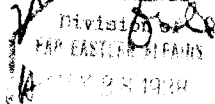


2657-H-439
 668

American Embassy
 Office of the Military Attache
 Canton, China,
 May 9, 1938.

Subject: Intelligence summary for week ending May 7, 1938.

To: Assistant Chief of Staff, G-2
 War Department
 Washington



1. Air Raids. During the week, Japanese planes made daily reconnaissance flights over the delta region. There were daily (except May 3 on account of typhoon conditions) bombing raids on the usual railway objectives, and bombing and machine gunning of certain villages. On May 4, the bund at Shekkie in the Chung Shan district was bombed with resultant casualties of 18 killed and 40 wounded. Most serious was the raid in the vicinity of and at Yingtak, about 80 miles north of Canton, where, on May 6, 22 planes dropped some 80 bombs, damaging the station, offices, and tracks, the line itself being so badly damaged that traffic was stopped for more than 48 hours. At the same time, 20 bombs were dropped on the town of Yingtak, the killed and wounded totalling about 100, and 50 buildings being demolished.

There has been little change in tactical use of planes during the last two months, except that after three planes were shot down along the Canton-Hankow line north of Canton, the Japanese discontinued their diving at rolling stock, and now confine themselves largely to flat bombing of tracks, shops, stations, and bridges. Dive bombing and machine gunning of villages, whether along the railway or not, is an almost daily occurrence, and since such villages are almost entirely undefended, the Japanese can quite safely use such tactics, tho what military purpose is served thereby is a puzzle for observers. The approach flight from Tongkawan to the vicinity of Canton is usually made in formations of some 20 or more planes; thereafter the large formation breaks up by flights and squadrons for separate missions. Often the planes reassemble for the return flight to bases. Bombing accuracy has somewhat improved, and the Japanese deserve considerable credit, in my opinion, for their ability to keep their planes in the air, i.e., for efficiency in maintenance. On the other hand, they have been unable to cause more than temporary delays of rail traffic, since the Chinese railway maintenance organization is very efficient. Destruction of any of several important bridges would cause serious derangement of railway traffic, but the Japanese have obviously not been willing to take the necessary risks in attacking these well-defended bridges. The recent damage by a chance hit on a pier of one of the Sheklung bridges, which caused a three-day stoppage of freight traffic to and from Hongkong, shows what could be done by consistent and sustained attacks on vital points along the railways, but to date the Japanese raids have been successful only in harassing Chinese rail communications.

2. Kwangtung Defense Measures. a. Recruiting. On May 5, the Kwangtung Army Recruiting Headquarters was formally established after a month's delay following the provincial government's decision to open such an agency in line with the Central Government's request. The purpose is to recruit and train soldiers as replacements for the troops at the front. The headquarters is directly under the joint control of General Yu Han-mou and Governor Wu Tieh-chen. It is understood that recruits will not be drawn from trainees in the local militia or the self-defense corps, but that civilians not elsewhere enrolled will be urged to enlist.

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

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b. Kuomintang reorganization. In accordance with instructions of the central Kuomintang headquarters, a 10-member committee will be formed for administration of Kwangtung provincial party affairs. The province is divided into nine districts, each with a chief appointed by the provincial committee. This is in line with the recent party decision to improve the organization, and especially to secure the services of younger men in rebuilding party fences throughout the country, and is patterned on the Kwangsi model. Much of the effort of the new set-up will be directed to securing closer cooperation with and support for the central government.

c. Kwangtung Provincial Defense Bonds. To encourage sales of these bonds, proceeds from which will in large part be devoted to purchase of planes which will be used to defend Kwangtung province exclusively (this angle is much emphasized in propaganda for sale of the bonds), the standing committee of the Canton Chamber of Commerce has decided that each of its members shall buy at least one \$1000 bond; that other committee members of the chamber shall buy at least one \$500 bond; and that each member of the bond sales committee shall buy at least one \$200 bond. (Note: The Chamber of Commerce undertook to dispose of \$5,000,000 worth of National Salvation Bonds of the last issue, but raised only about \$1,600,000.)

d. Kwangtung exempted from contributing to new issue of National Salvation bonds. In response to telegraphic inquiries of Governor Wu Tieh-chen concerning the regulations for the May 1 issue, the Ministry of Finance replied that no quota will be assigned Kwangtung province for this issue. This exemption is based on the fact that Kwangtung is trying to raise \$15,000,000 on her own account for local defense, but it is also undoubtedly due to the central government's desire to secure closer support and cooperation on the part of the leaders and people of this province.

e. Importation of rice. On May 2, the Rice Purchasing and Importing Company for Kwangtung, Hunan, Kiangsi, and Kwangsi was organized and capitalized at \$1,000,000 to be jointly supplied by the four provincial governments concerned. Of this amount, Hunan will contribute \$200,000, and Kwangtung \$800,000 - the latter sum on her own part, and as an advance for the provinces of Kwangsi and Kiangsi. The company will operate for a limited period, from May 1 to July 31, 1938. Special arrangements will be made for importing rice from other provinces into Kwangtung, where the shortage is most acute.

3. Kwangsi Revenues. An announcement in the Kwangsi Yat Po, official organ of the Kwangsi Provincial Government, dated April 24, gives the figures for annual revenue receipts of the province (not including hsien and local revenues) for the fiscal year 1937 as NC\$6,300,000. (In 1934 the amount was \$3,800,000.) Since, beside the training of thousands of troops, a broad program of development has been undertaken in Kwangsi, including especially the new highway system, it is obvious that the limited revenues of this comparatively poor province must be administered with unusual efficiency and integrity.

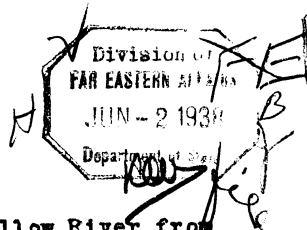
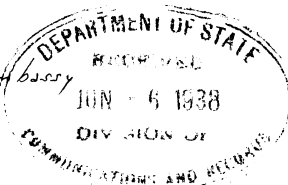
/s/ F. N. ROBERTS

F. N. Roberts
 Captain, Inf., DOL
 Assistant Military Attache.

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

From Chinese Embassy



Hankow, June 1, 11:30 P.M.

A ^{lot} thousand Japanese managed to cross the Yellow River from Kwantai since Monday. The Chinese however checked their attempted advance toward the Lunghai Railway. Japanese artillery opposite Chenliukow continued to shell the Chinese positions on the south bank of the Yellow River. Following the arrival of reinforcements the Japanese furiously attacked Pohnien on the Anhwei and Honan border. According to the latest report the Chinese have been withdrawn from the city. No fresh development in Sanyichi and Chuhsingchi sector, north of Lanfeng, where the Japanese forces are still being surrounded.

The military spokesman described Japanese reports ~~that~~ about the Chinese losses during the withdrawal from Hsuehchow perfectly ridiculous. The spokesman added that the withdrawal was effected in the most orderly manner and all troops reached new destinations in safety while heavy armaments and supplies were removed to new lines of defence. Only some rolling stock was abandoned due to the disruption of the railway traffic.

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

TELEGRAM RECEIVED

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FROM

PLAIN

SWATOW VIA N.R.

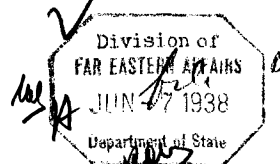
Dated June 7, 1938

Received 10:20 a.m.

Secretary of State

Washington

June 7, 4 p.m.



743.94
Two Japanese planes visited Swatow 11 a.m. today dropped leaflets instructing civilians to leave South China, all clear 11:45 a.m. Two Japanese bombers circled Swatow 2:15 p.m. dropping total of four bombs, two inside old fort, one in creek surrounding fort and one on shore fifty yards east of fort. No casualties or damage. Repeated to Hankow, Peiping, Canton.

YOUNG

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

TELEGRAM RECEIVED

EDAS

FROM

FOURTH MARINES

COPIES SENT TO
ASIA AND WED.
EDT

June 7, 1938

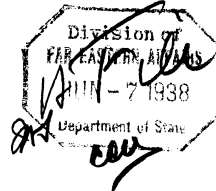
Received 10:25 a.m.

CINCAF

ASIATIC FLEET

OPNAV

INFO: AMCONSUL SHANGHAI, CHINA
COMSUBRON FIVE
ASSISTANT ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
NAVAL PEIPING CHINA



8607 About 200 Japanese wounded noted returning Shanghai by train. Japanese column moving west from Luyi reached Hwaiyang 48 miles east Yencheng Honan, 4 June. Morning same day 12 Japanese warships sailed up Yangtze from Tatung Anhwei toward Kweichih. Japanese marines repulsed in attempted landing on south bank river west of Tatung 3 June. Canton heavily bombed today 1823

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R./143 FOR Despatch #1622

FROM China (Salisbury) DATED April 22, 1938
TO NAME 1-1127 ***

REGARDING: Sino-Japanese situation: Report concerning-, for month
of March, 1938.

88

793.94/ 13161

13161

- 2 -

3. Japan:

a. Inauguration at Nanking of the "Reformed Government of the Republic of China":

943-94
(2-12)

A Chinese regime for the nominal administration of the Japanese-occupied areas of the lower Yangtze region was inaugurated March 28 at Nanking, in the presence of high ranking Japanese naval and military officers, under the name of the "Reformed Government of the Republic of China". Inauguration followed many weeks of negotiation between Japanese military authorities, Chinese of the "Provisional Government of the Republic of China" at Peiping, and Chinese hopeful of occupying posts in the Nanking regime. The primary cause of delay was presumably difference of opinion among the various Japanese and Chinese elements concerned as to what the relationship of the Nanking regime to the Peiping regime should be. This relationship was made clear in a manifesto issued on the day of the inauguration of the regime at Nanking in which it was indicated that the regime at Peiping would handle all "national" affairs and would absorb the regime at Nanking when rail communication between the two "capitals" had been re-established. The attitude of the Japanese Government toward the two regimes was expressed in a statement by the Japanese Minister for Foreign Affairs, Mr. Koko Hirota, in the House of Representatives, to the effect that Japan's relations with the existing regime at Peiping would not be changed by the inauguration of the regime at Nanking, that Japan expected that the regime at Peiping would in time develop

into

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6. Embassy's (Nanking) telegram 85, March 28, 12 noon, Shanghai's telegram 485, March 28, 1 p.m., and Embassy's (Peiping) telegram 181, March 21, 5 p.m.

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into a unified administration for both North and Central China, and that in the meantime commercial interests contemplating activities in Central China would have to deal with the regime at Nanking.⁷

The personnel of the new regime at Nanking, as in the case of the regime at Peiping, consisted of Chinese who had held posts in the old Peking governments and whose reputations for loyalty and efficiency were little better than those of the Chinese serving at Peiping. The leading Chinese figure was Liang Hsing-chin, an important member of the old pro-Japanese Anfu clique and at one time Secretary General under Tuan Ch'i-jui, when the latter was Chief Executive in 1924.

An illuminating indication of the character of the regime was the fact that most of its members returned to Shanghai, evidently to resume residence there, two days after the inaugural ceremony at Nanking.

b. Attempted assassination of Wang K'ien-min:⁸

An attempt was made in the early evening of March 28 by several unidentified Chinese to assassinate Mr. Wang K'ien-min, the chief figure in the regime at Peiping, while he was driving in a motor car with his private secretary, a Japanese. Although several shots were fired, Mr. Wang escaped injury. His secretary, however, received two wounds, neither of them fatal. Subsequently a city-wide search for the assailants was instituted and several suspects were arrested. Japanese believed that

the

7. Tokyo's telegram 205, March 28, 9 p.m.
 8. Embassy's (Peiping) telegram 192, March 29, 2 p.m.

- 5 -

the assailants had come from South China for the sole purpose of assassinating Mr. Wang. The incident resulted in stricter supervision of the movements of Chinese in Peiping and in greater precautions for safeguarding important members of the Peiping regime.

c. Japanese advance toward the Lunghai Railway:

When the month opened, Chinese forces still held T'enghsien, 80 miles north of Hsuehow, the intersection point of the Lunghai and the Tientsin-Pukow Railways; other Chinese forces were still in occupation of Lini (Yichow), 80 miles northeast of Hsuehow; and Japanese forces were meeting strong resistance in the vicinity of Kiasiang, 100 miles northwest of Hsuehow. As for the Japanese forces which had advanced from the Yangtze River northward to the Hwai River in early February, they appeared at the beginning of March too fully occupied in maintaining their hard-won positions to advance further toward the Lunghai Railway.

The military situation outlined above did not alter materially until about the middle of March, when a determined offensive was launched by the Japanese forces in southern Shantung. Those forces east and west of the Tientsin-Pukow Railway, that is, in the vicinity of Lini and of Kiasiang, immediately encountered strong Chinese resistance and made no significant gains during the remainder of the month, but those on the Tientsin-Pukow Railway occupied on March 14 the town of Chienho, 10 miles north of T'enghsien, captured T'enghsien on about March 18, and reached by March 23 the town of Hanchuang, which is on the Tientsin-Pukow Railway where it crosses the Grand Canal some 30 miles north of Hsuehow. Shortly thereafter

9. Shanghai's telegram 412, March 17, 5 p.m.

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thereafter a vigorous counter-offensive was begun by the Chinese, and the Japanese suffered a severe check, which kept them north of the Grand Canal during the remainder of the month.¹⁰

Reports with regard to the progress of the fighting in this area were conflicting, but it was evident that severe engagements were taking place in a triangular area of which a ten-mile strip of the Grand Canal from Hanchuang east to T'aierhchuang was the base, the Tientsin-Pukow Railway between Lincheng and Hanchuang (a distance of 15 miles) was the western side, and a branch railway running from Lincheng to T'aierhchuang was the eastern side. Primary interest of observers was centered during the closing days of the month in the battle for the small town of T'aierhchuang on the north bank of the Grand Canal, 10 miles east of the Tientsin-Pukow Railway. Although the Japanese claimed to have entered the northeast corner of the walled town on March 16, they had failed to occupy it completely when the month under review closed.

Meanwhile the only important development in Japanese efforts to reach the Lunghai Railway from the south was the landing on March 17 of some fifteen or twenty thousand Japanese troops near Kant'ungchow, on the north bank of the Yangtze River.¹¹ This force marched northward and was at the close of the month at Tungtai, a point 70 miles north of the Yangtze and 140 miles south of Haichow, the eastern terminus of the Lunghai Railway.

d. Guerrilla activities in the lower Yangtze area:

Guerrilla activities of Chinese forces continued
throughout

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10. Embassy's (Peiping) telegram 172, March 16, 2 p.m., and Shanghai's telegrams 412, March 19, 3 p.m., 448, March 23, 4 p.m., 458, March 26, 12 noon.
 11. Shanghai's telegram 412, March 17, 5 p.m.

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

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throughout the month in the lower Yangtze area and became so threatening west of Lake Tai that a full Japanese division of troops was employed in attempts to encircle and destroy the Chinese active there.

18
 e. Chinese irregulars in Shantung Province:

In those areas in northern and eastern Shantung nominally under Japanese control, Chinese irregulars were active. For example, Chinese irregulars attacked Wei-haiwei on March 11 and again on March 16 and entered Chefoo on March 12. In each instance they were soon driven away by Japanese forces. Because of the danger of attacks on the Tsingtao-Tsinan Railway, trains carried no regular freight and only few Oriental passengers, while Japanese authorities alleged that the line was too unsafe for travel by Occidentals.

f. Chinese irregulars in Hopei Province:

Reliable reports continued to be received of growing political and military organization in large areas of Hopei Province by Chinese Communist leaders, of attacks on Japanese garrisons, and of the cutting of rails and telegraph wires along the Peiping-Hankow Railway. Notwithstanding these activities, transportation along the Peiping-Hankow Railway in Hopei Province improved. Meanwhile the Japanese military continued their policy of burning or partially burning towns and villages along the railway and elsewhere which they believed had harbored or might harbor Chinese irregulars. A reliable report from a town in eastern Hopei Province indicated that this policy of destruction was declining in that area.

▲

12. Chefoo's telegrams of March 13, 9 a.m. and 2 p.m., and March 16, 11 a.m., and Tsingtao's telegram of March 16, 5 p.m.

- 8 -

A considerable force of irregulars, numbering perhaps a few thousand, was reported to be within two or three miles of Ment'oukou, 15 miles west of Peiping; and reports of banditry north and west of Peiping increased during the month. Rumors began to circulate that Chinese irregulars were planning to cut off during the spring of 1928 Peiping's communication with the coast.

g. Indecisive situation in northern Honan:

Although Japanese forces had claimed that they had occupied during February all principal strategic positions in Honan Province north of the Yellow River, it was known that considerable bodies of Chinese soldiers and of Chinese bandits continued their activities in that area. The Japanese made only tentative efforts to gain a foothold in Honan south of the Yellow River, evidently postponing any real advance until the military situation in southern Shantung and in Shansi should be more favorable to the Japanese side. It was reported that Japanese forces at one or more points on the north bank of the river shelled the Lunghai Railway and Chinese concentrations on or near the south bank.

h. Japanese advance in Shansi: subsequent difficulties:

The drives of Japanese forces in various parts of Shansi Province, which had begun in the middle part of February, continued during early March, when their principal objectives were reached, including Fenlingtuk'ou, the terminus of the Taiyuan-T'ungkuan Railway, situated on the north bank of the Yellow River on the southwestern

Shansi

- 5 -

Shansi border, and Yumenk'ou, an important ferry-crossing between Shansi and Shensi, in southwest
¹³
Shansi.

Japanese successes were confined, however, to the occupation of certain important towns and cities; they failed to drive the Chinese forces out of the province. According to one competent Chinese authority, the number of Chinese troops remaining in Shansi was
¹⁴
200,000. These forces continued to harass Japanese lines of communication and to attack Japanese units, thus preventing the Japanese from consolidating their position in the province.

As in Honan Province, Japanese forces at points along the Shansi side of the Yellow River shelled Chinese concentrations and the Lunghai Railway south of the river. The only successful attempt on the part of the Japanese to cross the river occurred in northwestern Shansi, where the success was only temporary. There troops of the Kwantung Army, which had occupied late in February the towns of Pienkuan, Hochu, and Paoteh, crossed
¹⁵
into northeast Shensi. They soon withdrew, however, and shortly thereafter the three towns mentioned above fell again into the hands of Chinese Communist troops. Whatever truth there may have been in reports that the Japanese intended to advance from Shansi and simultaneously from Suiyuan into Kansu Province to cut China's communication with Soviet Russia at Lanchow, such a move did not materialize during March. Foreigners who traveled on the

Peiping-

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13. Embassy's (Peiping) telegram 153, March 9, 4 p.m.
14. Embassy's (Hankow) telegram 171, March 24, 3 p.m.
15. Embassy's (Peiping) telegram 178, March 16, 3 p.m.

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

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Peiping-Suiyuan Railway during the month reported that there was no evidence of Japanese preparation in Suiyuan for such a drive.

1. Activities of Japanese and Chinese air forces: increased supplies of Russian planes:

Japanese air raids continued in March over wide areas, some being carried out by more than 50 planes en masse. Between March 11 and 27 there were no less than 38 Japanese air raids on cities and towns in Kiangsi, Hupeh, Hunan, and Honan. Repeated attacks were made on Nanchang (where the Japanese claimed to have destroyed what remained of the Italian built airplane assembly plant), Wuhan, Changsha, and Chengchow (Honan). More than 110 casualties, mostly women and children, resulted from a raid against the Hankow air field and railway and military stores on the south bank of the Yangtze conducted March 27 by a large number of Japanese heavy bombers.¹⁶ Although Kwangsi was not attacked, raids upon places in Kwangtung were made when weather permitted, the chief objectives being apparently the railways, which nevertheless maintained through services with only occasional interruptions, and air fields and highways which sustained but slight damage. There were indications, in the bombing of four out of the five Kwangtung sugar mills and of the Canton water sub-station at Tungshan, that industrial plants were also being made¹⁷ deliberate objects of attack by the Japanese. The Foo-¹⁸chow air field was raided March 15 and 16.

Detailed

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16. Hankow's telegram to the Embassy, April 3, 11 a.m.
 17. Canton's telegram to the Embassy, April 4, 1938.
 18. Foochow's monthly political report for March.

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Detailed information is lacking in regard to Japanese aerial activities on the various fronts. According to press accounts Japanese air attacks on Chinese positions were almost continuous and extensive bombing operations were also conducted against Chinese mobile units and guerrillas, including Chinese guerrillas near Mant'oukou, 15 miles west of Peiping.

Chinese aerial activities included at least two ¹⁹raids on the Nanking airfield and, according to press reports, bombing operations in support of Chinese forces in various sectors. Some observers attributed much of the improvement in the morale of Chinese troops to this support, which was lacking during the Japanese advance in November and early December 1937 in the Shanghai-Nanking area. A large increase was reported in the ²⁰number of planes, pilots and mechanics reaching China from Soviet Russia.

j. Slow progress in economic exploitation of occupied areas: continued planning:

Planning and organizing for eventual economic development of Japanese-occupied areas in China continued during March. Effective implementation still appeared to depend upon pacification of the occupied areas.

²¹
"Sino-Japanese Economic Council":

An agreement was signed March 26 at Peiping inaugurating a "Sino-Japanese Economic Council" to direct economic activities in North China, including finance, commerce, industry, mining, and agriculture. It was

reported

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19. Embassy's (Nanking) telegram 73, March 11, 6 p.m.
20. Hankow's telegram to Embassy, April 2, 11 a.m.
21. Embassy's (Peiping) telegram 191, March 28, 4 p.m.

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reported that a special "Ministry" would be established in the "Provisional Government" to carry out decisions of the new organ. Mr. Wang K'eh-min, Chairman of the Executive Committee of the "Provisional Government", was appointed Chairman of the Economic Council and Mr. Hachisaburo Hirao, former Minister of Education, business man, and highest economic adviser of the Japanese forces in North China, was appointed Vice Chairman. Presumably the "Sino-Japanese Economic Council" would formulate economic policies for North China, after consultation with Japanese military and civilian authorities, and would direct the economic activities of the "Provisional Government" and other organs interested in the economic development of the area.

The North China Development Company:

Legislation was passed by the Japanese Diet for the formation of a "North China Development Company", which is presumably to be the chief organ under the above-mentioned "Sino-Japanese Economic Council" for the economic exploitation of North China. According to the press, the new company is to be a Japanese juridical person with a capital of yen 350,000,000.

The Central China Development Company:

The Japanese Diet also passed legislation for the formation of a "Central China Development Company" for similar exploitation of the economic resources of the occupied areas of the lower Yangtze area. The press reported that this company would also be a Japanese juridical person with a capital of yen 100,000,000.

X.

- 13 -

k. Improvement in conditions at Nanking: ²²

Conditions in Nanking improved considerably over those obtaining earlier in the year. Chinese from the refugee zone began in March returning to their homes (where these had not been destroyed). Several Japanese shops were in operation and some small Chinese shops opened. Missionaries reported that the number of known cases of rape and other assault upon Chinese civilians by Japanese soldiers had been reduced to two or three of each category daily. About 200 unarmed Chinese police returned to duty throughout the city. Postal service on a small scale with Shanghai was resumed March 26. Two Japanese steamers a week were operating between the two cities, as was also a freight truck service, and establishment of order in the environs of Nanking enabled an increase in the supply of rice for the city. But restrictions on the movements of foreigners in Nanking and the area between there and Shanghai were not materially lessened. (See page 14.)

DECLASSIFIED: E.O. 11652, 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. Harbin/114 FOR Despatch #65

FROM Harbin (Merrell) DATED May 4, 1938
TO NAME 1-1127

REGARDING: Sino-Japanese relations: Report concerning locations
of Japanese troops and the serious reverses sustained
by Japan in China.

aa

793.94/13162

13/62

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

1. Japan.

a. Invasion of Soviet Russia By Japanese Planes.

743.94
5-7

According to reports from reliable Japanese and official Soviet sources of information which were received independently, about ten Japanese military planes from the Korean garrison invaded the Soviet frontier near Hunchun, Tientao Province.* The planes were forced back by Soviet planes and one of the Japanese planes was grounded, presumably shot down, and is being held by the Soviet authorities.

The unarmed plane in the mail service of Soviet Russia which was captured in December in Manchuria has never been released. The pilot and mail clerk aboard the plane at the time of the incident are also still detained. Their whereabouts are not known to the Soviet authorities.**

b. Japanese Troop Movements to the North.

Although figures are not available, it is known that there has been a considerable movement during the past few weeks of Japanese troops toward the Soviet frontier. An American who has business connections in Hailar has been informed that at least 20,000 troops passed through that city to the north during the last ten days of April. These troop movements may indicate that a crisis has taken place,

but it is considered more likely that they are routine spring transfers. The press has mentioned no crisis nor even the above reported capture of an airplane.

c. Suppression of News Regarding Japanese Reverses in North China.

The Harbin press has moreover carried no mention of the apparent serious reverses sustained by Japanese armed forces in China, and for the first time in many months foreign language newspapers from Shanghai and Tientsin were not delivered in Harbin. No such newspapers apparently entered Manchuria from April 5 until after April 20. A comparison of the situation in Japan created the belief that censorship in Manchuria was more stringent, presumably because of possible trouble with the Manchurian natives if Chinese victories were generally known.

d. Manchurian and Russian Visitors to Japan.

Mayor Feng of Harbin, accompanied by officers of the education and taxation sections of the Municipality visited Japan during the month in order to study municipal affairs in that country, presumably with a view to remodeling at least part of the city administration of Harbin along Japanese lines.

A party of 19 Russian residents of Harbin also visited Japan during the month under the auspices of the Harbin Concordia Society. They were to spend three weeks touring in Japan and upon their return to conduct lectures on what they had seen. It is also reported that a group of 23 Russian cossacks from Sankiang Province visited Japan for the same purpose.

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

4804

TELEGRAM RECEIVED

EDA

GRAY

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

FROM PEIPING VIA N.R.

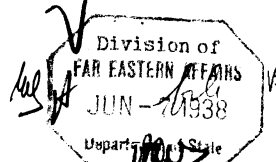
Dated June 7, 1938

Received 10:40 a.m.

Secretary of State

Washington

342, June 7, 3 p.m.



One. The Japanese announce the occupation yesterday noon of Kaifeng which has been seriously menaced since the close of May when Yucheng, Kweitch and Kihsien were taken in quick succession. Lanfeng was reportedly evacuated by Chinese forces prior to the fall of Kaifeng thus removing a serious threat to the Doihara division and it appears now that the second phase of the Lunghai campaign is nearing a close and that a direct campaign for the capture of Hankow will ensue. This probability becomes more and more real if Japanese reports of a Chinese retreat from Chengchow Honan are true and if as also claimed by the Japanese a Japanese force from east of Kaifeng has cut down to the Pinghan Railway south of Chengchow.

Two. The Japanese claim further to have occupied on June 6 Chengyangkuang Anhwei about 60 miles northwest of Hefei (Luchowfu). While this does not bring the

795.94/15163

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

4805

EDA - 2 - #342, June 7, 3 p.m. from Peiping

the Japanese column operating in northern Anhwei
actually much nearer to Hankow (some 200 miles distant)
than it was at Hofei this movement may be an important
step in the advance on Hankow which appears to be taking
form.

Three. Repeated to Hankow, Nanking, Shanghai.
By mail to Tokyo.

SALISBURY

RR:WWC

730

DECLASSIFIED: E.O. 11652, 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

REB

COPIES SENT TO
G-3 AND G-10
DT

FROM COMSOPAT

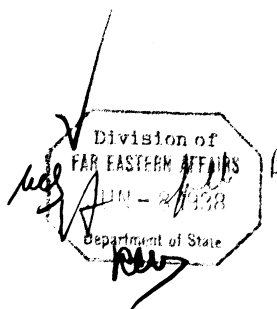
June 7, 1938

Rec'd 4:10 p. m.

ACTION: OPNAV RADIO CAVITE

193.94

INFO: AMCON HONG KONG
AMCON SHANGHAI
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMYANGPAT
AMAMBASSADOR CHINA
USS ASHVILLE
USS MARBLEHEAD
USS TULSA
USS EDSALL
FOURTH MARINES
ALUSNA PEIPING



0008. For Amcross Hong Kong, Amcross.

Shanghai air raids railroads and city of Canton
four bombs dropped outer fort Swatow, Amoy, Kulangsu
quiet. Medical supplies from Manila arrived sixth on
SS ANKING tentative permission foreigners remove
limited goods from Amoy fifteen June former Chinese
residents may be allowed return homes Amoy subject
rigid examinations by local authorities and vaccination
after twenty-one June 1938.

OPNAV

WVC

795.94/15164

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 **COPIES SENT TO**
CINCLAF
D
DT

FROM FOURTH MARINES

June 8, 1938

Rec'd 9:15 a.m.

ACTION: CINCLAF
OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
AST-NAV-AT SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOUCPAT
AMEMBASSADOR CHINA
USS MARBLEHEAD
NAVAL PEIPING



793.94

8608. Canton bombed 8 June Japanese claim capture
Chungmou on Lunghai line 22 miles east Chengchow and
Weihsih south of Chungmou, Nippon column from Hoi
advancing on Shuchen 31 miles to southwest. On 6 June
2 Japanese warships landed sailors on north bank Yangtze
across from Tatung. 1829.

CSB

793.94/13165

JUN 13 1938

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

793.94

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Hankow/129 FOR #416-

FROM Hankow (Jarvis) DATED April 6, 1938
TO NAME 1-1127 000

REGARDING: Reaction toward Nanking puppet regime; military operations;
air operations.

FRG.

793.94/ 13166

13166

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

4. Japan.

(a) Reaction Toward Nanking Puppet Regime.

Expressing what appears to be the general attitude
here toward the "Reformed Government of the Republic of
China,"

Political report
March 1938
Hankow, China

-7-

China," inaugurated by the Japanese military at Nanking on or about March 28, a spokesman of the Chinese Foreign Office described this regime as "an unholy company of corrupt ex-officials and notorious crooks who will have to flee for their lives as soon as the invading Japanese forces are expelled from China." "The principal object of this move," continued the spokesman, "is to hoodwink the world and maintain the fiction that Japan has no territorial ambition in China."

(b) Military Operations.

The Japanese advance into Shansi continued along four principal routes. Mechanized columns moving southward from Linfen (臨汾) and westward from Changchih (長治) and Poai (博愛) occupied strategic positions on the north bank of the Yellow River from which they commenced a heavy artillery bombardment of Chinese concentrations at Tungkwan (潼關) and other places along the Lung-Hai Railway west of Hwelyingchen (會興鎮). In the northwest, Hoku (河曲) and Paoteh (保德) were occupied and used as bases for effecting temporary crossings of the Yellow River into Shansi Province. Several southward crossings of the River into Honan were also accomplished but proved to be costly and of short duration. Near the end of the month as the tide of battle in southern Shantung began to turn in favor of the Chinese, some of the Japanese units in southern Shansi withdrew eastward into northern Honan while others remained and fortified themselves in the walled cities. The pressure on Chenghsien (鄭縣), which guards Hankow on the north, is now believed to be much relieved.

General

Political report
March 1938
Hankow, China

-8-

General Hsu Pei-ken (徐培根), Director of the Military Intelligence Department of the National Military Council, has recently published an interesting study of the fighting strength and military strategy of the Chinese and Japanese forces. Japan's original strategy, General Hsu states, was based on a belief that the five northern provinces could be occupied by intimidation and a series of minor military encroachments without resort to large-scale military operations. He attributes the failure of this strategy to:

- (1) A mistaken belief that high Chinese officers are mostly a selfish lot and cannot cooperate with each other for the good of the nation.
- (2) A mistaken belief that the topography of the country and the grain supplies in occupied areas would enable the Japanese troops to maintain their positions regardless of whether their lines of communication were cut.
- (3) A failure to regard China as a major enemy, resulting in the unsound military practice of sending insufficient reinforcements to carry out the principal Japanese objectives.

General Hsu expressed his conviction that Japan will be compelled eventually to send the flower of her army into China where the vastness of territory, the lack of communications, the poverty of the countryside, and the improved military strategy of the Chinese will combine to bring about their defeat.

(c) Air Operations.

Between March 11 and 27, no less than 38 Japanese air raids were made on cities and towns in the provinces of Hupeh, Honan, Kiangsi, and Shensi. The number of unrecorded raids is believed to be correspondingly large.

Hankow

Political report
March 1938
Hankow, China

-9-

Hankow was subjected to night attacks on March 15 and 16, resulting (according to reliable reports) in the damage or destruction of eleven Chinese 'planes grounded at the Hankow airfield. On the 19th, this airfield was again damaged by Japanese bombs. One of the largest aerial attacks experienced by Wuhan occurred on the afternoon of March 27. The number of Japanese 'planes participating has been variously estimated at between forty and eighty. They came from several directions and began dropping bombs simultaneously on both sides of the Yangtze River. The greatest damage was done on the south side of the River in the vicinity of the Hsuehchiao railway station. More than 110 people, mostly women and children, were killed and fully as many more were wounded.

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 893.01 Provisional/125 FOR Telegram #111, 4 pm

FROM China (Nanking) (Allison) DATED June 6, 1938
TO NAME 1-1127 870

REGARDING: Sino-Japanese relations: Japanese assuming control of
Reformed government, with Tang Shao Yi possibly becoming
the titular head of the government of Central China.

aa

793.94/13167

13167

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

FE

REB

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

NANKING VIA N.R.

Dated June 6, 1938

Rec'd 1:40 p. m.

Note
193.94

Secretary of State,
Washington.

111, June 6, 4 p. m.

Bos, Chinese Secretary of the Netherlands Lega-
tion on visit to Nanking (?) told me in strict con-
fidence this morning that during a recent conversation
in Shanghai with Tang Shao Yi, he obtained the distinct
impression that Tang would become the titular head of
the Reformed Government of central China if the Japanese
authorities should display anything like a reasonable
attitude. Tang (?)ly holding out for (?) with regard
to the extent of Japanese control over Chinese industry
in the occupied areas, as well as the manner in which
political control is to be exercised. Seemingly Tang
believes the Japanese are so anxious to obtain a (?) (?)
regiments and experience to take the lead in the new
government that they will go far towards meeting his
requirements.

Tang

893.01 Provisional / 125

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

REB

2-#111, From Nanking, June 6, 4 p.m.

Tang told Bos that he believed the Japanese intend to place the major emphasis on agrarian development with a view to improving the standard of living of the Chinese farmer so that he can purchase Japanese manufactured goods. Chinese raw materials (?) exploited by the Japanese for use in Japan or by Japanese companies in China.

As a result of his conversation, Bos believes that Tang's attitude is due to a combination of two main factors; (one) a sincere belief that the good which can be accomplished for the benefit of the millions of Chinese in the occupied areas will outweigh any possible sacrifice Tang will make, and (two) a hatred of the Kuomintang and its blue shirt terrorists who Tang states are responsible for the recent murders in Shanghai of two of his close friends.

Sent to Embassy Hankow, repeated to Peiping and Shanghai. Shanghai please mail to Tokyo.

ALLISON

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

4808

TELEGRAM RECEIVED

JR

FROM SPECIAL GRAY

Canton via N. R.

Dated June 5, 1938

Rec'd 6:45 a.m., 8th.

Secretary of State,
Washington.

JUNE 5, 1 p.m.

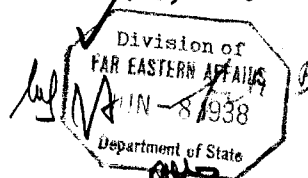
Japanese air raids on Canton June 4th were

probably the most destructive of civilian life and property to date. Bombs were dropped in the most thickly populated and busiest part of the city near the Honam bridge approach, the junction of Winghorny road and Munming road and about the civic and Government center. Officially estimated 120 bombs dropped in city limits. Many buildings, including part of Kwangtung provincial bank, were destroyed. It is not possible to determine the number of civilians killed as many are buried in the ruins but the official estimate is more than one thousand killed and wounded. It is possible that the objectives were the Government center, the electric light plant, water plant and perhaps the highway bridge to (?)am Island.

Sent to Peiping and Shanghai.

LINNELL

CSB



793.94/13168

JUN 13 1938

FILED

F/FG

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

TELEGRAM RECEIVED

JR ...

PLAIN & SPECIAL GRAY

FROM Canton via N. R.

Dated June 6, 1938

Rec'd 6:45 a.m., 8th.

Secretary of State,
Washington.

June 6, 4 p.m.

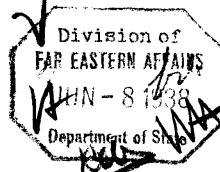
Japanese air raids on Canton proper continued June 5th and 6th resulting in further great loss of life, and injury to civilians and damage to property. French hospital on bund partly destroyed by two bombs on 6th. Several buildings and market demolished in rear electric light plant but latter not hit. Bomb landing on bund in front of French hospital and Y.M.C.A. killed many persons on bund and in sampans. Tung warehouses bombed both days, several primary and middle schools struck, and many pupils killed and injured.

Canton-Hankow station again bombed with slight damage to terminal buildings but none to railway.

Canton-Kowloon Railway attacked both days but damage negligible.

I would re-emphasize that whatever the objectives Japanese claim to be aiming at the only result of bombings

COPIES SENT TO
DNL AND WLD.
DT



Marked section page 2 given orally to Mr. McClintock of Red Cross

793.94/13169

JUN 15 1938

FILED

F/FG

793.94
124
193.94-16
243.11

4808

-2- JUNE 6, 4 p.m., from Canton via N. R.

bombings during past week has been killing and wounding of civilians and destruction of private property.

The Chairman Canton Red Cross has written asking me to report that on May 28th after Japanese had bombed Saikui area the planes suddenly returned and machine gunned and bombed Red Cross workers and firemen who were attempting to succor those wounded in first raid. Many firemen and Red Cross workers were killed and wounded.

I have advised Baptist mission to leave Tungshan.

(END SPECIAL GRAY) Registered Americans of white race in Canton area now number one hundred and seventeen residing as follows: Canton proper nineteen, Fongchuen three, Honan six, Lingnan thirty-seven, Pakhoktung eighteen, Tungshan eleven, Shameen twenty-three. In addition about fifteen temporarily in hotels in Canton and Shameen.

LINNELL

WWC

0318

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

1-128
PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to
\$

TELEGRAM SENT

1-138
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PART AIR
PLAIN

Department of State

Washington,

1938 JUN 9 PM 5 10
June 9, 1938

AMERICAN CONSUL,
CANTON (China). *via N.R.*

RUSH.

Your June 6, 4 p.m., in regard to 'air bombings' of
Canton.

Department desires to receive by rush telegram such
information as may be readily available in regard to
approximate numbers of ^{civilians} killed and wounded during recent
bombings.

Handwritten initials

Handwritten initials

JUN 10 1938

FE:MMH:EJL

FE

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 50.

1-138

U. S. GOVERNMENT PRINTING OFFICE: 1934

793.94/13169

F/FG

132

DECLASSIFIED: E.O. 11652, 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

SEE693.002/685..... FOR Note.....

FROM Chinese Embassy..... (.....) DATED June 2, 1938.....
TO NAME 1-1127
793.94 / 12170

REGARDING: Heavy fighting is proceeding in vicinity of Ningling and
Luyi in East Honan as the Japanese from Kweichow and Peking
are pushing westward in an attempt to outflank Lanfeng and
Kaifeng and Chinli. Small bodies of Japanese vanguard appeared
at Chihhsien due south of Lanfeng, but were driven off.

dt

13170

732

27 : -

GRAY

2 p. m.

HANKOW (CHINA) VIA N.R.

Your 278, June 8, 3 p. m.

FULL

HULL
(SKH)

FE:MMH:EJL FE PA/H

703.34/15171

793.94 / 13171

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

4809

TELEGRAM RECEIVED

JR

FROM

GRAY

Tel. to Tokyo repeated to Hankow
JUN 9 - 1938

COPIES SENT TO
O.N.I. AND A.L.B.

Hankow via N. R.

Dated June 8, 1938

Rec'd 2:40 p.m.

Secretary of State,
Washington.

278, June 8, 3 p.m.

My 33, December 13, 4 p.m., and Department's 22,
December 21, 7 p.m.

In view of indiscriminate bombing which is occurring at Canton and in view of recent threats that similar bombing is to take place at Hankow, I respectfully urge that the Department consider advisability of ~~(X)~~ Embassy at Tokyo once more reminding Japanese Government of location of American property and concentration of Americans and other foreigners in area described in my telegram above referred to. Sent to Peiping, Shanghai, Shanghai please repeat to Tokyo.

JOHNSON

CSB

~~(X)~~ Omission.

793.94/13171

JUN 16 1938

FILED

F/FG

0323

DECLASSIFIED: E.O. 11652, 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

Washington.

1938 JUN 9 PM 6 44

June 9, 1938.

7 PM

AMEMBASSY,

TOKYO, (JAPAN).

189 793.94/13171

Hankow's 278, June 8, 3 p.m.

Department authorizes approach under conditions and
along lines of final paragraph Department's 367, Decem-
ber 21, 7 p.m.

Hall
P.H.

793.94/13171

CR
JUN 9

FE:JHS:REK/MJY

FE
P.H.

PA/H

5100

Enciphered by

Sent by operator M., 19

D. O. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

F/FG

0324

DECLASSIFIED: E.O. 11652, 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

4810

Department of State

Gray
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

Washington,

1938 JUN 9 PM 6 45

June 9, 1938.

793.94/13171 RADIO

AMEMBASSY,

HANKOW, (CHINA). *via n R.*

170 793.94/13171

393.1115/2250

✓ Your 273, June 8, 3 p.m., and Department's 22,

December 21, 7 p.m., which quotes final paragraph of
Department's 367, December 21, 7 p.m., to Tokyo.

The Department has sent the following telegram
to Tokyo:

QUOTE. Department authorizes approach under
conditions and along lines of final paragraph Depart-
ment's 367, December 21, 7 p.m. UNQUOTE.
393.1115/2250

793.94/13171

JMS
FE:JHS:REK/MJY

CP 18
JUN 9 1938. PM

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

F/H

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 893.20/675 FOR Letter

FROM Heath, Edward T. () DATED June 4, 1938-
TO NAME 1-1127 070

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

Efforts in premises to begin at once. Allegedly justifiable,
asks that U.S. Government not hinder by restraining action.

FRG.

793.94/13172

13172

DECLASSIFIED: E.O. 11652, 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

FROM

FOURTH MARINES

June 9, 1938

Received 9:40 a.m.

ACTION CINCAP

OPNAV

INFO: AMCONSUL SHANGHAI

COMSUBRON FIVE

ASSISTANT ALUSNA SHANGHAI

COMYANGPAT

COMSOPAT

AMAL BASSADOR CHINA

USS MARBLEHEAD

ALUSNA PEIPING

Division of
FAR EASTERN AFFAIRS

JUN - 9 1938

Department of State

8609 Japanese planes raided Canton 9 June vanguard
Japanese column from Yushih reached outskirts Changko
5 miles east Pinghan lines 36 miles south Chengchow.
Chinese 4 June claimed capture Yungcheng railway
station south of Houma southern Shansi 1822

RR

793.94/13173

JUN 13 1938

FILED

F/FG

13
DECLASSIFIED: E.O. 11652, 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

FROM

GRAY

SHANGHAI VIA N.R.

Dated June 8, 1938

Received 11:55 a.m. 9th

Secretary of State

Washington

797, June 8, 9 p.m.

My 780, June 4, 5 p.m. /13144

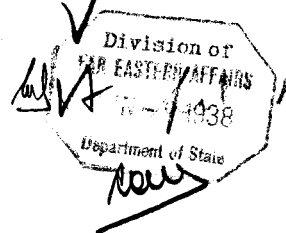
One. Japanese forces in western Anhwei are believed to have made considerable progress in the past few days and to have captured Fengtai, Shanghsien and Chengyangku, all to the northwest of Hefei. A fleet of about 70 small Japanese vessels was seen below Chinkiang going up the Yangtze on June 4; a foreigner who observed this movement believes that they may be intended for operations above Wuhu.

Two. Guerrilla activities continue around Shanghai; a brisk encounter is reported to have taken place at Wauching, 5 miles south of the French concession on June 4, after which Japanese wounded were observed being brought into the city.

Repeated to Hankow and Peiping.

LOCKHART

RR:CSB



793.94/13174

JUN 13 1938

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

1811

TELEGRAM RECEIVED

EDA

FROM

PLAIN

SHANGHAI VIA N.R.

Dated June 8, 1938

Received 2:34 p.m., 9th

Secretary of State

Washington

800, June 8, midnight.

Rear Admiral Nomura, Chief of the Japanese

Naval Special Service Section at Shanghai, issued a formal statement to the press yesterday in which it is stated that "Such cities as Canton, and Hankow" are "defended cities" protected by large numbers of recently installed anti-aircraft artillery "set up in all parts of these cities indiscriminately" and, in many cases, "in the immediate vicinity of property belonging to nationals of third powers" and that "under such circumstances, our air units have had no choice but to carry out their recent raids at higher altitudes than before, with the inevitable result that some civilian casualties and damage to dwellings and other structures located in close proximity to military objects have occurred". The statement continues "while great care will continue to be exercised to secure the maximum degree of accuracy in the marksmanship

Division of
FAR EASTERN AFFAIRS
IN - 0138
Department of State

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

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EDA - 2 - #800, June 8, midnight from Shanghai

marksmanship of our air forces, it is, at the same time, our intention to carry out air raids with even greater vigor so as to bring the Chinese authorities to realize the futility of their present attitude and in order that the hostilities, of which these air bombardments are a concomitant part, may be brought to a termination as speedily as possible. It is, therefore, the desire of the Japanese Naval Authorities that the citizens of third powers resident in those cities will not only themselves avoid the areas in which China's anti-air defenses are located, but also advise the ignorant Chinese to seek shelter away from such zones."

Repeated to Hankow, Peiping, Canton, Tokyo.

LOCKHART

CSB

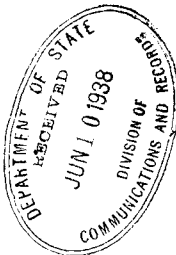
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

QUINTUPPLICATE
AIR MAIL.

Copy for the Consulate
General, Tokyo.

AMERICAN CONSULATE,

Taihoku, Taiwan, Japan, May 11, 1938.



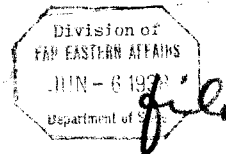
STRICTLY CONFIDENTIAL.

The Honorable

Joseph C. Grew,

American Ambassador,

Tokyo, Japan.



Sir:

I have the honor to make the following observations in connection with the reported attack which the Japanese have commenced on Amoy, and to report other happenings since May 1 connected with the China Incident.

As previously reported the fleet visited Keelung during the middle of last month; there has been a concentration of troops in Southern Taiwan; the Governor General returned on May 6 from a week's inspection trip to the fortified Pescadores and postponed his planned trip to Tokyo because slightly "indisposed". Furthermore the Hongkong Kahu, previously scheduled to sail from Takao on May 8 for Hongkong has been held at Takao, possibly for the purpose of carrying supplies and provisions and troops to the scene of activities.

It appears that a drive will be made down the coast from Amoy to Swatow and an attack made on Canton by land to cut off connections with Hankow. Success of this plan will end Taiwan's fear of possible air raids from China.

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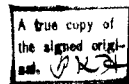
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By Milton D. Gustafson NARS, Date 12-18-75

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There is enclosed a translation of an article in the local press concerning the donation to the Taiwan Military (probably at the Heito Airport, Takao Province), of planes and arms by various groups, organizations and schools.

The Navy Training Squadron under Commander-in-Chief Takasu visited Keelung the first few days of the month, went to Mako to be there during the visit of the Governor General to the Pescadores, and entered Takao on May 8th, participating in the plane and arms christening ceremonies.

Respectfully yours,



Gerald Warner
American Consul.

Enclosure:

Newspaper translation.

File No. 820.02
GW/tkh

3 copies to Department.
1 copy to Consulate General, Tokyo.

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

CHRISTENING CEREMONY OF PLANES DONATED BY THE
 PEOPLE OF TAIWAN HELD ON MAY 9.

(Telephone from undisclosed place)

The ceremony of christening planes and arms donated by the people of Taiwan was held on the 9th from 11:00 A.M. at a certain undisclosed place (probably Heito) on an elaborate scale. There were present Director General Morioka, representing Governor General, Commander-in-Chief Lieut. General Furosho, Chief of Finance Bureau Mineta, Governor Utsumi (of Takao Province), civil and military officers, business men and civilians, representatives of schools and other organizations, numbering in all 8,000. The navy was represented by Commander-in-Chief of the Training Squadron, Takasu who represented the Navy Minister, Commander-in-Chief Mito, of Iwakuni Naval Station, Captain Ishii who acted as chairman of the christening ceremony, and others. A Shinto religious service was held as usual on such occasions, after which addresses on the donations were read by representatives of donors, that is by the Director General, the Chief of the Bureau of Education, Governor Utsumi, President Yasuda of the Bank of Taiwan, Mr. Nomura (Mayor of Mori, Noko County, Taichu, Mr. Junji Hayashi, etc. Congratulatory address was delivered by the Commander-in-Chief Takasu of the Navy Training Squadron who represented the Navy Minister, after which he christened the planes and arms. More congratulatory addresses were delivered by the Director General on behalf of the Governor General, and by Mr. Ichizo Nakamura, a member of the Advisory Council of the Taiwan Government General. A number of congratulatory telegrams received were read. "Tamagushi" (a branch of a sacred tree) was placed on the altar as an offering. Commander-in-Chief Takasu of the Navy Training Squadron who represented the Navy Minister, Commander-in-Chief Mito of the Iwakuni Naval Station, representatives of donors, Captain Ishii, representing the fliers flight-lieut. Iwaya, and Director General Morioka for the Governor General. Representatives of high schools and primary schools throughout Taiwan then read emotional farewell messages. Bouquets were presented to the fliers by several girls while the navy band played, and Lieut. General Furosho proposed banzais to His Majesty. Primary school pupils sang in chorus a song of congratulation on the christening ceremony, after which the whole ceremony ended after noon.

Special aeroplane manoeuvres were then started, with various stunts and a mock city raid, etc. for the edification of those present at the ceremony and some 30,000 persons who thronged outside the ceremony compound. Then the four planes just donated were piloted by naval fliers who have participated in a number of raids on China, and flew low and in formation. The donated planes then

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

-2-

then hopped off to various places to pay respects, and returned at about 2:00 P.M. They have added to the strength of Japan's southern air defense.

The planes and arms were christened as follows:

- 1 land plane Hokoku (Patriotic) No. 145; No.1 Taiwan School Plane donated by all schools in Taiwan.
- 1 land plane Hokoku No. 202, No. 1 Takao Plane donated by people of Takao Province.
- 1 land plane Hokoku No. 202, No. 2 Takao Plane donated by people of Takao Province.
- 1 land plane Hokoku No. 204, All Taiwan Plane donated by all people of Taiwan.
- 000 (3 characters omitted) (5) Hokoku Nos. 11 to 15 (Christened Nos. 1 to 5 Taiwan Kyoshin Kai) donated by Kyodo Fishing Co. of Keelung and by crew of fishing boats of Taiwan Kyoshin Kai of Keelung.
- 00000 (5 characters omitted) together with accessories (2) 000 (3 characters omitted) Hokoku Nos. 16 to 17 (Nos. 1 to 2 Noko-gun) donated by Kitaro Kamada and 6,292 other persons of Noko-gun, Taichu-shu.
- 000000 (6 characters omitted) (1) 0000 (4 characters omitted) Hokoku No. 2 (Taigin) donated by the Bank of Taiwan Ltd.

(Translated from the Taiwan Nichi Nichi Shinpo
 May 10, 1938)

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

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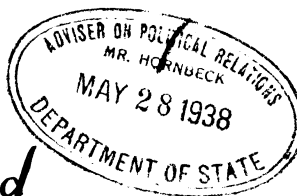
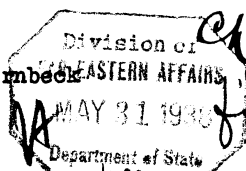
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Washington, D.C.
May 28, 1938

793.94
Honorable S. K. Hornbeck
State Department
Washington, D.C.



Dear Dr. Hornbeck:

Enclosed are some statements and reports which we have just received from Nanking, in which we thought you would be interested. The initials "M.S.B" are those of Dr. M. Searle Bates, Head of the Department of History of the University of Nanking, who has remained in Nanking since the Japanese occupation. I believe Dr. Bates' statements can be trusted. These reports were mailed in Victoria, B.C., Canada. They are not for publication.

I am giving a copy of the report to Dr. C.T. Wang.

I thought you would be interested to know that we have in hand in cash and pledges for the Christian Colleges in China \$182,000.00, and the good prospects of an additional gift of \$100,000.00, so that we will need only \$18,000.00 to finish up the Emergency Fund for this year, set at \$300,000.00. The gifts indicated are in addition to about \$90,000.00 received before the beginning of the Emergency Campaign.

Sincerely yours,

W. Reginald Wheeler
W. Reginald Wheeler

Enclosures

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

NOTES ON GERMAN ATROCITIES IN BELGIUM (Nanking, Mar. 21, 1938.
 Received in New York, May 25, 1938

So frequently and lightly have Japanese officials passed off the deeds of their armies in Nanking by references to the conduct of "every army in every war" and to the experiences of Belgium in particular, that I have been impelled to review the matter in order to satisfy my own curiosity. What is written here is based upon the following sources: (1) Memory of general textbooks; (2) Memory of the Report of the Bryce Commission; (3) Statements of German friends; (4) Summary of the reports of the official Belgian Commission of Inquiry, as found in "The Times History of the War"; (5) "A Journal from Our Legation in Belgium", by Hugh Gibson, then Secretary to the American Legation in Brussels; (6) Finally, and mainly, upon the articles "Belgium" in the Encyclopedia Britannica, written by Henri and Jacques Pirenne, the former a historian of worldwide reputation (See Eleventh Edition new volume numbered XXX, and Fourteenth Edition for an abridged and studiously moderate report).

What is said here applies only to the killing of civilians and the burning of houses during the entry of Belgium and the early weeks of occupation. It is alleged by the Germans that these acts were in retaliation for sniping or other firing by civilians. Against that allegation must be put considerable testimony of high quality that there was no such firing; the fact that some of the massacres occurred in places that had already been quietly occupied for several days; the acknowledged fact that every commune published and distributed strong instructions against any hostile act whatsoever by a civilian; and no small amount of evidence from German sources that a program of terrorism was adopted in anger at the unexpected resistance of Belgium and in hope that the national spirit might be so broken as to shorten the unwelcome delay in the advance upon France (for instance, maps were issued to certain German officers, showing the towns to be burned). Some of the atrocities occurred in or near places in which there had been a spirited but brief stand by the Belgian armed forces; others did not.

There was much gross cruelty. Large numbers of persons were driven into burning houses; men were chosen casually from large numbers, shot en masse, finished off with clubbed rifles in sight of their wives and children, who then were ordered to bury the bodies; no small number of women and children were shot or burned deliberately, including 110 in Dinant alone. Various units of German troops were supplied with incendiary strips of chemicals.

Nowhere have I seen a satisfactory total figure, indeed any specific figure for the number of civilians deliberately killed. However, the latest article referred to above, reports for the four provinces of Namur, Brabant, Hainault, and Antwerp, 3208 persons. The fuller account in the Eleventh Edition new volume reports 1061 for Liege and over 800 for Luxembourg. Limburg, East Flanders, and West Flanders apparently suffered less grievously. The national total seems to be 5,000 to 6,000. The earlier article reports the deliberate burning of 3,000 houses in Namur, 2,000 in Liege, 1,500 in Luxembourg.

We now estimate about 12,000 civilians killed in Nanking after the Japanese occupation; not to mention 25,000 to 30,000 unarmed and passive remnants of the Chinese defence forces, killed within or near the walled city after the occupation. It seems clear that Nanking alone suffered more than the whole of Belgium in wanton slaughter, and perhaps in deliberate burning (about which we are not yet ready to make a detailed

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

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estimate). The vista of cruelty over hundreds of miles in various parts of China is fearful. But it will never be seen in one conspectus.

M.S.E.

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

NOTES ON THE PRESENT SITUATION, NANKING, March 24, 1938.
 (Received in New York - May 25, '38)

1. Order is becoming a problem again. Robbery and rape are recurring at least in cases that are closer to our observation. This includes the rape of a young girl on the afternoon of the 19th at one of our refugee camps on American property. A Japanese soldier was found there by an American and he was able, although threatened with a bayonet, to persuade the fellow to leave. But he demanded a woman of the American! And the real damage had already been done.

2. Food. The food situation is somewhat relieved now that commercial rice is allowed to come into the city more freely and the Self-Government Committee has received 3,000 bags of rice by boat from Wuhu. But how much there is available and how long it will be free to come, no one can say. The price is fixed at \$9.00 per tan or \$11.25 per bag. With rice selling for \$4.50 to \$6.00 per tan in Wuhu, it is hoped the price will fall here somewhat. However, a tax by the Self-Government Committee (with approval of the Special Service Organ) of \$0.60 per tan will partly prevent a fall in price. The Committee hopes to be able to buy rice in the open market for its relief work.

3. Economic Conditions. The most serious question for the future is the fact that only a few of the 10,000 gardeners inside the city wall have dared return to their homes and begin spring planting. We are trying to organize their return so as to give them some greater degree of security. Most of them have lost not only their household things, but also their implements and seed. Another phase of the same question is that people are coming in from the countryside hoping to find greater safety here. Over 300 came one afternoon asking for a camp to take them in. Intelligent observers returning from north of the river, say in some areas the winter wheat crop will be less than 30 per cent of normal because of late planting due to fighting, and that 80 per cent of the farmers have no reserve food supplies. In Chuyung hsion winter crops are better, probably 70 per cent of normal, but 90 per cent of the farmers have no reserve food supplies and less than 10 per cent have started spring work. North of the river also country people have gone to the towns for protection. If the countryside depends on the city, what can the city depend on? When farming is the only form of basic production that can be done in this area, it is very important that farming be carried on.

4. Relief Situation: Because of country people coming into the city and because our "semi-permanent" camps are full with 15,000 refugees, we have had to slow up on closing other camps. But all eight camps in Government buildings have been closed, excepting one reserved for refugees from other towns. In general, we are trying to get all men to move out, only allowing women between 13 and 40 years of age to stay, but permitting children to stay with their mothers. An inspection of the southern part of the city revealed that many streets are now populated which were deserted a month ago. This extends even to the southeastern section of the city. But very few young women have returned -- after the terrible experiences of the first week in February the people have learned to leave their young women either in camps or in houses in the Safety Zone. There was even one rice shop open on Moh Tson Road!

Notes on the Present Situation, March 21, 1938

Page 2.

Cash relief continues to help prime the pump of local business to the extent of about \$1,000 per day. So far as we can tell, this only partly replaces the net money outgo from the community. On March 15th, when reception of applications was re-opened, 37,000 applications for aid were received! Through March 20th, 8,740 families had been helped, with a total of \$31,496.00 or an average of \$3.60 per family. (This began February 7th). It is hoped to use more work relief but so far only one project, amounting to \$1,600 has been started. The 3536 families in private houses who applied for relief that have been investigated, report as follows:

<u>Item</u>	<u>Total</u>	<u>Average per family or percent</u>
Number of families investigated	3,536	
Number of families helped	2,309	4.2 persons per family
Number of houses burned	1,008	28.5% of families (i.e. 2/7)
Value of houses burned	\$210,008	\$208.34 per house burned
Amount of money lost (taken)	45,428	\$ 12.85 per family
Pieces of bedding lost (taken)	3,847	1.09 pieces per family
Pieces of clothing lost (taken)	22,495	6.36 " " "
Men taken away	443	24.3% of males 16--50 years old.
Women raped	152	5% of women 16--50 years old.
Widows (in families helped)	384	7.4% of women over 16 years old.

All these figures seem within reason when it is remembered that they are relief families and in view of general conditions that have been observed here; It should be remembered that this is probably only 1/20th of the families in the city.

Putting together information from organizations interested in burying the dead and other observations, it is estimated that 10,000 persons were killed inside the walls of Nanking and about 30,000 outside the walls-- this latter figure depends upon not going too far along the riverbank! These people estimate that of this total about 30 per cent were civilians.

5. CASES:

460. Feb. 27th, about 4 P.M. Ts'ai Djih-lan and his father were standing near a house at a place called Sa Chou Wei Kao Chino, about 8 or 10 li from Nanking outside of Shuaimen. There were some women in the house near which they were standing. Japanese soldiers were seen approaching and the women ran away. When soldiers came up, they asked where the women were and wanted the boy and his father to lead them to them. They refused, whereupon a soldier shot the boy in the leg, injuring him very badly. He is now undergoing treatment at the University Hospital. (Brady).
461. March 4th, a farmer aged 54 at Molinkwen was asked by Japanese soldiers on February 13th for some cows, donkeys and girls. The neighbors all ran away. The soldiers tied the farmer and spread him out three feet from the ground. Then they built a fire under him and burned him badly around the lower abdomen, genitalia, and chest and singed the hair of his face and head. One soldier protested because of his age and put out the fire, tearing off the farmer's burning clothes. The soldiers went away and after about an hour his family returned and released him. (Wilson).

Notes on Present Situation, March 21, 1938.

Page 3

462. March 9th, 9 P.M. Japanese soldiers came to Mr. Hwang's house on Chukiang Road and asked him to lead them to women. He did not agree to do so. So one of the soldiers struck him with a bayonet through the left groin, piercing his flesh one-half inch. The man jumped back and at the same time pushed the bayonet aside with his right hand, but cut his hand in so doing. He ran and the soldiers followed, but he made good his escape. Bayonet just missed a large artery. (Because of fear the soldiers would return, two families related to him, including 12 people, moved into the University Middle School). (Brady)
463. March 10th, about 8 P.M. 5 Japanese soldiers wearing blue and yellow uniforms came to the Ts'ai House in Men-si. While 2 soldiers kept watch outside, the other three entered the house asking for money. The whole family fell down on their knees begging for mercy. The 2 soldiers placed a wooden ladder in front of the room door. With a rope they tied the two hands of the husband to the ladder and left him hanging there. They began to search the family and took away: one five-dollar note, one ten-zen Japanese coin, three Chinese double dimes, one paper money and coppers; after turning over wardrobes and trunks, they took away a fur robe, one women's winter clothes, one phonograph. On leaving, they stabbed Ts'ai's thigh 6 times, two on each soldier, and at last they shot him in his head and killed him instantly. They also stabbed several times the head of Ts'ai Lih Shih who was on her knees, and stabbed Wang's thigh twice. After this they went away. (Mills)
464. March 10th. A woman was raped by two soldiers in a hut next door. (Bates. Sone)
465. March 15th - a man named Chung, aged 47, living at Hansimen, while walking near Chu So Haiang at 7 A.M. was hit by a stray bullet in his head. He was sent to the hospital for treatment, where he died shortly after arriving. (Mills)
466. March 17th - at 10 P.M. Six Japanese soldiers went into the house of a 40-year old farmers named Kao who lived at Hou Tsai-men. They demanded that he get some women for them. He replied he didn't have any women and could not find any women. So they jabbed him many times in the body and in the neck and cut his head with their bayonets. He ran, but by the time he reached the door of the house, he fell down bleeding very profusely. He died without being able to get up again. The soldiers saw they had killed him so they left quickly. (Sone).
467. March 19th, Between 3:30 and 4:00 P.M. a Japanese soldier committed rape upon a refugee, a nineteen year-old girl, in the Language School Refugee Camp at the University of Nanking. Dr. Bates arrived there about 4:05 and as he approached the soldier, the soldier brandished his bayonet and insolently said: "Want girls". But Dr. Bates persuaded him to leave. The soldier showed no sign of being drunk. (Bates)
468. March 19th. Night -- a Man and a woman were caught crawling over the wall of the Middle School Refugee Camps. When told they could not come in, they said the woman had been raped twice that evening and they could not go back. (Sone).

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

Notes on Present Situation,

March 21, 1938. P.4.

469. March 20th, 9:45 P.M. Five poor families near our house were robbed of \$238.30 by Japanese soldiers. (Smythe).
470. March 19th-- An Uncle of one of our staff was marched off by Japanese soldiers because he wore khaki pants. Sperling rescued him. (Sperling).

(Signed) L. Smythe

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

20 March, 1938

American Embassy
 Nanking

Dear Mr. Allison:

Yesterday between 3:30 and 4:00 P.M. a Japanese soldier committed rape upon a refugee, a nineteen-year-old girl, in our Hsiao Tao Yuan compound at 3 Hsiao Fen Ch'iao. The soldier came and went on a bicycle with yellow markings.

I arrived there about 4:05. As I approached the soldier, he brandished his bayonet and insolently said: "Want girls." The situation was uncomfortable for several minutes, but finally the soldier decided to withdraw. There was no indication of drunkenness.

Each day there are made known to us through direct personal contacts three or four cases of murder, wounding, or rape by soldiers. Many more must occur unknown to us, since regularly there are some which bring themselves to our attention. We have made no formal reports, since these cases seldom occur on our property. But they greatly concern our proper relief work, and they indicate a lack of order and discipline that has possibilities of more serious trouble. On March 11, Mr. Sone and I observed the completion to the raping of a woman by two soldiers in a hut just adjoining the wall of our own residence.

New military units have recently come into the city. Will not the Japanese authorities, for the sake of their Army's reputation, if not for humanitarian reasons, put a stop to these crimes continuing more than three months? If strict orders are not made plain to the soldiers, it is clear that the generals do not care about such crimes. If orders are made plain, it is clear that the soldiers show contempt for the generals. In any case innocent persons suffer and there is insecurity.

Respectfully yours.

WESTERN NATIONALS IN NANKING AT THE TIME OF JAPANESE ENTRANCE
 December 13th, 1937

Name	Nationality	Organization
1. Mr. John H. D. Rabe,	German	Siemens China Co.
2. Mr. Christian Kroeger	German	Carlowitz & Co.
3. Mr. Eduard Sperling	German	Shanghai Insurance Co.
4. Mr. R. Hampel	German	Norde Hotel
5. Mr. A. Zautig	German	Kiessling and Bader
6. Mr. R. R. Hatz	Austrian	Mechanic for Safety Zone
7. Mr. Cola Podshivloff	White Russian	Sandgren's Electrical Shop
8. Mr. A. Zial	" "	Mechanic for Safety Zone
9. Mr. Charles H. Riggs,	American	University of Nanking
10. Dr. M. S. Bates	American	" " "
11. Dr. Lewis S.C. Smythe	"	" " "
12. Dr. C.S. Trimmer,	"	University Hospital
13. Dr. Robert O. Wilson	"	" "
14. Miss Grace Bauer	"	" "
15. Miss Iva Hynds	"	" "
16. Rev. James McCallum	"	" "
17. Miss Minnie Vautrin	"	Ginling College
18. Rev. W.P. Mills	"	American Presbyterian Mission
19. Rev. Hubert L. Sone	"	Nanking Theological Seminary
20. Mr. George Fitch	"	Y. M. C. A.
21. Rev. Ernest H. Forster,	"	American Church Mission
22. Rev. John Magee	"	" " "

(All the above 22 were here until Mr. Kroeger left January 23rd,
 Mr. Fitch on Feb. 20th, Mr. Rabe on Feb. 23rd, Messrs. Hatz and
 Zautig on February 28th.)

The following five newsmen were here until December 15th and December 16th.

23. Mr. F. Tillman Durdin,	American	New York Times
24. Mr. Archibald T. Steele	"	Chicago Daily News
25. Mr. C. Yates McDaniel	"	Associated Press

Name	Nationality	Date	Organization
26. Mr. Art Mencken	American		?
27. Mr. L. C. Smith	British		Reuters News Agency
(The following were in Nanking for dates indicated.)			
28. Mr. John M. Allison	American	Jan. 6 -	American Embassy
29. Mr. J. Espy	"	Jan. 6 -	" "
30. Mr. A.A. McFadyen	"	Jan. 6 -	" "
		Mar. 13	
31. Mr. H. Prideaux-Brune	British	Jan 9-29,	British Embassy
32. Col. Lovatt-Fraser	"	Jan. 9-?	British Military Attache'
33. Dr. Georg Rosen	German	Jan 9-?	German Embassy
34. Dr. Scharfeenberg	"	Jan 9-	" "
35. Mr. Huertter	"	Jan. 9-	German Embassy
36. Mr. Bishopric	American	Jan. 23--	China Export and Import
		Feb. 6th	Lumber Co.
37. Mr. E. W. Jeffery	British	Jan. 27 -	British Embassy
38. Mr. Walter H. Williams	"	Jan. 27 -	" "
39. Mr. Hendrick Bos	Dutch	Feb. 8 -	Netherlands Legation
		12th	
40. Father James Kearney	American	Feb. 11-13.	American Jesuit Mission
41. ?	French	Feb. 11-13	French Air Attache'
42. Dr. R. F. Brady	American	Feb. 21st,	University Hospital

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

June 7 1938.

My dear Mr. Wheeler:

I acknowledge with thanks the receipt of your letter of May 28, 1938, with which you enclose copies of statements and reports which you have received from Nanking in regard to conditions there.

The enclosures to your letter have been read with interest and your courtesy in making this material available to us is very much appreciated. I was much interested also in the information in regard to the funds which you have received for the Christian colleges in China, and I congratulate you upon the success of your Emergency Campaign.

Yours sincerely,

Stanley K. Hornbeck
 Adviser on Political Relations

Mr. W. Reginald Wheeler,
 Vice President, Board of Founders,
 The University of Nanking,
 150 Fifth Avenue,
 New York, New York.

JUN 7 1938

FE:EGC:HES
 6-4

FE

A true copy of
 the signed 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

TELEGRAM RECEIVED

*Relevant portion
of this message read
to Red Cross.*

9/11/38 lufm.

JR

COPIES SENT TO
CINCPAC WFO
FROM
DT

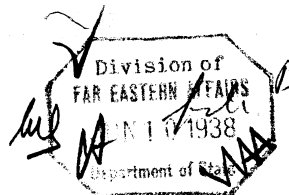
COMSOPAT

June 10, 1938

Rec'd 7 a.m.

ACTION: OPNAV
USS SACRAMENTO
RDO CAVITE

INFO: COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMYANGPAT
AMAMBASSADOR CHINA
USS ASHEVILLE
USS MARBLEHEAD
USS TULSA
USS EDSALL
FOURTH MARINES
ALUSNA PEIPING CHINA



*793 94
893-48*

0009. For AmCross Manila, AmCross Hong Kong.

Air raids Canton morning and night, latter raid
thirteen BSP sighted twenty bombs Saichuen industrial
area Kulangsu Amoy area quiet refugees departed eleven
fifty-three SS HAICHUNG for Chaunchow thirteen
hundred SS ANKING for Foochow three hundred sixty for
Shanghai. 2345.

DDM

793.94/13178

JUN 15 1938

FILED

F/FG

K

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

DOCUMENT FILE

NOTE

SEE 890.00/96 FOR Memo

FROM State Department (FE) (Jones) DATED June 4, 1938
TO NAME 1-1127 ***

REGARDING: Situation in Far East: weekly review.

wb

793.94/13179

13179

DECLASSIFIED: E.O. 11652, 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 701.9394/20 FOR Tel. #370 11am

FROM Japan (Crew) DATED June 10, 1938
 TO NAME 1-1127 ***

REGARDING:

Closing of Chinese Embassy in Tokyo to be effected temporarily on June 11 and all personnel to depart from Japan; all consulates in Japan have been closed since June 8.

emc ✓

793.94/ 13180

13180

DECLASSIFIED: E.O. 11652, 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 **CO. YES SENT TO** FROM
CONFIDENTIAL
DT

FOURTH MARINES

June 10, 1938

Rec'd 7:35 a.m.

ACTION: CINCAF
OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
ASST NAVAL USNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMEMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING



795.94/13181

8610. Japanese cut Pinghan line, south Chengchow morning 10 June. Japanese sailors supported by naval gunfire repulsed in two unsuccessful landing on south bank Yangtze 9 June following points Hsiakang 73 miles and Wuhsacha 103 miles upstream from Wuhu, Chinese planes bombed Japanese warships above Wuhu same date claimed one warship sunk. General Chang Fah Kwei appointed Commander-in-Chief Chinese troops northwestern Anhwei and southeastern Honan. 1830.

DDM

JUN 15 1938

FILED

F/FG

1 3 4 :
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

FE

FS

FROM

GRAY

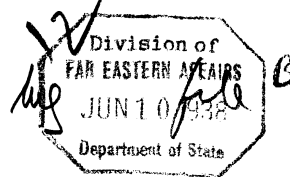
COPIES SENT TO
CHINA AND WILD
DT

Foochow via N.R.

Dated June 8, 1938

Rec'd 1:30 a.m. 10th

Secretary of State,
Washington.



June 8, 5 p.m.

Marked increase in tension in Foochow has followed circulation of various reports concerning text of handbills dropped by two Japanese planes which flew over city afternoon of June 6th. According to reliable reports handbills state that war would soon reach South China and advised civilian populace to withdraw from the city and although no further visitations have occurred since, large numbers of people are leaving.

To Hankow, repeated to Peiping.

RR:WWC

WARD

793.94/13182

JUN 13 1938

FILED

F/FG

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

4813

TELEGRAM RECEIVED

FS

SPECIAL GRAY

FROM Canton via N.R.

Dated June 10, 1938

Rec'd 9:25 a.m.

Secretary of State,
Washington.

RUSH

June 10, 4 p.m.

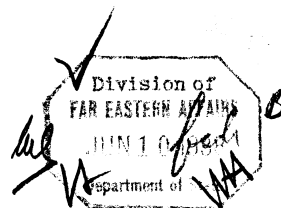
Department's June 9, 6 p.m.

Official estimates by 4th Route army headquarters
of civilian casualties caused by Japanese bombing Canton:
May 28th over 1500, May 29th over 500, May 30th about
1300, May 31st 234, June 1st no damage, June 2nd nearly
100, June 3rd 102, June 4th about 2000, June 5th about
100, June 6th more than 2000, June 7th approximately 100,
June 8th approximately 225, June 9th approximately 104,
total casualties nearly 8,685. It is still impossible
to get exact figures of killed and wounded as bodies
are still being removed from ruins. The above figures
are believed perhaps somewhat exaggerated but total
probably nearly figures given.

Sent to Hankow, Shanghai, Tokyo.

CSB

LINNELL



793.94/13183

FILED
JUN 15 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. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED
CORRECTED COPY

MB

FROM SPECIAL GRAY

Canton via N.R.

Dated June 8, 1938

Rec'd 7 a.m. 10th

13184
COPIED SENT TO
SECRETARY OF STATE
EJL
Secretary of State,
Washington.

June 8, 5 p.m.

In three raids June 7th including four hour night raid, Japanese planes dropped an estimated 70 bombs on Canton and suburbs. Demolished houses near Provincial Government buildings, near Sun Yat Sen Memorial Hall, Honam, killing and wounding citizens. Waterworks in process of construction badly damaged; Saichute power plant damaged, Shameen without electric current past 24 hours. Tienho and white clouded aerodromes bombed.

Morning of June 8 raiders bombed Canton house station, damaging rolling stock and goods in cars and sheds. White coal aerodrome and residential section Honam bombed, killing civilians. Campus Lingnan University bombed; see urgent telegram.

Estimated 60% Canton populace evacuated. Bodies still being recovered from areas bombed last ten days.

Sent to Hankow, Peiping, Shanghai.

LINNELL

CSB

793.94/13184

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

FS

COPIES SENT TO
ONE AND TWO

DT

FROM

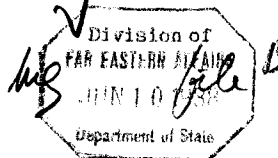
SPECIAL GRAY

Canton via N.R.

Dated June 8, 1938

Rec'd 7 a.m. 10th

Secretary of State,
Washington.



793.94 June 8, 5 p.m.

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Morning of June 8 raiders bombed Canton house station, damaging rolling stock and goods in (?) cargo of the sheds. White cloud aerodrome and resident East African (?) recognize (?) (?) ed, killing civilians. Campus Lingnan University bombed; see urgent telegram.

Estimated 60% Canton populace evacuated. Bodies still being recovered from areas bombed last ten days.

Sent to Hankow, Peiping, Shanghai.

HPD

LINNELL

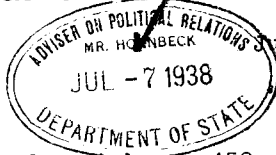
793.94/13184

FILED
JUN 13 1938

F/FG

135
DECLASSIFIED: E.O. 11652, 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



June 13, 1938.

MSM
JWB
6/13/38

London's despatch no. 450 of June 1 encloses a memorandum of a conversation with Howe, Chief of the Far Eastern Department of the Foreign Office and formerly chargé in China.

The following are the only statements of interest made by Mr. Howe:

The Japanese hope to crush the Chiang Kai-shek government and form from it another puppet régime similar to the present Nanking and Peiping governments. "The Japanese will then treat with these three governments as the government of China and make peace."

The Chinese can go on fighting but they are badly in need of money, as shown by the recent fall in the exchange rate. It would be a good investment for both the American and British Governments to support China, but he thinks it unlikely that Parliament will be willing to guarantee any credits.

Most of the memorandum is uninteresting and contains no new information.

FE:Pea~~field~~:HES

135
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

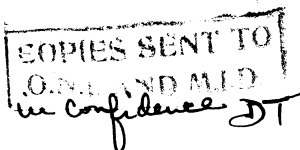
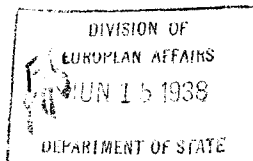


EMBASSY OF THE
UNITED STATES OF AMERICA
JUL 7 1938

LONDON, June 1, 1938.

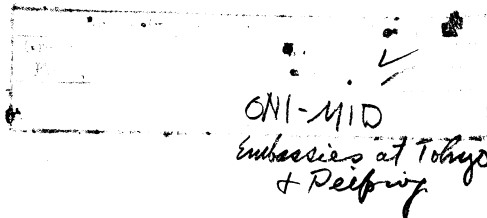
No. 450

SUBJECT: Situation in China



793.94
RECEIVED
DEPARTMENT OF STATE

1938 JUN 10 PM 12 17 CONFIDENTIAL



793.94/13185

The Honorable

The Secretary of State,
Washington, D.C.

Copy Transmitted by The
Commercial Office (A-M/O)
To

Tokyo
Peking
6/29/38

1/ I have the honor to enclose herewith a memorandum
of a conversation at the Foreign Office yesterday bet-
ween the Chief of the Far Eastern Department and a
member of the Embassy staff.

Respectfully yours,

For the Ambassador:

Herschell Johnson
Herschel V. Johnson
Counselor of Embassy

✓
Enclosure:

1. Memorandum, dated May 31, 1938,
HM/WMC

4 Carbon Copies
Received *[Signature]*

F/FG 13185

1357

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

CONFIDENTIAL

M E M O R A N D U M

I called on Howe this afternoon at the Foreign Office to talk about the Far East.

Asked what he thought about the changes in the Japanese Cabinet, he said that unquestionably it meant a more rigorous prosecution of war in China. The civilian members of the Government, who had now been replaced for the most part by generals, had been criticized in some Japanese quarters for what was regarded as a "vacillating policy." Asked what this meant, Howe said on several occasions the Japanese Army had taken an objective and then stopped and awaited developments for no apparent reason. The military were now completely in control and doubtless hoped to destroy the Chinese Army.

As regards Suchow, he thought that of the 150,000 Chinese who were reported by the press to have been trapped, nearly all had slipped through the Japanese lines and perhaps 10,000 or 20,000 at the most had been taken prisoners. These, he said, of course, would be shot. At this point I referred to the denial by the Japanese of Butler's statement in the House of Commons that the Japanese had shot Chinese military prisoners at Amoy, and Howe said the Foreign Office had it on unimpeachable evidence that these shootings had taken place. He estimated that from 10,000 to 30,000 Chinese prisoners were shot when the Japanese took Nanking. They were lined up along the river and mowed down with machine guns.

Howe

-2-

Howe said that the next Japanese objective was doubtless Cheng Chow at the junction of the Peiping-Hangkow and the Lunghai Railways. Assuming they would be successful, he thought two columns would move on Hangkow; one down by railway from Cheng Chow and one -- he considered this more dangerous -- across the country from the Nanking area. Chiang Kai-chek had personally assured him before he left China that the fall of Hangkow would not make any difference to the Chinese resistance, which would continue indefinitely as the Japanese push them westward.

Howe said that, of course, a campaign against Hangkow would necessitate a great increase in the number of Japanese troops engaged. The war was becoming unpopular in Japan and he thought if China could hold out for a year and-a-half, or two years, Japan would be in very serious shape.

Asked what the Japanese hoped to do, he said, as stated above, that they hoped first to crush the Chinese Army, Chiang Kai-chek and his Government, and that from the latter another government similar to the present Nanking and Peiping Governments would be created. The Japanese would then treat with these three Governments as the government of China and make peace.

As regards the ability of the Chinese to hold out that much longer, Howe said that while they could go on fighting, they were badly in need of money. Their exchange had fallen from 1/2d. to 1ld. in a month. They were not a

manufacturing

7 3 5

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

-3-

manufacturing people and had to depend on imports. Quantities of Russian arms were going in from Sinkiang. Though the rains were now starting in South China, the new road via Burma was completed on the Burma side and was supposed to be completed as an all-weather road on the Yunnan side.

Howe thought it would be a good investment for both the American and British Governments to support China and asked whether I thought there was any likelihood of the Chinese getting a loan and if we had any recent information. I replied, though I had no information whatever to draw on, my feeling was that it would be extremely difficult to obtain money in the United States for China. The bankers would not run the risk and it was practically inconceivable that Congress would appropriate money for that purpose. I referred to the purchases of silver and he said they were very helpful but the Chinese were running very short of silver. They might have a thorough "scrape 'round" but the fall in exchange showed that they were running short. Asked whether he thought Parliament would be willing to guarantee any credits, he thought they would not. Though he did not pursue this subject I had the distinct impression that he was thinking along the lines of getting credits for China somehow.

H. M.

LONDON, May 31, 1938.

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

TELEGRAM RECEIVED

CA

Gray

FROM HONG KONG VIA N. R.

Dated June 10, 1938

Rec'd 9 p.m.

Secretary of State

Washington

June 10, 9 a.m.

The Consulate General is reliably informed that during
past three days considerable quantities of important
Chinese official documents have arrived in Hong Kong for
storage in Bank of China here. These documents are being
moved from Hankow incident to evacuation of that capital.

Repeated to Department, Hankow.

SOUTHARD

NPL EMB

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

Division of
FAR EASTERN AFFAIRS
JUN 11 1938
Department of State

793.94/13186

JUN 15 1938

FILED

F/FG

793.9d
note
893.414

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

May 31

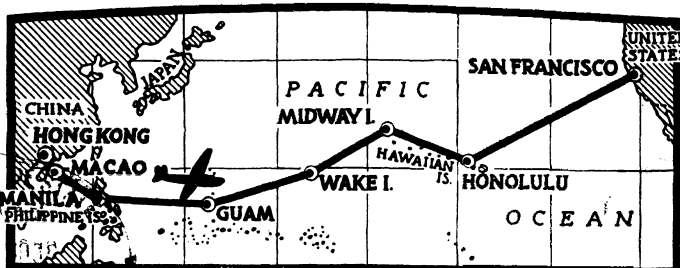
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To note
in actual paragraph
page C
✓

TRANS-PACIFIC NEWS SERVICE

1250 6TH AVENUE

NEW YORK, N. Y.



BRUNO SCHWARTZ
General Manager

TRANS-PACIFIC CLIPPER NEWS

AIR MAIL VIA PAN AMERICAN AIRWAY CLIPPERS FROM HONGKONG

Cable Address
TRANSPACIF

May 28, 1938

FRIENDS MEETING OF VIRGINIA LAUDS CHINA'S LEAFLET BOMBARDMENT OF JAPAN

793.94
CHEVY CHASE, Md., May 22 -- At a meeting held this afternoon at Hopewell, Virginia, by members of the Fairfax Quarterly Meeting of the Religious Society of Friends, genuine appreciation was expressed for the people of China in their struggle to maintain their existence as a nation.

Particular appreciation for the humanitarian methods of the Chinese defenders was voiced by the Society, who expressed admiration of the recent act of the Chinese military flying forces in flying over parts of Japan and dropping leaflets urging good will - instead of bombs.

This was an act so contrary to common practice that those present at the meeting have sent acknowledgement of their feelings in warm and sympathetic statements to Chinese officials.

The Chinese Government

HUPEH LAUNCHES 4-POINT RECONSTRUCTION PROGRAM: Hankow, May 7 -- The authorities of the Hupeh Provincial Government in Central China where Hankow is located have launched a wartime reconstruction program which calls, among other things, for increasing production and foreign trade and for improving hydraulic and other public works in the province.

The four-fold project which is to be carried out under the direction of the Hupeh Provincial Reconstruction Bureau includes: (1) A campaign for the promotion of industries. Special emphasis will be laid on the technical improvement of the tea crop so that more and better tea may be exported. Provisions for exploiting some of the rich coal deposits in Hupeh have also been made. When the funds are available, excavation work on these mines will be started. Meanwhile, the Reconstruction Bureau, assisted by the Central Government, will do everything within its power to reopen cotton mills and factories for the manufacturing of flax and linen.

(2) Rural rehabilitation. According to the plans, more workers trained in the agricultural experimental stations will be sent out to teach the farmers how to improve their seeds and increase their produce. Simultaneously, \$400,000 will be loaned to the peasants in the farming districts of Kwanghwa, Suchen, Tsokshan, Tsokchien and Fonghsien who are urgently in need of funds to carry on their farming. With the collaboration of the Farmers' Banks of China, the Reconstruction Bureau will establish ten cooperative financial houses in the ten Hupeh hsien (districts) for the explicit purpose of easing the flow of capital in the rural areas. Each financial house will be backed by a reserve fund of \$100,000, which will be advanced by the Farmers' Bank.

(3) The repair of breached dikes along the Yangtze River and the Han Kiang. The problem of water conservancy is particularly serious this year as the Yangtze River below Kiukiang in Kiangsi Province has been blockaded by the Chinese military authorities. Detailed measures in respect to dike and dam reconstruction works have been worked out and every possible step will be taken to prevent the flooding of the Yangtze and its tributaries.

793.94/13187

F/FG

1387

Sheet No. B
May 28, 1938

(4) A more elaborate network of highways in Hupeh province. In December, 1936, there were 4,438 kilometers of roads, both paved and earth, open for traffic; while the numbers of kilometers under construction and projected were 327 and 1,068 respectively. The shift of the war scene to the interior immediately called for more direct and better-paved highways. One of the projects was to elevate the Hankow-Ichang highway so that more safety can be attained while travelling overland to China's hinterland.

LEAGUE HEALTH EXPERTS ASKED TO EXTEND STAY IN CHINA: Hankow, May 11 -- The Chinese Government, through its national health director Dr. F. C. Yen, has submitted a formal request to Geneva that the activities of the League of Nations Epidemic Prevention Commission be extended for another year from the expiration of their stay in China at the end of December, 1938. The League Commission is composed of thirteen health experts and has been in China since last January collaborating with the Chinese health authorities in controlling and combatting epidemics.

The second conference of the League Commission was recently held in Changsha, Hunan Province, and was attended by Dr. H. Mooser, Swiss; Dr. R. C. Robertson, British; and General A. Lasnet, French, who are in charge of the Commission's three units, operating in the northwestern, central and southern parts of China. Among the Chinese medical men present were Dr. F. C. Yen, director of the National Health Administration; Dr. Robert K. S. Lim, vice-director of the Army Medical Service; Dr. Edgar Tsen, director of the Chinese National Epidemic Prevention Bureau.

Since the League experts went into action, the Chinese Government has created 100 anti-epidemic units, of one doctor and two nurses each, for work in the rural areas. It has also established three isolation hospitals of 200 beds each. The Government has appropriated \$5,420,000 as initial and operating expenses. At the Changsha conference a report was made to the effect that the League of Nations plans to place at the disposal of the Commission in China another 200,000 Swiss francs in addition to the original budget of 1,500,000 Swiss francs.

Industrial Developments

ARMY TAILORS HAVE WARTIME BUSINESS BOOM: Hankow, May 11 -- Probably no other group of tradesmen has had as close a touch with the war as China's army tailors. They have been working night and day at their sewing machines in every city and town where soldiers, recruits and volunteers begin their march to the fighting fronts. In Hankow, 11,000 army tailors are now concentrated, 1,000 of whom came from Shanghai. They work in the city's ten leading factories and more than sixty army tailor shops. In the adjoining city of Wuchang, there is a force of several thousands working in four main tailoring factories, the biggest of which is run by the Ministry of War.

More than 70% of the army tailors in Hankow and Wuchang were formerly tailors of civilians clothes. In time of peace, Hankow had only 2,000 army tailors. Their mobilization went hand in hand with that of the soldiers. Every wholesale factory and retailer shop has been flooded with consignments from the Ministry of War, the Provincial Government, the Army Conscription Headquarters, the Police Bureau, the Women's Wartime Service Corps, and other organs. The factories realized how short-handed they were, while many civilian tailor shops changed their signs overnight to "Army Tailors".

The output of each of the ten main clothing factories in Hankow ranges from 3,000 to 5,000 uniforms a day. By the end of April, the Hwa Sheng factory had turned out one million army uniforms. Several millions of army uniforms have by now been made in Hankow and Wuchang alone. That means millions of dollars to the tailoring industry. Uniforms for common soldiers cost about \$1.70 in Chinese currency per suit, and out of the price of each suit, 13.2 cents goes to the tailor. The Wuhan army uniform makers get their supply of cotton cloth from the four leading cotton mills in Hankow, Ming Sheng, Hwa Shang No. 1, Yu Hwa and Shen Sin. In these cotton mills production has been increased in proportion to the growing demand.

CHINA SPEEDS CONSTRUCTION OF RAILWAYS, HIGHWAYS: Hankow, May 8 -- Millions of workers are employed day and night in the building of railways and highways in the northwestern and southwestern provinces in China. Important railways under construction at the present time are:

May 28, 1938
Sheet No. C.

(1) The Soviet-Chinese Railway. Starting from Chungking in Szechuan, this railway passes through Chinghai and Sinkiang to Soviet Russia, a total distance of 4,000 kilometers. According to railway experts, this railway when completed will make it possible for one to travel from Chungking to Soviet Russia in 67 hours.

(2) Chengtu-Kunmin Railway. Connecting Chengtu, capital of Szechuan, and Kunmin, capital of Yunnan, the railway is being built by a special company organized by the ministry of Railways and the Szechuan and Yunnan Provincial Governments, with a capital of \$20,000,000.

(3) Kweichow-Kwangsi Railway. Connecting Kweilin, capital of Kwangsi, and Kweiyang, capital of Kweichow, construction work of the railway is expected to be finished by the end of July.

(4) Szechuan-Kweichow Railway. This railway, connecting Szechuan and Kweichow Provinces, is being built by the China Development Bank. It is reported that construction work will be completed in the near future.

Highways completed recently are:

- (1) Kowloon-Canton Highway (traffic opened in January, 1938.)
- (2) Wuchang-Changsha Highway (traffic opened recently.)
- (3) Chungking-Kunmin Highway

Highways under construction are:

(1) Szechuan-Yunnan, Szechuan-Hunan, and Szechuan-Kweichow Highways. Road beds are being built. These roads will be ready by the end of May. The cost of bridges alone was over \$1,000,000.

(2) Pingkiang-Liuyang Highway in Hunan. This road intends to develop Hunan Province economically.

(3) Roads to connect Hankow and Ichang, Hsiangyang and Sashih, for the building of which the Hupeh Provincial Government has appropriated \$2,000,000.

(4) Roads are being built to connect Changsha and Kweiyang, Kweiyang and Chungking, and Kunming and Liuchow.

(5) Highways connecting China with Soviet Russia and French Indo-China are also being built.

People and Personalities

GIRL OF FAMOUS NANTUNG CHANGS IN WAR-FRONT WORK: Hankow, May 6 -- Miss Chang Fei-wu, a society girl and granddaughter of the famous cotton magnate in Nantung, is heading a propaganda corps attached to the army at Suchow. Her home town, Nantung in Kiangsu Province, had suffered from Japanese bombardments during the Shanghai hostilities and was occupied by the Japanese troops in the middle of April. On April 17, when Japanese soldiers broke into the beautiful villa of the great family of Chang Chi-chih, scholar and cotton magnate who had received the honored degree of "Chwang Yuan" in the old imperial examinations, the girl was the only member of the family to remain on the scene. Subsequently, she escaped and managed to reach Suchow, where she joined the War Front Propaganda Corps and soon became one of its leaders.

BOOMS WILL NOT CAUSE YANGTZE FLOODS: Hankow, May 10 -- Fears that the series of booms which Chinese military authorities have laid at the lower stretch of the Yangtze River might cause flood disasters to such important river cities as Hankow, Wuchang and Kiukiang were discredited by Mr. Sun Fu-shih, chief engineer of the Yangtze River Conservancy Commission. These barriers, formed mainly of sunken ships and stones in order to prevent the Japanese navy from sailing upriver, will have little effect, if any, on the watermarks even in the high-tide of the summer months, according to Mr. Sun.

VETERAN ADMIRAL DECLINES FEASTS TO HELP WAR RELIEF: Hankow, May 12 -- The Chinese Government's funds for the relief of war refugees have been increased by \$10,000 because Admiral Sah Cheng-ping, grand old man of the Chinese Navy, declined all feasts and parties planned in his honor by his friends in Hong Kong and Canton during a recent visit there. To all his invitations he wrote back with the request that the money be donated to the Government.

Admiral Sah was born in Foochow, Fukien Province, in 1858, and received his naval training in England. He served both in the Chinese Imperial Fleet in the Ch'ing Dynasty, and as Minister of Navy and concurrently Prime Minister in an early Republican cabinet. After the outbreak of the present hostilities, Admiral Sah went to the South

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

May 28, 1938
 Sheet No. D

See Islands to propagate among the Chinese there the message of armed resistance. He succeeded in collecting a large contribution for the relief of war-stricken refugees. The 80-year-old admiral is now in Chungking and confident that within his lifetime China will resume her past strength and will become truly independent.

CHINESE IN DUTCH EAST INDIES SHOW PATRIOTISM: Hankow, May 11 -- Although far away from their homeland, the million and a quarter Chinese in the Dutch East Indies have demonstrated their patriotism in a most practical manner. Most of them are in business, and they have won an important position in local financial circles. Since the Lukouchiao incident last July, they have been contributing money as well as personal service. According to a recent arrival here from Java, all the Chinese office workers in the Dutch East Indies have voluntarily contributed part of their salaries to the National Salvation Committee organized in different parts of the country. There are other organizations which raise money by sponsoring concerts and dances. Students and boy scouts have been collecting funds and old clothes. There are frequent cases where marriage rings and other gifts are freely donated. The most expressive gestures have come from the Chinese laborers there, who sometimes offer their entire modest income to swell their country's war chest.

These activities are not limited to the Chinese populace in the Dutch East Indies. The foreigners and the natives there have also shown deep sympathy and given warm support. The funds raised are sent by the National Salvation Committees to China's Red Cross Society. The Chinese in Java and Sumatra have organized first-aid units to serve at the home front. Other young men have returned and joined the air force.

Education

WUHAN UNIVERSITY FINDS NEW HOME IN SZECHUAN TEMPLES: Hankow, May 10 -- To make room for the large influx of refugee students from the war areas, several of the faculties of the National Wuhan University left the majestic lakeside campus in Wuchang several months ago to join the general "westward-to-safety movement" of Chinese higher education. The "Wuhan U." resumed their classes at Kiating, in interior Szechuan, on April 28, with some 500 students and 40 faculty members. Kiating is an important city south of Chengtu, on the Min River, a tributary of the Yangtze.

The University has converted several large temples at Kiating, including one dedicated to the worship of China's great sage Confucius, into provisional academic quarters. The College of Arts and Letters is housed in Master Kung Temple, and the College of Agriculture in some buildings of the local Sen Yu School. The Lees' Garden in the city's western suburbs is used for laboratories. Some of the students make the Tsi Lu Monastery their dormitory. Others live under the hospitable roofs of the God of Dragons. The Temple of the God of Fire accommodates about 300. The girl students occupy the third floor of the local Tsin Teh Girls' School dormitory.

The front grand hall of the ancient Confucian Temple is used for the reading room of the University Library with a seating capacity of several hundred. The back hall, with certain adjustments, is fit for a stack-room. So now librarians are busy unpacking, handling and classifying books amidst the din of the carpenters' hammers.

Japanese Activities

JAPANESE DROP 1994 BOMBS IN 171 RAIDS ON CANTON-HANKOW LINE: Hankow, May 6 -- Among all the Chinese railways, the Canton-Hankow Line has the unenviable distinction of having been bombed the greatest number of times by the Japanese air force. Between September, 1937, and the end of February, 1938, this 1096-kilometer-long line was subjected to 171 attacks by Japanese airplanes, during which 1,994 bombs were dropped. The line was raided on an average once a day during the six months, and every two kilometers of its entire length received its quota of two missiles. Despite these attacks, the trains have been moving back and forth between Canton and Hankow without serious interruptions.

Due to the excellent precautionary measures adopted by the railway authorities, only twice were passenger and freight trains actually bombed. Material damages have been generally confined to tracks, locomotives and railway bridges. During the same period, 17 railway employees lost their lives because of enemy aerial bombings and 25 others were wounded. Thus it took the Japanese an average of 85

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May 28, 1938
 Sheet No. E

bombs to kill one man and 56 more to wound another. If the value of each bomb is 1,211 yen, it cost Japan 102,850 yen to kill one Chinese, in this particular instance, and 701,186 yen to wound another. For the last four months of 1937, the average monthly toll of human lives claimed by Japanese bombers on the Canton-Hankow Railway stood at nine. By February and March this year, however, due to greater caution on the part of the railway officials, the figure has been reduced to three a month. Today, ten months after the outbreak of hostilities, trains are running normally between Canton and Hankow.

Foreign Activities

PHILIPPINE NEWSPAPERMAN PRAISES CHINA'S RESISTANCE: Hankow, May 2 -- Mr. I. P. Caballero, managing editor of "The Vanguard" in Manila, who is leading a group of Philippine journalists to the Chinese war front, stopped in Hankow and paid tribute to the spirit of resistance shown by Chinese leaders and the Chinese people. On his country's attitude toward the Sino-Japanese conflict, the Filipino journalist said: "A large majority of the Filipinos are strongly pro-Chinese. The native press in the Philippines is more pronounced in its sympathies with China's cause of self-defence, while some of the foreign-language newspapers, which do not want to lose their Japanese advertisers, are rather indifferent in their views toward the war."

Mr. Caballero further said that the boycott movement now gaining headway in the Commonwealth scares the Japanese tradesmen there considerably. "The Japanese Emigrants' Association is trying its very best to persuade the Philippine government to stop the anti-Japanese-goods drive. The government itself is following a policy of neutrality outwardly although a large number of its officials are extremely opposed to Japan's aggression and atrocities," he explained. Mr. Caballero is the author of the standard biography of the Philippine president, "Quezon: Story of a Nation and Its Foremost Statesman".

The Press in China

SHIH PAO OF SHANGHAI NOW PUBLISHED IN CHUNGKING: Hankow, May 5 -- The China Times (Shih Pao), a Chinese morning daily which used to rank among the "Big Four" in Shanghai until the fall of that city last November, has found for itself, after a remarkable Odyssey, a new home in Chungking, China's wartime capital, 1,200 miles west of Shanghai on the Yangtze River. As early as last October the paper's management removed from Shanghai part of its expensive mechanical equipment, including one 16-page cylindrical press and fifteen rolls of Canadian newsprint. They were shipped in four-masted junks through devious routes and reached Chungking four weeks later.

The China Times ceased to appear in Shanghai on November 25 to avert Japanese control. On April 27, 1938, five months later, it resumed publication in Chungking with its familiar format and its usual progressive and patriotic policies. The Shun Pao and the Ta Kung Pao, now published in Hankow, were the other papers forced to quit Shanghai, leaving the Sin Wen Pao sole survivor of the "Big Four".

TA KUNG PAO ANSWERS GENERAL ARAKI ON COMMUNISM: Hankow, May 3 -- The implication by General Sadao Araki, former Japanese Minister of War, that China was being Bolshevized, in the conclusion of an article in the influential Tokyo daily, "Mikyako Shimbun", was strongly challenged by Hankow's leading daily, Ta Kung Pao, in an editorial on May 2. General Araki wrote: "The fundamental solution of the Sino-Japanese conflict lies in the nullification of the activities of the Comintern and Soviet Union."

Ta Kung Pao asserted that the whole Chinese nation is fighting like one man and that it is absurd to think that the Chinese struggle for their own independence was incited by the Third International. Five points were cited to disprove the Japanese militarist's allegations:

- (1) China's armed resistance is waged for the sole purpose of insuring her independence and liberty, and is not influenced by any ideology of the world.
- (2) China would consider the war over as soon as she regains her independence and liberty regardless of the international situation.

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Sheet No. F

(3) The central thought of the Chinese people is to save their country and their race; their belief in the Three People's Principles has nothing to do with the so-called Bolshevization.

(4) China is fighting her own war. She has been receiving sympathies of the peace-loving, friendly nations, including Soviet Russia. While China naturally appreciates these sympathies, the Sino-Japanese problem is a problem between China and Japan, and has nothing to do with the Soviet Union.

(5) Araki's statement was obviously prompted by the new European set-up, as a result of the Anglo-Italian rapprochement. By again alleging that China is being Bolshevized, Araki hoped to woo the support of Western European democracies.

Concluding, Te Kung Pao observes: "For China's independence, integrity and liberty, the Chinese people have sworn to fight to the last.....We do not believe that the Japanese militarists will awake to their mistake, so we must deal them a death blow until they are compelled to recognize the inviolability of China's independence, integrity and liberty."

#

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

TELEGRAM RECEIVED

EG

FROM

COMSOPAT

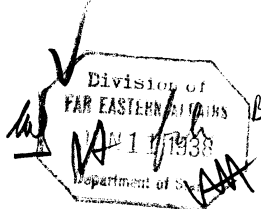
COPIES SENT TO
OALL AND MJO
CDT

June 11, 1938

Rec'd 9:17 p.m. June 10th

OPNAV WASHDC

793.94
INFO: COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMYANGPAT
AMAMBASSADOR CHINA
ASHEVILLE
SACRAMENTO
MARBLEHEAD
TULSA
EDSAL
FOURTH MARINES
ALUSNA PEIPING



0010. Night bombing attack Saighuen industrial
area Canton, seventeen bombs, eleven vicinity loop line.
Sixteen B S P sighted Kulangsu. Amoy quiet 1255.

NPL:ENB

793.94/13188

FILED
JUN 14 1938

F/FG

4814

TELEGRAM RECEIVED

EG

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

FROM

Hong Kong via N. R.

Dated June 11, 1938

Rec'd 6 a.m.

Secretary of State,
Washington.

June 11, 1 p.m.

In continuation of my telegram of this date,

Japanese Consul General expressed the informal and *strictly confidential* ~~purely (*)~~ opinion that bombing would continue in Canton and other places in South China thus making highly advisable identification of all American property.

SOUTHARD

(*) Omission

CSB

Handwritten: 793.94
793.115
COPIES SENT TO
ONLY AND ALL
in confidence
DT

Stamp: Division of
FAR EASTERN AFFAIRS
JUN 11 1938
Department of State

793.94/13189

F/FG
FILED
JUN 18 1938

0367

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

CONFIDENTIAL

PARAPHRASE

CONFIDENTIAL

A telegram of June 11, 1938, from the American
Consular Officer in charge at Hong Kong reads substan-
tially as follows:

During the course of a call the Japanese Consul
General expressed informally as his purely personal
opinion the belief that bombing would continue in
various places in south China including Canton thus
making it highly advisable that all American property
be identified.

793.94/13189

FE:EGC:MJY
6-14-38

AKP
FE

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

TELEGRAM RECEIVED

EDA

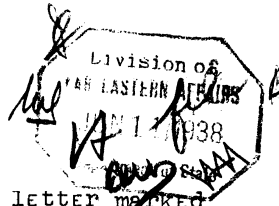
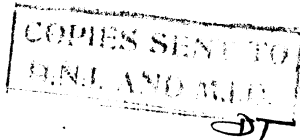
PLAIN

FROM SHANGHAI VIA N.R.

Dated June 11, 1938

Received 6 a.m.

Secretary of State
Washington



812, June 11, noon.

One. I have this morning received a letter marked urgent dated June eleven addressed to the Ambassador from Masayuki Tani, Minister at Large reading as follows:

Two. "Your Excellency,

I have the honour to inform you that I have been requested by our naval authorities to notify our honourable colleagues concerned of the following: (one) while the Japanese naval authorities believe that there are neither men of war nor other vessels of third powers within the area from Wuhu to Hukow on the Yangtze River, they earnestly hope that in view of the possibility that the area in question will become a field of hot fighting on and after the eleventh of June, none of such vessels will enter that area so long as the Commander-in-Chief of the Japanese fleet in China seas will find it strategically inconvenient for them to enter. (two) In case there are men of war or other vessels of third powers

in

793.94/13190

JUN 21 1938

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F/FG

13

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

EDA - 2 - #812, June 11, noon from Shanghai

in that area, it is hoped that the immediate notification be made of their names, principal item and present locations, etc, and that they will immediately move to safer places, down from Wuhu or far up the Yangtze River.

(three) It is hoped that men of war or other vessels of third power now floating on the upper stream above Hukow of the Yangtze River and the lakes adjacent, will sail up beyond Hankow as the hostilities spread to that direction. It is further hoped that their names, principal items, present locations and sailing schedules to the upper stream above Hankow will be immediately notified and that every actual movement of them will be notified as soon as possible.

These requests are based on the sincere wishes on the part of our naval authorities to preclude any possibility in the course of our military operations of causing damage on the vessels of third powers and thus bringing about untoward incidents between Japan and third powers, which they are very anxious to avoid. It is earnestly hoped, therefore, that the third powers concerned on their part would cooperate with our naval authorities by complying with the above requests voluntarily.

In this

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

EDA - 3 - #812, June 11, noon from Shanghai.

In this connection, I should be grateful if Your Excellency would be good enough to take immediate steps to bring the above to the notice of the interested parties.

I have the honour to be, with the highest consideration, etc."

Three. I have given to the Commander-in-Chief a copy of the above-mentioned letter.

Repeated to Hankow, Peiping and Tokyo.

LOCKHART

RR

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

TELEGRAM RECEIVED

EG

FROM

PLAIN

Shanghai via N. R.

Dated June 11, 1938

Rec'd 6 a.m.

Secretary of State,
Washington.

813, June 11, 1 p.m.

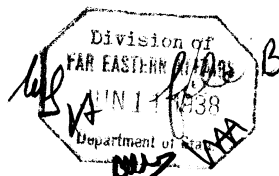
My No. 812, June 11, noon.

One. I have this morning received a further letter addressed to the Ambassador, dated June 11, from Mr. Tani, Japanese Minister, reading as follows:

Two. "At the request of the Japanese naval authorities, I have the honor to bring the following to Your Excellency's attention.

The experiences of Japanese air forces during the present hostilities have shown that although the men of war and other vessels of third powers painted their respective national flags upon their awnings to make themselves distinguishable from Chinese boats, it was hardly possible for Japanese fliers to recognize these painted flags from the air. They earnestly hope therefore that the powers concerned would find out a new method to make their vessels more distinguishable, for example, such as painting the greater part of the vessels scarlet or in other colours,

and



793.94/13191

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F/FG

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

-2- #813, June 11, 1 p.m. from Shanghai via N. R.

and that they would at the same time take necessary steps to prevent Chinese from resorting to the same measure in order to escape trial bombardments.

The suggestion arose from the earnest wishes of the Japanese navy to avoid as far as possible the occurrence of untoward incidents between Japan and third powers by causing unwanted damages on vessels of third powers. I should be grateful therefore if you would be good enough to give favorable consideration to the suggestion."

Three. I have given to the Commander in Chief a copy of the above mentioned letter.

Repeated to Hankow, Peiping and Tokyo.

LOCKHART

RR

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

FROM

GRAY

Peiping via N. R.

Dated June 11, 1938

Rec'd 10:25 a.m.

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

Secretary of State,
Washington.

Division of
FAR EASTERN AFFAIRS
JUN 11 1938
Department of State

354, June 11, 1 p.m.

The Japanese spokesman states that their forces have cut the railway at two places south of Chengchow, Honan; that Chengchow has not yet been captured but is expected to fall shortly; and that the main body of Chinese troops at Chengchow has retreated leaving only a small force to defend the city.

Repeated to Hankow, Nanking and Consulate General Shanghai. By mail to Tokyo.

SALISBURY

RR:CSB

753.94/13192

FILED
JUN 14 1938

F/FG

13 /

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

TELEGRAM RECEIVED

EG

COPIES SENT TO
DT

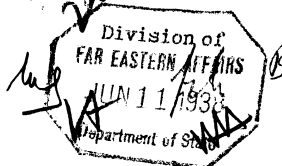
FROM

FOURTH MARINES

June 11, 1938

Rec'd 10:30 a.m.

ACTION: CINCAF
OPNAV
D3c F5q F6c
F8Z Keck Nirr Wife Grbb



8611. Japanese troops reached Shaho and Shilipao small villages a few kilometers east and southeast Chengchow 9 June, same day Japanese artillery began shelling Chengchow. Chinese now withdrawing from this city. 10 June Japanese troops cut Pinghan Railway at two points south Chengchow one point being near Hoshanchiao 36 miles from Chengchow second unknown third column within one mile railway between Chengchow and Sincheng. IDZUMO Japanese flagship left Shanghai today destination unknown. Japanese authorities warned ships third powers proceeding up Yangtze indicating naval drive toward Hankow 1920.

CSB

793.94/13193

FILED
JUN 14 1938

F/FG

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

4815

EG

TELEGRAM RECEIVED

Shanghai via N. R.

FROM

Dated June 11, 1938

Rec'd 10:20 a.m.

Secretary of State,
Washington.

821, June 11, 9 p.m.

My 812, June 11, noon and 813, June 11, 1 p.m.

I received similar notices this afternoon from the Japanese Consul General who explained that the suggestion for distinguishing marks was not "rigid"; that foreign naval vessels would be ~~impossible~~ ^{expected} to use their own methods of employing distinguishing markings; that all the Japanese naval and military authorities are concerned about is that vessels navigating the stretch of the Yangtze described be so clearly identified by markings that there would be no possibility of a mistake being made by aviators; that flags flying or painted on awnings had by experience been proven not altogether reliable as a means of protection.

I told my Japanese colleague of the action taken on Mr. Tani's notices and informed him that the ~~condemnation~~ ^{communication} of the notices in no way (repeat no way) relieved the Japanese authorities of their responsibility. I (*) him to communicate this observation to Mr. Tani.

Hidaca

793.94/15194

JUN 21 1938

FILED

1816

-2- #821, June 11, 9 p.m. from Shanghai via N. R.

~~Hidaka~~ ^{Hidaka} stated that the Japanese intended to move
on Hankow and expected to occupy it in due course. (u.l.m.)

Admiral Yarnell has been informed of the foregoing.

Repeated to Hankow, Peiping, Tokyo.

LOCKHART

RR:CSB

(*) Apparent omission.

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

MB

TELEGRAM RECEIVED

FOURTH MARINES

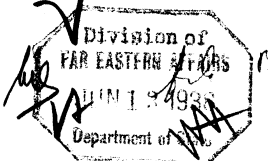
June 12, 1938

FROM

Rec'd 8:55 a.m. Y

ACTION: CINCAF, OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
ASTALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
CONSOPAT
AMBASS CHINA
USS MARBLEHEAD
ALUSNA PEIPING



882

793.94

8612. No news Chengchow front. Japanese columns moving west from Hofei and south from Chengyangkwan are nearing Liuan central Anhwei. 1831.

DDM

793.94/13195

FILED
JUN 15 1938

F/FG

1318
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MB

Y

COMYANGPAT

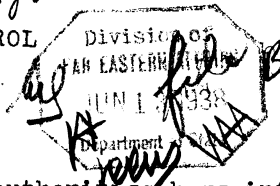
FROM

June 12, 1938

Rec'd 10:50 a.m.

ACTION: YANGTZE PATROL

INFO: CINCAF
COMSOPAT
OPNAVE



793.94

0012. Japanese authorities have informed American Embassy that area on Yangtze between Wuhu and Sukow will possibly become field of hot fighting on and after 11 June and have requested third power vessels keep clear that area. Japanese authorities express hope that men of war or other vessels of third powers now above Sukow will proceed up river beyond Hankow as hostilities spread in that direction. Paramount mission this command is to protect American lives and property in dangerous areas and to assist American Nationals in evacuation of such areas. Carry out this mission exercising due care to avoid unnecessary exposure in dangerous areas. Keep Chinese and Japanese authorities advised movements and anchorages as in past. 1400.

DDM

793.94/13196

4

F/EEG
JUN 21 1938

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

TELEGRAM RECEIVED

MB

PLAIN

Hankow via N.R.

FROM

Dated June 12, 1938

Rec'd 8:15 a.m.

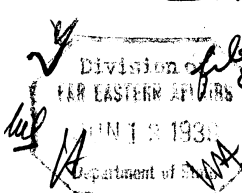
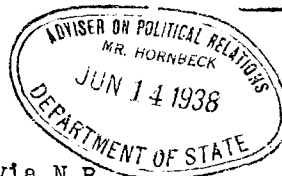
Secretary of State,
Washington.

286, June 12, 1 p.m.

My 284, June 12, 11 a.m.

FOLLOWING FROM ADMIRAL YARNELL.

"Reference letters from Mr. Tani to you dated 11 June there are no United States Men of War in Yangtze between Wuhu and Hukow at present. It is my intention to visit Nanking and Wuhu about 24 - 25 June in USS ISABEL. Future presence of United States Naval vessels in area Wuhu-Hukow will depend on whether American nationals that area are in need of assistance. Due notice of movements of United States Men of War will be given Japanese and Chinese authorities. This also applies to movements of vessels above Yukow. While due care will be taken to avoid unnecessary exposure in dangerous areas, assistance to American nationals in evacuation of such areas is paramount mission of Navy and will be followed. It is not considered that warning given by Japanese Ambassador relieves that nation in slightest degree of responsibility for damage or injury to United States naval vessels or personnel



JUN 13 1938

JUN 14 1938

793.94/13197

F/FG

FILED

JUN 14 1938

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

MB - 2 - #286, June 12, 1 p.m. from Hankow via
N.R.

personnel. With reference to suggestion contained in second letter that United States naval vessels should be made more distinguishable 'such as painting the greater part of the vessel scarlet or in other colors' this suggestion cannot be considered. United States naval vessels on Yangtze are painted white with large American flags painted on their awnings. These flags and nationality of vessels should be apparent to any aviator at several thousand feet altitude. Attention is invited to fact that Chinese Government has no vessel of river gunboat type on Yangtze. Comyangpat by copy of this despatch will carry out policy of Cincaf with reference to details of execution". I am instructing Lockhart to make a reply to Mr. Tani in my name along lines of Admiral Yarnell's telegram above quoted.

Shanghai is being requested to mail to Tokyo a copy of Yarnell's comments.

JOHNSON

EMB DDM

0381

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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

Washington,

1938 JUN 13 PM 10 15 June 13, 1938.

11 Pm

TO BE TRANSMITTED

CONFIDENTIAL CODE

NONCONFIDENTIAL CODE

PARTAIR

PLAIN

AMEMBASSY,

HANKOW (China).

This cable was sent in confidential Code.
 It should be carefully safeguarded before
 being communicated to anyone. *Part 2*

Your 286, June 12, 1 p.m. 793.94/13/97

One, Newspapers carry today United Press story dated
 Shanghai, June 12, with sensational headlines such as
 QUOTE Yarnell defies Japan UNQUOTE, QUOTE Won't bar U.S.
 ships in war zone UNQUOTE, QUOTE Says Navy will go where
 it is needed UNQUOTE, QUOTE Sharp reply to Nippon insists
 upon right to guard Americans UNQUOTE, etc.

In text this story contains statements such as:
 QUOTE In a sharply worded message, Yarnell set forth three
 principles of American naval operation in Asiatic waters
 UNQUOTE, QUOTE Yarnell reinforced his refusal to accept
 the Japanese request by planning an inspection of American
 fighting ships stationed up the Yangtze. He made his
 attitude even more specific by SUBQUOTE informing END SUBQUOTE
 the Japanese of his intention of making the trip UNQUOTE,
 etc. *(and pray)*

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. O. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

793.94/13197

F/FG

0382

DECLASSIFIED: E.O. 11652, 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

4818

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PARTAIR
 PLAIN

Department of State

Washington,

- 2 -

Begin "A"
 The American Government deprecates and deplores ^{such} publicity. It adds greatly to the difficulty of our endeavors to have our own press and public envisage in proper perspective the situation in China and our policy and procedure in general in reference thereto.

omit
~~As you and Admiral Varnell know, it is our policy to afford protection within and under rules of reason. We have advised our people to withdraw from areas of acute danger, and we can not repeat not guarantee or undertake to afford ^{physical} protection to any and every American national who may be in such an area when a situation of acute danger prevails or arises. We are constrained to realize that Chinese-Japanese hostilities are a fact, and we can not repeat not look with complacency~~

Enciphered by

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

0383

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

1819

PREPARING OFFICE
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 OR

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TELEGRAM SENT

Department of State

Washington,

- 3 -

TO BE TRANSMITTED
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 PARTAIR
 PLAIN

~~upon entry by American nationals or American armed forces~~
 into an area where combat is in process. While reserving
 all our rights, we are endeavoring to avoid unnecessary and
~~fruitless controversy with either the Japanese or the Chinese~~
~~authorities.~~

There is a strong element of public opinion in this
 country which is opposed to ~~our~~ ^{the} running of any risks of ^{American} embroil-
 ment abroad and which advocates complete withdrawal from any
 and all points of danger in the Far East, with insistence
 especially upon removal of all our armed forces. Any ^{publicity} ~~facts~~
~~or implications~~ suggestive of a bellicose attitude on the
 part of our people, whether official or unofficial, in China,
 simply plays into the hands of such elements.

This Government desires that all action, including
 giving of publicity, by American official representatives
 in the Far East be in conformity with the concepts of policy
 and execution outlined ~~above~~ ⁱⁿ in the light of the problems
~~indicated~~ ^{and} and of previous instructions and ~~of~~ ^{public} public
 utterances repeatedly made by the Secretary of State on the
 subject of ~~our policy of~~ ^{affording} protection under rules
 of reason.

691

Enciphered by _____

Sent by operator _____ M., _____, 19____

0384

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

4820

TELEGRAM SENT

PREPARING OFFICE
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 OR
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Department of State

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PARTIAL
 PLAIN

Washington,

- 4 -

Three This telegram is being repeated to Shanghai *and will be shown*
~~communication~~ to Admiral Yarnell. *SKH*

Two. In the light of the above, the Department
 questions the advisability of Admiral Yarnell making a visit
~~unless absolutely necessary,~~ to Nanking and Wuhu at a time
 when active hostilities are imminent or in process immediately
 above Wuhu. Navy Department has no indication what would
 motivate such visit. Please telegraph Department your view
 as to advisability of such visit at this time. *SKH*

Full
SKH

Agreed for in conference
Admiral Leahy
M H +
SKH

PA/H:SKH:ZMK:REK

FE

Enciphered by *Anthony*

Sent by operator *Secretary*

D. O. R.—No. 50

1-1482 U. S. GOVERNMENT PRINTING OFFICE

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

C
June 14, 1938

To: Admiral Leahy.

From: Mr. Hamilton.

DCR
file
m.m.H.

773.94/13197

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

CONFIDENTIAL

CONFIDENTIAL

P A R A P H R A S E

A telegram (No. 177) of June 13, 1938, to the American Embassy at Hankow, China, reads substantially as follows:

Reference is made to your telegram No. 286 of June 12.

Newspapers carry today United Press story dated Shanghai June 12, with sensational headlines such as QUOTE Yarnell defies Japan UNQUOTE, QUOTE Wont bar U.S. ships in war zone UNQUOTE, QUOTE Says Navy will go where it is needed UNQUOTE, QUOTE Sharp reply to Nippon insists upon right to guard Americans UNQUOTE, etc.

In text this story contains statements such as:

QUOTE In a sharply worded message Yarnell set forth three principles of American naval operation in Asiatic waters UNQUOTE, QUOTE Yarnell reinforced his refusal to accept the Japanese request by planning an inspection of American fighting ships stationed up the Yangtze. He made his attitude even more specific by SUBQUOTE informing END SUBQUOTE the Japanese of his intention of making the trip UNQUOTE etc.

Such publicity makes much more difficult our efforts to have the American press and the American public see in accurate perspective the situation in China and the American Government's policy and procedure in general in regard to that situation. Such publicity is deprecated and not looked with favor upon by this Government.

Whenever

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

- 2 -

Whenever there is any publicity indicative of a challenging or militant attitude by Americans in China, whether in unofficial or official life, that publicity serves to give ammunition to and to encourage that element of public opinion in the United States, which is a strong one, which advocates complete withdrawal from all points of danger in the Far East, with special insistence upon withdrawal of all American armed forces there. This element is also opposed to there being run any risk of the United States becoming involved abroad.

It is the desire of the American Government that the giving of publicity and all other action by officials of this Government in the Far East be consistent with the concepts of policy and execution sketched in instructions which have previously been issued and in the statements and addresses made by the Secretary of State on numerous occasions in regard to following rules of reason in the affording of protection.

With the foregoing in mind and in the light of the fact that active hostilities are imminent or in process immediately above Wuhu, the Department raises question as to the advisability of the Commander-in-Chief visiting Wuhu and Nanking at this time. The reasons for such a visit are not known to the Navy Department. The Department desires to receive by telegraph an expression of your view as to
 whether

DECLASSIFIED: E.O. 11652, 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 -

whether such a visit at this time appears advisable.

The text of this telegram will be shown to the
Commander-in-Chief of the Asiatic Fleet by the American
Consul General at Shanghai to whom it is being repeated
by the Department.

FE:MMH:EJL

6/14/38

FE

my. h.

1 3 5
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

al
DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

~~SECRET~~

I have suggested warning to Americans in the Kiukiang-Nanchang area because Commander Creighton (ONI) told me this morning that his office was of the opinion that the Japanese have the intention of moving into Foyang lake to take Nanchang and from there ONI expects that they (Japanese) will move rapidly toward Changsha thus making a stand by the Chinese at Hankow virtually an impossibility.

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

PREPARING OFFICE
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OR
Charge to
\$

TELEGRAM SENT

Department of State

1938 JUN 13 PM 5 21

1821

TO BE TRANSMITTED
CONFIDENTIAL CODE

NONCONFIDENTIAL CODE

PART AIR
PLAIN

Washington, via Naval Radio

June 13, 1938.

7 Pm

AMEMBASSY,

HANKOW (China).

Via NR

176

793.94/13197

Your 286, June 12, 1 p. m., and previous telegrams
in regard to Japanese notice of the imminent extension
of hostilities into the river area between Wuhu and Hukow.

Please warn Americans residing in that area and, if
you consider it advisable, in the Kiukiang-Nanchang area,
of the danger and repeat to them advice that they withdraw
by the most practicable routes to places of safety.

793.94/13197

793.94/13197

note

393.1115

Hue

FE:FCV:REK

Enciphered by

Sent by operator M., 19

D. C. R.—No. 50

1-1262 U. S. GOVERNMENT PRINTING OFFICE

JUN 13 1938.

F/FG

0391

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

PREPARING OFFICE
WILL INDICATE WHETHER

Collect

Charge Department
OR

Charge to
\$

TELEGRAM SENT

Department of State

Washington,

1938 JUN 13 PM 10 15 June 13, 1938

AMERICAN CONSUL,

SHANGHAI (China).

This cable was sent in confidential code.
It should be carefully paraphrased before
being communicated to anyone. *para*

Ambassador Johnson's 286, June 12, 1 p.m.

The Department is telegraphing Ambassador Johnson as follows:

QUOTE (Telegraph Room: Please insert here the text of
the attached telegram to the American Embassy, Hankow) UNQUOTE.
Please show Admiral Yarnell this message.

FE:MMH:EJL

FE

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. O. R.—No. 60

1-1462 U. S. GOVERNMENT PRINTING OFFICE

793.94/13197

F/FG

0397

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

13197
PREPARING OFFICE
WILL INDICATE WHETHER

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Charge Department
OR
Charge to
\$

TELEGRAM SENT

Department of State

Gray
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTAIR
PLAIN
NAVAL RADIO
Washington,

1053 JUN 14 1938 June 14, 1938

5 Pm

AMEMBASSY,

HANKOW (China). *Via NR*

RUSH.

13197
Further reference your 286, June 12, 1 p.m.

179
Note is made that your telegram under reference and
Shanghai's telegrams 812, June 11, noon, and 813, June 11,
1 p.m., were all radiored in plain, and query is raised
regarding the reason therefor. Please report on this by
urgent radio.

H ell
may

mut
PA/H:SKH:EJL

FE
m. 2/1

DCR

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 50

1-1452 U. S. GOVERNMENT PRINTING OFFICE

795.94/13197

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

CA

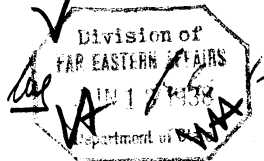
Plain

FROM COMSOPAT

Dated June 12, 1938

Rec'd 8:30 p.m. June 11.

OPNAV WASHINGTON
INFO: COMSUBRON 5
ASTALUSNA SHANGHAI
COMDESRON 5
CINCAF
COMYANGPAT
AMAMBASSADOR CHINA
USS ASHEVILLE
USS SACRAMENTO
USS MARBLEHEAD
USS TULSA
USS EDSALL
4TH MARINES



793.94
0012. Night air raid Canton, six bombs near bridge
Honan Island, eight Saichuen industrial area, twelve
B. S. P. sighted Kulangsu. Amoy area quiet 0030.

NPL RGC

793.94/13198

FILED
JUN 15 1938

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

MB

FROM CINCAF

June 12, 1938

Rec'd 8:15 a.m.

ACTION: AM. AMBASS. CHINA

INFO: AMCON SHANGHAI
COMYANGPAT
OPNAV



793.96
21.30
0012. Reference letter from Mr. Tani to you dated 11 June there are no United States Men of War in Yangtze between Wuhu and Hukow at present. It is my intention to visit Nanking and Wuhu about 24 - 25 June in USS ISABEL. Future presence of United States naval vessels in area Wuhu - Hukow will depend on whether American nationals that area are in need of assistance. Due notice of movements of United States Men-of-War will be given Japanese and Chinese authorities. This also applies to movements of vessels about Hukow. While due care will be taken to avoid unnecessary exposure in dangerous areas, assistance to American nationals in evacuation of such areas is paramount mission of Navy and will be followed. It is not considered that warning given by Japanese Ambassador relieves that nation in slightest degree of responsibility for damage or injury to United States naval vessels or personnel. With reference to suggestion contained in second letter that United States naval vessels should be

793.94/13199

F/EG

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

MB - 2 - CINCAF June 12, 1938

should be made more distinguishable "such as painting the greater part of the vessels scarlet or in other colors" this suggestion cannot be considered. United States naval vessels on Yangtze are painted white with large American flags painted on their awnings. These flags and nationality of vessels should be apparent to any aviator at several thousand feet altitude. Attention is invited to fact that Chinese Government has no vessel of river gunboat type on Yangtze. Comyangpat by copy of this dispatch will carry out policy of cincaf with reference to details of execution.

EMB DDM

139

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

4822

TELEGRAM RECEIVED

MB

GRAY

FROM Hankow via N.R.

Dated June 12, 1938

Rec'd 8:10 a.m.

Secretary of State,
Washington.

285, June 12, ^{Noon} ~~11:11~~.

Your 172, June 11, 2 p.m. 793.94/13171

My 278, June 8, 3 p.m. had reference to the situation described in my 33, December 13, 4 p.m., distribution of foreigners, location of foreign property and shipping remains today as it was then. French is only concession which today remains intact. French have erected gates, barbed wire entanglements around boundaries and have now stationed 250 soldiers within concession. They have one small sloop and one small gunboat anchored off concession and intend to hold concession, preventing entry of unauthorized Japanese or Chinese in case of emergency or in event fighting extends into this area.

It is locally expected that Americans and others whose property is not located in French concession, or who are not resident in French concession can remain in their places of residence, but if an emergency arises and it should appear necessary for protection of life to evacuate

793.94/13200

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

1923

MB - 2 - #285, June 12, from Hankow via N.R.

evacuate foreigners from Hankow onto ships in the river, present plan is to concentrate in French concession for purposes of evacuation of foreigners. This is a change from previous plan which had been devised in 1932. This plan does not, however, nullify advisability of again reminding the Japanese of the presence of foreigners, their property and their shipping in the area generally described in my 33, December 13, 4 p.m. I have furnished colleagues with a copy of my 278, June 8, 3 p.m. and understand that they also are recommending similar action in Tokyo. I repeat this plan has nothing to do with emergency evacuation scheme apparently referred to by Hankow office of National City Bank. Every effort will be made to afford naval protection to all American property in this area provided it does not interfere with the primary mission of protecting lives.

Sent to the Department only.

JOHNSON

793.94/

EMB DDM

1398

DECLASSIFIED: E.O. 11652, 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

June 13, 1938

~~WHL:~~
~~MSM:~~
~~MMH:~~

Reference Shanghai's 822, June 11, 10 p.m., repeating telegram from Tokyo in regard to foreign area at Hankow.

It is to be noted that Tokyo appears to have broadened the scope of its approach to the Foreign Office beyond that indicated in the Department's 189, June 9, 7 p.m., based on Hankow's 33, December 13, 4 p.m., and Department's 367, December 21, 7 p.m., to Tokyo, in that instead of inviting attention to the area outlined in Hankow's 33, December 13, 4 p.m. (referred to in Department's 367, December 21), the Embassy alludes to the presence of Americans and the existence of American property in various parts of the city of Hankow. In other words, the Embassy would appear to have laid the basis for requesting the immunity of the whole city from attack.

Notwithstanding the fact that the Department's instruction was not strictly followed by the Embassy, it is suggested that in the absence of further developments no action be taken on the telegram under reference.

924
E:Spencer:EJL

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

REB

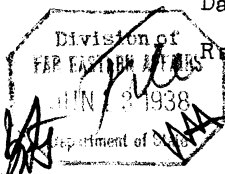
GRAY

FROM

Shanghai via N.R.

Dated June 11, 1938

Rec'd 2 p. m.



Secretary of State,
Washington.

822, June 11, 10 p. m.

Following from Tokyo: "June 11, noon. Department's

189, June 9, 7 p. m.

One. We have today presented the following note to
the Minister for Foreign Affairs:

"No. 957. The American Embassy presents its compliments to the Japanese Ministry of Foreign Affairs and has the honor to refer to the assurances given on various occasions by the Japanese Government that American lives and property in China would be respected. Attention is invited to the fact that there are now residing in Hankow a substantial number of American citizens, and that property is held in various parts of Hankow by American citizens. Further, there are on the Yangtze River in the vicinity of Hankow American and other foreign naval and merchant vessels. The American Embassy confidently expects that, in the event of military operations, of whatever character, being conducted against Hankow by the Japanese

795.94/13201

F/EG

JUN 17 1938

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

REB

2-#822, From Shanghai, June 11, 10pm

Japanese military forces, the assurances of the Japanese Government that American lives and property will be respected will be scrupulously observed. Tokyo, June 11, 1938."

Two. My British colleague states that he will take similar action.

Three. My French colleague is informing Paris of my action and requesting instructions. He says that Naggiar is arriving in Hankow today and will no doubt confer with Johnson. Johnson may wish to suggest to Naggiar that he recommend action by his colleague in Tokyo.

Four. I have not yet heard whether the German and Italian Embassies will take similar action. Repeat to Hankow and Department as our 375, June 11, noon. Grew."

LOCKHART

CSB

140

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

HRE

TELEGRAM RECEIVED GRAY

FOOCHOW VIA N. R.

FROM Dated June 12, 1938

Rec'd 3:45 p.m.

Secretary of State

Washington

June 12, 6 p.m.

793.94

Division of
FAR EASTERN AFFAIRS
JUN 17 1938
Department of State

Twenty two Japanese planes appeared over Foochow at
1 o'clock this afternoon, thirteen of their number
proceeding inland in the direction of Yenping, while nine
circled over city, two bombing Mamoi, three bombing
objective to south of Nantai Island (probably a Chinese
gunboat anchored there), and four heavily bombing upper
bridge. Extent of the damage and number of casualties if
any not known. All clear signal sounded at 2:20.

To Hankow and Peiping.

WARD

HPD

FILED
JUN 15 1938

793.94/13202

F/FG

740

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

4824

TELEGRAM RECEIVED

HRE

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

Hankow Via N. R.

FROM

Dated June 12, 1938

Rec'd 8:15 a.m.

Secretary of State

Washington

284, June 12, 11 a.m.

Shanghai's 812, June 11, noon and 813, June 11, 1 p.m.

Admiral Yarnell and Admiral Le Breton have been

furnished copies of these two notes. I shall make no reply
until I receive Admiral Yarnell's reactions in this matter.

By way of comment I may add that American naval vessels
are already distinguished from Chinese vessels by buff

upper works and therefore easily distinguishable.

Furthermore as demonstrated in the case of ^{Panay} (A) one place
on the river is no safer than another if Japanese do not
intend to respect interests of third nationals. Positions
of American naval vessels have from time to time been and
will continue to be notified to Japanese so that they can
easily be put on notice as to where they are and where
their duties require them to be.

Repeated to Shanghai and Peiping; Shanghai please
repeat to Tokyo.

JOHNSON

HPD

14

793.94/13203

FILED
JUN 22 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. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

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

FROM

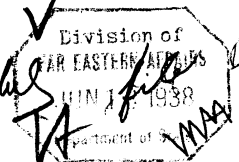
FOURTH MARINES

JUNE 13, 1938

Rec'd 8:10 a.m.

ACTION: CINCAF
OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
ASST. ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING



8613. Japanese army forces landed under support naval gunfire claim capture Anking capital, Anhwei, at 2100 June 12, little resistance encountered. Column advancing south from Hofei reached Tungcheng 36 miles north Anking. 1635.

KLP

795.94/13204

FILED
JUN 15 1938

F/FG

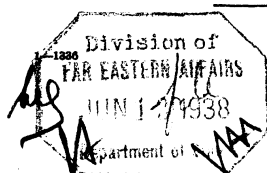
740

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

4825

TELEGRAM RECEIVED

JR



FROM

CINCAF

JUNE 13, 1938

Rec'd 8:10 a.m.

ACTION: CONYANGPAT

INFO: AMAMBASSADOR CHINA
OPNAV

793.90
note
8:13 30 minutes left

0012. In connection my despatch of twelfth to Ambassador it is not intended that United States ships shall remain within area of active military engagements. After full opportunity has been offered for evacuation of nationals notice of probable date of withdrawal of gunboats from a specific area should be given. These dates will normally be left to your discretion. 1335.

KLP

795.94/13205

F/FG

FILED
JUN 17 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

4826

TELEGRAM RECEIVED

EDA

1-1386

FROM GRAY

SHANGHAI VIA N.R.

Dated June 13, 1938

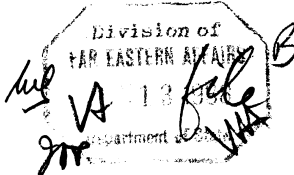
Received 10:20 a.m.

Secretary of State

Washington

827, June 13, 5 p.m.

FOLLOWING FROM TOKYO.



753.94/13201

"June 13, 3 p.m. Embassy's 375 of June 11 via
Shanghai, protection of interests Hankow area.

German and Italian Embassies do not propose to make
representations without instructions from their respec-
tive governments. The French Embassy expects to make
representations tomorrow. Please repeat to Hankow and
Peiping and to Department as our No. 377, June 13, 3 p.m.
Grew."

LOCKHART

WWC:HPD

753.94/13206

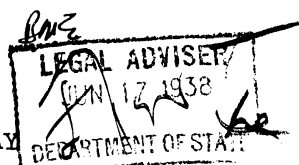
JUN 20 1938

FILED FG

740
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

EDA

TELEGRAM RECEIVED



CANTON VIA N.R.

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

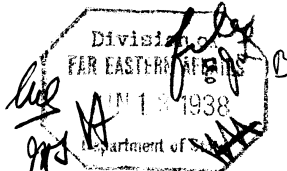
FROM Dated June 12, 1938

Received 6: 50 a.m. 13th

Secretary of State *EJL*

Washington

June 12, 8 p.m.



Three Japanese air raids on seventh. Morning raid on two military airfields at Canton, negligible damage. Afternoon raid was on Saichuen where British-built water works under construction was damaged to extent of million Chinese dollars and new power plant was badly damaged. Night raid was on Tienhoh airfield, loop line and Saichuen with little damage.

Wongsha
lingnam
Wongsha

Morning and night raids on 8th. In morning raid Lingnam University was bombed without damage, Wongsha Station area was bombed with damage to yard buildings and rolling stock: Roca Chelsea was bombed with a few civilian casualties and some damage to private property. In night raid slight damage to government textile factory on Honam; loop line bombed; bombs fell near Sun Yat Sen Memorial Hall. Flares were sent up by spies; Japanese planes machine gunned eastern Canton suburbs.

On ninth there were three more raids on northern Canton suburbs with some civilian casualties; on Wongsha station

793.94/13207

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

EDA - 2 - June 12, 8 p.m. from Canton

station area with a few casualties and on Sheklung without material damage. Local night raid on Canton-Hankow railway and on Saichuen where union normal school in which American Presbyterian Mission has an interest was damaged. Flares were reported to have been shot up again, and Japanese planes dropped leaflets urging cessation of resistance; machine gunned eastern suburbs.

On tenth no day raids. Night raid on Canton-Hankow and Canton-Kowloon railways on outskirts of Canton and on Saichuen. Slight additional damage to Honam textile mills.

On eleventh no day raids, but night on Saichuen without serious damage, on Honam textile mills without damage but with destruction of sampans in river near-by: on Canton-Kowloon railway station, where bombs fell on vacant lots.

In early afternoon of twelfth 20 Japanese planes dropped 50 bombs on Chungfa, about 50 miles north of Canton: 18 planes raided Kongchuen on Canton-Hankow railway north of Canton.

Sent to Peiping Hankow, Shanghai. Shanghai please repeat to Tokyo.

LINNELL

CSB

7 4 0 4

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

TELEGRAM RECEIVED

REB

1-1234

FROM

GRAY

Shanghai via N.R.

Dated June 13, 1938

Rec'd 4:12 p. m.

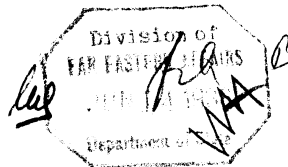
COPIES SENT TO
C.N.I. AND M.I.D.
DT

Secretary of State,

Washington.

830, June 13, 8 p. m.

My 799, June 8, 9 p. m.



One. Japanese forces in Western Anhwei are now believed to have control of Hofei and the entire length of the Hwainan Railway. The progress of Japanese columns advancing westward with Fowyang, Liuan and Suchen as their objectives is unknown. At least eight transports and a large number of war vessels are reported to be assembled above Wuhu for operations toward Anking. Press reports claim that numerous attempts during the past few days to land Japanese troops on both banks of the Yangtze in the vicinity of Tatung and Kweichih have all been unsuccessful. These attempts have apparently involved only small forces and may have been intended to test Chinese defenses. Japanese sources deny the sinking of a Japanese ship by Chinese planes.

Two.

JUN 17 1938

FILED

F/FG

793.94/13208

7 4

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

REB

2-#830, From Shanghai, June 13, 8p.m.

Two. Reliable reports indicate that several agricultural colonies have been established by the Japanese army in the Yangtze delta. Colonists who have been seen by Americans are believed to be Formosans and are reported to be raising vegetables for army consumption. Exact information as to numbers of men, size of colonies or method of acquiring land is not available.

Three. Two members of the Shanghai Citizens Society were attacked on June 10 and 11 (see my telegram No. 817, June 11, 5 p. m.), presumably by Chinese for patriotic motives. Five hand grenade bombings by unknown persons occurred south of Soochow Creek within a short period yesterday evening causing however no casualties and only minor damages. Apparent objectives were a Chinese native goods store, a Chinese travel bureau and three radio broadcasting stations. One of the bombed radio stations (call letters XMHA) is American owned. A second (call letters XMHC) is owned in partnership by an American born and two Canadian born Chinese.

Repeated to Hankow and Peiping.

LOCKHART

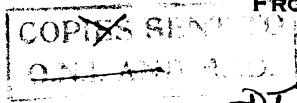
CSB

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

TELEGRAM RECEIVED

JR

FROM COMSOPAT



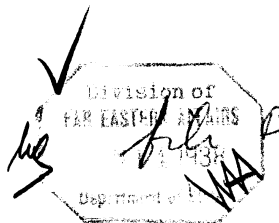
June 14, 1938

Rec'd 7:30 a.m.

ACTION: OPNAV

793.94

INFO: COMSUBRON FIVE
ASTALUSNA SHANGHAI
COMDESRON FIVE
CINCAF
COMYANGPAT
AMAMBASSADOR CHINA
USS ASHEVILLE
USS TULSA
USS SACRAMENTO
USS MARBLEHEAD
USS EDSALL
FOURTH MARINES



0014. Air raids Canton forenoon two BLP one bomb
Saichuen night raid same area twelve BSP sighted twenty-
five bombs Kulangsu. Amoy area quiet. 0015.

DDM

793.94/13209

JUN 17 1938

FILED

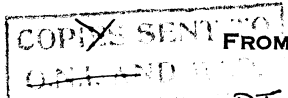
F/FG

K

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

TELEGRAM RECEIVED

JR



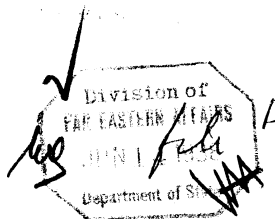
FOURTH MARINES

June 14, 1938

DT Rec'd 8:45 a.m.

ACTION: CINCAF
OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING



793.94

8614. Japanese forces after occupation Anaking
13 June continued advance upriver toward boom in Yangtze
at Matowchen. Japanese aircraft bombed Canton-Hankow
Railway and points in Fukien Province. 1819.

KLP

793.94/13210

FILED F/FG
JUN 17 1938

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Department of State letter, August 10, 1972
NARS, Date 12-18-75

TELEGRAM RECEIVED

EDA
apo

FROM GRAY

HANKOW VIA N.R.

Dated June 14, 1938

Received 7:30 a.m.

Secretary of State

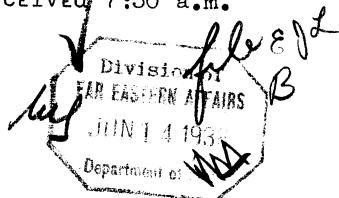
Washington

290, June 14, 2 p.m.

Your 17C, June 13, 7 p.m., has been referred to
Consulate General Hankow which is warning Americans in
the area in question as well as Kiukiang.

JOHNSON

RR:DDM



793.94/13211

JUN 17 1938

FILED

F/FG

notes
393.1115

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

From Chinese Embassy

DEPARTMENT OF STATE
RECEIVED
JUN 13 1938
DIVISION OF
COMMUNICATIONS AND TRANSPORT

Division of
FAR EASTERN AFFAIRS
JUN - 6 1938
Department of State

TEXT OF A TELEGRAPHIC MESSAGE RECEIVED AT THE
EMBASSY, DATED HANKOW, JUNE SIXTH, 1938, 11:40 P.M.

The Chinese authorities in Canton have estimated that over five thousand civilians were killed and wounded during the recent Japanese air raids not including the casualties resulting from severe attacks this morning.

KE
SCR

Over one hundred bombs were dropped all over the city this morning. The French Hospital and Red Cross unit were hit. The raid is still going on. It is estimated that the casualties are considerably over thousand.

Since yesterday Kaifeng (on the Lunghai Railway) was under severe Japanese infantry and artillery attack. Street fighting within the city is reported this morning.

The report that the Chinese Government is intending to move to Kunming (Yunnan) is completely groundless. The proclamation asking the women and children as well as the people who have no business to stay at Hankow to leave the city as soon as possible is issued because of the Japanese threat of indiscriminate bombing.

793.94/15212

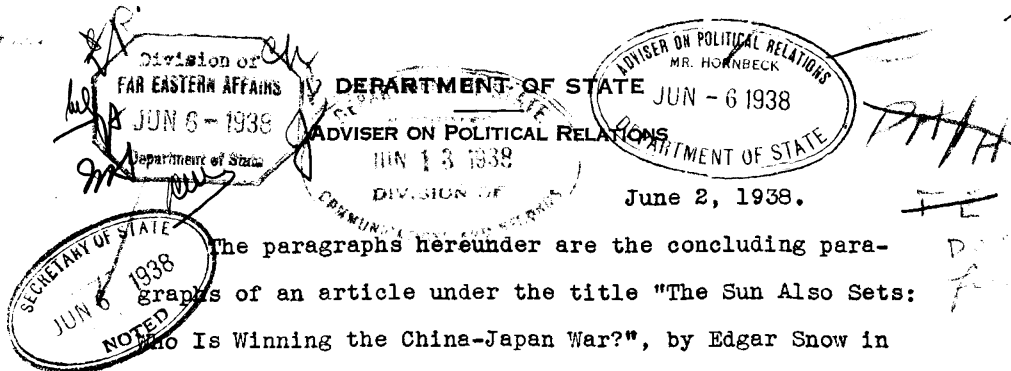
FILED

ADVISER ON POLITICAL RELATIONS
MR. HORNBECK
JUN - 6 1938
DEPARTMENT OF STATE

June 6, 1938, 1 P.M.

FILE

DECLASSIFIED: E.O. 11652, 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 paragraphs hereunder are the concluding paragraphs of an article under the title "The Sun Also Sets: Who Is Winning the China-Japan War?", by Edgar Snow in the Saturday Evening Post of June 4, 1938.

These paragraphs, coming at the conclusion of a lengthy exposition of the situation in the China-Japan hostilities, give very substantial food for thought.

"An isolated China can defeat an isolated Japan. An isolated China can exhaust a Japan helped materially by her allies, Italy and Germany. But it is gravely to be doubted whether an isolated China can defeat a Japan helped by the entire world -- helped in the very realistic sense that the powers supply Japan with all the tools of conquest she needs, and provide her with funds to pay for those tools by continuing to buy her exports not only from Japan itself but also from the China coast controlled by her navy and her army.

"Yet even against such odds the Chinese nationalists are sanguine of final triumph -- provided one thing. Provided that the democratic powers or their nationals at least refrain from financing the conquest by extending public or secret loans or credits either directly to Japan or to her puppet governments, or indirectly, via her Fascist allies.

"If that happens -- in some degree it is already happening -- and if meanwhile no major help for China is forthcoming from Soviet Russia, Japan may be able to avert economic catastrophe at home and finally emerge the conqueror of China.

"Given,

793.94/15213

F/FG/9213

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

- 2 -

"Given, after that, a mere decade in which to exploit their prize, given the continued assistance of the Western peoples -- who still blissfully imagine that all this is no direct concern of theirs -- Japan's militarists will then build an army and navy capable of wrecking the earth, themselves included, and great numbers of the despised white man, whom the Japanese are now gleefully making their football in China."

- - - - -

12/18

PA/H:SKH:ZMK

7 4 1 -

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

TELEGRAM RECEIVED

EG...

FROM

GRAY

Peiping via N. R.

Dated June 14, 1938

Rec'd 7:30 a.m.

Secretary of State,

Washington.

360, June 14, 3 p.m.

793.94
n7n
48

The Japanese spokesman states that the Japanese attack on Chengchow is being held up by the Yellow River flood which has affected three areas between Kaifeng and Changchow and which he expects to have far reaching effects although the water has not yet reached the Lunghai Railway. The Japanese forces which cooperated with the Navy in the capture of Anking June 12 - 13 were from Hofei (Luchow) having left that place June 6 and occupied and passed Shucheng June 7.

Repeated to Embassy Hankow Nanking American Consulate General Shanghai.

SALISBURY

WWC:DDM

793.94/13214

FILED
JUN 21 1938

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

TELEGRAM RECEIVED

EG ^{GPO} COPIES SENT
ONE AND ONE
DT

FROM GRAY

Foochow via N. R.

Dated June 13, 1938

Rec'd 7:30 a.m., 14th.

Secretary of State,
Washington.

June 13, 11 a.m.

193.94
Three large Japanese bombing planes dropped bombs on ^{or} (A) near Foochow airfield at about 9:30 this morning at the same time scattering thousands of leaflets over the city. It is reliably reported that before yesterday's visits, 24 planes concentrated in attack on Mamoi, site of obsolete arsenal and of naval headquarters, effecting serious damage to arsenal, damaging a nearby school, and causing 10 or more deaths, several by drowning. According to local reports the two plane flotillas were separate making the total number operating in vicinity of Foochow yesterday 46. Objective of bombing near upper bridge now stated to have been village at bridgehead, where 10 bombs were reported to have been dropped on or near military hospital, killing 4 and wounding 9 inmates. No reports are available of activities of planes which flew inland.

To Hankow and Peiping.

WARD

KLP
(*) Apparent omission

793.94/13215

FILED
JUN 21 1938

1
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

793.94

DOCUMENT FILE

NOTE

SEE 893.00/14232 FOR #32

FROM China (Hankow) (Johnson) DATED April 26, 1938
TO NAME I-1127 ***

REGARDING: Sino-Japanese conflict.

Manifesto, adopted by the Extraordinary National Congress of the
Kuomintang, Hankow, March 29 to April 1, 1938. Reports on-,
together with other activities of the session.

FRG.

793.94 / 13216

13216

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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/130 FOR #428

FROM Hankow (Josselyn) DATED Apr. 30, 1938
TO NAME 1-1127 ***

REGARDING: Sino-Japanese hostilities in Hankow District: report on same.

wb

793.94/13217

793.94
13217

Political report
April 1938
Hankow, China

-7-

4. Japan.

(a) Japanese Captives Renounce Militarism.

It was reported by Government agents in Chungking that a group of Japanese military prisoners were released recently in Sian after they had been influenced by a series of anti-militarism lectures and had taken an oath never again to serve in the Japanese army.

According to reports appearing in the local press Mr. Vataru Kachi, a Japanese pacifist writer in Hankow, on April 6 broadcast a radio message to his fellow-countrymen in Japan which urged that they stand side by side with the Chinese in order to achieve "eternal peace in the Far East." Mr. Kachi is reported to have been given an official position with the Council of Military Affairs and to be the first Japanese to receive such an appointment in the National Government since the outbreak of hostilities.

(b) Taierschwang Victory Celebrated.

More than 150,000 people turned out on the evening of April 6 to participate in a lantern procession in celebration of the signal Chinese victory at Taierschwang (台兒莊). The procession was formed by more than 80 public organizations and later joined by thousands of civilians as it went along the main Hankow thoroughfares with waving banners, the shouting of slogans, and the exploding of firecrackers. It was one of the most popular demonstrations ever witnessed in Hankow. The victory was similarly celebrated in Wuchang and, according to reports, in Chungking, Changsha, and other metropolitan centers.

(c) Military

Political report
April 1938
Hankow, China

-8-

(c) Military Operations.

The Japanese defeat in Shantung early in April necessitated the hasty despatch of reinforcements from the western front. This enabled the Chinese to filter back across the Yellow River into Shansi and northern Honan where they recovered progressively large portions of the hinterland. In northern Honan the Chinese captured Menghsien (孟縣), Wenhsien (溫縣), Tsiyuan (濟源), Tsinyang (沁陽), Siuwu (修武), Hwokia (獲嘉), Hwansien (滑縣), Linhsien (林縣), Kugenchon (古榮鎮), and Suiyehchen (水冶鎮). In Shansi, they reoccupied the area west of the Shihlo (石樓), Loyun (羅雲山), and Hwoyen (火談山) mountain ranges, recovered the southeastern part of the province, and, with the exception of an artillery detachment opposite Tungkwan (潼關), drove all Japanese troops from the north bank of the Yellow River. Chinese successes were also scored in northern Shansi near the Suiyuan border.

Although the Japanese are still holding their main lines of communication in both Shansi and Honan, they are confined more than ever before to narrow strips of territory flanking the railways. The four divisions of Japanese troops remaining in Shansi are insufficient for the task of subjugating that province. Unless reinforcements are sent they may be compelled to retreat or remain under the hazard of being completely cut off from their sources of supply.

(d) Air Raids.

During April, only 11 Japanese air raids were reported to have been made on cities and towns in the

Hankow

Political report
April 1938
Hankow, China

-9-

Hankow consular district. The number reported during March was 38. Hankow experienced moonlight raids on April 12 and 16; the material damage was slight. In a spectacular air battle over Hankow on April 29 between 15 and 20 Japanese 'planes were shot down. The Chinese lost about 3. Bombs dropped by the Japanese on this occasion in a densely populated section of Hanyang (漢陽) resulted in over 200 civilian casualties and the destruction of about 90 houses. Ichang was bombed on April 5 and 7, and Chungking, for the second time, on April 7. Other places similarly attacked were Hsiackan (孝感) in Hupeh, Kian (吉安) and Yushan (玉山) in Kiangsi, Tashengkwen (得勝關) in Honan, and Changsha in Hunan.

On April 10, the universities in Changsha were intensely bombed by Japanese airplanes. Twenty-seven heavy bombers took part in the raid and dropped more than 112 explosives on the campuses of the National Hunan University and the "Temporary" National Tsinghua University. The library of the Hunan University was completely demolished and the University's workshops, science building, three dormitories, and twelve nearby residences were damaged beyond repair. The casualties included 2 students and 27 tourists killed, and 40 students injured. Practically the whole of the Hunan University was destroyed, the loss being estimated at more than CN\$2,000,000.

Besides putting on record their indignation at this latest addition to the indiscriminate bombing of Chinese cultural institutions by Japanese airplanes,

the

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

Political report
April 1938
Hankow, China

-10-

the national and provincial authorities emphatically denied the Japanese contention that the two universities were occupied at the time by the "Central Military Administration." They also branded as completely false the Japanese report that Generalissimo Chiang Kai-shek and Mr. T. V. Soong were among those wounded in Chengsha at the time.

According to figures published before the April 29th raid, by the Department of Statistics of the Hupen Provincial Government, since August 21 last year 693 persons were killed at different places in Hupen. Among those killed, 338 were civilian men, 236 were women, 7 were children, and the remainder were either peace officers or soldiers. During the same period 443 persons were severely injured, only 12 percent being soldiers. The number of persons who sustained only slight injury was placed at 512, of whom only 40 were soldiers. Civilians constituted approximately 92 percent of all air-raid casualties.

142

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Canton/123 FOR #100 to Embassy

FROM Canton (Fletcher) DATED May 6, 1938
TO NAME 1-1127 ***

REGARDING: Sino-Japanese hostilities: report on - during April, 1938.

wb

793.94 / 13218

793.94
13218

4. Japan:

(a) Continued Japanese aerial attacks upon Kwangtung:

Japanese planes attacked to the naval units operating off the South China coast continued raids over Kwangtung Province throughout April. Kwangsi, however, was not attacked. Although these raids resulted in considerable destruction of property and in a number of civilian casualties, they caused but comparatively little damage of military significance.

The principal objectives were airfields, railways, highways, shipping, and industrial plants. Damage to airfields was repaired quickly. Through services were maintained, with only occasional interruptions, on both the Canton-Kowloon and Canton-Hankow railways. A few trucks were destroyed on highways, and some vessels plying interior waterways were sunk. The Waichuen industrial area on the outskirts of Canton was bombed several times, but none of the government-owned factories located there were hit. The government sugar-mill at Itau, near Canton, which was bombed badly in March, was struck again during April. Published statistics indicate that, during April, there were 308 Japanese plane flights over Kwangtung Province, 1,443 bombs dropped, 377 persons killed and 500 injured, 250 buildings destroyed, and 1 Chinese customs launch and 14 other craft sunk.

(b) Damage to Canton-Kowloon Railway Bridge*:

On the 16th Japanese planes bombed a long bridge on the Canton-Kowloon Railway over the East river at Sheklung (石龍).

about

*See telegrams of April 16, 12 noon; April 22, 4 p.m.; April 18, 1 p.m.

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

- 3 -

about forty miles southeast of Canton, damaging a concrete pier supporting the bridge. Train service was suspended for two days and then resumed with a change of trains at the bridge. Following temporary repairs made subsequently, train traffic across the bridge was resumed.

(c) Bombing of Canton City Proper:

On two occasions during the month bombs were dropped by Japanese planes on Canton city proper, causing rather extensive damage to property and a number of civilian casualties.

On April 10th two bombs released from a high altitude almost simultaneously struck a privately-owned sewing factory located in a Chinese theatre building in a thickly-populated residential district about three quarters of a mile from Shansen and quite far removed from what might be termed any military objective. The factory, which was engaged at that time in filling a government contract for the manufacture of military uniforms, employed about four hundred workers, mostly women. The building and a number of adjoining residences were destroyed by the bombs and the fire which followed their explosion. Casualties were reported as approximately 75 persons killed and 105 injured. Most of the victims were women and children. Had the bombing not occurred during the lunch hour on a Sunday, it is likely that the number of casualties would have been much greater. It is not believed that the bombs were directed at the factory, which covered only a small area and would have been difficult to distinguish from a high altitude. Whether the bombs were released intentionally or accidentally cannot be determined.

One

*See telegrams of April 11, 3 p.m.; April 18, 1 p.m.; April 22, 4 p.m.

- 7 -

One week later, on the 17th, Canton again was bombed severely by Japanese planes. Approximately twenty bombs were dropped on thickly-populated areas in the northern part of the city. According to an official report, 46 persons were killed, 125 injured, and 109 houses, a girl's middle school and a primary school destroyed. It is reported reliably that the planes machine-gunned the streets of the city during the raid. Competent observers, basing their conclusion on the number of bombs dropped and the intervals between their release, are of the opinion that the bombing was not accidental. It is not known whether the bombs were directed at particular objectives or were released more or less at random. The military authorities state that government buildings and a small military radio station located near areas where some of the bombs fell may have been the objects of attack.

(4) Raids on Interior of Kwangtung:

Civilian casualties and destruction of property resulted not only from air-raids on Canton but also from frequent raids conducted in the interior of Kwangtung Province. In the course of attacks on railways, highways, and river-shipping, a number of people were killed and injured, and adjacent buildings were damaged. It is believed that losses were greatest in raids on railway lines.

(5) Bombing of Chinese Customs Station:

On the 17th the Chinese Maritime Customs station at Chinshan (前山), a few miles from Macao, was bombed. A

hulk

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

- 8 -

hulk used as the customs office and^a customs launch in the vicinity were sunk. It is reported that two Chinese customs employees were killed.

(f) Raids on Hainan Island:

It was learned during April that several air-raids were conducted on Hainan Island by Japanese planes in the latter part of March. Sanya (三亚) and Nizhou (崖州) were bombed on the 28th, apparently without great damage. At the time of these raids five Japanese cruisers were reported to have been observed off the Hainan coast. On March 30th a cruiser approached Nizhou, the metropolis of Hainan, and later in the day four planes bombed the city. The principal objective appeared to be the customs radio station, which was not hit. The following day several bombs dropped near the central part of town killed and wounded a few civilians and demolished a building.

(g) Aerial Combat in Vicinity of Canton*

On the morning of the 13th eighteen Gloucester Gladiator pursuit planes belonging to the Chinese air-force and flown to Canton from a base farther north the previous evening, attacked twenty-four Japanese raiders from a high altitude and engaged them in aerial combat on the outskirts of Canton. In a series of "dog-fights" which followed, eight Japanese and four Chinese planes were brought down. Two of the Chinese planes brought down were totally destroyed, but the other two made forced landings and can be repaired. Two Chinese pilots were killed, and two were wounded but are expected to recover. The remaining planes left Canton in the evening.

(h) Japanese

*See telegram of April 13, 5 p.m.

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

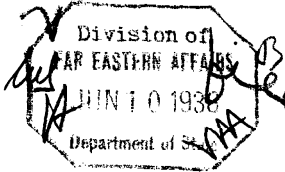
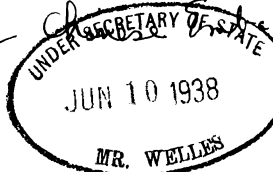
- 10 -

(1) Increasing Confidence of Local Officials:

During April there appeared to be a growing feeling of confidence on the part of Chinese officials in regard to the conduct of hostilities and an increasing enthusiasm for continued resistance to Japanese military operations in China.

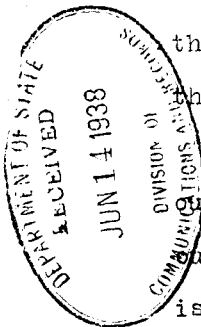
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

a from *Chiang Kai-shek*



4827
RA
FE

In response to the inquiries from the foreign correspondents, Generalissimo Chiang Kai-shek issued today a statement reviewing the political and military situation. The following is a gist of the statement. *DKR*



In the past eleven months the armed resistance has fortified our nation's determination to fight and simultaneously augmented our faith in the final triumph. In the first place, the whole nation is solidly united as never before. The evidence of unity can be seen everywhere. Even those who were formerly dissatisfied with the Kuomintang (National Party) are one and all supporting the National Government and taking part in the armed resistance. Secondly, China's military strength has been considerably increased since the outbreak of hostilities. The Chinese army's fighting strength is more than doubled; its armaments are considerably improved in quality and increased in quantity. China's resistance will last as long as the Japanese continue the campaign of aggression. Thirdly, the topographical advantages henceforth will be more with China than with Japan. The crux of the military situation is not found in the success or failure of defending a particular city or area. What is vital is the ability to pick advantageous battlefields where we could reduce the enemy's main strength. Our withdrawals are dictated by the necessity to avoid unnecessary sacrifices. At the same time we have been forcing the Japanese give battle on the fields we have chosen. This tactics is essential to the success of prolonged resistance.

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On the ground

793.94/13219

JUN 16 1938

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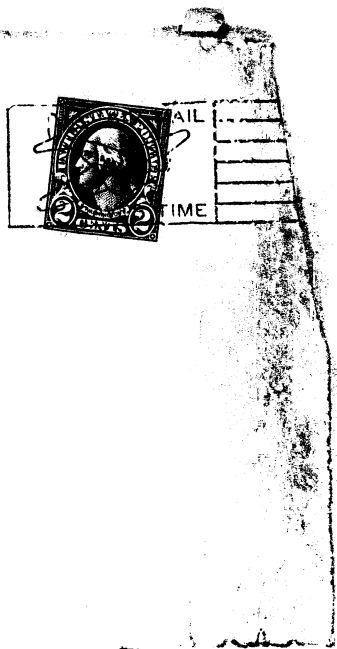
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Department of State letter, August 10, 1972
By Milton D. Chas. 1975 NARS, Date 12-18-75

b
CHINESE EMBASSY
WASHINGTON, D. C.

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



7



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

4828

-2-

The Generalissimo then stressed upon the paramount necessity for the friendly nations to fulfill their treaty obligations by giving China positive assistance. That the Japanese fighting forces have bombed non-combatants, slaughtered prisoners of war, and even employed poison are well-known facts. The treaty obligations require that the friendly Powers oppose the aggression openly and in so doing they merely exercise their treaty rights. If these nations could resort to the application of sanctions, not only would the innocent Chinese people's suffering be lessened, but the security of future peace of mankind and human justice enhanced.

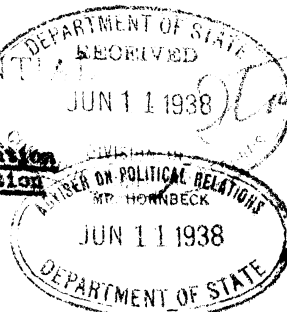
The Chinese Embassy,
Washington, D. C.

June 9, 1938.

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

CONFIDENTIAL

U-2 Digest of Information
Sino-Japanese Situation
June 4-10, 1938



PAK
KE
DOR

GENERAL

Lieutenant General Itagaki, former commander of the Japanese 5th Division in the battles on the eastern Lungtai front (notably those at Taiershang and Ksuehowfa) flew to Tokyo June 3, and took office as Minister of War June 4. This completed the reorganization of a Japanese Cabinet whose reported objective is to bring the war in China to a speedy and successful conclusion regardless of cost in men or materiel.

This "early victory" policy is now being pursued with such vigor that the Chinese defenders of the Lungtai line have been forced to fall back, in some disorder, from all points east of Changchow, with various Japanese columns in hot pursuit.

Reliable reports from Hankow indicate Chiang Kai-shek's intention to defend his provisional capitol on a general north-west to south-east line through Sinyang -- a line following the foothills in southern Honan Province. Whether he can reform his army for a stand on this line in face of the vigor of the Japanese pursuit remains to be seen.

The renewed vigor of the Japanese drive to crush China is reaching crescendo, however, in the Canton area where, European and American protests notwithstanding, Japanese naval aviation, by June 10, in 17 raids on 13 successive days had reduced this once prosperous South China metropolis to a scene of destruction and death.

To add to China's difficulties, in what appears to be a major crisis of the war, the following items indicate that the "home front" is in a none too secure position:

- (a) Chiang's German advisers are preparing to leave, turning over all plans, maps, and data to the Chinese.
- (b) Madame Chiang Kai-shek is reported to be very angry at her husband over his "do nothing" policy in regard to the recall of the German advisers.
- (c) Reliable reports indicate a rift between Chiang Kai-shek and the two powerful South China leaders, Li Tsung-jen and Pai Chung-hai.
- (d) A survey by Hsu Shih-yung, Chairman of the Central Government's Refugee Commission, estimates that the war, to date, has reduced 30,000,000 Chinese to destitution and caused one of the greatest mass migrations of homeless people in history.

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JUN 16 1938

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

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(a) Chinese currency in terms of U. S. dollars is dropping toward an all time low (now 20 5/8 cents).

As counterbalances to the foregoing adverse circumstances the following are decidedly favorable to the continuance in power of Chiang and his regime:

(a) The civilian population of Hankow is being evacuated in an orderly manner. The Civil Government is making plans to move to Yunnanfu, and the military authorities are planning to establish themselves in Kweichow, Kweichow Province.

(b) China, in May, purchased war materials from the United States to the value of \$8,827,161. Of this amount \$1,609,975 went for military aircraft, the remainder for aircraft engines, propellers and accessories.

(c) There is soon to be a resumption of the shipment of war materials to China by way of French Indo China.

(d) T. V. Soong is reported about to leave for France where he expects to secure substantial loans.

(e) French pursuit planes and fast bi-motored bombers are reported arriving in Yunnan with more en route. A squadron of French instructors is also en route to join the Chinese. The U.S.S.R. is reported sending into China increased numbers of improved models of pursuit and bombardment planes.

(f) The Japanese Finance Minister announces that the Japanese people must prepare for an inevitable reduction in their standard of living - a standard which even in peace time is immeasurably lower than that of any other first class power.

(g) The lines of communication of the Japanese forces driving on Hankow are becoming dangerously long. They are not only subject to crippling attacks by mobile guerrilla bands, but are in danger of destruction by the Yellow River, now in flood, and already breaking its dikes in the vicinity of Lanfeng.

NORTH CHINA THEATER

There have been no major operations in this region during the period covered.

The Japanese report the recapture of Taingalmiho (south of Kweichow). The forces of Fu Yao-yi who have been holding that town for some weeks have been driven south toward the Great Wall.

CONFIDENTIAL

Chinese guerrilla bands in Shensi have been active in making raids on Japanese lines of communication and in attacking Japanese detached posts at various points. They attacked Sanpao, inside Hankow Pass June 5 and on June 4 and 5 attacked Changping near Peking. Mentoukuo, 18 miles west of Peking, has been the scene of several minor engagements. Fighting is reported in progress in Chahar, necessitating the strengthening of Japanese garrisons there.

The Chinese have captured Luhsien and Fengliutu in western Shensi and have surrounded Japanese detachments in Linfeng, Yangcheng, and Hovana, all in southern Shensi. Yungchow, south of Hovana, fell into Chinese hands on June 4. It is reported that Headquarters, Japanese North China Garrison, in a desperate attempt to put a stop to these minor but extremely irritating raids, has offered a reward for the head of each guerrilla brought in to Japanese authorities by Chinese peasants.

It is reported that as a part of Japan's plan for the development of North and Central China the Japan Air Transport Company, the Huitung Aviation Company, and the Manchurian Air Transport Company have decided to pool their interests and shortly operate a network of air services linking the various cities in the Japanese occupied zones. The system contemplated includes a one-day service between Shanghai and Tokyo.

CENTRAL CHINA THEATER

After reinforcing and reorganizing their units on the general line Lanfang - Kweich - Fohsien - Mengsheng - Hefei during the period June 2-4, the Japanese on the latter date started a coordinated drive southward which by June 10 had brought their right column within 10 miles of Chengchow, junction of the Lunghai and Ping-Han Railway lines, and their left column to the walls of Shuchow.

The Japanese Navy, covering the army's left flank, has landed sailors on the north bank of the Yangtze opposite Tatung and with destroyers and gunboats forced its way as far as Anking. A report from Chinese sources dated June 10 is to the effect that Chinese planes bombed and sank one of these Japanese warships opposite Kweichih.

It is estimated that the Japanese have at least five divisions in line in this drive. The 16th, having extricated itself from Lanfang, is attacking Chengchow along the railroad, the 14th with cavalry on its left, is driving toward the Ping-Han south of Chengchow, and the 9th has been identified at Chengyangkuan.

Imperial General Headquarters has announced that Japanese casualties in the Shantung - Huashowfu areas from the end of February to the end of May amounted to 2,130 killed and 2,866 wounded. These figures are obvious understatements.

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

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There have been minor guerrilla operations in eastern Shantung in the vicinity of Tsino (30 miles north of Tsingtao) and at Chefoo.

On June 7 heavy rains caused high water in the Yellow River to break the dikes east of Kaifeng. The Chinese are reported to have widened the breach with explosives.

Flood waters in the valley and guerrilla bands passed and left in the rear areas by the swiftly moving Japanese columns will eventually materially interfere with military operations.

Guerrilla activities continue around Shanghai. On June 4 a fight is reported to have taken place at Sauching, 5 miles south of the French Concession.

SOUTH CHINA THEATER

Commencing May 28 and continuing daily up to and including the 10th of June, Japanese naval aviation has subjected Canton and vicinity to an intense aerial bombardment. The main objectives appear to be bridges, railroad facilities, power plants, water works, factories, public buildings, and military installations.

In reply to French and British protests over the killing of civilians both the Japanese Foreign Office and the Navy Department have issued statements to the effect that other nations should come to a realization that Canton is full of military establishments, antiaircraft batteries, etc., and is a port of entry for huge shipments of munitions for China's armies.

After a direct hit on the French owned Dourer Hospital on the waterfront, June 6, resulting in the wounding of a French naval surgeon, French marines landed and occupied the premises.

British sailors landed on Shamshen (the island containing the foreign settlement) on June 7 as a precautionary measure, presumably to protect their nationals against the growing panic and to hold off refugees fleeing from the Chinese city.

Two American owned properties -- Lingnan University and the oil tanks of the Standard Oil Company -- were struck June 8 by Japanese bombs. The oil tanks burst into flames and spread a fire that burned the terminal of the Canton-Hankow Railroad and a 16-car train just arrived from Hankow. The Secretary of State on June 9 formally protested to the Japanese Government through Ambassador Grew, over the bombing of the American financed Lingnan University.

About 500,000 of the 1,000,000 population of Canton have fled. Over one third of the residences are vacated. Estimates of the dead and wounded run between eight and ten thousand. As this is being written, most of Canton is in flames, the conflagration being accelerated by

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incendiary bombs from Japanese planes.

On June 7 Japanese planes flew over Swatow dropping leaflets instructing civilians to leave South China as it is now a war zone. Bombs have since been dropped on the city and in the vicinity.

It seems likely that South Chinese cities will continue to be targets for Japanese aviation. The Japanese have the double purpose of stopping shipments of arms into and through South Chinese ports and of widening the reported breach between South Chinese leaders and Chiang Kai-shek.

COMMENT

Competent observers in China estimate that the war, now in its eleventh month, has cost the Chinese approximately 400,000 soldiers killed and 800,000 wounded; while an estimated 200,000 civilians have been killed and 500,000 wounded. The same source estimates Japan's military losses at over 100,000 killed and 300,000 wounded.

Considering these personnel losses in relation to the populations of the two belligerent countries (China 400,000,000; Japan 72,000,000) China's losses, though high, are not so excessive as to necessitate a cessation of hostilities in the immediate future. She has a vast reservoir of man power.

However, it is estimated that where China spends a dollar on the war, Japan has to spend from three to five. While China has and apparently yet can secure credits and loans from a number of sources, Japan apparently has nearly exhausted her reserves of foreign exchange, can secure no credits, and is believed to have exhausted her reserve of exportable gold.

Time, therefore, is becoming an increasingly important element in Japan's campaign.

It seems probable that the Japanese will take Hankow within a month or within two months at the most. Unless this drive brings about a political collapse of Chiang's regime, however, the victory will be an empty one.

While Japan may yet be able to "win the war" in a military sense by securing designated military objectives and crushing organized military resistance, it is very probable that Japan has already lost the war from an economic standpoint.

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

79394

DOCUMENT FILE

NOTE

SEE 890.00/97 FOR Memorandum

State Department
Far Eastern Division

FROM (Jones) DATED June 11, 1938
TO NAME 1-1127 070

REGARDING: The situation in the Far East: review of the past week.

FRG.

793.94/13221

13221

DECLASSIFIED: E.O. 11652, 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

FROM GRAY

Hankow via N. R.

Dated June 15, 1938

Rec'd 9:50 a.m. *Tel to Hankow*

Secretary of State, Division of
Washington, D. C. *B*

RUSH.

297, June 15, 6 p.m.

Department's 179, June 14, 5 p.m.

Shanghai's 812 of June 11, noon; and 813, June 11,

1 p.m., as well as Admiral Yarnell's 0012-1032/ all
came to me in plain. Lockhart doubtless sent in plain
assuming similar notes had been sent to other colleagues.
My telegram to Lockhart was in plain for it seemed to
me that it added nothing new to situation.

JOHNSON

WVC



793.94/13222

JUN 20 1938

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

TELEGRAM RECEIVED

JR

PLAIN

FROM

Shanghai via N. R.

Dated June 14, 1938

Rec'd 8 a.m. 15th

288
Secretary of State,
Washington.

834, June 14, 1 p.m.

My 830, June 13, 8 p.m.

793.94
Japanese reports claim the capture of Anking,
Anhui, during the night of June 12 after a sudden
attack and landing facilitated by fog. The Japanese
column advancing southward from Hopei is reported to have
taken Shucheng and reached Tungcheng, sixty kilometers
north of Anking.

There have been no arrests thus far in connection
with the five bombings in Shanghai on June 12.

Repeated to Hankow and Peiping.

LOCKHART

KLP

Division of
FAR EASTERN AFFAIRS
JUN 15 1938
B
new WA

793.94/13223

JUN 22 1938

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

TELEGRAM RECEIVED



JR

gpo

FROM GRAY

Shanghai via N. R.

Dated June 15, 1938

Rec'd 7:44 a.m.

*Telegram to
Shanghai
20381, 6/15/38*

Secretary of State,

Washington.

840, June 15, 1 p.m.

Following from Tokyo.

"380. June 15, noon.

Your June 13, 7 p.m., paragraph two, reference

American naval vessels on the Yangtze.

Action taken yesterday. Please repeat to Hankow
and the Department as our 380, June 15, noon. Grew."

LOCKHART

RR:WWC

795.94/13224

JUN 18 1938

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8 11

0442

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

1-128
PREPARING OFFICE
WILL INDICATE WHETHER

TELEGRAM SENT

1-138

Gray
TO BE TRANSMITTED

CONFIDENTIAL CODE

NONCONFIDENTIAL CODE ☒

PARTIAL

PLAIN

Collect
Charge Department

OR

Charge to
\$

Department of State

Washington,

By *Naval Radio*

1938 JUN 15 PM 5 28

June 15, 1938.

6 PM

AMERICAN CONSUL,

SHANGHAI, (CHINA).

Via NR

Rush.

381
m. m. H.
The Department assumes that the telegram of June 13, 7 p.m., referred to in your 840, June 15, 1 p.m., is one sent by you to Tokyo. As it has not been received, please repeat to the Department. *repeat not here*

Hull

SKB

793.94/13224

JWB
FE:JWB:SMJ

FE

PA/H

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 50.

1-138

U. S. GOVERNMENT PRINTING OFFICE: 1934

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

TELEGRAM RECEIVED

EG ^{gpo}

Division 11
FAR EASTERN

FROM

FOURTH MARINES

June 15, 1938

Rec'd 10:30 a.m.

ACTION: CINCAF
OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

COMMUNIST
ALD.

egL

793 94

8615. Japanese have reached Chienshan 35 miles northwest Anking, Chinese planes claim sunk 2 Japanese war vessels damaged 2 others between Anking and Kwschih, Japanese military authorities admit suspension operations Chenchow sector due to Yellow River floods. 1846.

CSB

793.94/13225

JUN 22 1938

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

4829

TELEGRAM RECEIVED

EG

FROM GRAY

Peiping via N. R.
Dated June 15, 1938
Rec'd 12:15 p.m.

Secretary of State,
Washington.

RECEIVED
O.N.I. AND M.I.D.

6/2

365, June 15, 3 p.m.

793.94

The Japanese spokesman admits that the Yellow River flood which he states has now reached the Lunghai Railway has completely checked the Japanese advance on Chengchow, Honan. He informed me that the spreading water would probably make necessary the abandonment by forces in the Kaifeng-Chengchow area of a southward push toward Hankow down the Pinghan Railway. This would seem to indicate that attacks on that railway south of Chengchow will come from the east and that the direction of the main Japanese attack upon Hankow will be from the east (including attack up the Yangtze and along the north shore of that river).

Repeated to Hankow, Nanking, Shanghai. By mail to Tokyo.

SALISBURY

RR:DDM

793.94/13226

JUN 17 1938
F / F
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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

4830

TELEGRAM RECEIVED

COPIES SENT TO
O.N.I. AND M.I. *Admiral*
in confidence

JR ^{OP}

FROM

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

Hankow via N. R.

Dated June 15, 1938

Rec'd 10:45 a.m.

Tel to Hankow

Secretary of State,

Washington.

292, June 15, 11 a.m.

Department's 177, June 14, 10 p.m.

Your paragraph one. Department has a complete
history of this matter in Shanghai's 812, June 11, noon,
813, June 11, 1 p.m., and my 286, June 12, 1 p.m., which
repeated Yarnell's comments to me. On June 12, 1 p.m., I
instructed Consul General at Shanghai to make reply
to Mr. Tani's letter quoting Admiral Yarnell's comment
to me. Please note that all of unimportant messages
were in plain and that Admiral Yarnell's telegram was
addressed to me and carried no indication whatever that
he had made any communication ^{to} Japanese authorities or to
press. The local English language paper CENTRAL CHINA
POST dated June 13 carried a Central United Press item
dated Shanghai June 12, stating that Admiral Yarnell
had rejected Japanese request "in his reply to the
Japanese today through the American Consulate General".
There followed a summarization of Admiral Yarnell's
comments

793.94/13227

JUN 20 1938

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

831

-2- #292, June 15, 11 a.m., from Hankow via N. R.

comments addressed to me phrased in such a way as to indicate that Admiral Yarnell had communicated this to the Japanese. I had a call on June 13 from the local Associated Press correspondent who had received an inquiry in regard to this matter from his New York office and had (*) instructed to obtain my comments. I refused to make any comments stating that I knew of no reply which Admiral Yarnell had made to Japanese authorities. On June 14 Associated Press correspondent again called, stated he had received a request from his New York office instructing him to obtain text of Admiral Yarnell's statement. I telegraphed Admiral Yarnell and, informing him of appearance of item in local paper, stated that I had refused to make any comment and that I had referred Associated Press to Shanghai. Admiral Yarnell informed me on June 14 that he had given no information to the press in Shanghai and that he had been unable to trace ^{the} source of the United Press report.

Department will therefore see that neither Admiral Yarnell nor I have had anything whatever to do with publicity which United Press based upon this story. I suspect that United Press was ^{able} (1) to intercept the message

WB
 6/19/76

4832

-3- #292, June 15, 11 a.m., from Hankow via N. R.

message which Yarnell sent to me through naval wireless circuit and used it in its story. Story is misleading and incomplete and evidently -- from excerpts quoted by the Department -- was intended to mislead press at home as to actual attitude of the Navy here. We here are anxious to run no risks in these present times, and every reasonable precaution has been exercised by the Navy and by the Embassy and the Consulates. Warnings have been issued from time to time to Americans to evacuate places of danger, and Consulates and Embassy have done everything in their power with the cooperation of the Navy to facilitate such evacuation when possible. The Embassy is not aware of any ~~action~~ ^{inaction on the} part of the Navy or on the part of the Consulates or itself which has not (repeat not) been in conformity with concepts of policy and its execution outlined in the Department's instructions. Obviously we here cannot foresee or prevent speculative comments by the press intended apparently to be tendencious and to cause embarrassment.

Your paragraph two. Department has requested me to comment as to advisability of visit which Admiral Yarnell has planned to make to me and to Wuhu. This plan has been in mind for some time, and I personally

SEE

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

4833

-4- #292, June 15, 11 a.m., from Hankow via N. R.

see no reason why the Admiral should not make the visit contemplated. Visit is not in area of immediate hostilities and is in the ordinary course of naval inspection and will I believe be productive of good rather than harm. Certainly it should not be accompanied by any more danger or embarrassment than visits to Tsingtao, Chefoo or Chinwangtao.

This telegram is being repeated to Shanghai for communication to the Admiral.

JOHNSON

WWC:CSB

(*) Apparent omissions.

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

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P A R A P H R A S E

A telegram (no. 292) of June 15, 1938 from the American Ambassador at Hankow reads substantially as follows:

In connection with the Japanese request that American war vessels withdraw from the area between Wuhu and Hukow the Ambassador states that on the afternoon of June 12 he instructed the Consul General at Shanghai to reply to the letter from Mr. Tani and quote the comment made to the Ambassador by Admiral Yarnell. The Ambassador points out that all of the important messages in regard to this matter were in plain and that the Admiral's telegram which was addressed to the Ambassador indicated in no way that the Admiral had made any communication to the press or to the Japanese authorities. A Central United Press item dated Shanghai June 12, appeared in the June 13 issue of the Central China Post, the Hankow English language paper, to the effect that in his reply of June 12 to the Japanese through the American Consulate General Admiral Yarnell had refused the Japanese request. A summary of Admiral Yarnell's comments to the Ambassador phrased so as to indicate that the Admiral communicated this to the Japanese followed. On June 13 the Associated Press correspondent in Hankow who had received from his New York office an inquiry relative to this matter with instructions to obtain the Ambassador's comments called on the Ambassador. The Ambassador refused

to

793.94/13227

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

-2-

to comment and said that he knew of no reply made to the Japanese authorities by Admiral Yarnell. The Associated Press correspondent called on the Ambassador again on June 14 saying that he had been instructed by his New York office to procure the text of the statement made by Admiral Yarnell. The Ambassador informed the Admiral by telegraph of the appearance of the item in the Hankow paper and stated that he had referred the Associated Press correspondent to Shanghai, refusing himself to make any comment. On June 14 the Admiral informed the Ambassador that he had not given any information to the press in Shanghai and that he had not been able to learn where the report of the United Press originated.

In view of the above it will be seen that neither the Ambassador nor the Admiral had any connection with the publicity based upon this story by the United Press. The story is incomplete and misleading and, judging from the excerpts quoted by the Department, was evidently intended to give to the press at home a wrong idea as to the actual attitude of the Navy in China. The Ambassador suspects that the message which Admiral Yarnell sent via naval wireless circuit to the Ambassador was intercepted by the United Press and used in its story. The Ambassador states that the Embassy, the Consulates and the Navy in China

have

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

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-3-

have exercised every reasonable precaution and are anxious to take no risks in these present circumstances. So far as the Embassy knows neither it, the Consulates, nor the Navy have taken any action which has not been in conformity with ideas of policy and execution thereof outlined in the Department's instructions. From time to time Americans have been warned to leave places of danger and everything possible has been done by the Embassy and Consulates in cooperation with the Navy to facilitate the evacuation of Americans when possible. It is apparent that American representatives in China cannot foresee or prevent comments of a speculative nature by the press which are evidently intended to cause embarrassment and to be tendencious.

In reference to the Department's request that the Ambassador comment with regard to the advisability of the Admiral's proposed visit to Hankow and Wuhu the Ambassador remarks that he personally sees no reason why the Admiral should not make the visit which has been planned for some time. As the visit which is in the ordinary course of naval inspection is not in the area of immediate hostilities, it should ^{certainly} not be any more embarrassing or dangerous than visits to Chinwangtao, Tsingtao or Chefoo, and the Ambassador is of the opinion that it might result in good rather than harm.

EGC
 FE:EGC:MJY

ACR
 REND

0452

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

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to
\$

TELEGRAM SENT

Department of State

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

1938 JUN 16 DIA 3 41

Washington
June 16, 1938.

4 Jm

AMEMBASSY,

HANKOW (China).

RUSH.

Your 297, June 15, 6 p. m., and 292, June 15, 11 a. m.

The Department feels that, except in cases where, before the matters are being handled by Embassy or Consulates, texts have been made public, all messages of the type under reference, when communicated by Embassy or Consulates, should be communicated in code; and that for this purpose non-confidential code would usually be appropriate.

Please inform Shanghai.

795.94/13227

Hull

SKH

PA/H:SKH

FE:MMH:REK

FE

PA/H

JUN 18 1938

DCR
A.G.S.

Enciphered by

Sent by operator M., 19

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

F/FG

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

793.94

DOCUMENT FILE

NOTE

SEE 894.00/795 FOR #1291-

FROM U.S.S.R. (Kirk) DATED May 18, 1938
TO NAME 1-1127 070

REGARDING: Internal conflict in Japan: Soviet comment.

Article from The PACIFIC STAR (TIKHOOKEANSKAYA ZVEZDA) of
Khabarovsk, by A. Bargin: translation of-

FRG.

793.94/13228

13228

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

74394

DOCUMENT FILE

NOTE

SEE 894.20211/208 FOR Despatch #2376

FROM France (Barnes) DATED June 4, 1938
TO NAME 1-1127 ***

REGARDING:

Sino-Japanese relations ; Report on espionage by
Japanese and German forces, relative to-;
according to memorandum prepared by Lawrence Higgins.

aa

793.94/
13229

13229

1451

DECLASSIFIED: E.O. 11652, 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 125.4553/414 FOR Tel. 8pm

FROM Hankow (Joanelyn) DATED June 15, 1938
TO NAME 1-1127 470

REGARDING:

Protection of families of Chinese staff of the Consulate
General: Requests \$700. to send them into the interior during
present emergency, probably to Chungking.

enc

793.94 / 13230

793.94
13230

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

TELEGRAM RECEIVED

REB

COMYANGPAT

GPO

FROM June 15, 1938

Rec'd 7:36 p. m.

ACTION: CINCAF

INFO: OPNAV

Division of

FOR EASTERN AFFAIRS

JUN 17 1938

Department of State

COPIES SENT TO
STATE AND AID.

793.94
0015. Nine Japanese pursuit planes and six sea-
planes circled Kiukiang about 1500 fired machine guns
vicinity railroad station dropped no bombs. 1640.

NPL

EMB

793.94/13231

JUN 17 1938

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

OPD

Y

FROM

COMSOPAT

June 16, 1938

Rec'd 8:11 a.m.

ACTION: OPNAV

INFO: COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMDESRON FIVE
CINCAF
COMYANGPAT
AMAMBASSADOR CHINA
ASHEVILLE
SACRAMENTO
TULSA
EDSAL, FOURTH MARINES, SHANGHAI
ALUSNA PEIPING

Division

1938

1938

1938

1938

1938

1938

1938

1938

1938

0015. Air raids railroads fourteenth and fifteenth
six bombs central Canton six a.m., fifteenth, twelve BLP
sighted Kulangsu, Amoy area quiet. 2337.

DDM

793.94 / 13232

JUN 17 1938

FILED

F/FG

1 4
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

FE
TELEGRAM RECEIVED

JR _{GPO}

FROM FOURTH MARINES

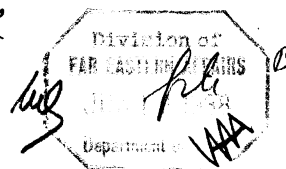
June 16, 1938

Y Rec'd 8:14 a.m.

ACTION: CINCAF
OPNAV

COPIES SENT TO
ONL AND M.I.D.

793.94
INFO: AMCON SHANGHAI
COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING



8616. Japanese columns moving north from Anking and south from Tungcheng converging on Tsienshan 35 miles northwest Anking. Column advancing west from Hofei reached point 9 miles east Lieuan. Canton bombed early morning 16, June. 1820.

DDM

FILED
JUN 18 1938

F/FG

793.94/13233

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

RECEIVED
DEPARTMENT OF STATE

1938 JUN 15 PM 2 47

COPIES
AND RECORDS

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

My dear Mr. Hull:

I discovered the attached item in our daily paper of yesterday. By editorial mistake it was on an inside page. It should have been in headlines on the front page of an "extra". To me it sounds like the definition of carelessness, "An accident going someplace to happen".

Is it Admiral Yarnell who is defying Japan? Or will his carelessness and braggadocio soon be bringing healthy CCC boys and billions of dollars into the little job of scaring Japan? Up the Yangtse should be a danger zone and only those who desire to take the risk themselves should be there. Yarnell should not risk our young men.

Furthermore is not what the good admiral does at least partially under your jurisdiction? Is he a law unto himself? Can he provoke a war without your consent or the President's? Is this not a perfect setting for a series of Panay incidents? Why should the Yangtse River be reopened by our battleships?

Admiral Defies Japan

Admiral Harry E. Yarnell, commander of the United States Asiatic fleet, who said he was determined to send warships any place where Americans are endangered, completed plans in Shanghai today for an inspection trip up the "forbidden" Yangtse River.

He told Japanese naval authorities that American warships and their commanders would not accede to Japanese demands that they remain away from "danger zones" in the Yangtse, so long as American lives and property were involved.

It was believed that Mr. Yarnell's trip to Nanking was preliminary to final, urgent requests that the Japanese reopen the Yangtse.

This news should get the publicity face-slappings of under-secretaries and spy-scares secure. If we have a government-defying admiral starting wars for us we should at least be informed about it that we may be prepared. The Japanese might be on us in the middle of the night.

May I have a word from your office stating your policy toward Admiral Yarnell's actions?

Sincerely,

Howard D. Willits
Howard D. Willits

JUN 24 1938

F/FG
FILED
13234

June 24 1938.

102 Westview Ave.
Worthington, Ohio
June 14, 1938

793.94/13234

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

June 24 1938.

In reply refer to
FE 793.94/13234

My dear Mr. Willits:

The receipt is acknowledged of your letter of June 14, 1938, in regard to statements alleged to have been made to Japanese authorities by Admiral Yarnell in response to a Japanese request that American naval vessels be withdrawn from certain sections of the Yangtze River.

The formal reply to the Japanese request was not made by Admiral Yarnell but by the American Ambassador through the American Consul General at Shanghai. The newspaper accounts of the matter were inaccurate and misleading.

There has been no change in this Government's policy toward the situation in China. Warnings have been issued from time to time to Americans to evacuate places of danger and American diplomatic and consular officers

Mr. Howard D. Willits,
102 Westview Avenue,
Worthington, Ohio.

793.94/13234

F/FG

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

-2-

officers have done everything, with the cooperation of the Navy, to facilitate such evacuation when possible. Officials of this Government in China, including the Naval officers, are anxious not to run risks in the circumstances prevailing in China and they exercise every care to carry out the Government's policy of non-involvement.

For your information in connection with the subject of the protection of Americans abroad and the presence of American armed forces in China there is enclosed a copy of Senate Document No. 131 which contains the text of a letter addressed to the Vice President on January 8, 1938, and the texts of statements given to the press by the Department on July 16 and August 23, 1937. There is also enclosed a copy of an address delivered by the Secretary of State on March 17, 1938.

Sincerely yours,

M. M. Hamilton
 Maxwell M. Hamilton
 Chief

Division of Far Eastern Affairs

Enclosures:

1. Senate Document No. 131.
2. Address by the Secretary of State, March 17, 1938.

FE:EGG:HES
 6-22

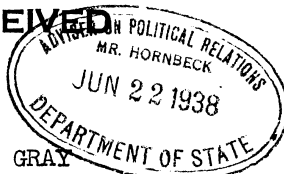
Jim
 FE

G

146
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

a

TELEGRAM RECEIVED



EG

FROM

GRAY

Hankow via N. R.

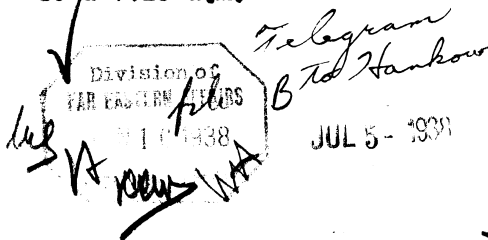
Dated June 15, 1938

Rec'd 7:15 a.m.

Secretary of State,
Washington.

293, June 15, noon.

My 292, June 15, 10 a.m.



Following message was sent by Commander-in-Chief Asiatic fleet to the Commander of the Yangtze Patrol and forwarded to me for my information.

"1313. In connection my despatch of 12 to Ambassador it is not intended that United States ships shall remain within area of active military engagements. After full and complete opportunity had been offered for evacuation of nationals notice of presence, date of withdrawal of gunboats from a specified area should be given. These dates should normally be left to your discretion. 1335."

JOHNSON

CSB

793.94/13235

EX-113
JUN 21 1938

0463

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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
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OR
Charge to
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TELEGRAM SENT

4834

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

Department of State

Washington,

"A-1"

July 5, 1938.

12 PM.

AMEMBASSY,

HANKOW (China). Via N.R.

This cable was sent in Confidential Code.
It should be carefully paraphrased before
being communicated to anyone. A

For the Ambassador.

Reference is made to your telegram no. 293 of June 15, noon, giving Commander-in-Chief's message on withdrawal of gunboats from a specified area in the discretion of the Commander of the Yangtze Patrol after full and complete opportunity had been offered for evacuation of American nationals. Reference is also made to the telegram from the Commander of the Yangtze Patrol bearing date group 0029, from which it is noted that the plan of the Commander of the Yangtze Patrol to have the Monocacy remain at Kiukiang was unchanged.

Department realizes that the Commander of the Yangtze Patrol must necessarily take into consideration circumstances which may change from day to day. The Department notes, however, from your 200, June 17, 10 a.m., that the Consulate General on June 13 issued a telegraphic warning to Americans at Kiukiang and Kuling and that this warning was supplemented by a circular instruction. The Department would appreciate the receipt of a telegraphic report giving with as much

Enciphered by _____

Sent by operator _____ M., _____, 19 _____

D. C. R.—No. 50

1-1402 U. S. GOVERNMENT PRINTING OFFICE

793.94/13235

F/FG

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

PREPARING OFFICE
 WILL INDICATE WHETHER

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 OR

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 \$

TELEGRAM SENT

Department of State

4835

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PARTIAL
 PLAIN

Washington,

- 2 -

accuracy as practicable the number of Americans now at each
 of these two places and any additional information which may
 be available with regard to their future plans; and would
 welcome whatever indication it may be possible for you to
 give in regard to probable future movements of the Monocacy.

The Department suggests that you discuss these two
 matters with the Commander of the Yangtze Patrol and that
 you then give the Department the benefit of his and your
 observations.

[Handwritten signature]

MMH
[Handwritten initials]
 FE:JWB:REK

PAH
[Handwritten initials]

[Handwritten initials]
 FE

Enciphered by _____

Sent by operator _____ M., _____, 19____

7 4 6
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

JR

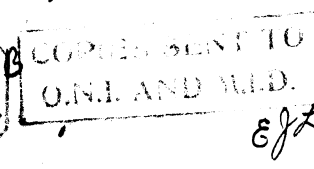
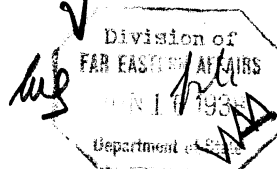
SPECIAL GRAY
TELEGRAM RECEIVED
Canton via N. R.

Dated June 15, 1938

Secretary of State,
Washington.

June 15, 5 p.m.

FROM Rec'd 7:15 a.m., 16th.



On morning of 13th Japanese planes scouted over Canton without bombing city; bombed loop line and Canton-Hankow Railway at Kongchuen north of Canton. In morning also planes reported to have come from Fukien bombed Wahlechow. In long air raid there was considerable scouting over Canton; about 15 bombs at Saichuen caused some additional damage to cement plant and also damaged caustic soda works.

On 14th, 15 bombs were reported dropped in Kweilin with slight damage, and Canton Kowloon and adjacent highway with slight damage.

15th. In early morning raid five or six bombs were dropped near Provincial Government office buildings in Canton demolishing a number of dwellings and causing heavy civilian casualties; also three bombs dropped in eastern gate district of Canton caused estimated destruction of 6 or 7 houses and more than 20 civilian casualties.

Sent to Peiping, Hankow, Shanghai, Shanghai please repeat to Tokyo.

WWC:KLP

LINNELL

FILED
JUN 18 1938

F / FG

793.94/13236

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 W.I.D.

in confidence

EG SPECIAL GRAY
A portion of this message
must be closely paraphrased ~~FROM~~ Peiping via N. R.
before being communicated
to anyone. (A)

Dated June 16, 1938

Rec'd 7:15 a.m.

Secretary of State,
Washington.

368, June 16, noon.

(SPECIAL GRAY) An American of many years residence
in China informs the Embassy in confidence that according
to an official in whom he has trust preparations are in
progress for a celebration in the forbidden city on the
first anniversary of the Loukouichiao incident. This
much of the information seems correct. The remainder
appears to be ^{speculative} (A) and will be investigated by the Embassy;
namely (1) the Provisional Government will be moved next
month outside the city walls to Tsinghua University and
(END SPECIAL GRAY) (2) a Japanese Imperial Prince, pro-
bably ^{Chishibu} Chi-Chi-Bu, will reside in forbidden city in some
yet unknown capacity.

Repeated to Hankow. By courier to Tokyo.

SALISBURY

RR:CSB

(*) Omission

793.94/13237

JUN 21 1938

FILED

F/FG

793.94
not
793.94/13237

WAB
6/28/38

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

CONFIDENTIAL

[CONFIDENTIAL]

PARAPHRASE

A telegram (no. 368) of June 16, 1938, from the American Embassy at Peiping reads substantially as follows:

An American of many years residence in China informs the Embassy in confidence that according to an official in whom he has trust preparations are in progress for a celebration in the Forbidden City on the first anniversary of the Lukouchiao incident. This much of the information seems correct. The remainder appears to be speculative and will be investigated by the Embassy; namely (a) a Japanese prince of the imperial house, probably Chichibu, will live in the Forbidden City in some capacity as yet unknown and (b) the Provisional Government will be moved outside the city walls to Tsinghua University next month.

793.94/13237

egc.
FE:EGC:HES
6-17

AMH
FE

14
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

4836

TELEGRAM RECEIVED

JR

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

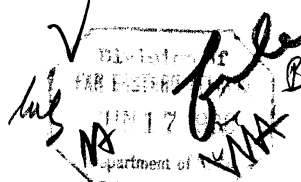
FROMCINCAF

June 16, 1938

Rec'd 12:30 p.m.

ACTION: NAVY DEPT

INFO: COMYANGPAT
AMAMBASSADOR CHINA
FOURTH MARINES
ALUSNA PEIPING



NOTE
793.94119

0016. Japanese source states that unless Chinese
initiate peace talks soon after fall Hankow Japs intend
renew drive against armies at once not repeating mistake
of waiting allowing Chinese to recover as after fall
Nanking. 1612.

KLP

793.94/13238

JUN 21 1938

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

TELEGRAM RECEIVED

JR

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

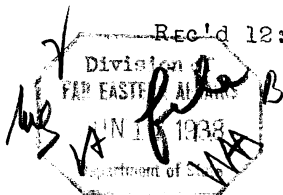
FROM USS OAHU

June 16, 1938

Rec'd 12:30 p.m.

ACTION: COMYANGPAT

INFO: CINCAF



0015. No fuel available Wuhu city quiet but
distant heavy shell fire heard occasionally to westward.
Have reliable report five American and three British
missionaries still at Nanking. Shanghai press report
of arrival three hundred Jap planes at Wuhu for Hankow
bombing believed untrue. 1030.

KLP

793.94/13239

JUN 21 1938

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F/FG

NOTE
393.1115

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

1837

TELEGRAM RECEIVED

EG . . .

FROM GRAY AND SPECIAL GRAY

Shanghai via N. R.

Dated June 16, 1938

Rec'd 12:06 p.m.

Secretary of State,

Washington.

851, June 16, 7 p.m.

Your 381, June 15, 6 p.m.

Following is my June 13, 7 p.m., to Tokyo:

"June 13, 7 p.m. My 812, June 11, noon and 813,
June 11, 1 p.m.

One. I have communicated a reply to Minister Tani,
the substance of which is as follows: 'I have been ad-
vised by Admiral Yarnell that there are no United States
vessels in the Yangtze between Wuhu and Hukow at this
date. However, Admiral Yarnell plans to visit in that
vicinity on the 24th and 25th off shore in the USS
ISABEL. It will depend on what assistance American
nationals may need in that locality as to future
presence of our vessels there, at which time due notice
will be given to both the Chinese and Japanese, and this
will include areas above Hukow. Admiral Yarnell also
adds that due care will be taken as to unnecessary ex-

evacuating

793.94/15240

F/FG

4838

-2- #851, June 16, 7 p.m. from Shanghai via N. R.

evacuating is of paramount importance to the navy and will be carried out; and the information given in Tani's letter of June 11 does not in the slightest degree relieve the Japanese Government of responsibility for any harm to our vessels or personnel. Further, that our vessels are painted white and have large flags painted on their awnings, and should be apparent several thousand feet altitude.

Two. It is suggested, with which suggestion Ambassador Johnson concurs, that the substance of the foregoing be communicated, in your discretion, to the appropriate Japanese authorities. Lockhart."

This telegram was not repeated to Department by an oversight.

Following is my June 13, 10 a.m., to Hankow:

"June 13, 10 a.m. Your June 12, 2 p.m. I believe Admiral Yarnell's 0012-1032 should be telegraphed to the proper authorities with a view to the Ambassador, in his discretion, communicating the substance to the Foreign Office. Please instruct me. Lockhart."

Following is Ambassador Johnson's reply:

"June 13, 2 p.m. Your June 13, 10 a.m. *Your suggestion approved. Please telegraph Tokyo. Johnson*
for O. C. Lockhart from Young: VAA

~~Reference your letters May 23 and 26 and telegram of~~

Repeated to Hankow

later

Lockhart

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

b

-3- #851, June 16, 7 p.m. from Shanghai via N. R.

later date regarding possible salt agreement, Dr. Kung is sympathetic with general ideas stated by you, however I realize customs question remains unsettled, he feels hesitant for the time being to request British authorities to submit views'. Johnson."

Repeated to Hankow.

LOCKHART

KLP

793.94/13240

047

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

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Charge to
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Department of State

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NONCONFIDENTIAL CODE ☒
PARTAIR
PLAIN

1938 JUN 17 PM 12 48

Washington, *via Naval radio*

June 17, 1938.

AMERICAN CONSUL, *SHANGHAI, (CHINA).*

387
Your 851, June 16, 7 p.m.

Ambassador Johnson's June 13, 2 p.m., /quoted/ in
your telegram /under/ reference /does not appear/ to be
pertinent. Please check /and/ repeat /correct message.

Hall
(JMS)

793.94/13240

793.94/13240

FE:JRP:MJY

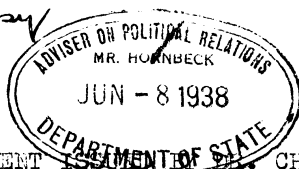
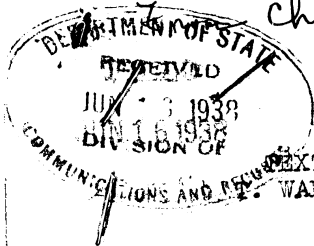
latu
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OR
Jun 17 1938

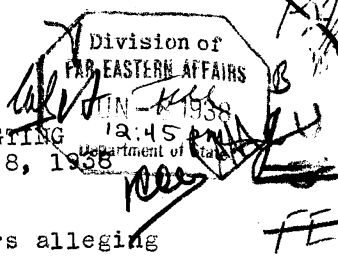
Enciphered by _____
Sent by operator _____ M., _____, 19____

F /FG

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



4839



TEXT OF A STATEMENT BY CHENGTING WANG, THE CHINESE AMBASSADOR, ON JUNE 8, 1938

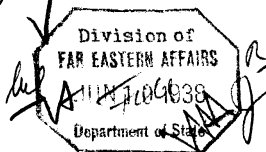
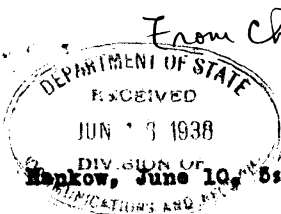
The report carried in some of the newspapers alleging that there is a split between Generalissimo Chiang Kai-shek, Commander-in-chief of the Chinese army, and General Li Tsung-jen is entirely groundless. It must be fabricated by an interested party with the malicious intention to discredit to the world the unity of the Chinese people.

94 The plan calling for withdrawal from certain cities which are strategically difficult to defend is a part of the whole plan agreed upon by all the Chinese military leaders and dovetails perfectly with the pronounced policy of the Chinese Government to fight a protracted war and to meet the Japanese army only in the places the topography of which will not give great advantage to their mechanized equipment. It has been more than once proved in the history that the deep penetration of an invaded country does not necessarily give advantage to the invading army. The Japanese may soon find out that their deep penetration into the interior of China, coupled with their employment of inhuman methods of warfare by bombing ruthlessly the open towns, will find a Chinese people increasingly united and more determined than ever to resist them.

795.94/13241

JUN 16 1938
F / FG
FILED

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



D C R

With the cooperation of the air force the Chinese troops on the Yangtse front frustrated the Japanese attempt to land troops about one hundred miles above Wuhu. Under the cover of naval bombardment 700 Japanese landed near Kweichih yesterday. As the hand-to-hand fighting was proceeding Chinese airplanes arrived and bombed the concentration of the Japanese war vessels, one of which was hit and sunk instantly. The Chinese planes were then engaged by the Japanese pursuit planes from Wu, but all Chinese planes returned safely. The 700 Japanese landed were wiped out after several hours fighting.

On the Lunghai front severe encounter^s is raging in the vicinity of Chengchow.

795:94/13242

394

JUN 16 1938

F/FG

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

TELEGRAM RECEIVED

JR

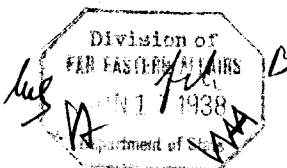
COM SOUTH CHINA PAT

FROM June 17, 1938

Rec'd 7 a.m.

ACTION: OPNAV

INFO: COMSUBRON FIVE
ASTALUSNA SHANGHAI
COMDESRON FIVE
CINCAR
COMYANGPAT
AMAMBASSADOR CHINA
USS ASHEVILLE
USS SACRAMENTO
USS MARBLEHEAD
USS TULSA
USS ELSALL
FOURTH MARINES
ALUSNA PEIPING CHINA



COPIES SENT TO
CINLANT and M.L.D.

682

0016.

Air raids railroads, six bombers from Amoy area intercepted by pursuits failed return coast. Canton attacked zero three hundred, eleven bombs northeast section, six BSP sighted. 2230.

DDM

793.94/13243

JUN 21 1938

JED

F/FG

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

TELEGRAM RECEIVED

BC
This telegram must be
closely paraphrased ^{FROM} before being communicated
to anyone

AST ALUSNA NANKING

June 17, 1938

Received 11:48 AM

Action: Ast Alusna Shanghai
Info: Cincaf, Navy Department,
Alusna Peiping,
Com. South China Patrol.

0016 Eighteen Sino pursuits intercepted nine Jap
heavy bombers, type 93 south of Lukchang Kwangtung,
claim they shot down five. No losses except one
forced landing from fuel shortage returning 1901.

793.94/13244

FILED
JUN 24 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

FLI

TELEGRAM RECEIVED

JR

FROM SPECIAL GRAY

Canton via N. R.

Dated June 17, 1938

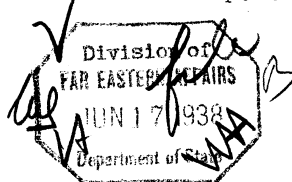
Rec'd 1:40 p.m.

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

E. J. L.

Secretary of State,
Washington.

June 17, 5 p.m.



On 16th during early morning raid on eastern part of Canton some private houses were destroyed but casualties were few; British Church Mission buildings in that area were badly damaged. Also six Japanese bombers reported to have come from Fukien and unaccompanied by pursuit planes were attacked by Chinese planes in vicinity of Lokchung in Northern Kwangtung; five Japanese planes were reported officially to have been shot down with fate of 6th not known. No Chinese planes were lost.

Sent to Peiping, Hankow, Shanghai. Shanghai please repeat to Tokyo.

LINNELL

CSB

793.94/13245

F/FG
FILED
JUN 20 1938

u

7 4 1 3
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

June 29, 1938.

~~JWB~~
~~MEM~~
~~MEM~~
~~MEM~~

Foochow's no. 41 of May 5, 1938, transmits a copy of a memorandum of a conversation between the Consul and the Reverend Harry R. Caldwell, an American missionary of Futsing, Fukien Province, in which Mr. Caldwell states that the Chinese have heavily fortified the area around Foochow against Japanese attack and any attempt to land would be met with immediate resistance. Mr. Caldwell added, however, that the loyalty of the local provincial chairman, Ch'en I, to the National Government was questioned by many with whom he had talked, most of them believing he had an understanding with the Japanese.

793.94/13246

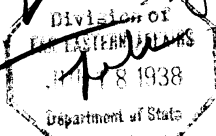
FE:Schuler:HES

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

No. 41

AMERICAN CONSULATE

Foochow, China.



May 5, 1938.

Confidential.

SUBJECT: Transmitting a memorandum covering
a conversation with the Reverend
Harry R. Caldwell, an American
missionary resident at Futsing.

in confidence

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON

For Distribution Check		Yes	No
Specs	For	✓	✓
To U.S.A.		✓	✓
G		ONI-MID	

SIR:

I have the honor to refer to this Consulate's
despatch No. 39, dated May 4, 1938, on the subject of
a reported Japanese demarche in northern Fukien and
the removal of the Provincial capital, in which,
inter alia, reference is made to the increasing
probability that this section of the Province would
be defended were an invasion of Fukien attempted, and
in that general connection to transmit a copy of its
despatch No. 39 to the Embassy, dated May 5, 1938,
forwarding a copy of a memorandum covering a conversa-
tion with the Reverend Harry R. Caldwell, an American
missionary resident in Futsing, to the south of Foochow.

Respectfully yours,

Robert S. Ward
Robert S. Ward
American Consul

Enclosure:

Copy of this Consulate's despatch
No. 39, dated May 5, 1938, to the Embassy.

800
RSW:TKW

In quintuplicate.

Carbon Copies
Received

793.94/13246

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

Enclosure no. 1 to despatch no. 41, dated May 5, 1938,
 from Robert S. Ward, American Consul at Foochow, China,
 on the subject of "Transmitting a memorandum covering a
 conversation with the Reverend Harry R. Caldwell, an
 No. 39 American missionary resident at Futsing".

AMERICAN CONSULATE
 Foochow

May 5, 1938.

Confidential.

Subject: Transmitting a memorandum covering
a conversation with the Reverend
Harry R. Caldwell, an American
missionary resident at Futsing.

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping.

Sir:

I have the honor to refer to this Consulate's
 despatch No. 35, dated May 4, 1938, on the subject
 of a reported Japanese demarche in northern Fukien
 and the removal of the Provincial capital, in
 which, inter alia, reference is made to the increas-
 ing probability that this section of the Province
 would be defended were an invasion of Fukien attempted,
 and in that general connection to transmit a copy of
 a memorandum covering a conversation with the Reverend
 Harry R. Caldwell, an American missionary resident in
 Futsing, to the south of Foochow. Mr. Caldwell is an
 intelligent and experienced observer, thoroughly
 familiar with the life and activities of the district
 of which he speaks, and it is possible that this
 memorandum will be found of sufficient interest to
 consider in detail, but for the Embassy's convenience,

the

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

-2-

the more important points touched in it are briefly reviewed here.

With relation to the measures of defence which have been taken in the Futsing area, Mr. Caldwell states that the bridges and culverts both on the Amoy-Foochow road and the roads leading across it from the seashore are mined; that they are heavily fortified; that the narrows between the mainland and Hait'an Island are heavily fortified; and that there is a complete network of trenches through the hills to the south of Futsing.

He believes that any attempt at landing on the part of the Japanese would be resisted, and states that when, on April 22, such a landing was attempted, it was repulsed.

It is his opinion that Hait'an Island, which is still held by the Chinese but not adequately garrisoned, would make an excellent air-base.

The Chinese with whom he is well-acquainted and with whom he has discussed the matter, apparently reflect the widespread feeling of doubt as to General Chen I's loyalty to the Chinese cause.

Mr. Caldwell also repeats a report, which is apparently now fairly widely noised abroad, but which is of course absolutely false, that the U.S.S. ASHEVILLE brought Foochow four anti-aircraft guns on the occasion of its visit to Sharp Peak in April.

Respectfully yours,

A
 the sign
 nat. *[Signature]*

Robert S. Ward
 American Consul

(For enclosure, see following page.)

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

-3-

Enclosure:

Memorandum dated May 2, 1938.

BOC
RSW:HCY

Five copies to Department, under cover of
despatch No. 41 of May 3, 1938.
Copy to Embassy 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

Enclosure no. 1 to despatch no. 39, dated May 5, 1938, from Robert S. Ward, American Consul at Foochow, China, on the subject of "Transmitting a memorandum covering a conversation with the Reverend Harry R. Caldwell, an American missionary resident at Futsing".

AMERICAN CONSULATE
Foochow

May 2, 1938.

Confidential.

MEMORANDUM

Subject: Conversation with the Reverend Harry R. Caldwell, an American missionary resident at Futsing.

The Reverend Harry R. Caldwell, an American missionary attached to the Methodist Episcopal Mission and well known as the outstanding authority on Fukien bird-life and as a tiger-hunter, called at the Consulate today in the course of his visit to Foochow from Futsing, his regular station, and in his conversation with myself, made the following statements touching on the present general political situation in and around Futsing.

DEFENCE All bridges and culverts, both
MEASURES on the stretch of the Foochow-Amoy Road traversing that district and on roads leading in from the coast are drilled for mining to make possible their quick destruction should that become necessary, he stated. Both these roads and the roads leading into the interior have, he says, been heavily fortified, and he gives it as his opinion that it is absolutely certain that a landing would not be possible anywhere along the coast in the

general

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

-2-

general vicinity of Futsing without a fight; that the local subordinate commander, Brigadier Li, has heavily fortified the points on the land side of the narrows between the island groups which lie between Hait'an and Sunghsia to make an attempted landing at anyone of the inlets along the coast at that point very difficult.

Mr. Caldwell stated that when the thirty or forty Japanese gunboats which had been reported off Sharp Peak on April 13, left there, they anchored in these fortified narrows overnight, but the Chinese batteries did not open fire on them, although they were well within range.

ATTEMPTED
LANDING

On April 22, according to Mr. Caldwell, three Japanese gunboats stood off Pinghai, which is Hinghwa's port of entry, and fired eleven rounds at the port, whereafter a landing party was sent ashore, but it met with immediate resistance on the part of the Chinese troops guarding that part of the coast, and was obliged to withdraw.

It may be noted here parenthetically that this attempted landing was probably in connection with the ships' provisioning or was intended as a minor scouting expedition rather than as the actual attempt to land forces, which the Chinese in the vicinity apparently interpreted it as being. It does, however, tend to bear out Mr. Caldwell's assertion that any attempt at landing would be met with immediate resistance.

MUD

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

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MUD
FLATS

In connection with the question of a possible Japanese effort to effect a large-scale landing along the coast of Fukien, Mr. Caldwell says that there is a fifteen or twenty-foot tide the whole length of the coast, and that the wide tide flats were given up to shell fields and oyster beds. He believes that if a landing party came in with the tide, they would be obliged to go out with it again, or their boats would be beached on the wide mud flats with the tide's recession, and they would be left on shore, cut off from further supplies or reinforcements, until the next tide came in. There are, Mr. Caldwell says, some deep-water landing places, but they are relatively very few in number, and it would be easy for the Chinese to concentrate sufficient troops at them to make their use by a large-scale landing party impracticable from a military standpoint. These particular places are also, according to Mr. Caldwell, being especially fortified.

NETWORK
OF
TRENCHES

The informant also stated that there was a full network of trenches throughout the hills to the south of Futsing to prevent the transit northward over the Foochow-Amoy Road of any considerable body of Japanese troops. In connection with the possibility of the transit of such troops over that road, Mr. Caldwell referred to the fact that the long cement bridge near Chuanchow (in the Amoy Consular District), which crosses an estuary of the sea at that point, had several weeks ago been out in three places by the Chinese authorities, and

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 a long detour around to the west of it was now necessary - a fact which in itself would greatly retard the progress of Japanese troops attempting to reach Foochow from the direction of Amoy.

HAIT'AN
ISLAND

Asked as to whether Hait'an Island, which lies to the east and a little to the south of Futsing, was still under Chinese control, Mr. Caldwell replied that it was. The Island has, he says, about 100,000 inhabitants, who are scattered throughout 400 small towns and villages. The only defence force which is now on the Island is a militia of 1000 men armed with rifles and possibly a few machine guns. With so inadequate a defence, it is Mr. Caldwell's opinion that the Island could be acquired by the Japanese very easily at any time.

NATURAL
AIR-BASE

With reference to its strategic value, he states that it would make a fine air-base, that there is on it a level area of land, six miles long by three miles wide, any part or all of which would make an excellent landing field, while there is also on the Island a lake, about two miles long by half a mile wide, which is famed among the Chinese for its "thirty-six legs", the long lagoons which reach out from it, and which would, in Mr. Caldwell's opinion, serve as natural typhoon shelters for any sea-craft which used the lake as a sea-plane landing base. He states that he and several other people interested in the project were some years ago so struck by the excellence of these facilities for land and sea air services that they attempted to have the Island made

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

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a station on an international air route. The scheme fell through, Mr. Caldwell says, but everyone interested in the matter at all was at that time agreed on the availability of Hait'an as an air-base. Mr. Caldwell says that he does not understand why the Island has escaped capture by the Japanese for as long as it has.

REGIMENTAL
 COMMANDER

Speaking of the present group of officials in control in and around Futsing, Mr. Caldwell says that his relations with the present regimental commander in direct command of the soldiery of the 80th Division charged with the defence of the Futsing area, are very good indeed; that this particular commander, whom Mr. Caldwell referred to as Li Tuan Chang, was an able, upright, and fine fellow; and that he saw a great deal of him and liked him very much indeed.

NEW
 MAYOR

The present mayor of Futsing is also, Mr. Caldwell says, an honest and apparently an upright official, while his predecessor was, in Mr. Caldwell's view, most certainly not.

OLD
 MAYOR

The former mayor was notorious, he says, for the rankest sort of corruption. Things got so bad that the former chairman of the Futsing Chamber of Commerce, Mr. Yeh Wu-tang, laid a charge against him with the Provincial Governor, Chairman Ch'en I, by whom he was arrested for his pains and is now in prison in Foochow. The present head of the Futsing Chamber of Commerce also laid a similar charge against the then mayor, and he likewise was arrested and is now in prison in Foochow. According

to

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

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to Mr. Caldwell, the failure of the charges was due to the close personal relationship which was said to exist between General Ch'en I and his appointee, the then mayor. However, the mayor was subsequently relieved of his post, and Mr. Caldwell is not sure what happened to him, while the man by whom he was supplanted is, Mr. Caldwell says, very much better liked.

QUESTIONED
 LOYALTY

Speaking of the attitude of the Chinese of his acquaintance toward the present Provincial Government, Mr. Caldwell said that many of them to whom he had talked about the matter deeply questioned the loyalty of Chairman Ch'en I, and believed that he probably has an understanding with the Japanese. The military are, however, Mr. Caldwell thinks, very loyal to their commander, General Ch'en Ch'i, and the troops in Futsing are also very much attached to their immediate commander. He said in this general connection that the reputation of Fukien soldiers was very bad indeed, and that (to quote his words) "the scandal of the Fukienese traitors is a stench in the nostrils of the country."

ANTI-AIRCRAFT
 GUNS

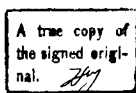
Alluding to the immediate situation in Foochow, he said that this city is now widely reported among the Chinese with whom he is in contact to be equipped with anti-aircraft guns, which have, however, been ordered not to fire at Japanese aircraft unless the city itself rather than the airfield is attacked by them. Mr. Caldwell repeated an interesting, but of course altogether groundless, rumor (which has come to the attention

of

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

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of this office several times before) that the U.S.S.
ASHEVILLE in its call at Sharp Peak on April 12
brought with it four anti-aircraft guns, which were,
the report asserts, delivered to Foochow.



Robert S. Ward
American Consul

800
RSW:HCV

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

DEPARTMENT OF STATE
 DIVISION OF FAR EASTERN AFFAIRS

June 27, 1938.

~~JWB~~
~~MSM~~
~~JCV~~

Peiping's No. 1632 of May 11, 1938, entitled "Settlement of Disputes Affecting Properties of the Kailan Mining Administration", encloses a copy of a settlement of the Kailan Mining Administration strike on April 14, 1938. So far as the Embassy can ascertain, all of the mines of this Administration are now operating under normal conditions. The firm attitude of the Japanese military appears to have brought about a settlement of the strike, according to the Embassy.

MS
 FE:Schuler:SMJ

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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. 1632

Peiping, May 11, 1938.

Subject: Settlement of Disputes Affecting
Properties of the Kailan Mining
Administration.

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

882

Division of
 FAR EASTERN AFFAIRS
 JUN 24 1938
 Department of State

RECEIVED
 DEPARTMENT OF STATE

1938 JUN 17 PM 12 50

DIVISION OF
 COMMUNICATIONS
 AND RECORDS

1000
 1000

793.94/13247

The Honorable

The Secretary of State,
 Washington, D. C.

Sir:

I have the honor to refer to the Embassy's tele-
 gram No. 266 of April 29, 11 a.m., reporting the set-
 tlement of disputes affecting properties of the Kai-
 lan Mining Administration, and to report that the
 terms of settlement provided for certain slight in-
 creases in the workers' pay, relief for strikers and
 their families in distress, certain changes in the
 method of time-keeping, and a continuance of the con-
 ference between the workers' delegates and officials
 1/ of the Administration. A copy is enclosed of the

terms

JUN 30 1938

FILED

F/FG

13247

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

- 2 -

terms as reported in the Peking and Tientsin Times of April 16, confirmed by the Second Secretary in charge of the British Embassy here as being substantially correct.

The terms of settlement were signed April 14 by officials of the Kailan Mining Administration and worker delegates from the five mines concerned. Disturbances apparently continued, however, until the Japanese military authorities took a hand in the matter about one week later. The Domei News Agency announced on April 21 that the Japanese military authorities, fearing that a prolongation of the strike would be likely to disturb the area to the rear of Japanese military operations, had issued a warning to the strikers to resume work in accordance with the terms of settlement. In this warning the Japanese military stated that they had carefully watched the development of the strike since its beginning, that they considered the terms of the settlement appropriate, and that they would take "rigorous" steps to punish any recalcitrant workers. The warning was contained in a notice which was posted at all the mines on April 21 by officials of the Japanese Special Military Mission at Tientsin. A copy in translation of this notice as it appeared in the Peking and Tientsin Times of April 22 is enclosed.

2/

The warning apparently had a salutary effect; and so far as the Embassy can ascertain all the mines of the Kailan Mining Administration are now operating under normal conditions.

While disturbances at certain of the mines were occurring

149

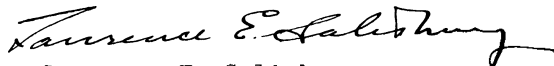
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Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

- 3 -

occurring, a member of the Embassy staff of this Embassy discussed the matter with the Kailan Mining Administration's manager at Chinwangtao, Mr. Chilton, and with other Administration officials, all of whom assured him that at Chinwangtao the Administration had experienced no difficulties with the Japanese military authorities whatsoever, notwithstanding the fact that the Administration officials there had maintained a firm attitude vis-à-vis the Japanese authorities whenever the question of the rights of the Administration was concerned. Mr. Chilton seemed to be of the opinion that this was due to the fact that from the start the Administration officials at Chinwangtao had fraternized socially with the Japanese authorities.

Respectfully yours,

For the Ambassador:


Laurence E. Salisbury
First Secretary of Embassy

✓
Enclosures:

- 1/ Clipping from Peking and Tientsin Times of April 16, 1938.
- 2/ Clipping from Peking and Tientsin Times of April 22, 1938.

Original and 1 copy to Department.

Copy to American Embassy, Tokyo.

Copy to American Embassy, Hankow.

710
CEB:jk

DECLASSIFIED: E.O. 11652, 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. 1632

PEKING & TIENTSIN TIMES, SATURDAY, APRIL 16, 1938.

SETTLEMENT OF K.M.A. STRIKE.

AGREEMENT BETWEEN ADMINISTRATION AND DELEGATES.

Resumption of Work Expected Forthwith.

NEGOTIATIONS ON OUTSTANDING POINTS TO FOLLOW.

We were officially informed yesterday that a settlement has been reached between the Kailan Mining Administration and the miners' delegates. It was expected that work would be resumed forthwith.

The following is a translation of the notice posted at all the mines yesterday:—

Our friends, the workers;

Our strike has already lasted for more than 20 days. The prospect of our losing our livelihood looms large. If this situation be prolonged any longer, it is really very dangerous. Therefore, before we negotiate at Tientsin the various terms for the settlement of this dispute, the first important thing is to let us to resume work first with a calm mind and a free breath. Based on this conviction, we have made the greatest endeavour to agree first on certain important terms which we state hereafter. We are sure that when you read it, you will certainly be satisfied. We hope you will resume work at once. After the resumption of work, negotiation on all the other terms will be continued at Tientsin. This is tantamount to say that we will on one hand earn money to maintain our livelihood while we will on the other hand continue to discuss all questions affecting our welfare. We hope there will be no misunderstanding on the part of our friends, the workers, and we shall lend no ear to all rumours.

Our friends, the workers, resume work immediately! The K.M.A. is certainly willing to do its best for our welfare. The terms for the resumption of work are stated as the following:—

Protocol for the Resumption of Work.

Art. 1. Beginning from 1st May, 1938, the wages of all the workers of the five mines in the Kailan Mines Area and the Brickworks (K.M.A. workers, contractors' men and technical staff on regular employment only) shall be increased by \$0.12. That for the workers employed daily to be calculated by shifts, that for the workers employed monthly to be calculated by proportions.

Art. 2. Beginning from the year of 1938, the K.M.A. shall grant bonus to

(A) Contractors' men as one whole lot

\$19.00 to surface workers

\$22.00 to underground workers

(B) K.M.A.'s men

Still one month's wage as one whole lot but at the amount as increased this time

(C) The scale for calculation shall be changed into

one whole lot for 270 working units

3/4 of 240

2/4 of 210

1/4 of 180

Art. 3. Since the strike is not permissible by law, the K.M.A. can certainly not be made responsible for the loss of the workers sustained during the strike. But from its usual sincere regard for the welfare of the workers, it voluntarily proposes the following as a relief measure.

(A) The K.M.A. shall issue to each of the workers at Chaokochwang, Linsi and Tangchiachwang who are most seriously affected by this strike, one bag of flour and 2 pecks of Kaoliang Rice. To each of the workers at Tongshan, who are less affected, one bag of flour only so as to show kind consideration.

(B) The above relief is to be given to those whose wage is below \$60.00 per month only.

(C) The workers at the Machiakow Brickworks are not entitled to the above relief.

(D) For the above relief, the K.M.A. shall issue first relief tickets to be presented for the food stuff after the flour ordered by the K.M.A. has arrived.

(E) Those workers who have lost their identification cards may obtain Relief Tickets only after obtaining satisfactory certification for completing the procedures.

Art. 4. The underground time keeping system shall not be enforced for the time being. It will only be put into effect after discussing the method of improvement with the workers' representatives.

Art. 5. The workers' delegates coming to Tientsin to participate in the conference shall be responsible for the sending of deputies to the Mines to persuade the workers to resume work immediately.

Art. 6. The conference of the employer and the employees shall be continued. Before signing of an agreement by the conference, the workers shall await patiently for the conclusion of the conference. If work is not resumed at once or there be again any stoppage or go-slow strike etc., all the above mentioned Articles 1, 2, 3, shall be considered as null and void.

K.M.A. delegates

C. C. Wang	Sun Chang Keh
Lo Ching Chung	Chang Kuan Ju
P. Travers-Smith	

Workers' delegates

For Tongshan Mine

Cheng Chung Wu	Yang Kun San
Li Pin Hsing	Chi Feng Min
Li Te Wen	Yang Chi Yung

For Machiakow Mine

Wu Yung San

For Chaokochwang Mine

Liu Ching San	Ho Kuo Chang
Lien An Tse	Kao Cheng Hua
Liu Hua Ting	Pan Yung Ho
Yang Chan Kuei	Li Fu Lai

For Linsi Mine

Kung Ching Hsun	Ka Sheng Yun
Chang Yung Chin	Hsu Han Ju
Chang Tung Sheng	Chu Kuan Lin
Chao Hsueh Min	Ni Chang Sheng

For Tangchiachwang Mine

Li Pin Yao	Liu Shao Yung
Ma Yung Chiu	Chia Tien Shih
Liu Yun Chang	Liu Shao Chung
Chao Yun Shun	Wang Pao Chuan

This protocol is to be made in two copies one of which is to be kept by the K.M.A. and one by the workers.

Dated, 14th April, 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

ENCLOSURE NO. 2
TO DISPATCH NO. 1622

PEKING & TIENTSIN TIMES, FRIDAY, APRIL 22, 1938.

**JAPANESE ARMY POST PROCLAMATION AT K.M.A.
MINES.**

Workers Warned to Accept Terms of Protocol.

**REQUESTS PAYMENT OF COMPENSATION TO DEPENDENTS
OF THOSE KILLED IN DISTURBANCES.**

The position at the Kailan must immediately observe the mines yesterday was as follows:—

The output on Wednesday reached a total of 4,600 tons. Yesterday there was a full attendance of workmen at the Chaokochwang and Linsi Mines, about 50% at Tangchiachwang Mine, but no underground workmen at Tongshan Mine. There have been no disturbances at any Mine since those reported as having taken place at the Tangchiachwang Mine on Monday.

A proclamation by the Japanese Special Military Mission was being posted at all Mines last night, and the following is a translation of the proclamation:—

Since the outbreak of the K.M.A. labour dispute, more than one month has elapsed. For the purpose of adjusting the conditions in the places behind the war zones, it is expected that both parties, the Capital and the Labour, should immediately come to an agreement so as to secure an early settlement. But according to the present conditions, it is still difficult to forecast when the settlement may be arrived at. The Japanese Army, therefore, hereby strictly warns the workers that they

terms of settlement as signed on the 14th April and return to their work respectively. It also considers the protocol signed on the 14th April as valid. Those who disregard this protocol will be considered as improper. But regarding the K.M.A., besides the terms as signed, it should be made to carry out the following:—

(1) The K.M.A. shall grant \$400.00 each to the dependents of those killed on account of this strike.

If there is any point not clear in the cognizance of the death the decision of the Japanese Gendarmerie shall be accepted.

(2) The wounded shall be treated free of charge at the K.M.A. Hospital.

(3) Concerning the solatium to be granted to persons killed or wounded on duty, the amount shall be discussed at a future conference.

Those who disobey this proclamation and prevent the workers from resuming work or plot a movement for such prevention will be considered as disturbing peace and order and will be severely punished.

THE CHIEF OF TIENTSIN
SPECIAL SERVICE.

THE CHIEF OF TONGSHAN
SPECIAL SERVICE.

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

~~JCV~~
~~MSM~~
~~WAA~~
~~DWB~~

July 5, 1938.

Reference Peiping's despatch no. 1646 of May 23, 1938, entitled "Activities of the Japanese Special Military Affairs Organs in regard to Yen Hsi-shan, Mohammedans, Spy System, and Economic Propaganda."

This despatch reports that Japanese Special Military Affairs Organs are believed to have bought over Yen Hsi-shan about May 1. Yen's betrayal of the National Government, which has so far been kept secret, will soon become public. Indirect corroboration of this report is contained in a telegram from the Assistant Military Attaché at Hankow of May 13, which reported that the time was opportune in Shansi for Yen's forces to attack but that they remained inactive.

Other reports reaching the Embassy indicate that the Japanese Special Military Affairs Organs are still attempting to foster rebellion among Chinese Mohammedans, although danger of rebellion is believed not to be imminent.

Other activities of the Organs include the maintenance of a highly efficient spy system and the dissemination of propaganda exaggerating the present progress and future possibilities of the occupied areas.

793.94/13248

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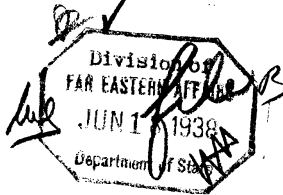
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



EMBASSY OF THE
UNITED STATES OF AMERICA
RECEIVED
DEPARTMENT OF STATE
Peking, May 23, 1938.

No. 1646, JUN 17 PM 12 52

Subject: Activities of the Japanese Special
Military Affairs Organs in regard
to Yen Hsi-shan, Mohammedans, Spy
System, and Economic Propaganda.



ONI-MID

COPIES SENT TO
ONI AND MID.

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

Sir:

I have the honor to report briefly in regard to
certain activities of the Japanese Special Military
Affairs Organs, which are the centers of Japanese
political activities in China.

It is persistently reported that Japanese of
the above-mentioned organs succeeded on about May 1
in buying over General Yen Hsi-shan, chief military
leader in Shansi prior to the outbreak in July 1937

of

793.94/13248

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- 2 -

of Sino-Japanese hostilities. It is understood that the Japanese hope to have General Yen seek Japanese "protection" at Peiping. An editorial which appeared in yesterday's "Hsinmin Pao", semi-official daily paper of the "Provisional Government of the Republic of China", indicates that this betrayal of the National Government by General Yen, which has so far been kept secret, is about to become public. The present whereabouts of General Yen is not known, but it is assumed that, if the Japanese plan works out successfully, he will soon be in Peiping, if he is not already here. The objectives of the Japanese concerned in this plot are presumably (1) to render the military situation in Shansi easier for them by discouraging General Yen's forces from further fighting (2) to reveal to the Chinese and to the world the existing "disunity" in China, and perhaps (3) to strengthen the Japanese puppet regime at Peiping by inclusion in it of a figure so well-known as General Yen. Of interest in this connection is Captain Dorn's telegram of May 13 from Hankow in which he reported that the time was opportune in Shansi for General Yen's forces to attack the Japanese but that they remained inactive.

Reports reaching the Embassy show that the Japanese Special Military Affairs Organs are still active in attempting to create rebellion among Mohammedans in China, especially among those in the provinces of Kansu and Ch'inghai where rebellion on the part of the Mohammedans would adversely affect communications between China and

Soviet

- 3 -

Soviet Russia. How successful these subversive activities may be cannot be learned but it is believed that, in view of Colonel Stilwell's report of the enthusiasm for the war against Japan which he saw among the people of Kansu and Ch'inghai during his recent trip to those provinces, the danger of rebellion is not imminent.

There have been frequent reports in recent months of a highly efficient spy system in existence in the parts of China still under the control of the National Government. This spy system is understood to be largely under the direction of the Special Military Affairs Organs and is said to include among its members Chinese holding positions of importance. For example, a secretary in Mr. T. V. Soong's office is alleged to belong to the Japanese spy system, as well as a Chinese who is a member of Marshal Chang Hsueh-liang's bodyguard.

The Special Military Affairs Organs also concern themselves with supplying to Japanese news agencies propaganda with regard to the bright economic future of the occupied territories, presumably for the purpose of creating among the population of Japan an exaggerated idea of the present progress and the future possibilities of the occupied areas as an important factor in the economic rehabilitation of Japan. For example, a highly enthusiastic account of a "nine year plan" for the growing of cotton in North China appeared recently in the local Japanese-controlled vernacular press. A responsible member of the Domei News Agency acknowledged, when questioned,

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

- 4 -

questioned, that the report had been written in the office of the Special Military Affairs Organ at Peiping and that it was almost entirely speculative and had been written primarily to encourage Japanese people in the belief that the economic future of North China was to be brilliant and significant for all Japanese.

Efforts will be made to obtain further information with regard to the activities of the Special Military Affairs Organs for submission to the Department.

Respectfully yours,

For the Ambassador:

Laurence E. Salisbury
Laurence E. Salisbury,
First Secretary of Embassy.

710
LES/js.

Original and four copies to the Department.
Copy to Embassy, Tokyo.
Copy to Embassy, Hankow.

X

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

June 22, 1938.

~~MMH~~
~~SCV~~
~~JWB~~
~~RCM~~

Tokyo's no. 2977 of May 31, 1938, entitled "Rumored Announcement by the Japanese Government of the Occupation of Certain Chinese Islands", transmits copies of a confidential letter dated May 30, 1938, from the British Ambassador at Tokyo to the American Ambassador requesting the latter's view on the desirability of renewing representations regarding the occupation of certain Chinese Islands, and copies of the American Ambassador's reply thereto, stating that, while he is without instructions in the matter, he is in personal agreement with the British Ambassador that further representations would only irritate the Japanese at this time.

FE: ~~Schuler~~: MJY

DECLASSIFIED: E.O. 11652, 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

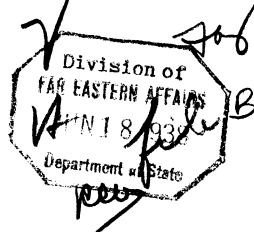
AMERICAN EMBASSY

No. 2977.

Tokyo, May 31, 1938.

SUBJECT: RUMORED ANNOUNCEMENT BY THE JAPANESE GOVERNMENT
OF THE OCCUPATION OF CERTAIN CHINESE ISLANDS.

79394



RECEIVED
DEPARTMENT OF STATE

CONFIDENTIAL

JUN 17 PM 1 5

CHI
MID

The Honorable

The Secretary of State,
Washington.

in confidence *eg L*

Sir:

Referring to the Embassy's strictly confidential telegram no. 100 of February 12, noon, I have the honor to enclose copies of a confidential letter addressed to me by my British Colleague, dated May 30, 1938, relating to a rumor that the Japanese Government contemplates a public announcement of the occupation of certain Chinese islands, and of my reply thereto, dated May 31, 1938, which are self-explanatory.

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FILED
JUN 24 1938

Respectfully yours,

Joseph C. Grew.

Enclosures:
1,2 as stated.

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ESC:mg

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"

C. J. N.

793.94/13249

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13249

DECLASSIFIED: E.O. 11652, 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. 2977 of May 31, 1938,
from the Embassy at Tokyo.

The British Ambassador, Sir Robert L. Craigie, to the
American Ambassador, Mr. Grew.

CONFIDENTIAL.

BRITISH EMBASSY,

TOKYO.

30th May, 1938.

My dear Grew,

My Government have heard it rumoured that the
Japanese Government may be contemplating a public
announcement of the occupation of certain Chinese
islands. They consider that if the Japanese Gov-
ernment did this it might be difficult for them to
relinquish control of these islands on the conclusion
of hostilities.

My Government are considering the desirability
of renewing the representations made on other occa-
sions when there have been similar reports in the
past in order to warn the Japanese Authorities be-
fore they commit themselves so far that they cannot
withdraw without loss of prestige. But, before
reaching any decision, they have asked for my views
and suggested that I should consult you and Arsène-
Henry.

My own feeling is that, in view of the attitude
of Mr. Hirota at the meeting which I had with him on
the 9th February last (of which I gave you a description
on the 11th February), any further representations
would merely irritate the Japanese Government and would
have no useful results. Moreover I consider that the

public

His Excellency

The Honourable Joseph Clark Grew,
Ambassador Extraordinary and Plenipotentiary
for the United States of America,
at TOKYO.

-2-

public announcement of the occupation of any Chinese islands, which are already in Japanese occupation, will not (provided it does not speak of annexation) make their relinquishment when the hostilities are over any more difficult than it already is. But, if a public announcement is made, this gives us a good opportunity to reserve all our rights.

I should be grateful to learn what your opinion is of the advisability of making further representations on this subject to the Japanese Government.

I am sending a similar letter to the French Ambassador.

Believe me,

Yours very sincerely,

(signed) 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. Quisenberry NARS, Date 12-18-75

Enclosure no. 2 to despatch
no. 2977 of May 31, 1938,
from the Embassy at Tokyo.

The American Ambassador, Mr. Grew, to the British
Ambassador, Sir Robert L. Craigie.

EMBASSY OF THE
UNITED STATES OF AMERICA

Tokyo, May 31, 1938

Confidential

My dear Craigie:

In reply to your letter of May 30, concerning
the rumor that the Japanese Government may be
contemplating a public announcement of the occupa-
tion of certain Chinese islands, my own feeling
coincides with yours as expressed in the third
paragraph of your letter. Please let me add,
however, that I have not consulted my Government
on this point and that this represents only my
personal attitude.

With many thanks for your letter, believe
me,

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 O. Gustafson NARS, Date 12-18-75

HRE

PLAIN AND GRAY

TELEGRAM RECEIVED

1840
Piping via N. R.

Dated June 17, 1938

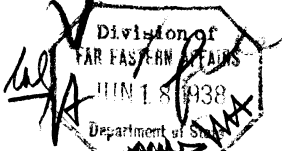
Rec'd 7:26 p.m.

egx
Secretary of State,

FROM

Washington.

373, June 17, 3 p.m.



143.90
892.48
A foreign correspondent who flew yesterday to
Kaifeng in a Japanese plane states that: (one) in his
opinion from his observation and from information from

an American missionary there most of the Chinese in the
area now affected by the breaches in the Yellow River
dykes removed in time and the loss of Chinese life was
small (for example he saw no Chinese on rooftops in
flooded areas); (two) Japanese military there told him
that the Chinese farming population had received warning
that the dykes would be breached, preparations for which
had apparently been made several weeks ago; (three) the
waters freed by the breaches were not flood waters but
the breaches cannot (repeat not) be repaired and when
flood waters arise as presumably they will because of
rains in the upper reaches, the freed waters will spread
over and devastate a tremendous area the main body
following the Kuo River in Anhwei into the Hwai River
reaching the Yangtze and Grand Canal near Chinkiang and
flooding the lake region of northern Kiangsu; (four) the
waters were passing Kaifeng southward about four miles
from this city which, while lower than the Yellow River

bed

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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

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HRE

2-#373 From Peiping June 17, 3 pm

bed is on higher ground than surrounding area and had gone some forty miles south of the Lunghai Railway; (five) he talked in Kaifeng with American missionaries who states that the Chinese population of the city had in large part fled from the city prior to the Japanese occupation and most Chinese troops had withdrawn before the advance of the Japanese who occupied the city quickly and rapidly "cleaned it up." The Japanese were kindly treating the foreigners all of whom were safe and who except for foreign women who continued to remain indoors were going about relief tasks unmolested.

Repeated to Hankow, Shanghai. By mail to Tokyo.

SALISBURY

NPL:EMB

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



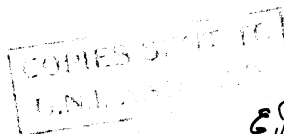
EMBASSY OF THE
UNITED STATES OF AMERICA
Peiping, May 23, 1938.

15423

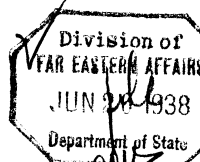
No. 1643.

Subject: North China Economic Developments: Coal.

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793.6362



egz



RECEIVED
DEPARTMENT OF STATE

Pay Institution and Check		Yes
For	U.S.A.	

Commerce
JUL 8 - 1938

NOT FOR PUBLICATION

RECORDING DESK
FILE - C.B.W.
A-M/C

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

Sir:

793.94/12854

I have the honor to refer to the Embassy's
despatch No. 1583 of March 9, 1938, in regard to
economic developments in North China, and to re-
port briefly on the present status of Japanese
plans for the exploitation of the coal resources
of that area. Those plans are evidently not as
yet in final form, and the administrative organ-
izations which are to be primarily responsible for
the

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JUL 20 1938

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- 2 -

the direction of the coal-mining industry are still to be organized. Although incomplete, the information available indicates with reasonable clarity the probable trend of events in case of continued success of the Japanese arms on the military front, and that information, as obtained in larger part from the columns of the current press, is given below.

COAL RESOURCES.

The Geological Survey of China estimated in 1934 that the coal resources of the five North China provinces now under the partial military occupation of Japan totalled 132,808 million tons (Shansi Province alone accounting for 127,127 million tons), out of an estimated total of 238,555 million tons for all of China. Of the remainder - less than one-half of China's coal resources - the provinces of Anhwei and Kiangsu, also in major part occupied by Japanese armies, possess 577 million tons; and Shensi Province, which would seem possibly destined to come under Japanese influence, has an estimated 71,950 million tons.

A four-year plan for the exploitation of China's coal resources was reported early this year to have already been formulated by the Japanese. According to the report of that project, the coal from the Tat'ung field in north Shansi (estimated by Mr. Yosuke Matsuoka, President of the South Manchuria Railway Company, to contain 15,000 million tons) would be used for boiler fuel, while the production of the Kailan mines (east Hopei)

- 3 -

Hopei) would be used as coking coal. The present annual output of the Tat'ung mines was put at 700,000 tons, and the project envisaged the doubling of the existing transportation capacity of the P'ing-Sui Railway in the course of 1938, to handle the planned increase in production. The Kailan field, lying conveniently near the good harbor of Chinwangtao, was listed in that project as containing deposits totalling 700 million tons. The Kailan coal, and that of the Chinghsing field (in west Hopei, lying athwart the Shihkiachuang-T'aiyuan Railway), is of a good coking quality and a part of the production would presumably be used to satisfy the requirements of the Shihchingshan iron-foundry (15 miles west of Peiping).

PRODUCING MINES.

As suggested in the Embassy's aforementioned despatch No. 1583, the Sino-British Kailan Mining Administration will evidently supply the Japanese coal requirements in the initial stages of the plan for the economic development of North China, if for no other reason than that railway transport facilities are at present insufficient to satisfy heavy traffic demands. It has been reported that the Kailan Sales Company, a Japanese enterprise, was formally organized in Tokyo on April 25, 1938, with a capital of Yen 2 million (one-half paid-in), to "monopolize" the distribution of Kailan coal in Japan, Korea and Manchuria. Mr. Shinkyo Nakamatsu, General Manager of the Nippon Iron Manufacturing Company (which appears to have an important role in

- 4 -

in connection with the proposed economic development of North China), was named President, and the new company was scheduled to begin business on May 1.

The German share of the Chinghsing Mining Administration was early reported to have been purchased by Japanese interests (Embassy's despatch No. 1583), and the remaining three-quarters of the Y.\$4,500,000 capital holdings are said to be in the possession of the Hopei Provincial Government, which would considerably facilitate the exploitation of the coal resources by the authority of the Peiping régime. The output of the Chinghsing mines of western Hopei was given as 795,000 tons in 1934, and the product, according to the Mr. Nakamatsu mentioned above, is good for smelting use.

Following close on the heels of the Japanese armed forces, employees of the Hsing Chung Kung Szu (China Development Company) took over control on March 13 of the Chung Hsing mines, located near Tsaochwang, south Shantung. The 1934 production of that mine is stated to have been 1,312,000 tons, but it is reported that the retreating Chinese forces destroyed the mine equipment and that substantial repairs will be necessary before production can be resumed.

The chief mine at Ment'oukow, west of Peiping, is a joint Sino-British enterprise, and there is reported to have been no interference so far with the management. The Tat'ung mines also, it is understood, have not yet been taken over by Japanese interests, but various Japanese investigators have already looked over the ground

with

- 5 -

with a view to planning future production.

AGENCIES FOR CONTROL OF PRODUCTION.

The only Japanese organ which thus far has been concerned with the actual problem of coal production would seem to be the Hsing Chung Kungssu (if one except the interest of the Oriental Development Company* in the Changfeng mine near Chinwangtao, which mine was purchased from General Ch'i Hsieh-yuan in March 1937). The North China Industrial Development Company, which will allegedly absorb the Hsing Chung Kungssu, is scheduled to be established about July of the current year, to act as a general holding company and coordinating agency for the several organizations to be established for the economic exploitation of North China resources.

A Tokyo press despatch dated May 10 reported that fourteen leading Japanese coal-mining companies intend to send a party of experts to North China shortly to investigate coal resources, in preparation for the participation of the several companies in an organization, yet to be established, which will be under the direct supervision of the North China Industrial Development Company and which will have both Japanese and Chinese capital. This decision was nominally reached as a result of a request received from the "Federated Autonomous Government of Mongolia", and "as a result of negotiations with the central army and Commerce and Industry Ministry". The

party

*The Oriental Development Company is said to represent in North China the interests of the Bank of Chosen. It is now reported to have embarked on a group-farm project, for production of rice and cotton, near Lut'ai, east Hopei.

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party of investigation will first examine the Tat'ung field.

For the time being, the emphasis is naturally being placed on obtaining needed coal supplies from the most convenient source - the Kailan mines. The Manchuria Coal Mining Company, scheduled to ship 2,800,000 tons of coal to Japan in 1937, in actuality exported only 1,700,000 tons (1,000,000 tons in the first half of the year, 700,000 tons in the second half), it having failed to maintain its schedule by reason of shortage of rolling stock. The Japanese requirements for 1938 are given as 5,000,000, and it is evident that the urgent nature of those requirements does not permit of delay to allow for development of the potential capacities of the several coal mines, which are now reached only by inadequate railway lines. An officer of the Japanese Embassy has informed a Secretary of this Embassy that the Kailan Mining Administration is purchasing new mining equipment from the Nippon Iron Manufacturing Company in Japan, to permit of expansion of the present output.

It is believed that any considerable increase in the output of other mines for the present waits upon 1) the introduction of more stability into the political situation, 2) the setting up of an organization directly responsible for the development of the coal-mining industry, and 3) the obtaining of new railway and mining equipment. The present schedule would appear to contemplate that the existing plans shall begin to take concrete form about July 1. Notwithstanding the difficulties

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

- 7 -

difficulties inherent in the situation, it is to be expected that the program will be pushed forward in the absence of major defeats of the Japanese arms in the China campaign. It may be noted, incidentally, that the Peiping régime reportedly proposes to revise the existing mining law, evidently to permit exploitation of North China mineral resources by foreign interests.

Respectfully yours,

For the Ambassador:

Laurence E. Salisbury
Laurence E. Salisbury,
First Secretary of Embassy.

Original and four copies to Department.
Copy to Embassy, Tokyo.
Copy to Embassy, Hankow.
Copy to Consulate General, Shanghai.

EC/js.
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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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

June 22, 1938.

~~JWB~~
~~ROM~~
~~MSM~~
~~LOV~~
~~WAA~~
~~AMH~~

Tokyo's No. 2972 of May 28, 1938 encloses a copy of a memorandum of conversation on May 27, 1938 between the American Ambassador to Tokyo and Mr. Edmund Stinnes, son of the late Mr. Hugo Stinnes, German industrialist.

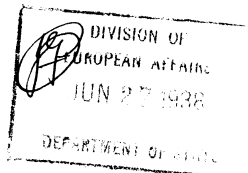
The memorandum, which might well be read in its entirety, contains some interesting observations on the Far Eastern situation, especially with regard to Germany's position vis-a-vis Japan. The recent order for the recall of the German military advisers to Chiang Kai-shek makes the discussion in paragraph 2 of page 3 particularly interesting. Mr. Stinnes proffers the unusual suggestion on page 4, paragraph 3, that American missionaries in Japan arrange to use "blocked yen" instead of American dollars, which he alleges are aiding Japan in the financing of its struggle with China.

MS
FE:Schuler:SMJ

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



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA



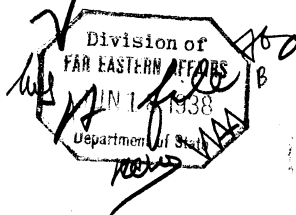
EU

AMERICAN EMBASSY

No. 2972.

Tokyo, May 28, 1938

SUBJECT: CONVERSATION WITH MR. EDMUND STINNES.



STRICTLY CONFIDENTIAL.

RECEIVED
DEPARTMENT OF STATE

1938 JUN 17 PM 1 03

DIVISION OF
EUROPEAN AFFAIRS
RECEIVED

For Distribution Check		Yes	No
Grade	To		
For	In U.S.A.		
	601		
	MID		

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

in strict confidence

The Honorable

The Secretary of State,
Washington

Sir :

I have the honor to transmit herewith a copy of
a memorandum of a conversation on May 27, 1938, with
Mr. Edmund Stinnes, younger son of the late Mr. Hugo
Stinnes, German industrialist, in the course of which
Mr. Stinnes made some interesting observations re-
lating to world affairs, with especial reference to
conditions in Europe and the Far East.

Respectfully yours,

Joseph C. Grew

Joseph C. Grew.

Enclosure:
as stated.

030
JCG:mg

4

J.C.G.

Copy retained for notes 7-19.

793.94/13232

F/FG

13232

DECLASSIFIED: E.O. 11652, 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. 2972 of May 28, 1938,
from the Embassy at Tokyo.

CONFIDENTIAL

Conversation

May 27, 1938

The American Ambassador, Mr. Grew, with
Mr. Edmund Stinnes, son of the late Mr.
Hugo Stinnes, German industrialist.
Present: American Second Secretary,
Mr. Crocker, and the Ambassador's Private
Secretary, Mr. Pyle.

Subject: Observations relating to world affairs,
with especial reference to conditions
in Europe and the Far East.

Mr. Stinnes, in his conversation on May 27, 1938,
made some interesting observations regarding world af-
fairs, with especial reference to conditions in Europe
and in the Far East.

740.00
14.00
662.00
845.00

He said that in his view the greatest contribution
to world peace would be the liquidation of the three
outstanding dictatorships: namely, Italy, Japan, and
Hitler. (He made no reference during the conversation
to Stalin or the Soviet régime). He said that Italy
was to all practical purposes already liquidated; that
Japan would be the next; and that, with these two out
of the way, Hitler would not be able to stand alone..
He said that Hitler was an emotionalist who appealed to
those who felt he stood for the right, and who did not
appeal to those who disagreed with him; that the sight
of the German people following individuals of the Hitler
type (the inference was clear that he meant to convey
the idea of a "false God") was not new in German history;
that Mussolini was a different type--a statesman, which
Hitler was definitely not.

He said that in speaking this way he spoke for the
German people. He said that he had talked along these
lines to members of the German communities he had met

both

-2-

both in China and in Japan and that they shared his views; he pointed out that he was definitely persona grata and well received by the German Ambassador and staff in China and the German Embassy here and he intimated very strongly that the personnel of these two missions were not Nazi at heart.

765.94
He said that German sympathy for China was strong and that there was little or no sympathy for Japan; that the Berlin-Tokyo axis was functioning only weakly and that it had no reason behind it. He said that the Germans were making sacrifices on behalf of Japan, in matters of trade and other unspecified directions, but that they (the Germans) were receiving nothing in return; that he took delight in asking prominent and official Japanese whether, if Germany fought Russia in the West, Japan would help Germany by fighting Russia in the East, and that replies he received were invariably evasive and unsatisfactory.

Mr. Stinnes went on to say that while the Germans were theoretically pro-Japanese (by virtue of the political line-up) and the British were definitely anti-Japanese (the British would fight Japan to the last Chinese soldier), the United States was the only interested Power in a really neutral position; that whereas President Theodore Roosevelt had once intervened to end the Russo-Japanese hostilities, it might be possible, not now but at some future time, for President Franklin Roosevelt to intervene with similar success in the present Sino-Japanese affair.

He

-3-

He reverted to his theme of contributing to world peace by liquidating the dictator countries and said that America could contribute immeasurably by making it possible for China to continue to fight to the point where Japan would become exhausted; that the United States, to this end, should lend China money and extend indefinite credits to make this possible. When it was pointed out that the bankers in the United States were not interested, Mr. Stinnes replied that he meant the American people should shoulder the burden by making Government loans to China; that "for every ten dollars lent by the taxpayer for such purpose, the taxpayer would save one hundred dollars by avoiding the cost of an inevitable future war".

8320
He said that the German Military Advisers in China, especially Falkenhausen and Stennes, were absolutely invaluable to the Chinese and that China, with their help, could continue to fight indefinitely and to the point where Japan would collapse from the strain. He said it was vital that these Advisers be not recalled from China and, taking it for granted that the American press and people shared his views, he wanted to point out that it was desirable that stories and publicity concerning these Advisers should be definitely "played down" in the American press in order to divert attention from them and thus relieve the pressure to have them recalled or removed.

He said that the morale of the Chinese was excellent and pointed out the strength of Chiang Kai-shek by saying that a few months ago Chiang had to bribe his provincial

-4-

provincial Generals and authorities to resist the Japanese; but that now he could with impunity order them shot if they failed to make effective resistance.

He said that Falkenhausen had told him that it was a part of the tactical scheme of the Chinese General Staff to permit the capture of Hsuehchow and that their only desire was to make its capture as costly as possible for the Japanese; that the Chinese policy was to continue indefinitely to draw the Japanese further and further inland and away from their bases; to lengthen and attenuate their lines to the danger point and generally so to conduct the warfare as eventually to exhaust the Japanese; that China could successfully continue these tactics even though they had to give up Hankow and Canton; that the Chinese resources were not being taxed to nearly so great an extent as were those of the Japanese.

He also remarked that the Germans with whom he had talked in China likened the Chinese and the Japanese fighting forces respectively to a six year old boy fighting with a nine year old boy; that the younger would naturally be forced to retreat from the older boy whose strength was greater but that the chase could be a long one; that if either were confronted by a grown man they could put up no effective resistance.

He asked if we couldn't do something to prevent "the financing of the war against China by the American missionaries in Japan who brought in so many American dollars; he suggested that the missionaries arrange to use "blocked yen" instead of dollars.

Reverting

-5-

762.65
140

Reverting to the European situation he said that the Berlin-Rome axis was finished; that of course Mussolini would make as much of a show of strength as possible in this direction in order more successfully to drive a bargain with England, but that the Anschluss marked the end of the axis. He said that an unnamed French statesman had told him that France would bribe Italy for support in the next European war by giving her Tunis and perhaps other African territory, but that as soon as the war was over France would turn on Italy and take back her gifts to repay her for her "treachery" (presumably referring to the German-Italian policy of recent years). He said that of course Italy paid for Abyssinia by allowing the Anschluss but that Mussolini had made a bad bargain because France would never forget. He stated positively that Italy would never come to the aid of Germany in any European war (and while he did not say as much, I gathered that he meant to imply that the reverse would also be true).

Once more, with regard to China, he said that the point of view of the Shanghai Chinese was not that of the rest of the country; that these were Chinese capitalists whose defeatist attitude was merely developed from a selfish desire to save their skins and their money; that fortunately this attitude was not reflected anywhere else in China.

JCG

152
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

TELEGRAM RECEIVED

EG ...

FROM

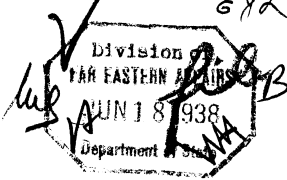
FOURTH MARINES

June 18, 1938

Rec'd 9:50 a.m.

ACTION: CINCAF
OPNAV

INFO: AMCON SHANGHAI
COMDESRON FIVE
COMSUBRON FIVE
ASTALUSNA SHANGHAI
COMYANGPAT
COMSOPAT
ALUSNA PEIPING
USS MARBLEHEAD
AMEMBASSADOR CHINA



793.94
8618. Japanese aircraft bombed Hainan Island,
Japanese columns captured Tsienshan 28 miles northwest
Anking 17 June. Vanguards another column reached
outskirts Hwoshan 27 miles southwest Liuan 16 June,
forces on north bank Yangtze claimed reached point
36 miles southwest Anking. Japanese claim naval
vessels shelling Yangtze boom area Matang east of
Kukou. 1832

WWC

793.94/13253

JUN 21 1938

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

EC

GRAY

FROM

Shanghai via N. R.

Dated June 17, 1938

Rec'd 4 a.m. June 18th

Secretary of State,

Washington.

857, June 17, 7 p.m.

Following from Tokyo:

"June 17, 11 a.m. Your May 17, 1 p.m., Foochow's
May 13, 7 a.m., Tsangchienshan safety zone.

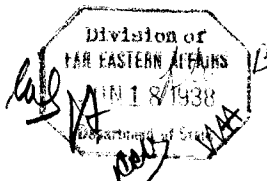
Foreign Office has just informed us that our
request that Tsangchienshan should be regarded as a
temporary safety zone has been transmitted to the
proper Japanese military and naval authorities. The
note concludes as follows:

"At the same time that the contents of the memo-
randum were transmitted, it was urgently requested,
upon the condition that the Chinese Army does not
utilize or take advantage of Tsangchienshan or its
environs in a military sense, that orders be sent to
the various military authorities at the front to
recognize that area as a temporary safety zone in the
event hostilities spread to the district around Foochow."

Please repeat to Johnson, Foochow and to the
Department as our number 386, June 17, 11 a.m. GREW."

W LOCKHART

GW:WNC



793.94/13254

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

EG ...

FROM GRAY

Shanghai via N. R.

Dated June 18, 1938

Rec'd 6 a.m.

Secretary of State,
Washington.

859, June 18, 1 p.m.

Department's 387, June 17, 1 p.m. and my 851,
June 16, 7 p.m.

Through clerical error in confusing code texts
dated June 13, 2 p.m., regret incorrect message was
transmitted. Correct message follows:

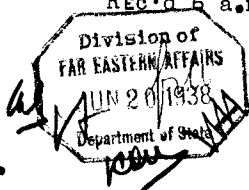
"June 13, 2 p.m. Your June 13, 10 a.m.

Your suggestion approved. Please telegraph
Tokyo. Johnson."

Repeated to Hankow.

LOCKHART

DDM:GW



793.94/13255

FILED

JUN 24 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. Dunham NARS, Date 12-18-75

TELEGRAM RECEIVED

EG

FROM

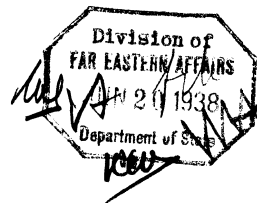
FOURTH MARINES

June 19, 1938

Rec'd 11:30 a.m.

ACTION: CINCAF
OPNAV

INFO: AMCOMAT SHANGHAI
COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMDEBRON FIVE
COMTANGPAT
COMER SOUTH CHINA PATROL
USS WAREHEAD
ALUSNA PEEPING
ROUTINE TO OPNAV AND CINCAF



8619. Japanese planes bombed Hainan Island
and Canton-Hankow Railway. Naval units shelled
Chinese positions 20 miles upstream from Anking.
1830.

RGC

793.94/13256

FILED
JUN 24 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. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

EG

Yoro

FROM

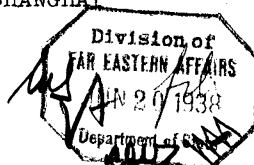
ASTNAV ATTACHE NANKING

June 19, 1938

Rec'd 11:30 a.m.

892
ACTION: ASTNAV ATTACHE SHANGHAI

INFO: CINCAF
COMSCPAT
NAVY DEPT
ALUSNA PEIPING



793.94
0019. Sixteenth fight was nine gladiators
against six newest retractable landing gear bombers.
Former had only slight speed margin, nips flying
tight formation. Sino leader dove under front
plane whose gas tank bombs exploded dispersing
companions. Four of remaining five then were
pursued singly and shot down. 1435

RGC

793.94/13257

FILED
JUN 24 1938

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

LEGAL ADVISER
MAY 24 1939
DEPARTMENT OF STATE

EG

GRAY

FROM

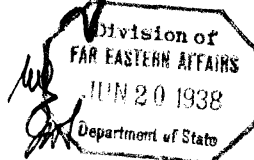
Foochow via N. R.

Dated June 18, 1938

Rec'd 5:55 p.m.

287.
Secretary of State,
Washington.

June 18, 10 a.m.



file
LE
Jm3.

792.94
393.1162 Christian
Mission

Six Japanese planes operating in two groups of three bombed Tunghu, military headquarters in eastern environs of Foochow and the upper bridge area to west of the city, dropping between twenty and thirty bombs in all and apparently scoring several direct hits on headquarters. Bombs fell within one or two yards of Christian Herald Mission, American property, but two Americans there were unharmed, although several windows were shattered and shrapnel fell on house. Will report details of damage and casualties when they become available.

To Hankow and Peiping.

WARD

RGC:EDA

MAY 24 1939
RECEIVED

793.94/13258

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

GPO

FROM

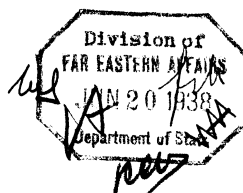
COMSOPAT

June 18, 1938

Rec'd 1:35 p.m.

ACTION: OPNAV

INFO: COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMDESRON FIVE
AMAMBASSADOR CHINA
USS ASHEVILLE
USS SACRAMENTO
USS TULSA
USS EDSALL
FOURTH MARINES
ALUSNA PEIPING



793 94

0018. Air raids railroads and northern vicinity
Canton five bombs whitecloud mountain area nine BLP
two FLP sighted Kulangsu Amoy area quite. 2155.

WWC

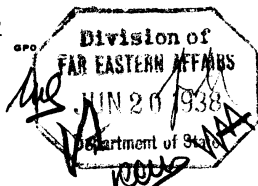
793.94/13259

FILED
JUN 24 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. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR



FROM

GRAY

Chefoo via N. R.

Dated June 18, 1938

Rec'd 12:05 p.m.

Secretary of State,
Washington.

June 18, noon.

EFZ

News has just been received of bombing of town of
Hwanghsien, Shantung, on June 15th by Japanese aircraft.
Bombs fell inside walled town. Americans and property
in Southern Baptist Mission outside walls of town not
(repeat not) harmed.

ROBERTS

WVC

793.94
note
393-1163 Am 33

793.94/13260

FILED
JUN 24 1938

F/FG

17

53
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

EG

TELEGRAM RECEIVED

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

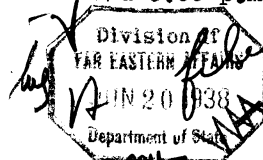
FROM

Shanghai via N. R.

Dated June 18, 1938

Rec'd 6:05 p.m.

Secretary of State,
Washington.



860, June 18, 2 p.m.

Department's 180, June 16, 4 p.m. to Hankow.

My June 13, 10 a.m. to Hankow which is quoted
in my 851, ¹³²⁴⁰ June 16, 7 p.m. to the Department, was
sent in gray code as was also my June 13, 7 p.m. to
Tokyo, which is also quoted in my 851, June 16, 7 p.m.
to the Department.

Hankow's 292, ¹³²²⁷ June 15, 11 a.m., second paragraph,
there is every probability that Admiral Yarnell's
statement in plain language was intercepted by some
private radio receiving set either in Shanghai or
elsewhere. This Consulate General did not (repeat
not) give out the statement. Admiral Yarnell made no
reply to the Japanese authorities, the only reply made
locally being my reply to Minister Tani, the substance
of which is quoted in my 851, June 16, 7 p.m. which
reply was made under instructions from Ambassador
Johnson.

LOCKHART

RGC:EDA

793.94/13261

FILED / FG
JUN 24 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

EG

GRAY

FROM

Tsingtao via N. R.

Dated June 18, 1938

Rec'd 6:30 a.m.

Secretary of State,

Washington.

June 18, 2 p.m.

My June 18, 9 a.m. regarding bombing of American mission property at Pingtu.

In addition to bombing Pingtu, Japanese planes have dropped bombs on Laiyang about 72 miles northeast of Tsingtao, on Shatzekou a coastal town about eighteen miles northeast of Tsingtao, on Wangko Chuang about thirty miles northeast, and also on Tsimo before re-occupying that place.

Because plain clothes men damage roads and bridges and attack supply motor vehicles Japanese cannot maintain garrisons in many towns of Shantung. The Japanese policy is now to drop bombs on towns which they cannot hold killing chiefly innocent civilians but harming few guerrillas.

Sent to Hankow, Peiping and by mail to Tokyo.

GOURLEY

RGC:EDA

LEGAL ADVISER
JUN 25 1938
DEPARTMENT OF STATE

Division of
FAR EASTERN AFFAIRS
JUN 20 1938
Department of State

793.94/13262

F/A

JUN 27 1938

FILED

U

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

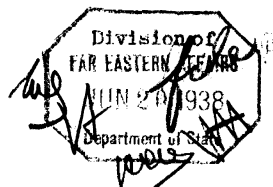
MARDET TIENTSIN

June 20, 1938

Rec'd 7 a.m.

ACTION: NAVY DEPT

INFO: CINCAF
FOURTH MARINES
MARDET PEIPING



0020. 12-19 JUNE 1800. Well equipped young Jap
soldiers passed south through Chinwangtao including
about 25 cars of new artillery. 20 railroad wagon loads
old damaged field pieces went toward Mukden. 0808.

DDM

793.94/13263

FILED

JUN 22 1938

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

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

EDA ...

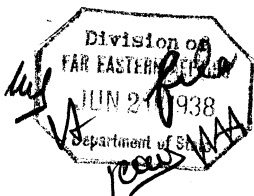
FROM

FOURTH MARINES

June 20, 1938

Received 10:20 a.m.

ACTION CINCAF
INFO: OPNAV
INFO: AMCON SHANGHAI
COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD



9620 Japanese deny naval vessels sunk by Chinese planes, admit one transport slightly damaged Chinese planes all escaped Japanese pursuit. Japanese planes bombed Hainan Island Canton Hankow Railway and Canton Koloong highway Japanese claim landed infantry detachment at Wangkiang north bank Yangtze 50 miles below Kiukiang 1815.

RR:WWC

793.94/13264

F/FG
FILED
JUN 22 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

DOCUMENT FILE

NOTE

SEE 701.9394/21 FOR memorandum

FROM State Department (Mackay) DATED June 9, 1938
TO Division of Far NAME 1-1127 ***
Eastern Affairs

REGARDING:

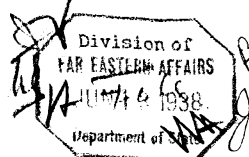
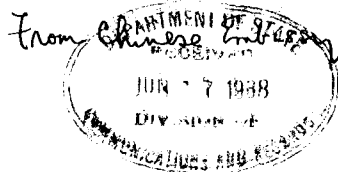
Closing of the Chinese Embassy in Tokyo does not mean a
severance of diplomatic relations between China and Japan.
Conversation with Embassy official to this effect.

✓
emc

793.94/
15265

79394
15265-1

153
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



DLR

TEXT OF A TELEGRAPH MESSAGE RECEIVED AT
CHINESE EMBASSY, DATED HANKOW, JUNE 13, 11:55 P.M.

94
The Japanese forces coming up the Yangtse River via
eight transports and some fifty warships attempted to effect
landing three points between Kweichih and Anking, but they
were repulsed after severe engagement. About eight hundred
Japanese were killed, and several motor launches and forty
machine guns were captured.

The Chinese positions in Eastern Honan are unchanged.

793.94/13266

JUN 17 1938

FILED

F/FG

53

~~22~~
~~22~~
~~22~~

Shanghai, May 28, 1938.

RECEIVED
JUN 20 AM

THE SECRETARY OF STATE,
WASHINGTON.

DEPARTMENT OF STATE
DIVISION OF
COMMUNICATIONS AND RECORDS
PUBLICATIONS SECTION
JUN 21 1938

793.941/3267

by the China

ENCLOSURE

RECEIVED
JAN 10 1938
U.S. DEPT. OF STATE

Enclosure:

Enclosure:

000
FPL:LMF

FILED
AUG - 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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

June 8, 1938.

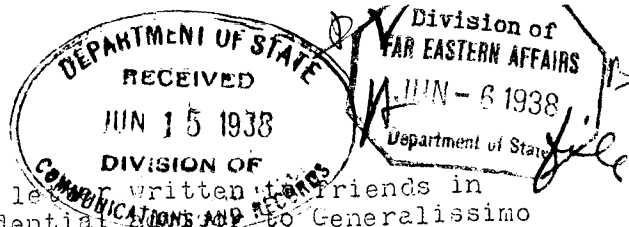
~~LOV~~
~~ARR~~
~~LES~~
~~ROM~~

~~ROM~~

You may care to read marked passages on pages 2 and 3 of attached document, alleged to be an extract from a letter written by W.H.Donald. The letter is apparently addressed to someone in England and most of it is devoted to a plea for more active British interest in the Chinese cause.

~~R~~
~~XP~~

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



NOT FOR PUBLICATION

The subjoined extract from a letter written to friends in London by Mr. W. H. Donald, confidential agent to Generalissimo Chiang Kai-shek is communicated to you for your private information, and is not to be published. Mr. Donald is discussing in part British policies in the Far East but there is much in his report which will be of vital interest to friends of China in America.

Helen M. Loomis, Secretary,
CHINA INFORMATION SERVICE.

Editors

Frank W. Price,
Harry B. Price,
Earl H. Leaf.

PRIVATE & CONFIDENTIAL.

Headquarters of the Generalissimo,
Wuchang, China.

15th April, 1938.

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So frantic is Tokyo about these happenings that a dispute has occurred between the Minister of War and the Premier as to the policy that should be pursued to subjugate China. The latter is for throwing everything into China in an effort to effect a speedy victory, while the Minister of War wants to be a bit more cautious.

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To me it seems certain that in the end - that end may be a long way off in terms of time - China will win, and if she is able to do so without the aid of Great Britain, or any other Democracy, she will be entitled to feel that if she could do without them in war she can equally do without them in time of peace. The one thing that the Chinese would not be able to define, in the event of victory achieved with help of some kind from Great Britain, would be how far the British really assisted them to win that victory. They would always feel that without such help they might have failed, and Great Britain would always be given the credit for assisting them to overcome their enemy and recover their country at a time of grave danger. I cannot help thinking that it would pay the British to show very warm sympathy to the Chinese, and adopt a helpful attitude wherever possible. It would cost Great Britain a fraction of the amount she is spending in preparation eventually to fight Japan if she would, secretly or otherwise, now send equipment and munitions, and some expert advice where necessary, to China. Instead of doing that she is reluctant to sell any arms to China. Even when she sold a few airplanes she refused the armament, and the guns had to be procured somewhere else. In Hongkong we almost turn over backwards in order to keep Japan from getting offended because that port is used for the transshipment of materials of war. China could not even erect a British Dragon Rapide passenger airplane, designed solely for transport use, and fly it out of Hongkong territory. Permission was very grudgingly given to erect and fly out three of these planes fitted as ambulances. Only then, however, when guarantees were exacted that the planes would not be otherwise used.

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However, apart from any selfish interests, the British Government surely is obligated to help China out of the awful situation in which she has become involved in order to defend herself against consequences arising out of the failure of the Democracies to sustain the treaties and the international law to which they are committed and which they profess so strongly to uphold - treaties and laws which Japan has violated in contempt of all foreign opinion, and in defiance of all foreign power.

Surely, the nine months of fighting which inadequately armed China has put up single-handed against Japan with her great accumulation of modern weapons, her vast concentrations of mechanized equipment, and her great air force and navy, is sufficient to shame our Government into asking a few questions about happenings out here.

Is there not someone in the House of Commons gallant enough to get up and ask whether or not Japan is still worthy of being rated as a first-class Power? Cannot a question or two be asked with the object of exposing the Japanese army for just what it is? We have so long feared the invincibility and the prowess and the "unexampled discipline" of the Japanese soldiers that it is about time our people learned, somehow or other, that the Chinese have exposed those soldiers to be no better than the army of a third-class Power.

There is also the other aspect of the actions of the Japanese army in China which should be exposed in the fullest light of day. That is the inhumane practices that Japanese officers and soldiers are pursuing in China. Apart from their wholesale, cold-blooded murder of able-bodied men, their slaughter of wounded soldiers, their raping of women, and their theft of children, is their organized looting of everything of value in this country that can be transported to Japan. They have stolen everything of metal from the crude tools of village workmen to the modern equipment of great mills, and transported them to Japan. Proof of all this is available from the Consul-General in Shanghai. It can be shown that the Japanese officers are engaged in the huge business of racketeering and gangsterism, equally with the soldiers under their command.

A set of questions beginning with "Is it true that", could be asked to uncover and expose all the facts necessary to show the people of Great Britain and, indeed, the world, the rottenness

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of this army of Japan which has always been held up to the world as a model of discipline and a force invincible, one almost sacredly cherishing the chivalry of the Samurai and the principles of Bushido. All the facts can be secured from our Consuls and our Military Attache. The War office must have them. It seems to me that Great Britain owes that much to her people and to the world, even if she does not feel she has the courage openly to defy Japan by upholding her own rights and interests, by protecting her subjects, and by insisting upon pursuing her own business in China.

The very fact that the Chinese soldiers who have hitherto been regarded with contempt not only by Japan but by the world, have been able, at the end of nine months of strenuous bombardment, to inflict upon Japan what she admits as "the worst disaster in her history" should be sufficient to inspire someone to devise the necessary questions to reveal in the House of Commons just where we stand. Why go on with this tremendous burden of taxation upon the people of Great Britain for armament when some relief, at least, could be secured by intelligent action at this time to help China defeat Japan, and thus support our professed belief in the sanctity of treaties and international law, as well as the policy we claim of lending no encouragement of any kind to aggressors?

Japan is deliberately bent upon exterminating the Chinese race and culture, either by inflicting death upon them or by starving survivors by destroying their means of livelihood. If they succeed in this terrible objective they also destroy the purchasing power of the people by impoverishing them, and thus will automatically obliterate the commercial interests of Great Britain. Cannot our statesmen see this? The Japanese have not hidden their ideas, for they have openly stated that they do not intend to permit either Great Britain or America to give any assistance to China in her work of rehabilitation. It is regrettable to think that Great Britain accepted, in a way, this pronouncement, since she did not openly put her foot down and give Japan something to think about. It is a fact, of course, that Great Britain, at one time, in a sort of defiance of Japan, did send Sir Leith-Ross to China, but in no case has Britain stood in this China situation where Britain used to stand vis-a-vis the world in days of old.

As a Briton who has worked in China for thirty-four years now and who knew the power and the prestige in China of our country, and has seen it dwindle, I do hope that we will now take a few sensible and simple steps so that we may recover what we have lost. This can be done by a realistic view of the feet of clay of Japan, and by a practical effort to support the principles which we espouse by giving China assistance, some way or other, to procure what she needs to help her fight successfully the war which has been imposed upon her, and which is, to say the least, one of the wars of the Democracies against Dictators.

The morale of the Chinese at the end of these nine months is high. There are no complaints coming from the millions of refugees who have lost their homes and all their possessions and many of their relatives. There is a determination to pursue this war until the Japanese are driven out of China, or the last ounce of

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TELEGRAM RECEIVED

CORRECTED COPY

JR ^{oro}

FROM

GRAY

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

Peiping via N. R.

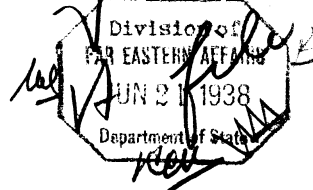
Dated June 20, 1938

Rec'd 10:48 a.m.

Secretary of State,

Washington.

13269



382, June 20, 3 p.m.

One. The Japanese appear to be advancing slowly, steadily up to the Yangtze. It is believed that this advance is facilitated by their resourceful method adopted in the lower river of transporting troops and military equipment in small boats, a brigade at a time, in order to undertake necessary land fighting in conjunction with naval attack. They claim to have captured June 19 Tikanchen, on the south bank about 30 miles up river from Wuhu, and it is probable that in a short time they will have consolidated their positions, both banks below Anking. In advance of these operations, troops from Anking supported by naval vessels are making for Wangkiang just north of the Yangtze about 40 miles from Anking and are said to have progressed 20 miles. It is believed that the chief objective of this column is Kiukiang whence at least

part

793.94/13269

JUN 24 1938

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

-2- #382, June 20, 3 p.m., from Peiping via N. R.

part of it will head toward Changsha with a view to cutting the Canton-Hankow Railway. The main attack on Hankow will presumably be in two routes one along or near the river from Kiukiang and one from Hofei (Luchowfu) Anhwei. The Japanese claim that the latter column occupied June 19 Tsienshan about 35 miles west by north of Anking but the press reports that the Chinese deny that this place which is only about 120 miles east of Hankow has yet been lost.

Two. Chinese claims to have sunk six Japanese war vessels above Anking since June 14 are denied by the Japanese but are probably true at least in part. Repeated to Embassy, Hankow, Nanking, Consul Shanghai, by mail to Tokyo.

SALISBURY

WWC: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

See corrected copy
TELEGRAM RECEIVED

JR

GRAY

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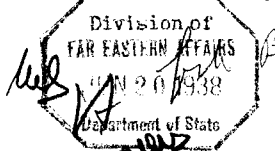
FROM

Peiping via N. R.

Dated June 20, 1938

Rec'd 10:48 a.m.

Secretary of State,
Washington.



382, June 20, 3 p.m.

793.94

One. The Japanese appear to be advancing slowly, steadily up to the Yangtze. It is believed that this advance is facilitated by their resourceful method adopted in the lower river of transporting troops and military equipment in small (*), a brigade at a (*), in order to undertake necessary land fighting in conjunction with naval attack. They claim to have captured June 19 Tikanchen, on the south bank about 30 miles up river from Wuhu, and it is probable that in a short time they will have consolidated their positions, both banks below Anking. In advance of these (?), troops from Anking supported by naval vessels are making for Wangkiang just north of the Yangtze about 40 miles from Anking and are said to have progressed 20 miles. It is believed that the chief objective of this column is Kiukiang whence at least part of it will head toward Changsha with a view to cutting the Canton-Hankow Railway. The main attack

on

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F/FG

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

-2- #282, June 20, 3 p.m., from Peiping via N. R.

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or near the river from Kiukiang and one from Hofei
(Luchowfu) Anhwei. The Japanese claim that the latter
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by north of Anking but the press reports that the
Chinese deny that this place which is only about
120 miles east of Hankow has yet been lost.

Two. Chinese claims to have sunk six Japanese
war vessels above Anking since June 14 are denied by
the Japanese but are probably true at least in part.
Repeated to Embassy, Hankow, Nanking, Consul Shanghai,
by mail to Tokyo.

SALISBURY

WWC:CSB

(*) Apparent omissions.

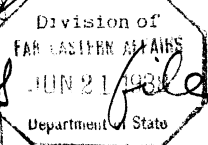
155
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

NO. 1431

AMERICAN CONSULATE GENERAL,
Shanghai, China, May 14, 1938.

Confidential

For Distribution:	TO: []
Grade:	1a U.S.A.
For:	



SUBJECT: Intelligence Summaries for April 1938.

RECEIVED
DEPARTMENT OF STATE
JUN 23 10 10 AM '38
THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to refer to my despatch no. 1326
1/ of April 6, 1938, and to enclose, as of possible inter-
est to the Department, copies of intelligence summaries
prepared by Captain R. A. Boone, Intelligence Officer
of the United States Fourth Marines, for the month of
April 1938.

Respectfully yours,

Frank P. Lockhart
Frank P. Lockhart
American Consul General

Enclosure:

1/- Intelligence Summaries
for April 1938.

800
EFS MB

In Single Copy.

Copy to Embassy, Hankow.

Copy to Embassy, Peiping.

793.94/13270
JUL 6 1938
F/FG 13270

155
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

5 April, 1938

RESTRICTED

R-2 REPORT, PERIOD 0800 2 APRIL TO 0800 5 APRIL, 1938

1. Operations

Despite continued claims of the Chinese command to the contrary, it appears that the Japanese offensive has forced its way to the Grand Canal through the strategic city of Taierchwang, and thus made the first real breach in the Hsueh defense. The attack in this sector against defenses six years in the building has proved the most difficult of the entire Tsinpu campaign for the Japanese.

Though certainly a victory for the Japanese, the costly capture of Taierchwang brings their problem little nearer solution, for the resistance on both flanks remains unshaken. Lini is still in Chinese possession, and the southward drive from Tsinning has progressed less than ten miles, thus rendering the Japanese Taierchwang salient precariously sharp. That the Japanese themselves consider the task far from completion is concretely illustrated by the steady stream of reinforcements pouring in from the Fingsui, Pinghan, and Shansi fronts.

During the past few days there has been a concerted resumption of Chinese guerilla activity in the region between Hangchow and Wuhu. Chinese units based near Kwangteh have made surprise raids on the Japanese garrisons at Wuhing and Linghu, in reply to which the Japanese are reported to have launched a punitive campaign,--burning villages in an effort to stamp out the guerillas.

According to Chinese reports, mobile units have succeeded in crossing the Chientang river east of Hangchow, and are harrassing the Shanghai-Hangchow communication system.

On 2 April, we are informed, Japanese gunboats on the Yangtze bombarded the Hohsien area where Chinese troops have taken up positions once more.

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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

DBH/gustafson
May 3, 1973
NARS Date *Mar 19*
1973

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

2 April, 1938

RESTRICTED

R-2 REPORT, PERIOD 0800 31 MARCH, TO 0800 2 APRIL, 1938

1. Operations

The most hotly contested battle since the Shanghai campaign continues in progress on the northern Tsinpu front. The greatly augmented Japanese force is trying desperately to dislodge the Chinese defenders from the final Hsuehchow defense line. Heaviest fighting of the conflict is in progress between the key cities of Taierschwang and Lini, both of which remain in Chinese possession--although the Japanese military claim the northwest portion of Taierschwang.

For the subjugation of Lini, which has thus far stubbornly held out against every attack, the Japanese have launched a vigorous drive eastward from Yihhsien, which, in concert with the relentless attack from the north, threatens to cut the town off from the main defense.

In the sector west of the rail line the Japanese advance units are reported between ten and twelve miles south of Tsinning, meeting the same vigorous resistance which they have encountered in this area for the past two months.

The magnitude of this conflict in southern Shantung is illustrated by the fact that on the front between Lini and Tsinning alone, there are between 280,000 and 300,000 Chinese, faced by about 150,000 Japanese.

The Nipponese threat to the Hsuehchow defense from the southeast is making slow but steady progress. It is last reported to have reached a point about 115 miles south of the Lunghai line.

2. Miscellaneous

We learn, from a reliable source, that the Japanese expect a major intensification of the Chinese air activity in the region north of the Lunghai in Shansi, Honan, and Shantung. The Chinese, according to our informant, have about 260 planes distributed along the Lunghai line between Sian and Hsuehchow.

DECLASSIFIED

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

OSD letter

1972

1973

R. A. T. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

9 April, 1938

RESTRICTED

R-2 REPORT, PERIOD 0800 7 APRIL, TO 0800 9 APRIL, 1938

1. Operations

Launching a coordinated counter offensive on the Japanese exposed left flank in the Taierchwang sector, ten Chinese divisions have swept through the much contested area and driven the Japanese to the northward. The Nipponese 10th division, which has borne the brunt of the Taierchwang engagement for a fortnight, suffered heavy casualties and disorganization during the fighting on the seventh, when a Chinese column driving westward from Ssuhu cut the highway north of Taierchwang isolating a part of the Japanese force, and driving another portion to the northwest toward Yihsien.

Denied by the Japanese authorities, the reports of Chinese victories are discounted by some observers. However such successes do not appear illogical when one recalls that the Taierchwang-Lini defenses are considered quite as strong as those which the Chinese had prepared in the Shanghai area. In addition, the Japanese in their Shanghai campaign, suffered little supply and communication difficulty, while on the Tsinpu drive guerrilla bands (and even larger units) have so harassed the Nipponese life lines that front line units have frequently found themselves without ammunition or food. Costly and inefficient airplane drops have perforce been used extensively.

There is no information at hand concerning the all-important Japanese attack northward from Nantungchow.

SE7 *[Signature]*
1973

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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

OFFICE OF THE REGIMENTAL INTELLIGENCE OFFICER,
HEADQUARTERS, FOURTH MARINES,
SHANGHAI, CHINA.

11 April, 1938.

RESTRICTED

R-2 REPORT, PERIOD 0800, 9 APRIL, TO 0800, 11 APRIL, 1938

1. Operations

Following their success at Taierchwang, units from the Chinese 13th Army of General Tang En-po pressed northward and are now reported to have reached the southern outskirts of Yih sien, where remnants of the Japanese 10th Division are holding out. Farther to the eastward, remaining portions of the 5th (Itagaki) division are being searched out and surrounded by the active Chinese forces.

Siezing the opportunity offered by the compromising situation in which they find the Japanese, guerrillas and mobile units along the Tsinpu have moved swiftly into action. Cutting the railroad in numerous places, the harassing detachments have further intensified the Nipponese problem by attacking garrisons all the way from Tsinanfu to Tsaöchwang. As a result, the Nipponese find the railway useless, and the accompanying roads extremely hazardous. Reinforcements which otherwise might have sped southward on the rail line to the battle front, are instead being sent to Tangku for embarkation with their destination probably Jihchao on the Shantung coast, 70 miles northeast of Lini, - or perhaps Haichow, the Lunghai Terminus.

This catastrophe, - probably the first major defeat Japan has suffered since she became a world power, has tremendously increased the morale and will to resist of the Chinese people.

In the Central China area, extensive guerrilla activity is reported in the region near Tingyuan (Anhui), and Wuhing (Tai Hu Lake district).

On the night of 3 April, about 100 Chinese plain clothes men attacked Chengzu railroad station about 4 miles north of Shanghai. They were driven off and about fifty either killed or wounded. These fifty corpses may now be seen trussed up along the roads in the vicinity of Chengzu.

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
OSD letter, May 3, 1971
By John NARS Date Mar 19, 1973

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

156

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

13 April 1938

RESTRICTED

R-2 REPORT, PERIOD 0800, 11 APRIL, TO 0800, 13 APRIL, 1938

1. Operations

The sanguinary fighting which has been in progress immediately south of Yih sien for four days has failed to result in a victory for the Chinese. Japanese forces defending the region have apparently received reinforcements and, by small counter-offensive thrusts, have been able to hold their ground. The Japanese military remains enigmatically silent on the progress of these operations while the Chinese command claims that a Nipponese retreat from Yih sien is imminent.

To the eastward the Chinese claim to have regained partial control of the Tsaochwang-Lini highway by recapturing Siangcheng 17 miles east of Tsaochwang. Fighting is in progress at Chuchen, seven miles southwest of Lini.

The Japanese describe large scale mopping-up operations in central Shansi in which numerous guerilla bands have been annihilated. A numerical summary of the Nipponese claims of the past 10 days discloses that they have liquidated 77,200 guerillas in this province.

Mobile activities have increased materially in the Shanghai-Hangchow-Soochow area in the past week. In this connection, an American who has recently returned from Kiangyin states that the Japanese garrison at that place does not dare to venture more than a mile from the town on their foraging expeditions. He further states that there are in the area, numerous ex-Northeastern troops which were left behind when the fighting swept past Kiangyin. These men have turned bandit, and a short time ago engaged in a pitched battle with a Chinese mobile detachment.

2. Miscellaneous

We are informed that on 1 May the five-barred flag will be hoisted on all Chinese customs establishments in Japanese-controlled territory. Foreign employees who desire to retain their positions under the new regime will be permitted to do so, though a shift in a number of senior posts is probable.

L. E. Hylphman

*Mar 29,
1973*

R. A. Boone

R. A. BOONE,
Captain, U. S. Marine Corps,
Regimental Intelligence Officer.

156

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

15 April 1938

RESTRICTED

R-2 REPORT, PERIOD 0800, 13 APRIL, TO 0800, 15 APRIL, 1938

1. Operations

There is no great change in the Tsinpu situation in Shantung. Following their success in the Taierchwang sector the Chinese attackers have been unable to overcome the resistance offered by the reinforced Nipponese units around Yih sien. Steady fighting is in progress along the Yih sien-Hanchwang line,--both of which towns are in Japanese possession. According to Chinese claims, Tsaochwang, 5 miles north of Yih sien, has been abandoned by the Japanese.

Evidencing a good measure of coordination in such a large army, Chinese troops have siezed the advantage offered by the reduction of the Japanese Pinghan forces, and have launched a counter offensive in northern Honan. Crossing the Yellow River near the Mengtsing ford, a Chinese unit attacked Japanese positions at Menghsien and Tsiyuan.

A further contribution to the Chinese offensive efforts have been the vastly increased guerilla activities of the past few days. Reports received describe extensive irregular operations along the Pinghan railway, to within 15 miles of Peiping. On the Tsinpu line guerillas have begun a systematic campaign of harassment and destruction which has extended to the outskirts of Tsinan, and to within a few miles of Tientsin.

In the central China area attacks have been launched on Juhu, Kwangteh and Wuhing, while the Shanghai-Hangchow and Kashing-Chapu roads have both been cut in several places.

In the immediate Shanghai area the number of refugees coming into the city has more than doubled. On the night of 12 April a band of Chinese plain clothes men, between 3 and 4 hundred strong, armed with rifles and a few machine guns, spent the night in the vicinity of Zau Woo Kyung (2 miles southwest of Siccawei). The following night, small arms fire which is frequently heard by residents of the western French Concession was greatly intensified. On the 14th, two truckloads of wounded Japanese soldiers were seen passing into Nantao from the west.

R. A. Boone

R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

L. H. Ashman May 19, 1973

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

16 April 1938

RESTRICTED

R-2 REPORT, PERIOD 0800, 15 APRIL, TO 0800, 16 APRIL, 1938

1. Operations

The situation on the Tsinpu front remains virtually unchanged. The Chinese admit that they have met strong resistance at Yih sien, and there is evidence that a Japanese counter offensive effort has begun along the Tsaochwang-Lini motor road, with the heaviest fighting in the vicinity of Siangcheng.

Belated news has finally arrived concerning the progress of the Japanese column which began a drive northward from Nantungchow on 17 March. The unit, which appears to have been one reinforced brigade (total 10000 men) moved north to a point near Wuyu (about 90 miles from the Yangtze) where early this month, it met vigorous resistance. The Chinese forces are said to have succeeded in cutting off the advancing infantry units from their artillery support, and inflicting heavy casualties.

The magnitude of the guerilla activities in the local sector is well illustrated by the fact that about 1400 wounded Japanese soldiers have been returned to Shanghai in the past two weeks. Yesterday a steady stream of artillery, cavalry, infantry and supply vehicles, were noted moving westward through Chapci, - apparently toward the troubled area.

(Note: No map is included with this report as the map situation remains the same as 15 April.)

DECLASSIFIED

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

State letter, May 3, 1972

NARS Date

L. Hilphman
Mar 19, 1973

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence
Officer.

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

HEADQUARTERS, FOURTH MARINES
 SHANGHAI, CHINA

19 April 1938

RESTRICTED

R-2 REPORT, PERIOD 0800, 16 APRIL, TO 0800, 19 APRIL, 1938

1. Operations

The character of the Chinese counter offensive salient on the northern Tsinpu front has undergone little change in the past three days. Repeated Chinese attacks on Yih sien from the south, and on Hanchwang from the east have met with no success.

On the Siangcheng-Lini line the Chinese have been forced to revert to the defensive. Reinforced Japanese units have retaken Siangcheng, while heavy fighting is in progress to the east of Lini. It appears most logical that the inevitable Japanese offensive will be centered around the Chinese right flank positions in this area.

To augment their strength in Shantung, the Japanese have chosen to reduce their occupant forces in Honan and Shansi. Following rapidly on the heels of this situation, Chinese units have recrossed the Yellow River and occupied numerous points from which the Nipponese garrisons have been transferred. A Chinese detachment is reported to have crossed the river east of Tungkwan and siezed the towns of Chaotsun and Juicheng. In Honan, fighting is reported in the Tsiyuan-Tsiyang sector.

According to a report received from North China the Japanese garrison was withdrawn last week, from Kaoyang, 25 miles southeast of Paotingfu. Immediately following this action a well organized Chinese force marched in and occupied the town.

Guerilla activities have continued unabated in the Central China region. Both the Shanghai-Hangchow railway and motor road have been cut by mobile detachments in the past week, while Taitang, 28 miles northeast of Shanghai was attacked on three occasions.

2. Miscellaneous

We are informed that the ban on Trans-Siberian visas, which is in effect at present, will be lifted on or about 3 May.

A foreigner who spent the last 2 days at Zau Woo Kyung heard the fire of rifles, machine guns and field guns (mortars) ?? to the southwest. It is reliably reported that Chinese plain clothes units have field guns (mortars) ?? at Za Chia-chiao, on the Sunkiang-Minghong road. Japanese planes have scattered handbills over the countryside warning citizens not to house plain clothes soldiers under penalty of burning the houses -- "levelling everything to the ground."

DECLASSIFIED

SE Helphman *16/19*
1973

R. A. Boone
 R. A. BOONE,
 Captain, U.S. Marine Corps,
 Regimental Intelligence Officer.

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

HEADQUARTERS, FOURTH MARINES
 SHANGHAI, CHINA

21 April 1938

RESTRICTED

R-2 REPORT, PERIOD 0800, 19 APRIL, TO 0800, 21 APRIL, 1938

1. Operations

The reinforced Japanese counter offensive has finally achieved results. Moving in on the Chinese right flank positions from the north and east the Nipponese forces gradually enveloped the defenses along the Tsaochwang-Lini road, and on the 19th, succeeded in making a breach in the north wall. Assault troops followed in immediately and, according to Japanese reports, have gained control of the greater part of the city.

Lini was the keypoint of the Chinese right flank defense scheme, and its importance in the Lunghai defense cannot be over emphasized. Unless the Japanese have, by extended communications, again left themselves open to counter-attack (which appears illogical at this time) the collapse of the remaining 40 miles between Lini and the Lunghai appears inevitable.

Japanese military spokesman describe continued large scale mopping up operations in central and southeastern Shansi. A summation of the Japanese claims for the past ten days shows a total of 50,200 guerillas "liquidated", bringing the total for April to 127,400.

We are informed that units from the Chinese 132nd Brigade, after crossing the Yellow River near Shanhsien (55 miles east of Tungkwang) were repulsed in an attack on the Japanese garrison at Pinglu.

Although there is some evidence of the resumption of the Japanese northward drive from Nantungchow, it is now halted, with the northernmost units at Tungtai 70 miles north of Nantungchow. 500 Japanese are stationed in Tungtai and 500 at Jikao. Some 1500 are at Nantungchow and the remainder are scattered out as garrisons in the towns between Nantungchow and Tungtai.

While not a success strategically, this drive proved to be a very successful looting raid, as large quantities of goods of various kinds are stored in this area. The attack was so sudden that the Chinese did not have time to move these valuables and, as a result, most of them were siezed by the Japanese. For example they obtained, among other things, \$500,000 worth of kerosene.

Reliable information from Tsintao indicates that the Tsingtao-Tsinan railroad has been broken by guerillas several times since April 11th and train service has been badly disrupted.

DECLASSIFIED

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

OSD letter, May 3, 1970

By Milton O. Gustafson NARS Date 12-18-75

R. A. BOONE
 R. A. BOONE,
 Captain, U.S. Marine Corps,
 Regimental Intelligence Officer.

156

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

23 April 1938

RESTRICTED

R-2 REPORT, PERIOD 0800, 21 APRIL, TO 0800, 23 APRIL, 1938

1. Operations

With reinforcements continuing to arrive on both the central and eastern Shantung fronts, the Japanese counter offensive drive has crystallized to the point where it cannot fail to result in one of the most decisive engagements of the war.

In the Lini sector, the abandonment of the city by the Chinese appears to have been completed in an orderly manner during the early morning of the 20th. The Japanese, after mopping up in the urban area, which had been devastated by heavy artillery fire, continued their advance southward on the Lini-Sinanchen road. Last reports place the fighting about six miles south of Lini where the Chinese have occupied another previously prepared defense line.

To the west of Lini there are two more active Japanese offensives. Driving southeastward from Yih sien one Nipponese column is attempting to outflank the Chinese force on the Tsinpu, while another unit is pressing southward on the Siangcheng-Taierchwang road.

The Chinese counter offensive efforts in northern Honan have met with considerable success, according to Hankow reports. Units of the 166th Division are supposed to have retaken both Menghsien and Tsiyuan.

There is considerable evidence to indicate a resumption of the offensive on the southern Tsinpu front, or the northward drive from Nantungchow,--perhaps both. Transports loaded with troops have been noted moving up the Yangtze, together with an increased number of supply vessels.

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

May 3, 1973

W. A. T. Boone
Mar 19,
1973

W. A. T. Boone
R. A. BOONE,
Captain, U. S. Marine Corps,
Regimental Intelligence Officer.

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

26 April 1938

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

RESTRICTED

R-2 REPORT, PERIOD 0800, 25 APRIL, TO 0800, 26 APRIL, 1938

1. Operations

The Nipponese offensive in southern Shantung continues its steady progress toward the Lunghai. The eastern column, driving down the Lini-Sinanchen road completed the occupation of Tancheng during the night of the 25th, and has resumed its southward march.

The Japanese force pressing southward from Siangchen is reported nearing Pihhsien in Kiangsu, only 14 miles north of the Lunghai line. At the same time, heavy fighting is in progress in the embattled Taierchwang area, with Japanese forces within seven miles of the town.

At this point the fracture of the Lunghai railway at some point between Sinanchen and Yunho appears inevitable. However there still remains the Grand Canal as a defensive barrier between the Japanese and Hsuehowfu.

Chinese units continue to make their way back across the Yellow River into Shansi and northern Honan, where they have moved without delay to seize villages abandoned by the Japanese.

Activities of Chinese mobile units between Hangchow and Wuhu are causing the Japanese unceasing difficulty. The extreme western limit of the Nipponese penetration appears to be on a line through Fuyang (18 miles southwest of Hangchow), Ningkwo (55 miles southeast of Wuhu), and Sanshan (12 miles southwest of Wuhu). Within this area, the Wuhu-Ningkwo railway has been rendered almost useless by the guerilla depredations.

The Japanese military announces a landing of troops at Hohsien, in the Yangtze. Several interpretations may be placed on this move.- Perhaps an effort is going to be made to clear the guerillas out of the region between the southern Tsingpu and the Hofei-Yuki railway. Another possibility is that this effort may mark the beginning of a drive on Hankow. Certainly the action bears some significance when coupled with the recently noted movements of Japanese troops up the Yangtze, and still more recent severe restrictions on neutral shipping on the river.

2. Miscellaneous

A missionary returning from the Kiangyin area states that conditions in that region are unimproved. The Japanese garrison at that place, numbering about 400 men, does not dare venture outside the town for fear of the guerilla bands. Members of the mobile units in that sector predict a concerted offensive on the part of the mobile units, to begin about 15 May.

R. A. Boone

R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

156
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

29 April 1938

DECLASSIFIED

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

OSD letter, May 3, 1972

By Milton D. Gustafson

RESTRICTED

R-2 REPORT, PERIOD 0800, 26 APRIL, TO 0800, 29 APRIL, 1938

1. Operations

The sweeping Japanese offensive in southern Shantung is encountering stiff resistance in its effort to cover the last 15 miles to the Lunghai railway. All of the pressure exerted thus far has been north and east of the Grand Canal, the Japanese apparently planning to delay crossing that waterway until the railway is cut east of Hsuehowfu.

The key city of Taierchwang remains in Chinese hands while the Japanese are attempting to drive a wedge between that town and Pih sien. This attack has carried to a point about 5 miles southeast of Taierchwang. The Japanese attack to the north of Taierchwang has met strong opposition in the vicinity of Nikuo, seven miles north of the city walls.

The southward drive from Tancheng is within ten miles of the Lunghai and is seriously menacing the Chinese positions at Pih sien from the eastward.

Chinese claims that the Japanese have resumed offensive activity on the southern Tsinpu front appear to be substantiated. After several months of inactivity a Nipponese detachment has crossed the Hwai river at Pengpu and is last reported to have moved about 15 miles north on the railway. Farther to the east, the Nantuncho offensive has passed through Yancheng, 8 miles north of Wuyu.

The Japanese army unit which landed at Hohsien, on the Yangtze, has moved westward about 15 miles, occupying Hanshan, which is about 42 miles from the important railway town of Hofei.

T.P.A. 150001
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer

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

TELEGRAM RECEIVED

EG

FROM

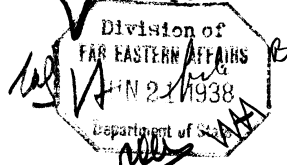
GRAY

Canton via N. R.

Dated June 20, 1938

Rec'd 5:05 p.m.

Secretary of State,
Washington.



793.94
JUNE 20, 5 p.m.

On June 17th Japanese planes scouted southwest of Canton and are reported to have machine gunned some villages. On 18th 50 bombs dropped at Shiukwan caused about 30 casualties. On 19th Canton-Hankow and Canton-Hong Kong railways bombed with slight damage. No Japanese planes have come to Canton since 16th.

Local press reports Japanese naval vessels and planes shelled and bombed Hoihow, Hainan Island on June 19th. Americans residing in southeast Kwangtung coast report continued Japanese local naval attacks.

Sent to Peiping, Hankow, Shanghai. Shanghai please repeat to Tokyo.

LINNELL

NPL:EMB

793.94/13271

JUN 23 1938

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F/FG

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

TELEGRAM RECEIVED

EG

PLAIN

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

FROM

Swatow via N. R.

Dated June 20, 1938

Rec'd 7:13 p.m.

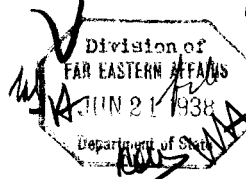
Secretary of State,
Washington.

June 20, 2 p.m.

One Japanese bombing plane circling over Swatow
at 7 a.m. today dropped two bombs on old fort slight-
ly injuring one Chinese prison employee.

YOUNG

EMB:NPL



JUN 23 1938

793.94/13272

793-94

JUN 23 1938

FILED F/FG

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

TELEGRAM RECEIVED

EDA

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

FOURTH MARINES

June 21, 1938

Received 8:10 a.m.

ACTION OPNAV
INFO: AMCON SHANGHAI
COMSUBRON FIVE
ASST NAVAL ATTACHE SHANGHAI
COMDESON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

Division
FAR EASTERN
JUN 21 1938
Department of State

793.94

8621 Japanese planes bombed South China airdrome
and Hainan Island today no new reports other fronts
1840

HPD

793.94/13273

F/FG
FILED
JUN 24 1938

057

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

DUPLICATE

Air Mail.

Department of State

AMERICAN CONSULATE,

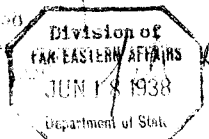
Taihoku, Taiwan, Japan, May 21, 1938.

The Honorable

Joseph C. Grew,

American Ambassador,

Tokyo, Japan.



Sir:

I have the honor to report as of possible interest that in celebration of the Japanese victory at Haichow citizens of this city yesterday proceeded to throng the streets, carrying banners, shouting banzais and singing the well-known Japanese war song. Instead of attending classes school children joined their elders, under the supervision of their teachers, and took part in the general celebration, which included visits to the Taiwan Jinja, the Ise Shrine of Taiwan at Maruyama Bridge, Taihoku.

During the evening the activities increased and a large lantern parade was held in spite of a steady downpour of rain. The participants, numbering approximately 30,000 according to the vernacular press, marched in review before the Director General and other high officials who had gathered on the steps in front of the offices of the Government General, and before various high military officials watching from the entrance to the Military Headquarters.

The celebration is still continuing today, large groups of people continuously marching past the Consulate carrying banners and singing the war song.

New recruits are still being called up and

it

793.94/13274

F/FG 13274

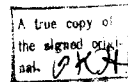
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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it is a common sight to see groups of people
accompanying the soldiers-to-be to the station
to bid them farewell.

Respectfully yours,

For the Consul,



William E. Yuni
American Vice Consul.

File No. 820.02
WEY/tkh

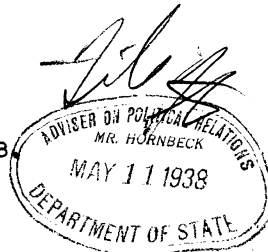
3 copies to Department.
1 copy to Consulate General, Tokyo.

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

RECEIVED
DEPARTMENT OF STATE
ADVISER ON POLITICAL RELATIONS

1938 JUN 17 AM 11 07

May 9, 1938



Mr. Secretary:

I am returning in to meet you this afternoon
Messrs. Willys R. Peck and George A. Fitch.

Mr. Peck is a Foreign Service officer of Class I. He was born in China, educated in California, entered the Service as a "China" language officer, has had service at almost every one of our establishments in China and also in the Department, has during recent years been Consul General and Counselor of Embassy at Nanking, was at Nanking until shortly before the capture of that city by the Japanese last fall, and has just now come home on leave from Hankow.

Mr. Fitch was also born in China, was educated at Oberlin, entered the service of the Y.M.C.A. in China and has made a career there in the Chinese and the International Y.M.C.A.'s. He was in Nanking during and after the capture of that city by the Japanese last year, and he has recently come home on leave.

Each of these men is outstanding in his own field. Both are highly proficient in knowledge and use of the Chinese language. Both are very keen observers.

PA /H:SKH:ZMK

793.94/13275

F/FG3275

UNITED STATES
MAY 17 1938

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SKH

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

DEPARTMENT OF STATE
RECEIVED
JUN 27 1938
DIVISION OF
COMMUNICATIONS

ADVISED ON POLITICAL RELATIONS
MR. HORNBECK
JUN 13 1938
DEPARTMENT OF STATE

Division of
NEAR EASTERN AFFAIRS
JUN 14 1938
Department of State

~~PA~~
~~FE~~
DCR

Hankow, June 12, 5:15 P.M.
The Chinese positions in Eastern Honan remained unchanged. Chengchow is still in the Chinese hands, while the railway communication with Hankow is uninterrupted. The dikes of the Yellow River in the vicinity of Kaifeng where the Japanese bombardment was heaviest collapsed due to heavy rains and war damage. The Government officers are still remaining in Hankow despite the various rumors of evacuation.

793.94

793.94/13276

JUN 20 1938

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F/FG

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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. Foochow/123 FOR Despatch #40

FROM Foochow (..Ward.....) DATED May 4, 1938.....
TO NAME 1-1127 470

REGARDING:

Sino-Japanese relations: Report concerning-, for
month of April, 1938.

88

793.94/ 13277

13277

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

2. Japan.

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(1-7)

a. Air-raids. Japanese planes bombed Foochow five times during the month under review; on April 3, when from fifteen to eighteen planes dropped forty-five bombs; on April 12, when twelve seaplanes dropped nine or more bombs; twice on April 13, with twelve seaplanes dropping twenty-eight or more bombs at nine in the morning and four planes dropping seven or more at eleven in the morning; and on April 27, when three planes dropped from seven to nine bombs. The objective remained the air-field, which has not yet actually been used, but which is quickly repaired after each attack. A foreigner in the Chinese Customs Service with some war experience believed that he had identified a shipment of anti-aircraft guns, and it was later persistently reported that perhaps fifteen such guns had in fact been set up, but if they had been, they maintained a tactful silence throughout the raids.

During the first raid of the month a frightened child, tending a kitchen fire in a house in the western part of the city, ran for cover without first putting out the stove, and a fair-sized conflagration resulted.

On April 12, after a reconnaissance flight over Yungch'un, Tehua, and Tat'ien districts, five Japanese planes returned to Yungch'un city, dropping some twenty-two bombs on it.

Meanwhile, on the same day, seven of the planes which had just attacked Foochow flew over Kut'ien, Nanp'ing, Kienyang, and Kienow, dropping some eighteen bombs on the drill ground in the latter town.

No deaths were reported, and it was claimed that no considerable damage was done, in any of these bombings. There is some reason to believe, however,

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 Provincial Government has instructed the various local police establishments to "talk down" the effects of Japanese air-raids, to accustom people to them and to encourage them to carry on their ordinary occupations in spite of them. And although, as will be noted in this report, the Government itself showed very evident signs of panic, perhaps partially as a result of the repeated raids on northern Fukien in the first two weeks of the month, the few weak-nerved had apparently fled or "gone under" by the close of it,² and the rest of Foochow's populace had seemingly begun to regard the relatively light bombings to which the city was being subjected as large-scale fire-cracker displays, and collectors had started to compare the curiously flower-like shell fragments that they had been able to pick up.

b. Men-of-war. A considerable concentration of Japanese naval vessels remained in northern Fukien waters throughout the best part of the month, according to reports received by the Government here. On April 12 it was alleged that as many as forty such vessels lay off the mouth of the Min River. Although the Government apparently lacked any reliable means of checking these reports, and it was obvious, as the American naval commander visiting Foochow at the time pointed out, that the Japanese fleet had to be kept some place, the reported presence of these ships

close

² An American "casualty" was a woman missionary who suffered a nervous collapse, had to be sent home.

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

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close by contributed no little to the very marked tension in governmental circles which soon thereafter developed.

c. Reported demarche. By the middle of April it had become apparent to most local observers, however, that neither the repeated bombings nor the reported naval concentration along the coast could completely account for the sudden and very conspicuous near-panic which seemed to have gripped civil government leaders here. Competent foreigners who had lived most of their lives in Foochow were unanimous in stating that the tension was as great as at any time since the opening of the hostilities, and the market-places of the town hummed with rumors of a Japanese ultimatum. Several responsible quarters confidentially confirmed reports of a demarche.³

d. Fukien favors "Perpetual Peace". Probably because he realizes that to yield to Japanese pressure would be virtually to commit suicide, and evidently brought by the increase of that pressure to believe that not to yield would be to invite an attack on Foochow, the Chairman of the Province announced in the latter part of April his definite decision to remove the capital of Fukien from Foochow - "Lucky Land" - to a little interior district-city called Yungan - "Perpetual Peace".⁴ By the end of the month

one

³See this Consulate's telegrams of April 15, 10 a.m., April 15, 7 p.m., April 16, 12 noon, and April 16, 8 p.m., and its despatches nos. 34 and 35, dated May 3 and 4, respectively. (Nos. 38 and 39 to the Department).

⁴See especially this Consulate's despatch to the Embassy no. 34, dated May 3, 1938. (No. 38 to the Department).

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one of the Government departments had already moved, and a complete schedule for the removal of the rest, under which the change would be completed by about May 15, had been made out.⁵

To construct buildings in a town now too small to accommodate the Government offices, a contingent of carpenters was despatched to Yungan, and plans were made to install telephones and to open a hotel there.

e. Eleven rounds for P'inghai. During the month the naval blockade of the coastline of this consular district was punctuated by frequently reported sinkings of small Chinese sea-craft by Japanese naval vessels, and on April 22 the several vessels stationed off P'inghai made a not very intelligible contribution to the confusion by firing eleven rounds at the city's beach, whereafter, having accomplished nothing, they moved back to their original positions.

f. Attempted landings. Two moderate-scaled attempts at landing along the shore of northern Fukien were reported during the month, the first at Mei Hua, near Ch'ang Le, on April 13, and the second on April 22, near P'inghai, sometime after the bombardment. In both cases the Japanese were repulsed by Chinese troops stationed along the shore.

g. T'ai Erh Chuang celebrated. Foochow's Government offices, schools, and shops took the day off
on

⁵See this Consulate's despatch to the Embassy no. 35, dated May 4, 1938. (No. 39 to the Department).

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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 April 8 to celebrate the victory of Chinese arms at T'aierschuang, and that night a big torchlight procession was formed, and moved through streets crowded with singing and cheering people, happy to have something to acclaim at last.

To comfort the "national defenders" the Provincial Society to Lend Support to Resistance to the Enemy remitted \$13,000 to the front, to be distributed to the troops and used in the purchase of medicines. The money was duly transmitted to General Li Tsung-jen, who acknowledged its receipt by telegram.

h. Support for the General Executive.

The elevation of General Chiang K'ai-shek to the leadership of the Kuomintang was also the occasion of much local rejoicing, and the other Chinese in Foochow appear to feel that, to quote one of them, "Heaven has once again given China a leader", and that under his guidance the nation is sure to overcome all its difficulties. The various local Government organs each sent its telegram pledging support to the newly-elected General Executive, and the various district administrations and organizations contributed to a stream of congratulatory messages which continued throughout the month.

1. Next generation of resisters. After patriotic celebrations and parades, the school children of Foochow, said to represent 50,000 children, on April 4 sent a message of respect to General Chiang and another of sympathy to the distressed children of the war areas. The day previous the War Area Women's Propaganda Corps had been formed, its primary purpose

being

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

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being then stated to be the assistance of children in the war zones.

J. Ch'en Chao-ying returns. Met at the Upper Bridge by the Chairman of the Province, Ch'en Chao-ying reached Foochow on April 27 on his return from the Kuomintang Conference, after having stopped off in Kienow. He left Hankow on April 17, and proceeded overland.

K. Section Chief hurries away. without taking the time to tell the Philippine citizen with whom he is living that he was leaving, Li Ssu-ling, the Chief of the Second (Foreign Affairs) Section of the Provincial Government, Ex-Mayor of Amoy and touted as the sometime Mayor of Foochow, departed on the "Hait'an" for Hong Kong and points beyond on April 26. He had been at the Consulate - where he had become a frequent caller - on April 25, at which time he patently did not know that he was going on a trip.

C. Relations of a General International Character.

Nothing to report.

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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. Tientsin/120 FOR Despatch #620

FROM Tientsin (Caldwell) DATED May 12, 1938
TO NAME 1-1127 OFC

REGARDING: Sino-Japanese relations: Report concerning -
for month of April, 1938.

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793.94/ 13278

13278.

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

793.94

1. Japan. News reports from Tokyo verified local reports to the effect that General Gen Sugiyama, the Japanese Minister of War, visited Peking, Tientsin, Tsinan and Tsingtao and other points in North China during the first days of April and again between April 12 and 21. On his second visit he is reported to have visited the Shanghai area also. According to local reports which were not subject to verification, he was

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

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severely critical of General Terauchi's conduct of the campaign in North China and demanded definite results in the near future.

Reports received at this Consulate General from neutral observers indicated that the Chinese were assuming the offensive throughout the district. In Suiyuan, Chinese troops were reported to be active near Kueisui; in North Shansi Chinese troops were reported to be operating near Tatung in preparation for an attack on that city; while in Chahar bands of Chinese raiders were reported near the Peking-Suiyuan railway between Peking and Kalgan.

Only meager reports regarding conditions in Shansi province were obtainable, but all information received indicated that the Japanese were experiencing very considerable difficulties, due mainly to their too-rapid advance during March which left large bodies of Chinese troops in positions from which they raided and disrupted Japanese communications, inflicting very considerable losses in both men and material. All of the province of Hopel south of Tientsin and Peiping, and of Honan province north of the Yellow River was in a state of turmoil. The Japanese remained in substantial control of the railways except possibly in North Honan, but the Chinese controlled the countryside and raided the railways to such effect as to sever communications for several days at a time on a number of occasions. For the first time since the Japanese occupation of the Tientsin-Pukow railway last year, the Chinese raided and cut this railway between Tientsin and

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

and the Yellow River.

Throughout the Tientsin consular district a marked recrudescence of spirit on the part of the Chinese was noted with an ever-growing hatred of the Japanese. Reports from a number of reliable observers indicated a revival of spirit on the part of the Chinese which boded ill for any plans which the Japanese might have for the pacification and winning over of the Chinese of North China to a pro-Japanese point of view. One American who has lived and traveled throughout the provinces of Hopei, Shansi, Chahar and Suiyuan for the past twenty years expressed himself to an officer of this Consulate General as amazed at the bitter hatred of the Japanese, and the apparent determination of the Chinese to resist domination by them, that he had noted as practically universal during the past two months.

An American observer who spent a considerable part of April in touring central Hopei, which is now held by the Chinese, reported very substantial progress in the organization of this area for resistance to the Japanese. Raiding parties from this area have had skirmishes with the Japanese within a few miles of Tientsin and the Japanese military in Tientsin have indicated acute nervousness and apprehension lest these raiders damage or destroy the very large stores of military supplies accumulated here. In all of Tientsin outside the British, French and Italian concessions, the Japanese military have imposed very severe restrictions on the movements of Chinese, especially at night, and numerous reports are current of the summary killing of Chinese by Japanese sentries. Apparently the greatest fear of the Japanese is of incendiaries and Chinese are reported to have been killed by Japanese sentries merely for carrying matches.

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R./144..... FOR.....Despatch #1636.....

FROMChina..... (.....Salisbury.....) DATEDMay 13, 1938
TO NAME 1-1127 o r o

REGARDING:
Sino-Japanese relations: Report concerning-, for month
of April, 1938.

22

793.94/ 13279

13279

2. Japan:

a. Visits to north and central China
of Japanese War Minister:

793.94
3-14

General Gen Sugiyama, Japanese Minister of War, visited early in April North China and perhaps the occupied region of the Yangtze valley and made in the middle of the month a second visit which included both areas. According to press reports from Japan, he stated upon his return to Tokyo after the second visit that he was satisfied with the progress being made by the Japanese forces. Competent observers considered, however, that his visits, and particularly the second which lasted ten days, were caused by the difficulties and reverses being met by the Japanese army in various sectors and had as their purpose discovery of means to facilitate the Japanese campaign.

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

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b. Chinese success in defense
on the Lung hai front:

From the point of view of the Chinese, waging a war of defense with expectation of gradually yielding to an enemy superior in arms, the situation on the Lung-hai front remained during April generally in their favor. The Japanese suffered in the first week a severe setback with heavy casualties in an unsuccessful battle for the small town of Taierhchwang on the Grand Canal, 10 miles east of the Tsinpu Railway, which culminated April 7 in complete Chinese occupation of that place. The moral significance of this defeat, which was the first major Japanese reverse in the field in modern times, probably exceeded its strategic importance. It is doubtful whether, as claimed by some news writers, the battle was a decisive one in Sino-Japanese hostilities; probably their defeat at Taierhchwang impelled the Japanese to attempt an acceleration of the drive on Hsuehchow and an early capture of that junction of the Tsinpu and Lung hai Railway. After heavily reinforcing their Shantung troops (in part with troops from the western front in Shansi), the Japanese launched in the middle of April a counter-offensive which had some success in southeastern Shantung. They captured Linyi (Ichow) on April 20, Tancheng April 24, Matouchen April 25 and, meanwhile, the Hushan area southeast of Taierhchwang. But Tancheng was subsequently reported to have changed hands twice and the Chinese claimed at the close of April to be attacking

it

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8. Shanghai's telegram to the Embassy (Peiping) May 2, 11 a.m.
 9. Embassy's (Peiping) 258, April 25, 5 p.m.

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

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it in three columns from the south, east, and west. Meanwhile the main body of Japanese troops was moving south in two columns, one southeast from the Tsinpu Railway and the other southwest from Linyi for another attack on Taierhchwang, and Japanese operations from the south in the direction of Hsuehchow and the Lunghai Railway again became active. According to Japanese claims, Japanese forces advanced up the Tsinpu Railway to a point across the Hwai River fifty miles south of Hsuehchow in the Pengpu area, while other Japanese units, including a naval landing force, began to move into Anhwei from Hohsien, on the Yangtze twenty-seven miles above Nanking, toward Hofei (Luchowfu). According to Chinese claims, the Japanese in the Pengpu region, including reinforcements from Nanking, were making but little progress at the end of April and the Japanese advance through Kiangsu had been checked at Yenchen, one hundred miles south of Haichow, eastern terminus of the Lunghai Railway.

10

One foreign military observer estimated that there were at the end of April about 400,000 Chinese troops and 130,000 Japanese troops on the Lunghai front, but that the strength of the opposing forces was theoretically equal because of Japanese superiority in artillery.

11

c. Shansi and Honan: continuing indecisive situation:

As the Japanese troops withdrew from the western front to reinforce their lines in Shantung for the mid-April offensive there, the Chinese forces reoccupied several areas and recaptured a number of towns in Shansi

and

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- 10. Telegram from Military Attache's Office (Hankow) May 4.
 - 11. Hankow's telegram to the Embassy (Peiping), May 2, 4 p.m.

- 6 -

and northern Honan. The north bank of the Yellow River from a point on the west opposite Tungkuan in Shensi to the Pinghan Railway on the east was cleared at the end of April of Japanese troops.

d. Increasing Japanese difficulties with Chinese guerrillas:

Chinese guerrilla activities continued during April over widespread areas in Japanese occupied territory. For example, an American who visited Taiyuan just before the middle of the month reported that the Japanese controlled the area north, west and south of that city for only forty miles. Large parts of the province, under neither Japanese nor Chinese control, were overrun by Chinese bandits. Japanese control along the Pinghan and Shihchiachwang-Taiyuan Railways did not extend beyond the railways into the countryside.

Of particular note was the intensification of operations by Chinese irregulars in the lower Yangtze region, due in part to the despatch of large numbers of Japanese troops therefrom to the southern Tsinpu front and in part to efforts made by the National Government to control and coordinate the activities of the irregulars. Fighting occurred in the first half of the month within two miles of Shanghai and resulted in Japanese casualties; in many sections villages were burned by the Japanese in an effort to cope with the situation: and in the immediate region of Nanking firing was audible almost daily in Wuhu where resumption of the postal service

was

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12. Embassy's (Peiping) 323, April 14, 12 noon.
 13. Shanghai's telegram to the Embassy (Peiping), May 2, 11 a.m.
 14. Shanghai's 543, April 15, 3 p.m.
 15. Shanghai's 560, April 20, 3 p.m.

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

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16
 was postponed. Another example indicative of the extent of the activities of Chinese irregulars and continuing failure by the Japanese to consolidate their position, except within urban centers and at points along lines of communication, was the fighting between irregulars and Japanese units which occurred in the latter part of April near Peiping. Several skirmishes between Chinese Communist troops and Japanese soldiers, resulting in Japanese casualties, took place near Mentoukou, fourteen miles west of Peiping, and there was fighting April 28 south of Langfang, a point on the railway half way between Peiping and Tientsin. Guerrilla activity increased in eastern Shantung in sections from which Japanese troops had been withdrawn to reinforce the armies on the Lunghai front; and Chinese irregulars along the Pinghan Railway also seemed increasingly active.

e. Obscure situation in Inner Mongolia:

Only meager information in regard to the situation along the Pingsui Railway beyond Kalgan and in Inner Mongolia became available during April. Railway traffic was temporarily interrupted several times, once for five days. According to foreign sources, several hsien cities south of Kueisui were occupied for a time by Chinese forces. There were two unconfirmed Japanese press reports of interest: (1) that the main body of General Ma Chan-shan's army was "virtually annihilated" April 22 in a battle with Japanese detachments at Malientao, about twenty miles southwest of Pailingmiao, Suiyuan, and (2) that Anpei,

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16. Embassy's (Nanking) unnumbered telegram, April 15, 2 p.m.
 17. Embassy's (Peiping) 274, May 2, 4 p.m.

- 8 -

one hundred miles northwest of Paotou, was captured April 25 by Japanese forces. The battle with General Ma's troops was probably that reported by a foreigner as having been waged near Wuchuan north of Kueisui, in which the Japanese suffered heavy casualties. According to a foreign resident of Suiyuan, the Chinese were believed to have retaken Anpei after the Japanese occupation.

A foreign correspondent, citing Mongol sources, reported in the last week of April that the Suiyuan situation had taken a turn for the worse for the Japanese, following the arrival of large numbers of Chinese Mohammedan troops in the area north of Paotou and Kueisui.

18

F. Aerial warfare: Chinese victory at Hankow

The Japanese air force continued active during April over wide areas, including Soochow. As before, the principal objects of attack were Chinese troop concentrations, airfields, arsenals, and lines of communications with, in Kwangtung, further attacks upon industrial plants. Persistent bombing of the Canton-Kowloon and Canton-Hankow Railways failed to disrupt service for appreciable periods and, although a large number of Chinese civilians were killed and wounded in raids on various cities, such raids were generally not effective from a military point of view. The National Hunan University and the temporary National Tsinghua University in Changsha were heavily damaged April 10 by Japanese bombers.

One

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18. Canton's telegram to the Embassy (Peiping) May 2, 3 p.m. and Hankow's May 2, 4 p.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

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One of the most spectacular aerial engagements¹⁹ of the hostilities, and a sharp defeat of the Japanese air force, occurred April 29 at Hankow during a raid by some 26 Japanese planes. Ten Japanese bombers and eleven pursuit ships were shot down by the Chinese force (chiefly Soviet Russian fliers in planes obtained from Soviet Russia), the Chinese losing seven planes in combat in the air. According to a Chinese official communique, 75 Japanese planes were destroyed during April²⁰ by Chinese combat planes or anti-aircraft guns. Although this statement lacks independent confirmation, the comparative accuracy of past Chinese announcements in respect to Japanese losses in the air lends it plausibility.

²¹
 g. Dismissal of foreign aviators:

The 14th Bombardment Squadron of the Chinese air force, which included American and other foreign aviators (but not the Soviet Russian pilots), was disbanded about the beginning of April following earlier announcement that it would be reorganized. This action was reportedly due to dissatisfaction on the part of General Chiang Kai-shek with the foreigners' efficiency and discipline.

²²
 h. Slow progress in economic development of North China: continued planning:

Although the Japanese-controlled press continued during April to give considerable space to Japanese plans for economic development in North China, concrete and significant steps were not apparent except for the usurpation

of

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- 19. Telegram from Assistant Naval Attache, Hankow, May 8.
 - 20. Reuter, Hankow, May 6.
 - 21. Hankow's monthly political review for March.
 - 22. Embassy's (Peiping) 254, April 25, 12 noon.

- 10 -

of certain Chinese industrial installations, creation of organs intended to effect exploitation, and plans for creating still more such organs. According to a reliable Japanese source, the purely Japanese North China Development Company, capitalized at Yen 500,-000,000, is to be the chief organ of exploitation and five or six Sino-Japanese companies are to be formed to develop industries having an "unavoidably monopolistic character", such as railways, salt, iron, electric power, and Shansi coal. Half the capital of these companies is to be supplied by the North China Development Company, which will be represented in their direction, and the company controlling railways will receive some capital from the South Manchuria Railway. The informant expressed belief that a year would elapse before this organization would be put in working order.

The Sino-Japanese Economic Council, whose inauguration was described in the March review, did not begin to function in April, and apparently awaited the return from Tokyo of the Council's Vice Chairman, Mr. Hachisaburo Hirao.

1. Peiping and Nanking puppet
regimes: projected amalgamation:

Significant developments were not apparent in respect to the "Provisional Government of the Republic of China" at Peiping and the "Reformed Government of the Republic of China" which was inaugurated in March in Nanking. Higher officials of the latter continued to reside in Shanghai. Discussions were carried on between the heads of the two regimes, who visited each
other

- 11 -

other at Peiping and Shanghai respectively, and with Japanese officials concerning details of the proposed amalgamation of the two regimes which awaits, among other things, Japanese occupation of the entire Tsinpu Railway.

Mr. Liang Hung-chih, chief figure in the new Nanking regime, together with two other members of that regime, visited Peiping April 5-6 for the purpose of discussing with officials of the Peiping regime questions²³ relating to the proposed amalgamation. According to Japanese press reports, the discussions resulted in (1) definition of the relations and policies of the two regimes pending their ultimate merger; (2) agreement that the Peiping regime will absorb the Nanking regime after the Tientsin-Pukow Railway has been completely occupied by Japanese forces; and (3) agreement (a) to make a "wholesale reform of the current tariff policy with a view to eliminating the prohibitive 'anti-Japanese' duties", and (b), to readjust the current financial and monetary system in such manner as to render it possible, following the amalgamation, to have the same currency for the areas under their administration, namely, the currency now "recognized as the legal tender in North China" (notes of the Federal Reserve Bank).

Mr. Wang Keh-min, Chairman of the Executive Commission of the "Provisional Government", left Peiping April 28 by plane, in the company of Major General Seichi Kita, Chief of the Special Military Organs in North China, to visit at Shanghai officials of the new

Nanking

23. Embassy's (Peiping) 216, April 5, 5 p.m., Par. 6; 218, April 7, 12 noon.

- 12 -

Nanking regime and to proceed to Tokyo.

During Mr. Wang's sojourn in Shanghai he continued discussions with Mr. Liang Hung-chih of the Nanking "Reformed Government" which, according to Japanese press reports, resulted in "complete" agreement concerning the proposed merger of the Nanking and Peiping regimes. It was doubtful, however, that the obvious technical difficulties in the way of the merger had actually been solved or that the jealousies and other conflicting personal interests had been fully overcome.

24

j. Wang Keh-min's visit
to Tokyo:

According to Chinese reports, the purpose of Mr. Wang Keh-min in going to Tokyo following his visit to Shanghai at the end of April was to obtain assistance against certain Japanese elements in North China who reportedly wished to oust him and make General Ch'in Yun-p'eng, an Anfu adherent and former premier, or some other Chinese, head of the Peiping regime. Another source stated that his purpose was to consolidate the positions of General Juichi Terauchi, commander of the North China forces, and General Kita, which would seem to amount to the same thing as General Kita has been Mr. Wang's principal supporter.

k. New Honan Provincial
Government:

According to press reports, a new Honan Provincial Government under the "Provisional Government" at Peiping

was

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24. Embassy's (Peiping) 264, April 28, 8 p.m.; Shanghai's 602, May 2, 4 p.m.; Embassy's (Peiping) 287, May 10, 11 a.m.

- 13 -

was organized April 22 with one Hsiao Jui-chen, some-time subordinate of Marshal Wu Pei-fu, as Chairman. This new provincial administration will reportedly extend its authority into south Hopei and include the Taming district.

25

1. Transfer of Japanese
naval officers:

The transfer was announced of Vice Admiral Hasegawa, Commander-in-Chief of the Third Japanese Fleet, and of other Japanese naval officers who have been on the China station since the commencement of hostilities. Vice Admiral Hasegawa was replaced by Vice Admiral Koshira Oikawa, recently Chief of the Naval Aeronautical Bureau. There were no indications that these transfers had any special significance.

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

RECEIVED
JUN 28 1938
DEPARTMENT OF STATE

ADVISOR ON POLITICAL RELATIONS
MR. WINN
JUN 28 1938
DEPARTMENT OF STATE

4843
U

ASSISTANT SECRETARY OF STATE
JUN 27 1938
MR. MESSENGER

JR
This telegram must be FROM
closely paraphrased be-
fore being communicated
to anyone. (D)

Paris

Dated June 21, 1938

Rec'd 9:50 a.m.

~~ATT~~ ~~PC~~
~~PA/H~~

Secretary of State,
Washington.

SECRETARY OF STATE
JUN 21 1938
NOTED

UNDER SECRETARY OF STATE
JUN 21 1938
MR. WELLES

RUSH.

971, June 21, 1 p.m. (SECTION ONE)

STRICTLY CONFIDENTIAL FOR THE SECRETARY.

My 965, June 20, 4 p.m., paragraph six.

Bonnet informed me this morning that Sugimura,

Japanese Ambassador, had stated to him last night that
although the bombardments of Hainan would continue
Japan would not occupy the island.

Bonnet said he feared this assurance did not
mean much. He read me a telegram which he had just
received from the French Ambassador in Tokyo which
gave an account of an unsatisfactory conversation he
had had with General Ugaki on this subject. Ugaki had
seemed to indicate that the question of occupying Hainan
was one which would be controlled by the naval and
military authorities and not by the Foreign Office.
Ugaki had added that he had stated recently that it
would be his policy to develop friendly relations with
England

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1938

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-2- #971, June 21, 1 p.m., from Paris.

England and the Soviet Union and that he would have been glad to have added France to this list.

Bonnet said that he feared that the violent campaign against France in the Japanese press was a prelude to occupation of Hainan. He concluded by saying that he had as yet heard nothing from Saint Quentin on this subject.

We again discussed the situation in Spain and Bonnet said that he was even more sure today than he had been yesterday that the Spanish Government was ready to make peace. The British were trying to persuade Franco to agree to a truce. Franco was, however, so confident that he could win an early victory that he was in a much less reasonable state of mind than a few months ago.

BULLITT

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

1845

TELEGRAM RECEIVED

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

FROM

Paris

Dated June 21, 1938

Rec'd 11:40 a.m.

Secretary of State,
Washington.

RUSH.

971, June 21, 1 p.m. (SECTION TWO).

Bonnet said that he was now discussing with the English a proposal that at the next meeting of the Committee of Nonintervention in London the British should suggest that there should be an armistice in Spain pending the withdrawal of all foreign volunteers. He had some hope that this proposal might be crowned with success. The Spanish Government certainly would accept it.

Bonnet had had no new information with regard to the concessions which the Czechoslovak Government is preparing to make to the Sudeten. In this connection he discussed the relations of France, Poland and Czechoslovakia. He said that the Polish Ambassador had assured him that in case Germany should march against Czechoslovakia and France should intervene Poland would not attack Czechoslovakia. On the other hand the Polish Ambassador had refused to say that Poland would come

to

846

-2- #971, June 21, 1 p.m. (SECTION TWO) from Paris.

to the assistance of France and merely had stated that in case England, France and Czechoslovakia should be involved in war with Germany Poland would consider the situation before coming to any decision. Bonnet said that he was under the impression, however, that Poland was evolving toward a more friendly attitude toward France.

In this connection the Polish Ambassador to Paris Lukasiwicz said to me a few days ago that Bonnet had indicated to him the definite desire to base French policy vis a vis eastern Europe more on Poland and less on the Soviet Union. He was not certain how seriously to take these remarks but he felt that if France should adopt such a policy definitely it might be possible to prevent Germany from establishing an economic domination over central and eastern Europe by building up a bloc consisting^{of} Poland, Hungary, Rumania, Bulgaria and Yugoslavia together with the Balkan states. For obvious reasons this policy could not be put into effect until after the appeasement of the present Czechoslovak German conflict. (END MESSAGE).

BULLITT

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



Rec'd from Chinese Embassy

6/15/38

682 DCR

Division of
AF File
1938

Hankow, June 14, 10:05

3.94
The Chinese position at Anking was abandoned yesterday after repeated Japanese onslaughts under the cover of intense shelling. The Japanese in Central Anhwei advanced two columns: one from Hofei southward through Shucheng towards Tungcheng, and another from Chaohsien southwestward towards Lukiang. Severe fighting is at present progressing in Tungcheng and Lukiang.

Chinese positions on other fronts are unchanged.

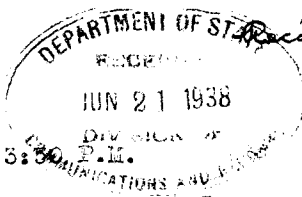
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JUN 21 1938

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



Recd. from Chinese Embassy
6/15/38
Division of
FAR EASTERN AFFAIRS
710

DCR

Hankow, June 15, 3:30 P.M.

Contrary to the repeated Japanese allegations, the dykes of the Yellow River were in fact breached by the Japanese. Besides the military reasons, it is a part of the Japanese campaign to terrorize Chinese populace similar to the incessant indiscriminate bombing of Canton. The Japanese planes are reported to be continuing in bombing the dykes north of Chungmow which is still in the Chinese hands. At the same time, the Japanese are machine-gunning the Chinese farmers escaping from the flooded regions. Apparently it is the intention of the Japanese to inundate Chinese fortifications in the Chungmow and Chengchow sector forcing the Chinese forces further westward and to eliminate Chinese guerillas operating behind the Japanese lines.

Kaohsien Station on the Tungpu Railway in Southern Shansi was recaptured. Kaohsien is an important strategic communication point dominating Chuwou and Hsinking at the south and Linfeng at the north.

The Japanese also landed troops yesterday at Tatukou on the southern bank of the Yangtse River opposite Anking. Severe fighting is progressing.

General Chen Cheng and General Chiang Ting-wen were appointed respectively Chairman of Hupeh and of Shensi Provinces so as to facilitate the coordination of the civil and military administrations for the purpose of defence.

Mr. Chen Chieh, Vice-Minister for Foreign Affairs, was appointed Ambassador to Germany succeeding Mr. Chen Tien-fang who resigned. Mr. Tseng Yung-pu was appointed Vice-Minister for Foreign Affairs.

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JUN 21 1938

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

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C-2 Digest of Information
Sino-Japanese Situation
May 28 - June 3, 1938

Division of
 FAR EASTERN AFFAIRS
 JUN 3 1938
 Department of State

GENERAL

After a long period of fruitless negotiation the United States Government on June 1 forwarded a strong note to the Japanese Government renewing protests regarding the occupation of American-owned property by Japanese military and regarding the severe restrictions on travel of American citizens in certain occupied areas in China. Startlingly prompt action resulted. The Tokyo Foreign Office informed our Ambassador that a committee consisting of representatives of the Japanese Army, Navy, and the Foreign Office would fly to Shanghai within the next few days to investigate and formulate a satisfactory solution to the conditions protested. In the meantime Shanghai Japanese authorities formally returned one of the mission properties long occupied by Japanese soldiery and it is reported that arrangements are being made for a few American citizens to proceed to Nanking shortly. The prompt action on the published American note seems to indicate that the reorganized cabinet and particularly the Foreign Minister may be able to induce the Japanese military to act in accordance with announced governmental policies. General Ugaki, the new Foreign Minister, in his first interview with the American Ambassador on June 1, stated definitely that he would guarantee the protection of American interests in China and asked that he be informed of any questions regarding American interests that should arise.

Another important change in the Japanese Cabinet is the replacement of the Vice Minister of War, Lieut. General Ushiro Umezo, by Lieut. General Hideki Tojo, Chief of Staff of the Kwangtung Army. Masayuki Tani, now senior Foreign Office representative in China with station at Shanghai, is also reported to be slated for the post of Vice Minister of Foreign Affairs. Rumors are also prevalent in Tokyo that the retired Minister of War, General Sugiyama, is about to replace General Hata in command of the Japanese Central China forces and that the retired Vice Minister of War, General Umezu, would succeed General Terauchi in North China.

Dispatches from Japan report a flight of two to four unidentified airplanes over Kyushu Island during the night of May 30-31. Air raid warnings were sounded over Kyushu and the southern portion of Hondo and strict light control was enforced for several hours. Chinese officials deny that any Chinese aircraft were in that area during the period and hint that the planes reported might possibly belong to a third power (Russia?). It is more than likely, however, that the planes were Japanese.

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There appears to be considerable doubt that the German advisers to the Chinese Government will actually be withdrawn. Confidential reports from Hankow state that the advisers believe that Germany's acquiescence to Japan's requests for the withdrawal of the advisers was mere face saving. The Germans are making no preparations to depart and think that negotiations between the Chinese Government and Germany will delay their actual recall indefinitely. It is definitely stated at Hankow that General Von Falkenhausen will not leave in any event.

The Chinese Government appealed to the League of Nations on June 1 to curb Japanese airplane bombing of civilians such as is now going on at Canton. The appeal did not ask for a League meeting, but merely requested that her note be sent to all members of the League and the League Advisory Committee on the Far East. A Hankow dispatch states that Chinese diplomatic representatives in America and Europe have been instructed to urge foreign governments to take action to curb the bombing on humanitarian grounds.

The Chicago Tribune Press Service under a Riga dateline June 1 reports that after negotiation by Sun Fo the Chinese and Russian Governments have signed a nine point treaty covering additional aid to China in return for certain unnamed exclusive privileges in China. The text of the treaty was not published. It is reported to specify the immediate delivery of sufficient equipment to motorize two Chinese divisions, and to equip four airplane squadrons totaling 72 planes. The dispatch also states that General Blucher was called to Moscow by air immediately after the signing of the treaty, to assist in arrangements for the dispatch of Russian military instructors to China. Sun Fo left Moscow June 2 for an unknown destination, probably China.

The Nanking "Reformed Government" announced new tariff rates to be effective for "all parts of China under Japanese control" on June 1. The new rates are 25 to 75 per cent less than the rates heretofore in force and the cuts affect principally Japanese imports.

A news report from Paris states that a group of French banks has agreed to finance the construction of a railway from Langson, French Indo-China to Nanning, Kwangsi. This confirms Shanghai reports of May 15.

NORTH CHINA THEATER

Little military action took place in this area during the week. Japanese reinforcements are reported passing through Tientsin and some have been sent to western Suiyuan to bolster the weakened Japanese garrisons in that area.

Chinese irregulars attacked Chefoo May 31 after the Japanese naval garrison had been dispatched to attack another group about 20

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miles to the southeast. After a short skirmish the raiders retired shelled by three Japanese warships in the harbor.

The Tsin-Pu Railway bridge at Lokou on the Yellow River north of Tsinan was bombed by Chinese aircraft on May 27. Results were negligible.

According to reports made public by the Peking Provisional Government's Ministry of Rehabilitation, over one million Chinese civilians face starvation in the area southwest of Tientsin. Broken dikes have flooded the area and there has been no harvest since the spring of 1937.

LUNGSHAI FRONTS

All sections of the fronts continue to be active. To the west in southwestern Shansi Chinese forces under Wei Li-huang have pushed the Japanese back up the Tung-Pu Railway and on June 2 claim to be in possession of Chiehshien. Farther north in central Shansi Lin-fen is reported under Chinese attack from two sides. Northeast of Loyang, the Chinese have retaken Menghsien, Kenhshien and are attacking Poai. Units of the Japanese 108th Division in this area are moving eastward toward Fengku to regain contact with the balance of the division now trying to cross the Yellow River to aid Doihara's hard pressed 14th Division northeast of Lanfeng.

In the Kaifeng-Lanfeng area Doihara's units are still surrounded, one part in the area northeast of Lanfeng where they have been joined by several thousand men from the 108th Division, and another group is surrounded southeast of Lanfeng. Japanese artillery from the north bank of the Yellow River is shelling Chinese driving on the surrounded Japanese 14th Division and is covering the crossing of the 108th Division. Japanese forces driving from the east have taken Kweitch (May 30) and have pushed on to Ningling, 20 miles to the west. Unless the Chinese succeed in cleaning up Doihara's units soon it is likely that the Japanese Kweitch drive will soon make the Chinese position east of Kaifeng untenable and so save Doihara. Late reports from Japanese sources claim a Japanese advanced force has reached Kihshien about 25 miles southeast of Kaifeng.

South of Kweitch the Japanese have succeeded in taking Pohsien after a severe fight and are trying to push westward against stubborn Chinese opposition. Severe fighting continues at Kwoyang, southeast of Pohsien, and at Mengcheng. Chinese claim to have recaptured Mengcheng but this is denied by the Japanese. North of Kweitch Chinese claim to occupy Tsaohsien and Tsaochow.

Farther east in Shantung, four Chinese divisions under Feng Chih-an and Shih Yu-san have moved north from their earlier positions

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in the vicinity of Tancheng to Tai Shan (Tai Mountain) in the area Mengyin - Feihai - Chuhsien - Yishui. These are reported to be awaiting a favorable opportunity to fall on the Japanese lines of communications in Shantung.

To the south a number of Chinese units are still in the Hangtze Lake area east of the Tsin-Pu Railway. Japanese units from Shapoh on the Grand Canal and from Tungtai on the eastern column are moving toward the west to mop up these Chinese forces.

In the Hofei area the Japanese 106th Division is driving westward and has been stopped by four Chinese divisions about 10 miles west of Hofei. Chinese irregulars are reported to have attacked Hofei from the east in efforts to disrupt the Japanese rear.

Japanese aircraft have been exceedingly active during the week pounding all points under Japanese attack and areas in rear of the Chinese lines. The areas in the vicinity of Kaifeng came in for particularly heavy strafing.

CENTRAL CHINA THEATER

Except for air activity little action is reported in this sector. Japanese sailors on June 2 were repulsed in a landing attempt on the Yangtze, 21 miles upstream from Wuhu. Reports from Hankow state that Chinese mobile units under Yeh Ting, former Red commander, had reached a point 15 miles southeast of Nanking.

An abortive Japanese air attack on Hankow occurred on May 31. Eighteen Japanese bombers en route to Hankow missed their rendezvous with 21 Japanese pursuit at the appointed place northwest of Kiukiang. The bombers came on alone at low altitude looking for their convoy. The bombers were met just below Hankow by 40 Chinese planes. Twelve Japanese planes were destroyed and the Chinese lost a minimum of two and a maximum of four planes. Another Chinese pursuit group sent from Nanchang to intercept the bombers, encountered six Japanese seaplanes bombing the Yangtze boom near Kiukiang and destroyed two of them.

Nancheng, 100 kilometers southeast of Nanchang, was bombed by Japanese naval planes on May 26. Ningpo was also bombed on May 28. Little damage was reported.

Chinese pirates boarded the American Dollar Line steam tender at the mouth of the Yangtze on June 1, robbed the passengers and crew, and escaped safely carrying off 1,000 bags of rice. One Indian watchman aboard the tender was wounded. The Portuguese steamer BATA was also boarded by pirates near Wanchow, the cargo taken off, and the captain and first officer held for ransom.

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Quiet preparations are being made at Hankow to evacuate in an orderly manner in anticipation of the Japanese drive. Families of officials are moving west and south. Government offices not essential to war operations are being shifted to Yunnanfu and to other points away from the war zone.

SOUTH CHINA THEATER

In the Canton-Hong Kong area, Japanese naval forces were active during the week nibbling with small landing parties in Bias Bay and in the Chengshan district. Japanese warships periodically shelled points in the same general area. No new landings succeeded and the shell fire had little effect. The raiding was conducted by a concentration of 38 warships and many smaller craft, suitable for landing operations, reported in the area. Canton was subjected to intense Japanese air attacks on May 27, 28, 29 and 31. The bombing of the first three days was indiscriminate and caused a heavy toll of civilian casualties. News reports state that 2,000 were killed and nearly 5,000 were wounded in the four days' bombing. Refugees poured into Shamsen and into Hong Kong. Some observers reported that the new tactics employed by the Japanese planes indicated that they were piloted by foreigners. The Italian Ambassador at Hankow denied that any Italians were serving in the Japanese air force. The Japanese Foreign Office spokesman at Tokyo stated that indiscriminate antiaircraft fire was responsible for the heavy Chinese casualties.

Amy is reported fairly quiet since its occupation by the Japanese naval forces. About 2,000 sailors were reported to be ashore. To the north the Foochow airfield was bombed on May 30 and June 1. Two Chinese patrol boats were sunk on the last date. In addition to the bombs the Japanese dropped leaflets denouncing Chiang Kai-shek and urging the young Fukienese not to enlist against Japan.

COMMENT

Two points are noteworthy in evaluating the swift Japanese action in reply to the American protest on disregard of American rights in occupied territory. One, this is the first note presented to the new cabinet. Two, while many oral and written representations on this subject had been made to Japanese officials in China and Tokyo during the past few months without results, this last note of protest was made public in the United States, thereby focusing American public attention upon it. The swift action indicates that the Japanese Government fully realizes the importance of not further aggravating relations between the two countries.

It is realized that the note of protest is not an all-inclusive arraignment of violations of American rights in China. More subtle violations which probably will have an increasingly long range effect on American commercial and other interests in China are being effected by

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certain actions of the Japanese created and led puppet governments. The change in currency which in effect will leave practically nothing but yen exchange available to importers of foreign commodities to China is effectively closing the "Open Door". The change in customs tariff schedules is definitely for the purpose of favoring Japanese trade against that of all other nations. The Japanese Government maintains the fiction that these acts are made by the Chinese Governments and therefore Japan has no responsibility in the matter. The same stand was taken in Manchoukuo. The evasion of responsibility is plainly evident. The Chinese in the puppet governments take no important steps except under the direction and guidance of Japanese officials and under Tokyo approval.

The failure of the strong Chinese military forces in the Kaifeng area to destroy the 14th Japanese division again indicates the lack of power in the Chinese attack. While not entirely out of danger, it is probable that Doihara will escape the Chinese net. Reinforcements from the 108th Japanese Division have managed to effect a crossing near the bend of the Yellow River and the Japanese advance west paralleling the Lunghai is making steady progress toward Kaifeng. It is probable that the Chinese in the Kaifeng area will soon be forced to retire. This in turn will force the withdrawal of Chinese units in the Pohsien - Kwoyang - Mancheng area southeast of Kweichow. It is probable that the Chinese will continue a fairly orderly withdrawal to the hilly area in Honan and there make a stand for a time in defense of Hankow.

The Japanese advance will continue to extend their lines of communications. South of the Lunghai they are getting farther and farther away from the Tsin-Pu Railway and greater supply difficulties will be encountered. The roads are none too good and rains have already started. In rear of the Japanese advance, particularly in the Taishan area in Shantung, northwest of Hsuehchow and in the Wangtze Lake area, are Chinese units more or less intact. The Chinese G.H.Q. maintains these units were purposely ordered to these areas in order to operate on the Japanese communications at a propitious time. That may be true, but nevertheless, unless these are mopped up, they will be a continuing danger to the Japanese advance. The German advisers are convinced that the Japanese will hang themselves by overextension.

In South China Japanese activity has been confined to aggressive naval and air action. So far no army forces have been involved. Many small scale landings have been made by naval units. Most of these have been repulsed or have been withdrawn. Only at Amoy and a few of the islands near the Pearl River delta are Japanese units ashore. The constant heavy bombings and nibbles on the coast line are probably designed to keep the Chinese in a state of tension. It is doubtful that a large scale landing in the Canton area will be attempted at any early date, if at all.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

June 29, 1938.

~~SECRET~~
~~ROM~~
~~1288~~

Reference Hong Kong's despatch
no. 181 of May 24, 1938.

This despatch reports that
the seizure of Amoy occasioned
no particular surprise or ex-
citement in Hong Kong, although there
is concern over the resulting
refugee problem. A cholera quaran-
tine against Amoy has been estab-
lished which is expected to keep
out refugees. You may care to
glance at the discussion of Japanese
strategy on pages 2 and 3.

~~SECRET~~
JAP

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

No. 181

AMERICAN CONSULATE GENERAL

Hong Kong, May 24, 1938

SUBJECT: Reaction in Hong Kong to Japanese Capture
of Amoy - Refugee Problem Further Develops.

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

THE HONORABLE
THE SECRETARY OF STATE

WASHINGTON.

1938 JUN 21 PM 3 16

DIVISION OF
COMMUNICATIONS
AND RECORDS

Trans-
For

Southard

ONI & MID

Division of
FAR EASTERN AFFAIRS
JUN 22 1938
Department of State

I have the honor to report, as a matter of possible interest to the Department, that the recent Japanese occupation of Amoy has had a comparatively mild reaction in Hong Kong. The local newspapers have made little more than routine comment because they, as well as naval and military officers and others here, have long anticipated the development as one step in the Japanese determination to establish bases along the South China coast from which to destroy or cut the transportation routes over which considerable supplies of war materials travel from Hong Kong to Canton and Hankow.

This Consulate General assumes that all concerned have known that the Japanese have for some months been giving intensive and urgent consideration to a means or method of interrupting the flow of war materials inland from Hong Kong. In our Despatch No. 149 of April 1st, 1938, the Department was informed of confidential statements to me to that general effect by the Japanese Consul General in this Colony. In conversations which I have since had

with

DEPARTMENT OF STATE
A-M/C
JUL 2 - 1938
ASSISTANT SECRETARY

793.94/13284

FILED

F/FG

13284

- 2 -

with my Japanese colleague, and with other Japanese contacts here, there has been general reference to plans for cutting off this flow of war materials. Obviously the detailed campaign plans of the Japanese military and naval authorities have not been publicized, but it has seemed plain to many observers here that the occupation probably of Amoy and of other points on the South China coast was merely a matter of time. Accordingly the seizure of Amoy occasioned no particular surprise or excitement in Hong Kong although, strangely enough, it would appear that Amoy itself had not prepared for what actually did happen.

Since the landing at Amoy local observers have indulged in considerable speculation as to whether the Japanese forces would next land at Swatow, at Bias Bay, at Mirs Bay, or at some intermediate point or points which have doubtless already been decided upon as of value for others of the strategic air-plane bases required for systematized attacks on the Hong Kong-Canton-Hankow railway and highway. There would seem to be little doubt that there is imminent a move to establish at least a No. 2 air-plane base in the vicinity of one of the places above named in order that a bombing flight may take off from Base No. 1 at Amoy each morning and from Base No. 2 each afternoon for intensive bombardment, in whip-saw fashion, of the transportation routes which begin at Hong Kong.

It is not known to this office whether the Kwangtung authorities take any more seriously than apparently did

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

- 3 -

the Fukien authorities the obvious Japanese intention to make additional landings on the South China coast. People arriving from Swatow indicate that there is no particular alarm at that place and that there appear to have been made no preparations sufficient either to offer much obstacle to a Japanese landing or to take care of wounded and refugees. Actually we have heard that Swatow is preparing to receive and take care of Amoy refugees, apparently with insufficient realization that there may shortly be Swatow refugees to look after.

The Hong Kong authorities are particularly concerned with the potential problems offered by refugees from Amoy and intermediate points on the coast. To date less than five thousand refugees have come from Amoy to Hong Kong, and these have been accepted with apparent reluctance. There has just been published a cholera quarantine against Amoy which is expected to aid in keeping any important additional number of refugees from landing in this Colony. Among the more pertinent newspaper comments growing out of the threat of an influx of refugees from Amoy is the following from the SOUTH CHINA MORNING POST of May 17th, 1938, which is quoted because it somewhat concisely gives the generally current Hong Kong viewpoint:

"The Colony's hospitals and other institutions are full, and the call upon this community's charitable funds grows progressively. The threat to Foochow is reported

to

- 4 -

to be producing alarm there. The war, in short, is coming nearer, though major hostilities in the south seem unlikely as yet: much depends upon the success or failure of Japan's drive on Hankow. In any event, each alarm will promote a flow of refugees and it is necessary to be prepared. If possible, relief work in Hongkong, Canton and the outports should be co-ordinated. The most suitable roll for Hongkong is to act as a depot, permitting all to enter upon the condition that they are finally accommodated elsewhere.

"Provision for refugees is one of the most urgent of the requirements from the Chinese Government. Mention has been made several times of plans for settling these in Kwangsi and other places in the interior: but it is difficult to discover to what extent these plans have developed beyond the paper stage. Humanitarian considerations, added to those of patriotism, are sufficient to justify a plea that the arrangements be expedited. There is the further consideration that idle refugees constitute a drain on the reduced national wage, while refugees neglected and unsuccoured become prey to purchase by China's enemies. Loyalty will be preserved and national efficiency maintained in proportion as the Chinese authorities demonstrate readiness and ability to take care of the civilian victims of the war. Alternatively, the "scorched earth" policy must be varied to permit life in the devastated areas to continue. That also would preserve the national earning power and prolong the resistance. Of the two courses, from China's viewpoint mass migration, as enforced by circumstances, has more to commend it. It avoids helping the invader: it may sacrifice earning power but it will conserve available manpower. It will also permit reversal of the age-old tendency, compelled by floods and other natural causes, for the interior population to drift to the coast. Obviously, however, distressed people will elect to be slaves rather than to starve. After the excitement of the influx from Shanghai, Hong Kong fell into the comfortable feeling that for this Colony the problem was over. The Amoy crisis has shocked us back to the realities. That the Colony should try to accommodate as many as possible most people will agree. Unfortunately, the Colony is already crowded

to

1614

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

- 5 -

to capacity. Unfortunately also, its landlords, mostly Chinese, have chosen this inappropriate time to restore their fallen fortunes. One result is that bitterness has entered, and residents are less inclined to co-operate with Government. Some months ago, it was understood that Government would check the influx at the proper time; but this will not be easy without the use of cruel force. It is necessary to remember that those thus excluded will be the poorest and most distressed: their wealthier fellows will have entered quietly at the first hint of danger. It will be inhumane if the well-to-do are accepted, to make the housing situation worse, while the destitute are turned away. The suggestion is made that refugee camps should be established and the idea calls for support. Such camps might also relieve the existing congestion and ease the rents pressure. There is no reason why Government should not do for Amoy, Foochow and all ports what was done for Shanghai. The essential condition, however, must be that accommodation can only be temporary. Therefore Hongkong should work in close cooperation with Hankow or Canton".

Comment has been given in earlier despatches from the Consulate General on the police and military preparations to guard the land frontier of the Colony against what will eventually develop as a stampede of refugees should Japanese activities continue along present lines. The recently published smallpox quarantine (Hong Kong continues to have a smallpox epidemic of its own) against Canton, reported in our Despatch No. 179 of May 23rd, 1938, is thought by some observers to have originated partly in the concern of the Hong Kong authorities to have a further check upon immigrants by river into the Colony.

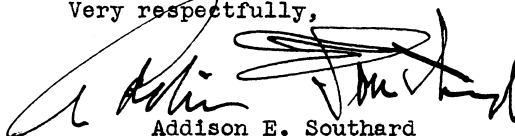
With

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

- 6 -

With reference to the Amoy incident it appears to be adjusting itself in less time than might have been anticipated. Within a week of the Japanese landing the briefly interrupted calls at Amoy of coast-wise shipping from Hong Kong have been resumed. Freight promptly resumed moving from this port to Amoy - this Consulate General despatched from here on May 20th, 1938, for the American Red Cross at Manila, three thousand bags of rice for the Amoy population. Cable connections were suspended for a few days but messages at commercial rates, for Kulangsu at least, are now being accepted. Various British and American war vessels were sped to Amoy upon news of the trouble but most of them are understood now to have departed as they were much more than enough for any service which could be rendered. I have just talked with Captain John Stapler, Commanding the South China Patrol of the United States Asiatic Fleet, who rushed to Amoy on the U.S.S. MARBLE-HEAD which made a hurried run from Manila via Hong Kong, and he states that of the approximately thirty-eight American citizens in Amoy whom he offered to evacuate from there not one accepted. He has now resumed his duties in the Hong Kong-Canton area after the brief absence in Amoy.

Very respectfully,


Addison E. Southard
American Consul General

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

- 7 -

In quintuplicate to the Department
Copy to Embassy, London
Copy to Embassy, Hankow

800.

AES/nmm

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

July 1 1938.

In reply refer to
 FE 793.94/13284-

My dear Mr. McClintock:

There is enclosed as of possible interest
 that portion of a despatch of May 24, 1938, from the
 American Consul General at Hong Kong which deals with
 the refugee problem.

Sincerely yours,

M. H.
 Maxwell M. Hamilton
 Chief
 Division of Far Eastern Affairs

Enclosure:
 Excerpt from despatch
 under date May 24,
 1938, from American
 Consul General, Hong Kong.

Mr. James K. McClintock,
 Vice Chairman, The American Red Cross,
 Washington, D. C.

FE:JKP:REK
 6/30/38

FE

793.94/13284

F/FG

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

a

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

June 27, 1938.

~~JOV~~
~~WAF~~
~~NSM~~
~~MSM~~

Reference Paris despatch No. 2415
of June 9, enclosing a memorandum of in-
formation supplied by a member of the
Chinese Embassy in Paris.

Mr. Wan stated that Sun Fo was to ar-
rive in Paris June 9 and expected to make
his headquarters there for a month. His
(Sun Fo's) mission to Russia has not been
very successful. The Soviet is sending only
two planes a week to China. The Alma Ata
road is surfaced and can be covered by trucks
(now running at the rate of 47 per week) in
much less than 18 days. A loan contract
for ~~China~~ with London bankers was signed
April 7. General Falkenhausen is remaining
in Hong Kong where he is continuing to advise
the Chinese. Daladier refuses to sign any
permit for arms exports from France to China.

*The accuracy of some of the
information in the memorandum
is questionable.*

~~PE~~:Penfield:SMJ

793.94/13285.

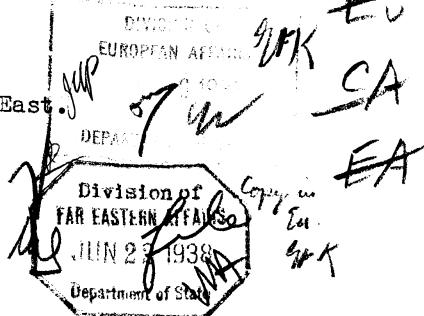
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75



EMBASSY OF THE
UNITED STATES OF AMERICA
RECEIVED
Paris, June 9, 1938.

No. 2415 1938 JUN 21 PM 2 56
Subject: The War in the Far East.

CONFIDENTIAL - For Staff Use Only.

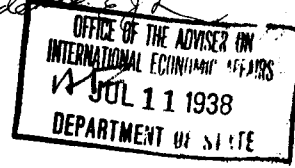


Commercial Office (A-M/O)

To *Hankow*
7238
G

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

The Honorable
The Secretary of State,
Washington.



Sir:

I have the honor to enclose a memorandum of information obtained by an officer of this Embassy in a conversation with Wan Wai-Nan of the Chinese Embassy in Paris regarding the war in the Far East.

Respectfully yours,

For the Ambassador:

Maynard B. Barnes
Maynard B. Barnes
First Secretary of Embassy

In quintuplicate

Enclosure:

1/ Memorandum dated June 9, 1938.

LH/jwd

4. [unclear] [unclear]

793.94/13285

F/FG/32K5

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

Enclosure No. **I** to despatch No. 2415
of JUN 9 1938
from the Embassy at Paris.

Paris, June 9, 1938.

MEMORANDUM FOR THE AMBASSADOR:

From: Lawrence Higgins.
Subject: War in the Far East.

The following from Wan Wai-Nan of the Chinese Embassy is, I believe, of interest:

Sun Fo arrives tonight in Paris, which he will make his headquarters for a month while he makes trips to London, Amsterdam, and elsewhere. To my question whether his job would be principally to raise money he replied affirmatively. Wan considers that his mission to the Soviet Union has not been very successful because he had to go there twice. From Sun Fo's secretary he has learned that the Soviet Government is sending only two planes a week to China, while they estimate that European Russia is producing ten planes a day (Les Ailes of May 12, 1938, published an article on Soviet aviation by its Moscow correspondent who calculated the 1937 production of European Russia as 4,200, the equivalent of 11 to 12 a day). The Chinese think that Russia should send them more.

1173.94/13880

The Ata Alma road has now a concrete surface which enables trucks to cover its entire length in much briefer time than the eighteen days you were told last fall (as I recall) the journey required. An average of 47 truckloads of military supplies per week are now passing over it. "One great service the Japanese have rendered us,"
exclaimed

- 2 -

exclaimed Wan, "is to compel us to build fine roads." Work has progressed well on the Yunnanfu-Burma road, which should be open in a month or two.

"If only the Russians would lend us two or three submarines," Wan said, "we could win the war."

"But you lack the trained personnel to man them," I objected.

"Yes," he replied, "we should have to keep the Russian crews, but why should we not have foreigners to operate our submarines as well as our airplanes?" He said, however, that the Japs keep close tabs on Russian submarines so that they would know immediately that they came from Vladivostok if any were put at the Chinese's disposal, and would take reprisals against the Russians. He thought that if the Russians had a good bread grain harvest this year, they might be persuaded to risk it, and let them have submarines next year.

Wan thought that the reason Japanese imports of planes from the United States had shot up in April was a loan which he alleged, despite British denials, the Japs had obtained from London bankers, the contract for which was signed April 7. Chinese arms and airplanes imports from the United States have fallen off because American manufacturers insist on cash payment for sales to Japan and China, and China has been short of ready money in recent months. He was not sure, however, that Japanese purchases of armaments in the United States would continue to exceed Chinese orders.

Wan

DECLASSIFIED: E.O. 11652, 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 -

Wan confirmed the information I obtained from the Quai d'Orsay last week that in case Hankow falls the Chinese will retire upon Kunmin (Yunnanfu) rather than Chungking. Surprised that I knew it, he asked me who had told me. I replied I was not at liberty to say, but inquired the reasons. He gave me three: 1) Quarters for Government offices were altogether inadequate at Chungking, but they would suffice at Kunmin; 2) The Chinese wished to draw closer, in the event of retirement, to Burma and French Indo-China; 3) The radio installation at Chungking was inadequate, but a very good station was being completed at Kunmin. Wan said there were other reasons which he was not permitted to divulge to me.

The German military mission to China was withdrawn because the Chinese stopped arms purchases in Germany. The Chinese took this step because the German Government recognized Manchukuo. General Falkenhausen, whose brother was shot by the Nazis, was unwilling to return to Germany, and secured the German Government's permission to remain in Hong Kong, where, according to Wan, he is continuing to give military advice unofficially to the Chinese Government.

More airplanes are going into China now from Hanoi, where they are assembled, than through any other place, Hong Kong included. Mandel is well disposed toward the Chinese, but his bad administrative habit of handling too much personally causes them vexing delays. Daladier will not now sign any permit for arms exports from France to China - because of his policy to keep them

all

- 4 -

all for the French forces, Wan assumes.

Canton is peculiarly vulnerable to air attack in the same way Barcelona and other Spanish coast towns are because, as the raids come from the sea, it is not possible to get warning through listening apparatus (acoustic goniometers). Moreover, Chinese aircraft is concentrated in the north where they can be concealed and protected from Japanese attack in cave-like hangars dug out of the mountain side.

The Chinese Embassy noted that you were not mentioned as among those present in the press reports of the dinner and reception for President Le Brun at the Japanese Embassy last week. Wan wondered if you were invited. I, of course, did not know.

L.H.

LH/jwd

152

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

TELEGRAM RECEIVED

JR

FROM

COMSOPAT

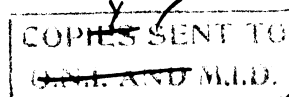
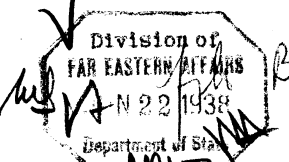
June 22, 1938

Rec'd 5:30 a.m.

ACTION: OPNAV

793.94

INFO: COMSUBRON FIVE
FOURTH MARINES
ALUSNA PEIPING
USS SACRAMENTO
USS TULSA
USS EDSALL
ASTALUSNA SHANGHAI
COMDESRON FIVE
CINCAF
COMYANGPAT
AMEMBASSADOR CHINA
USS ASHEVILLE



0021. Air raids railroads vicinity Canton Wuchow
bombed with several close to American oil properties.
Some naval activity near Swatow, two bombs on fort
twentieth. Ships off Hainan Islands Hoihow bombed.
2345.

DDM

793.94/13286

JUN 24 1938

FILED

F/FG

TELEGRAM RECEIVED

JR
CFO

FROM

GRAY

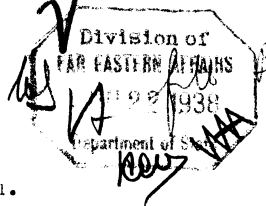
Shanghai via N. R.

Dated June 21, 1938

Rec'd 8:55 p.m.

Secretary of State,
Washington.

878, June 21, 5 p.m.
My 834, June 14, 1 p.m.



One. Japanese forces advancing south from Hofei and north from Anking have joined and claimed to have taken Tsienshan, 35 miles northwest of Anking. The Chinese admit only loss of Liuan to another Japanese column advancing westward from Hofei. The Japanese Navy is carrying out mine sweeping operations between Anking and Matang, about 50 miles further up the river, where the Chinese are reported to hold strong positions. Land forces claim to have advanced about 15 miles above Anking along both banks of the Yangtze. Other Japanese columns in northern Anhwei appear to be immobilized by heavy rains and floods.

Two. Reliable foreign reports indicate that, although the Japanese have taken the terminus port of LIENYUNGKANG, Chinese forces consisting of regular troops and at least 7,000 salt guards still hold the cities

793.94/15287

FILED

F/EG

JUN 24 1938

793.94

10/3
6/9/38

-2- #878, June 21, 5 p.m., from Shanghai via N. R.

cities of Haichow and Panpu and a long section of the Lunghai railway east of Hsuehowfu.

Three. There were two terrorist attacks on "traitorous" Chinese officials during the weekend. The Land Commissioner of the "Tatao Government" was killed by unidentified gunmen as he was entertaining a party of Chinese officials and Japanese in a Chinese restaurant. One of the guests, a minor official of the same "government", has since died of wounds received at the same time. The second incident was an unsuccessful attempt on the life of an official of the Ministry of Education of the "reformed government".

Four. Without warning and without announcing any cause, the Hongjao area of Shanghai was closed for two hours by the Japanese on the afternoon of June 18.

Five. A spokesman of the Japanese Embassy here today intimated that Japanese military operations would shortly be extended to a much wider area in South China than has heretofore been included, embracing all of Kwangtung and Kiangsi, running roughly from Pakhoi to Sian by way of Hengyang and Ichang.

Repeated to Hankow and Peiping.

LOCKHART

HDH:NPL

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

TELEGRAM RECEIVED

EG

FROM FOURTH MARINES

June 22, 1938

Rec'd 10 a.m.

ACTION: CINCAF
OPNAV

INFO: AMCON SHANGHAI CHINA
COMSUBRON FIVE
ASST ALUSNA
COMOPAT
AMEMBASSADOR CHINA
COMDESRON FIVE



8622. Japanese sailors 21 June occupied Namoa Island off Swatow. Naval concentrations reported that area. Japanese planes bombed Swatow twice today. Naval vessels on Yangtze reported landed several hundred Japanese troops both banks river near Matang boom to attack Chinese defenders there. Fierce fighting reported north of Matang. 1830.

KLP

793.94/13288

JUN 24 1938

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

EG

TELEGRAM RECEIVED

Tsingtao via N. R.

FROM Dated June 22, 1938

Rec'd 10:35 a.m.

DIVISION OF
EUROPEAN AFFAIRS

JUN 28 1938

DEPARTMENT OF STATE

Secretary of State,

Washington.

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

June 22, noon.

Division of
FAR EASTERN AFFAIRS
JUN 22 1938
Department of State

Chucheng on overland route to south Shantung has been evacuated by Japanese. Japanese planes bombed town on June 12th and since that time have returned almost daily circling low over Swedish Baptist Mission compound. Missionaries believe their lives and property are endangered. In compliance with urgent request of missionaries for immediate action, and in view of recent bombing of American mission property at Pingtu, matter has been brought to the attention of Japanese general under authority of Department's August 27, noon.

Sent to Peiping, Hankow, Shanghai and by mail to Tokyo. Shanghai may wish to inform Swedish Minister.

GOURLEY

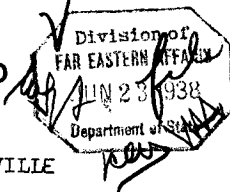
WWC:RR

793.94/13289

FILED
JUN 29 1938

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

TELEGRAM RECEIVED



EDA

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

FROM USS ASHEVILLE
June 22, 1938

Received 12:45 p.m.

ACTION: COMSOPAT

PASSED BY CINCUS TO NAVY DEPARTMENT FOR INFO.

793.94
0021. Previously reported concentration war off Swatow verified, Namoa Island reported occupied by Japanese today at ten fifty and sixteen hundred one BSP dropped two bombs near railroad station. 2300.

HPD

793.94/13290

FILED
JUN 24 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. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

KLP

ofo

FROM

GRAY

Chefoo via N. R.

Dated June 22, 1938.

Rec'd. 12:55 p.m.

Secretary of State,
Washington.

June 22, 3 p.m.

Japanese warships and aircraft bombed Lungkow June 19th with fair amount of damage to town and some loss of life. No Americans in Lungkow. Commissioner of Customs, Chefoo, has decided to close Lungkow as trading port evacuating staff because of the danger and possibility of military operations against guerrillas in that region.

Repeated to Embassy at Peiping, Hankow.

ROBERTS

WWC:RR



793.94/13291

FILED
JUN 24 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

4851

TELEGRAM RECEIVED

EDA

A portion of this tele- FROM TOKYO
gram must be closely
paraphrased before being
communicated to anyone (B)

Dated June 22, 1938

Received 12:10 p.m.

Secretary of State

Washington

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

Division of
FAR EASTERN AFFAIRS
JUN 22 1938
Department of State

401, June 22, 9 p.m.

One. (GRAY). The NICHU NICHU states today that, in connection with criticism during a recent press interview by the Minister for Foreign Affairs of those countries supplying arms to China, Ugaki has under active consideration the possibility of a Japanese declaration of war against China. It is argued in the article that, although Ugaki has indicated that he is endeavoring to attain the desired end through diplomatic channels, it is unlikely that the countries concerned can be persuaded to refrain from exercising their right to supply arms to China unless Japan offers satisfactory quid pro quo (underlined); but that he could force these countries to weigh more carefully the advantages and disadvantages of this practice if war were declared. The army and navy further states that diplomatic officials in the field have been instructed to submit to Tokyo all data necessary for final decision on the matter (END GRAY).

Two. As we have stated on several occasions, the question

793.94/13292

JUN 27 1938

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793.94
note
793.24
and
793.9411

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

4852

EDA - 2 - #401, June 22, 9 p.m. from Tokyo

question of a declaration of war will revolve around the effects on the military operations of imports of munitions by China. We believe that this aspect of the question has all around been kept under observation, and that, if China's imports of arms are now such as to be an important factor in the continuation by China of its resistance, declaration of war might well be under active consideration. However, it would be well to bear in mind that today's story appears in no other paper, which indicates at least that the Government is not actively interested in giving it publicity. It seems to us that the story may have some basis in fact, but that it has not been presented in accurate perspective.

Three. (GRAY) The spokesman of the Foreign Office is reported as having characterized the NICHU NICHU story as groundless and false, adding that Japan could not declare war on China unless she discontinues adherence to various treaties concerned, including the Kellogg-Briand Peace Pact and the Nine Power Treaty "by which she is now bound" (END GRAY).

Four. We are, of course, endeavoring to obtain some authoritative information on the subject, which the Department will realize is no easy matter. The only suggestion

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

4853

EDA - 3 - #401, June 22, 9 p.m. from Tokyo

suggestion which we have obtained directly from Japanese
official sources thus far is that the NICHU NICHU story
"should not be taken too seriously".

Repeated to Shanghai for Hankow.

GREW

KLP: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

b
 (CONFIDENTIAL)

CONFIDENTIAL

PARAPHRASE

A telegram (no. 401) of June 22, 1938, from the American Ambassador at Tokyo reads substantially as follows:

The June 22 issue of Nichi Nichi states that, in connection with criticism during a recent press interview by the Minister for Foreign Affairs of those countries supplying arms to China, Ugaki has under active consideration the possibility of a Japanese declaration of war against China. It is argued in the article that, although Ugaki has indicated that he is endeavoring to attain the desired end through diplomatic channels, it is unlikely that the countries concerned can be persuaded to refrain from exercising their right to supply arms to China unless Japan offers satisfactory quid pro quo; but that he could force these countries to weigh more carefully the advantages and disadvantages of this practice if war were declared. The army and navy further state that diplomatic officials in the field have been instructed to submit to Tokyo all data necessary for final decision on the matter.

The question of a declaration of war will depend upon the effect on the military operations of the imports by China of munitions of war, as the Ambassador has stated upon several occasions. It is the Ambassador's
 opinion

743.94/13292

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

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-2-

opinion that this phase of the situation has been kept under observation all around and that a declaration of war might quite possibly be under active consideration if the imports of arms by China are sufficient to be an important factor in China's continuation of resistance to Japan. It would be well to remember, however, that the above-mentioned article in Nichi Nichi is not carried by any other paper. This indicates that the Government is at least not actively interested in giving publicity to the story. The Ambassador is of the opinion that the story has not been presented in accurate perspective, although it may have some basis in fact.

The only suggestion which the Ambassador has gotten so far directly from official Japanese sources is to the effect that the story in Nichi Nichi should not be taken too seriously. The Ambassador is trying to get some authoritative information in regard to the matter but it will be realized that this is not an easy matter.

The spokesman of the Foreign Office is reported as having characterized the Nichi Nichi story as groundless and false, adding that Japan could not declare war on China unless she discontinues adherence to various treaties concerned, including the Kellogg-Briand Peace Pact and the Nine Power Treaty "by which she is now bound."

793.94/13292

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

793.94

DOCUMENT FILE

NOTE

SEE 893.00/14234 FOR _____

FROM Chinese Embassy (_____) DATED June 16, 1938
TO _____ NAME _____ 1-1127 ***

REGARDING: Japanese advance on Hankow: military situation in Yangtze area.
Report, under date of June 14, from Hankow.

FRG.

793.94 / 13293

13293,

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

793.94

DOCUMENT FILE

NOTE

SEE 893.00/14235 FOR _____

FROM Chinese Embassy (_____) DATED June 17, 1938
TO _____ NAME _____ 1-1127 ***

REGARDING: Military situation report from Hankow, today's date: text of-,

FRG.

793.94/ 13294

13294

DECLASSIFIED: E.O. 11652, 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/127 FOR Tel #377, 1 pm

FROM China (Salisbury) DATED June 20, 1938
TO NAME 1-1127 ero

REGARDING:

Sino-Japanese relations: Statement issued by Provisional
Government gives opening of an avenue for peace discussions.
PEIPING CHRONICLE purports the statement to mean that
Sino-Japanese peace terms are within the realm of
possibilities.

aa

793.94/ 13295

13295

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

Ft

JR

PLAIN

Peiping via N. R.

Dated June 20, 1938

Rec'd 7 a.m.

Secretary of State,
Washington.

377, June 20, 1 p.m. (SECTION ONE).

One. The Peiping Provisional Government issued
June 18 a statement from which the following is an
excerpt:

"Within the Kuomintang, those who have the interests
of the country at heart are not few in number. Besides,
the northern generals are still in command of their
troops. Why should they not return to their native
places with their armaments? As to the intellectuals
with their virtues and their experience, should they
come to the north, there is no reason for denying
them anything even if they have been in the Kuomintang
should they only follow our views. After all, during
these days of dire distress when we who are of the
same stock meet there is not even time to console
each other, where is the possibility of our drawing
lines of distinction among ourselves?" According to
Japanese news agency Domei, Shanghai, the Nanking

Reformed

note
713.94

127

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

-2- #377, June 20, 1 p.m., (SECTION ONE) from Peiping.

Reformed Government issued simultaneously a somewhat similar statement which urged that the Chinese nation unite for "the overthrow of the Hankow Regime for the sake of the national stability and welfare of China." SECTION TWO FOLLOWS.

SALISBURY

DDM

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

JR

PLAIN & GRAY

Peiping via N. R.

Dated June 20, 1938

Rec'd 8 a.m.

Secretary of State,
Washington.

377, June 20, 1 p.m. (SECTION TWO).

Two. The Japanese subsidized PEIPING CHRONICLE purports to see in the Provisional Government's statement the opening of an avenue for peace discussions, saying that there is nothing to prevent the Chinese Governments themselves endeavoring to secure an adjustment, and some observers connect the two regimes statements with Ugaki's reported intimation of June 17 to the Tokyo press that discussion of Sino Japanese peace terms is within the realm of eventual possibilities.

Three. There is no doubt that the statements could not have been issued without Japanese official approval but it is questionable whether they have much if any significance as "peace proposals" because they both recite at length the "crimes" of the Kuomintang unless a change in the Nanking statement urges overthrowing the National Government, and the Peiping statement constitutes little more than advice to the

National

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

-2- #377, June 20, 1 p.m. (SECTION TWO) from Peiping.

National Government to cease fighting the Japanese, described as "our eastern neighbors, as close to as the skin is to the flesh," who "have embarked upon a crusade of exterminating the undesirable elements in our country."

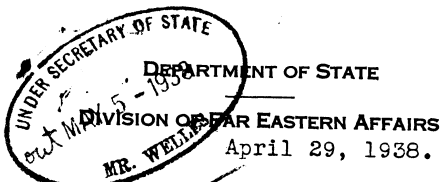
Four. Repeated to Embassy, Hankow, Nanking, Consul, Shanghai. By mail to Tokyo.

END OF MESSAGE.

SALISBURY

KLP:DDM

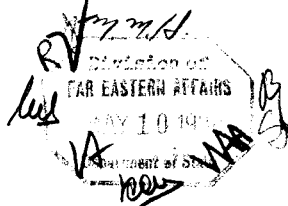
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Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75



Mr. Welles.

There is attached a copy of
M.I.D. summary and situation maps
covering events in China for the
week ending April 29.

You may be interested in
noting the first paragraph on
page 1 and the section entitled
"Comment" on page 5.



MMH/REK

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

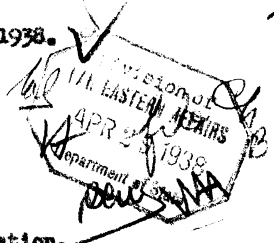
CONFIDENTIAL

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DOR



April 29, 1938.



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 April 29.
2. The important events for the past week have been:
 - a. Continued arrival of Japanese reinforcements for the Japanese North China Army and Japanese advances in southern Shantung northeast of Haichow.
 - b. Renewed activity by Japanese units of the Central China Army held up at the Hwai River, south of Haichow, since January.
 - c. Significant changes in Japanese military and naval high command in North and Central China.
 - d. Temporary repairs effected to the Shantung bridge on the Canton-Kowloon railway insuring continued flow of munitions from Hongkong.

793.94/15296

E. R. W. McCabe

Mar 19 1973

E. R. W. McCABE,
Colonel, General Staff,
Assistant Chief of Staff, G-2.

2 encls.

FILED
JUN 23 1938

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

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Q-2 Digest of Information Sino-Japanese Situation April 23-29, 1938

GENERAL

The Cabinet crisis in Japan has been definitely smoothed over for the time being and it is probable that no changes will be made. Tokyo news reports and Sugiyama's (War Minister) visits to the China command indicate that intensified military action in China is impending. It is apparent that the military party which had held out for a war of attrition has had to make substantial concessions to the groups who want the "Incident" cleaned up as soon as possible by increased military pressure. Informed Japanese at Tokyo talk of the inevitable drive on Hankow.

Reports from Shanghai state that General Count Terauchi has been recalled to Japan because of the Shantung debacle and that he was to be replaced by Lieut. General Jun Ushiroku. This report has not been confirmed. Existing reports in March stated that Terauchi was to be given command of a proposed new headquarters to coordinate all Japanese military activities on the mainland and that General Koiso would replace Terauchi. General Ushiroku is regarded as an able tactician and a capable commander. He has recently been in charge of the Military Affairs Bureau of the War Office.

A complete shakeup of the Japanese naval command at Shanghai was announced on April 27. Admiral Hasegawa, Commander in Chief of the Japanese China Sea Fleet; Rear Admiral Sugiyama, Hasegawa's Chief of Staff; Rear Admiral Honda, Naval Attache to the Japanese Embassy; and Rear Admiral Okochi, commander of the Japanese naval landing party since the commencement of hostilities; all were transferred to new posts. Vice Admiral K. Oikawa, chief of the Bureau of Naval Aeronautics is reported to be taking Hasegawa's place. Other replacements have not been published.

According to reliable sources in Mukden General Uyeda, commanding the Kwantung Army and Ambassador to Manchoukuo, was in Mukden from April 21 to 24 in order to direct the court martial of a number of senior officers in the Manchoukuoan Army found plotting a mutiny. No details are available. The plot may possibly be connected with sabotage plans as indicated by the fire in the Manchurian Aviation Company hangars at Mukden on April 13 and a fire in the oil storage tanks at Dairen on April 10.

Reports from Tokyo state that the government will enforce gasoline rationing regulations from May 1. It is expected that consumption of gasoline will be reduced by 30 per cent.

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

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According to the Tokyo press, officials of the Japanese Ministry of Justice will tour areas under control of the Provisional and the Reformed Governments in China to study the question of the abolition of Japanese extraterritoriality in those areas.

According to an official communique from Moscow, efforts to clear up Russo-Japanese relations have reached an impasse. The Soviet Ambassador at Tokyo visited the Foreign Minister on April 4 appealing to the Japanese Government to meet the Russian Government half way in settlement of nearly a dozen disputes between the two countries, proposing five concessions for a similar number from Japan. Instead of accepting, Hirota countered by submitting further demands including the immediate negotiation of a new fisheries agreement. A dispatch from Seoul dated April 26 reports two clashes on the Siberian border in Kirin on April 23 and 24 in which the Russians were forced to retire, leaving their wounded on the field.

The Chinese press reports that a Sino-Japanese peace conference is to be held at Hongkong soon at the suggestion of the American, British and French Governments. General Chiang Chua, former Chinese Foreign Minister, will represent the Chinese Government and the British Ambassador will also attend the peace conference.

Hongkong press reports state that T. V. Soong is soon to replace H. H. Lung as Chinese Finance Minister. Reliable reports, however, indicate that serious differences between Chiang Kai-shek and Soong still exist and that Chiang is unlikely to tender the Finance Ministry post to Soong. It is reported that British financial circles might be willing to extend additional credits to China if Soong were to take over the direction of China's finances.

NORTH CHINA THEATER

Increasing military activity is reported in Suiyuan. Chinese claim that units under Ma Chan-shan have captured towns south and north of Kweihsia. Japanese deny this and maintain that Ma Chan-shan's main force was wiped out in a battle fought 20 miles southeast of Pailing-miao, Suiyuan. Japanese report that their units captured Anpei, about 50 miles northwest of Paochow, on April 26.

Guerrilla activities in North China during the week included an attack on a Japanese airdrome at Tschow on the Tain-Pu Railway; an attack on Lanfang on the Peiping-Tientsin Railway which resulted in the burning of large stores of gasoline; and fighting on April 23 and 24 a few miles west of Mentoukuo near Peiping. Machine gun fire outside the walls was plainly audible in Peiping during the night of April 28-29.

In Shansi Japanese report they repulsed an attack on Taiyuan on April 24. The Chinese claim to be occupying many towns throughout

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the province as the Japanese withdrew to reinforce the Lunghai attacks in Shantung.

In Shantung Chinese irregulars are most active. Units of the 8th Route Army are now reported in the province. Small Japanese garrisons and convoys are being constantly attacked. The first through train between Tainan and Tsingtao since April 15 arrived April 26. Chinese guerrillas have caused considerable damage to the roadbed and bridges. Trains carry Japanese guards but they are sniped at continually by Chinese. Tsingtao is reported to be full of Japanese soldiers en route to the Lunghai front. Chinese aircraft are reported to have bombed Tainan on April 25.

Reliable reports state that during the period April 18-24 approximately 2,100 Japanese casualties were loaded aboard hospital ships at Chingwangtao and 1,000 more passed through by rail headed toward Shanhaikwan.

LUNGHAI FRONT

Japanese reinforcements continue to pour into Shantung and have succeeded in relieving the units almost surrounded by the Chinese at Tsaochwang and Yih sien in southern Shantung. Pressure is being exerted on the Chinese defense lines in the area and the Japanese are forcing the Chinese back to their prepared positions on the Lunghai. There appear to be four Japanese thrusts in this area; one at Hanchwang, one down the railway from Yih sien toward Taierchwang, another just east of the Lin-Taierchwang road headed toward Pih sien and a fourth south from Lin through Lancheng, toward Sinanchen. The main line of resistance for the Chinese probably follows the south bank of the Grand Canal and the Japanese have reached this only at Hanchwang, where they are still held on the north bank. Chinese resistance appears to be stiffening. Reports indicate that the Japanese drives are small scale attacks and are probably designed as feelers to test Chinese resistance. On the east two of the Japanese columns have penetrated to within 12 miles of the Lunghai railway, some 50 to 70 miles east of Hanchow.

The first action in months is reported south of Hsuehchow, where the Japanese have been held at the Hwai River since early January. Late reports state that a Japanese force had succeeded in crossing the river at Hwaiyuan. To the east another Japanese column which had started from Nantungchow near the Yangtze on March 17 and had been held at Tungtai-hsien for weeks, had advanced 24 miles to Yencheng.

To the west in north Honan and southern Shanai the Japanese have been cleared away from the Yellow River except for a small detachment at Fengkui, north of Kaifeng. Chinese are attacking garrisons depleted by levies for the Shantung offensive. An attack is in progress at Foui (Tsingwachen), Honan, on the branch railway running west from

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

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Sinsiang. Tsingfeng and Nanlo in southern Hopei are now reported in Chinese hands and the Chinese report the capture of Lichang in south-eastern Shansi. Wei Li-huang, who commands 70,000 good Chinese troops in Shansi, is reported under orders to move eastward across northern Honan and southern Hopei to Shantung to harass the Japanese.

According to reliable reports Japanese authorities at Peiping have been informed that Pai Chung-hsi's troops are being withdrawn from the Lunghai front and that inferior Chinese troops are replacing them. The Japanese believe this indicates that the Chinese do not intend to hold Hsuehchow and wish to conserve their good units and supplies. The Japanese do not like this development as it will nullify their "victory" and render it inconclusive.

There are reports that the Chinese intend to cut the Yellow River dikes northeast of Kaifeng and thus flood the entire eastern Lunghai area. It is probable that this action will be delayed until the Japanese are in possession of Hsuehchow. Most of the Japanese forces in southern Shantung are still in the foothills and a flood at this time would only embarrass the Chinese withdrawal. The river will begin to reach flood stage in about a month. If the Chinese could inveigle the Japanese to move into the low lying area and then time their own withdrawal with the cutting of the dikes, it would be a masterly stroke indeed. There are millions of Chinese civilians in the area that would be flooded, and some of these are becoming apprehensive and are moving out.

CENTRAL CHINA THEATER

Except for Chinese irregular activity along the Nanking-Wuhu Railway and between Wuhu and Hsuanan, little military activity is reported. The Japanese have landed a detachment near Hsien (scene of the Panay bombing) and have moved a short distance inland toward Hanchuan. This move seems to have little military significance.

American missionaries who returned from Soochow (midway between Shanghai and Nanking) report the situation there as tense. Large bodies of Chinese guerrilla units are outside the city and several thousand are rumored to be inside the city. The Japanese garrison there has been greatly reduced.

SOUTH CHINA THEATER

The Sheklung bridge which was damaged by Japanese air attack on April 15 was again opened to Canton-Hongkong traffic on April 21. On the same day Japanese again attacked the bridge and dropped 50 bombs without damage to the structure.

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CONFIDENTIAL

The Chinese airfield at Foochow was bombed on April 27 but no casualties were reported. On April 23 Japanese aircraft sank two small Chinese passenger steamers 15 miles northwest of Macao causing 100 casualties.

COMMENT

The significance of the recent changes in Japanese army and navy high command in China is not yet apparent. So far there appears to be no move to establish a headquarters on the mainland to coordinate the actions of the three armies engaged in the China operations. Sugiyama's visits to the various commands undoubtedly were for the purpose of securing better cooperation as well as to ascertain what additional forces would be needed to complete the military operations. However, until the command for the Haichow operations from the north and from the south is centered in one headquarters there is bound to be loss of efficiency.

The present operations in southern Shantung still indicate a lack of aggressiveness on the part of the Chinese. Japanese attacks so far have been comparatively small scale, more in the nature of a development. They are probably awaiting the arrival of reinforcements to insure their drive having sufficient weight to push on, and also to maintain the security of their communications. During this period the Chinese have been forced back without any apparent aggressive effort on their part to stop the Japanese or to concentrate on any one of their columns. During the last few days the Japanese have made no appreciable advances. This may be due to the exhaustion of the local Japanese forces involved, or to an actual stiffening Chinese resistance. Haichow is in no immediate danger as yet. Japanese advances so far have been well east of the junction city and the loss or cutting of the eastern section of the Lunghai would have no immediate effect. The port facilities at Haichow were destroyed long ago and considerable work would be involved before that place could be used as an important port of debarkation.

News of military reverses or difficulties are still being kept from the Japanese populace. Returning soldiers, wounded, and the ashes of the dead, are usually landed at night and immediately and quietly moved away from the ports. Large hospitals and convalescent camps have been established in Korea and Manchuria in order to keep the disagreeable facets of war from the public eye. Japanese casualties in killed and wounded (excluding normal sickness) must now be nearly 200,000 for the ten months of war. As an interesting comparison, Japanese losses in the 18 months of the Russo-Japanese war totaled 230,000 killed and wounded. When the full measure of the costs of the "China Incident" in blood and treasure become public, serious political repercussions in Japan may be expected.

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

TELEGRAM RECEIVED

EG

FROM

GRAY

Division of
FAR EASTERN AFFAIRS

JUN 23 1938

Department of State

Foochow via N. R.

Dated June 22, 1938

Rec'd 7 a.m. June 23rd

Secretary of State,

Washington.

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

June 22, 10 a.m.

Three planes dropped eighteen bombs on Kiehnow yesterday morning. Extent of damage and number of casualties unknown. Planes appeared over Foochow twice but did not drop bombs. According to Chinese reports ten other planes engaged in scouting flights over whole northern Fukien coast throughout yesterday.

To Hankow and Peiping.

WARD

KLP

793.94/13297

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F/FG

JUN 27 1938

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

TELEGRAM RECEIVED

JR

gpo

FROM

COMSOPAT

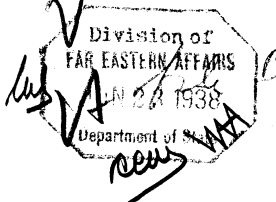
June 23, 1938

Rec'd 10:50 a.m.

ACTION: OPNAV

INFO: COMSUBRON FIVE
ASSTALUSNA SHANGHAI
COMDESRON FIVE
CINCAF
COMYANGPAT
AMAMBASSADOR CHINA
USS ASHEVILLE
USS SACRAMENTO
USS TULSA
USS EDSALL
FOURTH MARINES
ALUSNA PEIPING

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



793.94/13298

793.94

0022. Air raids railroads Canton and vicinity
airfield loop line Wongsba and Laichiwan sections general
western area city about fifty casualties, one dud two
hundred yards west Hackett Hospital American. Six BLP
with three FLP above sighted, naval activity off
Swatow Namoa and Island, four BSP dropped twelve bombs
power plant and railroad station, former disabled.
2345.

CSB

FILED
JUN 25 1938

F/FG

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

TELEGRAM RECEIVED

EDA gpo

FROM

FOURTH MARINES

June 23, 1938

Received 11:04 a.m.

ACTION CINCAF

OPNAV

INFO AMCONSUL SHANGHAI
COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR (CHINA)
USS MARBLEHEAD
ALUSNA PEIPING

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

8623 Japanese planes bombed Wengsha station Canton,
bombed Chinese positions both banks of river vicinity
Matang, 5 Chinese planes appeared over Japanese vessels
same area, fled without dropping bombs 1855

CSB

793.94/13299

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FILED
JUN 25 1938

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

TELEGRAM RECEIVED

EG

GRAY

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

FROM

Canton via N. R.

Dated June 23, 1938

Rec'd 11:54 a. m.

Secretary of State,
Washington.

June 23, 4 p.m.

On 20th Canton-Hankow Railway bombed with minor damage to line. Hoihow, Hainan Island, and Pakhoi bombed and shelled without serious damage a little later in continuation of efforts to test defenses along South China coast.

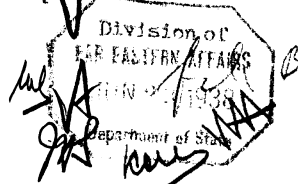
On 21st a highway south of Canton was bombed at Tungkun with civilian casualties reported; also eleven bombs dropped at Wuchow in vicinity of air field with some damage to Standard Oil Company installation reported. I am protesting this to the Japanese Consul General at Hong Kong and would ask Embassy at Tokyo to take appropriate action in view of machine gunning of same property February 25th.

In raid on Canton on morning of 22nd some bombs were dropped in Wongshe station area and at Canton-Hankow line in city limits with some civilian casualties.

Sent to Peiping, Hankow, Shanghai. Shanghai please repeat to Tokyo.

LINNELL

HPD



793.94/13300

JUN 25 1938

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

DOCUMENT FILE

NOTE

SEE 393.115/345 FOR Telegram #884, 5 pm.

FROM Shanghai (Lockhart) DATED June 22, 1938
TO NAME 1-1127

REGARDING: Protection of American interests in China. Quotes telegram #396, 6 pm., of June 21st from Embassy at Tokyo giving the contents of a note from the Japanese Foreign Office regarding the extension of the areas of active military operations and the precautions which should be taken by American to avoid unpleasant incidents.

with

795.94/15301

15301.

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

FE

JR

GRAY

Shanghai via N. R.

Dated June 22, 1938

Rec'd 11 a.m.

Note
793.94

Secretary of State,
Washington.

884, June 22, 5 p.m.

Following from Tokyo:

"396, June 21, 6 p.m. Following is translation of a note dated June 20 received today from the Foreign Minister. Being marked confidential it is obviously not for publication. I am informed that identical notes have been addressed to the diplomatic missions of other countries having interests in China. Does the Department desire that I acknowledge receipt of this note merely stating that I have referred it to my Government?

"Confidential. Excellency: While informing Your Excellency that accompanying the extension of the areas (excepting leased territories and international settlements of third countries, and areas in possession of the Japanese) south of the Yellow River and east of a line connecting Sian, Ichang, Hengchow, and Pakhoi constitute an area of active military operations, I

have

393.115-1345

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- #884, June 22, 5 p.m., from Shanghai via N. R.

have the honor to state that the Imperial Government desires to prevent, as far as possible, accidental injury to nationals of Your Excellency's country, or their property, caught in the hostilities between the Japanese and Chinese forces.

In order that the realization of this desire may be assured it is urgently hoped that the points mentioned below will be continually kept in mind by the nationals of Your Excellency's country and by those persons in charge of their property within the stated area, and it is hoped that the persons concerned may be promptly notified. (a) Nationals, vessels, et cetera, remaining within the stated area not to approach Chinese military establishments; (b) property of nationals in the stated area to be marked so as to be clearly visible from the air and from the ground, and at the same time notification of such property to the Japanese military authorities at the front to be expedited; (c) since, in event of the Chinese forces taking advantage of the property of nationals of Your Excellency's country, the Japanese forces, being forced to attack, cannot accept the responsibility of protecting such property, arrangements to be made to prevent the Chinese forces from utilizing or approaching the said property.

With

DECLASSIFIED: E.O. 11652, 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- #884, June 22, 5 p.m., from Shanghai via N. R.

With a view to preventing the occurrence of all kinds of undesirable incidents involving the nationals of Your Excellency's country, I should like to add here that it is sincerely hoped (although the Imperial Government does not, of course, require it) that nationals of Your Excellency's country living in the above mentioned area who are able to leave, will, to as great an extent as possible, withdraw from the area of hostilities to safer districts.

Further, even outside the above mentioned area the Japanese military forces must carry out bombardment of all kinds of important military establishments of the Chinese forces, and I shall therefore greatly appreciate a report of the location of any interests of Your Excellency's country of which notice has not yet been received. At the same time it is desired that properties be so marked as to be plainly visible from the air. It is also requested that nationals be instructed not to approach Chinese military locations.

The past experience of the Imperial Army has been that often marks to be observable from the air have not been very clear, and it will be appreciated if all such are made plainly visible.

The

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

-4- #884, June 22, 5 p.m., from Shanghai via N. R.

The foregoing is based upon the sincere wish of the Imperial Government to avoid risk of occurrence of unpleasant incidents and disaster to nationals of Your Excellency's country and their property in China, with the coming expansion of military activities. In regard thereto I have the honor sincerely to request Your Excellency full understanding and prompt consideration in the premises.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration. Kazushige Ugaki Minister for Foreign Affairs."

Please repeat to Hankow and to the Department as our 396, June 21, 6 p.m. Grew."

LOCKHART

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

May 23 1939

EDA

FROM GRAY

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

FOOCHOW VIA N.R.

Dated June 23, 1938

Received 1:05 p.m.

Secretary of State

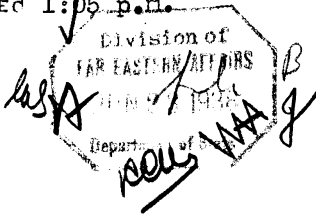
Washington

June 23, 11 a.m.

At 9:30 this morning three Japanese planes appeared over Foochow, bombing objective opposite pagoda anchorage. They were later joined by three more which bombed upper bridge area, their objective probably being old arsenal there. Two more planes shortly appeared, joining in bombing of first objective, where after all eight moved Amoyward in squadron formation. Damage and number of casualties unknown. To Hankow and Peiping.

WARD

WVC:RR



793.94/13302

F/FG
FILED
JUN 25 1938

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

June 25, 1938.

Reference attached telegram
(0024 - 0410) from the Commander of the
South China Patrol . . .

Commander Struble, upon oral and
informal inquiry, said that the Navy
Department would, in all probability,
take no action on the reported flying
of Japanese planes at low altitude
over the U.S.S. Asheville; that such
matters were almost invariably left
to the decision of the Commander in
Chief of the Asiatic Fleet who, in
this case, would probably caution the
appropriate Japanese naval authorities.

FE:Mackay:HES

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

REB

GPO

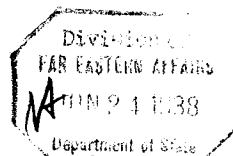
FROM COMSOPAT

June 23, 1938

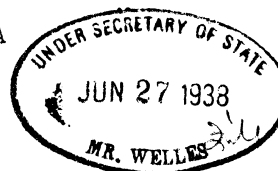
Rec'd 6:45 p. m.

ACTION: OPNAV

INFO: CINCAF
ADM COMSUBRON FIVE
ASST ALUSNA SHANGHAI
CONDESRON FIVE
CINCAF
AMAMBASSADOR CHINA
USS ASHVILLE
USS SACRAMENTO
USS TULSA
USS EDSALL
FOURTH MARINES



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



0024. Air raids railroads vicinity Canton Swatow
bombed by three B.S.P., nine dropped forenoon twenty-
third damaging railroad station cutting city water
main. Objectives clear of foreign property but planes
after bombing pointedly flew over ASHEVILLE altitude
three hundred feet. Continued naval activity Hainan
Island. 0410.

OPNAV

NPL-EMB

JUN 28 1938

FILED

F/FG

793.94/13303

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

Handwritten mark

TELEGRAM RECEIVED

JR

PLAIN

Swatow via N. R.

Dated June 23, 1938

Rec'd 7 a.m., 24th.

FROM

Secretary of State,
Washington.

Division of
FOR EASTERN AFFAIRS
JUN 24 1938
Department of State
Handwritten initials

EJL

June 23, noon.

193.94

Two air raids by Japanese naval bombers on Swatow June 21st at 10:30 a.m., and 3:30 p.m., dropped four bombs near railway station injuring three civilians. Three raids on June 22nd as follows: 7 a.m., one plane dropped two bombs on railway compound killing one civilian, 9:30 a.m., one plane dropped two bombs on electric power plant with no casualties and slight damage, 3 p.m., four planes circling city two planes dropping three bombs completely demolishing electric power plant and injuring three employees, other two planes dropped five bombs near railway workshop, no casualties but damage to water main. Leaflets dropped by planes condemned Nationalist regime. Large exodus during night to interior points. At 8 a.m., today one plane dropped two bombs on railway station and at 10:15 three planes dropped seven bombs demolishing half of railway station and smashing principal water main cutting off city's water supply.

793.94/13304

JUN 28 1938

FILED

F/FG

RR

YOUNG

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

TELEGRAM RECEIVED

JR

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

FROM

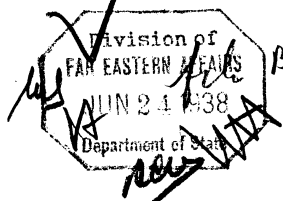
FOURTH MARINES

June 24, 1938

Rec'd 7 a.m.

ACTION: CINCAF
OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
ASTALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA



793.94

0024. On twenty-second June Japanese naval launch
blown by mines in operations above Anking, ninety-nine
dead including one newspaperman, one photographer,
twelve wounded, ten uninjured. 0842.

KLP

793.94/13305

F/FG
FILED
JUN 29 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

EG ^{SPD}

FROM

FOURTH MARINES

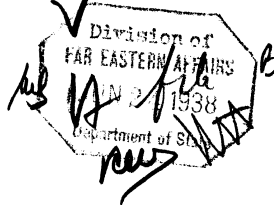
COPY SENT TO
O.N.I. AND M.I.D.

June 24, 1938

Rec'd 10:38 a.m.

ACTION: CINCAF FLAG
CINCAF ADMN
OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT



8624. Japanese planes claim bombed and disabled
Chinese mine layer above Matang boom, Swatow and out-
skirts Canton bombed. Guerrilla activity in Hankow
area increasing. 1854
CSB

793.94/13306

JUN 28 1938
FILED

F/FG

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

TELEGRAM RECEIVED

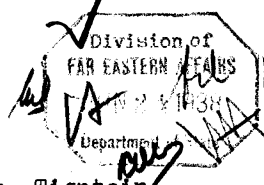
BC

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

Radio Chinwangtao

June 24, 1938

Received 11:55 AM



Action: Mardet, Tientsin.

Passed by Mardet Tientsin to Cincaf Comyangpat
Navy Department for information.

0024. About twenty thirty of the twenty third twenty
seven coaches of Japanese troops about fifty to sixty
per coach with five flat cars of antiaircraft weapons
passed through in direction of Dairen 0816.

793.94/13307

JUN 29 1938

FILED

F/WB

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

BC

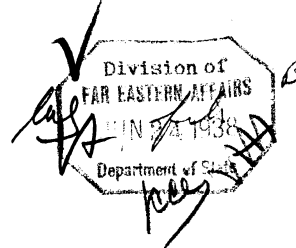
Gray

FROM

Tsingtao via NR

Dated June 24, 1938

Secretary of State, *egf*
Washington.



793.94
June 24, 4 p.m.

Train to Tsinanfu yesterday could not proceed beyond Chengyang about 20 miles from Tsingtao and had to return. It is reported that railway was destroyed in three places beyond Changyang by guerrillas, No train today. Repeated to Hankow, Peiping.

GOURLEY

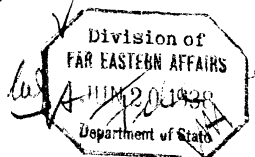
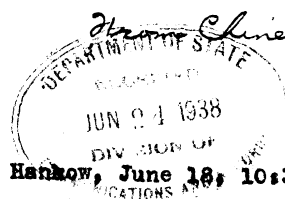
CSB

793.94/13308

FILED F/FG
JUN 28 1938

K

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



~~FE~~
DCR

Hankow, June 18, 10:35 P.M.

The Peoples' Organizations in Loyang, east of Chengchow, where the flood sufferers are greater in number, jointly cabled to the League of Union of International Peace Campaign, etc., yesterday protesting against the destruction by the Japanese of the Yellow River dykes resulting in extensive ruin of farms and villages besides Chinese defence works and lines of communication. Further bombings of the dykes were reported on the 16th when three Japanese heavy bombers flew over Chaokow and Yangchiao, north-east of Chengchow, where the breaches were further widened to 250 meters. Emergency repairs are being rushed in attempt to fill the gaps. Mr. Chu Yangkwang, Vice-Chairman of the Relief Commission left for Chengchow to supervise relief work.

The rumors from Tokyo alleging China's intention to destroy Changkungti dyke at Hankow when the hostilities approach, though baseless, suggests the possibility of bombing the dyke by Japan as she did with the Yellow River dykes.

Chinese positions at Tungoheng, midway between Anking and Sucheng and Lukiang, south of Hefei, have been abandoned. The Chinese forces are now entrenched in more favorable positions.

The Japanese warships shelled Chinese positions at Wuchachai and Chouchiamiao, on the southern bank of the Yangtse River, to cover the landing of troops, but they were repulsed after hours of fighting. The south bank is now completely cleared of enemy forces.

793.94/13309

F/F

15
DECLASSIFIED: E.O. 11652, 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 ^{GPO}

FROM

COMSOPAT

June 25, 1938

Rec'd 8 a.m.

ACTION: OPNAV

INFO: CINCAF
COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMSUBRON FIVE
CINCAF ADM
AMAMBASSADOR CHINA
ASHEVILLE
SACRAMENTO
MARBLEHEAD
TULSA
EDSALL
FOURTH MARINES
ALUSNA PEIPING

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

882

793.94

0025 Air raids railroads, ship and plane activity
Ladrone Islands southwest Hong Kong survey flights
general delta area Namoa Island off Swatow occupied
some naval activity vicinity Amoy, Kulangsu quiet 0025.

CSB

793.94/13310

JUN 28 1938

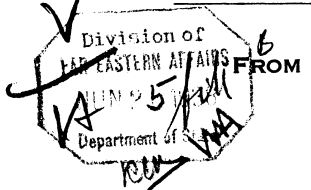
FILED

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

EG GPO



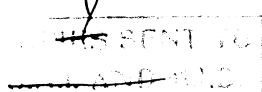
FROM FOURTH MARINES

JUNE 25, 1938

Rec'd 10:15 a.m.

ACTION: CINCAF (FLAG)
CINCAF
OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
ASSTALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
ALUSNA PEIPING



1938 94
8625 About 33 Japanese planes raided southern section Canton Hankow Railway 25 June, tracks damaged service temporarily suspended. Japanese state Chinese destroyed Yangtze dyke near Tashu on June 23. At 0815 in French concession today assassins killed Koo Shing Yi one of leading members Japanese sponsored Shanghai Citizens Association. Japanese much concerned floating mines Yangtze River 1830.

CSB

793.94/13311

FILED
JUN 30 1938

F/FG

767

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

GRAY

FROM

SHANGHAI VIA N.R.

Dated June 25, 1938

Received 8 a.m.

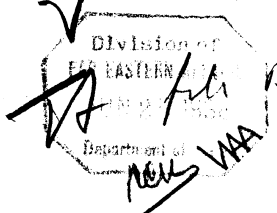
COPIES SENT TO
O.N.I. AND M.I.D.

Secretary of State

Washington

901, June 25, 11 a.m.

My 878, June 21, 5 p.m.



793.94

One. Japanese efforts to outflank Chinese positions defending the Matowchen boom, 43 miles below Kiukiang, have apparently been checked by the opening of the Yangtze River dikes on the north bank. The situation around Taihu, 45 miles west of Anking, which was admitted yesterday by the Chinese to be "critical", is now believed to have changed in favor of the Chinese. The Japanese Navy has been sweeping mines below the Matowchen boom and claims to have landed forces near the boom, at Wangkiang, 52 miles below Kiukiang on the north, and at Tihang, 33 miles above Anking on the south bank. Chinese reports claim the sinking by aircraft of four Japanese ships below the boom and the Japanese admit damage to a transport. Japanese claim to have sunk a Chinese mine layer above the boom. These reports have not (repeat not) been confirmed. There is news from other fronts in western Anhwei and northern Kiangsu.

7

793.94/13312

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

EDA - 2 - #901, June 25, 11 a.m. from Shanghai

Kiangsu.

Two. Considerable Japanese military shipping is reported to be passing through Shanghai in transit up the Yangtze, and several hospital ships have arrived and left.

Three. The President and most of the Ministers of the "Reformed Government", who have been in Shanghai since the inauguration of the "Government" on March 28, left for Nanking on June 22. Repeated to Peiping, Hankow and Nanking.

LOCKHART

PEG

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Canton/124 FOR Despatch #101 to Embassy,
Peiping.

FROM Canton (Linnell) DATED June 10, 1938.
TO NAME 1-1127 ***

REGARDING:

Japanese and Chinese aerial attacks, and effect of
raids upon the civilian population: Report
regarding-.

aa

793.94 / 13313

/33/3-

DECLASSIFIED: E.O. 11652, 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 Chinese Embassy



Hankow, June 20, 10:05 P.M.

Over thousand Japanese troops who landed at
Tikang on the 19th afternoon were repulsed at
the same evening by vigorous Chinese counter-
attack inflicting on them heavy casualties.
Simultaneously the Chinese forces recaptured
Niuchihling and Fengwangshan, two strategic
points near Tikang.

793.94

793.94/13314

FILED
JUN 26 1938

F/AFG

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

rr

FOURTH MARINES

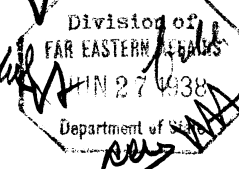
June 26, 1938

FROM

Rec'd 8:30 a.m.

ACTION: CINCAF (FLAG)
CINCAF (ADMIN)
OPNAV.

INFO: AMCON SHANGHAI
COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMDESRON 5
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
ALUSNA PEIPING



8626 Japanese planes bombed both sides Yangtze
in Anking sector and concentrations Chinese remnants
north of Fowning Kiangsu. Canton Kowloon Railway
and highway bombed heavy damage bridges and rolling
stock claimed 1815.

CSB

793.94/13315

F/FG

FILED
JUN 30 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

CA

TELEGRAM RECEIVED

Gray

SHANGHAI VIA N R

Dated June 25, 1938

FROM

Rec'd 2:20 p.m.

GPO

Secretary of State

Washington

907, June 25, 5 p.m.

My 901, June 25, 11 a.m.

Division of
FAR EASTERN AFFAIRS
JUN 27 1938
Department of State

One. Japanese claim successful landing of forces at Tungliu and Hsiangkou, 25 and 33 miles above Anking, on the south bank of the Yangtze.

Two. There were two terrorist attacks last night and one this morning. One was directed against a person claimed to have connection with the "reformed government"; the other two against persons connected with the Shanghai Civic Association, which is closely connected with the Japanese. No fatalities, no arrests.

Repeated to Hankow and Peiping.

LOCKHART

RGC NPL

793.94/13316

JUN 31 1938

FILED

F/FG

767

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

~~15~~

TELEGRAM RECEIVED

EG .oo

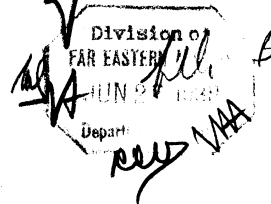
FROM FOURTH MARINES

June 27, 1938

Rec'd 9:41 a.m.

ACTION: CINCAF
OPNAV

INFO: AMCONSUL SHANGHAI
COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
CONSOPAT
AMEMBASSADOR CHINA
USS AUGUSTA
ALUSNA PEIPING



8627 Japanese planes claim destroyed bridge at
Sheklung on Canton Kowloon railway, bombed silenced
Yulin forts on Hainan Island. During last four days
approximately three five zero zero Japanese troops
proceeded from Shanghai toward Hangchow 1945.

CSB

793.94/13317

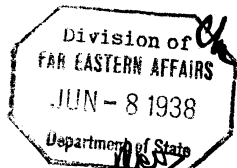
F/FG

FILED
JUN 30 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

DEPARTMENT OF STATE

ASSISTANT SECRETARY



FE

Will you please
draft a reply
for me?

FBS

76

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

TELEGRAM RECEIVED

Assistant Secretary
of State
JUN 7 - 1938
MR. SAYRE

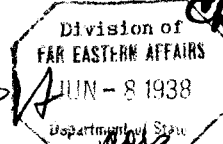
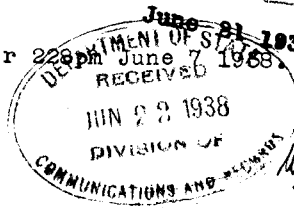
FROM

25wu wj 49 DL

Warrenton Vir 223pm

Hon Frances B Sayre

Washington



Your radio address last night was admirable both in substance and expression but unless your words are translated into action of some sort they are meaningless pressure should be exerted to make Japan feel the weight of this Governments protest against the horrors her troops are committing in China.

H C Groome.

315pm

793.9d

793.94/13318

F/PR

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

June 31 1938.

My dear Mr. Groome:

The receipt is acknowledged of your telegram of June 7, 1938, with regard to my radio address of June 6 on the subject of American foreign policy.

I appreciate very much your kind remarks in regard to the address and I have noted with care your comment with respect to the situation in China. Several times during the past year this Government has expressed abhorrence of ruthless bombing of unfortified areas with resultant slaughter of civilian populations. This view was reiterated in a statement given to the press by the Acting Secretary of State on June 3, a copy of which is enclosed.

You may be assured that this Government is deeply desirous that methods and acts of an inhumane character be avoided, and that it will continue to exert its influence in all practicable ways toward that end.

Sincerely yours,

FRANCIS B. SAYRE

Assistant Secretary

Enclosure:
 Press statement
 no. 269.

Mr. H. C. Groome,

Warrenton, Virginia.

FE:EGG:HES
 6-10, 14

JUN 14 1938

753.94/13313

F/HG

268

DECLASSIFIED: E.O. 11652, 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

FOR THE PRESS

JUNE 3, 1938
NO. 267

**UNIDENTIFIED
FUTURE RELEASE
NOTE DATE**

CONFIDENTIAL RELEASE FOR PUBLICATION AT 8:30 P.M., E.S.T.,
MONDAY JUNE 6, 1938. NOT TO BE PREVIOUSLY
PUBLISHED, QUOTED FROM OR USED IN ANY WAY.

RADIO ADDRESS BY THE HONORABLE FRANCIS B. SAYRE, ASSISTANT
SECRETARY OF STATE, ON MONDAY, JUNE 6, 1938, AT 8:30 P.M.,
E.S.T., OVER STATION WMAL, WASHINGTON, D. C.

AMERICAN FOREIGN POLICY

During the past few years, and particularly during the past few months, events have taken place which challenge the very existence of international order and, indeed, the very fundamentals upon which alone a Christian civilization can be built. Territory has been invaded, homes have been destroyed, property has been seized, and innocent people have suffered untold horrors under no shadow of right or possible justification except superior brute strength. The supreme question which we and all the world face today is whether or not we are to live henceforth in a world of law or a world of international anarchy.

You see, it is a matter which goes deeper than the conflict between forms of government. It goes deeper than the conflict between liberal ways of life and regimented narrowly constricted ones. It is a challenge which goes to the very roots of what our civilization holds most precious. Nations today are caught between two profoundly conflicting ways of life--on the one hand, the primal law of tooth and fang and, on the other, the way of cooperation and moral restraint and human brotherhood. The power of superior brute force may be immediately conquering and temporarily profitable. But civilization can be built only upon moral foundations. Mass killings, the taking of others' property by force, the flouting of the pledged word, undermine and threaten all human progress. Free men cannot tolerate a world of lawlessness, for freedom is built upon law.

In a world torn between these two fundamentally conflicting ways of life, what is to be the position and the policy of the United States? As one of the strongest and richest nations of the world, in what direction are we going to throw our influence and our power?

The cornerstone of American foreign policy is our people's profound and passionate desire for peace--peace that is lasting

and

-2-

and stable, not mere respite from war. Stable peace does not come by chance. It must be won by thought and toil and struggle. Under a rule of tooth and fang, stable peace can never be won, for in a world where might is alone supreme every shift of strength may mean new outbreaks of war. Stable peace cannot be had except it be built upon a rule of law.

Our country therefore has a burning and vital interest in upholding and strengthening the rule of law - in taking a resolute and unflinching stand for the sanctity of treaties, the obligations of international law, the restraint of might by principles of humanity and fundamental justice, the gradual upbuilding of an effective and potent international morality. Here is the guiding star of America's foreign policy.

How practically can this be done? The individual concrete moves must be worked out as each new crisis arises. But certain controlling principles seem clear.

First. Objectives such as these cannot possibly be gained through a policy of isolation. The gradual building up of a generally accepted code of law and of morality among nations is essentially and necessarily a community enterprise which cannot possibly be achieved by isolated units which won't co-operate. Refusal to cooperate with other nations is not the way to achieve human progress. Political and economic isolation is the direct pathway toward war.

Second. Law depends upon more than mere superior force plus the intent to do justice; it presupposes a well-defined code of justice, impartial courts to apply it, and above all a well-developed community will to accept and enforce it. These in the international world exist in but rudimentary form. The task of mankind is to develop and establish them.

Third. The building of a rule of law presupposes a certain degree of international cooperation. Each nation's freedom depends upon restraint on the part of others; international law depends upon common agreement and upon acceptance by all of certain fundamentals as rules of international conduct. This is the only possible way to stable peace; security can be built upon no other foundations. Furthermore, if law is to be effective and peace enduring, they must be upheld by the combined strength of the law abiding acting singly on parallel lines or in concert; and as confidence comes to be established the way of progress must lie through organized rather than haphazard cooperation.

Fourth. The strengthening of a rule of law comes not through supine inaction. When forces of lawlessness are abroad supine inaction in effect means siding with the evil against the good; the strongest encouragement which can be given to lawless aggressors is to make it quite clear that they have nothing to fear from those with power to withstand them. The United States cannot afford to be a cipher at this crucial moment of the world's history. We must be resolute and prepared if necessary to withstand the aggression of the lawless.

Fifth. It must be clear that the general acceptance of a code of law and of morality among independent nations can never

be

DECLASSIFIED: E.O. 11652, 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-

be brought about through force, for this is essentially a thing of the spirit. The present task of the law abiding is to save the world from being delivered over into the hands of the lawless - to prevent the shipwreck and annihilation of what we have been toilfully building for centuries. Force is often necessary to withstand attack. But beyond this the road to the high objectives we seek lies not through force.

If we are to gain peace we must build for it moral foundations. The breakdown which we see all around us is the breakdown of external organization supported by material force. The whole world today is in a state of gross materialism. Selfishness and greed and corruption and war are the natural fruits of materialism. The seemingly insoluble national and international problems that close us in on every side are largely the direct result of materialism. The only direction in which I can see hope for reaching permanent solutions is the way of Christianity. Christ understood human hearts and fathomed the depths of human life as no one before or since. Until we have the courage to apply more fearlessly the principles He taught to our national and international problems, we are like children groping in the dark.

Among individuals we have learned through the slow course of centuries that the sacredness of obligations lies at the very foundation of the trust and confidence vital to the continuance of modern civilization. But in the international world treaty obligations are flouted as though nothing but self-interest should rule the world. Among individuals we have learned that thievery and robbery shake the very foundations of our security, and we have built up standards which will not tolerate such conduct. But among nations we have not yet built up an ethical standard of sufficient potency to restrain it. Killing among individuals we abhor; mass killings by nations, if by ourselves or our allies, we applaud.

It is time we awoke to the fact that civilization depends upon accepted moral standards among nations no less than among individuals. It is time that we realized that materialism and greed produce suffering as surely among nations as among men. It is time that we learned that security and happiness in the world, as well as in the home and in the nation, depend upon the restraints that are born of moral and spiritual concepts.

America's magnificent heritage is the vision of this great destiny, - that we should constitute the hope of an old war-weary world. To the cause of right above might and of law over anarchy our interests and our civilization commit us. In no other way can lasting peace be made secure. To this great end our country's foreign policy is dedicated.

DECLASSIFIED: E.O. 11652, 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

AST ALUSNA NANKING

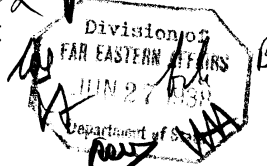
FROM
COPIES SENT TO
CINCINNATI AND WILD

June 27, 1938

Rec'd 12:55 p.m.

ACTION: AST ALUSNA SHANGHAI

INFO: CINCAF
NAVY DEPARTMENT
ALUSNA PEIPING



793.94

0026. Urian Mongol troops daily deserting Japs,
joining Ma Chan Shan who is building up strong forces.
Estimate (ship) strength that area five partial divisions.
Believe their influence further west, especially among
Mohammed, has been checked. Informant expects return
here in August. 1349

KLP

793.94/13319

F/FG

JUN 30 1938

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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

MARDET TIENTSIN CHINA

June 27, 1938

Rec'd 12:55 p.m.

ACTION: NAVY DEPT

INFO: CINCAF

FOURTH MARINES

MARDET PEIPING

Division of
FAR EASTERN AFFAIRS
JUN 27 1938
Department of State

793.94
0027 Thirteen hundred fifty Nippon troops, five
cars anti-aircraft weapons 20-26 June passed through
Chinwangtao toward Dairen. 0910

KLP

793.94/13320

JUN 30 1938

FILED

F/FG

TELEGRAM RECEIVED

EG

GPO

FROM

GRAY

Tsingtao via N. R.

Dated June 27, 1938

Rec'd 12:50 p.m.

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

Secretary of State,
Washington.

June 27, 11 a.m.

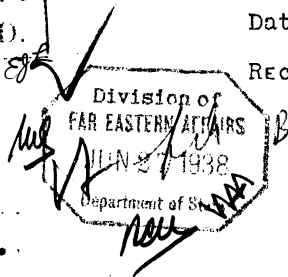
Traffic on the Tsingtao-Tsinanfu railway interrupted since 23rd. It is rumored that one freight train derailed and captured by guerrillas who looted goods and damaged locomotive and rolling stock. Little information is available from Japanese sources who are anxious to suppress any publicity. Eleven American tobacco buyers isolated at Erhshihlipu, to which place they proceeded against the Consulate's advice, are believed to be in no (repeat no) danger. Train left for Tsinanfu this morning and one is due from Tsinanfu tonight.

Sent to Hankow, Peiping.

KLP:RR

GOURLEY

793.94
into
293.115

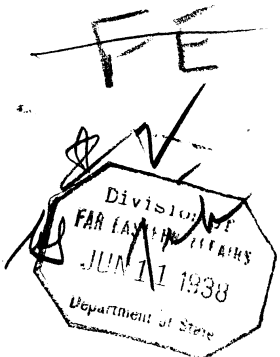
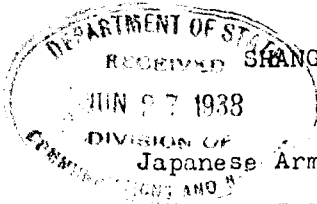


793.94/13321

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FILED
JUN 30 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



793.94

RECEIVED SHANGHAI TO WUSIH AND RETURN
 JUN 27 1938
 DIVISION OF
 Japanese Army Repairing Roads and Bridges
 MANY VILLAGES BURNED OR BOMBED

Special to the "N. C. D. N."

The writer has just completed a trip by car which included a night spent in Wusih and the journey to that city by way of the road through Taitsang and Changshu. The return trip was from Wusih through the suburbs of Soochow and back to Shanghai through Quinsan.

One of the most interesting observations of the trip is the fact that after passing the area of prolonged fighting near Shanghai, all the fields usually planted in winter wheat had been sown before the armies swept by. Nearly all villages near the road are burned or destroyed by bombing. Not a single chicken, duck or goose was seen during the entire trip. Farmers were working in the fields and numerous parties of country people under Japanese military overseers were mending the roads. All destroyed bridges have been restored.

Appalling Destruction.

Just before reaching Wusih, the road passes through the once busy market town of Toongding. This town shows the most appalling destruction. There is hardly a house standing. A few people were seen picking among the ruins for the salvage of such articles as had escaped fire and shell.

At Wusih the northern suburbs for a mile were burned, as were all cotton mills, excepting one. Many silk honges and ware-houses suffered a similar fate. Hotels, shops, godowns and residences in the area between the railway station and city wall were destroyed. The railway stations and freight godowns are in ruins. Telephone and electric wires are down.

On entering the city the same destruction is to be noted. It is estimated that at least half the buildings in Wusih have been burned. This includes all of the shopping district from the centre of the city to the north gate on out to the long iron bridge which spans the Grand Canal, on the road to Weishan. The long street which runs parallel with the Grand Canal, south of the city, for a distance of a mile has been burned on both sides. This city, which was once a great manufacturing centre and grain depot, lies prostrate.....

It is said that opium is easily obtainable and not expensive, comparatively speaking. The road from Wusih to Soochow is in good condition until it passes Mutu. From that town through the suburbs of Soochow, on to Quinsan and from there to Taitsang it is bad.

793.94/13322

FILED

JUN 27 1938

13322

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

Extracts from:

"TWO AND A HALF MONTHS AFTER THE OCCUPATION OF HANGCHOW"

By an Eye Witness.

"The country was covered in a mantle of snow, and most interesting to relate, the farms were cultivated on both sides of the track almost all the way from Shanghai to Hangchow

"Hangchow was first occupied by the Japanese on December 24th and it was an interesting experience for me who had left the city a few days before this occupation, to see what had happened in the meantime

"As to economic conditions I found that Hangchow was practically a dead city. Shops and residences were barricaded. Most of them had been looted of bedding and furniture and were entirely empty..... There was a small market at the Drum Tower for the sale of vegetables and fresh fish. With the exception of a few foreign properties which had not been occupied by foreigners, the other missionary properties were intact. Two residences belonging to the CIM had been looted clean of their contents. Outside of the refuges it was not safe for Chinese women to move about and one evening a man was brought into the hospital who had just been bayoneted on a less frequented street because a woman had been demanded of him and he could not or would not produce one. On the following morning at 9 o'clock as I entered the hospital another man was brought in on a stretcher, bayoneted for the same reason. The man of the night before had died within two hours of his arrival and it can be pretty well assumed that the second man would not have long to live. Many of the surrounding villages have been burned on the assumption that they had quartered guerilla troops. These guerilla troops in small numbers unexpectedly come on a village, perhaps stay there a few hours for rest, attack the Japanese and then retire, but they are rarely caught, for in the so called "mopping up" operations it is the villagers who suffer. On one occasion a friend counted twenty villages ablaze along Chien Tang river from Hangchow toward Fuyang. An autonomous government has been formed but has not been able to function with any efficiency because of the large number of troops in the city. There is no money in the city for the payment of taxes, for the payment of school fees and for the development of economic life. Until there is safety of life and property and until transportation is available one cannot expect anything in the way of economic rehabilitation. It must be admitted, however, that on some of the streets there is a certain movement of population and fairly free molestation, but not entirely so. Out of the original population of Hangchow the autonomous government has registered a present population of three hundred thousand but as such registration may include absent members of a man's family, it is probable that the actual population of Hangchow is upward of seventy to one hundred thousand.

Copied in The Washington Office April 28, 1938.

CONJECTURAL NOTES AND A FEW FACTS ON NANKING ECONOMICS--Mar.1,1938.

There is no production save market gardening and a little work on household articles. I doubt if there are 10,000 civilians gainfully employed out of the 300,000 population, if we count out the hordes of competitive pedlers. No private Chinese store other than roadside stalls or the tiniest of local shops. A score or two of Japanese stores, of which thirteen are now designated to sell freely to Chinese. No bank. No regular exchange shop that I have observed. Self-Government Committee is running a sizable food store for wholesale and retail of staples and some fresh food.

Rice supplies are believed to be limited to a few week's needs, though actual knowledge is scarce outside the Army. Demand is unreliable, as military and naval requirements cannot be calculated. Desperate efforts of the Self-Government Committee to get quantities of rice from Shanghai are indicators of the outlook. Vegetables will probably carry the population in its present purchasing power. Poultry and eggs are lower, also meats; but prices have lost part of their meaning when so few are able to consider such luxuries. Beans, oils, and peanuts are appearing in small quantities from north of the river, but transportation is still very limited. Risks of trade are so great that there is an unreasonable margin between basic prices and retail charges.

Crop outlook for the immediate region is wretched. Village headmen estimate that in the triangle Lungtan, Tangshan, Nanking, there remain 300 buffaloes out of the normal 3,000; and that human labor under favorable conditions would permit only one-third of the rice crop ordinarily secured by the use of animals. Along and near the main roads practically all buildings and tools have been burned or looted. The University of Nanking is having great difficulty in feeding and maintaining seven laborers on its five farms outside Taipingmen, which need fifty at this time of year besides several buffaloes. Soldiers rove through the community every day taking anything useful or edible; so it is not thought possible to risk animals or stores of food, even if they could be had. Of those considerable farms and their stores, a few of the smaller buildings and one lot of beans remain, the latter brought into the city for safekeeping. Certain farmers refused to answer questions about seed, declaring that food for tomorrow was the real question. Neighbors of the University farms were asked to aid in pulling out cotton stalks from last year's cropping; they replied that they would gladly do it for only a little food, but for no amount of money whatsoever, as money was of no use to them.

In the past week 500 rickshas have been licensed, and are doing a small business. The normal figure was 10,000, I believe. There is a plan to revive a skeleton service of motor-buses, though some say that only 25 machines have any hope of reconstruction. The Self-Government Committee also desires to start a regular trucking service to and from Shanghai for commercial parcels, which suggests that the railway is not really open. Indeed, except for two trains this past week to return refugee residents of Shanghai, the only trains have been military. The Committee hopes to run small steamers to Yangchow soon. An occasional N. K. K. boat brings goods for Japanese interests only, so far as we know.

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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

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Japanese goods most widely sold are cigarettes, matches, sugar and candies, candles. There is scarcity of kerosene and gasoline.

These notes assume general knowledge of burning and looting, the latter almost universal.

M. S. Bates, of Nanking,
(Do not quote name)

CONDITIONS IN NANKING
MORE THAN THREE MONTHS AFTER OCCUPATION

Nanking, 20 March 1938.

American Embassy,
Nanking.

Dear Mr. Allison:

Yesterday between 3:30 and 4:00 p.m. a Japanese soldier committed rape upon a refugee, a nineteen-year-old girl, in our Hsiao Tao Yuan compound at 3 Hsiao Fen Ch'iao. The soldier came and went on a bicycle with yellow markings.

I arrived there about 4:05. As I approached the soldier, he brandished his bayonet and insolently said: "Want girls". The situation was uncomfortable for several minutes, but finally the soldier decided to withdraw. There was no indication of drunkenness.

Each day there are made known to us through direct personal contacts three or four cases of murder, wounding, or rape by soldiers. Many more must occur unknown to us, since regularly there are some which bring themselves to our attention. We have made no formal reports, since these cases seldom occur on our property. But they greatly concern our proper relief work, and they indicate a lack of order and discipline that has possibilities of more serious trouble. On March 11 Mr. X and I observed the completion to the raping of a woman by two soldiers in a hut just adjoining the wall of our own residence.

New military units have recently come into the city. Will not the Japanese authorities, for the sake of their Army's reputation, if not for humanitarian reasons, put a stop to these crimes continuing more than three months? If strict orders are not made plain to the soldiers, it is clear that the generals do not care about such crimes. If orders are made plain, it is clear that the soldiers show contempt for the generals. In any case innocent persons suffer and there is insecurity.

Respectfully yours,

Nanking Resident.

CHINA INFORMATION SERVICE, Washington, D. C.
May 3, 1938.

769

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

SUMMARY OF JAPANESE DEFECTIONS -- UNIVERSITY OF HAWAII

	Military Theft From					Men re- moved	Women Raped	Other Violence	Flag Torn Down
	Entry	Univ.	Staff	Refu- gees	Damage				
1. Main Campus	175	\$1500	\$ 30	\$ 200	\$200 (shell)	2	5	Blows 5	
2. Library	200		10	700	100	200	25	Bayonet 1 Blows 15	
3. Girls' Dormitory	100			800	50	6	4		
4. Gardens	120	2360		300	30	3	6		
5. Shop and Agronomy	40	100	100	150			3		
6. Hsiao Tao Yuan	80	70	500	1000	150	5	36		2
7. Middle School	240	300	200	2500	60	48	44	Killed 3 adults & 2 children	1
8. Sericulture	150			1200		140	80	Bayonet 7 Blows many	
9. Rural Leader Training	120	3300	200	800		235	55	Blows many	1
10. Residences Americans (15)	160		8000	1500	50	2	7		1
11. Residences Chinese (37)	300		1600	2500	300	3	25		2
12. Hospital	35		450	200	150	3			
TOTALS.....	1720	\$7630	11090	\$11850	\$1090	647	290		7

Explanatory Notes:

- "Entry" refers to forced or irregular entry by Japanese military on a single occasion, usually by a group of three to six or more soldiers.
- Money is figured in Chinese currency.
- Removal of men refers to seizure on the accusation of having been soldiers, or for forced labor. It does not include more than 400 taken away (most of whom were promptly murdered) during registration conducted by the military upon our various premises; nor does it include recruitment of laborers under conditions of partial compulsion.
- The figure for women raped refers to those raped on our premises and to those abducted from our premises for purposes of rape which was reported to us upon their return. Many of these women were raped repeatedly, but each woman is reported only once. Moreover, the actual number of women raped must have been very much larger, for shame and fear of vengeance greatly restrained reporting; and other cases were covered under the useful convention of taking women for washing.
- The flag cases include one of destruction on the spot, one of removal from the premises, and two others of trampling and contemptuous usage.
- Evidence upon which this reporting is based: daily reports to me or to the International Committee by camp leaders, several of whom were our own experienced staff members; cautious estimating to bridge gaps, in every case well below what some of our best American and Chinese staff consider to be the true report; check by diaries of staff members. Roughly a fifth of the items reported were seen by Americans, though we did not have free the equivalent of more than one man's full time for police and inspection work.
- All properties displayed conspicuously the proclamations distributed by the American Embassy, and from Dec. 20 proclamations from the Japanese military police. Both were habitually ignored and frequently torn down.
- Ten compound protests in writing were made to the Japanese Embassy by Jan. 10, then twelve through the American Embassy, besides oral reports to both.
- We believe that Japanese soldiers burned \$23,000 of farm property Jan. 2-3, but the evidence is not adequate for this and other farm items.

DECLASSIFIED: E.O. 11652, 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 761.94/1053 FOR # 1338

FROM U. S. S. R. (Davies) DATED June 4, 1938
TO NAME 1-1127 ***

REGARDING: Japanese campaign in China.

Discussion with Japanese Ambassador in Moscow, of -

793.94/13323

13323

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

RECEIVED
 DEPARTMENT OF STATE

Assistant Secretary
 of State
 JUN 8 - 1938
 MR. SAYRE

DIVISION OF
 EUROPEAN AFFAIRS
 JUN 20 1938 PM 1 29
 JUN 20 1938
 DEPARTMENT OF STATE

Parmele, North Carolina
 June 7, 1938

AND
 MUNITIONS
 CONT
 JUN 20 1938
 DEPARTMENT OF STATE

JUNE 20 1938

Ans'd

DIVISION OF
 COMMUNICATIONS
 AND RECORDS
 DEPARTMENT OF STATE

Hon. Francis B. Sayre,
 Assistant Secretary of State
 Washington, D. C.

ADVISED BY POLITICAL RELATIONS
 MR. HORNBECK
 JUN 16 1938
 DEPARTMENT OF STATE

Sir:

I heard your radio address last night in which you contrasted the wicked nations who break treaties and who believe in ruling by force with the innocent nations who are peace loving and do not cause others any just reason to be antagonistic. I presume that by the wicked nations you meant Japan, Germany, Italy. I presume that by innocent nations you meant U.S.A., England, France, etc. I would like to ask you a question or two. Is it not true that the U.S. government is now permitting munitions and other war materials to be shipped to Japan? Is it not true that the Japanese government has secured large loans from U.S. bankers to finance their war? If true, don't you think that Uncle Sam's hands are covered with Chinese blood? Is it not true that the wickedness of Germany (the presence of which I agree with you) is ~~not~~ caused, to a great extent, by an unjust treaty being forced on them after the World War by the allies. If the treaty was unjust (and few students of modern history would say otherwise), don't you think that Germany had a right to toss it out the window?

I could ask a few more questions about the Spanish situation, but this letter is long enough. I would really like

795.94/13324

JUN 27 1938

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169

DECLASSIFIED: E.O. 11652, 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 know the attitude of the Department of State regarding the Chinese-Japanese situation, and I will appreciate an answer.

I heard your speech at Chapel Hill on the reciprocal trade agreements. I think that the reciprocal trade agreements are very constructive, and I commend the Dept. of State for the work it has done along that line. I think, however, that the agreements should be truly reciprocal. I have been told that Brazil was practically coerced into the agreement with her (which I didn't accept due to lack of proof).

Yours very truly,

Raymond J. Wildman

Raymond J. Wildman

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

June 20 1938.

In reply refer to
 FE 793.94 ~~Wildman, Raymond~~

My dear Mr. Wildman:

In the absence of Mr. Sayre, the receipt is acknowledged of your letter of June 7, 1938, relating in part to the situation in the Far East.

In response to your inquiry as to the attitude of this Department toward the situation in China there are enclosed copies of various documents, as listed below, a careful perusal of which will, it is believed, supply you with the information which you desire.

With regard to your inquiry concerning the exportation of war materials to Japan there is enclosed herewith a copy of the Joint Resolution of Congress approved May 1, 1937, amending the Joint Resolution approved August 31, 1935. You will observe that Section 1 (a) of this Joint Resolution states that, whenever the President shall find that there exists a state of war between or among two or more foreign states,

Mr. Raymond J. Wildman,
 Parmele,
 North Carolina.

793.94/13324

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

- 2 -

states, he shall proclaim such fact.

The primary purpose of the Joint Resolution of May 1, 1937, is to keep this country out of war. The question as to whether and when the provisions of the Resolution shall be invoked is properly left to the sound discretion of the President. In deciding whether he should invoke the Resolution in a particular situation, the President must take into account various factors and particularly the broad, general interests of the country and its nationals. In the present situation in the Far East, the President has concluded that, in the light of all the facts and circumstances, when weighed from a practical point of view, it would not be to the best interests of this country and our people as a whole to invoke the provisions of this Joint Resolution.

You may be interested to know that, since July 1, 1937, the Department of State has issued licenses for the export of arms, ammunition, and implements of war to China in the value of \$12,678,482.31 and to Japan in the value of \$9,285,265.28. You doubtless will have noticed the account given in the press of the statements made by the Secretary of State at his press conference on June 11 in which the Secretary said, with reference to the bombing of civilian populations and the probable danger to Americans and American interests abroad, that
he

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-

he had issued repeated public statements condemning the bombing of civilian populations, that he intended to maintain this position and to say to everyone that this Government condemns the bombing of civilian populations or its material encouragement, and that he says this abroad and says it at home to the American people and especially to the manufacturers of bombing planes.

With respect to your inquiry concerning loans by American bankers to the Japanese Government it may be said that the Department is not aware that any loans have been obtained in the United States by Japanese borrowers.

Your remarks in regard to our efforts to remove barriers to international trade are very much appreciated.

Sincerely yours,

Joseph W. Ballantine
 Acting Chief
 Division of Far Eastern Affairs

Enclosures:

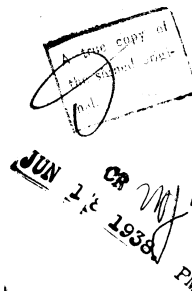
Copies of addresses by
 the Secretary of State
 on September 19, September 20,
 October 22, 1937, and March 17,
 1938.
 Senate Document No. 131.
 Press release no. 269.
 Joint Resolution of May 1, 1937.

FE:EGC:HES:REK
 6/18/38

FE

CA

PA/H



(NOT FOR THE PRESS)
(FOR DEPARTMENTAL USE ONLY)

Department of State
Division of Current Information No. 115

MEMORANDUM OF THE PRESS CONFERENCE, SATURDAY, JUNE 11, 1938

AERIAL BOMBINGS

At the press conference this morning a correspondent said that there was a report in the morning newspapers to the effect that the Secretary was considering some plan in connection with the bombings, pointed toward discouraging the sale of American bombing planes abroad. Asked whether he could add anything to this report, the Secretary replied that with regard to the British invitation to participate in an investigation of bombings in Spain, the Department had not taken any affirmative action thus far. With regard to the bombing of civilian populations and the probable danger to Americans and American interests in other parts of the world, he said he had made repeated public statements condemning the bombing of civilian populations. He said that he was continuing to maintain that position and to declare to everybody that this Government does condemn the bombing of civilian populations or its material encouragement. He declared that he was saying this abroad and saying it at home to the American people and especially to the manufacturers of bombing planes.

A correspondent inquired whether in the last few days these well-known views had been expressed to the manufacturers of bombing planes. The Secretary said that he was saying these things to the American people just as he had said them for the benefit of other nations, that they had been said frequently in the past and will be said frequently in the future to the American people and to the manufacturers. A correspondent asked whether this meant that the Administration or the Government would frown on all future sales of American airplanes that could be used for bombing purposes or whether the Government would encourage them to pick their customers. The Secretary replied that his public statements condemning the bombing of civilian populations would discourage sales to regions where they would be used to bomb civilian populations.

SINO-JAPANESE

In response to a question the Secretary said that there had been no further confirmation of reports of the past few days that Japan was planning to return additional American property in China in Japanese-occupied areas.

M. J. McDermott.

7699

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

SPONSORING COMMITTEE OF 100
GOV. FRED P. CONE, Chairman
JESSIE BALL DUPONT, Vice Chairman
EUGENA WILSON, Vice Chairman



FLORIDA NATIONAL EXHIBITS

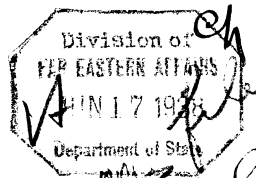
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E. W. Brown, Manager
L. C. Wray, Assistant to Manager
George H. Clements, Publicity
Russell Kay, Radio and Special Events
Foster Barnes, Plantings and Perishable Exhibits
J. E. Wallace, Exhibits and Ornithology
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Nathan Mayo, Exhibit Counsellor Harold Colee, Civic Counsellor Karl Lehmann, Director Public Relations

GENERAL OFFICES AND STUDIOS
BOX 1390
DELAND, FLORIDA

SION OF
NICATION



June 14 1938 June 27 1938

793.94-

Hon Cordell Hull
Washington, D C

My dear Mr Hull:

My husband and I were delighted to read in the New York Times that you feel that war is an obsolete method of treating presentday quarrels between nations. And then on the heels of that comes this article headed "Admiral defies Japanese, won't move U.S. Ships" and the article says our warships "would go 'wherever Americans are in danger'".

I think it is an outrage -- and I certainly am indignant, as is my husband. I am so glad the Curtis Publishing Company has its excellent article in the Ladies Home Journal about the percentage of women who refuse to sanction a foreign war. I am glad to be included with that number. Why in the world should our men be forced to go to a foreign country simply because some of our people want to exploit (or civilize) some other peoples? I should certainly think that those Americans would be in those countries strictly at their own risk and if they get in danger that it is strictly up to them and not to our men at home to run over and "protect" them. I haven't noticed any sharing of the profits with the men here which have been gained by those in the foreign countries, but still they are called on to fight for them. Sounds extremely silly and stupid for our men to "fall for the line", doesn't it?

Anyhow, I think it an extreme outrage for our Press to try to foster a war, as it is doing, or for any "Admiral" or anyone else who after all is the servant of the American people, to have the authority to make such a statement which inevitably will cause another "incident".

Florida State Exhibit
New York World's Fair
1939

Very truly yours

(Mrs.) L. C. Wray

793.94/13325

F/FG

JUN 27 1938

LE. FLORIDA **Instantly** 13, 1938.

In Truck Accident

WINTER HAVEN, June 12, (AP)—Warren Smith, 20, of Winter Haven was killed instantly early today in a truck accident at Eagle Lake, four miles south of here.

Investigators said the truck apparently went out of control on a curve.

Gives Free Facts on Piles

Dr. O. A. Johnson, head physician of the Johnson Rectal and Colon Clinic, Desk 809, Kansas City, Mo., has prepared literature giving valuable facts to pile sufferers and describing a painless, soothing home treatment for the relief of piles and other reducible rectal irritations. This information will be sent Free to anyone who writes the Clinic at the above address. —Adv.

Mrs. Ickes Faces Busy Social Whirl

Continued from Page 1

consented to dine with the United States Ambassador Joseph Kennedy, and Mrs. Kennedy in London. There young Mrs. Ickes got a taste of what her official life will be like. Guests included England's prime minister, Neville Chamberlain and Mrs. Chamberlain and the Duke and Duchess of Kent.

If the Ickes' do stay close home this Summer, there will be a variety of entertainment available at the secretary's "Headwaters Farm" near Olney, Md., which his bride helped to furnish.

There are tennis courts on the spacious grounds of the 250-acre place. The stable is empty at present, but Mrs. Ickes' enjoyment of horseback riding may change that.

Party Success in Iowa Vital to New Deal

Continued on Page 2—Column 1

tion that they had White House sponsorship. They took the form of a proposal that Gillette and Wearin sign a compact to give full support to the winner, whatever happened. That more or less gave the Hopkins et al. backing of Wearin a slant of presidential disapproval. Some close-up White House aides had dubbed it a tactical blunder from the start—off the record, of course.

The Roosevelt-Gillette chat immediately on the senator's return to Washington rounded out the cycle of Administration blessings and promptly showered on him when the Iowa primary news came in. It chimed in, at least, with Gillette's own attitude in the campaign that he had been assailed by Administration aides but not by the President himself.

Whatever the facts may be about the President's own attitude toward Gillette prior to the primaries, the importance in his eyes of patching up the party row there as quickly as possible because of repercussion it might have in other nearby farm States is clear. And harmony efforts in Iowa are not complicated for the Administration by the same difficulties that the Pennsylvania situation presents.

There was no important reflection in Iowa of the C. I. O.-A. F. of L. labor warfare that was a major factor in Pennsylvania. It is the farm, not the labor vote, that counts in Iowa. And it is the farm vote throughout the vast interior region that the New Deal is seeking to keep hitched to its wagon.

Loss of Iowa due to party discord this year would cast doubt of New Deal ability to hold the farm front line in 1940 when the real show-down comes. And the slogan of Democratic National Chairman James A. Farley is still that 1938 is only a 1940 curtain raiser politically.

WASHINGTON, June 12, (AP)—President Roosevelt and Senator Guy Gillette sat down in their shirt sleeves to a chummy luncheon today and talked of a united Dem-

Snite Home Again

AGO, June 12, (AP)—Fred [r. has gone home, still in an iron lung in which he is fighting infantile paralysis. 27-year-old "man in the lung" who has spent 26

Hunt Owne Of Typewri In Levine C

BRIDGEPORT, Conn. (UP)—Police and Federal tonight sought to trace t

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

June 27 1938.

In reply refer to
FE 793.94 Wray, L. C., Mrs.

My dear Mrs. Wray:

The receipt is acknowledged of your letter of June 14, 1938, in regard to the situation in the Far East, with special reference to statements alleged to have been made to Japanese authorities by Admiral Yarnell in response to a Japanese request that American naval vessels be withdrawn from certain sections of the Yangtze River.

The formal reply to the Japanese request was not made by Admiral Yarnell but by the American Ambassador through the American Consul General at Shanghai. The newspaper accounts of the matter were inaccurate and misleading.

There

Mrs. L. C. Wray,

Florida National Exhibits, Incorporated,

Box 1320,

DeLand, Florida.

793.94/13325

F/FG

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

-2-

There has been no change in this Government's policy toward the situation in China. Warnings have been issued from time to time to Americans to evacuate places of danger and American diplomatic and consular officers have done everything, with the cooperation of the Navy, to facilitate such evacuation when possible. Officials of this Government in China, including the naval officers, are anxious not to run risks in the circumstances prevailing in China and they exercise every care to carry out the Government's policy of non-involvement.

For your information in connection with the subject of the protection of Americans abroad and the presence of American armed forces in China there is enclosed a copy of Senate Document No. 131 which contains the text of a letter addressed to the Vice President on January 8, 1938, and the texts of statements given to the press by the Department on July 16 and August 23, 1937. There is also enclosed a copy of an address delivered by the Secretary of State on March 17, 1938.

Sincerely yours,

Maxwell M. Hamilton
 Maxwell M. Hamilton
 Chief

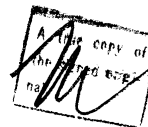
Division of Far Eastern Affairs

Enclosures:

1. Senate Document No. 131.
2. Address by the Secretary of State, March 17, 1938.

FE:EGG:HES
 6-24

FE



JUN 26 1938.
 CR ✓

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

TELEGRAM RECEIVED

EG

FROM

FOURTH MARINES

June 28, 1938

Rec'd 8:55 a.m.

ACTION: CINCAF
OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS AUGUSTA
ALUSNA PEIPING

Division of

1-11-38
VAA

793.94
8628 Japanese troop operations Honan flood area resumed twenty five June when Japanese dislodged Chinese west of flooded area on south bank Yellow River now permitting dyke repair. Another Japanese unit routed Chinese from Yushis thirty one miles southwest of Kaifeng. Two zero zero zero Japanese marines reported landed twenty four June at Yiuping Kwangtung near Swatow and Namao island. Fierce fighting on Yangtze continuing in Matang boom area.

1855

CSB

793.94/13326

F/FG

FILED

JUN 30 1938

TELEGRAM RECEIVED

EG

FROM

GRAY

Shanghai via N. R.

Dated June 27, 1938

Rec'd 3 a.m. June 28

Secretary of State,
Washington.

COPIES SENT TO
ON LAND FIELD

ELZ

913, June 27, 5 p.m.

Reference my 901, June 25, 11 a.m.

Fighting near Matowchen boom.

Press reports Chinese troops recaptured Hsiangkow on
south bank of Yangtze noon June 25 securing defense of
~~MATOWCHEN~~ boom. A considerable quantity of arms and
munitions said to have been captured and three to four
thousand Japanese troops killed and one thousand fleeing
survivors surrounded.

Report states also that Chinese reinforcements
arrived at Taihu 40 miles west of Anking in time to stop
advance of 6,000 Japanese marching south from Tsienshan
under handicap of flooded country due to Chinese breaking
of Yangtze dykes.

Repeated to Hankow and Peiping.

LOCKHART

WWC:PEG

793.94/13327

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

EDA
This telegram must be
closely paraphrased
before being communi-
cated to anyone (b)

FROM TOKYO

Dated June 28, 1938

Received 9:45 a.m.

Secretary of State

Washington

423, June 28, 8 p.m.

CONFIDENTIAL.

One. My British colleague informs me that the French Ambassador in London recently told the British Foreign Office that if Japanese troops should occupy Hainan the French Government might find it necessary to take some step further than mere diplomatic representations and expressed the hope that the British Government would cooperate. When asked what sort of step his Government visualized, however, Corbin pleaded ignorance. No Anglo-French understanding on this issue appears therefore to have been reached.

Two. Craigie yesterday took occasion to bring up with the Minister for Foreign Affairs the question of Hainan. Ugaki said that there is no present intention to occupy Hainan but that if in the course of the advance on Hankow or a later advance on Canton such occupation should become a strategic necessity it would take place. The Minister, however, said that such occupation would be temporary

793.94/15328

F/FC

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

4856

EDA - 2 - #423, June 28, 8 p.m. from Tokyo

temporary and repeated to Craigie the former categorical assurances of the Japanese Government that the territorial integrity of China will be respected both as to the mainland and the islands.

Three. Craigie informs me that there can be no question but that great quantities of arms and ammunition are coming into China from French Indo-China by different routes, a considerable amount being smuggled by Chinese junks. He believes that most of this material is contraband and that a great amount of graft is involved in the process of importation. This is one of the chief problems with which the Japanese now have to cope.

Repeated to Shanghai for Hankow.

GREW

WWC

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

b
[CONFIDENTIAL]

STRICTLY CONFIDENTIAL

PARAPHRASE

A confidential telegram (no. 423) of June 28, 1938, from the American Ambassador at Tokyo reads substantially as follows:

The American Ambassador has learned from Craigie (the British Ambassador in Tokyo) that a short time ago the French Ambassador in London (Corbin) informed the British Foreign Office that in the event that Japanese troops should occupy the Island of Hainan it might be necessary for the French Government to take some action more than merely making diplomatic representations. Although Corbin expressed the hope that the British would cooperate he pleaded ignorance when asked what sort of action the French Government had in mind. It appears, therefore, that no understanding in regard to this matter was reached between the French and British.

On June 27 the British Ambassador (Craigie) took occasion to bring up the question of Hainan with Ugaki (the Japanese Minister for Foreign Affairs) who said that the Japanese have no intention at present of occupying Hainan. Ugaki stated, however, that such occupation would take place if it should become strategically necessary in the course of the advance on Hankow or later in the course of an advance on Canton. Ugaki reiterated to the British Ambassador, however, former categorical

793.44/13328

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

-2-

categorical assurances of the Japanese Government that it will respect the territorial integrity of China, both as to the islands and the mainland and he said that occupation of Hainan, if it took place, would be temporary.

According to the British Ambassador (Craigie), there is no question but that large amounts of arms and ammunition are entering China by different routes from French Indochina. A considerable quantity of these arms and ammunition ~~are~~^{is} being smuggled in on Chinese junks. Craigie is of the opinion that much graft is involved in the process of importation of these arms and ammunition and that most of the material is contraband. This is one of the principal problems with which the Japanese have to contend at the present time.

703.04/13323

298.
FE:ECC:HES
6-29

FE

New York Times

8E61 27 JN

LONDON AND PARIS TO PROTECT HAINAN

Warn Tokyo to Keep Hands Off Chinese Island Opposite French Indo-China

By The Associated Press.

LONDON, June 27.—Britain and France made known today a warning to Japan to keep her hands off the strategic island of Hainan, off the South China coast, and a pledge to act together to handle any "complications."

The two governments showed bluntly that they were keeping jealous eyes on their interests in the Far East, despite their preoccupation with diplomatic troubles in Europe.

Richard Austen Butler, Under-Secretary for Foreign Affairs, told the House of Commons of the warning, and a Foreign Office spokesman in Paris confirmed France's readiness to stand with Britain. The two governments told Japan that if she persisted in a reported intention to land troops on Hainan there would result "undesirable complications" and that Britain and France would act as the circumstances demanded.

The disclosure was made in the Commons as dispatches from Tokyo said that the British Ambassador, Sir Robert L. Craigie, spent a half-hour today in discussing Anglo-Japanese relations with the Japanese Foreign Minister, General Kazushige Ugaki.

Hainan is opposite Northern French Indo-China, and lies close to the route between Hong Kong and Singapore, Britain's Far Eastern strongholds.

Chinese reported that Japanese troops tried on Sunday to land on the island but were repulsed by machine-gun fire.

Government Policy Explained

Mr. Butler's disclosure to the House of Commons answered a question from Captain Alan Graham whether the government would assure the French they "will have the active assistance of His Majesty's government in any measures they may consider necessary in order to restrain Japanese armed forces from endangering the security of French Indo-China by occupation of Hainan or adjacent islets?"

"His Majesty's Government and the French Government," said Mr. Butler, "through their Ambassadors at Tokyo, have made clear to the Japanese forces and government that they would regard any occupation of Hainan by the Japanese forces as calculated to give rise to undesirable complications."

"Should any complications unfortunately arise, His Majesty's Government and the French Government would no doubt afford each other such support as appears warranted by the circumstances."

Replying to a question whether the British Government would do its utmost to obtain support of the

Continued on Page Six

United States for efforts to bring about a truce between Japan and China, Mr. Butler replied:

"The Japanese Minister for Foreign Affairs as recently as June 17 announced publicly that he did not think it possible for any power to mediate between China and Japan."

"The British Government would be only too ready, either alone or in conjunction with other powers, to use their good offices at any time in the hope of bringing about a cessation of hostilities if this were agreeable to both parties."

Diplomatic quarters in London refused to go beyond Mr. Butler's statement on Hainan. Paris emphasized that there was no concentration of French warships near Hainan and said the situation was "static."

Britain also has other preoccupations with Japan. In parliamentary questioning, Mr. Butler said Britain was watching closely Japan's announced reorganization of railways in North China to see if the result would "be seriously adverse to British interests" and intimated that representations to Tokyo were likely. He said representations already had been made to Tokyo on the grounds that British shipping was unable to obtain wharfing facilities at Tsingtao, Japanese-held port.

France Ready to Act

France was reported, in a dispatch to THE NEW YORK TIMES from London last Friday, to have told Britain she would not tolerate Japanese control of Hainan Island, and that if the Japanese should land troops she would debark an equal number. The British naval commander at Shanghai was also said to have notified London that if occupation seemed imminent he would go personally to Hainan. He was left free to exercise his judgment.

Hainan, which is opposite French Indo-China, across the Gulf of Tonking, dominates the sea approaches to that colony and has been regarded as being within the French sphere of influence. It is also important to Britain because, with bases established there, the Japanese could dominate the routes between Singapore and Hong Kong.

The island is 150 miles long and 100 miles wide. It has about 2,000,000 Chinese inhabitants. A strong garrison has been established on it and Japanese attempts to land forces have been repulsed in recent weeks.

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

PREPARING OFFICE
WILL INDICATE WHETHER

TELEGRAM SENT

4857

TO BE TRANSMITTED
☒ CONFIDENTIAL CODE
☐ NONCONFIDENTIAL CODE
☐ PARTIAL
☐ PLAIN

Collect

Charge Department

Department of State

Charge to

Washington,

1938 JUN 29 PM 4 22

June 29, 1938.

AMEMBASSY, OF
TOKYO (Japan).

This cable is being transmitted by radio.
It should be considered as being confidential.
Being confidential.

222

Your 423, June 28, 8 p. m., first paragraph.

Press despatches from London, under date June 27,

indicate that the British and French have reached an
understanding on the issue under reference. Quotation
from the press is being sent in a separate telegram
via Shanghai.

793.94/13328

Hull

5/21

793.94/13328

FE:VCV:REK

FE

PA/H

JUN 29 1938.

Enciphered by

Sent by operator M., 19

D. C. R.—No. 60

1-1402 U. S. GOVERNMENT PRINTING OFFICE

F/FG

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

TELEGRAM RECEIVED

REB

FROM

GRAY

Tsingtao via N. R.

Dated June 28, 1938

Rec'd 1 p. m.

Secretary of State,
Washington.

June 28, 7 p. m.

My June 27, 11 a. m.

Railway is still running and all American tobacco buyers are expected to return to Tsingtao before the end of this week. Although much tobacco has already been bought and stored prospects for further buying are unfavorable. Guerrillas are becoming more active with the growth of ~~Laoliang~~.

Sent to Hankow, Peiping.

GOURLEY

KLP

793.94/13328 1

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1938 JUN 29 938

13328 1

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

DOCUMENT FILE

NOTE

SEE 793.94116/88 FOR Memorandum
State Department
FROM Far Eastern Division (Adams) DATED June 13, 1938
TO NAME 1-1127 ***

REGARDING: Japanese bombings of civilian populations in China:
Conversation at State Department at which time a
group of men requested views of the Department in
regard to a resolution to be submitted to Congressional
members for action, condemning--.

8a

793.94/13329

13329

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

13330

DOCUMENT FILE

NOTE

SEE 793.94116/69 FOR Memorandum

State Department
FROM Adviser on Political (Hornbeck) DATED June 14, 1938
TO Relations NAME 1-1127 ***

REGARDING: Bombing of Civilian populations in China by Japanese military:
Group of men called at Department, submitting a draft for
Resolution to be submitted to Senator Pittman for Congressional
action, in regard to-.

22

793.94/ 13330

13330

ONE

4858

TELEGRAM RECEIVED

JR

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

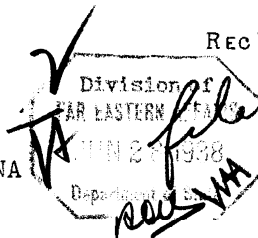
CINCAF

June 28, 1938

Rec'd 1 p.m.

ACTION: NAVY DEPT

INFO: AMAMBASSADOR CHINA



193.94

0027. Completed inspection Yangtze as far as
Wuhu including short visit Nanking no untoward
incidents. Much military and naval activity in lower
river indicating intensified campaign toward Hankow;
cities along river below Wuhu appear quiet, Americans
there and Nanking state conditions gradually improving.
1600.

CSB

793.94/13331

JUL 1 - 1938

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:--"Chiconcom Shanghai"
Codes:-- Missions, C.I.M. (1907, 1929)

Telephone:-- 18010

THE NATIONAL CHRISTIAN COUNCIL OF CHINA

169 Yuen Ming Yuen Road
SHANGHAI, CHINA

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Rev. C. L. Boynton Dr. C. S. Miao
Mr. L. D. Cio Rev. R. D. Rees

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Bishop John Gowdy	*Mr. S. C. Leung	*Dr. Yi-fang Wu
Rt. Rev. R. O. Hall	Dr. T. T. Lew	*Dr. Y. C. Yang
*Dr. J. C. Hawk	Rev. Y. S. Liu	*Mr. S. U. Zau

*Names starred constitute the Ad Interim Committee

Stanley K. Hornbeck, Ph.D.
Cosmos Club
WASHINGTON, D.C.

Dear Stanley:

Herewith an article on Shanghai's Economy and Finance under the Japanese Fist which I feel will be of general interest to you. I also enclose a copy of a translation just made of Chiang Kai-shek's Easter Message which shows some serious thinking applicable to the conditions in China today. I might say that the foreigners in China feel that the attitude of both American and British governments regarding the Japanese infringements on international law and on the plain rights of our nationals has been entirely too weak, unnecessarily so. The fact is, whenever the French, British or Americans in the few instances have put their foot down and stood for their rights, they have carried their point. But the Japanese are constantly trying to infringe and to see how far they can go and the utter supineness of British and American policy invites aggression from them so that we have to suffer unnecessarily in so many instances. We have not only lost the respect of the Japanese but we have lost the respect of the Chinese and it does not matter which side wins in this war, our prestige as it concerns ordinary common sense rights will suffer seriously.

For instance, foreigners in the interior naturally have to accept the risk of a situation when they continue in their homes in an area in which there is actual fighting. But after the Japanese come in, establish military control, make no effort to protect foreign property and permit wholesale looting when they could stop it with the utmost ease if the Western powers insisted, is a pitiful and humiliating fact. When the French lined up their tanks and refused the Japanese permission to go through their Settlement, they won their point. Two days ago the British ship, the Tungwo, was held by the Japanese on the ground that the ship was in their waters. The British then armed two of their merchant ships

April 30, 1938

Division of
FAR EASTERN AFFAIRS
JUN 7 - 1938
Department of State

793.94/13332

F/FG 332

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

Stanley K. Hornbeck

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30.4.38

with guns, sent them down to this area and dared the Japanese to do anything. The British won their point. When the American marines took action with regard to stopping, even forcibly, certain Japanese armed men going through the American area, they won their point. But in the great majority of instances when their rights are equally clear, the foreign governments have allowed the Japanese simply to walk over them. Such supineness does not pay either from the material or the ~~any~~ ^{any} future standpoint. I wish that you and some of our leading American statesmen could be here on the spot long enough to sense the situation. Americans are willing to suffer humiliation for a just cause and when it is necessary, but to suffer humiliation unnecessarily is humiliation indeed.

Ever with warm regards,

Sincerely yours,

Robert F. Fitch

RFF/gp

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

Just Translated

EASTERN AREA CHINESE TRANSLATION CHINESE NO. 1-3448

Broadcasted at Hankow on Easter Eve April 15, 1938

"No man can live without a religious faith". That was the title of my address on Good Friday of last year at the Methodist East Asia Central Conference. The need of faith is a conviction formed from my study of, and meditation upon, the Bible during the past ten years. Faith is altogether different from superstition. We should know that superstition is not faith, and those who have real faith will not fall into superstition. I have often said that a man cannot accomplish anything without faith, but nothing can be achieved through superstition. Therefore a man cannot live without faith, but should not be superstitious. Nowadays people often mistake faith for superstition and superstition for faith. This is because of failure to distinguish between the two. The result is that those who are opposed to superstition usually discard faith also.

Men who wish to be successful, especially those who are engaged in the work of a revolution, cannot afford to be superstitious, but faith for them is indispensable. During this time of declining morality and increasing licentiousness, when our country is stricken, the people suffering, and the nation well-nigh perishing, how can we overcome in such a calamity unless we have a positive faith and a hope of final victory? So we should, on the one hand, endeavour to do away with all superstition, and on the other, lift up the standard of faith. For example, we are able to put the "Three Principles of the People" into practice because we believe in them. It is because of our firm belief in the truth and justice of these principles that we do not fear. This assurance of fortitude comes from the spirit of fearlessness, which in turn is the fruit of faith.

Tomorrow is Easter, the festival which commemorates the resurrection of Jesus Christ. The National Christian Council has invited me to give a radio broadcast tonight. I have the privilege of taking up again my subject of last year on Good Friday and of giving a further testimony. Therefore, I choose for discussion the subject, "Why believe in Jesus?"

First, Jesus was the leader of a national revolution. He was born in Judea when the Jewish nation was being oppressed by the Roman Empire. According to the historical records, the Jews suffered injustice and cruelty under their enemies to such an extent that they were leading lives of slaves. Their enemies held over them the power of life and death. The Jews of that day not only offered no active resistance, but even their will to resist had vanished. Fortunately, a leader of national revolution was born in the person of Jesus Christ. All of us know that Jesus did not come from the aristocracy of that day. He had no power or prestige. He was not of a wealthy family and did not receive what was then considered a higher education. He was of a laborer's family, the son of a carpenter. When he saw the nation in a perishing condition, the sons of Abraham about to be destroyed, he, with determination and courage, took upon his own shoulders the responsibility of reviving the race. With the spirit of an all-consuming love he determined to struggle and sacrifice in the effort to save his nation and ultimately to save the whole world. He, leading his disciples, travelled all about Judea. With his gift of speech and through his work of preaching and healing, he proclaimed the three principles of justice, truth, and life, thus beginning the work of national revolution.

Secondly, Jesus was the leader of a social revolution. There may be many causes for the deterioration of a nation, but a stagnant and irrational economic order and life is the chief one. The leader of a national revolution must do away with ignorance, corruption, confusion, selfishness and covetousness and then promote a new life through the inculcation of a new spirit, which will develop and grow until the emancipation of the whole nation is accomplished. Jesus clearly saw that to revive the nation he must begin with the reformation of society. Therefore he vigorously attacked the forces of evil

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and endeavored to break up wicked practices and customs. His aim was by means of His leadership and teaching to rescue from darkness the perishing multitudes, so creating a new nation and laying the foundation of a social revolution. So I say Jesus was the leader of a social revolution.

Third, Jesus was the leader of a religious revolution. He perceived the religious corruption of the day, the prevalence of harmful superstition, the ruling elders exploiting the people and using superstitious means to deceive them. Their motives were wholly selfish. Jesus was aggrieved and indignant at the tyranny of the (Jewish) church and the hypocrisy of its worship. He was convinced that unless this superstition and hypocrisy was thoroughly purged away, there would be no hope for the awakening of the people and for the manifestation and development of the true religious spirit.

He, therefore, rebuked those who preyed on the corners of the streets to be seen of men, and denounced vested interests, religious and social, which misled and oppressed the people. He overthrew the tables of the money changers in the temple. Thru His parables He denounced cruel landlords, rebuked the corrupt and held up to scorn the stingy capitalists. Thru all this, His purpose was to lead the Church from darkness to light, from deterioration to regeneration, from confusion to order and from avarice to integrity. The task of the purifying of religion was never so important and onerous, but Jesus was unalterably determined to rescue religion and society from all those evils which beset them and arouse the people of that time out of their lethargy. And so I assert that Jesus was the leader of a religious revolution.

I have long sought to know the source of the revolutionary spirit of Jesus. From whence did it spring, I have come to realize that it came entirely from His spirit of love. He would, thru the spirit of love, drive from the minds of men all evil thinking and break up systems of inequality that all men might exercise the heaven-given right to enjoy liberty and equality. He considered that "all within the four seas are brothers". He taught that men should love one another, help each other in trouble and calamity, and serve each other in sickness. In international relations peace and justice should be exalted.

Thus all thru His life, Jesus opposed the use of might without right, but upheld the cause of justice. Thru His words and works, He manifested the reality of His love and His sacrificial spirit. In order to accomplish His heaven appointed task of saving the individual and the world, He, with an unalterable purpose, an immovable faith, and a spirit of fearlessness, willing to sacrifice His very life and all things else for the cause of righteousness, struggled to the end, ~~without~~ without resentment or complaint. The instances of His faithfulness to His work and His loyalty to His friends and disciples are innumerable. How rare and noble were His virtues of fidelity and forgiveness! When He was hanging upon the cross, He even prayed for His enemies, asking the Heavenly Father to be merciful toward their ignorance. What an all comprehending love!

Looking back upon the history of our country for the last one hundred years during which China was drained of life under the tyranny of the Manchus, we find a situation similar to that of the Jewish nation during the time of Jesus. Dr. Sun Yat-sen, our national leader, sympathized with the people, caught the revolutionary spirit of Jesus, which is the spirit of love, and worked tirelessly for the revolution with such absorption that forty years was as one day. It was with the spirit of sacrifice that he worked for the liberation of the Chinese people. Thus, he was enabled, in 1911, to overthrow the Manchu Dynasty and establish the Republic of China, thereby accomplishing his original purpose of a national revolution.

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Forecasting the future of our national revolution, and aware of the cause of the moral decline of our people, I have come to the conviction that, if we wish to revive the Chinese people and reform society we must adopt as our own the universal love and sacrificial spirit of Jesus. Therefore, I take it that in whatever sphere of life, whether in social relationships, civil administration, military command or other service, we must make clarity and peace the basic principles of action. To this end all revolutionists must accept, struggle and sacrifice as a daily duty. This was the spirit of Jesus. This is what I meant when I had occasion to say before, "we shall not give up the hope of peace until peace is absolutely hopeless, but we will not shrink from any sacrifice when the hour demands it."

In recent years during my spare time, in the midst of strenuous work, I have initiated several social movements, among which the New Life Movement has met with some success. Notwithstanding, I feel that there is a tendency in this Movement to stress outward performances at the expense of improvement of heart and to emphasize on material things to the neglect of spiritual values. Wherein lies this weakness? It is because some misunderstand the New Life Movement, and merely adopt a new form of conduct without acquiring a new spirit within. The result is that such persons act only under an outward urge and drop back to their former state of inertia when the urge is withdrawn. As a matter of fact, Civility, Righteousness, Integrity and Modesty (the fundamental tenets of the New Life Movement - Translators) are all part and parcel of a new spirit within. Only those who truly manifest this new spirit within, may be said to have the New Life. I would however, make this further contribution today by adding that if we wish to realize the virtues of the New Life Movement, we must have not only a new standard of action, but a new inner life. In order to possess this new inner life, we must have the spirit of universal love and the will to sacrifice of Jesus Christ.

In conclusion, the spirit of Jesus is positive, sacrificial, holy, true, peaceful, progressive and inspiring, and at the same time it is revolutionary through and through.

Now at the time of a great national calamity, we commemorate the holy festival of Jesus' Resurrection (which, by the way, is another evidence of "the deathlessness of the spirit").

All of my fellow-believers should prize the meaning of regeneration and hold firmly the will to sacrifice. Taking Jesus as the pattern of our lives, and adopting His spirit as our spirit, His life as our life, let us march bravely onward toward the cross in our effort to bring about a permanent peace among men and the revival of the Chinese people.

28/4/58
 kb/gp

A Speech Given By Johannes Ahlers
On Thursday, April 14, 1938

SHANGHAI'S ECONOMY AND FINANCE
UNDER THE JAPANESE FIST

If the many declarations continuously made by the Japanese as to their economic intentions in Shanghai were to be taken at face-value, it would have to be assumed that the Japanese were as eager as all the other nations to see general economic and financial prosperity return to the city as far and as soon as possible. The actual Japanese attitude to the economic and financial problems of Shanghai, however, unfortunately indicates a firm resolve on the part of the Japanese to pursue in their treatment of the Shanghai problem nothing but their own interests, and to do so regardless, and in many instances even at the expense, of all the other interests. This Japanese attitude is clearly to be discerned in each of the main branches of Shanghai's economic activity: in trade, in industry, in shipping, and also in the field of finance.

The value of Shanghai's foreign trade with countries other than Japan during the first three months of the current year, 1938, amounted to roughly 70% less than during the corresponding period of the previous year, and the monthly average to almost 90% less than in the last month of peace in Central China, July 1937. If Shanghai were free from the limitations imposed upon commercial activities by the Japanese, the city would, of course, not see an early return of her pre-war turnover in foreign trade, as China's buying and exporting capacity is much reduced by the war, and world prices for many Chinese export products have considerably declined. But even under the strain of the present war, the figures of Shanghai's foreign trade with countries other than Japan doubtless would be much higher than they are now, if at last the Japanese could be induced to cease restricting this trade systematically. The same applies to Shanghai's China trade.

The Yangtze River, the natural inland highway of Shanghai's trade, kept closed to all commercial traffic by the Japanese fighting

forces. For weeks already, there has been no actual fighting on the immediate shores of the river, and if the Japanese Army and Navy would only agree to desist from repeating "Panay"-like incidents, there would be no technical obstacle to a revival of commercial shipping on the river under arrangements similar to those which, before the fall of Nanking, allowed the overcoming of the boom in the Kiangyin area. Certainly, a way could be found to guarantee the Japanese that no war materials would be transported upstream. That the Japanese are not, in principle, averse to the import into China of goods for other than military use, is clearly evidenced by the fact that Japanese goods of this kind are still allowed to be sent to independent China via Hongkong, although the true origin of these goods has, of course, to be camouflaged. But as the Japanese, so long as the war will last, obviously cannot expect to participate in an eventually partially restored Yangtze River trade, they advance military reasons for the continued closure of the river in order to deprive their foreign commercial competitors of possible trade advantages.

Military reasons, too, are given by the Japanese for the cutting off of Shanghai from her immediate hinterland, the Shanghai-Nanking-Hangchow area, but do so in order to secure positive commercial and other economic advantages for Japanese interests. White businessmen endeavour in vain to be permitted free access to this area and cannot move any goods from Shanghai into her hinterland or vice versa without engaging Japanese middlemen. Shanghai Chinese merchants are experiencing similar difficulties. But at the same time flocks of Japanese businessmen and adventurers invade the hinterland of Shanghai and there engage in any business they like. They frequently acquire, and in many cases by ways that remain completely in the dark, partner ships and ownerships in former Chinese enterprises. They dispose of local stocks of all kinds of commodities without much regard for the local Chinese or the Shanghai foreign

-3-

owner, buyer or seller, fixing prices arbitrarily. Dozens of small Japanese companies recently organized in this territory practically monopolize many branches of former native trade of whole cities and districts, buying up all they can of the locally available rice, cotton and silk at their own prices. Other Japanese companies, financed chiefly by the Shanghai Branch of the Bank of Taiwan, monopolize the canal and overland route traffic. Woo to the Chinese petty banker, merchant or farmer who would dare to refuse dealing with these Japanese interests; he would quickly have to face an accusation of active anti-Japanism or Communism, likely to bring him before a firing squad!

This racket has been going on south of the Lower Yangtze River for months, and this has now started in the Nantungchow area north of the river, also. Thus the local markets all around Shanghai are systematically subdued by the Japanese, and the "legalization" of this state of affairs is one of the chief purposes of the Nanking so-called "Reformed Government's" issue of new permits and licenses for all branches of business. These permits and licenses, of course, are in easy reach of every Japanese who cares to apply for them, while other foreigners and Chinese experience the greatest difficulties in this respect, as of late foreign shipping and transport companies in particular could tell.

In this situation Japanese export trade to Central China enjoys special advantages. According to the official returns of the Chinese Maritime Customs of Shanghai, Japan during the first months of the current year, 1938, was participating with merely 4% in the total imports to and via Shanghai. This low figure, however, is solely due to the fact that almost all Japanese imports into Central China avoid registration by the customs authorities and thus the payment of import duties, entering the country completely duty-free. The Japanese are thus able to undersell the other foreigners as well as most of their Chinese competitors in many imported articles,

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

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ranging from sugar to rayon piece-goods, and from Portland cement to shoe-laces. They are not even taking into account the economic interests of their political friends, having completely ousted, for example, the formerly large imports via Shanghai of artificial silk, floss and yarn from Italy. Under these circumstances, Japanese traders are not too anxious to see the current negotiations between Japan and other countries as to the future customs regime in Shanghai brought to an early end, because whatever agreement might be reached, no new customs tariff could be as favourable to the Japanese China trade as the present state of affairs, with no customs duties at all for Japanese goods.

In the shipping sphere, the Japanese demonstrate a similar attitude. They have confiscated or otherwise assumed control of all that there was of shipping under the Chinese flag in the Lower Yangtze Valley, from sea-going vessels to lighters and sampans. They are about to establish a special preferential position in the coastal shipping between Chinese ports now under Japanese control in favour of one of their shipping companies, the Nisshin Kisen Kaisha. Freight transports between Central China and Japan are already practically monopolized by other Japanese shipping companies. Japanese ships enjoy in the Shanghai harbour all the facilities and advantages imaginable, the countless uncontrollable Japanese transports classed as "military" craft avoiding, of course, the payment of all harbour dues or fees. Foreign shipping other than Japanese, on the contrary, is meeting with innumerable difficulties, finding at its unrestricted disposal only the comparatively short waterfront of the Bund. All of the more important western-owned wharves are situated in the Japanese occupied zone, and while they may be used again, goods unloaded there as a rule are not allowed to be transported via the roads of these sections of the city, but have to be reloaded into lighters, to be shipped to the Bund and there to be unloaded again. The coolies employed on these wharves have to be transported back and forth daily over this entire route. This situation

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results in unnecessarily high harbour costs for the western carrying trade, while the Japanese attitude to the western Shanghai trade artificially reduces the amount of freight, which, if this attitude at last were to be abandoned, could be made available in Shanghai for western shipping.

I know of no other term than that of sabotage as truly picturing the Japanese attitude to the problem of the Whangpoo River, all important for Shanghai's future as a port. The Japanese, after taking over all the engines and other technical equipment of the Whangpoo Conservancy Board, have discontinued all conservancy work in the river throughout the past nine months, and the lack of necessary dredging operations is causing a dangerous silting up of parts of the river, making the approach from the waterside to a number of foreign-owned wharves and other steamer berths more and more difficult. Even the boom drawn through the Whangpoo with half-sunk ships just above the French Concession by the Chinese in the summer of 1937, and forced by the Japanese four months ago, thus far has not been removed.

It is in the path of a further revival of Shanghai's industrial activity, too, that the Japanese attitude constitutes the most important obstacle. Chinese who own industrial property in those sections of Shanghai which the Japanese occupy, experience, as far as their plants are still intact, the greatest difficulties in getting their enterprises duly registered under the regulations of the bogus Chinese authorities set up by the Japanese. As far as their factories are destroyed, they are refused disposal even of the scrap-iron to which their buildings and machinery have been reduced. Then there are the Japanese restrictions on the access of Chinese workers to the Japanese-occupied parts of Shanghai, resulting in the unemployment of tens of thousands of Chinese labourers in the International Settlement and the French Concession, labourers who could be employed if it were not for those restrictions. There is further the constant danger to Chinese women-workers from the behaviour

of the Japanese soldiers. And there is, perhaps most important of all, the fact that Shanghai is kept shut off from her more distant as well as from her immediate hinterland, the chief market for her industrial products, and without which her industry cannot return to its former activity. And this market is systematically flooded with smuggled Japanese goods easily underselling every possible competitor.

The economic consequences of the Japanese invasion of China had already made Shanghai's finances suffer severely from the reduction in trade and the destructions of factories in the city, as well as in other parts of China, before the Japanese embarked on their recent experiment of including part of their newly occupied areas in China into the Yen block. This experiment, in addition, indirectly means a deliberate attack upon Shanghai's traditional financial position in China. Obviously, the Shanghai banks, insurance companies, and other financial institutions will not be able to continue to its former extent their financial business in the Japanese-occupied areas, when those areas have an entirely inconvertible currency of their own, dependant fully upon the Yen, and entrenched behind foreign exchange control after the Japanese pattern. Any advance of the front lines of the Japanese military in China in the future would be liable automatically to reduce still further the sphere of Shanghai's supreme financial influence in China. Nor is this all. For months already, and with increased vigor since the beginning of March, 1938, in the International Settlement itself the Japanese, through their banks, have in the currency sphere, delivered attack after attack on the financial position of the city. It is the ring of Japanese banks in Shanghai, which is chiefly responsible for the continuous abnormally high demand for foreign exchange as against Chinese currency in Shanghai. If in the first week of April, 1938, for example, the Japanese banks here applied for not less than \$300,000 in foreign exchange, it is quite obvious that such a large demand from this side can by no means be justified with needs of legitimate business, particularly as no foreign exchange is needed for the payment of Japanese exports to China.

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

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The Japanese banks in Shanghai are merely endeavouring to procure for themselves in this city, under any pretext and at almost any price, as much foreign exchange as possible. Many western businessmen seem not to have realized that the high premiums paid by the Japanese in Shanghai for foreign exchange reflect the inner weakness not so much of the Chinese dollar as that of the Japanese currency. Most of the recent difficulties in Shanghai to secure sufficient foreign exchange for legitimate current commercial and financial business at reasonable rates, as well as the high level of the unofficial rates, arise from the desperate hunting for foreign exchange in Shanghai started by the Japanese, and pursued in complete disregard of the common interests of the business community in the city.

Consequently, from pure self-defense, the Central Bank of China will be forced to impose more and more restrictions on its foreign currency allotments unless complete cooperation not only of the foreign banks but also of the foreign firms, exporters as well as importers, can be achieved.

It would be but self-deceit to close one's eyes to the importance of the aggregate of all the facts enumerated above. These facts clearly disclose the real Japanese attitude to Shanghai's business problems, and they emphatically invalidate all Japanese assertions as to the contrary.

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

FF
 DOR

June 10, 1938.

Division of
 FAR EASTERN AFFAIRS
 JUN 20 1938
 Department of State

Dear Robert:

I have received and read with interest your letter of April 30, 1938, and enclosures, in regard to the problems confronting us in China. I have noted especially your concluding remarks and only wish that it were possible for more American officials in positions of responsibility to visit China and obtain a first-hand knowledge and "sense" of the situation there.

The speech made by Johannes Ahlers entitled "Shanghai's Economy and Finance under the Japanese Fist" is an arresting presentation of developments and trends at Shanghai. Your kindness in sending me a copy of the speech and a copy of General Chiang's Easter Message is appreciated.

With warm personal regards,

Sincerely yours,

Stanley K. Hornbeck

The Reverend

Robert F. Fitch,

The National Christian Council of China,

169 Yuen Ming Yuen Road,

Shanghai, China.

FE:ACV:REK

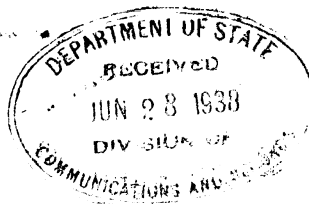
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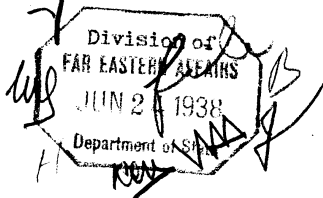
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Department of State letter, August 10, 1972
By Milton D. Quatefen NARS, Date 12-18-75



From Chinese Embassy



DLR

Hankow, June 22, 9:05 P.M.

94

The Chinese troops withdrew from Tsienshan and are now holding the line about twenty-five kilometers east of Taihu. They are now reinforced and counter-attacking Tsienshan.

The Executive Yuan has appropriated 2,300,000 dollars for relief of the war and flood refugees. Two high members of the Relief Commission are already on way with funds.

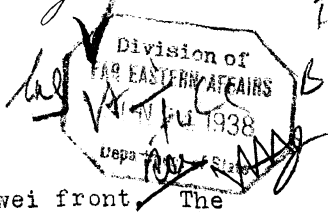
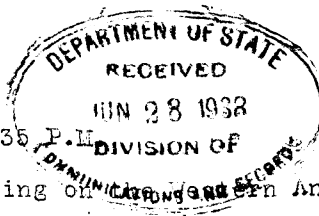
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JUN 28 1938

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

From Chinese Embassy



DIR

Hankow, June 24, 11:35 P.M.

Lull is prevailing on ¹⁰Yangtze and in Anhwei front. The Chinese position at Taihu secure. The regions west of Hefei and Kuanting are devoid of Japanese troops.

94

The Japanese forces in the Eastern Lunghai Railway section is moving westward via Taoching Railway with the intention of reinforcing their positions in Southern Shansi. Yushih and Chungmow were recaptured yesterday. The Chinese forces are at present engaged in mopping up Japanese units isolated in this area.

Severe fighting is progressing in Nanao Island off Swatow.

Japanese warships on the Yangtse River between Tikang and Matang total over hundred.

It is reported that the Japanese troops at Hangchow killed one of their officers yesterday.

793.94/13334

JUN 28 1938

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

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CA

TELEGRAM RECEIVED

Gray

PEIPING VIA N. R.

Dated June 28, 1938

Rec'd 7:42 p.m.

Secretary of State

Washington

392, June 28, 3 p.m.

Embassy's 382, June 20, 3 p.m.

FROM
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file
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One. Japanese military plans appear to have been further altered because of (a) floods from the Yellow River and (b) flooding of the Yangtze near Taihu, 40 miles west of Anking. Following the abandoning of the attack on Chengchow preparatory to an advance down the Pinghan Railway toward Hankow, a part of the Japanese troops on the Lunghai front began moving eastward and then south to Nanking to be incorporated in the forces advancing up the Yangtze. The number of troops thus reorientated is unknown. Another part, number also unknown, is now moving northward across the Yellow River, the general presumption being that a renewed attack in Shansi is foreshadowed and that an advance may be made on Sian.

Two. Flood waters from the Yangtze near Taihu appear to have impelled the Japanese to direct their land advance along the southern rather than the northern bank of the river (where) the immediate objective is the Matang

barrier

WB
8/17/38

793.94/15335

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F/FG

JUN 30 1938

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

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CA

--2--392 from Peiping

barrier and whence a drive will probably be attempted via Nanchang to Changsha and then north along Hankow-Canton railway. Stiff Chinese resistance and some Chinese success in counter-attacks near Matang are reported and Chinese reports claim also continuing aerial success in bombing Japanese naval vessels below the Matang barrier and in bombing Wuhu and Anking air fields. The presaged land attack on Nanchang is reportedly being preceded by heavy aerial bombardments in which the Japanese claim success.

Three. Repeated to Embassy at Hankow, Nanking, Consul at Shanghai to Tokyo.

SALISBURY

EMB NPL

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

TELEGRAM RECEIVED

JR

A portion of this tele-**FROM** Tokyo
gram must be closely
paraphrased before
being communicated to
anyone. (B)

Dated June 29, 1938

Rec'd 7:24 a.m.

Secretary of State,
Washington.

425, June 29, 11 a.m.

Our 423, June 28, 8 p.m.

CONFIDENTIAL.

As the press is carrying stories of strong
British and French representations against the
occupation of Hainan by Japanese troops I report
the following passage from the British Ambassador's
telegram to his Government covering this point:

(GRAY) "I stressed the bad effect on British
public opinion which even a temporary occupation would
cause and expressed the hope that this would be borne
carefully in mind before any decision was taken on the
basis of the strategical considerations the Minister
for Foreign Affairs had mentioned. His Excellency
observed with a smile that the possible effect on
public opinion abroad of any particular act was one
of the considerations which was always present in the
mind of the Japanese Government he added in reply to
my

793.94/13336

JUL 1 - 1938

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

-2- #425, June 29, 11 a.m., from Tokyo.

my inquiry, that there was no present intention of
an attack on Canton." (END GRAY)

GREW

KLP

173
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

FOURTH MARINES

OPNAV

FROM June 29, 1938

Rec'd 10:30 a.m.

ACTION: CINCAF
OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
ALUSNA PEIPING

2
H
FILE
NOV 1938
COPIES SENT TO
NAVY AND AID
ejx

793.94/13337

793.94
8629. Japanese spokesman claims large concentrations Chinese troops south of Chintang River in northwestern Chekiang strengthening defenses that area. Japanese drive northern Honan renewed with columns pushing west along Tao Ching Railway toward Poai, another column driving west from Tsiyan forty miles north Loyang. Terrorists shot Chen Teh Ming, tax collector, at Tao Government today. 1905.

RR:WWC

F/FG

FILED
JUL 1 - 1938

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

793.94

DOCUMENT FILE

NOTE

SEE 894.00/797 FOR Telegram #212, 4pm

FROM () DATED June 25, 1938
TO Japan NAME I-1127 ***

REGARDING: Japanese aggression in China is deeply criticised by Americans. State Department suggests that strong representations be made to Japanese Foreign Office, outlining specific points for discussion, emphasizing that American interests must be respected.

aa

793.94/ 13338

13338

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

793.94

DOCUMENT FILE

NOTE

SEE 852.00/8163 Confidential File FOR Tel. #1017.1 pm

FROM France (Bullitt) DATED June 28, 1938
TO NAME 1-1127 ***

REGARDING: British-French demarches in respect of the Island of
Hainan. Bonnet stated that the Japanese Government
continued to be profuse in assurances that the Island
would not be occupied by Japanese troops.

ge

793.94 / 13339

Confidential File
13339

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

TELEGRAM RECEIVED

EG

FROM

COMSOPAT

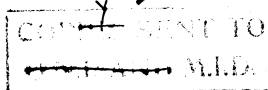
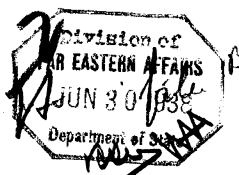
June 29, 1938

Rec'd 1:45 p.m.

ACTION: OPNAV

793.94

INFO: ALUSNA PEIPING
COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMDESRON FIVE
CINCAF
COMYANGPAT
AMEMBASSADOR CHINA
USS ASHEVILLE
USS MINDANAO
USS SACRAMENTO
USS MARBLEHEAD
USS TULSA
USS EDSALL
FOURTH MARINES



882

0029 Three air raids Kowloon railroad twenty
eight no serious damage Amoy Swatow areas quiet. 2025

RR:WTC

793.94/15340

JUL 1 - 1938

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

EG
GPO

FROM

GRAY

Canton via N. R.

Dated June 29, 1938

Rec'd 12:40 p.m.

Secretary of State,
Washington.

June 29, 5 p.m.

EJK

Series of air raids June 25th and 26th concentrated on Canton-Hong Kong railway and motor road. Railway bridge at Sheklung hit but not seriously damaged. Canton-Hankow and Canton-Hong Kong railways running on schedule.

Shelling of coastal points with attempted landings continue. Reported attempted landing near Swabue east of Bias Bay by several hundred Japanese marines afternoon of 25th said to have been repulsed with heavy Japanese casualties.

Bombing of Chinese military headquarters at Kiungchow, Hainan Island, is confirmed by an American correspondent but damage not indicated. American Presbyterian Mission property there unharmed.

Sent to Hankow, Peiping, Shanghai. Shanghai please repeat to Tokyo. Mailed to Hong Kong.

LINNELL

DDM:WWC

795.94/13541

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

DEPARTMENT OF STATE

RECEIVED
DIVISION OF FAR EASTERN AFFAIRS
DEPARTMENT OF STATE

1938 JUN 26 PM 3 49

June 8, 1938.

JAPANESE BOMBING OPERATIONS SINCE MAY 19.
AND RECORDS

Within the last three weeks Japanese aviation forces have extensively bombed wide areas in China both within and without the zones of hostilities. Bombings by Japanese airplanes have been reported in Honan, Hupeh, Kiangsu, Chekiang, Kiangsi and Kwangtung provinces, and among other cities, those of Canton, Chuki, Chumatien, Kanhsien, Kiehnow (five raids on May 30), Kwangchang, Nancheng, Nanhsiang, Ningpo, Pucheng, Siangyang, Haichow, Hwaiian and Sutsien. With the exception of the last three mentioned places, these cities have not been in the zones of hostilities. It is impossible to estimate the number of individual raids in the period under reference. However, according to reports received by the Department, there have been no less than thirteen bombing raids on the city of Canton within the past thirteen days (three raids on May 28). Likewise, complete information is lacking as to the number of casualties among the civilian populations and as to the extent of damages.

In so far as American-owned properties are concerned, there have been reported six bombings of American missions

793.94/13342

F/F 63342

793.94
not
793.94116
393.1163

file

1861
M 44/4
PCR

1362

-2-

missions within the period under reference. On May 19, the Free Methodist Mission at Chengchow was severely damaged by Japanese bombing. The Lutheran United Mission at Chumatien was bombed on May 21 resulting in extensive damages. The Southern Presbyterian Missions were bombed and severely damaged on May 24 and 28 at Haichow and on May 26 at Hwaiian and Sutsien.

In the course of the bombings at Canton, which, with the exception of June 1 and 2, have taken place daily since May 27, thousands of non-combatants have been killed and wounded and much property destroyed and burned. It has been reported that during the raids on May 28 and 29 and June 4, over three thousand were killed and wounded.* According to British reports, during the raids on May 28, 29 and 30 less than one-third of the bombs were directed at airdromes and industrial plants and of the sixty or more sites bombed less than ten were of military importance. The attacks would appear to have been and to be directed chiefly against residential areas. In addition, the Lingnan University, which lies some distance out of the city and which is partly American owned and supported, has been bombed by Japanese air forces.

* British estimates for the casualties resulting from the raids on May 28 and 29 and June 3 and 4 place the number of killed and wounded at twenty-one hundred.

J.H. Spencer

774

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

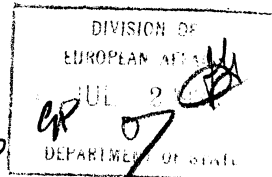


EMBASSY OF THE
UNITED STATES OF AMERICA

Moscow, U.S.S.R., June 1, 1938.

No. 1319

Subject: The Second Visit of Mr. Sun Fo to
the Soviet Union.



793.94

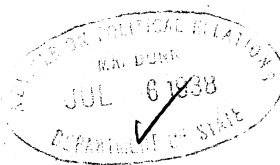
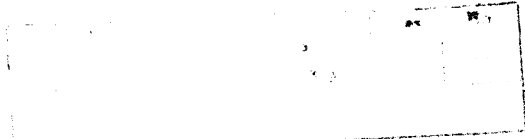
RECEIVED
DEPARTMENT OF STATE

1938 JUN 29 PM 12 01

DIVISION OF
COMMUNICATIONS
AND RECORDS

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

Sir:

I have the honor to refer to the Embassy's telegram
No. 120 of May 18, 7 p.m., reporting the return to Moscow
on May 17, 1938, of Mr. Sun Fo, Ambassador on Special
Mission of the Chinese Government. The Embassy has been
unable to gain any information locally as to the purpose
of Mr. Sun Fo's mission. The members of the Chinese
Embassy have been even more difficult of access since
his return than usual, and no confirmation even of his
presence here has been obtainable from that source.

One

793.94/13343

F/13343

-2-

One of the foreign correspondents attempted to send a story to his paper connecting the return visit to Moscow of Mr. Sun Fo with the unexpected arrival here a few days ago of Marshal Bleucher, Commander of the Far Eastern Red Army. The censor discouraged him from making any such connection of the two names. As far as the Embassy is aware, there is no factual basis for connecting the two visits, although, if as is alleged by British and Chinese newspaper reports, Sun Fo was instructed to visit Moscow again before returning to China, it would seem natural that Marshal Bleucher should be here to advise the Soviet Government during any conversations that took place.

According to IZVESTIYA of May 30, 1933, Mr. Sun Fo left Moscow for Germany accompanied by Mr. Yui Ming, the Chinese Chargé d'Affaires, on the previous day. It seems highly probable that one of the purposes of Sun Fo's visit to Germany at this time is to attempt to dissuade the German Government from recalling the German military experts who have hitherto been advising the Chinese Army.

Respectfully yours,

For the Ambassador:

A. Kirk

Alexander C. Kirk
Counselor of Embassy

710 - China

SEG:jwl

Original and four copies to the Department.
Copy to Legation, Riga.

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

McL

FROM FOURTH MARINES

June 30, 1938.

Rec'd 8 a.m.

^{op}
COPIN SENT TO
~~CONFIDENTIAL~~

ACTION: CIRCAC
OPNAV

INFO: AMCON SHANGHAI
CONSULON FIVE
ASST ALUSNA SHANGHAI
COMDESRON FIVE
COMSOPAT
AMBASSADOR CHINA
ALUSNA PEIPING

8630. No new advances made by Japanese in Matnag
Boom sector. Japanese admit guerrilla fighting west
of Shanghai. 1851

793.94/12344

793.94

JUL 1 - 1938

FILED

F/FG

774
DECLASSIFIED: E.O. 11652, 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 701.9460d/7 FOR #547

FROM Finland (Schoenfeld) DATED June 8, 1938
TO NAME 1-1127 ...

Sino-Japanese situation:

REGARDING: Yugiur Sughishita, new Japanese Minister to Finland stated that in his opinion the - would not last long and that "Japan has the best of good will for an agreement. We are willing to work together with the Chinese Government if that Government will hold itself aloof from Bolshevism. That is the large and important problem".

✓
VII

793.94 / 13345

793.94
13345

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

QUINTUPPLICATE

No. 547.

Helsinki, June 8, 1933.

Subject: Arrival of New Japanese Minister.

The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to report that Mr. Yuziro Sugishita, new Japanese Minister to Finland, arrived in Helsinki on May 31 and presented his credentials to the President of the Republic on June 2. Mr. Sugishita's previous posts, according to the local press, have been at Rome, Vienna, Moscow, Riga, Berlin, and Vladivostok; during the last six months he has been in Japan.

Upon arrival the new Japanese Minister stated to reporters that there were no economic or political
conflicts

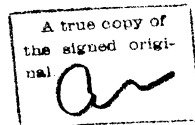
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

conflicts between Finland and Japan and that that was a good foundation to build on. With regard to the Sino-Japanese conflict the Minister gave it as his opinion that it would not last long. He further stated that "Japan has the best of good will for an agreement. We are willing to work together with the Chinese Government if that Government will hold itself aloof from Bolshevism. That is the large and important problem." The Minister added that the Japanese had done a great deal to help the poor in North China by furnishing provisions and clothes.

Respectfully yours,

H. F. Arthur Schoenfeld



701.1
AES/iel
In quintuplicate to Department.

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

4863

TELEGRAM RECEIVED

JR

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

COMYANGPAT

JUNE 30, 1938

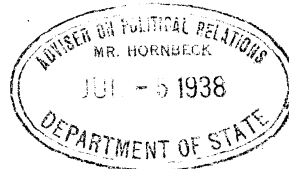
Rec'd 1:05 p.m.

ACTION: USS MONOCACY

INFO: CINCAF PASSED TO NAVY DEPT FOR INFO BY CINCAF

0029. Chinese Foreign Office advises river
officially blocked above Lienchiachen from 29 June
but off record states river navigatable along north
bank slow speed another forty-eight hours. Plan
MONOCACY remain Kiukiang unchanged. 1212.

KLP:RR



FILED
JUL 8 - 1938

793.94/13346

793.94

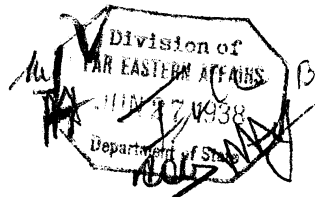
11

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

RECEIVED
JUN 30 1938

JUN 30 1938

Hankow, June 26, 3:15 P.M.



A fierce attack was made yesterday by the Chinese force upon 6,000 Japanese landed at Hsiangkow, 30 kilometers below Matang where the boom was stretched across the Yangtse River. Following four hour battle the Chinese recaptured Hsiangkow at noon killing 4,000 Japanese and the remaining 2,000 fled upriver where they were being surrounded.

The Chinese air force had another successful day yesterday. During four bombing flights downriver direct hits were scored. Five Japanese war vessels above Wuhu were set afire. Flying over Anking yesterday afternoon the Chinese squadron encountered three Japanese pursuit ^{planes} ~~Japanese~~ all of which were shot down. The Chinese planes then bombed Anking airfield destroying a number of Japanese planes which were refuelling.

793.94/13347

F/FG

93.94

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

793.94

DOCUMENT FILE

NOTE

SEE 767.00/79 FOR #697

FROM Turkey (MacMurray) DATED June 15, 1938
TO NAME 1-1127 ***

REGARDING: Sino-Japanese situation.

Conversation with the Foreign Minister who stated that Japan had threatened Germany with partitioning of China between Japan and Soviet Russia if German military advisers were not withdrawn. Efforts of the Japanese to obtain a base in Afghanistan from which to attack the Chinese.

Wi

793.94 / 13348

13348-

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

793.94

DOCUMENT FILE

NOTE

SEE 893.20 Manchuria/28 FOR Tel #395, 4pm

FROM China (Salisbury) DATED June 29, 1938.
TO NAME 1-1127 ***

REGARDING: Hsinglunghsien invaded by Chinese Communist army units which
had been hovering about since middle of month.

Foregoing according to Jehol Japanese army headquarters, stating,
however, that the invaders are surrounded by Japanese and Man-
churian troops. This is substance of telegram #45, June 28, 4pm,
from Consulate at Mukden; quoted herewith.

FRG.

793.94 / 13349

13349

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

EG

GRAY

Peiping via N. R.

Dated June 29, 1938

Rec'd 10:35 a.m.

Secretary of State,
Washington.

395, June 29, 4 p.m.

Following from Mukden:

"45, June 28, 4 p.m. My telegram June 28, 11
a.m. Japanese army headquarters Jehol city this noon
announced that Chinese Communist army units which had
been hovering about Manchurian southwest border since
middle of the month have invaded Hsinglunghsien (the
newly created prefecture comprising the corner pro-
jecting into Hopeh Province due south of Jehol city)
but are surrounded by Japanese and Manchurian troops."

Repeated to Hankow and Tokyo.

SALISBURY

RR:KLP

893.20 Manchuria / 28

DECLASSIFIED: E.O. 11652, 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

FOURTH MARINES

FROM

July 1, 1938

Rec'd 7:30 a.m.

ACTION: CINCAF
OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
ASTALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
ALUSNA PEIPING

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SA
fch
WAA
COM Y SENT TO
CHINA AND YLC
EJL

793.94
8601. Matang forts and village captured by Japanese,
Chinese artillery in hills 5 miles west of village
exchanging fire with Japanese vessels in river boom
not yet forced. Japanese planes bombed Canton Kowloon
and Canton Hankow Railways. 1820.

HPD

793.94/13350

F/FG

RECEIVED
JUL 9 - 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

JR

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

Paris

Dated July 1, 1938

Rec'd 7:50 a.m.

Secretary of State,

Washington.

1038, July 1, 9 a.m.

STRICTLY CONFIDENTIAL.

Sun Fo who returned to Paris recently from
Moscow said to me that his negotiations in Moscow
had been most successful. The Soviet Government had
promised to continue to supply China with arms and
munitions on credit. He asserted that six Japanese
divisions had lost all their heavy artillery and
tanks as a result of the Yellow River inundations.
He added that he believed that the Japanese offensive
against Hankow would be held up for many months and
reaffirmed the determination of the Chinese Government
to continue to fight to the end.

BULLITT

HPD

793.94/13351

CONFIDENTIAL

0754

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

B
 [STRICTLY CONFIDENTIAL]

STRICTLY CONFIDENTIAL

P A R A P H R A S E

A strictly confidential telegram (no. 1038) of July 1, 1938, from the American Ambassador at Paris reads substantially as follows:

A short time ago Sun Fo came back to Paris from Moscow. According to Sun Fo, the Soviet Government promised to continue to supply arms and munitions on credit to the Chinese Government. He informed the American Ambassador that he had been most successful in his negotiations in Moscow. Sun Fo reaffirmed the determination of the Chinese Government to keep on fighting to the end and he expressed the belief that Japan's offensive against Hankow would be delayed for a number of months. He stated that as a result of the inundations of the Yellow River six of the Japanese divisions had lost all of their tanks and heavy artillery.

793.94/13351

793.94/13351

EGC
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 7-1

JFE
 JFE

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

July 16 1938.

STRICTLY CONFIDENTIAL

No. 590

To the American Ambassador,
 Peiping.

The Secretary of State encloses for the strictly confidential information of the American Ambassador a paraphrase of a telegram (no. 1038) of July 1, 1938, from the American Ambassador at Paris in regard to the situation in the Far East.

793.94/13351

Enclosure:

From Embassy, Paris,
 telegram no. 1038,
 July 1, 1938 (paraphrase).

793.94/13351



Copy to Ambassador, Hankow.

7-12

FE:EGC:HES

FE:448

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

July 16 1938.

STRICTLY CONFIDENTIAL

No. 1535

To the American Ambassador,
 Tokyo.

The Secretary of State encloses for the strictly confidential information of the American Ambassador a paraphrase of a telegram (no. 1038) of July 1, 1938, from the American Ambassador at Paris in regard to the situation in the Far East.

793.94/13351

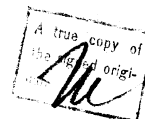
Enclosure:

From Embassy, Paris,
 telegram no. 1038,
 July 1, 1938 (paraphrase).

793.94/13351

egc.
 FE:EGC:HES
 7-12

WJW
 FE
 H-11



JMB

ER
 11/11

F/HG

TELEGRAM RECEIVED

EDA

epo

FROM

GRAY

PEIPING VIA N.R.

Dated June 30, 1938

Received 7 a.m. July 1

Secretary of State

Washington

401, June 30, 5 p.m.

CONFIDENTIAL
O.N.I. AND

EJL

743.94

The Japanese appear to be making renewed but not large scale efforts in North China to suppress guerrilla activities which show no diminution. According to the Japanese spokesman Japanese troops are now attacking in South Shansi (a province which he admits contains more than 250,000 Chinese troops) and are "bandit hunting" in the Peiping Paoting Tientsin triangle and northeast of Tungchow near Peiping. As examples of current guerrilla activities there are according to reports (one) on the Pinghan Line some 75,000 guerrillas are opposed to 30,000 Japanese troops and 15,000 Chinese troops in Japanese pay. who are in large part secretly allied with the guerrillas; (two) from 10 to 20 thousand guerrillas are operating in Hopei near the Great Wall and claiming to interrupt the Peiping Jehol railway; (three) guerrillas and bandits are increasing in number and activity along the Pingsui Railway. Repeated to Hankow, Shanghai, by mail to Tokyo.

SALISBURY

CSB

793.94/13352

F/FG

TELEGRAM RECEIVED

EDA ... ✓

FROM

PLAIN AND GRAY

PEIPING VIA N.R.

Dated June 30, 1938

Received 7 a.m.
July 1

Secretary of State
Washington

COPIES SENT TO
ONE AND MII

egx

400, June 30, 4 p.m.

Embassy's 191, March 28, 4 p.m., in regard to
signing of agreement for forming of a Sino-Japanese
Economic Council.

One. The Council was inaugurated yesterday at
Peiping with Wang Keh Min as Chariman and Hachisaburo
Hirao as Vice Chairman, Hirao having returned June 18,
from a protracted stay in Tokyo.

Two. It is unlikely that the inauguration will
result in important concrete developments for economic
exploitation in the near future because of (a) continuing
Chinese military resistance, (b) financial stringency
(c) inability of the Japanese to extend their control
beyond certain lines of communication and (d) continued
harrassing of those lines by Chinese irregulars. Another
indication is a press report from Tokyo that the North
China Development Company and a Central China rehabilita-
tion will not begin operations until November first.

Repeated

795.94/13353

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

EDA - 2 - #400, June 30, 4 p.m. from Peiping

Repeated to Embassy Hankow, Nanking and Consulate
General at Shanghai, by mail to Tokyo.

SALISBURY

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

TELEGRAM RECEIVED

JR _{apo}

FROM

COMSOPAT

July 1, 1938

Rec'd 12:25 p.m.

ACTION: OPNAV

793.94

INFO: COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMDESRON FIVE
CINCAF
COMYANGPAT
AMAMBASSADOR CHINA
USS ASHEVILLE
USS MINDANAO
USS MARBLEHEAD
USS TULSA
USS EDSALL
FOURTH MARINES
ALUSNA PEIPING

✓
file
new
Y
E J L

0001. Swatow heavily bombed nine BLP seventy-one
bombs serious casualties and property damage foreign
nationals safe three hundred foreign nationals arrived
Hong Kong on thirtieth thereafter Kowloon railway
bombed Shiukwan Hankow railway also attacked situation
Amoy unchanged. 2105.

HPD

793.94/13354

FILED

JUL 6 - 1938

F/FG

0761

DECLASSIFIED: E.O. 11652, 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

1865

Department of State

Gray
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN
WASHINGTON, NAVAL R4D10

1938 JUN 29 PM 4 22

June 29, 1938.

AMERICAN CONSUL

SHANGHAI (China)

FOLLOWING FOR TOKYO:

QUOTE According to the New York Times of June 28, Butler,

Under Secretary for Foreign Affairs, made a statement in the
House of Commons as follows:

SUBQUOTE His Majesty's Government and the French Govern-
ment, through their Ambassadors at Tokyo, have made clear to
the Japanese forces and Government that they would regard any
occupation of Hainan by the Japanese forces as calculated to
give rise to undesirable complications.

Should any complications unfortunately arise, His Majesty's
Government and the French Government would no doubt afford each
other such support as appears warranted by the circumstances.
END SUBQUOTE END QUOTE.

793.94/13354A

FE:JCV:VCI

Enciphered by

Sent by operator M., 19

D. O. R.—No. 50

1-1402 U. S. GOVERNMENT PRINTING OFFICE

F/FG

4866

TELEGRAM RECEIVED

EDA

apo

FROM

GRAY

TSINGTAO VIA N.R.

Dated June 30, 1938

Received 8:30 a.m.
July 1

Secretary of State

Washington

June 30, 7 p.m.

Embassy's telegram June 1, 4 p.m.

Following is monthly telegraphic summary for June.

City of Tsingtao was quiet throughout June. Japanese continued to keep garrisons along railway but traffic on railway was stopped from June 23 to June 26 during which time track was damaged in at least three places beyond Chengyang a station about twenty miles from Tsingtao and one freight train was reported to have been derailed and looted by Guerrillas. It is generally predicted that guerrilla activities near railway are on increase with growth of Kaoliang. American citizen tobacco buyers fearing isolation at Ershihlipu returned to Tsingtao believing that situation will not improve for at least six weeks.

Away from the railway the Japanese are far from in control of the situation. Pingtu and Chucheng have been evacuated. Tsimo thirty miles from Tsingtao is one of the

793.94/13355

F/FG

JUL 6-1938

4867

-2- June 30, 7 p.m., from Tsingtao via N. R.

of the few towns off the railway in Japanese hands but Japanese are not in possession of surrounding area and main road is damaged frequently. Ichowfu or Lini is reported more or less stirred by Chinese guerrillas but Japanese garrison there has sufficient supplies to hold out for some time. Guerrillas are active very close to Tsingtao in mountainous regions to northeast. By damaging roads and bridges guerrillas make it difficult or impossible for Japanese to keep garrisons in interior towns.

Unsuccessful in meeting guerrilla tactics Japanese are following policy of dropping bombs from airplanes on numerous villages in almost all parts of this general area. According to missionary reports bombs are often dropped on village market days killing many innocent civilians. Foreign missions are endangered by this bombing policy. American Southern Baptist Mission School compound at Pingtu were bombed on June 15th with much damage to buildings. American Lutheran Mission girl school compound at Tsimo was bombed on June 25 with great harm to buildings. Fortunately Americans escaped injury but at Tsimo one American was in great danger. Motives for these bombings

373.1163 Am 33

373.1163 P 97

-3- June 30, 7 p.m., from Tsingtao via N. R.

WS
1/26/39

bombings are unknown. Swedish Baptist ^{mission} (A) at Chungcheng also threatened, requested protection. On June 16 a Japanese sentry slapped Chinese steward regularly enlisted member of U.S.S. TRUNSMELL.

On June 17 Japanese civilian member Japanese military special mission arbitrarily seized keys of 126 bathing boxes belonging to foreign consuls and other foreigners in some cases throwing away contents. One week later keys were returned with explanation that seizure was a mistake. On the 25th of June Japanese naval gendarmes seized keys smashed notices and removed some furniture from the International Recreation Club in which Americans invested. Naval authorities later admitted ^{announced} (A) seizure was however mistake but still wish to use club premises. New regulations prevent importation and use of short wave radios.

WS
1/26/39

Sent to Peiping. Repeated Hankow and by mail to Tokyo.

WWC:HPD

GOURLEY

(*) 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

4869

TELEGRAM RECEIVED

HRE

GRAY

CHEFOO VIA N. R.

Dated July 1, 1938

Rec'd 8:44 p.m.

FROM

Secretary of State
Washington

July 1, 10 a.m.

Division of
EASTERN AFFAIRS

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

Japanese naval forces yesterday boarded Chinese
Maritime Customs cruiser HAI CHENG in Chefoo harbor and
seized vessel ordering British master and executive
officer Theodore W. Joyce, American, ashore. Chinese
officers and crew were ordered to remain on board under
penalty court martial.

Repeated to Embassy at Peiping and Hankow.

ROBERTS

ROW:EMB

793.94/13556

F/FG

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

4870

FE

TELEGRAM RECEIVED

EG ..

FROM

PLAIN

Telegram to
Tobyo.

Swatow via N. R.

Dated July 1, 1938

Rec'd 7 a.m. July 2nd

Secretary of State,

Washington.

July 1, 10 p.m.

From four thirty to six p.m. nine Japanese bombers

dropped seventy one bombs without warning indiscriminate-
ly on various parts of Swatow causing probably fifty
deaths among Chinese and unknown number wounded. Father
William J. Downs, American of Mary Knoll Mission,
slightly wounded and his house demolished; no other
American casualties.

YOUNG

KLP

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

793.94/13357

F/FG

793.94
not
393.1115
393.1163 Am 3

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

TELEGRAM RECEIVED

EG

PLAIN

FROM

Foochow via N. R.

Dated July 1, 1938

Rec'd 11:27 a.m. July 2

Secretary of State,
Washington.

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

July 1, 3 p.m.

SEVENTEEN OR MORE Japanese airplanes flew over
Foochow at one forty five this afternoon, five of
their number bombing Mamoi and upper bridge arsenals,
while others scattered leaflets outer city. Amount
of damage and casualties if any unknown. All clear
sounded at two thirty. To Hankow, repeat to Peiping.

WARD

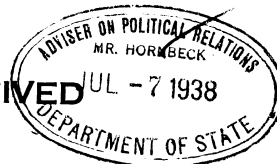
KLP

793.94/13358

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



RA-17

EG

✓
file B
key

FROM

SPECIAL GRAY

Peiping via N. R.

Dated July 2, 1938

Rec'd 9 a.m.

Secretary of State,
Washington.

410, July 2, 3 p.m. Department's June 30, 6 p.m.
and Embassy's 368, ¹³²⁵⁷ June 16, noon.

The informant states that celebrations will be held in Taimiao, not (repeat not) in forbidden city and that other plans are still pending, with execution apparently not (repeat not) imminent. Discreet inquiries among Chinese officials have failed to elicit any substantiating information.

Repeated to Ambassador. By courier to Tokyo.

SALISBURY

KLP

793.94/13359

JUL 7 - 1938

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

TELEGRAM RECEIVED

ML

PLAIN

Amembassy Hankow
Amembassy Peiping

FROM

Swatow via N.R.

Dated July 2, 1938

Rec'd 6 a.m. July 3.

Secretary of State
Washington

July 2, 7 p. m.

Today from six to nine a. m., nine Japanese bombers dropped about fifty bombs and again between one and two p. m., twelve bombers dropped about twenty five bombs on Swatow causing deaths, casualties and destruction as yet undetermined. During bombings of last two days no (repeat no) active resistance from Chinese forces.

YOUNG

WWC

COPIES SENT TO
DEPT. OF STATE
AND
NAVY

793.94/13360

FILED
JUL 6 - 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. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

ML

ACTION ^{OP} Opnav

INFO Cincaf

FROM

COMYANGPAT

Rec'd 11:20 a.m.

COPIES SENT TO
CINCPAC H.Q.

0503. Japanese bombed river points above Kiukiang
0830 to 0930. 2000

HTM

793.94/13361

FILED
JUL 6 - 1938

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

EG

GPO

FROM

FOURTH MARINES

July 2, 1938

Rec'd 11:30 a.m.

ACTION: CINCAF
OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
ASTALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
ALUSNA PEIPING

✓
file B
WAA
Y

682

793.94

8602. Night and early morning two July Japanese infantry roughly estimated at one thousand observed marching west from Shanghai along Hungjao Road artillery fire heard vicinity Minghong. Japanese planes bombed Swatow causing many casualties and heavy property damage morning two July. Chinese gunboat HIENNING and one other claimed bombed and sunk near Kuikiang Japanese claim Chinese cut north bank Yangtze dykes eighteen miles southwest Wangkiang to flood river valley. Water level of the lakes that area reported rising rapidly. 1915

KLP

FILED
JUL 6 - 1938

793.94/13362

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

ML

Fourth Marines

FROM

July 3, 1938

ACTION- Cincaf- Opnav

INFO- Amcon Shanghai-

Consulbren5- Astnav

Attache Shanghai-

Comdesron 5

Comyangpat Comsopat

Ambassador China- Alusna Peiping

Rec'd 7:15 a. m.

8603 Boom force Japanese reach point fifteen miles up
river from Matang 1818.

WWC

793.94/13363

JUL 6 - 1938

FILED

F/PG

DECLASSIFIED: E.O. 11652, 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

HRE

GRAY

TSINGTAO VIA N. R.

FROM Dated July 2, 1938

Rec'd 2:45 p.m.

Secretary of State

Washington

July 2, noon.

First impressions off hand are: (one) that while the Japanese may win the war in Shantung they will in the vernacular "lose their shirts" as far as the economic consequences are concerned; (two) foreign merchants are doing better than I expected to find them. Some business is being done under handicaps; (three) Japanese will persistently continue to make strong efforts establish here and in North China a currency system divorced from the Chinese Central Government system.

During a week spent in Japan I was *impressed* (A): (one) with the strength and effective operation of the war times economy and the tremendous industrial power of the country in spite of foreign press comment to the contrary; (two) by the absence of any visible sign of impoverishment of the masses or any reduction in what appeared to me an extraordinarily high standard of living in the Far East in spite of international trade difficulties and in spite of the fact that a year has passed

793.94/13364

F/FG

793.94

WTS
4/26/39

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

HRE

2-From Tsingtao July 2, noon.

passed since the outbreak of hostilities. By radio to
the Embassy at Peiping, Hankow, by mail to Tokyo.

SOKOBIN

EMB:ROW

(#) Apparent Omission

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

HRE

From: USS Monocacy

Undated

FROM

Rec'd July 5, 3 a.m.

Action: Comyangpat

Passed by Comyangpat to Cincaf for information

Passed by Cincaf to Navy Department for information

0004. Local sources reliably report Hukow has been
captured by Japanese. 2330

CA

COPIES SENT TO
GAIL AND M.L.D.

793.94/13365

FILED
JUL 6 - 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. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

HRE

Undated

FROM

Rec'd July 5, 3 a.m.

From: 4th Marines

Action: Cincac

Info: Comyangpat; Comsopat; Navdept; Amambassador China; *5 J2*
USS Oahu; USS Marblehead; Alusna Peiping.

0005. Japanese torpedo boat KARI being towed to Kirngyin
dockyard, damaged amidships by air bomb in Matang area.

1234

CA

795.94/13366

FILED
JUL 6 - 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. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

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

FROM ASTALUNA NANKING

July 4, 1938

Rec'd 11:55 p.m.

ACTION: ALUSNA PEIPING

INFO: ASTALUSNA SHANGHAI
CINCAF
NAVDEPT

793.94

0004. Sinos claim recent air attack Sunday vessels
vicinity Katang boom have destroyed thirteen ships,
twenty-seven planes, forty small boats, damaged twenty
other craft. Above based mainly on pilots reports.
Impossible verify but frequent number missions from here
lend some credence. 1920.

DDM

793.94/13367

JUL 7 - 1938

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

M M ...

FROM

COMSOPAT

Rec'd. 11:55pm.

July 4, 1938.

ACTION:

OPNAV

INFO: USS ASHEVILLE
COMSUBRON 5;
COMYANGPAT:
USS MINDANAO:
USS BULMER:
4TH MARINES:
ASTALUSNA SHANGHAI:
AMAMBASSADOR CHINA:
USS MARYEHEAD:
ALUSNA PEIPING:
COMDESRON 5:
CINCAF:
USS TULSA:
USS EDSALL:

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

0002. At zero five hundred gun fire from C. L. off Swatow
three D. D. also reported air raid Swatow forenoon nine
B. L. P. forty nine bomb afternoon twelve B. L. P. three
F. L. P. twenty four bombs casualties first and second
about two hundred killed four hundred injured property
damage seven railroads vicinity Canton bombed on first
five planes raided Mamoi pagoda anchorage Foochow. 2245.

DDM

793.94/13368

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

DCR

RECEIVED
DEPARTMENT OF STATE
DEPARTMENT OF STATE

Memorandum of Conversation

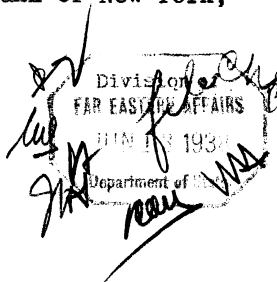
1938 JUNE 13
DIVISION OF FAR EASTERN AFFAIRS

DATE: June 13, 1938.

SUBJECT: Protection of Foreigners at Hankow.
AND RECORDS

PARTICIPANTS: Mr. Shorey, National City Bank of New York,
Mr. Hamilton.

COPIES TO:



note
393.1115
393.115

793.94/13369

Referring to a telephone communication of June 11 from Mr. Hart of the National City Bank, I this morning telephoned Mr. Shorey of the National City Bank and, on the basis of Ambassador Johnson's telegram ^{793.74/13200} 285, June 12, informed Mr. Shorey that it was expected at Hankow that Americans and others whose property is not located in the French Concession or who are not residing in the French Concession would remain in their places of residence; that such measures as were considered appropriate and practicable were being taken toward protection being accorded to Americans and other foreigners; that should an emergency arise and should it appear necessary for the protection of life to evacuate foreigners from Hankow onto ships in the river, the present plan was to concentrate in the French

F/FG

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

- 2 -

French Concession for the purpose of evacuation of
foreigners. I told Mr. Shorey that we of course desired
that there be no publicity in regard to this matter.

Mr. Shorey appeared to be satisfied with this
statement in clarification of the situation.

W. M. H.

MMH/REK

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

THE CHINESE COUNCIL FOR ECONOMIC RESEARCH

1933 JUL 5 AM 9 56

COPIES
AND RECORDS

793.94
The Hon. Cordell Hull,
Secretary of State,
Washington, D. C.

Dear Mr. Secretary:

Enclosed please find a copy of a special
bulletin we have just issued. We beg to call your
attention to the facts discussed therein and the
urgency and magnitude of the problem of relief facing
the Chinese nation as well as those who are concerned
with the humanitarian task of helping the unfortunate
and the needy.

Respectfully yours,

T. Y. Hu

T. Y. Hu,
Executive Secretary,
722 Jackson Place, N.W.,
Washington, D. C.

793.94/13370

FILED

JUL 7 - 1938

F/FG3370

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

SPECIAL BULLETIN ISSUED BY CHINESE COUNCIL FOR ECONOMIC RESEARCH

War Results in Imminent Starvation of 32,284,000 People in China

The Chinese-Japanese war has already resulted in such destruction and dislocation in China's means of livelihood that, if adequate relief is not forthcoming in the immediate future, at least 32,284,000 people will face starvation. This estimate is made on the basis of a careful study of what may be regarded as controlling factors in the situation.

1. Half of China's wheat area as well as wheat production is located in Shantung, Honan, Anhwei and Kiangsu. The major part of the 4 provinces is now a battlefield and partly under flood water of the Yellow River. During the flood of 1932-33 about 20 per cent to 25 per cent of the agricultural land was not cultivated. Now both war and flood have visited this region. Before the flood an enormous number of peasants had already left their homes, seeking safe refuge in other provinces, and left a considerable area of the land uncultivated. Now the flood has already completed the task in eastern Honan and threatens to extend its destruction to Shantung and Kiangsu. Thus the area of wheat land in this area left uncultivated this year will perhaps be larger than the uncultivated area in 1932-33. It is an understatement to say that about a third of the wheat land in this area normally contributing one-half of China's wheat production will perhaps not yield any crop this year. Thus not only the population in the wheat region directly affected by the war will suffer, but the whole wheat-consuming part of China's teeming millions will also experience severe hardship if no relief is forthcoming in the immediate future.

2. Of China's three leading cotton producing provinces, Hopei, Kiangsu and Hupei, only Hupei is not in the immediate war zone. Other cotton-producing provinces, Shantung, Honan, Shansi and Shensi, are also in the heart of the war area with the only exception of Shensi. Thus, the major part of China's cotton fields have largely been converted into battlefields. War results not only in the abandonment of cultivation, but even in regard to the cotton that can be harvested, tremendous hardship has

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 -

been created by the interruption of marketing. Since cotton cannot be consumed directly by growers, the situation of the cotton growers is even worse than that of the wheat producers. Although no figures are available, it is safe to assume that most of the cotton growers in Hopei, Kiangsu, Shantung, Honan and Shensi are destitute and in need of immediate help. The difficulties of transport resulting from military operations and the destruction of railways and highways, have also rendered it difficult for that part of China's textile industry which has survived the destruction in the lower Yangtse valley and has moved into Szechuan and the southwestern provinces, to secure an adequate supply of raw materials. Thus, rising prices of textiles make the lot of the millions of war refugees even more difficult and increase the burden of the entire population, including those not yet directly affected by the war.

3. Even in peace time, China does not produce enough food to feed her population. The largest items of food import are wheat and rice. In 1934 China imported 4,649,419 quintals of wheat. (One quintal equals 100 kg or 220½ lbs.), and in 1935, 5,209,087 quintals. In the case of rice China is even more dependent upon imports. In 1934 China imported 7,710,610 quintals and in 1935, 12,964,481 quintals. Most of the imported rice goes to Kwangtung province which is very dependent on imported rice. The enforcement of a blockade in regard to Chinese vessels by the Japanese navy has created a grave problem for the importation of food. The blockade has not completely stopped the importation of food, but it has greatly increased the risk and raised the cost of transport. Almost the only important port of entry at the present time is through Hongkong. If the Hongkong route becomes difficult, the French-Indo-China-Yunnan route can also be resorted to, but the distance to the point of consumption and the time necessary for the transport of the imported grain will make the cost almost prohibitive, unless means can be provided to secure the imported grain on liberal credit terms.

4. Taking into consideration the three controlling factors discussed above, the number of persons reduced to a starvation-level of existence by the war can be estimated as follows:

Areas affected	Immediate cause of food shortage	Percentage of population facing imminent starvation		Estimated number of persons facing imminent starvation
		Normal population		
Northern Hopei	First war zone -			
Southern Chahar	Longest under Japanese occupation; constant warfare between Japanese army of occupation and Chinese guerrillas; considerable area still under Chinese control.	28,000,000	20%	5,600,000
Northern Shansi				
Eastern Suiyuan				
Southern Kiangsu	Second war zone -			
Western Chekiang	Constant conflict between Japanese army and Chinese guerrillas; rich rice fields in very densely populated area between Shanghai and Nanking very badly damaged.	67,000,000	20%	13,400,000
Large part of Anhwei				
Southern Honan				
Northern Kiangsu	Third war zone -			
Southern Shantung	Large areas of cultivated wheat fields destroyed because of extensive operations in the fight for Szechow; menaced by flood since middle of June 1938.	20,800,000	30%	6,240,000
Southern Hopei				
Eastern Honan				
Northern Honan	Fourth war zone -			
Southern Shansi	Constant fighting between Japanese army and Chinese guerrillas; cultivation rendered almost impossible.	8,000,000	30%	2,400,000
Changchow and Amoy area	Occupation and bombing of densely populated area.	2,200,000	2%	44,000
Kwangtung Pearl River Delta	Continuous and extensive bombing of very densely populated area	10,000,000	10%	1,000,000
Hunan, Hupai, and Kiangsi	Influx of refugees from Central China war zones.	Estimated number of refugees facing starvation		3,000,000
Northern Shansi	Drought produces acute food shortage; the region does not produce enough food for local consumption even in time of peace and good harvest.	4,000,000	15%	600,000
Eastern Kansu				
GRAND TOTAL OF PERSONS IN DIRE NEED -				32,284,000

NOTE: In view of the lack of statistics, this is the most concrete estimate that can be made out of available data. The estimate, of course, does not include those who have already perished or those who are facing death by bombs or other instruments of death. Nor does it include the immeasurable spiritual losses sustained by a peaceful people whose homes and fields have been converted into a battlefield and who are forced to adjust themselves to a very different and precarious mode of existence.

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

July 14 1938

In reply refer to
 FE 793.94/13370 -

My dear Mr. Hu:

The receipt is acknowledged, by reference from the White House, of your undated letter addressed to the President with which you enclose a copy of a special bulletin which has been issued by the Chinese Council for Economic Research in regard to the problem of relief in China.

The contents of the bulletin have received careful consideration and your courtesy in making the information contained therein available to the Government is appreciated.

Sincerely yours,

For the Secretary of State:

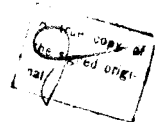
Jms
 Joseph W. Ballantine
 Acting Chief
 Division of Far Eastern Affairs

Mr. T. Y. Hu,
 Executive Secretary,
 The Chinese Council for Economic Research,
 722 Jackson Place, N. W.,
 Washington, D. C.

JUL 14 1938

egc
 FE:EGC:HES
 7-13

new
 FE



793.94/13370

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

State
3
RECEIVED
THE CHINESE COUNCIL FOR ECONOMIC RESEARCH
DEPARTMENT OF STATE

1938 JUL 7 AM 11 50

July 14 1938 *ack'd*

DIVISION OF
COMMUNICATIONS
AND RECORDS

RESPECTFULLY REFERRED
FOR ACKNOWLEDGMENT
AND CONSIDERATION

M. M. Dwyer

Secretary to the President

FW.
793.94/13370
The Hon. Franklin D. Roosevelt,
President of the United States,
White House,
Washington, D. C.

Dear Mr. President:

Enclosed please find a copy of a special
bulletin we have just issued. We beg to call your
attention to the facts discussed therein and the
urgency and magnitude of the problem of relief
facing the Chinese nation as well as those who are
concerned with the humanitarian task of helping
the unfortunate and the needy.

Respectfully yours,

T. Y. Hu

T. Y. Hu,
Executive Secretary,
722 Jackson Place, N. W.,
Washington, D. C.

DIVISION OF
FAR EASTERN AFFAIRS

JUL 11 1938

Department of State

F.W. - 793.94/13370

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

SPECIAL BULLETIN ISSUED BY CHINESE COUNCIL FOR ECONOMIC RESEARCH
War Results in Imminent Starvation of 32,284,000 People in China

The Chinese-Japanese war has already resulted in such destruction and dislocation in China's means of livelihood that, if adequate relief is not forthcoming in the immediate future, at least 32,284,000 people will face starvation. This estimate is made on the basis of a careful study of what may be regarded as controlling factors in the situation.

1. Half of China's wheat area as well as wheat production is located in Shantung, Honan, Anhwei and Kiangsu. The major part of the 4 provinces is now a battlefield and partly under flood water of the Yellow River. During the flood of 1932-33 about 20 per cent to 25 per cent of the agricultural land was not cultivated. Now both war and flood have visited this region. Before the flood an enormous number of peasants had already left their homes, seeking safe refuge in other provinces, and left a considerable area of the land uncultivated. Now the flood has already completed the task in eastern Honan and threatens to extend ~~the~~ destruction to Shantung and Kiangsu. Thus the area of wheat land in this area left uncultivated this year will perhaps be larger than the uncultivated area in 1932-33. It is an understatement to say that about a third of the wheat land in this area normally contributing one-half of China's wheat production will perhaps not yield any crop this year. Thus not only the population in the wheat region directly affected by the war will suffer, but the whole wheat-consuming part of China's teeming millions will also experience severe hardship if no relief is forthcoming in the immediate future.

2. Of China's three leading cotton producing provinces, Hopei, Kiangsu and Hupei, only Hupei is not in the immediate war zone. Other cotton-producing provinces, Shantung, Honan, Shansi and Shensi, are also in the heart of the war area with the only exception of Shensi. Thus, the major part of China's cotton fields have largely been converted into battlefields. War results not only in the abandonment of cultivation, but even in regard to the cotton that can be harvested, tremendous hardship has

- 2 -

been created by the interruption of marketing. Since cotton cannot be consumed directly by growers, the situation of the cotton growers is even worse than that of the wheat producers. Although no figures are available, it is safe to assume that most of the cotton growers in Hopei, Kiangsu, Shantung, Honan and Shensi are destitute and in need of immediate help. The difficulties of transport resulting from military operations and the destruction of railways and highways, have also rendered it difficult for that part of China's textile industry which has survived the destruction in the lower Yangtze valley and has moved into Szechuan and the southwestern provinces, to secure an adequate supply of raw materials. Thus, rising prices of textiles make the lot of the millions of war refugees even more difficult and increase the burden of the entire population, including those not yet directly affected by the war.

3. Even in peace time, China does not produce enough food to feed her population. The largest items of food import are wheat and rice. In 1934 China imported 4,649,419 quintals of wheat. (One quintal equals 100 kg or 220½ lbs.), and in 1935, 5,209,087 quintals. In the case of rice China is even more dependent upon imports. In 1934 China imported 7,710,610 quintals and in 1935, 12,964,481 quintals. Most of the imported rice goes to Kwangtung province which is very dependent on imported rice. The enforcement of a blockade in regard to Chinese vessels by the Japanese navy has created a grave problem for the importation of food. The blockade has not completely stopped the importation of food, but it has greatly increased the risk and raised the cost of transport. Almost the only important port of entry at the present time is through Hongkong. If the Hongkong route becomes difficult, the French-Indo-China-Yunnan route can also be resorted to, but the distance to the point of consumption and the time necessary for the transport of the imported grain will make the cost almost prohibitive, unless means can be provided to secure the imported grain on liberal credit terms.

4. Taking into consideration the three controlling factors discussed above, the number of persons reduced to a starvation-level of existence by the war can be estimated as follows:

Areas affected	Immediate cause of food shortage	Normal population	Percentage of population facing imminent starvation	Estimated number of persons facing imminent starvation
Northern Hopei Southern Chahar Northern Shansi Eastern Suiyuan	First war zone - Longest under Japanese occupation; constant warfare between Japanese army of occupation and Chinese guerillas; considerable area still under Chinese control.	28,000,000	20%	5,600,000
Southern Kiangsu Western Chekiang Large part of Anhwei Southern Honan	Second war zone - Constant conflict between Japanese army and Chinese guerillas; rich rice fields in very densely populated area between Shanghai and Nanking very badly damaged.	67,000,000	20%	13,400,000
Northern Kiangsu Southern Shantung Southern Hopei Eastern Honan	Third war zone - Large areas of cultivated wheat fields destroyed because of extensive operations in the fight for Suchow; managed by flood since middle of June 1938.	20,800,000	30%	6,240,000
Northern Honan Southern Shansi	Fourth war zone - Constant fighting between Japanese army and Chinese guerillas; cultivation rendered almost impossible.	8,000,000	30%	2,400,000
Changchow and Amoy area	Occupation and bombing of densely populated area.	2,200,000	2%	44,000
Kwangtung Pearl River Delta	Continuous and extensive bombing of very densely populated area	10,000,000	10%	1,000,000
Hunan, Hupel, and Kiangsi	Influx of refugees from Central China war zones.	Estimated number of refugees facing starvation		3,000,000
Northern Shansi Eastern Kansu	Drought produces acute food shortage; the region does not produce enough food for local consumption even in time of peace and good harvest.	4,000,000	15%	600,000
GRAND TOTAL OF PERSONS IN DIRE NEED - 32,284,000				

NOTE:

In view of the lack of statistics, this is the most concrete estimate that can be made out of available data. The estimate, of course, does not include those who have already perished or those who are facing death by bombs or other instruments of death. Nor does it include the immeasurable spiritual losses sustained by a peaceful people whose homes and fields have been converted into a battlefield and who are forced to adjust themselves to a very different and precarious mode of existence.

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

785

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

1
TELEGRAM RECEIVED

EDA
APO

FROM

FOURTH MARINES

July 5, 1938

Received 11 a.m.

ACTION CINCAF

OPNAV

INFO AMCONSUL SHANGHAI CHINA
COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

✓
COPIES SENT TO
CINCLANTFLT
8/2

793.941
8605 Japanese captured Hukow fourth July, met
little resistance, continue bombing Chinese defenses
both banks of river, unconfirmed report states
Japanese cruiser proceeding from Formosa to Paracel
Island 1830.

CSB

793.94/13371

FILED

JUL 7 - 1938

F/FG

EDA

TELEGRAM RECEIVED

GRAY

FROM

SHANGHAI VIA N.R.

Dated July 5, 1938

Received 11 a.m.

Secretary of State

Washington

949, July 5, 5 p.m.

My 913, June 27, 5 p.m.

COPIES SENT
ON LAND

One. Unconfirmed Japanese reports claim the capture of Hukow, 16 miles below Kiukiang. Chinese reports state that the Japanese advance has been checked and that Chinese forces are counter attacking at Pengtseh, 30 miles below Hukow. It is apparent that Japanese forces have crossed and advanced considerably beyond the Chinese boom at Matang and that Kiukiang is threatened.

Two. There are many indications of intensive Chinese guerrilla activities around Shanghai: artillery fire has been heard from the vicinity of Minghong and other nearby points; Japanese troop movements have been observed by foreigners in the Hunagjas area; Japanese reports admit the ambushing of the military truck between Chapoo and Kashing with the loss of twelve men.

Repeated to Hankow and Peiping.

LOCKHART

CSB

793.94/13372

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

FROM

Shanghai via N. R.

Dated July 5, 1938

Rec'd 12:10 p.m.

Secretary of State,
Washington.

948, July 5, 4 p.m.

Two more terrorist attacks, both directed at men apparently suspected of pro-Japanese activity, took place over the weekend. One victim fought off his assailants and escaped uninjured, the other was killed. There have been at least 15 similar political attacks during the past few months and eight pro-Japanese officials have been assassinated. There have also been about an equal number of bombings of newspapers and other organs.

Repeated to Hankow and Peiping.

LOCKHART

RR:DDM

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

793.94/13373

F/FG

FILED
JUL 7 - 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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

July 11, 1938

~~LDS~~

~~JGV~~

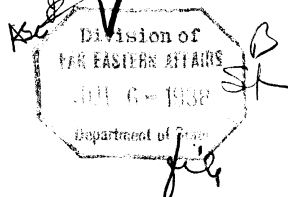
~~JUB~~

Shanghai's despatch no. 1461 of May 27 encloses an editorial from the Shanghai North China Daily News as illustrative of the widespread resentment of the Shanghai foreign community at the continued inexcusable refusal of the Japanese military to permit a return to normal conditions of the Shanghai areas under their occupation. Information which the editorial provides regarding Shanghai is believed to include nothing new. Second paragraph of the despatch adequately summarizes editorial.

RH
FE:Chase:EH:SS

NO. 1461

AMERICAN CONSULATE GENERAL,
Shanghai, China, May 27, 1938.



SUBJECT: Foreign Resentment of Japanese Failure
to Open Occupied Areas at Shanghai.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

1/

I have the honor to transmit an editorial appearing in THE NORTH CHINA DAILY NEWS (British) of May 11, 1938, which expresses the general and very bitter resentment among the foreign community of this city at the continued refusal of the Japanese military to permit a return of normal conditions to the areas which they occupy in and around Shanghai.

In this article the paper points out that, although six months have elapsed since the Chinese forces were driven away from Shanghai, reconstruction and revival of the industrial northern section of Shanghai have been hindered and obstructed, residence and farming in the western district are still almost impossible, Whangpoo conservancy work remains at a standstill, and the lawlessness and brutality of Japanese soldiery continue unabated. It goes on to deny the military necessity for the restrictions still enforced, and advances three

possible

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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. Lustig NARS, Date 12-18-75

-2-

possible explanations for the "Japanese shortcomings":
contrariety, inefficiency, and inability to maintain law
and order, specially among their own forces. Its con-
clusion is that the second of these explanations is the
most important, since it may be made to include the
third, and ends on the pessimistic note: "If so little
improvement has been effected during the past six months,
in how many years can it be expected that the Japanese
will have set up effective machinery for the establish-
ment of those conditions which will permit Shanghai to
get busy again?"

Respectfully yours,

Frank P. Lockhart
Frank P. Lockhart
American Consul General

✓
Enclosure:

1/ Editorial from THE NORTH CHINA
DAILY NEWS of May 11, 1938.

800
JSS MB

In Quintuplicate.

Copy to Embassy, Hankow.

Copy to Embassy, Peiping.

Copy to Embassy, Tokyo.

7794

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. 1 to despatch no. 1461 of Frank P. Lockhart,
American Consul General at Shanghai, dated May 27, 1938,
on the subject: "Foreign Resentment of Japanese Failure
to Open Occupied Areas at Shanghai."

SOURCE: THE NORTH-CHINA DAILY NEWS
(British), May 11, 1938.

Editorial

AFTER SIX MONTHS

The letter signed HUNGJAO HOUSEHOLDER draws attention to the rapidly-deteriorating state of affairs to the west of Shanghai beyond the defence perimeter. He writes with very considerable restraint, but gives sufficient of an outline to enable readers to fill in their own detail. Tomorrow, May 12, will end exactly six months since the Japanese forces officially occupied the whole of the Hungjao area, and it is interesting to review the condition in which Shanghai now finds itself. Despite the fact that the Japanese have been in undisputed possession of Shanghai for that period the city has been denied the possibilities of a return to normality to a degree which fits ill with the assurances which have been given. Free access is not yet possible north of Schochow Creek, trams are not yet allowed to ply in Hongkew and Yangtszepoo, there has been some return to factory activity though not to an extent likely to solve Shanghai's immediate problems, the Whangpoo is not being attended to as so important a waterway requires, while access to the Hungjao area is attended by all sorts of capricious regulations as to make residence there unnecessarily burdensome. By these self-same restrictions the farmers west of the railway are hindered in their work of producing vegetable food for this city, and while the state of affairs in this respect is not immediately serious, unless they are permitted to get into full stride with the production of their crops, the repercussion on Shanghai some months hence may prove most serious. Apart from that the discipline maintained by the Japanese troops in that area is still open to severe criticism. An example of what is here meant is to be found in a report reaching this office yesterday to the effect that on May 5 two Japanese sentries marched a Chinese with his hands tied behind his back across the Jessfield Railway Bridge, and when he reached the damaged portion he was pushed into the Creek. Though foreign observers waited and watched for a quarter of an hour the man did not reappear. Later the same day three more Chinese were first beaten, taken on the bridge and forced to jump into the Creek. Fortunately they were able to struggle ashore.

Foreigners who endeavour to understand the reasons for the very apparent shortcomings of the Japanese in this area are thrown back on the choice of one of three alternatives, though it is possible that they are due to a combination of all three. There are those who are firmly of the opinion that the failure to afford Shanghai the opportunity of starting on the long process of rehabilitation is due to sheer contrariety on the part of the Japanese authorities; others attribute it all to inefficiency, and there does seem to be some ground for that belief, while yet a third class contend that most of the difficulty lies in inability to maintain law and order in and around Shanghai. That last alternative naturally embraces the indiscipline which has been noticed amongst the Japanese troops in the western area, the primary cause of the brutality and outrage which are all too frequent and constitute a very serious blot upon the Japanese escutcheon. Incidents of brutal behaviour, even amounting to murder, as indicated above must be the result of a lack of discipline, for it is still inconceivable that responsible Japanese officers countenance for one moment the various crimes perpetrated against the ignorant and comparatively harmless Chinese countryman. This journal still prefers to believe that such behaviour is utterly contrary to the wishes of the Japanese command and that the latter would stop it, if they knew how. It is of no avail to complain that foreign witnesses of such incidents will not come forward and testify against the culprits. To do so, they fear, would invite reprisals from the comrades of the men so proved guilty. But the fact that such witnesses will not come forward does not in any way lessen the truth of the ac-

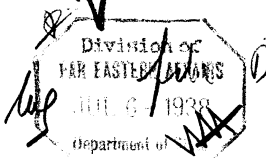
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

brutal behaviour, even amounting to murder, as indicated above must be the result of a lack of discipline, for it is still inconceivable that responsible Japanese officers countenance for one moment the various crimes perpetrated against the ignorant and comparatively harmless Chinese countryman. This journal still prefers to believe that such behaviour is utterly contrary to the wishes of the Japanese command and that the latter would stop it, if they knew how. It is of no avail to complain that foreign witnesses of such incidents will not come forward and testify against the culprits. To do so, they fear, would invite reprisals from the comrades of the men so proved guilty. But the fact that such witnesses will not come forward does not in any way lessen the truth of the accounts. The tally of such occurrence is too long, in most cases too well substantiated, to permit of the existence of much unbelief.

It is but natural that first attention should be paid to the humanitarian considerations which such brutal behaviour inspires, but now, we may ask, what about Shanghai? For the last six months the Japanese have had it in their power to allow Shanghai to commence repairing some of the awful damage that has been inflicted upon her. There are still hundreds of thousands of Chinese anxious to get back to work. Their neglect to do so results not only in the complete stagnation of the place, but adds daily to the tale of damage. The Whangpoo is going from bad to worse through sheer neglect, a neglect which is completely contrary to the assurances regarding neutral foreign interests which it has been so frequently alleged it is one of the chief aims of the Japanese to protect. At the risk of overmuch reiteration it must be again strongly emphasized that there is not one valid military or naval reason why the work of rehabilitating the harbour should not be set in hand at once, instead of which millions of dollars of conservancy plant are lying idle when so much could be done to maintain the harbour at that degree of efficiency necessitated by the enormous trade it has handled in the past and may confidently expect to deal with in the future. The same arguments to some extent apply to the question of reopening, without any strings attached to it, of the eastern and northern districts and the question arises why these things should be. No surprise should be aroused in Japanese minds to learn that there is a by no means inconsiderable body of public opinion in Shanghai, and for that matter elsewhere, which believes that all these failures to abide by the pledged word are derived from a spirit of perverse caprice, but, if it is because of the failure to maintain effective law and order around Shanghai, then the real reason must be found in that degree of inefficiency which has been so often noticed. And in this connection if so little improvement has been effected around Shanghai during the last six months as can now be seen, in how many years can it be expected that the Japanese will have set up effective machinery for the establishment of those conditions which will permit Shanghai to get busy again?

NO. 1471

AMERICAN CONSULATE GENERAL,
Shanghai, China, June 6, 1938.



SUBJECT: Intelligence Summaries for May 1938.



THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to refer to my despatch no. 1431

1/ of May 14, 1938, and to enclose, as of possible interest to the Department, copies of intelligence summaries for the month of May 1938, prepared by Captain R. A. Boone, Intelligence Officer of the United States Fourth Marines.

Respectfully yours,

Frank P. Lockhart
Frank P. Lockhart
American Consul General

✓ Enclosure:

1/- Intelligence Summaries
for May 1938.

800
EFS MB

In Single Copy

Copy to Embassy, Hankow.

Copy to Embassy, Peiping.

793.94/13375

F/59

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

2 May, 1938

RESTRICTED

R-2 REPORT, PERIOD 0800, 29 APRIL, TO 0800, 2 MAY, 1938

1. Operations

The situation in southern Shantung has changed very little during the period under review. Along the line from Hanchwang to south of Tancheng the Chinese defenses continue to hold firm. The Japanese have massed five divisions totalling roughly 100,000 men for this attack. No more are available in China proper and it is not believed that Japan would dare weaken the Manchukuo garrison at this time. If the attack does not succeed soon it appears that reenforcements in sizable quantities must be sent from Japan.

After several months of inactivity in the Tsining sector Japanese forces on April 29th captured Nanyangchen about twenty five miles south of Tsining on the western shore of Nanyang lake. This is not a revival of the Tsining to Kweitch offensive, but merely a precautionary measure to prevent the Chinese moving troops across the lake.

Mobile units over wide spread areas continue to take advantage of the weakening of Japanese garrisons due to the concentration in south Shantung. Passengers arriving in Peiping on May 1st, on the first train from Shihchiachuang in three days, report every important bridge damaged and the rails torn up in twenty places. Chochow, a few miles south of Peiping, was in Chinese hands for some hours and a mobile unit raided Langfang between Peiping and Tientsin. Siyang in northern Honan has been reoccupied and Chinese forces are pressing northward toward Poai, western terminus of the Taoching railway. Mobile units are also reported to have reoccupied Lucheng and Licheng in southeastern Shansi.

2. Miscellaneous

Residents and travellers in the western area have heard, at intervals during the last three days, heavy machine gun and trench mortar fire in points extending from near Joosung to Zau Woo Chung village 2 miles south-west of the French Concession. A small number of Japanese wounded have been observed entering Nantao.

DECLASSIFIED

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

OSD letter, May 3, 1972

NARS Date

R.A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

180

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

4 May, 1938

RESTRICTED

R-2 REPORT, PERIOD 0800, 2 MAY, TO 0800, 4 MAY, 1938

1. Operations

On the southern Shantung front the situation remains unchanged. Heavy fighting continues in the vicinity of Hanchwang, and Taierchwang, between the latter point and Pih sien, and near Tancheng but the Japanese are no nearer the Lunghai than they were after the fall of Tancheng more than a week ago.

The Nipponese column driving northward from Pengpu, reported nearing Suhsien five days ago, has not yet captured that city. The units advancing from Yencheng, Kiangsu, are approaching the outskirts of Fowning. Since this force only numbers about ten thousand and is strung out on garrison duty and guarding communications all the way from Nantung to Yencheng, it cannot constitute much of a threat to the Lunghai. The column that landed at Hohsien, about 6000 strong, occupied on April 30th the town of Chaohsien, on the Weinan railroad about 30 miles southeast of Hofei. Its objective is presumed to be the latter city, the most important Chinese military base in Anhwei.

Chinese mobile units have occupied Lungwangmiao, a village about four miles south of Taming, in southern Hopei, and are pressing on Tamingji. To deal with guerilla activities in the southern Pinghan area the Japanese are reported concentrating about 10,000 men at Sinsiang, in southern Honan. Mobile units are also harassing Japanese garrisons and lines of communications near Wuhu and along the Shanghai-Hangchow railway. Reports from Suiyuan indicate considerable guerilla activity in that province following the weakening of garrisons along the Peiping-Suiyuan railway.

2. Miscellaneous

A reliable foreigner recently encountered and conversed with the leaders of a band of 2,000 well-armed Communists in northwestern Shantung. The men said they were members of the 8th Route Army and had marched from Shansi. Their mission was to coordinate guerilla warfare in Shantung.

The repatriation of refugees from Shanghai to their native places, undertaken by the federation of charity organizations, ceased on April 26th. Four days prior to that date Japanese authorities stopped one of the steamers carrying repatriated persons and arrested several Chinese ex-soldiers and policemen who were being repatriated as refugees to Hankow via Hongkong. The Japanese claimed these men were conveying intelligence reports from Shanghai to Hankow. In endeavoring to explain the circumstances one of the officials of the federation was detained by the Japanese military. While negotiations continue on this matter, repatriation of refugees remains at a standstill.

Leahman
CD 1000, May 2, 1938
NARS
473

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

7 May 1938

RESTRICTED

R-2 REPORT, PERIOD 0800, 4 MAY, TO 0800, 7 MAY, 1938

1. Operations

The Japanese offensive on the northern Tsinpu front continues but appears to have spent much of its energy. The Chinese line running from Hanchwang to south of Tancheng remains firm and the Chinese have even pushed forward in small salients north east of Taierchwang and west of Tancheng. It is becoming obvious that the Japanese cannot capture Hsuehowfu without heavy reinforcements. Four thousand cavalry and artillery are reported moving south from Tientsin but these will hardly be sufficient to replace recent casualties. The Chinese on the other hand have ordered five more divisions to the Hsuehow area.

On the southern Tsinpu front the Japanese column advancing up the railway is nearing Kuchen 25 miles north of Pengpu. The report that it had reached the outskirts of Suhsien over a week ago was erroneous, since Japanese aircraft bombed Chinese military establishments in both Suhsien and Kuchen yesterday. The column driving for Hofei (the only one making any progress at present) has occupied Shihao, fifteen miles northwest of Chaohsien on the Chaohsien-Hofei highway.

The northern Kiangsu column is attacking Fowning on the north bank of the Shcyang river. A reliable foreigner who has just come from that town informs us that the Chinese garrison consists of 5000 well armed government troops. They are dug in on the steep north bank of the river, and thirty thousand Chinese forces are available in the area. The same source states that between Hwaiyin and Kaoyu, both across the Grand Canal and the highway paralleling the canal, the Chinese have constructed over 300 barricades.

Widespread guerrilla activities continue to harass the Japanese. Fighting has been carried close to the walls of both Peiping and Nanking. A mobile unit ambushed a convoy of Japanese supply trucks proceeding from Lini to Tancheng.

2. Miscellaneous

We are informed that during the last two or three months the number of German military advisors serving with the Chinese army has been doubled. Credence is lent this report by Tokyo's recent efforts to have the German government recall these men.

DECLASSIFIED

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

By OSD letter, May 7

Lothman *Mar 13*
1273

R. A. Boone
R. A. BOONE,
Captain, U. S. Marine Corps,
Regimental Intelligence Officer.

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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. Justesen NARS, Date 12-18-75

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

10 May, 1938

RESTRICTED

R-2 REPORT, PERIOD 0800, 7 MAY, TO 0800, 10 May, 1938

1. Operations

We are informed on excellent authority that 5 divisions are enroute from Japan to China. These units, comprising a total of slightly over 100000 men, are considered by the Japanese command sufficiently strong reinforcements to crack the Hsuehmfu nut.

A lull which will probably continue until the fresh Nipponese troops arrive prevails in southern Shantung. There has been no marked change on this front since the fall of Tancheng and the battle line still runs from south of that city to Hanchwang. Japanese in the Lincheng sector have assembled a large number of collapsible boats. This, in conjunction with the massing of a considerable force at Tsining, leads Chinese to believe that a crossing of Weishan lake followed by a drive on Tangshan or Kweichow is contemplated.

On the southern Tsinpu front a Nipponese column which advanced along the Hsuehmfu-Mencheng highway is now attacking the latter city. Its objective is presumed to be Kweichow. The force driving up the railway is still held up south of Kuchen. The northern Kiangsu column succeeded in capturing Fowning, and is now reported to have swung to the west and to be advancing toward Hwaiying on the Grand Canal.

No reports have been heard from the column moving on Hofei since the capture of Shihkiao. The Chinese have moved two divisions the 170th and 171st, excellent Kiangsi troops, from Chekiang into the Hofei area.

In Shansi the Chinese claim the recapture of Lishih 45 miles northwest of Fengyang and Hsinkow about 70 miles north of Taiyuan. These claims are probably true as the Japanese have withdrawn nearly all their troops from this province and seem to be making no attempt to hold anything except the railways and principal highways.

2. Miscellaneous

On 9th May the Japanese Landing Force authorities stopped Chinese traffic over Stone bridge and greatly curtailed traffic over Kuchen bridge. This action appears to substantiate rumors which had been current alleging guerilla activities just north of Chapei.

DECLASSIFIED

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

Department of State letter, May 3, 1972

By Milton O. Justesen NARS Date Mar 19

R. A. Boone

R. A. BOONE,
Captain, U. S. Marine Corps,
Regimental Intelligence Officer.

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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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

12 May, 1938

RESTRICTED

R-2 REPORT; PERIOD 0800, 10 MAY, TO 0800, 11 MAY, 1938

1. Operations Tsinpu Fronts

In conjunction with widespread naval activities along the south China coast the Japanese are intensifying their drive on the Hsuehowfu area. Accompanied by heavy aerial bombing of the Chinese Lungai defenses, attacks are being launched simultaneously from north and south.

The column pushing south from Tancheng captured Hunghwapu, only five miles north of Sinanchen on the Lungai. Instead of driving on toward the railway however they swung west and are now advancing on Pih sien.

The line from Pih sien to Hanchwang appears comparatively quiet. West of Nanyang lake the Japanese are driving in three columns for Kweiteh. The main offensive, moving south from Tsining with Kinsiang as its immediate objective, has reached a point about ten miles south of Tsining. The left flank of this column is protected by Nanyang lake while its right flank is being covered by two subsidiary columns. The first of these has advanced from Tsining to Kuyeh on the highway 25 miles southwest of Tsining. The second has moved from Wenshang 24 miles northwest of Tsining to Yuncheng. Yuncheng, 33 miles almost due west from Tsining is connected by highway with Kuyeh. While these three columns are moving rapidly they have not yet crossed the Kwei river or captured Kinsiang. Most of their difficulties are still ahead of them.

On the southern Tsinpu front the column which captured Mengcheng found itself suddenly attacked from the south by Chinese units which had marched north from Fengtai. The Japanese apparently crushed this threat to their rear but their advance toward Kweiteh is held up for the present. The column advancing up the Tsinpu railway has not yet captured Kuchen. In the Hweinan railway sector the Nipponese offensive has reached a point on the Chaohsien-Hofei Highway about 25 miles from Hofei. No reports are at hand concerning the column which recently captured Fowning in North Kiangsu.

2. South China

Evidently putting into operation plans of long standing the Japanese Navy on 10 May landed heavy forces at Amoy, and after some fighting gained control of the island and city on the afternoon of the 11th. Landings on a small scale were attempted earlier at Lanta island 11 miles northwest of Hongkong and Lappa island 4 miles southwest Macao, while Saihoung on the north coast of Taishan Bay 24 miles northwest of Hongkong was heavily shelled. Naval aircraft have been active in bombing the Canton airfields and the Canton-Kowloon and Canton-Hankow railway.

On the 10th, 24 Chinese planes arrived in Canton. They have twice attempted to bomb Japanese war vessels near Macao, and drove off five Japanese planes which attacked Canton. While this appearance of Chinese planes in south China is very encouraging to the Cantonese, it is probably exactly what the Japanese wanted and one of the principal objectives of their south China demonstration. That is, to draw Chinese air support away from the all important Tsinpu sector.

R. A. Brown
R. A. Brown
Captain, U.S. Marine Corps
Regimental Intelligence Officer

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

14 May 1938

RESTRICTED

R-2 REPORT, PERIOD 0800, 12 MAY, TO 0800, 14 MAY, 1938

1. Operations Tsinpu Fronts

Japanese columns driving north from the base at Pengpu have made remarkable progress in the last three days. They now occupy several important positions on a line running northeast from a point on the Tsinpu Railway, 10 miles south of Suhsien, to a village west of Yungcheng, Honan, a total distance of about 52 miles. The line is by no means held continuously. The Japanese columns have moved so rapidly that they must have outstripped most of their supply convoys, and they are all very much exposed to flank attacks.

The column advancing from Mengcheng occupied Yungcheng, Honan, then spread out on a line roughly paralleling the Kwei River and stretching from Nanpingcheng to Wukiapsi, nearby villages. The column attacking Kuchen captured that part of the town lying south of the Kwei River. Leaving a small force to maintain pressure on the north half of Kuchen this column swung northwest and captured Panchiaotsi, a village located halfway between Suhsien and Mengcheng. Here the column split, one force driving north and capturing Linwantsih, northern Anhwei town, 31 miles almost due west of Suhsien. The remainder advanced northeast and it is claimed captured Lungkaopsi, on the Tsinpu Railway, 16 miles northwest of Kuchen. If this report is true the Japanese have executed a most brilliant move around the right wing of the Kuchen defenses, and the garrison at that point will have to withdraw rapidly to the east to escape.

No reports of any important changes have been received from the northern Tsinpu front. By their own statement the Japanese are no nearer Sinanchen than they were three days ago. The column driving south from Tsining has reached a point 9 miles north of Kinhsiang, but until they capture this city they need not be considered a dangerous threat to the Lunghai. Troops from Fuyang and Puhsien, Hopei, are said to be crossing the Yellow River with the object of joining the column which advanced from Wenshang to Yuncheng.

We do not believe that the Chinese troops in the Hsuechow sector are in immediate danger of being bottled up. The Japanese columns closing in on Kweitch are still 84 miles apart. The column south of Suhsien is 55 miles from the Lunghai. The forces pressing on Sinanchen are only three miles from the railway, but even if they capture Sinanchen they must cross the Grand Canal before becoming a threat to Hsuechow. However, the fall of this town would isolate Chinese troops in the Haichow sector.

2. Miscellaneous

Messages from foreign missionaries in Shaohing, Chekiang, dated May 10th, one day after the Japanese claimed to have captured the town, said that all was peaceful there, no Japanese in the vicinity. This Japanese report was apparently a pure fabrication.

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

A foreigner just returned to Peiping from Luan, south-east Shansi, states that the Japanese have evacuated and the Chinese reoccupied that important point. The Japanese he adds have withdrawn from practically all of southeast Shansi and much of southern Hopai. They are still running trains on the Pinghan line as far south as Sinsiang, Honan, but the line is being constantly harrassed by gucrillas.

3. Naval Operations

Amoy Island is quiet, Japanese mopping-up operations being practically completed. Early naval attacks on Swatow and Foochow are probable.

4. Distances to Lunghai Line

Column at point north of Kinhsiang -----	53 miles.
Column at Yungcheng -----	31 miles.
Hanchwang to Hsuehchow -----	27 miles.
Point reached by column south of Tancheng -----	3 miles.
Fowning to Lunghai -----	63 miles.
Suhsien to Hsuehchow -----	45 miles.
Kuchen to Hsuehchow -----	68 miles.
Mengcheng to Lunghai -----	75 miles.
Pengpu to Lunghai -----	90 miles.
Taierschwang to Lunghai -----	18 miles.
Pihhsien, Shantung, to Lunghai -----	9 miles.
Yutai to Lunghai -----	37 miles.
Kinhsiang to Lunghai -----	45 miles.
Hwaiyin, Kiangsu, to Lunghai (along Grand Canal) --	78 miles.
Matowchen, Shantung, to Lunghai -----	17 miles.
Peihhsien, Kiangsu, to Lunghai -----	27 miles.
Tenghsien, Kiangsu, to Lunghai -----	20 miles.

R. A. Boone

R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

16 May 1938

RESTRICTED

R-2 REPORT, PERIOD 0800, 14 MAY, TO 0800, 16 MAY, 1938

1. Operations

Breaking of the Lunghai line in three places, two of them at vital points which will cut off the retreat of the Chinese forces from Hsuehchow, and the capture of Hefei, principal Chinese military base in Anhwei, are the startling developments claimed by Japanese military headquarters in the last 48 hours. The three points where rapidly moving mobile units cut the line are Hsiwang, 7 miles southeast of Lanfeng, Honan, Wangchi near Tangshan, about 50 miles west of Hsuehchow, and near Sinanthen, east of the Grand Canal. Japanese columns have also crossed the Yellow River from Puyang and Puhkien, southeastern Hopei, and captured Tsaochow, southwestern Shantung. Japanese units are attacking Kucheh and Suhsien, on the Tsinpu line south of Hsuehchow, and Kinhsiang, Yutai, and Chuyai, northern Chinese defense points in the Kweiteh sector.

The Chinese on their side claim that the Lunghai is not broken and that they inflicted a severe defeat on the Japanese unit that attempted to cut the line near Tangshan. They further claim to have pursued this column south to Yungcheng which town they recaptured. This claim if true would remove the immediate threat to the Lunghai from the south. They further claim the recapture of Chaohsien, Anhwei.

The Hsuehchow sector is being heavily bombed daily. The Chinese air force appears to be making no attempt to contest supremacy of the air in the combat zone.

There will be no map with this report as we do not have at hand sufficient reliable information to accurately place the different battle lines.

L. H. Johnson

May 19, 1938 R. A. Boone

R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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

HEADQUARTERS, FOURTH MARINES
 SHANGHAI, CHINA

18 May 1938

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 E.O. 11652, Sec. 3(E) and 5(D) or (E)
 OAD: Jeter, May 3, 1977
 [Signature]
 1973

RESTRICTED

R-2 REPORT, PERIOD 0800, 16 MAY, TO 0800, 18 MAY, 1938

1. Operations Hsuechow Sector

The Japanese pincers, according to Japanese reports, continue to close on the Lunghai line. East of Tsinpu on the northern front Sinanchen has fallen. A Japanese column occupied Paoche railway station about 6 miles east of Yunho on the night of the 15th-16th May, and on the 16th crossed the Lunghai and captured Tunghoyen, 2½ miles south of the railway.

A third column captured Pihhsien on the night of the 15th while a fourth, farther west, has effected a crossing of the Grand Canal and is moving on Payitsi on the Lunghai 22 miles east of Hsuechow. Taierchwang has fallen and Japanese pressure continues on Hanchwang. West of the Tsinpu a Japanese column based on Nanyangchen, after occupying Fenghsien, reached the Lunghai at Hwangkow on the 16th. Here it was joined by a column which had advanced north from Yungcheng, Honan, and the combined forces turned east to advance on Hsuechow. At time of writing this force is only eight miles from the city. The columns driving on Kinhsiang and Yutai have occupied those points. The force which captured Tsaochow divided; the left column is now attacking Chengwu. The right, after occupying Tingtao and Tsaohsien, turned west toward Kweiteh.

South of the Lunghai Japanese continue to press on Kuchen and Suhsien. To the west a column after capturing Siaohsien, advanced to the hills southwest of Hsuechow. Bringing up their artillery they began, at 3 p.m. on the 17th, to bombard Hsuechow at a range of about 5 miles. Another column operating from Yungcheng has turned west, driving apparently for Kweiteh.

The Chinese, however, claim that the raids on the Lunghai have all been by mechanized units and cavalry, that all have been repulsed, and that Chinese forces still control the entire line.

The northern Kiangsu column which captured Fowning continues to drive on Haichow while a force moving up the Grand Canal is nearing Kaoyu. The Chinese command admits the loss of Hofei, Anhwei, though fighting is said to be still going on in the outskirts of the town.

It seems probable that the bulk of the Chinese forces will succeed in escaping from the Hsuechow sector. In fact indications are that this has happened already. The "ring of steel closing around Hsuechow" is not a ring at all but widely separated columns. The Chinese will probably have to abandon whatever stores, ammunition and artillery that have not yet been moved. Whether they will maintain good enough morale to form another defense line farther west is impossible to say at this time.

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

2. Hopei

A reliable foreigner who has just returned to Peiping from Paotingfu states that the Japanese garrison there is in a state of virtual seige. An 8th Route Army force 20,000 strong has established headquarters at Anting, 20 miles southeast of Paoting. Skirmishes occur in the outskirts of the town daily and Chinese soldiers enter the city practically every night. The Ping-Han line is constantly being harrassed by the same troops.

3. Shansi

The Chinese claim the capture of Houma on the Tungpu railway, southwest Shansi. This report is accepted with great reserve.

4. Chekiang

About 1000 Japanese troops are engaged in anti-guerilla operations near Linghu 27 miles north west of Hangchow.

5. Local Miscellaneous

It is learned that, apparently with a view to laying a foundation for a Japanese colony in the Shanghai area, the Japanese Military Authorities are acquiring, often by means of duress, title to land situated in areas between Nanziang and Woosung and the Yangtze and Whangpoo Rivers. The titles are being purchased from Chinese owners at prices ranging between \$50 and a maximum of \$58 per mow. Chinese owners who refuse to accept the above offer are threatened with confiscation of their holdings. Any land, ownership to which is thus acquired, is then offered by the Japanese Military Authorities for sale to Japanese nationals at prices ranging from Yen 100 to Yen 150 per mow, on the condition that any soil so acquired will be taken under immediate cultivation, or a farm be established thereon and the harvest sold to the Japanese Military.

It is further learned that the Japanese Military Command have decided to keep a permanent peace-time garrison of 20,000 soldiers in Shanghai. The barracks for these troops are reported to be already under construction at Kiangwan.

R. A. Boone

R. A. BOONE,
 Captain, U.S. Marine Corps,
 Regimental Intelligence Officer.

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

20 May 1938

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E.O. 11652, Sec. 3(E) and 5(D) or (E)
if letter, May 3, 1974
NARS Date 11/11/74

RESTRICTED

R-2 REPORT, PERIOD 0800, 18 MAY, TO 0800, 20 MAY, 1938

1. Operations Lunghai Line

Japanese columns attacking from the north, west and east have gained possession of the greater part of Hsuehowfu. Most of the Chinese garrison has withdrawn to the southeast. However heavy fighting is still going on in the city. Suhsien has fallen and the strong Chinese garrison there retreated eastward to Lingpi. The northern right wing Japanese column, which turned west after capturing Tsaohsien, occupied, on May 18th, Kaocheng, 12 miles northeast of Lanfeng, and is at present attacking the latter town. Lanfeng is only 32 miles east of Kaifeng.

Several significant points are already clear with regard to the Hsuehowfu battle. First and most important, it appears obvious that the bulk of the Chinese army, including Chiang Kai-shek's own divisions, escaped to the west, and took with them most of their artillery, munitions and stores. No Japanese despatches speak of the capture of sizeable quantities of any of these items, although the Chinese lost considerable rolling stock.

Second, the provincial forces left behind fought stubbornly and have for the most part succeeded in withdrawing to the east. Still intact, well armed and possessing a certain amount of ammunition, they will constitute a very serious menace to the left flank and rear of any Japanese advance westward along the Lunghai line.

It is not yet clear where the Chinese are going to make their next stand, but if they repulse the Japanese attack on Lanfeng that city will probably constitute their front line base. If Lanfeng falls it may be expected that the Kaifeng-Chengchow area will be the next battleground.

2. Chekiang

A reliable foreigner who arrived in Huchow, west of Lake Tai, on May 6 and departed May 10th, states that on the 7th and 8th there was heavy fighting about five miles from town. For 48 hours artillery and machine gun fire was plainly audible. About 200 dead and wounded Japanese soldiers were brought into Huchow.

Our informant travelled via Hangchow and states that the country between Hangchow and Huchow is swarming with guerillas. Going from Hangchow to Huchow he was stopped and examined once by guerillas. Coming back he was stopped three times.

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

23 May 1938

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U.S. MARINE CORPS and 501st

23 May 1938

*Mar 19,
1973*

RESTRICTED

R-2 REPORT, PERIOD 0800, 20 MAY, TO 0800, 23 MAY, 1938

1. Operations - Lunghai Line

The Japanese completed the occupation of Hsuehow on the 19th, the Chinese defenders retreating to the mountains south of the town. The Japanese are advancing on this hilly district, east and south of Hsuehow, from four directions. From Hsuehow on the north, Yungcheng on the west, Suhsien on the south, and Hsuanko on the east. The consensus of informed neutral opinion is that the Japanese have not sufficient men available to surround the area and that the bulk of the Chinese forces will escape. However, thousands will be slaughtered. Certain Chinese units have already crossed the Tsinpu railway to the west and others have reached the region of Hungtze lake.

Meanwhile the Japanese column advancing on Lanfang is reported to have occupied that city and to have reached a point on the railroad 20 miles east of Kaifeng.

At the same time heavy Chinese concentrations remain near Kweitch. The situation is confusing but if the Japanese claim of occupation of Lanfang is true, Kaifeng will probably not be defended strongly. The next big battle will be in the Chengchow area.

A Japanese Naval Landing party has captured, after some brisk fighting, Lienyunkang, eastern terminus of the Lunghai line.

2. Guerilla Activities Shanghai Area

Reports from many sources indicate a renewal of guerilla activities in the local area. The Japanese themselves state that Chinese guerillas are active in the vicinity of the city, and one well informed Japanese affirms that some of them have managed to enter Yangtzepoo. Heavy artillery fire was heard most of the morning and afternoon of the 21st in the Minghong and Sukiang sectors, while Japanese cavalry was observed apparently searching for guerillas in western Chapei, on the afternoon of the 22nd.

Anti aircraft fire has been heard in the vicinity of Woosung and the Civic Center for the last four nights.

On the night of the 20th, a reliable foreigner who was on the Pootung side about three miles from Woosung, states that he heard the motors of planes and saw three air bombs strike and explode. Ships off Woosung fired at the planes. The anti aircraft fire heard on nights since the 20th is believed to have been target practice carried out in conjunction with search light drill.

H. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

26 May 1938

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
OSD letter, May 3, 1972
NARS Date Mar 19
1973

RESTRICTED

R-2 REPORT, PERIOD 0800, 23 MAY, TO 0800, 26 MAY, 1938

1. Operations -- Lunghai Line

A very confusing situation has developed in the fighting along the Lunghai line. To the extreme east of the present battle area the Japanese claim the capture of Lanfeng, while two Japanese columns are now pressing on Kaifeng. One of these, advancing along the railroad has reached Lowang, about 8 miles west of Lanfeng. The other is driving along the motor road from Chihsien, 32 miles southeast of Kaifeng. There are indications that a third column, operating also from Chihsien, will capture Kaifeng altogether and strike across country at the Ping Han line south of that city.

The Chenliukow Ford across the Yellow River, north of Lanfeng, is in Japanese hands.

Further east there are heavy Chinese concentrations at Weiteh. A Japanese column is advancing on this city from the east. Farther east still, the Chinese, striking from the Mengcheng area, claim the recapture of Tangshan on the Lunghai, 45 miles east of Kweiteh. Most of the Chinese troops which withdrew from Hsuehchow are in the vicinity of Mengcheng, which city they are besieging. They are in control of the territory to the south of Mengcheng, and, apparently, of much of the area between that point and Tangshan.

A Japanese column is also driving westward from Hofei, meeting strong resistance. No reports concerning the northern Kiangsu columns have been received for several days.

Japanese planes daily bomb and machine gun Chinese concentrations in the entire Lunghai area. Only complete control of the air enables the Japanese command to coordinate and direct the operations of such widely scattered columns. Against an enemy with equal equipment the present Japanese tactics would be suicidal.

2. Operations -- North China

Reports from the north state that several trainloads of Japanese reinforcements have been sent down the Ping Han line as well as out the Peiping-Suiyuan. The Japanese have recaptured Menghsien and Wenhsien on the north bank of the Yellow River in Honan.

Chinese guerillas continue very active in the vicinity of Peiping, and also the Peiping and Tientsin sectors.

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

3. Local Guerilla Activities

Plain clothes soldiers continue active in the local area. During the last few days machine gun and artillery fire has been audible, coming from Pootung and along the line between Minghong and Sungkiang. Some 2,000 Japanese troops, including cavalry and one battalion of light artillery, have been observed moving west and south around the city, advancing toward Minghong. Chinese claim that guerillas have surrounded Pinghu on the Shanghai-Hangchow highway, while regular Chinese soldiers who have crossed from the south side of Hangchow Bay are said to be in the vicinity of Haiyen. Japanese planes have been busy scouting these areas.

R.A. Boone

R. A. BOONE
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

28 May 1938

RESTRICTED

R-2 REPORT, PERIOD 0800, 26 MAY, TO 0800, 28 MAY, 1938

1. Operations -- Lunghai Line

The situation along this line has clarified somewhat. The Chinese attack on Tangshan failed, the attackers being beaten back to the southward and the Japanese now control the Lunghai line, with the exception of Kweiteh, from Sinanchen, east of the Grand Canal, to Lowang 8 miles west of Langfeng. A Japanese column driving on Kweiteh has captured Yucheng 16 miles north-east of its objective. Another column advancing west along the railroad has reached Mamutsi 13 miles east of Kweiteh. Heavy fighting continues in the Kaifeng area, but during the last two days neither the column advancing west along the railroad nor the one striking north-west from Chihsien has made much progress. The Chinese have reoccupied Tsaochow and Kaocheng which the Japanese abandoned as soon as they captured the Chenliukow Ford. Supplies and munitions for the units attacking Kaifeng can be sent across this ford, and it is no longer necessary to keep the Puhsien-Tsaochow--Kaocheng-Langfeng road open. Japanese planes daily heavily bomb Chinese defences at Kweiteh and Kaifeng.

2. Honan

Reinforcements in considerable numbers are being sent down the Ping Han line and seem to have little difficulty in capturing towns which were reoccupied by the Chinese when Japanese garrisons were withdrawn and sent to the Hsuechow front.

3. South China

Japanese naval aircraft claim to have broken the Canton-Hankow line in six places on 27 May.

About 40 Japanese naval units have concentrated off the Kwangtung coast.

4. Local

Sporadic artillery and small-arms fire continues in the Minghong area. During the last two days two batteries of artillery and two or three hundred infantry have been observed returning from this vicinity to Shanghai. The men looked extremely fatigued. Approximately an equal number have been observed moving west through Chapei and south past the Settlement, probably to relieve the returning troops.

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer

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

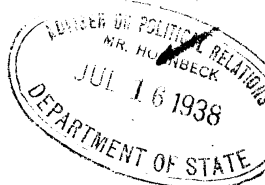
DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
July 16, 1938

PA/H
Mr. Hornbeck:

U
Mr. Welles:

S
Mr. Secretary:



You may be interested in
glancing at attached resume of
a recent despatch (no. 601 of
June 23, 1938) from London with
which is enclosed a memorandum
of a conversation at the Foreign
Office between the Acting Chief
of the Far Eastern Department and
a member of the Embassy staff in
regard to the situation in China

FL:Penfield

Penfield

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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

July 13, 1938.

~~JCV~~
~~WAA~~
~~ASC~~
~~MSM~~
~~TWB~~

The memorandum enclosed with London's despatch no. 601 of June 23, 1938, reports on a conversation with Ronald, the Acting Chief of the Far Eastern Department of the British Foreign Office. A clipping from the Morning Post and Daily Telegraph, also enclosed, is of no special interest.

Ronald said that a Yunnan-Burma railway is still in the vague talk stage, that serious engineering and financial difficulties have to be overcome, and that the road could not be completed "for many years." The Chinese want Imperial Airways to run a Rangoon-Yunnan-border service to connect with Eurasia but the British do not consider this practical. The Chinese refuse to allow Imperial Airways, a foreign concern, to operate a Rangoon-Hong Kong service via Chinese territory.

In speaking of ways to aid China, Ronald wondered if British banks in China, backed by a London consortium, might not be willing to support Chinese exchange in return for tax exemption or some other advantage of value which the Chinese could give in return. Similar action by insurance companies and the British-American

Tobacco

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

-2-

Tobacco Company was also mentioned. He said that there were reports that Russia had given China a credit of Yuan 160,000,000.

He thought he detected a reluctance, during the past eight or ten months, on the part of the United States to cooperate fully with Britain in regard to the Far East, especially in connection with bombing. Vague suggestions of "an outline on the subject of indiscriminate bombing" which might lead to a "comprehensive plan" were made. You may care to read this section (pages 4 and 5) of the memorandum.

Ronald expressed interest in an article in the Times understood to have been written by Peter Fleming (interesting parts of this article, which is enclosed with the despatch under reference, are marked).

793.94/13376

FE:Penfield:HES

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

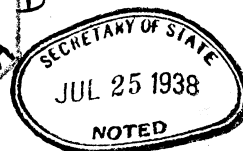
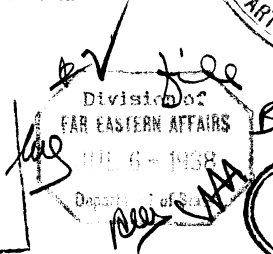
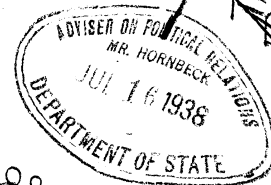


EMBASSY OF THE
UNITED STATES OF AMERICA

LONDON, June 23, 1938

No. 601

SUBJECT: Situation in China



CONFIDENTIAL



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

The Honorable

The Secretary of State,
Washington, D.C.

Sir:



With reference to the Embassy's despatch No. 450 of June 1, 1938, I have the honor to enclose herewith a memorandum of a conversation at the Foreign Office yesterday between the Acting Chief of the Far Eastern Department and a member of the Embassy staff.

Respectfully yours,

Herschel V. Johnson
Herschel V. Johnson
Chargé d'Affaires ad interim

Enclosure:

1. Memorandum of Conversation,
HM/WMC in quintuplicate.

4 Carbon Copies
Received

793.94/13376

JUL 23 1938

FILED

F/F G3376

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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 13-18-75

M E M O R A N D U M

CONFIDENTIAL

I called on Ronald, Acting Chief of the Far Eastern Department, this morning to talk about China.

1-2/ He referred to the article in yesterday's Times on the prospects in China which he understood had been written by Peter Fleming and which he thought was very good and better than the one in the Daily Telegraph and Morning Post. Copies of both articles are attached. He was particularly interested in Fleming's emphasis on Japan's inability to readjust her plans for a campaign, and the resulting time-lag, when they were interrupted by some unexpected development. The Yellow River floods not only constituted an obstacle in itself but doubtless made necessary extensive changes in Japanese plans.

Asked whether he thought that there was much danger of a Japanese attempt to take Canton, he said that of course it was foolhardy to prophesy in Far Eastern matters, but his impression was that aside from Hangkow the Japanese were more interested in consolidating the gains made thus far rather than embarking on new adventures. He hoped, therefore, no serious campaign against Canton was contemplated.

As regards the Burma-Yunnan communications, he said there had been some vague talk of building a railway but there were, of course, serious difficulties due to engineering problems and finance and, in any event, such a railway could not be completed for many years. The

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Chinese wanted Imperial Airways to run a service from Rangoon to the frontier in which case the Eurasia company would continue the service on the Chinese side. The British said this was not practical there being no landing field at the frontier, etc., and suggested that Imperial Airways be allowed to fly to Hongkong in return for a similar service by Eurasia. The Chinese had refused saying that they would not let any foreign company fly in China. Ronald did not seem to know how well the road was functioning, and doubted whether it was in "all-weather" condition on the Chinese side. He understood that even on the Burma side there were bits which were not really up to hard usage, and mentioned that the bridges in Burma were not strong enough for the loads which the Chinese "claim their bridges will stand."

As to Chinese ability to carry on, he did not seem to think there was any immediate danger of a collapse. He had been wondering whether there was any way of helping the Chinese Government. Anything in the nature of a Parliamentary guarantee seemed out of the question but he wondered whether British banks in China, if backed by a consortium of banks in London, might not be willing to support Chinese exchange. He said he knew nothing about finance but thought if this were possible it might accomplish what the Chinese wanted. The banks might be able to deal with some organ connected with the Chinese Government rather than with the Government itself. Could not these banks be given something in return such as an assurance that "for

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When I rose to go he said he had been away on leave and he had not seen all the papers, but "judging from the press", and "just between us", he thought he detected a reluctance on our part to co-operate fully with the British in regard to the Far East; and that this had

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seemed to be the case for the past eight or ten months. He thought we were both much preoccupied with our own problems and that this was a wholly unconscious development, if it did exist.

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was our usual way of making public statements on matters of policy.

He then said he was turning over in his mind the idea of sending to Craigie in Tokyo an outline on the subject of indiscriminate bombing from the air and wondered whether he should not send it also to Lindsay for the consideration of the Department of State. I asked whether he contemplated a comprehensive new plan to supplement the Hague Rules of Warfare which, judging from the Prime Minister's statements in the House, the Government appeared to be considering. He replied that he had nothing so comprehensive in mind. He was considering sending something more in the nature of an outline though a comprehensive plan might come later. There would be no suggestion made to^{the} Japanese of calling a conference on the subject at present. He did not share the views of those who thought that these matters should not be broached during military operations. On the contrary, he thought that the best time to discuss them was while the horrors of bombing were fully in mind. He did not contemplate appealing to the Japanese on humanitarian grounds but on the ground that Japan, like Great Britain, was a great shipping nation and it was clearly in their interests to ~~pro~~scribe the bombing of ships from the air; their cities, like English cities, were extremely vulnerable from air attack, etc., etc.

H.M.

LONDON, June 22, 1938.

1 memo

June 22 '38

PAPER: THE TIMES

NUMBER:

CITY: LONDON

DATE: JUN 21 1938

PROSPECTS IN CHINA

A BALANCE-SHEET

GENERAL UGAKI ON NEGOTIATION

JAPAN'S SUCCESSES

CAN SHE DIGEST THEM?

Our Special Correspondent, whose accounts of his experiences on his journey from Burma to China and at Chinese headquarters have recently appeared at intervals in *The Times*, is now completing his survey in Tokyo. In the message below he sums up his impressions.

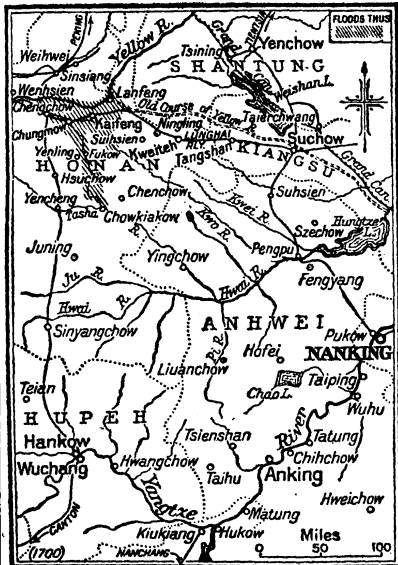
In the field "Japan will go on winning and China losing," he says; but he questions whether Japan will be equal to "assimilating the fruits of victory without endangering the national well-being."

General Ugaki, the Japanese Foreign Minister, in an interview with our Special Correspondent, says that the possibility of negotiations for peace depends on the "tendencies and attitude" of Chiang Kai-shek.

From Our Special Correspondent

TOKYO, JUNE 20

The breaching by the Chinese of the Yellow River dykes continues to have a disquieting effect here, though the Press—perhaps conscious that its first reactions were too flustered—shows signs of minimizing the affair. It is in truth too early to assess the floods either as a military obstacle or as a civilian disaster; but in their former role they have undoubtedly



disconcerted the General Staff and are almost certain to delay the advance on Hankow. In 1932 the floods

and cannot understand why it is happening so slowly. Some Japanese leaders are genuinely worried after a year's experience of riding a whirlwind on a snaffle. Even so, they seem less preoccupied with the difficulties of making war than with the difficulties of making peace.

General Ugaki, the Foreign Minister, in an interview with me this afternoon, carried one step farther the recent modification of his Government's attitude in regard to possible negotiation with General Chiang Kai-shek. While observing that Prince Konoe's categorical pronouncement of January 16 "still stands," the Foreign Minister admitted that he himself did not share the widely held belief that the Chinese Government would disintegrate after the fall of Hankow; but it would, he pointed out, be reduced to the status of a regional Government. Asked whether in such a case Japan would be prepared to negotiate with Chiang Kai-shek, should occasion arise to do so, General Ugaki replied that the possibility of negotiating with a regional Government under Chiang would depend on "its form and its powers of jurisdiction," a phrase which he later defined as qualifying the territory controlled by Chiang and the "tendencies and attitude" of the Generalissimo and his colleagues. In reply to a further question, the Foreign Minister observed that anti-Communism was one, but not the only, prerequisite of a régime with which Japan could negotiate.

The truth of the matter is that Japan has magnified Chiang Kai-shek into a kind of vast and sinister Scarlet Pimpernel, equally elusive and obstructionist on the paths of war and of peace. Japan wants peace, but can discern no certain avenue to it. When Hankow falls, the Japanese dogmatically but wistfully assert, "we shall have won and China will have lost"; but in their hearts they suspect—justifiably—that China will not take the count. They talk like explorers hacking their way through a jungle in which they have some right, but no specific reason, to expect a clearing. The Chinese are now relying on their own inadequate strength, not (save in the long run) on the extraneous political or economic weaknesses of the enemy. The Japanese, though consciously abounding in strength, specialize in the wishful thinking which the Chinese have proved themselves to eschew.

WAR'S EFFECT IN JAPAN

But it is only psychologically that Japan feels as yet the pinch of war. Certain prices are rising (commodity prices have gone up nearly 12 per cent.), and certain of the smaller industrial, commercial, and agricultural units are short of markets or material or men. The nation as a whole has not begun to undergo acute and comprehensive pressure. A year hence the internal situation will be worse, but there is no evidence to show that the external effort will be less. Neither the discipline nor the endurance of Japan has yet been seriously tested.

At the same time the fruits of a year's adventuring are small and sometimes bitter. Japan occupies very little territory in China; her total sphere of effective control contracts by more than one-half at dusk, when a field of fire is succeeded by the circumambient arc of a flashlight. She has gained control (which the guerrillas have not decisively interrupted) of between 6,000 and 7,000 kilometres of railway line. She has destroyed almost the whole of an embryonic but competitive industry. The dubious camp followers of her armies have obtained some quick but trifling returns from enterprises many of which have led to avoidable and damaging friction with the foreign Powers; and she maintains her stranglehold on the Yangtze and on Shanghai by methods which have the same drawback. From the Customs—again to the jeopardy of her foreign relations—she has begun to get something. She has seized a useful typhoon anchorage at Amoy; and, of course, she has strengthened her flank against Russia by making good the Mongolian Corridor.

A DUBIOUS OUTLOOK

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disconcerted the General Staff and are almost certain to delay the advance on Hankow. In 1932 the floods which swept over the south bank of the Yellow River turned and sought the sea before reaching the Yangtze. They may take this course again, though they are under no theoretical compulsion to do so. This, from the Japanese point of view, would be the lesser evil. Even so, the waters have saved Chengchow at the eleventh hour and barred for an unpredictable period the northern approach to Hankow down the Peking-Hankow railway.

There remains the approach along the Yangtze, on which a powerful naval force, to-day reported to have penetrated "scores of miles" above Anking, might shortly try conclusions with the fairly elaborate Chinese defences at Matung; these comprise a boom, a minefield, and some well-placed land batteries, but the first two are not likely to be effective with the water as high as it is now. An expeditionary force of unascertainable but considerable strength has been landed at Anking and is advancing along the north bank. With the capture of Tsinshan on Friday this force has gained a foothold on the belt of high ground which runs westwards almost to the environs of Hankow. Even, therefore, if the Yellow River joins the Yangtze this arm of the Japanese offensive is not likely to be greatly hampered by the floods.

ANOTHER TIME-LAG

The Navy's immediate objective appears to be Kiukiang, which will be valuable both as an advanced air base and as the terminus of a railway (Japanese financed, incidentally) leading to Nanchang, in Kiangsi. With the capture of Kiukiang, if not before it, a land offensive along the south bank will probably be launched from transports; and if this goes well for Japan the sister cities of Hankow and Wuchang will be lashed simultaneously by land as well as by water. Floods on the Yangtze would, of course, hinder these operations.

The cutting of the Yellow River dykes—a gesture typical of China in her present position, and not, by any Oriental standards, discreditable—will give the battered Chinese armies on the Lunghai front a breathing space. More important, it has reproduced in the tempo of Japan's advance that time-lag which, as Shanghai and Suchow proved, so exasperates the invader. Already there is a doubt, though only a small one, whether the Japanese warships will be able to carry out their task on the middle Yangtze before the falling waters force them downstream in the late autumn. So far there have been two constant factors in this strange war—(1) the Japanese forces have always reached their objective; (2) they have always (except at Nanking) reached it much later than they intended.

The moral effect on Japan of this time-lag is as easy to exaggerate as is the economic effect. Both are cumulative; neither is really important yet. The Japanese public is vaguely uneasy, partly because it is not told what is happening

way line. She has destroyed almost the whole of an embryonic but competitive industry. The dubious camp followers of her armies have obtained some quick but trifling returns from enterprises many of which have led to avoidable and damaging friction with the foreign Powers; and she maintains her stranglehold on the Yangtze and on Shanghai by methods which have the same drawback. From the Customs—again to the jeopardy of her foreign relations—she has begun to get something. She has seized a useful typhoon anchorage at Amoy; and, of course, she has strengthened her flank against Russia by making good the Mongolian Corridor.

A DUBIOUS OUTLOOK

This year's balance-sheet is, however, less important than the prospectus for, say, the next five years. This imaginary document is not reassuring. So long as there is only chaos or desolation between the railway lines, which are the slender essential vertebrae of Japanese domination, the peasant will come eventually to heel. The Chinese peasant is readier than anyone else to accept the inevitable, particularly if the inevitable offers security, a firm currency, and the minimum of interference. But Japan's juggernaut advance has left her no opportunity to provide these amenities in more than a fraction of the huge territories which she picks to-day. In the wide gaps between the Japanese garrisons the will to resist is being kept alive and stimulated. Emisaries of the Eighth Route Army and of the Central Government are arming and organizing the people, whose chronic apathy the terrible excesses of the Japanese soldiers have done much to undermine.

At the front Japan will go on winning, and China losing, almost indefinitely. But it is still open to doubt whether Japan's digestive powers are equal to assimilating the fruits of victory without endangering the national wellbeing.

2 memo. June 22 '38

PAPER: DAILY TELEGRAPH

NUMBER:

CITY: LONDON

DATE: JUN 21 1938

JAPAN'S DRIVE FOR HANKOW

New Factors which will aid Chiang Kai-shek's Defensive Strategy

By COL. G. R. V. STEWARD

Operations having been brought to a disastrous standstill by floods in the Yellow River region, the Japanese are pressing on with greater energy in the effort to reach Hankow along the Yangtze.

Col. Steward, who had a long residence in China in responsible military positions, discusses the effect of the floods on Chiang Kai-shek's capacity to resist and the prudence of his intention to withdraw his base further south when necessary.

MARSHAL CHIANG KAI-SHEK'S announcement last week that he intends to transfer his Government headquarters further into the interior of China, from where he will conduct the war on new lines, need cause little surprise.

Inundation of the more northerly battle area and threat of floods in the Yangtze valley present new difficulties to the invader, but there is no reason why the floods should prevent the Japanese east-to-west columns from operating against Hankow. Chiang Kai-shek's tenacity and adroitness may still be vindicated along the lines indicated in his announcement.

CHOICE OF GROUND

After Canton's experience of destructive air raids it is only sound policy to remove the host of Chinese Government officials from Hankow to a place of safety, where their work will not be interrupted from the air. That the Marshal will also, if necessary, withdraw his own military headquarters further south along the Canton-Hankow railway is a foregone conclusion. Such a step would be taken in similar circumstances by any commander-in-chief.

Chiang's task is an appallingly hard one, but it must be remembered that he has already succeeded in the impossible—in the unifying of China. His former enemies of the Right, Li Tsung-jen and Pai Chung-hsi, who once accused him of dallying with the Communists, are now his loyal supporters; while the Red Army leaders have abandoned their tenets in favour of the Nationalist reform programme and rallied to the banner he has raised against the Japanese.

It would be calamitous for the Chinese if Chiang became a casualty of war. His guidance is essential for the maintenance of their political unity. His promise that China's resistance will continue as long as the Japanese persist in their aggression can only mean that he intends to conduct the war until exhaustion causes a cessation. In saying that he will now choose the terrain on which the Japanese are to be engaged he shows a realisation of the military situation that reinforces China's chances of prolonged resistance.

AN IMPROVED MORALE

In every war political considerations have always overridden military necessity, and so in China, up to the present, the major battles have been fought on ground that greatly favoured the mobile mechanised Japanese forces. At the commencement of hostilities, with China's new-found unity, it would have been politically unwise to abandon valuable strategic points without a struggle. The vocal Chinese patriots clamoured for resistance, and battles they had to have though military experts were sure that China's relatively ill-equipped forces (lacking in artillery and tanks) had no chance on the level plain and advised withdrawal to the hills, where armoured vehicles could not penetrate.

These political considerations, however, wrong as they were from a military

point of view, have had the effect of improving Chinese morale. It was found in battle that Japan's army was not invincible, as had been presumed, while at Taierchwang on April 7 the Chinese troops rose to heights of undreamed-of tenacity and courage when they routed two Japanese divisions after a 16-days' battle.

Chiang Kai-shek is not likely to abandon Hankow without a struggle. This region lends itself to his new scheme of defensive tactics. The great city of Hankow lies at the confluence of two rivers and two railways; 10,000-ton vessels can reach it in the summer. It is ringed with hills; 150 miles north of it the railway leaves the plain and runs towards it through a range of hills that circle to the Yangtze.

FLOODS AND SUPPLIES

The Yangtze valley approaches to the city are well commanded by hills, while the level ground is not continuous but spreads itself across the river irregularly and is nowhere much more than 20 miles in width.

Hankow lies near the south-west corner of China's immense central plains, and south and west of it the mountains offer secure refuge from Japanese penetration. To the south one can travel both by rail and river to Changsha, an important city on the railway, China's vital supply link with the sea at Hong Kong.

If flood difficulties should increase and the Yangtze valley itself be seriously affected the invaders' communications can lie along the 50-mile wide plateau based on the Tientsin-Pukow railway between the Yangtze and Huai river valleys.

In 1931 it may be recalled, the Yangtze rose 53 feet at Hankow. A recurrence to this extent would flood the river port of Pukow and seriously hamper supply for the Japanese unless they have already established sufficient base supplies northward on the high ground. In 1931 the flood areas south-west of Hankow were much greater than those between Hankow and Anking, so that China's problem of supply would also be increased by such a catastrophe.

Roughly speaking, major floods on the Yangtze would still allow of operations against Hankow from any direction round the compass arc from north-west to south-east. South of Hankow the railway to Changsha was only slightly damaged in 1931, and that was the most disastrous flood ever recorded.

STRAIN ON INVADERS

If it is remembered that China is aiming at the exhaustion of Japan, it will be realised that all is not lost even if Hankow falls, since Changsha is the limit beyond which Japan will hardly dare to push her armies. By the casual tourist in China it is rarely realised how much of that vast country is mountainous and inaccessible. Only 29 per cent. of China is capable of cultivation, and this percentage includes the vast granary of Manchuria, as well as the ricefields which, in the valleys, are stepped up mountain sides which would be the despair of any tank commander.

It is patent that Japan's military occupation of much of level China still leaves 80 per cent. of the total area in Chinese hands. The portion so far brought under Japanese occupation is ringed with mountains, from whence guerrilla bands can sally, as already they have done in the north. Here, both before and since the floods guerrilla excursions have harassed the garrisons.

Japan will have to guard and patrol every yard of China that is important to her. Every mile she penetrates will add to the commitments she must make to keep the conquered countryside safe

for the trade that is vital to her. Her occupation of Manchuria has given her a foretaste of what her preparations must be. She will require an enormous garrison to protect her puppet governments, whose writ will run only so far as a rifle can carry beyond the post that fires it. Japan may win the war in China and still have the risk of losing the peace.

It is pertinent to ask how China can hold out with the bulk of her ports and railways in Japanese hands. As long as the railway from Hong Kong is open to her she can import as much material as she can secure from abroad. Her balances of silver in foreign hands can still last a few months, while she is obtaining supplies on credit from Europe.

Should this vital railway be lost to her there are roads from Burmah and French Indo-China over which limited supplies would arrive. But Chinese roads are not built for heavy traffic even if mechanical transport was available in sufficient quantity. Supplies from the Russian Turksib railway have been arriving over the 2,000-mile road from Central Asia, but to organise this difficult and desert route for traffic to supply 2,000,000 men is a colossal task beyond the powers of China.

CHINA'S MUNITIONS

When it is understood that in peace time China has to import all her oil and 16 per cent. of her foodstuffs it will be realised that indifferent mountain roads cannot solve the problem of her wartime military transportation.

But tucked away in the more inaccessible parts of Kwangsi and Ssuehuan provinces are sufficient arsenal machines to supply China with infantry weapons and ammunition. By splitting her armies into small bands who can live on the country, China can copy her Red Army, which defied annihilation for 10 years, and is now a growing thorn in the side of the Japanese in North China. Thus, if Hankow falls one can still believe in Chiang Kai-shek's courageous words and feel that the Chinese will enter a new war period when new tactics will be tried on the foe, whose modern military equipment will no longer completely outweigh China's numerical superiority.

Chiang Kai-shek's plea for Sanctions against Japan is natural enough, but if granted it would have little effect on the outcome of the war. Russian experts consider that Japan holds a two years' supply of all warlike essentials for a major war. The future trend of hostilities in China will not reduce this stock to an appreciable extent, and, indeed, some economists friendly to China might paradoxically advocate even more excessive war supplies to Japan, for this would increase her adverse trade balance to the detriment of her economic situation.

THE COST TO JAPAN

It is Japan's economic difficulties alone that will cause her to abandon her aims and gains in China. There is a point below which Japan dare not let her economic barometer sink unless she wishes to relinquish her position as the strongest military power in the East. She had hoped for a quick victory in China, when her economic and strategic position in the Pacific would have been bettered. But the war has lasted almost a year, and her estimated expenditure for 1938-39 has reached the astronomical figure of 12,000,000,000 yen, of which roughly half will be met by a bond issue. Her supplies of commercial raw material for non-warlike industry have sunk to a very low level and need replenishment.

Chiang Kai-shek knows that time is on his side; that is why he insists that China's resistance to Japan cannot be measured in terms of months or years.

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

DUPLICATE:

LONDON, June 23, 1938.

No. 601

SUBJECT: Situation in China

CONFIDENTIAL

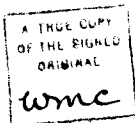
The Honorable

The Secretary of State,
Washington, D.C.

Sir:

1/ With reference to the Embassy's despatch No. 450 of June 1, 1938, I have the honor to enclose herewith a memorandum of a conversation at the Foreign Office yesterday between the Acting Chief of the Far Eastern Department and a member of the Embassy staff.

Respectfully yours,



Herschel V. Johnson
Chargé d'Affaires ad interim

Enclosure:

1. Memorandum of Conversation,
HM/WMC in quintuplicate.

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As to Chinese ability to carry on, he did not seem to think there was any immediate danger of a collapse. He had been wondering whether there was any way of helping the Chinese Government. Anything in the nature of a Parliamentary guarantee seemed out of the question but he wondered whether British banks in China, if backed by a consortium of banks in London, might not be willing to support Chinese exchange. He said he knew nothing about finance but thought if this were possible it might accomplish what the Chinese wanted. The banks might be able to deal with some organ connected with the Chinese Government rather than with the Government itself. Could not these banks be given something in return such as an assurance that "for

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I said I had no information whatever on the subject but supposed we were buying all the silver they wished to sell; of course, Congressional action was out of the question.* He wondered whether American banks in Shanghai might not also do something along the lines suggested for British banks. I referred to the close relationship between the British Treasury and the City and said that the situation in America was not really analogous. I asked whether any foreign credits had recently been granted and he replied that he had heard reports that the Russians had given a credit reported to be about \$160,000,000 Mex., or £8,000,000.

When I rose to go he said he had been away on leave and he had not seen all the papers, but "judging from the press", and "just between us", he thought he detected a reluctance on our part to co-operate fully with the British in regard to the Far East; and that this had
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was our usual way of making public statements on matters of policy.

He then said he was turning over in his mind the idea of sending to Craigie in Tokyo an outline on the subject of indiscriminate bombing from the air and wondered whether he should not send it also to Lindsay for the consideration of the Department of State. I asked whether he contemplated a comprehensive new plan to supplement the Hague Rules of Warfare which, judging from the Prime Minister's statements in the House, the Government appeared to be considering. He replied that he had nothing so comprehensive in mind. He was considering sending something more in the nature of an outline though a comprehensive plan might come later. There would be no suggestion made to ^{the} Japanese of calling a conference on the subject at present. He did not share the views of those who thought that these matters should not be broached during military operations. On the contrary, he thought that the best time to discuss them was while the horrors of bombing were fully in mind. He did not contemplate appealing to the Japanese on humanitarian grounds but on the ground that Japan, like Great Britain, was a great shipping nation and it was clearly in their interests to prescribe the bombing of ships from the air; their cities, like English cities, were extremely vulnerable from air attack, etc., etc.

H.M.

LONDON, June 22, 1938.

1 memo

June 22 '38

PAPER: THE TIMES

NUMBER:

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DATE: 1938

PROSPECTS IN CHINA

A BALANCE-SHEET

GENERAL UGAKI ON NEGOTIATION

JAPAN'S SUCCESSES

CAN SHE DIGEST THEM?

Our Special Correspondent, whose accounts of his experiences on his journey from Burma to China and at Chinese headquarters have recently appeared at intervals in *The Times*, is now completing his survey in Tokyo. In the message below he sums up his impressions.

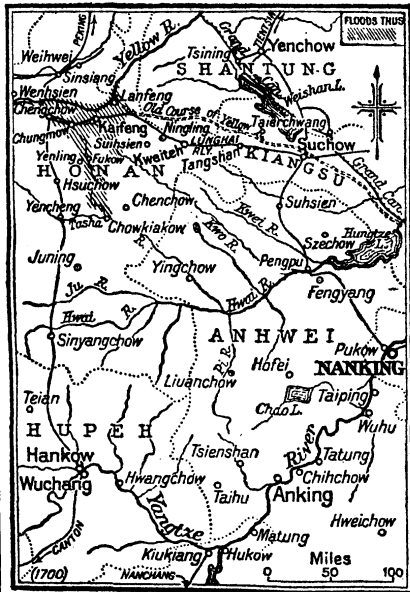
In the field "Japan will go on winning and China losing," he says; but he questions whether Japan will be equal to "assimilating the fruits of victory without endangering the national well-being."

General Ugaki, the Japanese Foreign Minister, in an interview with our Special Correspondent, says that the possibility of negotiations for peace depends on the "tendencies and attitude" of Chiang Kai-shek.

From Our Special Correspondent

TOKYO, JUNE 20

The breaching by the Chinese of the Yellow River dykes continues to have a disquieting effect here, though the Press—perhaps conscious that its first reactions were too flustered—shows signs of minimizing the affair. It is in truth too early to assess the floods either as a military obstacle or as a civilian disaster; but in their former role they have undoubtedly



disconcerted the General Staff and are almost certain to delay the advance on Hankow. In 1932 the floods which swept over the south bank of the Yellow River turned and

and cannot understand why it is happening so slowly. Some Japanese leaders are genuinely worried after a year's experience of riding a whirlwind on a snaffle. Even so, they seem less preoccupied with the difficulties of making war than with the difficulties of making peace.

General Ugaki, the Foreign Minister, in an interview with me this afternoon, carried one step farther the recent modification of his Government's attitude in regard to possible negotiation with General Chiang Kai-shek. While observing that Prince Konoe's categorical pronouncement of January 16 "still stands," the Foreign Minister admitted that he himself did not share the widely held belief that the Chinese Government would disintegrate after the fall of Hankow; but it would, he pointed out, be reduced to the status of a regional Government. Asked whether in such a case Japan would be prepared to negotiate with Chiang Kai-shek, should occasion arise to do so, General Ugaki replied that the possibility of negotiating with a regional Government under Chiang would depend on "its form and its powers of jurisdiction," a phrase which he later defined as qualifying the territory controlled by Chiang and the "tendencies and attitude" of the Generalissimo and his colleagues. In reply to a further question, the Foreign Minister observed that anti-Communism was one, but not the only, prerequisite of a régime with which Japan could negotiate.

The truth of the matter is that Japan has magnified Chiang Kai-shek into a kind of vast and sinister Scarlet Pimpernel, equally elusive and obstructionist on the paths of war and of peace. Japan wants peace, but can discern no certain avenue to it. When Hankow falls, the Japanese dogmatically but wistfully assert, "we shall have won and China will have lost"; but in their hearts they suspect—justifiably—that China will not take the count. They talk like explorers hacking their way through a jungle in which they have some right, but no specific reason, to expect a clearing. The Chinese are now relying on their own inadequate strength, not (save in the long run) on the extraneous political or economic weaknesses of the enemy. The Japanese, though consciously abounding in strength, specialize in the wishful thinking which the Chinese have proved themselves to eschew.

WAR'S EFFECT IN JAPAN

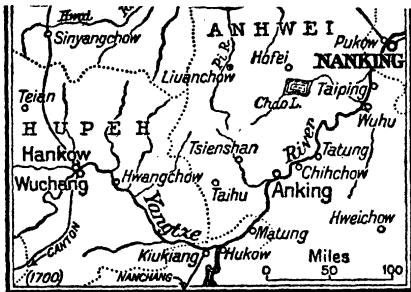
But it is only psychologically that Japan feels as yet the pinch of war. Certain prices are rising (commodity prices have gone up nearly 12 per cent.), and certain of the smaller industrial, commercial, and agricultural units are short of markets or material or men. The nation as a whole has not begun to undergo acute and comprehensive pressure. A year hence the internal situation will be worse, but there is no evidence to show that the external effort will be less. Neither the discipline nor the endurance of Japan has yet been seriously tested.

At the same time the fruits of a year's adventuring are small and sometimes bitter. Japan occupies very little territory in China; her total sphere of effective control contracts by more than one-half at dusk, when a field of fire is succeeded by the circumambient arc of a flashlight. She has gained control (which the guerrillas have not decisively interrupted) of between 6,000 and 7,000 kilometres of railway line. She has destroyed almost the whole of an embryonic but competitive industry. The dubious camp followers of her armies have obtained some quick but trifling returns from enterprises many of which have led to avoidable and damaging friction with the foreign Powers; and she maintains her stranglehold on the Yangtze and on Shanghai by methods which have the same drawback. From the Customs—again to the jeopardy of her foreign relations—she has begun to get something. She has seized a useful typhoon anchorage at Amoy; and, of course, she has strengthened her flank against Russia by making good the Mongolian Corridor.

A DUBIOUS OUTLOOK

This year's balance-sheet is, however,

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



disconcerted the General Staff and are almost certain to delay the advance on Hankow. In 1932 the floods which swept over the south bank of the Yellow River turned and sought the sea before reaching the Yangtze. They may take this course again, though they are under no theoretical compulsion to do so. This, from the Japanese point of view, would be the lesser evil. Even so, the waters have saved Chengchow at the eleventh hour and barred for an unpredictable period the northern approach to Hankow down the Peking-Hankow railway.

There remains the approach along the Yangtze, on which a powerful naval force, to-day reported to have penetrated "scores of miles" above Anking, might shortly try conclusions with the fairly elaborate Chinese defences at Matung; these comprise a boom, a minefield, and some well-placed land batteries, but the first two are not likely to be effective with the water as high as it is now. An expeditionary force of unascertainable but considerable strength has been landed at Anking and is advancing along the north bank. With the capture of Tsinshan on Friday this force has gained a foothold on the belt of high ground which runs westwards almost to the environs of Hankow. Even, therefore, if the Yellow River joins the Yangtze this arm of the Japanese offensive is not likely to be greatly hampered by the floods.

ANOTHER TIME-LAG

The Navy's immediate objective appears to be Kiukiang, which will be valuable both as an advanced air base and as the terminus of a railway (Japanese financed, incidentally) leading to Nanchang, in Kiangsi. With the capture of Kiukiang, if not before it, a land offensive along the south bank will probably be launched from transports; and if this goes well for Japan the sister cities of Hankow and Wuchang will be lashed simultaneously by land as well as by water. Floods on the Yangtze would, of course, hinder these operations.

The cutting of the Yellow River dykes—a gesture typical of China in her present position, and not, by any Oriental standards, discreditable—will give the battered Chinese armies on the Lunghai front a breathing space. More important, it has reproduced in the tempo of Japan's advance that time-lag which, as Shanghai and Suchow proved, so exasperates the invader. Already there is a doubt, though only a small one, whether the Japanese warships will be able to carry out their task on the middle Yangtze before the falling waters force them downstream in the late autumn. So far there have been two constant factors in this strange war—(1) the Japanese forces have always reached their objective; (2) they have always (except at Nanking) reached it much later than they intended.

The moral effect on Japan of this time-lag is as easy to exaggerate as is the economic effect. Both are cumulative; neither is really important yet. The Japanese public is vaguely uneasy, partly because it is not told what is happening

industry. The dubious camp followers of her armies have obtained some quick but trifling returns from enterprises many of which have led to avoidable and damaging friction with the foreign Powers; and she maintains her stranglehold on the Yangtze and on Shanghai by methods which have the same drawback. From the Customs—again to the jeopardy of her foreign relations—she has begun to get something. She has seized a useful typhoon anchorage at Amoy; and, of course, she has strengthened her flank against Russia by making good the Mongolian Corridor.

A DUBIOUS OUTLOOK

This year's balance-sheet is, however, less important than the prospectus for, say, the next five years. This imaginary document is not reassuring. So long as there is only chaos or desolation between the railway lines, which are the slender essential vertebrae of Japanese domination, the peasant will come eventually to heel. The Chinese peasant is readier than anyone else to accept the inevitable, particularly if the inevitable offers security, a firm currency, and the minimum of interference. But Japan's juggernaut advance has left her no opportunity to provide these amenities in more than a fraction of the huge territories which she picks to-day. In the wide gaps between the Japanese garrisons the will to resist is being kept alive and stimulated. Emis-saries of the Eighth Route Army and of the Central Government are arming and organizing the people, whose chronic apathy the terrible excesses of the Japanese soldiers have done much to undermine.

At the front Japan will go on winning, and China losing, almost indefinitely. But it is still open to doubt whether Japan's digestive powers are equal to assimilating the fruits of victory without endangering the national wellbeing.

2 memo

June 22 '38

PAPER: DAILY TELEGRAPH
& MORNING POST

NUMBER:

CITY: LONDON

DATE: JUN 21 1938

JAPAN'S DRIVE FOR HANKOW

New Factors which will aid Chiang Kai-shek's Defensive Strategy

By COL. G. R. V. STEWARD

Operations having been brought to a disastrous standstill by floods in the Yellow River region, the Japanese are pressing on with greater energy in the effort to reach Hankow along the Yangtze.

Col. Steward, who had a long residence in China in responsible military positions, discusses the effect of the floods on Chiang Kai-shek's capacity to resist and the prudence of his intention to withdraw his base further south when necessary.

MARSHAL CHIANG KAI-SHEK'S announcement last week that he intends to transfer his Government headquarters further into the interior of China, from where he will conduct the war on new lines, need cause little surprise.

Inundation of the more northerly battle area and threat of floods in the Yangtze valley present new difficulties to the invader, but there is no reason why the floods should prevent the Japanese east-to-west columns from operating against Hankow. Chiang Kai-shek's tenacity and adroitness may still be vindicated along the lines indicated in his announcement.

CHOICE OF GROUND

After Canton's experience of destructive air raids it is only sound policy to remove the host of Chinese Government officials from Hankow to a place of safety, where their work will not be interrupted from the air. That the Marshal will also, if necessary, withdraw his own military headquarters further south along the Canton-Hankow railway is a foregone conclusion. Such a step would be taken in similar circumstances by any commander-in-chief.

Chiang's task is an appallingly hard one, but it must be remembered that he has already succeeded in the impossible—in the unifying of China. His former enemies of the Right, Li Tsung-jen and Pai Chung-hsi, who once accused him of dallying with the Communists, are now his loyal supporters; while the Red Army leaders have abandoned their tenets in favour of the Nationalist reform programme and rallied to the banner he has raised against the Japanese.

It would be calamitous for the Chinese if Chiang became a casualty of war. His guidance is essential for the maintenance of their political unity. His promise that China's resistance will continue as long as the Japanese persist in their aggression can only mean that he intends to conduct the war until exhaustion causes a cessation. In saying that he will now choose the terrain on which the Japanese are to be engaged he shows a realisation of the military situation that reinforces China's chances of prolonged resistance.

AN IMPROVED MORALE

In every war political considerations have always overridden military necessity, and so in China, up to the present, the major battles have been fought on ground that greatly favoured the mobile mechanised Japanese forces. At the commencement of hostilities, with China's new-found unity, it would have been politically unwise to abandon valuable strategic points without a struggle. The vocal Chinese patriots clamoured for resistance, and battles they had to have, though military experts were sure that China's relatively ill-equipped forces (lacking in artillery and tanks) had no chance on the level plain and advised withdrawal to the hills, where armoured vehicles could not penetrate.

These political considerations, however, wrong as they were from a military

point of view, have had the effect of improving Chinese morale. It was found in battle that Japan's army was not invincible, as had been presumed, while at Taierschwang on April 7 the Chinese troops rose to heights of undreamed-of tenacity and courage when they routed two Japanese divisions after a 16-days' battle.

Chiang Kai-shek is not likely to abandon Hankow without a struggle. This region lends itself to his new scheme of defensive tactics. The great city of Hankow lies at the confluence of two rivers and two railways; 10,000-ton vessels can reach it in the summer. It is ringed with hills; 150 miles north of it the railway leaves the plain and runs towards it through a range of hills that circle to the Yangtze.

FLOODS AND SUPPLIES

The Yangtze valley approaches to the city are well commanded by hills, while the level ground is not continuous but spreads itself across the river irregularly and is nowhere much more than 20 miles in width.

Hankow lies near the south-west corner of China's immense central plains, and south and west of it the mountains offer secure refuge from Japanese penetration. To the south one can travel both by rail and river to Changsha, an important city on the railway, China's vital supply link with the sea at Hong Kong.

If flood difficulties should increase and the Yangtze valley itself be seriously affected the invaders' communications can lie along the 50-mile wide plateau based on the Tientsin-Pukow railway between the Yangtze and Huai river valleys.

In 1931 it may be recalled, the Yangtze rose 53 feet at Hankow. A recurrence to this extent would flood the river port of Pukow and seriously hamper supply for the Japanese unless they have already established sufficient base supplies northward on the high ground. In 1931 the flood areas south-west of Hankow were much greater than those between Hankow and Anking, so that China's problem of supply would also be increased by such a catastrophe.

Roughly speaking, major floods on the Yangtze would still allow of operations against Hankow from any direction round the compass arc from north-west to south-east. South of Hankow the railway to Changsha was only slightly damaged in 1931, and that was the most disastrous flood ever recorded.

STRAIN ON INVADERS

If it is remembered that China is aiming at the exhaustion of Japan, it will be realised that all is not lost even if Hankow falls, since Changsha is the limit beyond which Japan will hardly dare to push her armies. By the casual tourist in China it is rarely realised how much of that vast country is mountainous and inaccessible. Only 29 per cent. of China is capable of cultivation, and this percentage includes the vast granary of Manchuria, as well as the ricefields which, in the valleys, are stepped up mountain sides which would be the despair of any tank commander.

It is patent that Japan's military occupation of much of level China still leaves 80 per cent. of the total area in Chinese hands. The portion so far brought under Japanese occupation is ringed with mountains, from whence guerrilla bands can sally, as already they have done in the north. Here, both before and since the floods guerrilla excursions have harassed the garrisons.

Japan will have to guard and patrol every yard of China that is important to her. Every mile she penetrates will add to the commitments she must make to keep the conquered countryside safe

for the trade that is vital to her. Her occupation of Manchuria has given her a foretaste of what her preparations must be. She will require an enormous garrison to protect her puppet governments, whose writ will run only so far as a rifle can carry beyond the post that fires it. Japan may win the war in China and still have the risk of losing the peace.

It is pertinent to ask how China can hold out with the bulk of her ports and railways in Japanese hands. As long as the railway from Hong Kong is open to her she can import as much material as she can secure from abroad. Her balances of silver in foreign hands can still last a few months, while she is obtaining supplies on credit from Europe.

Should this vital railway be lost to her there are roads from Burmah and French Indo-China over which limited supplies would arrive. But Chinese roads are not built for heavy traffic even if mechanical transport was available in sufficient quantity. Supplies from the Russian Turksib railway have been arriving over the 2,000-mile road from Central Asia, but to organise this difficult and desert route for traffic to supply 2,000,000 men is a colossal task beyond the powers of China.

CHINA'S MUNITIONS

When it is understood that in peace time China has to import all her oil and 16 per cent. of her foodstuffs it will be realised that indifferent mountain roads cannot solve the problem of her war-time military transportation.

But tucked away in the more inaccessible parts of Kwangsi and Szechuan provinces are sufficient arsenal machines to supply China with infantry weapons and ammunition. By splitting her armies into small bands who can live on the country, China can copy her Red Army, which defied annihilation for 10 years, and is now a growing thorn in the side of the Japanese in North China. Thus, if Hankow falls one can still believe in Chiang Kai-shek's courageous words and feel that the Chinese will enter a new war period when new tactics will be tried on the foe, whose modern military equipment will no longer completely outweigh China's numerical superiority.

Chiang Kai-shek's plea for Sanctions against Japan is natural enough, but if granted it would have little effect on the outcome of the war. Russian experts consider that Japan holds a two years' supply of all warlike essentials for a major war. The future trend of hostilities in China will not reduce this stock to an appreciable extent, and, indeed, some economists friendly to China might paradoxically advocate even more excessive war supplies to Japan, for this would increase her adverse trade balance to the detriment of her economic situation.

THE COST TO JAPAN

It is Japan's economic difficulties alone that will cause her to abandon her aims and gains in China. There is a point below which Japan dare not let her economic barometer sink unless she wishes to relinquish her position as the strongest military power in the East. She had hoped for a quick victory in China, when her economic and strategic position in the Pacific would have been bettered. But the war has lasted almost a year, and her estimated expenditure for 1938-39 has reached the astronomical figure of 12,000,000,000 yen, of which roughly half will be met by a bond issue. Her supplies of commercial raw material for non-warlike industry have sunk to a very low level and need replenishment.

Chiang Kai-shek knows that time is on his side; that is why he insists that China's resistance to Japan cannot be measured in terms of months or years.

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

TRIPLICATE:

LONDON, June 23, 1938.

No. 601

SUBJECT: Situation in China

CONFIDENTIAL

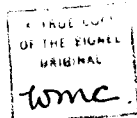
The Honorable

The Secretary of State,
 Washington, D.C.

Sir:

1/ With reference to the Embassy's despatch No. 450 of June 1, 1938, I have the honor to enclose herewith a memorandum of a conversation at the Foreign Office yesterday between the Acting Chief of the Far Eastern Department and a member of the Embassy staff.

Respectfully yours,



Herschel V. Johnson
 Chargé d'Affaires ad interim

Enclosure:

1. Memorandum of Conversation,
 HM/WMC in quintuplicate.

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

MEMORANDUM

CONFIDENTIAL

I called on Ronald, Acting Chief of the Far Eastern Department, this morning to talk about China.

He referred to the article in yesterday's Times on the prospects in China which he understood had been written by Peter Fleming and which he thought was very good and better than the one in the Daily Telegraph and Morning Post. Copies of both articles are attached. He was particularly interested in Fleming's emphasis on Japan's inability to readjust her plans for a campaign, and the resulting time-lag, when they were interrupted by some unexpected development. The Yellow River floods not only constituted an obstacle in itself but doubtless made necessary extensive changes in Japanese plans.

Asked whether he thought that there was much danger of a Japanese attempt to take Canton, he said that of course it was foolhardy to prophesy in Far Eastern matters, but his impression was that aside from Hangkow the Japanese were more interested in consolidating the gains made thus far rather than embarking on new adventures. He hoped, therefore, no serious campaign against Canton was contemplated.

As regards the Burma-Yunnan communications, he said there had been some vague talk of building a railway but there were, of course, serious difficulties due to engineering problems and finance and, in any event, such a railway could not be completed for many years. The

Chinese

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Chinese wanted Imperial Airways to run a service from Rangoon to the frontier in which case the Eurasia company would continue the service on the Chinese side. The British said this was not practical there being no landing field at the frontier, etc., and suggested that Imperial Airways be allowed to fly to Hongkong in return for a similar service by Eurasia. The Chinese had refused saying that they would not let any foreign company fly in China. Donald did not seem to know how well the road was functioning, and doubted whether it was in "all-weather" condition on the Chinese side. He understood that even on the Burma side there were bits which were not really up to hard usage, and mentioned that the bridges in Burma were not strong enough for the loads which the Chinese "claim their bridges will stand."

As to Chinese ability to carry on, he did not seem to think there was any immediate danger of a collapse. He had been wondering whether there was any way of helping the Chinese Government. Anything in the nature of a Parliamentary guarantee seemed out of the question but he wondered whether British banks in China, if backed by a consortium of banks in London, might not be willing to support Chinese exchange. He said he knew nothing about finance but thought if this were possible it might accomplish what the Chinese wanted. The banks might be able to deal with some organ connected with the Chinese Government rather than with the Government itself. Could not these banks be given something in return such as an assurance that "for

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one hundred years they would not be taxed?" There must be some things which the Chinese could give foreign banks in China which would be of value. Similarly, were there not some privileges which the Chinese could give to insurance companies who might be willing to advance money? What about the Anglo-American Tobacco Company? He would be grateful for any suggestions the Embassy could make and was turning over in his mind the question whether it might not be a good thing to have the British Ambassador broach this subject at the Department of State.

I said I had no information whatever on the subject but supposed we were buying all the silver they wished to sell; of course, Congressional action was out of the question.* He wondered whether American banks in Shanghai might not also do something along the lines suggested for British banks. I referred to the close relationship between the British Treasury and the City and said that the situation in America was not really analogous. I asked whether any foreign credits had recently been granted and he replied that he had heard reports that the Russians had given a credit reported to be about \$160,000,000 Mex., or £8,000,000.

When I rose to go he said he had been away on leave and he had not seen all the papers, but "judging from the press", and "just between us", he thought he detected a reluctance on our part to co-operate fully with the British in regard to the Far East; and that this had

seemed

* As I told Howe; see enclosure to Embassy's despatch No. 450, of June 1, 1938.

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

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seemed to be the case for the past eight or ten months. He thought we were both much preoccupied with our own problems and that this was a wholly unconscious development, if it did exist.

I said I did not have this impression but since the recent exchanges of views had taken place in Washington, we had not the same "feel" of the matter as the Foreign Office. We simply received copies of memoranda in due course. I asked whether he referred to the differences of opinion regarding the handling of Chinese Customs matters and mentioned that I recalled a series of memoranda on the subject some months ago. He said he had more in mind the question of bombing. I asked whether by any chance he was thinking of the question of sending a commission to Spain. He said, "No, he had in mind the bombing in the Far East." I replied that I had seen a memorandum to the effect that the Department of State, when approached by the British Ambassador on the possibility of simultaneous protests in Tokyo, had expressed the view that since the Secretary of State had just given a statement to the press on the subject, a protest three days later to the Japanese Government might not do much good and might even weaken the effect of the press announcement. Ronald said that perhaps this was just a difference of opinion as to the best approach and possibly the Foreign Office did not give the Department's press announcements the weight they deserved. I pointed out that having no system of parliamentary questions, this was

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was our usual way of making public statements on matters of policy.

He then said he was turning over in his mind the idea of sending to Craigie in Tokyo an outline on the subject of indiscriminate bombing from the air and wondered whether he should not send it also to Lindsay for the consideration of the Department of State. I asked whether he contemplated a comprehensive new plan to supplement the Hague Rules of Warfare which, judging from the Prime Minister's statements in the House, the Government appeared to be considering. He replied that he had nothing so comprehensive in mind. He was considering sending something more in the nature of an outline though a comprehensive plan might come later. There would be no suggestion made to ^{the} Japanese of calling a conference on the subject at present. He did not share the views of those who thought that these matters should not be broached during military operations. On the contrary, he thought that the best time to discuss them was while the horrors of bombing were fully in mind. He did not contemplate appealing to the Japanese on humanitarian grounds but on the ground that Japan, like Great Britain, was a great shipping nation and it was clearly in their interests to prescribe the bombing of ships from the air; their cities, like English cities, were extremely vulnerable from air attack, etc., etc.

H.M.

LONDON, June 22, 1938.

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1 Memo

June 22 '38

PAPER: THE TIMES

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From Our Special Correspondent

TOKYO, JUNE 20

The breaching by the Chinese of the Yellow River dykes continues to have a disquieting effect here, though the Press—perhaps conscious that its first reactions were too flustered—shows signs of minimizing the affair. It is in truth too early to assess the floods either as a military obstacle or as a civilian disaster; but in their former role they have undoubtedly



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WAR'S EFFECT IN JAPAN

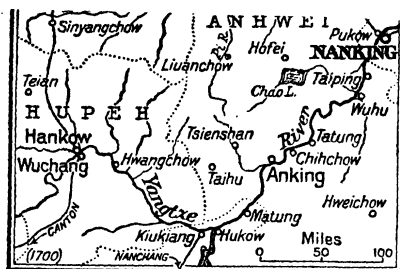
But it is only psychologically that Japan feels as yet the pinch of war. Certain prices are rising (commodity prices have gone up nearly 12 per cent.), and certain of the smaller industrial, commercial, and agricultural units are short of markets or material or men. The nation as a whole has not begun to undergo acute and comprehensive pressure. A year hence the internal situation will be worse, but there is no evidence to show that the external effort will be less. Neither the discipline nor the endurance of Japan has yet been seriously tested.

At the same time the fruits of a year's adventuring are small and sometimes bitter. Japan occupies very little territory in China; her total sphere of effective control contracts by more than one-half at dusk, when a field of fire is succeeded by the circumambient arc of a flashlight. She has gained control (which the guerrillas have not decisively interrupted) of between 6,000 and 7,000 kilometres of railway line. She has destroyed almost the whole of an embryonic but competitive industry. The dubious camp followers of her armies have obtained some quick but trifling returns from enterprises many of which have led to avoidable and damaging friction with the foreign Powers; and she maintains her stranglehold on the Yangtze and on Shanghai by methods which have the same drawback. From the Customs—again to the jeopardy of her foreign relations—she has begun to get something. She has seized a useful typhoon anchorage at Amoy; and, of course, she has strengthened her flank against Russia by making good the Mongolian Corridor.

A DUBIOUS OUTLOOK

This year's balance-sheet is, however,

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



disconcerted the General Staff and are almost certain to delay the advance on Hankow. In 1932 the floods which swept over the south bank of the Yellow River turned and sought the sea before reaching the Yangtze. They may take this course again, though they are under no theoretical compulsion to do so. This, from the Japanese point of view, would be the lesser evil. Even so, the waters have saved Chengchow at the eleventh hour and barred for an unpredictable period the northern approach to Hankow down the Peking-Hankow railway.

There remains the approach along the Yangtze, on which a powerful naval force, to-day reported to have penetrated "scores of miles" above Anking, might shortly try conclusions with the fairly elaborate Chinese defences at Matung; these comprise a boom, a minefield, and some well-placed land batteries, but the first two are not likely to be effective with the water as high as it is now. An expeditionary force of unascertainable but considerable strength has been landed at Anking and is advancing along the north bank. With the capture of Tsinshan on Friday this force has gained a foothold on the belt of high ground which runs westwards almost to the environs of Hankow. Even, therefore, if the Yellow River joins the Yangtze this arm of the Japanese offensive is not likely to be greatly hampered by the floods.

ANOTHER TIME-LAG

The Navy's immediate objective appears to be Kiukiang, which will be valuable both as an advanced air base and as the terminus of a railway (Japanese financed, incidentally) leading to Nanchang, in Kiangsi. With the capture of Kiukiang, if not before it, a land offensive along the south bank will probably be launched from transports; and if this goes well for Japan the sister cities of Hankow and Wuchang will be lashed simultaneously by land as well as by water. Floods on the Yangtze would, of course, hinder these operations.

The cutting of the Yellow River dykes—a gesture typical of China in her present position, and not, by any Oriental standards, discreditable—will give the battered Chinese armies on the Lunghai front a breathing space. More important, it has reproduced in the tempo of Japan's advance that time-lag which, as Shanghai and Suchow proved, so exasperates the invader. Already there is a doubt, though only a small one, whether the Japanese warships will be able to carry out their task on the middle Yangtze before the falling waters force them downstream in the late autumn. So far there have been two constant factors in this strange war—(1) the Japanese forces have always reached their objective; (2) they have always (except at Nanking) reached it much later than they intended.

The moral effect on Japan of this time-lag is as easy to exaggerate as is the economic effect. Both are cumulative; neither is really important yet. The Japanese public is vaguely uneasy, partly because it is not told what is happening

her armies have obtained some quick but trifling returns from enterprises many of which have led to avoidable and damaging friction with the foreign Powers; and she maintains her stranglehold on the Yangtze and on Shanghai by methods which have the same drawback. From the Customs—again to the jeopardy of her foreign relations—she has begun to get something. She has seized a useful typhoon anchorage at Amoy; and, of course, she has strengthened her flank against Russia by making good the Mongolian Corridor.

A DUBIOUS OUTLOOK

This year's balance-sheet is, however, less important than the prospectus for, say, the next five years. This imaginary document is not reassuring. So long as there is only chaos or desolation between the railway lines, which are the slender essential vertebrae of Japanese domination, the peasant will come eventually to heel. The Chinese peasant is readier than anyone else to accept the inevitable, particularly if the inevitable offers security, a firm currency, and the minimum of interference. But Japan's juggernaut advance has left her no opportunity to provide these amenities in more than a fraction of the huge territories which she picks to-day. In the wide gaps between the Japanese garrisons the will to resist is being kept alive and stimulated. Emisaries of the Eighth Route Army and of the Central Government are arming and organizing the people, whose chronic apathy the terrible excesses of the Japanese soldiers have done much to undermine.

At the front Japan will go on winning, and China losing, almost indefinitely. But it is still open to doubt whether Japan's digestive powers are equal to assimilating the fruits of victory without endangering the national wellbeing.

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memo

June 22 '38

PAPER: DAILY TELEGRAPH
& MORNING POST

NUMBER:

CITY: LONDON

DATE: JUN 21 1938

JAPAN'S DRIVE FOR HANKOW

New Factors which will aid Chiang Kai-shek's Defensive Strategy

By COL. G. R. V. STEWARD

Operations having been brought to a disastrous standstill by floods in the Yellow River region, the Japanese are pressing on with greater energy in the effort to reach Hankow along the Yangtze.

Col. Steward, who had a long residence in China in responsible military positions, discusses the effect of the floods on Chiang Kai-shek's capacity to resist and the prudence of his intention to withdraw his base further south when necessary.

MARSHAL CHIANG KAI-SHEK'S announcement last week that he intends to transfer his Government headquarters further into the interior of China, from where he will conduct the war on new lines, need cause little surprise.

Inundation of the more northerly battle area and threat of floods in the Yangtze valley present new difficulties to the invader, but there is no reason why the floods should prevent the Japanese east-to-west columns from operating against Hankow. Chiang Kai-shek's tenacity and adroitness may still be vindicated along the lines indicated in his announcement.

CHOICE OF GROUND

After Canton's experience of destructive air raids it is only sound policy to remove the host of Chinese Government officials from Hankow to a place of safety, where their work will not be interrupted from the air. That the Marshal will also, if necessary, withdraw his own military headquarters further south along the Canton-Hankow railway is a foregone conclusion. Such a step would be taken in similar circumstances by any commander-in-chief.

Chiang's task is an appallingly hard one, but it must be remembered that he has already succeeded in the impossible—in the unifying of China. His former enemies of the Right, Li Tsung-jen and Pai Chung-hsi, who once accused him of dallying with the Communists, are now his loyal supporters; while the Red Army leaders have abandoned their tenets in favour of the Nationalist reform programme and rallied to the banner he has raised against the Japanese.

It would be calamitous for the Chinese if Chiang became a casualty of war. His guidance is essential for the maintenance of their political unity. His promise that China's resistance will continue as long as the Japanese persist in their aggression can only mean that he intends to conduct the war until exhaustion causes a cessation. In saying that he will now choose the terrain on which the Japanese are to be engaged he shows a realisation of the military situation that reinforces China's chances of prolonged resistance.

AN IMPROVED MORALE

In every war political considerations have always overridden military necessity, and so in China, up to the present, the major battles have been fought on ground that greatly favoured the mobile mechanised Japanese forces. At the commencement of hostilities, with China's new-found unity, it would have been politically unwise to abandon valuable strategic points without a struggle. The vocal Chinese patriots clamoured for resistance, and battles they had to have, though military experts were sure that China's relatively ill-equipped forces (lacking in artillery and tanks) had no chance on the level plain and advised withdrawal to the hills, where armoured vehicles could not penetrate.

These political considerations, however, wrong as they were from a military

point of view, have had the effect of improving Chinese morale. It was found in battle that Japan's army was not invincible, as had been presumed, while at Taierschwang on April 7 the Chinese troops rose to heights of undreamed-of tenacity and courage when they routed two Japanese divisions after a 16-days' battle.

Chiang Kai-shek is not likely to abandon Hankow without a struggle. This region lends itself to his new scheme of defensive tactics. The great city of Hankow lies at the confluence of two rivers and two railways; 10,000-ton vessels can reach it in the summer. It is ringed with hills; 150 miles north of it the railway leaves the plain and runs towards it through a range of hills that circle to the Yangtze.

FLOODS AND SUPPLIES

The Yangtze valley approaches to the city are well commanded by hills, while the level ground is not continuous but spreads itself across the river irregularly and is nowhere much more than 20 miles in width.

Hankow lies near the south-west corner of China's immense central plains, and south and west of it the mountains offer secure refuge from Japanese penetration. To the south one can travel both by rail and river to Changsha, an important city on the railway, China's vital supply link with the sea at Hong Kong.

If flood difficulties should increase and the Yangtze valley itself be seriously affected the invaders' communications can lie along the 50-mile wide plateau based on the Tientsin-Pukow railway between the Yangtze and Huai river valleys.

In 1931 it may be recalled, the Yangtze rose 53 feet at Hankow. A recurrence to this extent would flood the river port of Pukow and seriously hamper supply for the Japanese unless they have already established sufficient base supplies northward on the high ground. In 1931 the flood areas south-west of Hankow were much greater than those between Hankow and Anking, so that China's problem of supply would also be increased by such a catastrophe.

Roughly speaking, major floods on the Yangtze would still allow of operations against Hankow from any direction round the compass arc from north-west to south-east. South of Hankow the railway to Changsha was only slightly damaged in 1931, and that was the most disastrous flood ever recorded.

STRAIN ON INVADERS

If it is remembered that China is aiming at the exhaustion of Japan, it will be realised that all is not lost even if Hankow falls, since Changsha is the limit beyond which Japan will hardly dare to push her armies. By the casual tourist in China it is rarely realised how much of that vast country is mountainous and inaccessible. Only 29 per cent. of China is capable of cultivation, and this percentage includes the vast granary of Manchuria, as well as the ricefields which, in the valleys, are stepped up mountain sides which would be the despair of any tank commander.

It is patent that Japan's military occupation of much of level China still leaves 80 per cent. of the total area in Chinese hands. The portion so far brought under Japanese occupation is ringed with mountains, from whence guerrilla bands can sally, as already they have done in the north. Here, both before and since the floods guerrilla excursions have harassed the garrisons.

Japan will have to guard and patrol every yard of China that is important to her. Every mile she penetrates will add to the commitments she must make to keep the conquered countryside safe

for the trade that is vital to her. Her occupation of Manchuria has given her a foretaste of what her preparations must be. She will require an enormous garrison to protect her puppet governments, whose writ will run only so far as a rifle can carry beyond the post that fires it. Japan may win the war in China and still have the risk of losing the peace.

It is pertinent to ask how China can hold out with the bulk of her ports and railways in Japanese hands. As long as the railway from Hong Kong is open to her she can import as much material as she can secure from abroad. Her balances of silver in foreign hands can still last a few months, while she is obtaining supplies on credit from Europe.

Should this vital railway be lost to her there are roads from Burmah and French Indo-China over which limited supplies would arrive. But Chinese roads are not built for heavy traffic even if mechanical transport was available in sufficient quantity. Supplies from the Russian Turksib railway have been arriving over the 2,000-mile road from Central Asia, but to organise this difficult and desert route for traffic to supply 2,000,000 men is a colossal task beyond the powers of China.

CHINA'S MUNITIONS

When it is understood that in peacetime China has to import all her oil and 16 per cent. of her foodstuffs it will be realised that indifferent mountain roads cannot solve the problem of her wartime military transportation.

But tucked away in the more inaccessible parts of Kwangsi and Szechuan provinces are sufficient arsenal machines to supply China with infantry weapons and ammunition. By splitting her armies into small bands who can live on the country, China can copy her Red Army, which defied annihilation for 10 years, and is now a growing thorn in the side of the Japanese in North China. Thus, if Hankow falls one can still believe in Chiang Kai-shek's courageous words and feel that the Chinese will enter a new war period when new tactics will be tried on the foe, whose modern military equipment will no longer completely outweigh China's numerical superiority.

Chiang Kai-shek's plea for Sanctions against Japan is natural enough, but if granted it would have little effect on the outcome of the war. Russian experts consider that Japan holds a two years' supply of all warlike essentials for a major war. The future trend of hostilities in China will not reduce this stock to an appreciable extent, and, indeed, some economists friendly to China might paradoxically advocate even more excessive war supplies to Japan, for this would increase her adverse trade balance to the detriment of her economic situation.

THE COST TO JAPAN

It is Japan's economic difficulties alone that will cause her to abandon her aims and gains in China. There is a point below which Japan dare not let her economic barometer sink unless she wishes to relinquish her position as the strongest military power in the East. She had hoped for a quick victory in China, when her economic and strategic position in the Pacific would have been bettered. But the war has lasted almost a year, and her estimated expenditure for 1938-39 has reached the astronomical figure of 12,000,000,000 yen, of which roughly half will be met by a bond issue. Her supplies of commercial raw material for non-warlike industry have sunk to a very low level and need replenishment.

Chiang Kai-shek knows that time is on his side; that is why he insists that China's resistance to Japan cannot be measured in terms of months or years.

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

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

JOHN WILSON WOOD, D.C.L.
EXECUTIVE SECRETARY
THE REV. A. B. PARSON
ASSOCIATE SECRETARY

SECRETARY FOR LATIN AMERICA

J. G. VAUGHAN, M.D., MEDICAL ADVISER
(150 Fifth Avenue, New York)

TELEPHONE: GRAMERCY 5-3012
CABLE ADDRESS: "FENALONG NEW YORK"
CODES: MISSIONS, WESTERN UNION AND BENTLEY

THE NATIONAL COUNCIL
PROTESTANT EPISCOPAL CHURCH
IN THE UNITED STATES OF AMERICA

THE RT. REV. HENRY ST. GEORGE TUCKER, D.D.
PRESIDENT

CHURCH MISSIONS HOUSE
281 FOURTH AVENUE
NEW YORK, N. Y.

DEPARTMENT OF FOREIGN MISSIONS

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IN THE UNITED STATES OF AMERICA

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DRAW CHECKS TO ORDER OF
L. B. FRANKLIN, TREASURER

IN REPLY TO THIS LETTER,
PLEASE REFER TO ITS DATE

RECEIVED
DEPARTMENT OF STATE

JUL 5 PM 12 55

Mr. Stanley Hornbeck,
Far Eastern Division,
Department of State,
Washington, D. C.

Answered June 14, 1938.
June 12, 1938.



My dear Mr. Hornbeck:-

Fr. R. Jacquinot, S.J. of Shanghai is in New York and I have been having conference with him about the possibility of there being established in Hankow a neutral zone similar to the one he was instrumental in establishing in Shanghai. He is ready and anxious to do whatever he can to help in this matter but he did not feel that he wanted to initiate the matter.

As the American Church Mission with large centers and constituency in the Wuhan area we are vitally interested in the situation there. Therefore, with Fr. Jacquinot's consent I have to-day cabled to our Bishop in Hankow suggesting that he see the Generalissimo with regard to the possibility of the latter requesting Fr. Jacquinot to see what can be done through the American, French and British governments officially co-operating in the establishment of such a zone in the Wuhan area.

If such a request should come to Fr. Jacquinot in the course of the next few days, I will get in touch with you by telephone in the hope that we can arrange a time of conference with you.

I have instructed the cable company to notify me of delivery of cable in Hankow. If within the next forty-eight hours such confirmation is not received, would it be possible for us to send such a message to Bishop Gilman in Hankow with the assistance of the American Naval Radio service?

The Episcopal Church and the Roman Catholics are the only American Missions with work in Hankow and therefore, in view of Fr. Jacquinot's desire to avoid any publicity, we have handled this matter direct, rather than through the Foreign Missions Conference. Any communications with respect to this matter, should therefore come direct to me and I will appreciate your marking such letters as "Personal" on the outside.

Very truly yours,

John Wilson Wood

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

June 14, 1938.

STRICTLY CONFIDENTIAL

My dear Dr. Wood:

The receipt is acknowledged of your letter under date June 12, 1938, in regard to the establishment at Hankow of a neutral zone.

For your confidential information I may say that in December of 1937 representatives of the various interested Governments sought from the Japanese authorities assurances that the Japanese armed forces operating in China would refrain from attacking a clearly defined area at Hankow in which was located the bulk of foreign owned and occupied property and where many Americans and other foreigners resided. That area comprises the former British, Russian and German Concessions and the present French Concession, and includes Butterfield and Swire's property adjoining the Customs House.

In January 1938 the Japanese authorities stated that Japanese forces would not attack the area in question if

no

Dr. John Wilson Wood,
Executive Secretary, The National Council,
Protestant Episcopal Church,
Church Missions House,
281 Fourth Avenue,
New York, New York.

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

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no Chinese forces were within it, if Chinese forces made no military use of it and if the movements of Japanese forces outside the area were not hindered from within it. The Japanese made the reservation that the river front of the area was understood to include only the river bank itself, not extending either to the line in the middle of the river or to the opposite shore.

In connection with the above plan, the American authorities were careful to avoid assuming any responsibility to the Japanese for observance by the Chinese of any assurances which might be given by the Chinese or to the Chinese for observance by the Japanese of any assurances which might be given by them. The American Government also made clear to its own representatives in China its desire to avoid becoming responsible for the policing of any safety area which, in the event of emergency at Hankow, would almost inevitably be under considerable pressure because of its immunity from attack.

You will of course realize that it is not possible in an emergency situation to include in any such area all American properties in the Wuhan cities. The area mentioned was chosen by the representatives of the various foreign governments as the most suitable, in the light of all circumstances, as a safety area for Americans and other

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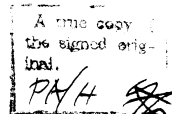
other foreigners. The special measures taken in regard to that area are designed to supplement other measures which will naturally be taken toward ensuring such protection as may be practicable and appropriate to American property and interests in other parts of the Wuhan cities.

While the Department would sympathize with and would certainly not wish to take the position of discouraging an attempt by private individuals to procure the establishment of a neutral zone in the Wuhan area, it would not, in the light of the action already taken and the considerations suggested above, feel itself in a position to take an official part in attempts to establish such a zone.

With the foregoing in mind, the Department would be pleased, in the event of inadequacy of commercial means of communication, to assist you toward sending a message to Bishop Gilman.

Sincerely yours,

Stanley K. Hornbeck



FE:WAA:REK
6/14/38

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m.m. 6/14

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

July 14, 1938.

By direction of Dr. Hornbeck
the attached memorandum of con-
versation with Mr. Li is being
sent to Hankow only.

E.g.C.



*Orig. taken by me
for delivery
M.D. Bell
July 21, 1938.*

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

RECEIVED
 DEPARTMENT OF STATE
 1938 JUN 27 PM 3 22
 DEPARTMENT OF STATE
 ADVISER ON POLITICAL RELATIONS
 MR. HORNBECK
 Memorandum of Conversation
 JUL 2 - 1938
 DEPARTMENT OF STATE

DATE: June 27, 1938.

SUBJECT: China-Japan Situation and Question
 of Credits to China.

PARTICIPANTS: Mr. K. C. Li, President of Wah Chang
 Trading Corporation;
 Mr. Hornbeck.

COPIES TO: FE
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Copy sent to Hankow only
 UNDER SECRETARY OF STATE
 JUL 2 - 1938
 MR. WELLES
 SECRETARY OF STATE
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Mr. Li called on me this morning. He had returned to New York at the end of last week from China, by clipper, after having conferred with Chinese leaders.

Mr. Li said that on the military side the Chinese are getting on very well, and are confident of being able to continue to wage successful defensive warfare: The morale of the fighting forces remains high; the people are united in a national determination to continue to resist the Japanese. But, Mr. Li said, the Chinese are confronted by very serious questions of finance: They estimate that they can carry on for another six months on the basis of present resources and conditions, but they

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they are apprehensive as regards what may be the situation toward the end of such period. What they most need is something in the nature of a back log, something that will give them assurance and tend to peg or stabilize their currency and simplify their problems of exchange. Commenting critically upon endeavors of certain Chinese officials to float various loans from private sources and upon false rumors which have been spread about in connection with such efforts, Mr. Li said that it stood to reason that private banks and financial or business groups would not make loans or provide credits to and for China in amounts large enough to have any appreciable effect. Moreover, to have maximum value, loans or credits to China should serve not only a material objective but a political objective. Mr. Li understood that the British Government was seriously considering ^{and} studying ways and means of providing credits for China. He felt that it would be to the advantage of this country for the American Government to do likewise.

China, he said, needs material and moral assistance. The Chinese themselves have the men and the will to do all the fighting that may be necessary. They are fighting to prevent their subjugation by the Japanese. They are fighting against armed aggression. They are fighting a battle of peace

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peace, of law and order, of justice. Their battle is on the side of the principles which the American Government constantly affirms and in which the American people believe. If, in this battle, Japan defeats China, the result will be a great blow not only to China but to the democratic nations in general and the cause of peace: The Japanese will impose upon the ^{Chinese} ~~Japanese~~ a system of political and economic slavery; they will exploit the resources and the huge manpower (labor) of China, and will not only appropriate a large proportion to themselves of the Chinese market, but will be able to throw into the markets of the world huge amounts of competitive products, at prices which will undercut what can be offered by the other manufacturing and exporting countries. In the long run, this would jeopardize the economic interests and welfare of such countries as the United States and Great Britain, and would ultimately lead to new political complications.

Mr. Li therefore thought that it would be the part of wisdom for the United States and other countries now to help the Chinese toward preventing such developments.

Asked what he would suggest in the field of ways and means, Mr. Li said that he felt that the American Government might act with helpful effectiveness through the agency of the Export-Import Bank. He thought that credits could

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could be established which would assist the Chinese, and to which the Japanese could not object. Further, he thought that the American Government might to advantage arrange to make purchases from China of various raw materials. He mentioned especially tungsten. He recalled the fact that the United States Army has been interested in the subject of laying up reserves of essential raw materials. Tungsten is a raw material for supplies of which a number of countries look to China. Both Germany and Italy have been taking tungsten from China in trade. The United States might, to its own advantage as well as to that of China, now purchase and store up Chinese tungsten.

To a question as to whether and how the Chinese can now export tungsten, Mr. Li replied that they are constantly making exports of it via Hong Kong. He said that the Chinese mines can supply about 1,500 tons per month; that the present price is about \$1,100; that it might be possible to sell to the United States about 750 tons per month.

Mr. Li went on to say that he doubted whether the Export-Import Bank could be induced to take any action toward making available such credits as he had in mind unless the word were given by the President; also, he doubted whether the President would act in that direction

unless

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unless it were first recommended to him by the Department of State.

(Note: Mr. Li is probably the most outstanding Chinese business man residing and carrying on business in this country. He has close contacts with the highest officials and the leading bankers and business men in China. He is head of the Wah Chang Trading Company, which does a large importing and exporting business between this country and China, especially in the field of metals. Over a period of fifteen or twenty years, I have often talked with Mr. Li, and I have heard and read various addresses which he has delivered on economic subjects. I have never known him to speak other than conservatively and with evidence of broad perspective and keen logic. On this occasion he spoke with extraordinary seriousness and evidence of unusual concern.)

Li

PA/H:SKH:RMB

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

July 19 1938.

No. 132

Confidential - For Staff Use Only.

To the American Ambassador,
 Hankow.

The Secretary of State encloses for the confidential information of the American Ambassador a copy of a memorandum of conversation of June 27, 1938, between Mr. K. C. Li, President of Wah Chang Trading Corporation, and an officer of the Department in regard to the situation in China and the question of credits to China.

Enclosure:

Memorandum of
 conversation
 as described.

793.94/13378

F/WB

CR *[initials]*
 JUL 19 1938

Eg.C.
 FE:EGC:NN

RECEIVED
 FE

PA/H

7/14/38



185
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

July 11, 1938

~~SHS~~
~~ICV~~
~~WAC~~
Tsingtao's despatch to Embassy at
Peiping, no. 326 of May 28, "Abandonment
of Tsimo by Japanese", reports information
from Tsimo American Lutheran Mission
sources amplifying Tsingtao's telegram
of May 24, 9 p.m. on this subject. The
hurried flight of Japanese and puppet
Chinese in face of "great numbers" of
guerrillas, and the heavy damaging of
roads and bridges are briefly described.

~~FE~~
FE:Chase:EH:SS

DECLASSIFIED: E.O. 11652, 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. 326

Copy for Department of State

AMERICAN CONSULATE

Tsingtao, China, May 28, 1938.

Subject: abandonment of Taimo by Japanese.

The Honorable

Nelson Trusler Johnson,

American Ambassador,

Beiping, China.

Sir:

I have the honor to refer to my radiogram of May 24, 9 p. m., in which I reported that the town of Taimo (即 臺) about 30 miles north of Tsingtao had been abandoned by the Japanese and by the Chinese officials appointed by the Japanese.

The following are extracts from a letter from "Las Olvera" M. Frank, an American citizen, of the American Lutheran Mission outside the town of Taimo:

"Monday, May 23, 1938.

Great tenseness all day as last night about dusk we learned the whole official board (Chinese and Japanese) were hurriedly preparing to leave. At 9:30 I saw 2 trucks to the west (by their lights) going to Tsingtao. I believe there were quite a number of trucks including the soldiers. This morning at 5:30 gun fire was heard and by 8 cannon fire from the city wall. By 8:30 refugees came pouring into our compounds. At 9:30 a Japanese sub officer ran past here through the wheat fields. He was bleeding from his neck considerably. He

was ...

793.94/13379

F/HG79

DECLASSIFIED: E.O. 11652, 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 -

was hatless and no firearms. Later we heard that in their evacuation they forgot him and at daylight returned to find him but they couldn't get near. He is said to have scaled the city wall and sustained the injury. The motor road is now destroyed so I am cut off from Tsingtao for the time being. The guerrillas are coming here in great numbers from all directions. Otherwise all is quiet.

Wednesday morning.

"The sub officer mentioned before was caught at Liao T'ou and shot by an irreg. There was an altercation at La Han Liao on Monday between soldiers and guerrillas ending in the death of 3 each. Yesterday (Tuesday) I still had a few refugees but the market was a fair size and all seemed quiet so all left before evening. I understand there will be a new magistrate coming today. Irregs. from Pingtu, Heping and Linyang are here and still coming. The roads toward Tsingtao are all out ..."

American Lutheran missionaries who tried to reach Tsimo on May 25 found the roads and bridges too badly damaged for use by motor cars. In the neighborhood of Chengyang (城陽) west of Tsimo near the railway they observed a detachment of Japanese who were excitedly firing at an unseen enemy in a wheatfield. A Japanese civilian whom they recognized as formerly connected with the propaganda bureau at Tsimo approached them while their car was stopped and informed them that the Japanese were engaged in rounding up "bandits" in the countryside near Chengyang. He said that the Japanese had voluntarily evacuated Tsimo on May 23. He intimated that the Japanese might find it necessary later to bomb Tsimo but said that the American Lutheran property at Tsimo would be respected.

Respectfully

785
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

- 3 -

Respectfully yours,

L. H. Courley,
American Consul.

800
LHD-CON/CHS

Original to Embassy, Peiping,
5 copies to Department of State,
Copy to Embassy, Hankow,
Copy to Embassy, Tokyo.

A true copy of
the signed original
initial *CHS*

186

DECLASSIFIED: E.O. 11652, 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

July 11, 1938

~~108~~
~~109~~

Tsingtao's despatch to Embassy, no. 327 of May 28, "Political conditions in Weihsien Area", cites information from a missionary source: that, although Japanese had consolidated their control of railway from Tsingtao to Tsinan, Chinese mobile units and bandits continued very active in the Weihsien area; that armed guards were protecting Weihsien American Presbyterian Mission against bandits; and that one Chang Pu-yun (former Han Fu-chu subordinate), controlling a large army of disreputables near Kaomi, might sell out to the Japanese.

^{RSC}
FE:Chase:EH:SS

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

Copies to Department

No. 327

AMERICAN CONSULATE

Tsingtao, China, May 28, 1938.

Subject: Political Conditions in Weihsien Area.

The Honorable

Nelson Trusler Johnson,
American Ambassador,

Peiping, China.

Sir:

I have the honor to report that Mr. Charles V. Reeder, an American citizen of the American Presbyterian Mission at Weihsien (潍縣), who recently called at this Consulate, made the following statements in regard to political conditions in the Weihsien area during the latter part of May.

Mr. Reeder said that while the Japanese have recently strengthened their garrisons along the railway from Tsingtao to Tsinan and now have actual control of the railway zone, conditions in the interior otherwise remain unchanged. He said that not only are the Chinese mobile units (Yu Chi Tui 游擊隊) still very active in the vicinity of Weihsien, but that banditry is rife. The mission compound continues to be guarded by Chinese armed guards against bandits. Chinese mobile units are said to be interfering with the entrance of foodstuffs into Weihsien. Their object is believed to force the Chinese residents of Weihsien to join them in resisting the Japanese and also to make living conditions more difficult for the Japanese garrison at Weihsien, which varies from 200

to

795.94/13380

F/R

DECLASSIFIED: E.O. 11652, 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 -

to 800 men, As a consequence, foodstuffs in Weihsien are becoming scarce and expensive.

Mr. Reeder said that considerable anxiety exists in Weihsien concerning the possible future activities and alliances of one Chang (Chang Pu-yun 張步雲?), a former officer in the army of Han Fu-chu. When Han evacuated from Tsinan, he is reported to have turned over to Chang a large quantity of arms and ammunition. Chang later established himself in the town of Ching Chih (King Chih 景芝) about 20 miles southwest of Kaomi (高密). Chang is understood to be a trained soldier with high political ambitions. He is reported to have surrounded himself with several thousand armed men, one rumor giving the number as high as 10,000. Among his followers are some of the worst elements in Shantung. Because of his strength some Chinese in Weihsien fear that the Japanese may offer him a high political post, provided his troops will cooperate with the Japanese forces in "mopping up" operations.

Respectfully yours,

L. H. Gourley,
 American Consul.

File 800
 LHG/AD
 COH
 Original to Embassy, Peiping,
 5 copies to Department of State,
 Copy to Embassy, Hankow.

A true copy of
 the signed original.
 RS

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

No. 327

AMERICAN CONSULATE

Tsingtao, China, May 28, 1938.

Subject: Political Conditions in Weihhsien Area.

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping, China.

Sir:

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

- 2 -

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Respectfully yours,

L. H. Gourley,
American Consul.

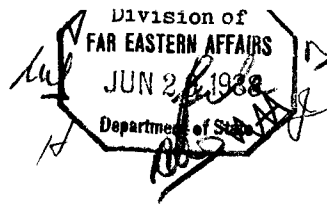
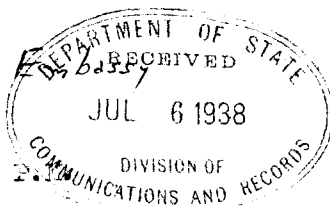
File 800
LHC/AD
COH
Original to Embassy, Peiping,
5 copies to Department of State,
Copy to Embassy, Hankow.

A true copy of
the signed original.
RD

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

11

From Chinese



DCR

HANKOW, June 28, 4:37 P.M.

In an attempt to capture the Matang forts guarding the entrance to the Kiangsi section of the Yangtse River, the Japanese employed poison gas against the defenders. In the midst of severe action on Sunday (June 26), the invaders fired a large number of gas shells causing considerable Chinese casualties. The Chinese however continued to offer stubborn resistance. Severe fighting is still raging in the vicinity of Matang.

Since last week, bombing operations against the Japanese war vessels below Matang have been continued with great success; at least six Japanese warships of various sizes were sunk or badly damaged during the last two days and many armed launches were destroyed.

Challenged by the Japanese seaplanes a Chinese bomber was damaged mid-air near Anking yesterday. Instead of trying to bail out and land at Chinese territory which he had fair chance of doing, the air man dived against the Japanese warship with the result that both the ship and the plane were blown up instantly. This act of patriotism was enacted within the sight of the Chinese troops ashore.

793.94/13381

F/FG
13381

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

TELEGRAM RECEIVED

JR ***

FROM

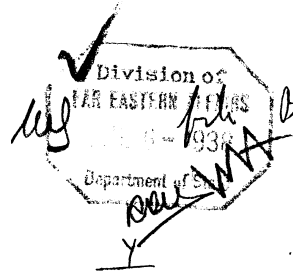
FOURTH MARINES

July 6, 1938

Rec'd 10:40 a.m.

ACTION: OPNAV
CINCAF

INFO: AMCON SHANGHAI
COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMDESRON FIVE
COMVANGPAT
COMSOPAT
AMEMBASSADOR CHINA
USS ASPEVILLE
ALUSNA PEIPING



793.94

efx

8606. On north bank Yangtze Japanese drive reached
Fuhsincheng 30 miles west Wangkiang Japanese bombed
Taihu. 1830.

RR:WMC

793.94/13382

FILED
JUL 8 - 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

TELEGRAM RECEIVED

JR
GPO

FROM

PLAIN & GRAY

Peiping via N. R.

Dated July 5, 1938

Rec'd 10 p.m.

Secretary of State,
Washington.

Division of
EASTERN AFFAIRS
JUL 10 1938
Department of State

793.94

421, July 5, 7 p.m.

E92

One. The Japanese spokesman announced today the Japanese capture yesterday evening of Hukow on the Yangtze about twenty miles east of Kiukiang and the "gateway" to that place. This success follows closely upon the capture at the end of June of the Matang forts guarding the boom there and the passage of the boom by Japanese gunboats. Heavy fighting is reported in that area and the Japanese claim further success in landing June thirtieth at Liangliangmiao, eight miles west of Pengtze (northeast of Hukow) as part of a flanking movement, and in capturing Chingshanpa, not far west of Matang. The Chinese claim to have recaptured latter place and to continue to hold Pengtze, but it is apparent that the Yangtze drive is progressing in spite of fierce Chinese resistance and counter-attacks and Chinese claims, which are credited by some observers here, to have successfully bombed several Japanese naval

793.94/13383

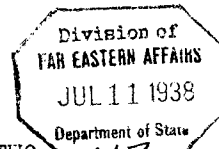
JUL 10 1938

51111

F/FG

7868

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



CORRECTED PAGE TWO

HM -2- #421, July 5, 7 p.m. from Peiping via N.R.

naval vessels both below and above Matang.

Two. Failure of the spokesman to give out information concerning the Japanese columns from Hofei and north thereof may indicate that Chinese claims to successes in that area, including recapture of Chengyangkuan (northwest of Hofei) may be true. Along the Lunghai the Japanese claim to have retaken Kaocheng, Honan (just northeast of Lanfeng), and Tangshan, Kiangsu (near the Honan border).

Three. According to a report to foreign correspondents who flew July 3rd to Kaifeng with a Japanese military officer, previous reports of only small Chinese fatalities from the floods caused by the breaching of the Yellow River dykes were confirmed by foreigners in Kaifeng and by the officer who admitted that most of the farming population had been given sufficient time to withdraw from the flood area and had done so. Flood waters have reportedly reached near Pengpu, Anhwei, about one hundred miles up the Tientsin-Pukow railway from Pukow.

Four. Repeated to Hankow, Shanghai, Nanking by mail to Tokyo.

SALISBURY

RR: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

-2- #421, July 5, 7 p.m., from Peiping via N. R.

*See
corrected
page 2!*

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Four. Repeated to Hankow, Shanghai, Nanking by mail to Tokyo.

SALISBURY

RR:HPD

(*) Apparent omission.
Have asked Shanghai repeat missing portion of above message.

DIVISION OF COMMUNICATIONS AND RECORDS

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

USS MONOCACY

FROM

July 6, 1938

Rec'd 7:30 a.m.

ACTION: COMYANGPAT

PASSED BY CINCAF TO OPNAV FOR INFORMATION

1005.

From 1700 until 1930 there has been desultory

bombing three to four miles east. 2015.

DDM

793.94/13384

JUL 7 - 1938

FILED

F/FG

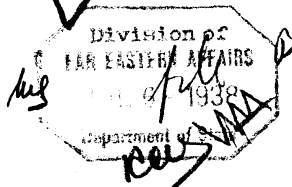
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

HM apo

FROM

GRAY



Peiping via N.R.

Dated July 5, 1938

Rec'd 7:30 a.m. July 6

Secretary of State,

Washington.

418, July 5, 4 p.m. / 13357

Swatow's July 1, 10 p.m. (Japanese airplane bombing) has been repeated by cable to Tokyo.

Repeated to Hankow, Swatow.

SALISBURY

DDM

793.94/13385

F/FG

FILED
JUL 7 - 1938

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

TELEGRAM RECEIVED

EG ***

FROM

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

FOURTH MARINES

July 6, 1938

Rec'd 1:15 p.m.

ACTION: CINCAF

INFO: NAVY DEPARTMENT

0006. Seaplane carrier KAMOI fully loaded
with planes observed north Tsungming Island standing
up river at 1100. 1812

KLP

FILED
JUL 8 - 1938

F/FG

793.94/13386

DECLASSIFIED: E.O. 11652, 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

Division of
FAR EASTERN AFFAIRS
JUL 6 1938
VAA
FC

FROM

EG^{SPD}

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

MARDET TIENTSIN

July 6, 1938

Rec'd 1:15 p.m.

ACTION: NAVY DEPARTMENT

INFO: CINCAF
FOURTH MARINES
MARDET PEIPING

0005. No Jap troop movements observed through
Chinwangtao 26 June to 4 July. On 2nd and 3rd July
ten bombing and quartet pursuit planes patrolled
railroad between Tientsin and Chinwangtao. 0930

KLP

793.94/13387

FILED
JUL 8 - 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. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

FROM

EG^{opo}

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

USS MONOCACY

July 6, 1938

Rec'd 1:15 p.m.

ACTION: COMYANGPAT

PASSED TO NAVY DEPT BY CINCAF FOR INFO

0005. Apparently Chinese continue to hold
Hukow, it is being bombarded by Japanese land forces.
1500

KLP

FILED
JUL 8 - 1938

795.94/13388

F/FG

7 8 / 0

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

793.94

DOCUMENT FILE

NOTE

SEE 893.00/14242 FOR #37-

FROM China (Hankow) (Johnson) DATED May 23, 1938.
TO NAME 1-1127 ***

REGARDING: Events in China since the beginning of 1937: Sino-Japanese conflict continues with indications pointing to a period of warfare and turmoil extending through next few years.

FRG.

793.94 / 13389

13389

DECLASSIFIED: E.O. 11652, 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 393.00-2-R. Shanghai/116 FOR Despatch #1482

FROM Shanghai (Lockhart) DATED June 8, 1938
TO NAME 1-1127 ...

REGARDING:

Sino-Japanese relations: Report concerning -,
for month of May, 1938.

.. aa

793.94/13390

13390

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

c. Relations with Japan.

Military Operations.

As a result of a series of attacks undertaken by strong Japanese mechanized units against strategic points on the Lunghai Railway (8-8), the Japanese on May 14 succeeded in cutting the railway to the west of Hsuehchow and rapidly closed in on the city of Hsuehchow which was completely occupied by May 20. (10-11) Japanese claims to have completely surrounded and trapped some two hundred thousand Chinese troops in the Hsuehchow area proved to be greatly exaggerated for it later appeared that the Chinese cleverly extricated themselves, their main forces withdrawing in fairly good order and with the greater portion

793.94

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

of their arms and equipment, to the south and southwest between the Japanese columns seeking to encircle them. (12-13) Several strong units withdrew to the southeast into the Hungtze lake region and engaged in guerrilla activities. (14) The battle of Hsuehchow was a well conceived Japanese operation designed to trap China's best troops and deal a crushing blow. Apparently it was well executed by the troops under the command of General Hata but failed in its principal objective because of Chinese strategy.

Following the fall of Hsuehchow the Japanese occupied Lienyunkang, the seaport at the terminus of the Lunghai Railway, and announced that they were actively engaged in "mopping up" operations throughout northern Kiangsu. However, it was known that a considerable area, extending roughly from Tainghsienpu on the Grand Canal north and northeast to the Lunghai Railway, had not been entered by the Japanese up to the end of the month and contained a considerable number of Chinese guerrillas whose strength had been much augmented by the Chinese units who withdrew into this area following the fall of Hsuehchow. In Anhwei Province the Japanese advanced from Chechhsien against Kofei and after a series of sanguinary engagements with the Chinese troops defending the latter city succeeded on May 16 in capturing it. The Chinese launched several counter attacks and claimed to have recaptured the city. While this claim is not credited, the strength of the Chinese opposition was such as to check Japanese attempts to advance west, at least for the time being. Chinese guerrillas and mobile units were particularly active in the central China area and took advantage of Japanese preoccupation with the Lunghai operations. They conducted their activities with growing boldness and assurance and appeared in a number of localities immediately adjacent to Shanghai.

DECLASSIFIED: E.O. 11652, 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 Chinese Embassy

Hankow, June 30, 3:15 P.M. JUL 6 1938

For fear of guerilla attacks at their rear, the Japanese cut the Grand Canal dykes flooding many districts in North Kiangsu. Rescue operations are proceeding under the direction of the Kiangsu Provincial Government. Thousands of laborers are feverishly erecting dams in an effort to stem the flood.

Bitter fighting continues in the Matang sector though the Chinese first line of defence has been levelled by intense Japanese naval bombardment of the Ports. Further inland is intact.

Hankow, June 30, 10:20 P.M.

Today's military communique says that the Chinese artillery positions in Matang were penetrated by the Japanese. Fighting has been extended to Tsingshanpah between Matang and Pengtseh. Chinese reinforcements are rushing to the Matang sector to check the Japanese westward advance. Fighting is most sanguinary this morning. The Japanese warships steamed upriver to the neighborhood of Matang and heavily shelled the Chinese positions.



TELEGRAM RECEIVED

HRE

FROM

PLAIN AND GRAY

FOOCHOW VIA N. R.

Dated July 6, 1938

Rec'd 10 p.m.

Secretary of State

Washington

July 6, 3 p.m.

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

Shortly before nine a.m. this morning three Japanese bombing planes appeared over Foochow and after circling around for some time apparently either to locate anti-aircraft batteries or photograph Nantai and Foochow, dropped fourteen or more bombs along East Street above military barracks. Four persons reported killed and seven wounded. Anti-aircraft fire was ^{heavier} ~~heated~~ and more continuous than in any previous bombing of Foochow. To Hankow. Repeated to Peiping.

WARD

RGC:NPL

793.94/13392

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

EDA

FOURTH MARINES

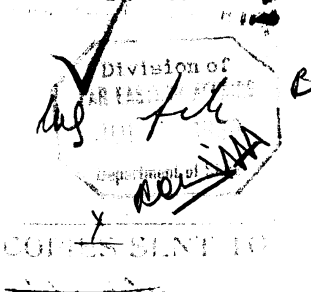
FROM

July 7, 1938

Received 8:50 a.m.

ACTION CINCAF
 OPNAV
 INFORMATION

AMCONSUL SHANGHAI
 COMSUBRON FIVE
 ASST ALUSNA SHANGHAI
 COMDESRON FIVE
 COMYANGPAT
 COMSOPAT
 AMAMBASSADOR CHINA
 USS ASHEVILLE
 ALUSNA PEIPING



egx

8607. Japanese navy claims nearing Kiukiang Foochow
 and Kienow Fukien bombed six July. Eleven bombing out-
 rages, two pistol assassinations in International Settle-
 ment 7 July 2 Japanese killed, 3 wounded 3 Chinese killed,
 4 Chinese 1 Sikh wounded. Two Japanese were assassinated
 and one Sikh wounded in American sector. SHANGHAI
 EVENING POST report one aircraft carrier, 3 destroyers,
 1 transport seen under tow in Yangtze entirely uncon-
 firmed, other sources not credited responsible circles
 1841.

KLP

793.94/15393

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

FROM

COMYANGPAT

July 7, 1938

Rec'd 10:15 a.m.

ACTION: CINCAF

PASSED TO COMNAV BY CINCAF FOR INFORMATION:

0006. Following received from MONOCACY.

"1003. Following received from GARRISON'S
 commander as emanating from Generalissimo.

"You are to at once notify all foreign gunboats
 in Kiukiang, as well as all foreign merchants floating
 units, to the effect that upon their receiving of this
 information all of them should immediately sail to
 places above Wuhueh" (mileage 457).

"The river will be mined and blockaded between
 Kiukiang" (mileage 431) "and Matutseng" (mileage 457)
 "and actually blocked up having notified all parties
 concerned we would hereby request you to sail to place
 beyond Wuhueh so that we can start our mining work."
 Commanding officer interviewed GARRISON commander.
 Am not moving at present but prepared to move to
 mileage 446 when considered interfering and unsafe
 1310." 1515.

KLP

793.94/13394

FILED

F/FG

793.94

188

DECLASSIFIED: E.O. 11652, 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

793.94
note
8/3/1028

HM

✓
al file B
new WA

FROM

GRAY

Shanghai via N.R.

Dated July 7, 1938

Rec'd 8:35 a.m.

Secretary of State,
Washington.

960, July 7, 3 p.m.

One. A serious outbreak of terrorism occurred this morning with 13 incidents consisting of both bombings and shootings in various parts of the settlements including the American sector, the neighborhood of the Yokohama Specie Bank on the Bund, a godown on Peiping Road and the Szechuan Road bridge, with four killed and at least six wounded.

Two. Three bombings occurred in the American sector at an early hour without serious damage. Two Japanese, one an assistant manager of a cotton mill and the other of unknown identity, were killed in that sector by shooting. American marines ^(have?) had doubled their patrols. The Japanese military authorities requested permission to send Japanese troops to assist the American forces in providing effective protection

793.94/13395

F/FG

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

-2- #960, July 7, 3 p.m. from Shanghai

protection in the American sector. Colonel Price declined to permit this but assured Japanese authorities that he would provide every possible protection.

Three. The Japanese military later requested permission to send armed Japanese through the American sector to assist the Italian forces. In reply Colonel Price stated that he would not permit this unless requested by the Italian commanding officer (he wrote a letter to the Italian commanding officer to the effect that unless he received a request from him stating that he was "unable to provide security" in his sector and that he "required such Japanese reinforcements" he would not permit the passage of Japanese troops). Colonel Price has since received a reply from the Italian commanding officer stating that the Italian forces were competent to protect their own sector and had requested no Japanese assistance.

Repeated to Hankow, Peiping and Tokyo.

LOCKHART

KLP
 CSB

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

TELEGRAM RECEIVED

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

USS MONOCACY

July 7, 1938

Rec'd 12:40 P.m.

Division of

Foreign Affairs

Department of

ACTION: NAVY DEPT

PASSED TO NAVY DEPT BY CINCAF FOR INFO

793.94

0006. This forenoon two Japanese seaplanes thoroughly
 scouted entire area flying very low at all times and five
 hundred feet over MONOCACY zero seven forty STAN^PEVAC launch
 fired on by Chinese soldier between here and Kiukiang
 bullet punctured oil tank incident unintentional on part
 of authorities. 1330.

KLP

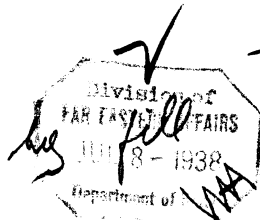
793.94/13396

FILED
 JUL 12 1938

F/FG

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

TELEGRAM RECEIVED



JR

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

FROM USS MONOCACY

July 7, 1938

Rec'd 12:40 p.m.

ACTION: COLIYANGPAT

PASSED BY CINCAF TO NAVY DEPT FOR INFO:

0006. Unable see GARRISON commander due no transportation Kuikiang telephoned acknowledging receipt his request stated would remain this vicinity except on usual orders to move requested notify higher authorities. Present developments land forces probably arrive first and information received regarding Japanese crossing Poyang Lake as consider moving from here at night unsafe due Chinese if MONOCACY goes to Wusueh will be necessary continue Hankow. 1805.

KLP

793.94

793.94/13397

NOV 18 1938

NOTED

F/FG

18

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

TELEGRAM RECEIVED

JR

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

USS MONOCACY

July 7, 1938

ACTION: COMYANGPAT

Rec'd 12:40 p.m.

PASSED TO NAVY DEPT BY CINCAF FOR INFO

793.94

0006. This area on south bank surrounded with defenses
not believed any large caliber guns position considered
practically safe from air for present especially since
forces know location exactly consider there will be strong
stand between here and Hukow by land and Japanese navy
slow due mines also Japanese have trouble crossing Poyang
Lake believe arrival be simultaneous land and water so
possible fighting in vicinity and arrival Japanese not
immediate. 1410.

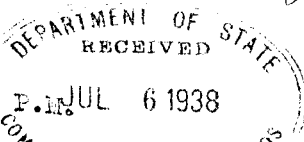
KLP

793.94/13398

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

From Chinese Embassy.



Hankow, July 4, 8:20 P.M. JUL 6 1938

The Chinese forces counter-attacked Fengtseh from the south-east and succeeded to recapture two hills outside the South Gate dominating the entire city. The remnant of the Japanese force retreated into the city which is surrounded and its connection with Matang was severed. Chinese planes made four raids yesterday on Wuhu, Matang, Tungliu and Hsiangkow. Several Japanese planes were destroyed aground the Wuhu Airfield and one transport and two small warships were hit at Hsiangkow.

Chinese forces in South Shansi recaptured Anyih and yuncheng, two cities on the Tungpu Railway.

793.94

793.94/13399

F/FG

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

DOCUMENT FILE

NOTE

SEE 812.6363/4343 FOR Letter

FROM Howard G. Borden () DATED July 4, 1938
TO NAME 1-1127 ...

REGARDING:

Situation in China:
Suggests standing court be established in China, composed
of neutral diplomats to recommend reparations or penalties
which should be made in connection with incidents arising
from Chinese-Japanese conflict.

M

793.94 / 13400

13400

784

DECLASSIFIED: E.O. 11652, 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 894.00/803 FOR Telegram #945, noon

FROM Shanghai (Lockhart DATED July 5, 1938
TO NAME 1-1127 ***

REGARDING: Japanese hostilities in China: American desiderata
in connection with-, discussed with Japanese
Minister for Foreign Affairs. Position of American
government and people brought out, with specific
cases of damage and interference listed.

aa

793.94 / 13401

13401 -

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

HRE TELEGRAM RECEIVED GRAY

TSINGTAO VIA N. R.

Dated July 7, 1938

Rec'd 7:45 p.m.

FROM

Secretary of State
 Washington

DIVISION OF
 FAR EASTERN AFFAIRS
 U.S. DEPARTMENT OF STATE
 JUL 12 1938

C.M. AND W.

July 7, 2 p.m.

The Japanese community, officials and forces have celebrated the Lukouchiao in a quiet manner. The Chinese public has been quiet, but in today's local Chinese newspaper there appeared an article by the head of the local peace maintenance commission attributing the incident of July 7th last year to the policies of the Kuomintang Party.

Sent to Peiping, Hankow.

SOKOBIN

EMB:ROW

793.94/13402

F/FG

JUL 12 1938

793.94

159

DECLASSIFIED: E.O. 11652, 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

REB

apo

FROM

COMSOPAT

July 7, 1938

Rec'd 7:25 p. m.

ACTION: OPNAV

INFO: COMSUBRON FIVE
ASTALUSNA SHANGHAI
COMDESRON FIVE
CINCAF
COMYANGPAT
AMAMBASSADOR CHINA
USS ASHEVILLE
USS MINDANAO
USS MARBLEHEAD
USS TULSA
USS EDSALL
USS BULMER
FOURTH MARINES
ALUSNA PEIPING

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

892

793.94

0007. Forenoon sixth three BLP dropped fourteen
bombs near military barracks, Foochow. Four killed,
seven injured. Routine air raids railroads vicinity
Canton. 2200

EMB

ROW

793.94/13403

FILED

JUL 12 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. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

HM
V file
18th Division
WMA

FROM

PLAIN

Foochow via N.R.

Dated July 7, 1938

Rec'd 8 a.m. July 8

Secretary of State,
Washington.

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

8/2

793.94

July 7, 6 p.m.

Three Japanese bombing planes appeared over Foochow at about 11:45 this morning and after scattering thousands of leaflets over the city attacked area north of military headquarters, dropping sixteen or more bombs on headquarters of 18th Division, scoring a series of direct hits on that objective, causing collapse of many houses in neighborhood, and probably effecting considerable number of casualties.

To Hankow, Repeated to Paiping.

WARD

DDH

793.94/13404

F/FG

FILED
JUL 12 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

JR

afp

FROM

FOURTH MARINES

July 8, 1938

Rec'd 10:22 a.m.

ACTION: CINCAF
OPNAV

INFO: AMCONSUL SHANGHAI
COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS ASHEVILLE
ALUSNA PEIPING

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

793.94

8608. Chinese claim IDZUMO damaged by air bombs near Anking. Japanese planes bombed Canton-Hankow Railway. Japanese armed gendarmes in plain clothes night July seven dash eight entered British sector International Settlement south Soochow creek and conducted search contrary to agreement with and over protests of Shanghai Municipal police. Entered West Side Yu Ya Ching Road American sector, Marine officer on duty requested them withdraw after telephone conversation with Ophead-quarters withdrew from American sector morning eight July. Japanese officer responsible called and apologized to American Commandant. 1834.

CSB

793.94/13405

F/A

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

From Chinese Embassy

JUL 8 1938

DIVISION OF

Hankow, July 2.

Division of
 FAR EASTERN AFFAIRS
 JUL 8 1938
Handwritten initials and signatures

DCR

Memorial services will be held all over China on
 July 7th in commemoration of the first anniversary of the
 armed resistance. Three minute silence will be observed
 at noon in honor of the war dead. Nation-wide drive will
 be made for war contributions in money and gold. All
 Chinese are going vegetarian for one day turning over the
 money thus saved for the benefit of the soldiers.

793.94

793.94/13406

F/FG

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

DOCUMENT FILE

NOTE

SEE 893.51/6642 FOR Telegram #1077, noon

FROM France (Bullitt) DATED July 7, 1938
 TO NAME 1-1127 ...

REGARDING:

Sino-Japanese conflict: Chinese resistance to Japanese aggression cannot continue, unless loans are obtained for the purpose of maintaining Chinese currency in foreign exchange markets. France and Great Britain are prepared to forward loans to China, requesting that United States take similar action simultaneously with them.

aa

733.94/ 13407

CONFIDENTIAL FILE
13407

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

1872

FE

TELEGRAM RECEIVED

REB

GPO

FROM

GRAY & SPECIAL GRAY

Shanghai via N. R.

Dated July 8, 1938

Rec'd 1:32 p. m.

Division of
 Foreign Affairs
 U.S. Department of State
 JUL 9 1938
 Telegram to
 Hankow

Secretary of State,

JUL 9 - 1938

Washington.

964, July 8, 3 p. m.

My 960, July 7, 3 p. m.

With 14 bombings, 4 killings and the employment of practically all military and police protection together with a part of the Shanghai volunteer forces including the Russian company to prevent disorder yesterday was one of the tensest days spent in Shanghai for some time. Hundreds of suspects were arrested by the Settlement and French police authorities and close patrols were maintained throughout the day and night. The French police arrested a Chinese in whose possession was found a hand grenade. The arrested Chinese, at French police headquarters, confessed to being one of a group of Chinese terrorists sent to Shanghai from Hankow, with the necessary equipment, to create terrorism in the Settlement and French Concession. There is a common belief in the city that the organized terrorism that has prevailed in the city for the past several weeks, which was particularly
 flagrant

793.94/13403

7/10/38

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

1873

REB

2-#964, From Shanghai, July 8, 3p.m.

flagrant yesterday, has been instigated by the Hankow authorities. This belief is so strong that the chairman of the Shanghai Municipal Council, Mr. Cornells Franklin, came to see me this morning and requested that this phase of the matter be brought to the attention of the Department with a view to the Department instructing the Ambassador at Hankow to bring the matter to the attention of the Chinese authorities there. Mr. Franklin emphasized the fact that, in spite of every effort of the police of the Settlement to prevent terrorism, the neutrality of the Settlement has repeatedly been violated by such acts. He further pointed out that the Settlement police have done their utmost to protect the vast amount of Chinese property in the Settlement as well as the property of all others. He believes that the Hankow authorities should cooperate in every possible way with the Settlement authorities in preventing acts of terrorism and he asks the help of the American authorities to that end in the manner suggested above. He has also discussed the matter with the British Consul General who is referring it as requested.

Repeated to Hankow.

LOCKHART

RR-CSB

0899

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

PREPARING OFFICE
 WILL INDICATE WHETHER

Collect

Charge Department

OR

Charge to

\$

1936 JUL 9 PM 2 23

TELEGRAM SENT

Department of State

Washington,
 July 9, 1938.

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PARTAIR
 PLAIN
 NAVAL RADIO

AMEMBASSY,

HANKOW (China).

202 964 EGC.

Shanghai's 440, July 8, 3 p. m., in regard to
 terrorism in the Shanghai Settlement.

The Department suggests that you consult with your
 British colleague in regard to this matter. If you feel
 that you can with propriety do so and your British
 colleague is prepared to take substantially similar action,
 you are authorized to bring to the attention of the Chinese
 Government informally the facts and considerations mentioned
 in Shanghai's telegram under reference and ^{in your discretion} urge upon the
 Chinese authorities, if and in so far as the Chinese Govern-
 ment ^{has any contributory responsibility in relation to these developments}
~~is responsible for the situation~~, that such acts
 and their consequences are not only harmful to other countries
 but also are contrary to the best interests of China herself.

Please repeat to Shanghai.

Hull

SKY

including those friends
 to China, but

793.94/13408

FE:JCV:SMJ:REK

VAA
FE

PA/H

SKY

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. O. R.—No. 50

1-1402 U. S. GOVERNMENT PRINTING OFFICE

793.94/13408

F/EG

1904

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

PWA
WBY

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

~~MM~~
~~WBY~~
~~JWB~~

July 12, 1938.

Teheran's no. 1305, May 28, 1938, encloses an article from the Setareye-Djihane with regard to the Sino-Japanese conflict and a memorandum of conversation between the American Chargé d'Affaires and the Japanese Minister to Iran, Mr. S. Nakayama.

The newspaper article, which need not be read, adds a chirp to the current chorus of pessimism respecting the Japanese military position in China, but concludes that the past year of fighting still offers no clue to what the future holds.

Mr. Nakayama, like most of his colleagues, is "filled with apprehension for the future" while abroad. He is of the old school so that his pathetic allusion to and apparent belief in Shidehara's China policy as compared to the allegedly divided military councils of today may not lack a certain element of genuineness. This is as far as Nakayama will go with his disloyalty. He stoutly maintains that Japan can go on for a number of years longer "conquering China", but admits that the big internal political issue arising in Japan today aside from the actual methods of prosecution of the hostilities is what to do with China once it is taken.

793.94/13409

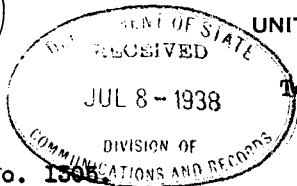
FE: ~~Schuler~~: VCI/HES

090

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



LEGATION OF THE
UNITED STATES OF AMERICA



Teheran, May 28, 1938.

No. 13409

Subject: Article re Sino-Japanese War. Conversation
with the Japanese Minister in Teheran.

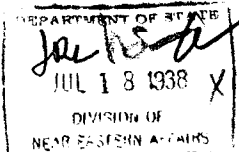
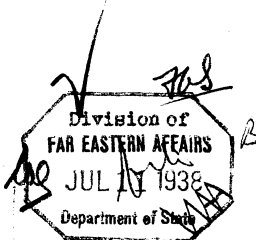
Confidential.

793.94

For Distribution to:	
Grade:	
For:	

6N1-MID

COPIES
in Confidence DT



793.94/13409

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to transmit herewith an article
which was published in the French section of the local
newspaper SETAREYE-DJIHANE of May 26, 1938, entitled
"The Sino-Japanese War" and signed by the editor, Abol
Ghassem Etessam-Zadeh. (Enclosure No. 1).

The

793.94
F/FG

190

DECLASSIFIED: E.O. 11652, 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 remarkable thing about this article is not so much its contents - and the Legation has therefore not deemed it necessary to translate it - but the fact that it is one of the very few articles on the foreign affairs of other countries which have been permitted to appear since my arrival in Teheran a year ago. And as its tone is somewhat hostile to Japan its publication is all the more remarkable, for the Iranian Government is generally credited with being kindly disposed (if only platonically) towards the three powers of the anti-Komintern pact.

In this connection I have the honor to bring to the attention of the Department an informal talk I had with the Japanese Minister in Teheran, Mr. Shoichi Nakayama, on May 19, 1938. (Enclosure No. 2). As I had known Mr. Nakayama both in Washington and in Peking I see a little more of him than would normally be the case. (Biographic data regarding him were forwarded with my despatch No. 1154, November 5, 1937). Although he is by nature a very jovial soul he has felt pathetically lonely in Teheran, in the first place because he does not speak French, and in the second place because several colleagues in the diplomatic corps have - presumably for political reasons - only the most formal relations with him.

He used to come and see me at fairly regular intervals up to the time of the PANAY incident and expressed himself rather freely on a variety of subjects. (See, e.g. my telegrams No. 97, October 14, 1937, and No. 125, December

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 -

ember 7, 1937). But after the incident he did not come for several months, and I made no move to get in touch with him, until one day at another Legation he asked me somewhat timidly whether, "in spite of everything", he could call on me! I readily agreed, of course, and asked him to lunch. Since then we have had several interesting chats together, and the enclosed memorandum represents the gist of his remarks at our last meeting. It will be observed that he is refreshingly frank and shows a good deal of common sense.

Respectfully yours,


 C. Van H. Engert
 Charge d'Affaires a.i.

Enclosures:

1. Clipping from SETAREYE-DJIHANE, May 26, 1938.
2. Memorandum of Conversation.

File No. 700.

In triplicate.

Copy attached for Embassy, Tokyo.

Copy attached for Embassy, Hankow.

CVHE/RJG.

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 with despatch No. 1305 of May 23, 1938,
 from American Legation, Teheran.

Jeudi 26 Mai 1938

«Sétareh'yé Djéhané» (Téhéran)

Bulletin Politique

LA GUERRE

SINO - JAPONAISE

La guerre sino-japonaise dure depuis dix mois et demi. Durant cette période les Japonais se sont emparés de plusieurs grandes villes côtières et d'une immense superficie du territoire chinois. Mais rien ne prouve qu'on puisse les considérer comme vainqueurs. car l'expérience de notre époque a prouvé que toute guerre qui s'éternise se termine le plus souvent au préjudice de l'assaillant. Notamment en ce qui concerne ces deux pays belligérants il y a une telle disproportion entre le nombre des effectifs que s'il n'y avait pas, dans l'autre sens une grande disproportion d'armements et de discipline, on pourrait d'ores et déjà prévoir la défaite prochaine des Japonais. Ces derniers disposent, dit-on, de 4 millions de combattants, les Chinois, eux, prétendent qu'ils pourront mettre sur pieds 50 millions de soldats, et peut-être n'exagèrent-ils pas trop, car l'énorme Empire Céleste possède une population de 450 millions d'habitants. Jusqu'à présent plus d'un million d'hommes ont été tués des deux côtés. Mais l'immense réservoir d'hommes qu'est la Chine permet à celle-ci de sacrifier 5 soldats pour se débarrasser d'un seul Japonais. D'autre part la Chine a fait d'importants progrès au cours des dernières années, et ce fait que des avions

chinois ont survolé nuitamment Tokio et d'autres villes japonaises pour y lancer des tracts à la place des bombes, démontre assez que le patriotisme chinois en éveil sait déjà faire usage des armes modernes.

Les Japonais qui ne prévoyaient nullement le 7 Juillet 1937, cette prolongation de la guerre, sont très ennuyés à présent, et ne savent plus comment faire pour hâter la réalisation de leur rêve d'hégémonie. Et les Chinois, aidés ouvertement ou en secret par des Puissances qui craignent précisément cette hégémonie nipponne en Asie, redoublent d'efforts en vue de battre et de chasser l'agresseur. Celui-ci croit qu'il pourra, en prenant Hankéou, terminer victorieusement la campagne entreprise. Mais rien ne prouve qu'on n'assiste pas un jour à une réédition de la bataille de la Marne. La situation politique un peu troublée et surtout un grand malaise économique rendent la tâche bien difficile pour les Japonais.

On ne peut donc, vu ce qui précède, prévoir si la guerre se terminera—après quelques mois ou quelques années—à l'avantage des Nippons ou si la Chine réussira finalement à battre son terrible adversaire.

A. G. E'tessam-Zadeh

DECLASSIFIED: E.O. 11652, 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 with despatch No. 1305 of May 28, 1938,
 from American Legation, Teheran.

Confidential.

Memorandum of a Conversation between Mr. S. Nakayama,
 Japanese Minister, and Mr. C. Van H. Engert, American
 Chargé d'Affaires.

- - - - -

Mr. Shoichi Nakayama, the Japanese Minister in
 Teheran, came to see me on May 19, 1938, and the follow-
 ing is a summary of his remarks regarding the situation
 in the Far East. Other topics were also discussed but
 do not merit recording.

Mr. Nakayama began by saying that, as he had told
 me on previous occasions, he was full of apprehension
 for the future. I asked whether the recent successes
 of the Japanese armies on the Lunghai front and the
 capture of Amoy did not indicate that things were going
 better for the Japanese. He shook his head and said
 that he was not thinking of military and naval victories,
 but of policy. For the past eleven months he had been
 unable to discover any clear-cut policy of the Japanese
 Government with regard to China other than "conquest" -
 which could hardly be called a policy.

I inquired how it was possible that after so many
 years of dealing with the Chinese problem the Japanese
 Government should not have evolved a definite policy.
 Nakayama replied that it was due to an almost perpetual
 conflict between the Foreign Office, the Army, and the
 Navy. Each had a pet policy of its own which it tried
 to impose upon the others. The only time in recent
 years that the Foreign Office had been able to develop
 and apply a policy was when Baron Shidehara was Minister
 of Foreign Affairs (about 1924 to 1927). He then tried
 what he (Nakayama) considered the only sane and sound
 policy, viz. to win China's friendship and confidence
 and to prove to her that it was to her interest to coop-
 erate with Japan.

Since then the Japanese militarists had been almost
 continuously in the saddle, but even they had been divi-
 ded into two camps - the Army and the Navy. The former
 gained the upper hand and still has it. Hence the con-
 quest of Manchuria six years ago, and now the conquest
 of China. He supposed, he added laughingly, that next
 would come the conquest of Siberia!

I asked whether he thought Japan was economically
 strong enough to stand so many "conquests". Nakayama
 said that while the economic situation - especially among
 the farmers and small landowners - was not very good and
 the cost of living had risen tremendously, Japan was
 economically and financially much stronger than most
 people thought. Therefore, barring a war with Russia

(which

DECLASSIFIED: E.O. 11652, 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 -

(which might be dangerous because Japan had now nearly a million men in China) Japan could go on for a number of years longer "conquering" China. He did not question the ability of Japan to overcome Chinese military resistance, but he could not see clearly what Japan would gain in the end unless something was done to conciliate the Chinese. And he assured me that there were many others in Japan who asked themselves the same question and looked in vain to the militarists for an answer. This was bound to affect the morale of the "home front". Hence the recent indications of a rift between the Government and the Dictator. He hoped a great, broadminded statesman would arise and guide Japan's policy into safer and more normal channels.

Old E.

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

REB

TELEGRAM RECEIVED

OPNAV

FROM

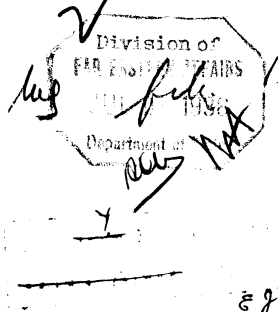
COMSOPAT

July 8, 1938

Rec'd 6:40 p. m.

ACTION: OPNAV

INFO: U.S.S. ASHEVILLE
MANDANAO
MARBLEHEAD
TULSA
BULMER
EDSALL
FOURTH MARINES
ALUSNA PEIPING
COMSUBRON FIVE
COMDESRON FIVE
ASALUNSNA SHANGHAI
COMYANGPAT
AMBASSADOR CHINA



793.94

0008. On seventh air raid Foochow forenoon three
BLP, sixteen bombs vicinity military headquarters.
Number of casualties and considerable damage. Yingtak
on Canton-Hankow railroad attacked. Seventeen planes.
Twenty casualties. Samihui bombed, eleven planes, on
eighth and raids railroads vicinity Canton Puchow
attacked: seventy-five bombs casualties and damage con-
siderable 2200.

EMB

ROW

793.94/13410

F/FG

1904

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

TELEGRAM RECEIVED

EG

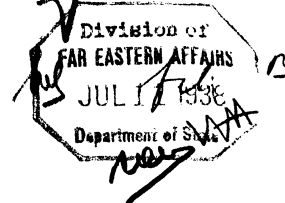
FROM
COPIES SENT TO
INLAND M.L.D.
DET

FOURTH MARINES

July 9, 1938

Rec'd 10:30 a.m.

ACTION: CINCAF
OPNAV
INFO: AMCON SHANGHAI
COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS ASHEVILLE
ALUSNA PEIPING



793.94

8609. Foreign observers claim twenty five thousand Japanese troops boarded transport at Wuhu past twenty four hours bound upriver Japanese troops eight June reported landed at Kutang west bank Lake Poyang nine miles east Kiukiang Chinese planes claimed active yesterday Hukow Anking area five raids made destroyed large number grounded Japanese planes damaged one warship. 1830

793.94/15411

F/FG

0905

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

1875

ML TELEGRAM RECEIVED PLAIN

Shanghai via N.R.

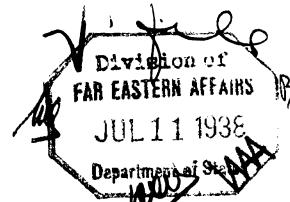
Dated July 9, 1938

Rec'd 4:45 p.m.

Secretary of State

Washington

969, July 9, 2 p.m.



I received today from the Japanese Consul General through the Senior Consul the following statement:

"(one) It is a matter of deep gratification to the Japanese naval authorities that thanks to the readiness with which the authorities of the various foreign powers concerned complied with the request of the commander in chief of the China Seas Fleet, IJN, as conveyed by the communication dated June eleventh, that vessels of third powers should not enter the Yangtze waters between Wuhu and Hukow, no incident involving a third power has occurred and no casualty, either of life or property, has been suffered by a third party national resident in Anking notwithstanding the heavy fighting that has been going on in that area and the furious attacks to which vessels on the river have been subjected by both the Japanese and Chinese air forces under extremely bad weather conditions.

In this section of the river the Chinese forces have laid many hundreds of mines. And although our fleet has already

7939 ✓
773.9-12

793.94/15412

7/1

791:

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

-376

ML -2- Shanghai via N.R. July 9, 1938 4:45 p.m. #960

already discovered and destroyed approximately three hundred of them, there are yet many more drifting in the muddy waters and are a source of great danger because no safety device has been attached to them. And as the Chinese make their retreat, taking advantage of every little creek and by the use of gunboats, mine-layers, small steamers and junks, they are continuing their mine--laying operations. Cooperating with these river units are other Chinese forces lurking all along both banks of the river; and it must be expected that fighting will continue in this area for some time to come.

Consequently we hope it may be understood that the time has not yet come when the commander-in-chief of the China Seas Fleet, IJN, can consider that no tactical difficulties will be presented by the entry of naval vessels and other ships of third powers into the above--mentioned area.

(two) With the occupation of Hukow by the Japanese forces, the section of the Yangtze river between Hukow and Hankow, as well as the lake districts adjacent thereto, has already become a battlefield. Especially intensive fighting is taking place in the area between Hukow and Whangshikong, where the Chinese forces now appear to be busily engaged in laying mines in the river. And as

it

1377

ML -3- Shanghai via N.R. July 9, 1938 4:45 p.m. #960

it is necessary for our fleet to shell and bomb the vessels thus engaged, as well as the forts on the river bank, it is hoped that all naval vessels and other ships of third powers will leave this danger zone as quickly as possible in order to avoid any casualties.

(three) Near Matung, the Chinese had constructed an extremely strong boom across the Yangtze river completely cutting off all traffic. Upon taking possession of this boom, our fleet opened a passage through it. This passage, however, has been opened solely for reasons of military necessity, so that our consent to its use by any vessel other than those of our naval and military forces cannot be given until such time as the commander-in-chief considers that such use will not interfere with the operations of the Japanese forces.

(four) With regard to our request that some way be devised to render the vessels of third powers more easily recognizable, we deeply regret that the replies received from the powers concerned were to the effect that they considered the flags printed on the awnings to be sufficient. From the experiences of our air forces in the present hostilities, we have found that it is impossible for a flyer to distinguish anything like a flag painted on the awning unless he comes so low as to be greatly exposed to the enemy's anti-aircraft artillery fire; and
that,

1818

ML -4- Shanghai via N.R. July 9, 1938 4:45 p.m #960

that, even at such low altitude, such factors as the position of the vessel in relation to the sun, direction in which the vessel is pointed and the direction of attack may make it extremely difficult to distinguish such marking. There are, moreover, cases in which it is almost impossible to distinguish the flags from any distance because they have faded and the awning has become soiled with the passage of time.

It was for such reasons as these that the earlier request was especially made. We deeply appreciate the good will shown by the Standard Oil Company in making its vessels clearly distinguishable by painting the upper half of their hulks. With regard to all other foreign vessels, we cannot but request the authorities and interests concerned once more that, upon reconsideration of this matter, they might arrange to have the vessels made more easily distinguishable by some such device as having them painted in special colors, by flying long streamers from the masthead, by means of lights, et cetera, and thus cooperate with us in our effort to prevent unpleasant questions with third powers arising through mistakes.

(five) Since the use of flags of third powers by the Chinese on their vessels, buildings and other establishments might give rise to situations mutually

objectionable

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

1879

ML -5- Shanghai via N.R. July 9, 1938 4:45 p.m. #960

objectionable and unpleasant, it is hoped that strict measures will be taken by the powers concerned to prevent such use by the Chinese.

(six) The hearty cooperation which the powers have given in many ways to meet the request which the commander-in-chief of the China Seas Fleet made out of his desire to prevent mutually undesirable casualties to foreign vessels of war and other ships is deeply appreciated. Especially helpful have been the detailed reports we have received concerning the movements of foreign ships, and we hope that we may continue to be informed of the positions and movements of foreign ships above Hukow without delay.

Contact between the Japanese naval authorities and the powers concerned should, for the most part, be maintained as heretofore between the naval representatives at Shanghai".

Repeated to Hankow by mail to Peiping and Tokyo.

LOCKHART

CSB

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

1880

TELEGRAM RECEIVED

ML

GRAY

Shanghai via N.R.

Dated July 10, 1938

Rec'd 9 a.m.

FROM

Secretary of State

Washington

976, July 10, 5 p. m.

FOLLOWING FROM HANKOW.

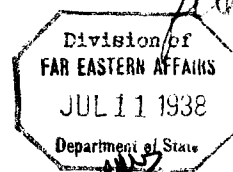
"July 10, noon. Your 969 of July 9 to the Department.

Please inform the Japanese Consulate that USS MONOCACY is quite unable to proceed above Whangshikong as River has been mined and blockaded, that MONOCACY is proceeding this afternoon to anchor three miles above Kiukiang accompanied by ~~(?)~~ ^{Standard Oil Co's} vessel, that place in question will be a concentration point for all third country non-combatant shipping during hostilities at Kiukiang, that places is in open river easily seen from air and that Japanese military and air force should be instructed to be on lookout for ships and give them all needed protection. Please inform the Department, Johnson.

Japanese Consulate General has been informed.

LOCKHART

ENB



793.94/13415

F/A

793.94
793.94/112

DECLASSIFIED: E.O. 11652, 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

*M1

FROM

PLAIN

Shanghai via N.R.

Dated July 10, 1938

Rec'd 7 a.m.

Secretary of State

Washington

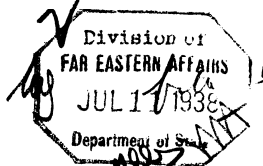
975, July 10, 11 a. m.

A copy of the Japanese statement contained in my
969, July 9, 2 p. m., has been handed to the American
senior naval officer present, with the suggestion that he
repeat it to Admiral Yarnell.

Repeated to Hankow.

LOCKHART

EMB:DDM



793.94/13414

F/A

FILED
JUL 23 1938

793.94

TELEGRAM RECEIVED

REB

SPECIAL GRAY & GRAY

FROM

Nanking via N. R.

Dated July 9, 1938

Rec'd 1:30 p. m.

Secretary of State,
Washington.

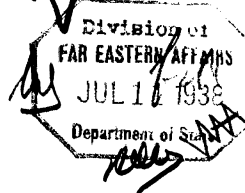
131, July 9, 11 a. m.

The naval radio operator attached to this office, who speaks Japanese and has been told by two different Japanese restaurant proprietors in Nanking, that they have been informed by the military that on July 28th, the military men now at Nanking will be removed to Wuhu, leaving only a small garrison here. These Japanese have been told that if they propose to move their restaurants to Wuhu the military authorities will assist them to do so. It is, of course, impossible to confirm this report but in view of the Japanese move up the Yangtze it would appear reasonable to expect the base of military operations to be moved nearer the front.

Sent to Embassy Hankow, Shanghai and Peiping.
Peiping please mail to Tokyo.

ALLISON

CSB



793.94 / 13415

F/A

191

DECLASSIFIED: E.O. 11652, 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

July 11, 1938.

Reference Shanghai's 972, July 9, 5 p.m.,
and the attached draft of reply thereto in
regard to proposed proclamation by the
Shanghai Municipal Council aimed at the sup-
pression of terrorist activities at Shanghai.

The authorities of the International
Settlement are confronted (as evidenced by
Shanghai's 960, July 7, 3 p.m.) with an out-
break of terrorism calling for prompt and
thorough action to maintain order and to
remove excuses for direct action in the
Settlement by Japanese armed forces.

The proposed proclamation appears to be
reasonable, as applied to non-extraterritorial
nationals, and the attached draft of an in-
struction to the American Consul General at
Shanghai states that the Department perceives
no objection to his acquiescence in the issu-
ance of the proclamation. The Department's
position has been stated negatively instead
of in the form of a positive authorization
because the American Consul's action would
appear to be called for not as the American
Consul but as an interested member of the
Shanghai Consular Body. For the same reason
the phrase, "and other extraterritorial nation-
als", is included in the draft.

FE:Adams:HES

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

1881

FE

CA

Gray

TELEGRAM RECEIVED

SHANGHAI VIA N R

Dated July 9, 1938

Rec'd 1:15 p.m.

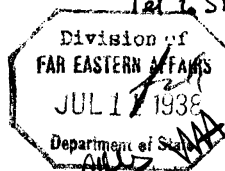
Tel. to Shanghai drafted

Secretary of State

Washington

FROM

DT



JUL 13 1938

972, July

Consulate's 2, January 2, 10 a.m. and 5, January

793.94/13395

3, 3 p.m., and my 960, July 7, 3 p.m.

793.94
mT
893.1028

The Shanghai Municipal Council proposes, among the measures to be adopted to suppress bombing outrages, to issue a new proclamation one paragraph of which will read as follows:

"Any person found in the International Settlement in possession of arms or explosives, without a permit from the Settlement authorities, or engaged or connected with terrorist activities, will be liable to be expelled from the Settlement, provided always that where such possession or such activities are found to be in no way, directly or indirectly, against the armed forces outside the Settlement, normal procedure through the courts will be followed."

The above quoted paragraph is to take the place of paragraph one of the proclamation issued January 1, 1938, referred to in No. 2, January 2, 10 a.m. reading as follows

"That any persons committing an offense against armed forces in the International Settlement will be liable to be handed over to the armed forces concerned."

My

793.94/15416

F/A

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

4882

CA

--2--972 from Shanghai..

My concurrence has been requested by the Shanghai Municipal Council but I hesitate to acquiesce in the regulation even as regards non-Americans unless instructed to do so by the Department. In the meantime I have informed the Chairman of the Shanghai Municipal Council that I am unable to accept the proclamation as applying to American nationals or American property in derogation of American extra-territorial rights or jurisdiction.

Repeated by mail to Peiping and Tokyo.

LOCKHART

RGC

0920

DECLASSIFIED: E.O. 11652, 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

4883

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

1938 JUL 13 PM 3 58

Washington Naval Radio.
July 11, 1938.

713.94/13416
873.12.2

AMERICAN CONSUL,
SHANGHAI, (CHINA).

438
Your 972, July 9, 5 p.m., in regard to proposed proclamation by the Shanghai Municipal Council aimed at suppression of terrorist activities.

One. The Department approves your refusal to accept proposed proclamation as applying to American nationals.

Two. The Department perceives no objection to your acquiescence, as a member of the Shanghai Consular Body and in consultation and agreement with your interested colleagues, in the issuance of the proposed proclamation subject to the reservation that it shall not repeat not apply ^{to} ~~extraterritorial~~ extraterritorial nationals.

793.94/13416

Hull
P.H.

FE:WAA:SMJ

Enciphered by mg

Sent by operator M., 1938

PA/H JUL 13 1938

D. O. R.—No. 50

1-2462 U. S. GOVERNMENT PRINTING OFFICE

F/FG

RECEIVED
DEPARTMENT OF STATE - 1938

file on Mr. Strong Residence
1011 Seventeenth St. N.W.
Washington D.C.

The Honorable Mr. Maxwell Hamilton
Far Eastern Division of the
Foreign Affairs Department

Dear Sir

July 2nd 1938
JUL 19 1938
DEPARTMENT OF STATE

As one who was born in China
whose parents spent their lives in
service to the Chinese people as
missionaries, and who has herself
spent the last thirty six years
working among Chinese, Koreans,
and Japanese, in China, Korea, and
Manchuria, a visit was made to
the Chinese Embassy this morning.

The problem that faces
all friends of China and the Japanese
people is. How may peace come
out of the present turmoil - a
lasting peace. The Chinese people
and the Japanese people do not
hate each other, they really
want to be friends and good
neighbours, but the enemy of
souls, the evil one himself
pumps injections of fear into the
hearts of small countries, and
greed into big ones. If only humanity
would recognize the real foe
back of all wars, the evil one
himself, striking at God, through
stirring up trouble in the world
He loves, they would enlist on
the side of God to bring in His
Kingdom on earth.

This trip to Washington from
New York is due to the feeling that
the two Ambassadors might be

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

willing to come together to discuss the question of how to be friends; and combine forces against their spiritual enemy, meeting perhaps in the Cathedral. Mr Ing, the Chancellor said that if both were Christian men, such a meeting might be possible, but as the Japanese Ambassador was not a Christian, such a basis of meeting would be out of the question. But that if President Roosevelt was to have a quiet informal little tea at Hyde Park, and was to invite his friend Dr Wang to informally meet a friend of his from Japan, such a meeting could be brought about. He knew that Dr Wang would accept the invitation. The question was, how to bring this possibility to the attention of the President.

I am merely a missionary, recently widowed and have no standing, except as a child of God. But I belong to the Oxford Group, which is seeking to bring God control to nations as well as individuals. Mr Ing told me that Mrs Hamilton is also a member. He suggested that I present this matter to her to pass on to Mrs Roosevelt, who he felt would be able to get the President to bring about such a meeting for exploring the basis of a lasting friendship between Japan

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

and China.

A telephone message to your home brought word that Mrs Hamilton will be away until September. As Head of the Far Eastern Division of Foreign Affairs, would it be possible for you to get this thought to President Roosevelt? Coming from him, as his own idea and from one whom both sides trust, both country representatives would be saving their faces, and on an equal basis, something which could not have been possible before China put up such a splendid fight thus winning Japan's respect.

May you be guided by the Spirit of the Living God to bring this matter to the attention of our President in the right way.

Yours sincerely
 (Mrs C.S.) Edith M. Deming

2042 Colonial Av
 Bronx New York.

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

July 21 1938.

In reply refer to
FE 793.94/13417

My dear Mrs. Deming:

In the absence of Mr. Hamilton, who is away on vacation, your letter of July 2, 1938, in regard to the Far East has come to me for acknowledgment.

Your humanitarian interest in the problem of discovering means to end the tragic conflict taking place in China and the helpful spirit which prompted you to write are greatly appreciated. I wish you to know that we at all times welcome such expression of opinion and suggestions from thoughtful sources and that the views presented in your letter are being given very careful attention.

As has been repeatedly emphasized by the President and the Secretary of State, the maintenance of world
peace

Mrs. C. S. Deming,
2042 Colonial Avenue,
Bronx, New York.

793.94/13417
13417

F/FG

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

-2-

peace and the use of peaceful methods for the adjustment of differences between nations are two fundamental principles of American foreign policy.

In conformity with these principles, this Government, from the beginning of the present controversy, repeatedly urged upon both the Chinese and the Japanese Governments the importance of refraining from hostilities and of maintaining peace. It also participated in consultation with interested governments directed toward peaceful adjustment; and it has, on frequent occasions, dedicated its efforts to exerting a restraining and ameliorative influence with a view to minimizing the unfortunate effects of the conflict.

With respect to a situation so critical and complicated as that in the Far East, the task of wisely formulating and proceeding with a sound course of action naturally calls for most careful examination and weighing of the many factors involved. You may be assured that the American Government is giving the closest attention to every phase of the Far Eastern situation, toward making effective the policies, especially the policy of peace, to which this country is committed; and that it continues to hope that some

constructive

0926

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

-3-

constructive and pacific solution may be worked out
through peaceful methods.

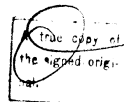
Sincerely yours,

Jwp
Joseph W. Ballantine
Acting Chief
Division of Far Eastern Affairs

JUL 20 1973
OR *Jwp*

ABC
FE:ASC:HES
7-18

FE



PA/H
SM

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

USS MARBLEHEAD

FROM

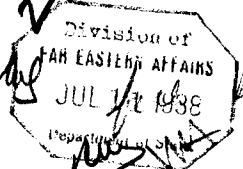
July 11, 1938

Rec'd 7 a.m.

ACTION: CINCAF

INFO: COMYANGPAT

PASSED TO OPNAV BY CINCAF FOR INFORMATION



793.94

1010. Received today from Amcon copy unsigned memorandum from Japanese naval authorities plus copy transmittal letter from M. Morishima to chief of diplomatic missions, both forwarded to "his interested colleagues" by Hidaka, Japanese Consul General, requesting contents be brought to notice of interested parties of the respective powers as soon as possible. Memorandum appeared in full in local Sunday papers salient points to following effect: first, Cino China seas fleet considers tactical difficulties will be presented if naval vessels and other ships of third powers enter Yangtze waters between Wuhu and Hukow stressing heavy fighting and Chinese mines in area; second, that due to intensive fighting in section between Hukow and Hankow Hopei all naval vessels and other ships of third powers will leave this danger zone as quickly as possible to avoid any casualties; third, that Japanese after taking possession Matung boom opened passage through for military

reasons

793.94/13413

F/A
FILED

JUL 21 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

-2- #1010 from USS MARBLEHEAD.

reasons and cannot consent to use by other than Japanese naval and military forces until further use will not interfere with Japanese operations; fourth, requests reconsideration of replies to previous request that vessels be made more easily distinguishable by special color lights or streamers to prevent mistakes; fifth, requests strict measures to prevent use of third powers flags by Chinese; sixth, hopes continuance of information re movements and positions foreign ships above Hukow. 1530.

DDM

1928

DECLASSIFIED: E.O. 11652, 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

SR

FROM

MARDET TIENTSIN

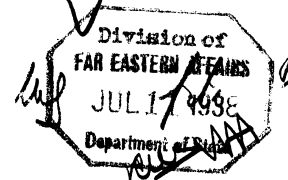
This telegram must be
closely paraphrased be-
fore being communicated
to anyone.

July 11, 1938

Rec'd 7 a.m.

ACTION: NAVY DEPT

INFO: CINCAF
FOURTH MARINES
MARDET
AMEMBASSY PEIPING



793.44

0011. About four hundred Jap troops and one double
zero nurses disembarked Chinwangtao three to eleven
July. Large movements of soldiers towards Hanhaikwan
repeatedly reported but unable verify. 1050.

DDM

793.94/13419

F/A

FILED
JUL 17 1938

1931

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

1884

TELEGRAM RECEIVED

JR

PLAIN

Shanghai via N. R.

Dated July 11, 1938

Rec'd 7 a.m.

FROM

CONFIDENTIAL
JUL 11 1938
DT

Secretary of State,

Washington.

977, July 11, 11 a.m.

My 969, July 9, 2 p.m.

Division of
Far Eastern Affairs
JUL 11 1938
Department of State

I have received this morning from Morito Morishima, Counselor of the Japanese Embassy, the following letter dated July 10:

"I have the honor to inform you that I have been requested by our military authorities to communicate the following to the representatives of the foreign powers in China.

On June 20 the Imperial Japanese Government having in view the respect for and protection of the lives and property of third powers nationals made a certain communication to the third powers concerned and advised among others that nationals of third powers would evacuate from areas of actual fighting to safer places.

As various information points to the conclusion that the Chinese army intent upon the defense of Hankow is at present concentrating great numbers of troops and piling

up

793.94/13420

F/A
FILED

JUL 26 1938

793.94
793-0015
793-0016

4885

-2- #977, July 11, 11 a.m., from Shanghai via N. R.

up large quantities of munitions in certain strategic areas, the Japanese military forces will be compelled if strategically required to carry out most intensive bombing upon Chinese troops and their military establishments in these areas especially in the following places Sinyang and its vicinity; Hankow and its vicinity; Kiukiang and its vicinity; Nanchang and its vicinity; Ikiawan (near Chuchow) and its vicinity; Changsha and its vicinity; Yochow and its vicinity.

In view of the prospect that actual fighting will most probably take place in the above mentioned areas it is earnestly hoped that nationals of third powers give their best consideration to it that they will evacuate from these areas and in case this is not possible will keep themselves away from Chinese troops and their military establishments." Repeated to Hankow, Peiping and Tokyo. Copy handed American senior naval officer present.

LOCKHART

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

TELEGRAM RECEIVED

OP
JR

FROM

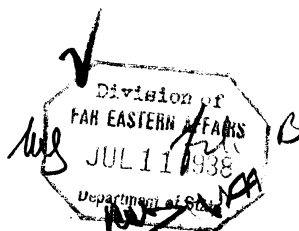
FOURTH MARINES

July 11, 1938

Rec'd 10:22 a.m.

ACTION: CINCAF
OPNAV

INFO: AMCONSUL SHANGHAI CHINA
COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
STATION SHIP SHANGHAI
ALUSNA PEIPING



8611. Guerrilla activity Shanghai Nanking area increased with guerrillas aided by troops newly organized Fourth Route Army. Chinese force of about two thousand reported in Hefei Anhwei area another of six hundred clashed with Japanese troops east of that city, severe fighting claimed 14 miles below Kuikiang with artillery fire audible two miles east that city. Japanese planes bombed Yangtze boom at Tienkianshen thirty miles upriver from Kiukiang and south China points. 1835.

CSB

793.94/13421

F/A

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

ofo

FROM

GRAY

Peiping via N. R.

Dated July 11, 1938

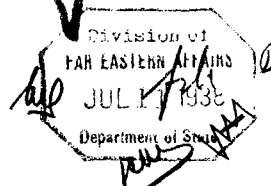
Rec'd 7 a.m.

Secretary of State,
Washington.

DT

793.94
433
448; July 11, 4 p.m.

Embassy's 401, June 30, 5 p.m.



The renewed Japanese campaign in South Shansi began actively July 6. According to Japanese sources, Chinese troops are attempting to depart southward across the Yellow River but the Japanese have hopes of cutting off their retreat, the first main objective of the Japanese forces being Yungcheng on the Fengtai Railway. Foreign sources report a recent heavy movement of Japanese troops from Shihchiachwang toward Taiyuan by rail. According to the Japanese military spokesman there are now 40 Chinese divisions in Shantung, an increase of 13 divisions over his former estimate of approximately 250,000 men or 27 divisions.

Repeated to Hankow, Shanghai by mail to Tokyo.

SALISBURY

CSB

793.94/13422

F/A

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

FOUNDED 1881 UNDER THE TREATY OF GENEVA



THE AMERICAN RED CROSS

DEPARTMENT OF STATE NATIONAL HEADQUARTERS

1938 JUL

AM 9 31

WASHINGTON, D. C.

July 8, 1938

NATIONAL OFFICERS

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

NATIONAL EXECUTIVE OFFICERS

Norman H. Davis, Chairman
 James L. Fieser, Vice Chairman
 James K. McClintock, Vice Chairman
 Ernest J. Swift, Vice Chairman

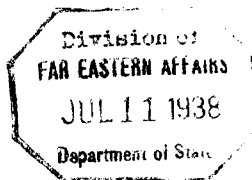
CENTRAL COMMITTEE

Norman H. Davis, Chairman
 Mrs. August Belmont
 Mabel T. Boardman
 Mrs. Henry P. Davison
 William Fortune
 George L. Harrison
 Robert H. Jackson
 Samuel Knight
 R. Walton Moore
 Gustavus D. Pope
 Mrs. Henry R. Rea
 Maj. Gen. Charles R. Reynolds
 Rear Admiral P. S. Rossiter
 George E. Scott
 Henry Upton Sims
 Wayne C. Taylor
 Eliot Wadsworth
 Lloyd B. Wilson

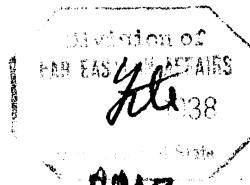
TRUSTEES ENDOWMENT FUND

Henry Morgenthau, Jr., Chairman
 Henry P. Davison
 Howard W. Fenton
 William D. Hoover
 William A. Julian
 Harry G. Meem
 James H. Perkins
 Wayne C. Taylor
 Corcoran Thom

RECORDS



RE: Your file



My dear Mr. Hamilton:

Thank you for your communication of July 1
 and copy of dispatch of May 24, 1938, from the American
 Consul General at Hong Kong dealing with the refugee
 problem created by the recent fighting in the vicinity
 of Amoy.

We are glad indeed to have this information
 for our files and appreciate your kindness in sending
 it to us.

Yours very sincerely,

James K. McClintock

James K. McClintock
 Vice Chairman

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

FILED
 JUL 12 1938

F/A

793.94/13423

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

RECEIVED
 DEPARTMENT OF STATE BRITISH EMBASSY
 WASHINGTON, D. C.,

1938 JUL 11 AM 10 16

July 9th, 1938

No. 237

DIVISION OF
 COMMUNICATIONS
 AND RECORDS

Division of
 FAR EASTERN AFFAIRS
 JUL 11 1938

Sir,

I have the honour to inform you that the

Army Council have received from the General Officer
 Commanding British Troops in China, a report on
 events in Shanghai during the last months of 1937
 and the first weeks of the present year, by Major-
 General A. D. Telfer-Smollett, C.B., D.S.O., M.C.,
 Commanding the Shanghai Area.

General Telfer-Smollett refers to the
 close cooperation which was afforded to him during
 this critical period by Admiral H. E. Yarnell, the
 United States Commander-in-Chief, whose experience,
 willingly placed at his disposal, he found of the
 greatest value, and in whose advice he placed the
 utmost confidence.

I am instructed to state that the Army
 Council would be most grateful if you would be so
 good as to arrange for an expression of their thanks
 for the assistance rendered to General Telfer-
 Smollett to be conveyed to Admiral Yarnell.

I have the honour to be,

with the highest consideration,

Sir,

Your most obedient,

humble servant,

R. L. Lindsay

The Honourable

Cordell Hull,

Secretary of State of the United States,

Washington, D. C.

793.94
 not
 293.111
 211.30

793.94/13424

F/A

093F

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

July 20 1938.

In reply refer to
FE 793.94/13424

My dear Mr. Secretary:

I take pleasure in enclosing herewith for your information and for such action as you may deem appropriate a copy of a note (no. 237) of July 9, 1938, from the British Ambassador requesting that there be conveyed to Admiral Yarnell an expression of the thanks of the Army Council for assistance rendered to Major General A. D. Telfer-Smollett, C.B., D.S.O., M.C., Commanding the Shanghai Area, by Admiral Yarnell during the last months of 1937 and the first weeks of 1938.

Sincerely yours,

Cordell Hull

Enclosure:
From British Embassy,
no. 237, July 9, 1938.

The Honorable

Claude A. Swanson,
Secretary of the Navy.

JUL 18 1938. PM 7-13

FE:EGC:HES

FE

PA/B
PP
EU
MME

793.94/13424

F/FG

0937

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

July 20 1938.

Excellency:

I have the honor to acknowledge the receipt of your note (no. 237) of July 9, 1938, in which you state that the Army Council has received a report by Major General A. D. Telfer-Smollett, C.B., D.S.O., M.C., Commanding the Shanghai Area, on events in Shanghai during the last few months of 1937 and the first weeks of 1938, in which General Telfer-Smollett refers to the close cooperation which was afforded to him during this critical period by Admiral H. E. Yarnell.

General Telfer-Smollett's report with regard to the services of Admiral Yarnell is indeed gratifying

and,

His Excellency

The Right Honorable

Sir Ronald Lindsay, P.C.,

G.C.M.G., K.C.B., C.V.O.,

British Ambassador.

795.94/13424

F/F/G

0938

DECLASSIFIED: E.O. 11652, 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-

and, in accordance with the desire of the Army Council
that its thanks be conveyed to Admiral Yarnell, I have
taken pleasure in sending to the appropriate authorities
a copy of your note under acknowledgment.

Accept, Excellency, the assurances of my highest
consideration,

Gordell Hull

200000
JUL 18 1938 PM

793.94/13424

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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

New York Times

AUG 6 1938

RECEIVED
AUG 11 1938

DIVISION OF
COMMUNICATIONS AND RECORDS

Division of
FAR EASTERN AFFAIRS
AUG 10 1938
Department of State

BRITAIN THANKS YARNELL

Grateful for U. S. Admiral's Aid
to Shanghai Commander

Special to THE NEW YORK TIMES.
WASHINGTON, Aug. 5.—The
Navy Department announced today
that it had received a letter from
the Army Council of the British
Ministry of Defense thanking Ad-
miral Harry E. Yarnell, commander-
in-chief of the Asiatic Fleet, for
cooperation and counsel that he
gave the British general officer
commanding in the Shanghai area
during the period when the Inter-
national Settlement and the prop-
erty of foreign nations were in
danger.

The letter was received from the
British embassy by the State De-
partment, which today sent it to
the Navy Department.

PAH: Attached.
FE: mmt

Have you
seen it?

1 hour

ADVISER ON POLITICAL RELATIONS
MR. HORNBECK
AUG 10 1938
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. Gustafson NARS, Date 12-18-75

a
 DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

July 12, 1938.

Hankow's 349, July 11,
 5 p.m.

In the light of the information contained in the telegram under reference and of the view expressed by Ambassador Johnson, in which his British colleague concurs, it is believed that action by our Ambassador, as suggested in our 202, July 9, 3 p.m., would now serve no useful purpose.

FE: Vincent: VCI

793.94/13425

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

1386

TELEGRAM RECEIVED

EDA

GRAY

HANKOW VIA N.R.

FROM

Dated July 11, 1938

Received 1:02 p.m.

Secretary of State

Washington

348
340, July 11, 5 p.m.

Department's 202, July 9, 3 p.m.

Division of
FAR EASTERN AFFAIRS
JUL 14 1938
Department of State

I saw British Ambassador this afternoon in regard to this matter. He tells me that he received similar message from his Consul General yesterday just before going to keep an appointment with the Generalissimo and that he put message in pocket and read it to Chiang who stated that while he disclaimed any connection with these crimes he assured the British Ambassador that he would use all of his influence to prevent their occurrence. In view of the above it seems to us both that nothing further needed be done at this time. If Consulate at Shanghai using the above in any information conveyed to Chairman of Municipal Council he should impress upon Chairman desirability of avoiding any publicity regarding appeal to us or to representations made.

Repeated to Shanghai.

KLP

JOHNSON

Terrorism in the Shanghai Settlement
793.94/13408

793.94/13425

F/A

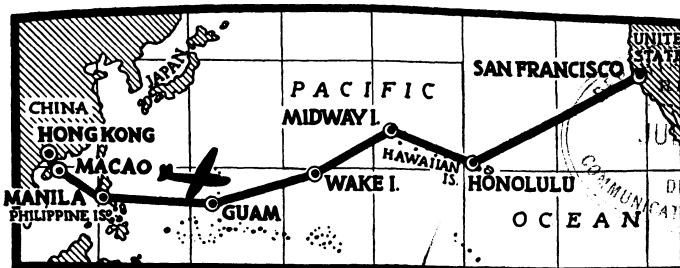
194

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

TRANS-PACIFIC NEWS SERVICE

1250 6TH AVENUE

NEW YORK, N. Y.



BRUNO SCHWARTZ
General Manager

TRANS-PACIFIC CLIPPER NEWS

AIR MAIL VIA PAN AMERICAN AIRWAY CLIPPERS FROM HONGKONG

Cable Address
TRANSPACIF

July 2, 1938

On The War Front

JAPANESE TRUCKS HELP HSUCHOW EVACUATION: Hankow, June 11 -- General Pang Ping-hsun, commander of the 39th Chinese Army, and his officers had five Japanese army trucks to thank for making possible their dramatic break through the cordon of Japanese troops around the railway junction city of Hsuehchow late in May, when Chinese forces withdrew from that area.

The trucks were part of the war trophies seized last March during the Battle of Lingyi (Lini) when General Pang's units, with the assistance of other Chinese troops, inflicted a serious blow to part of the Japanese Itakagi Division. Busy with war operations, the Chinese officers did not have time to repaint the five cars or to remove the Japanese insignia on them, when they had to leave Hsuehchow hurriedly.

JAPANESE BOMB MISSIONS IN KAIFENG, CHENGCHOW: Hankow, June 11 -- The missionaries in Kaifeng and Chengchow typify the fortitude of their brethren in China. Kaifeng, an ancient capital of China, was subject to almost daily Japanese bombing shortly before its fall early in June. The Canadian Church Mission was greatly damaged, although on the roof of one of the buildings in the compound was painted a Union Jack 100 ft. by 80 ft. in size. The bomb landed on a corner of the flag. The Italian Catholic Mission was also struck by a bomb.

In Chengchow, the damages suffered by the churches were much greater. Among the victims was the Italian Catholic Mission, the cathedral of which was entirely demolished by a large bomb. The Monseigneur and seven other priests were in session in an adjoining building; none of them was hurt. The compound was clearly marked out by three Italian flags--two huge ones on masts and one 80 ft. by 100 ft. painted on the roof.

Another mission center in Chengchow that suffered from bombing was the American Methodist Mission. The American Southern Baptist Hospital, however, escaped serious material damage, though eight bombs had at different times fallen around the compound. But the patients, who were mostly wounded civilians, had to be moved to a place outside of the city where it was considered comparatively safer. These bombings occurred in such a short span of time and in such a systematic manner that it has become a generally accepted belief that the Japanese deliberately tried to destroy mission property which, because of the neutral status of their countries, might afford protection to distressed Chinese people.

Two women missionaries in Chengchow, Miss Josephine Ward and Miss Grace Stribling of the American Southern Baptist Mission, lived by themselves in a huge compound accommodating 10,000 refugees.

The Chinese People

WAR STORIES FOR "BIG DRUM" SINGERS IN CHINA: Hankow, June 12 -- Among wandering artists, the big drum story-tellers stand out as one of the most picturesque groups--a group who have a distinct mission to serve in China at war. They are telling no idle legends as they used to in pre-war days, but stories that sound a call to arms among those who gather to listen--soldiers, merchants, farmers and laborers.

793.94/13426

F/FG 793.94/13426

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

July 2, 1938
 Sheet No. B

They sing their stories, accompanied by an orchestra of two musicians who are often blind men. They are known as big drum singers because as they sing they beat a drum with a stick to the rhythm of their song. While one hand holds the stick, the other one keeps two bamboo or iron clappers in motion producing a sound harmonious to that of the drum-beating. The two blind men that make up the orchestra keep busy on their instruments. One plays the Hu Chin, a stringed instrument similar to the violin, while the other plays the Chinese guitar called Hsien Tze.

The tunes of the song that the big drum story-tellers sing are of many different kinds. Peiping is noted for most of these popular tunes but the most dignified of all is officially known as "Peking tune." Other tunes include "Winter-rose," "Eight-horned Drum," "Song of Peace," "Humorous Song," etc. From Shantung Province comes the delightful tunes known as "Pear Blossoms" while Honan Province is noted for its "Ear-ring" songs.

Many of these big drum story-tellers are now in the Yangtze cities of Hankow and Wuchang, while others are scattered in cities or towns not far from the fighting fronts, singing to keep the morale of the soldiers and civilians at its high level.

Behind these patriotic singers and story-tellers are two Chinese writers of high caliber known by their pen names: Lao She and Lao Hsiang. The former was a professor of Cheeloo University in Tsinan, capital of Shantung Province, while the latter has been a freelance writer for a number of literary magazines and periodicals in Peiping and Shanghai. Now they are both in Hankow busy with their pens for a wholesale output of war stories written in the form of old Chinese poems of seven-word stanzas that are best fitted for the big drum singers.

The war stories already in circulation and sung on the big drum stage in theaters and amusement centers in Hankow are: "The Doomed Battalion of Chapei," "The Girl Guide Heroine," "The Taierhchwang Victory," "Two Martyrs of Peiping" (referring to Generals Tung Lin-ko and Chao Teng-yu of the 29th Army who were killed at Nanyuan), "A Battalion Commander (Yao Tze-ching) at Paoshan," "A Hero (Brigadier-General Jao Kuo-hwa) at Kwangteh" and so forth.

HUNAN WOMEN GET ARMY TRAINING: Changsha (Capital of Hunan), June 10 -- Unwilling to be outdone by their sisters in the neighbouring Kwangsi Province, women in Hunan, a province long renowned in China's history for its military spirit, are being mobilized for war service.

Under the governorship of General Chang Chih-tsung, who commended the first stage of the Shanghai War, women are given equal recognition as men in contributing their share to their nation. Attention is being particularly directed to training the girl students and nurses who will shoulder the momentous task of organizing and drilling all women in Hunan between the ages of 16 and 35.

The training for these students and nurses, numbering 5,000 for the first period ending June 30, is being carried out under the auspices of the Provincial Mass Training Headquarters. Of the 120 hours of intensive training which comprise the course, 40 per cent is spent on military drill, 25 per cent on political training, 20 per cent on mental and spiritual training and 15 per cent on the study of the international relations, particularly those between China and Japan.

The Hunan Women's War Front Service Corps, organized by Miss Hsieh Ping Yin, an eminent authoress, is striving hard to muster all available resources for patriotic activities. It enlists the services of every Hunan woman, from the wives of high officials to humble farm girls. "Contribute your money, if not, your energy, to your nation" is the Corps' call to the 28,000,000 Hunanese, who, in return, have warmly responded its various soliciting and publicity campaigns.

Four members of the corps have already died in action in North China. Two of the heroines were killed outright when a field dressing station was bombed. The third one was killed by shell fire while the fourth was reported to have been captured by the enemy and suffered torture as a spy.

Undeterred by the death of their comrades another first-aid unit of thirty girls, mostly students, nurses and political workers, are on their way to the Shensi front, where care for the wounded is urgently needed.

July 2, 1938
Sheet No. C

HANKOW BUILDS NEW HOME FOR WAR REFUGEE CHILDREN: Hankow, June 11 -- A new home has been built for three hundred boys and girls who recently arrived in Hankow from Hsuechang, now a devastated city on the Peiping-Hankow railway after a severe Japanese aerial bombardment in late May. It is not a boarding school, but it has the facilities of one; not an orphanage, but most of its youthful occupants had lost their parents.

Sponsored by the Committee on Child Welfare and Education, whose patrons include Madame Chiang Kai-shek and Madame Feng Yu-hsiang, this new addition to the Committee's war refugee children's home is like many others already in existence in the Wuhan area.

The children, however, will remain in Hankow only for a short time. Plans are already under way to evacuate the children to Hunan in accordance with Government orders. "The fact is," the director said, "we don't want to expose them to indiscriminate bombing by Japanese planes as was done in Canton. We want these children whom we have rescued to grow up as upright citizens, and we shall help them to become strong and healthy."

Personalities

GENERALISSIMO'S SON JOINS KUOMINTANG: Hankow, May 25 -- Mr. Chiang Ching-kuo, the eldest son of Generalissimo Chiang Kai-shek, Chairman of the Military Affairs Commission, has formally joined the Kuomintang Nationalist Party, according to well informed circles here. The Generalissimo's son received his advance education in Soviet Russia and is an ardent advocate of close Kuomintang-Communist cooperation.

TU YUEH-SHENG ON WAY TO SZECHUAN: Chungking, May 25 -- Tu Yueh-sheng and Weng Hsiao-lai, noted leaders in Shanghai and several other Chinese notables are expected to arrive shortly from Hankow on a tour of Szechuan.

The party recently came to Hankow from Hong Kong to make plans for extensive relief work in the rear and their efforts have won high approval from Generalissimo Chiang Kai-shek.

Education

LINGNAN IS 27TH UNIVERSITY BOMBED BY JAPANESE: Hankow, June 11 -- The bombing of Lingnan University in Canton by Japanese airplanes on June 8 caused profound indignation among its alumni in China, and much resentment among cultural and educational circles in America. The fact that Lingnan is a missionary university without military significance and that it is an American-endowed institution prompted the American Consul at Canton to protest strongly.

Three bombs from the Japanese airplanes landed on the campus where there were 31 Americans, three Britons and one German residing. One bomb buried itself in the pathway without exploding. The other two detonated with a terrific roar which shook the staff buildings. One Chinese woman was killed, while several foreign women on the staff suffered from shock.

Lingnan University is situated at the eastern end of Honam Island which is separated from the main city of Canton by the Pearl River. It consists of a beautiful campus, massive buildings and a quiet residential district. Formerly owned and operated by American missionaries, the school underwent a change in 1930 when it was officially registered with the National Government at Nanking as a Chinese institution. Mr. Chung Wing Kwong, a well-known educator, is now the president. Dr. James Henry, who for years had been the president prior to 1930, serves as the Provost.

The university is composed of four colleges, namely Agriculture, Engineering, Medicine and Arts and Sciences. The enrollment for the Academic year 1936-37 amounted to 560 students. A research department in biology and chemistry in the College of Sciences is also being maintained with a limited number of students. The sericulture department in the College of Agriculture has done much to improve the quality of silk, which constitutes one of the chief industries of Kwangtung Province. The Sun Yat-sen Hospital and Medical College, formerly Canton Hospital, is now amalgamated with the College of Medicine downtown. The College of Engineering is a newly organized branch, recently receiving from the Ministry of Railways a large endowment for its maintenance.

July 2, 1938
Sheet No. D

The bombing of Lingnan University has increased the number of Chinese institutions of higher learning similarly destroyed or effected by the Japanese since last August to 27. In the Shanghai-Nanking area, the number of the missionary schools affected is the greatest of all other areas. The Shanghai University, Soochow University, the University of Nanking and Ginling Girls' College have long been suspended due to Japanese interference. St. Johns University in Shanghai has been forced to move from its campus to the Continental Building in the International Settlement. In Shantung Province, the only missionary school there, the Cheeloo University, has also been suspended. In Peiping, Yenching University is still running, but under modified and restricted curriculum supervised by the Japanese.

CHINESE STUDENTS BOTH PATRIOTIC AND EARNEST,
SAYS PROF. LAUTENSCHLAGER OF CHEELOO UNIV.

Hankow, June 13 -- Chinese students today are an intensely patriotic and earnest lot. They have only two objectives in view: To fight Japan and to create a new society in which science, education and capital are made to work for the welfare of the masses.

This statement was made by Professor S. Lautenschlager, of Cheeloo University, Tsinan, Shantung. During the last three months, he has spoken to more than 12,000 Chinese students on religious, social, political and international topics in different cities and he should know the thoughts of Chinese students in wartime.

The professor is a most interesting personage. Of German ancestry, he was born in Canada and educated in U.S.A. Armed with a British passport, he has been working in China for 18 years.

Among the Chinese cities visited by Professor Lautenschlager on his lecture tour are Shanghai, Hong Kong, Canton, Macao, Hengyang, Changsha and Hankow. He is shortly going to Szechuan. Even in Shanghai he found the Chinese students have kept up their patriotic and active spirit. He described Shanghai as a "free island" where the love of country can still be taught and the Chinese flags are flying as usual despite the Japanese ring of steel around it.

What has the war done to the Chinese students? For one thing it has made them realize, the professor said, that force is necessary to defend their country. Simultaneously, it has caused them to foreseke whatever differences that used to exist among themselves.

Many Chinese students have gone to the war. There is no better demonstration of their patriotism than the thousands of applicants to enter the aviation academy. However, it is not the Chinese Government's policy to allow all students to become soldiers, he stressed.

China today has only 40,000 college students, whereas the U.S.A. has at least 1,000,000 when she entered the World War in 1917. China, having a large population, has no difficulty in finding soldiers. The students are too precious to the nation's future to be risked on the battlefield.

Professor Lautenschlager is a member of the Cooperative Commonwealth Federation of Canada. For the last eight years he has been teaching in Cheeloo University, which was founded jointly by the American Presbyterian Church, the British Baptist Church and the United Church of Canada. The school closed up last October before Japanese troops got there. Its hospital, however, is operating.

The professor is an evangelist first and last. Everywhere he goes he spreads the gospel of Christianity. A large number of the Chinese students to whom he talked have become Christians. He attributes this partly to the fact that the students have felt the need of Jesus Christ's faith and especially his spirit on the Cross, the very things they want in their efforts to save their nation and create a just society.

Professor Lautenschlager described the Chinese as a fundamentally democratic people, and hence they will never stand for Fascism. Nationalism has been aroused in China as never before in her history. Will China become aggressive? No. He cited such basic Chinese philosophies as "world unity," "world is one family" and "all within the four seas are brothers" to support his view.

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

TELEGRAM RECEIVED

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

Hankow via N. R.
Dated July 12, 1938
Rec'd 7 a.m.

Secretary of State, *of paraphrase*
Washington. *in confidence*
349, July 12, 9 a.m.
CONFIDENTIAL.

Division of
FAR EASTERN AFFAIRS
JUL 12 1938
Department of State
Ch
BB

793.94
893.1028

Last evening in conversation which I had with
British Ambassador I asked him about rumors which I
had heard that British intended to take over and police
Special Administrative District Number three. He
told me that this was not the case. That fearing
looting in Special Administrative District Three
during interregnum between departure of Chinese
and establishment of order by Japanese his admiral
had been considering sending ashore a landing party
of British sailors to cooperate with local police
during such an interregnum, until new authority
had been installed to whom policing might be handed.
Said he had asked authority to land force to cooperate
with police of S. A. D. Three. Said that it was proposed
to notify Japanese of arrangement with understanding
that they would find uniformed British sailors
cooperating

793.94/15427

F/FG

194
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-2- #349, July 12, 9 a.m., from Hankow via N. R.

cooperating in policing area in question but their own landing party would be withdrawn as soon as policing could be turned over to new authority. Police of S. A. D. Three are already commencing the construction of gates across roads leading into area from Chinese policed areas outside.

JOHNSON

KLP

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

[CONFIDENTIAL]

PARAPHRASE

A confidential telegram (no. 349) of July 12, 1939, from the American Ambassador at Hankow reads substantially as follows:

During the course of a conversation with the British Ambassador on the evening of July 11 the American Ambassador inquired with regard to rumors which he had heard to the effect that the British contemplated taking over and policing Special Administrative District No. 3. The British Ambassador replied that this was not the intention; that the British admiral, fearful lest looting take place in Special Administrative District No. 3 during the interval between the departure of the Chinese and the establishment of order by the Japanese, had had under consideration the landing of a party of British sailors for the purpose of cooperating, during such interval, with the local police until there had been established a new authority to whom the policing might be given over. The Ambassador stated that he had asked authority to land a force for the purpose of cooperating with the police of the above-mentioned district. He stated further that it was planned to inform the Japanese of the arrangement with the understanding that they would find British sailors in uniform cooperating in policing Special Administrative District No. 3 but that the British landing party would be taken away as soon as it was possible to hand over to the new authority the policing of the area. Already construction of gates

across

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

CONFIDENTIAL

-2-

across roads leading into Special Administrative District
No. 3 from the areas outside policed by Chinese is being
started by police of the district in question.

783.94/13427

E.C.
FE:EGG:HES
7-12

H.K.
FE

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

CONFIDENTIAL

-2-

across roads leading into Special Administrative District
No. 3 from the areas outside policed by Chinese is being
started by police of the district in question.

793.94/13427

EJC.
FE:EGG:HES
7-12

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FE

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

TELEGRAM RECEIVED

EG:*

FROM

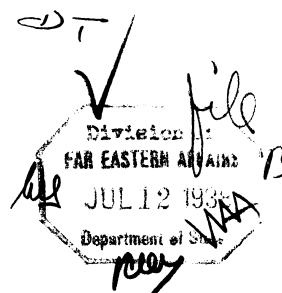
FOURTH MARINES

July 12, 1938

Rec'd 10:32 a.m.

ACTION: CINCAF
OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
AST ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
STATION SHIP SHANGHAI
ALUSNA PEIPING



8612. Canton Kowloon railway heavily bombed yesterday and Canton today. Japanese troops reported on west bank Poyang Lake opposite Hukow with severe fighting in progress 4 miles east Kiukiang. Japanese naval vessels reported moved up river today shelling Kiukiang. Defense guerrilla fighting admitted by Japanese at Tungtai, northern Kiangsu and Kashing northern Chekiang. 1932

DDM

793.94/13428

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
COPIES SENT TO
DT

FROM

Division of
FAR EASTERN AFFAIRS

JUL 12 1938

Department of State

USS MONOCACY

July 12, 1938

Rec'd 10:40 a.m.

ACTION: COMYANGPAT

PASSED BY CINCAF TO NAVY DEPARTMENT FOR INFORMATION.

0011. Planes continue scouting, dropped few bombs below installation dyke opposite air field and bridge over Lung Kai Ho Creek dynamited, two large fires in city west same creek two small pontoons Jap destroyed bund Kiukiang, practically destroyed trenches constructed, city full of soldiers, foreigners unwanted. 2025.

DDM

793.94/13429

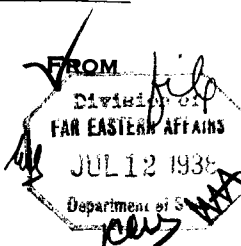
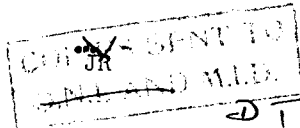
JUL 14 1938

FILED

F/FG

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

TELEGRAM RECEIVED



USS OAHU

July 12, 1938

Rec'd 10:45 a.m.

ACTION: CINCAF

INFO: USS MONOCACY passed by CINCAF to NAVY DEPT for information.

0010. Empty tanker SUN O SAKI, passed down bound. Four loaded supply ships departed up river, one hospital supply ship with large number nurses passed up bound SHIN RYO MARU which arrived from up river yesterday with about one thousand troops disembarked them at Nanking. Cricket reports Japanese shipping at Wuhu bombed by Chinese planes this morning. 2250.

DDM

793.94/13430

RECEIVED
JUL 14 1938

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

GRAY

Peiping via N. R.

Dated July 12, 1938

Rec'd 7 a.m.

FROM

Secretary of State,
Washington.

436, July 12, 1 p.m.

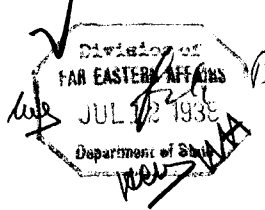
Following from Mukden:

"48, July 11, 7 p.m. I am informed following shifts in high Japanese command here will be announced shortly: Commander-in-Chief and Ambassador Ueda will be transferred to Advisory Office in Tokyo and replaced by General Terauchi whose place will be taken by General Doihara. General Ishihara, Vice Chief of Staff of the Kwantung Army, will be relieved leaving Hsinking staff temporarily without heads. Ishihara is said to exercise sinister influence in Japanese army being among other things antagonistic of war on Russia and his removal is interpreted here as detente in relations with Russia and concentration of effort in China."

Sent to Hankow, Shanghai, Tokyo.

SALISBURY

RR:KLP



793.94/13451

F/FG

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note
894.20

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

JR **TELEGRAM RECEIVED** COMSOPAT

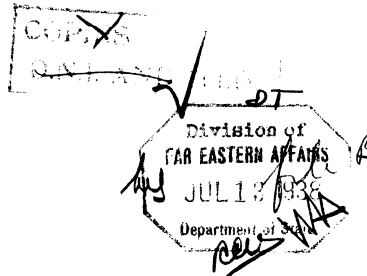
July 12, 1938

FROM

Rec'd 1:25 p.m.

ACTION: OPNAV

793.94
INFO: COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
CINCAF
AMBASSADOR CHINA
USS ASHEVILLE
USS MARBLEHEAD
USS TULSA
USS PULMER
FOURTH MARINES
ALUSNA PEIPING
USS SACRAMENTO



793.94/13432

0012. On eleventh air raids railroads vicinity
Canton nineteen planes Yingtak forty-two bombs ten
killed nine planes Sheklung station fifteen planes
Sheklung city twenty killed no serious damage railroads
on twelfth twenty bombs Wongsha section Canton one
near Pearl river bridge. 2000.

CSB

F/A

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

JR

TELEGRAM RECEIVED USS OAHU
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closely paraphrased be-
fore being communicated
to anyone.

July 12, 1938

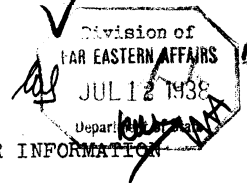
Rec'd 12:50 p.m.

FROM

ACTION: COMYANGPAT

INFO: USS MONOCACY

PASSED TO NAVDEPT BY CINCAF FOR INFORMATION



793.94/13433

793.94

0011. Hospital ship ASAHI and one empty supply ship departed down river. Departed upriver hospital ship 106 and 3 supply ships 2 of which loaded with army trucks and tanks. Two transports with about one thousand troops each 1 supply ship and destroyer FUMITSUKI arrived from down river and anchored. One damaged plane unloaded from trawler HSIKWAN. 2 large and 2 small seaplanes moored off jetty. For 1st time at Nanking noted Japs using observation balloon this evening. Marked reduction amount Japanese aerial activity over Nanking indicates departure considerable number planes previously based here. 2315.

HPD

F/A

FILED
JUL 13 1938

0957

DECLASSIFIED: E.O. 11652, 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 Chinese Embassy

Hankow, May 2, 9:20 P.M.

Division of
 FAR EASTERN AFFAIRS
 MAY 4 1938
 DEPARTMENT OF STATE

PAK
 IN
 FE

Despite heavy losses the Japanese offensive in South Shan-
 tung made no progress since the fall of Tancheng on April 23rd.
 Bitter fighting continues on the thirty kilometer front which
 starts from the ~~point~~ ^{point} into southeast of Yih sien and extends to the
 area north of Pih sien through the villages east of Taierhohwang.
 Vigorous Japanese attacks on this sector were successfully
 repulsed, while further northeastward the Chinese are laying
 siege to Tancheng in order to prevent the Japanese from effecting
 junction with their force north of Pih sien.

The Peiping-Hankow Railway was cut at Chochow, southeast of
 Peiping, by the Chinese mobile units which lately have been
 extremely active in the area near Peiping.

Continuing the recent progress in Suiyuan Province, the
 Chinese recaptured Liangcheng and Kolin southeast of Kweisui.

On the eastern front, the Chinese yesterday reoccupied
 Sunchiapu and are at present marching northward to reinforce the
 columns attacking Hsuanheng (Anhwei).

Since their employment of poisonous gas at Taierhohwang on
 April 2, the Japanese again used poisonous gas and dumdum bullets
 at Wuhu and Liyang on April 18th and April 19th respectively.

795.94/13434

ADVISED ON POLITICAL RELATIONS
 MR. HORNBECK
 MAY 4 - 1938
 DEPARTMENT OF STATE

F/FG/3

1958

DECLASSIFIED: E.O. 11652, 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 Chinese Embassy

Hankow, May 4, 7:20 P.M.

Following a general attack yesterday the central column

of the Chinese force in South Shantung advanced approximately
 ten kilometers and recaptured Talianpi and Siaoliangpi, two
 villages in the north-east of Pih sien. The Chinese left and
 right wings also made satisfactory progress. Owing to the
 numerous reverses and heavy casualties, the Japanese drives
 are showing definite signs of weakening. They are apparently
 awaiting further reinforcements.

On the eastern front, the Chinese guerillas reoccupied
 Tangtu monday, thus seriously menacing the Japanese lines of
 communication between Nanking and Wuhu.

Brisk fighting is taking place twenty-five kilometers
 south of Suiyuan Capital, Kweishui. Over one thousand Chinese
 troops of the puppet regime under the commander of Japanese
 officer surrendered to the Chinese after killing the Japanese
 commander.

Division of
 FAR EASTERN AFFAIRS

NOV - 4 1938

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793.94/13435

F/FG

13435

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

From Chinese Embassy

✓
Div. of
Far Eastern Affairs
193
Department of
State
VAA

Hankow, July 8, 7:50 P.M.

The Chinese forces since Wednesday have made a series of counter-attacks on Hukow on the south bank of the Yangtse River across the north tip of the Poyang Lake. Following severe battle yesterday morning, the Chinese occupied Lungtoushan, a few kilometers east of Hukow killing two thousand Japanese. Though the Japanese at present possess the walled cities of Hukow and Fengtseh, the strategic point lying between them is in Chinese hands. Heavy fighting is still proceeding in the Fengtseh and Hukow sector.

43.94

793.94/13436

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JUL 12 1938
DEPARTMENT OF STATE

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136

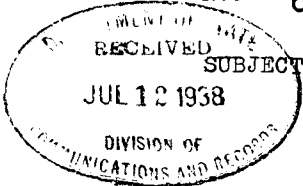
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



EMBASSY OF THE
UNITED STATES OF AMERICA

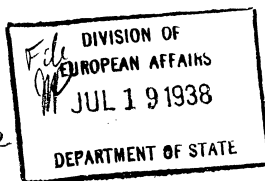
LONDON, June 30, 1938.

No. 662



SUBJECT: Possibility of Japanese Occupation of Hainan,
Mediation in the Far East, and Chinese Customs.

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693.002

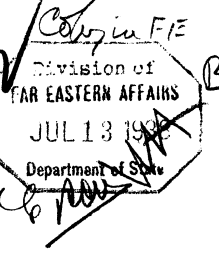


Embassy at Tokyo
Peking

Copy Transmitted by The
Commercial Office (A-M/O)

The Honorable

The Secretary of State,
Washington, D.C.



Sir:

1/ I have the honor to enclose herewith a clipping
from Hansard of June 27, which publishes statements
by the Parliamentary Under-Secretary for Foreign
Affairs in the House of Commons regarding the situation
in the Far East.

As regards Hainan, Mr. Butler said that the British
and French Governments had made it clear to the Japanese
Government that they regard any occupation by Japanese
forces as likely to give rise to undesirable complications.

With

793.94/13437

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13437

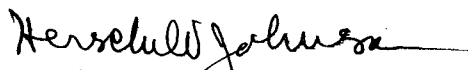
196
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-2-

With reference to mediation in the Far East, Mr. Butler said that, as previously reported, the British Government would be only too ready, either alone or in conjunction with other Powers, to use their good offices to that end at any time, if this were agreeable to both sides.

Mr. Butler also answered the question concerning the present position of the Chinese Customs service.

Respectfully yours,


Herschel V. Johnson
Chargé d'Affaires ad interim

Enclosure:

1. Clipping from Parliamentary Debates,
House of Commons, June 27, 1938,
cols. 1499-1501, in quintuplicate.

HM/WMC

196

662 June 29 1938.

SOURCE: PARLIAMENTARY DEBATES,
House of Commons,
27 June, 1938.
London. Cols. 1499 - 1501.

NUMBER:

1499 Private Business 27 JUNE 1938 Oral Answers 1500

HOUSE OF COMMONS.

Monday, 27th June, 1938.

OFFICIAL REPORT.

The House met at a Quarter before Three of the Clock, Mr. SPEAKER in the Chair.

PRIVATE BUSINESS.

Sheffield Gas Bill [*Lords*],

Read the Third time, and passed, with Amendments.

Green Belt (London and Home Counties) Bill,

As amended, considered.

Motion made, "That Standing Orders 240 and 262 be suspended, and that the Bill be now read the Third time."—
[*The Chairman of Ways and Means.*]

King's consent signified; Question put, and agreed to.

Bill accordingly read the Third time, and passed.

Salford Corporation Bill [*Lords*],

Read a Second time, and committed.

Middlesex County Council (General Powers) Bill [*Lords*] (by Order),

Read a Second time, and committed.

Pier and Harbour Provisional Order (Plymouth) Bill,

Read the Third time, and passed.

Land Drainage Provisional Order (Louth Drainage District) Bill (by Order),

Read a Second time, and committed.

ORAL ANSWERS TO QUESTIONS.

CHINA AND JAPAN.

1. **Captain Alan Graham** asked the Prime Minister whether he will convey to the French Government an assurance that they will have the active assistance of His Majesty's Government in any measures they may consider necessary in

order to restrain Japanese armed forces from endangering the security of French Indo-China by an occupation of Hainan or adjacent islets?

The Under-Secretary of State for Foreign Affairs (Mr. Butler): His Majesty's Government and the French Government have, through their Ambassadors at Tokyo, made clear to the Japanese Government that they regard any occupation of Hainan by Japanese forces as calculated to give rise to undesirable complications. Should such complications unfortunately arise, His Majesty's Government and the French Government would no doubt afford each other such support as appeared to be warranted by the circumstances.

10. **Rear-Admiral Sir Murray Sueter** asked the Prime Minister whether, in view of the great loss of life caused by the Yellow River flooding large areas in China and the recent statement made by General Ugaki, the Japanese Foreign Minister, to the effect that the possibility of negotiations for peace depends on the tendencies and attitude of Marshal Chiang-Kai-Shek, His Majesty's Government will do their utmost to obtain the support of the Government of the United States in making every endeavour to bring about a cessation of hostilities between Japan and China who are now in conflict but legally not at war with each other?

Mr. Butler: As I stated in answer to the hon. Member for West Leyton (Mr. Sorensen) on 21st June, the Japanese Minister for Foreign Affairs as recently as 17th June announced publicly that he did not think it possible for any Power to mediate between China and Japan. As the House is aware, however, His Majesty's Government would be only too ready, either alone or in conjunction with other Powers, to use their good offices at any time in helping to bring about a cessation of hostilities, if this were agreeable to both sides.

13. **Sir John Wardlaw-Milne** asked the Prime Minister whether his attention has been drawn to the reorganisation of the Peking-Mukden and other railway systems in North China carried out by the Japanese, with results seriously adverse to British interests and British trade; and whether he will make strong

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

SOURCE: PARLIAM
 House of
 27 June
 London.

1501 Oral Answers HOUSE OF COMMONS Oral Answers 1502

[Sir J. Wardlaw-Milne.]
 representations through the British
 Ambassador at Tokyo against this
 action?

Mr. Butler: Yes, Sir. My Noble
 Friend's attention has been drawn to the
 reorganisation of these lines. He is in
 communication with His Majesty's
 Ambassador at Tokyo on the subject, but
 I am not for the moment in a position
 to make any statement.

14. **Mr. Moreing** asked the Prime
 Minister the present position of the
 Chinese Customs service; whether the ap-
 pointment of a superintendent of Customs
 in Shanghai by the provisional administra-
 tion in Nanking has been confirmed yet;
 and what are the relations between this
 official and the properly appointed in-
 ternational personnel of the service?

Mr. Butler: The Chinese Customs ser-
 vice continues to take its orders from the
 Inspector-General, subject to certain
 limitations of his powers in the occupied
 areas. As I indicated in my reply to my
 hon. Friend on 16th May, there can be
 no question of the appointment of the
 Shanghai Superintendent of Customs
 being confirmed by the Inspector-
 General. I understand that the principal
 function of the superintendents has in
 recent years been to act as a channel of
 communication between the Commis-
 sioners of Customs at the various ports
 and the local territorial officials, and this
 holds good of the Superintendent of
 Customs at Shanghai.

SPAIN.

2. **Mr. Day** asked the Prime Minister
 what has been the result of the inquiries
 made by His Majesty's representative at
 Burgos with reference to the possibility
 of arranging for the release of the 177
 British subjects held as prisoners of war
 by General Franco's administration; and
 will he give particulars of any progress
 that has been made on the subject?

Mr. Butler: Further progress has been
 made with a proposal that 100 of the
 British prisoners held by the Burgos
 authorities should be exchanged for 100
 Italian prisoners in the hands of the
 Spanish Government. The Burgos
 authorities have agreed to this plan and
 the views of the Spanish Government are

at present awaited. The 100 British
 prisoners concerned have been moved
 from San Pedro de Cardena, near Burgos,
 to Palencia.

Mr. Day: Will the Minister also make
 representations to see that the personal
 belongings and money which the people
 had when they were captured, are re-
 turned?

Mr. Butler: I will see that the hon.
 Member's suggestion is considered.

Mr. Leach: Who are the Burgos
 authorities, and where do they get their
 authority?

3. **Miss Wilkinson** asked the Prime
 Minister what steps are being taken to
 see that the Portuguese frontier and the
 insurgent-controlled ports are as effec-
 tively closed to the passage of material as
 is the French frontier?

Mr. Butler: The efforts of His Majesty's
 Government are being directed towards
 effecting a restoration of the complete
 scheme of observation on land and sea
 in accordance with the Non-Intervention
 Committee's plan. This will apply equally
 to the ports and frontiers of both sides
 in Spain.

Miss Wilkinson: Seeing that the hon.
 Member has been giving pretty much that
 answer for the last 12 months, without
 any effect, and in view of the fact that
 the wastage of munitions cannot possibly
 be made up from home sources, is it
 not time that, having hermetically sealed
 the French frontier, they should see that
 something active is done in regard to the
 Portuguese frontier?

Mr. Butler: I have already reported
 considerable progress in the Non-Inter-
 vention Committee in regard to this
 matter.

Mr. Thurtle: Is it a fact that the Por-
 tuguese frontier is still open?

Mr. Butler: The scheme of observation
 has been suspended on the Portuguese
 frontier.

Miss Wilkinson: Does that mean that
 the Portuguese frontier is open, while the
 French frontier has been closed on direct
 representation from His Majesty's Gov-
 ernment?

Mr. Butler: I cannot accept the case
 as represented by the hon. Lady, but the

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

JUL 19 1938

Acknowledged
By Form 6

File SS

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DEPARTMENT OF STATE

1938 JUL 12 AM 11 05

Form A

6807 S.E. 17th Ave.

Portland, Oregon

July 6, 1938

793.94

The Honorable ^{DIVISION OF} Cordell Hull
^{COMMUNICATIONS}
^{AND RECORDS}
Secretary of State
Washington D. C.



Dear sir: -

Dr. T. J. Koo, speaking at the Northwest Institute of International Relations at Reed College, Portland, Oregon, June 18 to 28, described to us the war situation in China. In his opinion a stage in hostilities has been reached where it is not inconceivable that an offer of good offices from a neutral country like ours might bring about a peaceful settlement of the affair.

His observation is that the Japanese soldier is tired of the war, the monetary reserve of Japan is used up, the Japanese people are not enthusiastic about the war. But Japan has climbed on the back of the tiger and now must ride unless some

793.94/13438

F/FG 438

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

graceful way of climbing down may be found.

I have no hope that if we should offer good offices that we would be successful in ending the war. But I believe that by making the offer we would contribute one more instance in that long, long line of instances which will move the world toward the universal use of law and merciful justice which must replace the old way of fighting and killing.

In the state department you have the opportunity of finding out the pertinent factors in this situation and acting upon them. I want the United States to act upon a policy of friendliness to all the world and I want her influence to be thrown continually in favor of peaceful settlement of international conflicts.

St. Samuel Guy Enman, at this same Institute, has told us of your excellent attitude and action in our relations with Latin America.

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

I want your policy of fairness and good
neighborliness to continue.

Sincerely yours,

Mrs. Geo. A. Corwin

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

TELEGRAM RECEIVED

CA*

FROM

Plain

COPY SENT TO
CINCLAND MLD.
DT

Comsyangpat

Undated

Rec'd 6:40 p.m. July 12.

Action: CINCAF

Opnav

Info: Yangpat

Comsubron 5

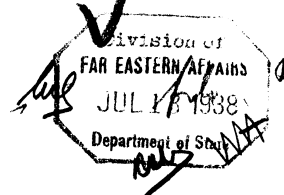
Comdesron 5

Comsopat

Amambassador China

USS Marblehead

Alunsa Peiping



0012. At 1240 about fifteen BLP with pursuit escort
dropped about twenty bombs in residential district Wuchang
destroying about two city blocks estimated five hundred
casualties only anti-aircraft artillery defense 2000

NPL

8-16-75
FILED

793.94 / 13439

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

TELEGRAM RECEIVED

JR

FROM

FOURTH MARINES

July 13, 1938

Rec'd 8:10 a.m.

ACTION: CINCAF
OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
AST ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
STATION SHIP SHANGHAI
ALUSNA PEIPING

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DISTRIBUTION

Division of
FAR EASTERN AFFAIRS
JUL 13 1938
Department of State

793.94

8613. Chinese planes claimed active yesterday bombing Chinese naval concentration between Anking and Tunglui; Chinese reported capture Yangchin northern Kiangsu; Japanese planes today bombed Chinese airdromes Yangtze Valley area bombed and shelled Chinese positions at Lion Hill east of Kuikiang; Japanese attempted movement south of Lake Poyang yesterday claimed repulsed; Canton bombed again today.

At request Shanghai Municipal police Fourth Marines established temporarily additional sentry posts along Avenue Foch. 1850.

HPD

793.94/13440

F/FG

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

DOCUMENT FILE

NOTE

SEE 812.6363/4368 FOR Letter

FROM John M. Parker () DATED July 8, 1938
TO NAME 1-1127 ***

REGARDING:

China-Japanese situation;
Inquires if it is necessary to aid in slaughter of both
Chinese and Japanese citizens by furnishing American scrap-iron
to make shrapnel and American gasoline to propel bombers.

M

703.94 / 13441

13441

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

TELEGRAM RECEIVED

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

USS MONOCACY

July 13, 1938

Rec'd 12:50 p.m.

ACTION COMYANGPAT
Passed to Navy Department by
CINCAF for information.

Division of
FAR EASTERN AFFAIRS
JUL 13 1938
Depart

0012 Mines on surface about two hundred yards from
bund extending from China merchants upriver to near
Lungkaiho Creek, planes present major part day dropped
few small bombs east city, one observed this ship closely.
All foreigners except missionaries evacuated, ransacking
property commenced, definite information lacking. 2000

793.94
not
393.1115

793.94/13442

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

TELEGRAM RECEIVED

LMS

GRAY

FROM Tsingtao via N. R.

Dated July 13, 1938

Rec'd 1:24 p. m.

Secretary of State,
Washington.

July 13, 2 p. m.

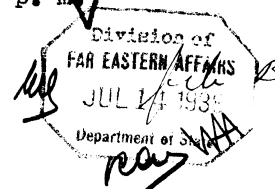
Guerrillas have again disrupted railroad between this city and Tzecheo; it is reported that some Japanese garrisons have also been attacked by the mobile.

The Japanese are obviously not disposed at this time to make any great concerted efforts to go after the guerrillas, bands of which are at no great distance from Tsingtao, but this Consulate believes that at a more favorable time (when the major campaign will permit) and before this incident is settled, the Japanese will concentrate first on the province of Shantung in a great campaign to clear this province of Chinese troops, regular or irregular, perhaps for all time.

Sent to Peiping, Hankow, and by mail to Tokyo.

SOKOBIN

WWC:DDM



793.94/13443

F/FG

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

TELEGRAM RECEIVED

REB

FROM

GRAY

Shanghai via N. R.

Dated July 13, 1938

Rec'd 1:43 p. m.

Secretary of State,
Washington.

984, July 13, 3 p. m.

Three Americans from Changchow Kiangsu who recently
(*) there from Shanghai, report that the Japanese military
insisted that they leave for Shanghai a few days ago
giving as reason their expectation of imminent attack
on the city by Chinese troop (apparently irregulars)
and consequent danger from Japanese army's air attacks.

Repeated to Hankow, by mail to Peiping.

LOCKHART

CSB
(*) Apparent omission

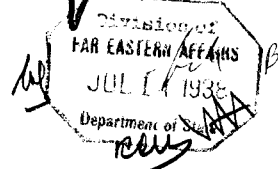
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793.94/13444

793.94

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DT



191
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 761.94/1063 FOR #1370

FROM U.S.S.R. (Kirk) DATED June 16, 1938
NAME 1-1127 ***

REGARDING:

Japanese claims that the Soviet Union has supplied the Chinese Government with 500 airplanes and 200 mechanics and pilots with a steady stream of military materials going into China.

ML

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

DOCUMENT FILE

NOTE

SEE 861.94/1064 FOR #1426

FROM U.S.S.R. (Kirk) DATED June 29, 1938
/19/ NAME 1-1127 ...

REGARDING:

Member of German Embassy comments as to the im-
probability of Japan's winning the war in China.

ML

793.94

793.94/
13446

13446

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

DOCUMENT FILE

NOTE

SEE 812.6363/4369 FOR Letter

FROM Elizabeth Lord Kneeland () DATED July 8, 1938
TO NAME 1-1127 ...

REGARDING:

Chinese-Japanese situation:
Protests shipment of scrap iron and oil and materials of war
to Japan.

M

793.94/13447

13447

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

TELEGRAM RECEIVED

...
EDA

FROM

FOURTH MARINES

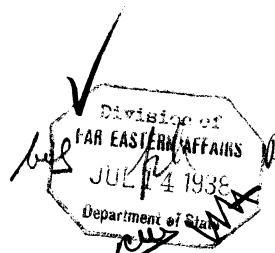
July 14, 1938

Received 8:40 a.m.

ACTION CINCAF

OPNAV

INFO AMCONSUL SHANGHAI
COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
STATION SHIP SHANGHAI
ALUSNA PEIPING



793.94
8614 Japanese planes continued bombing Canton today
also bombed Hankow airdrome causing little damage. No
reports Kluikiang area 1909

KLP

793.94/13448

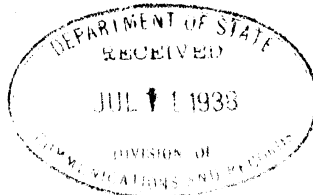
F/FG

0977

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

CONFIDENTIAL

G-2/2657-E-439



July 8, 1938.

not file
led
ms *W*

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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 July 8.
2. The important events for the past week have been:
 - a. Continued slow and steady Japanese advance up the Yangtze River climaxed by the capture of Hukow on July 5 and the impending attack of Kiukiang.
 - b. Heavy bombing of Swatow on July 1st and 2d resulting in many civilian casualties.
 - c. Confirmation of reports of mutinies and desertions among Manchoukuoan and Mongol troops in Jehol and Inner Mongolia.
 - d. Occupation of the Paracel Islands, southeast of Hainan Island, by French forces from Indo-China increasing the tension between France and Japan.
 - e. Signing of a trade treaty between Japan and its puppet Manchoukuo and the Italian Government.

793.94/13449

F/FG447

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

2 encls.

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

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G-2 Digest of Information
Sino-Japanese Situation
July 2-8, 1938

H. H. Lythman

M. H.
1973

GENERAL

Annamite gendarmes from French Indo-China occupied the Paracel islands lying 150 miles southeast of Hainan Island, in order to "protect lighthouses and other marine safeguards on the islands." The Tokyo Foreign Office informed the French Government that French occupation of the islands are likely to cause "unexpected misunderstandings" between the French gendarmes and Japanese fishermen working there. China is reported to have asked France to explain the significance of the action. Reports from Paris state that occupation of the Paracel Islands was in accordance with an agreement made with China in 1885.

Press reports from Tokyo state that an important objective of President Quezon's visit to Japan on July 6 is to receive assurance that Japan has no designs on the Philippine Islands. High Japanese officials are prepared to state emphatically that Japan has no "territorial ambitions" (familiar phrase) in the Philippines, and would be willing to sign a pact guaranteeing the independence of the Islands. Quezon's visit to Japan has apparently been arranged for directly by his Japanese friends without reference to United States officials.

Reports from Peiping state that on June 30 General Koise, former Chief of Staff, Kwantung Army, recently Commander of the Chosen Army, replaced General Terauchi in command of the Japanese forces in North China; that Lieut. General Doihara became Chief of the General Staff (North China District?); that Lieut. General Shiogetsu replaced General Kita as head of the Political Department, and that Lieut. General Umetsu assumed command of the Ping-Pan line. These reports have not been confirmed.

Reports from Moscow state that a Soviet vessel went aground off the Japanese coast in La Perouse Strait (south of Sakhalien) on May 31. The ship was detained by the Japanese for entering a fortified zone. The Soviet Charge pointed out that fortifications in that area were a violation of the Treaty of Portsmouth (ending Russo-Japanese war), and of the Russo-Japanese Convention of January 25, 1925. The ship was condemned to pay a fine but has been released pending appeal to a higher Japanese court.

General Ushakoff, Lushkoff, Lichakov, or Samoilovitch, Chief of the Soviet Far Eastern Secret Police, who was reported captured at the Manchoukuo frontier on June 13, is now in Tokyo apparently under the protection of the Japanese military. His diary was released to the press on July 3 by "high Japanese officials." In it he warns Japan

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that Stalin is assisting China to prolong the war in the hopes of exhausting Japan and then dealing her a crushing blow with Blucher's Far Eastern Soviet Army.

Press reports from Tokyo dated July 5 state that Japan, Manchoukuo and Italy signed a treaty "to regulate trade and payments therefor". Significantly Japan and Manchoukuo were linked together as one party to the agreement, despite the theoretical independence of Manchoukuo.

The German military advisers left Hankow for Hong Kong on July 5 on board a special train provided by the Chinese Government.

NORTH CHINA THEATER

Reports of mutinies in Inner Mongolia and Western Manchuria have been confirmed by Japanese reports from Jehol and by reports from Mukden. Contact between the mutineers and Ma Chan-shan's command is reported. Serious fighting is going on in southwestern Jehol.

Guerrilla activities in North China continue. Seventy-five thousand Chinese guerrillas are reported on the Ping-Han line opposed to 30,000 Japanese, aided by 15,000 Chinese mercenaries, some of whom are secretly allied with the guerrillas. Ten to twenty thousand Chinese guerrillas are reported in northern Hopei near the Great Wall.

Despite earlier Japanese denials it appears definite that the Japanese intend to establish an oil monopoly in the territory controlled by the puppet Mongol Confederation in Inner Mongolia. This puppet is still under control of the Kwangtung Army.

CENTRAL CHINA THEATER

The Japanese are reported to be concentrating a force on the west of the Ping-Han Railway north of the Yellow River with the objective of forcing a crossing near Loyang. No serious clashes have been reported in this area except for mopping up operations on the Lunghai west of Hsuehchow. Little activity is reported in Shansi.

On the Yangtze the Japanese captured Hukow on July 5 and now have Kiukiang as their next objective. New mine fields and other obstacles are being placed in the river between Hukow and the next heavy river barrier at Tienchiachen (38 miles up stream from Kiukiang). The American gunboat Monocacy is at Kiukiang and will probably remain there until after the Japanese take the city. Some Japanese troops are reported to be crossing Lake Poyang for an attack on Kiukiang from the south. Japanese expect Kiukiang to fall within 24 hours but it should hold out much longer.

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Foreign reports confirm damage to Japanese craft by Chinese bombs and artillery. One aircraft carrier, four other warships and a transport, all damaged, were reported being towed down the Yangtze. Japanese aircraft raided Nanchang on July 4, claiming destruction of most of the Chinese airplanes there; Chinese counter claims are equally unreliable. Chinese claim to have destroyed 13 Japanese ships, 27 planes, 40 small boats and to have damaged 20 others in the vicinity of Katang.

North of the Yangtze Chinese claim to have made successful counterattacks in the Taihu, Chienshan and Chenyangkuan areas. While there are no Japanese denials, these successes have not been confirmed. Flood waters of the Yellow River are now at Fengpu on the Tsin-Pu Railway.

Reports from fairly reliable Chinese sources state that 108 Chinese divisions averaging 7,000 each are in general defense of Hankow. Seventy divisions are north of the Yellow River, 8 were near Katang and Hukow, and 30 are in the general area of Nanchang. Chinese expect that the Japanese will make coordinated drives on both sides of the river, one west from Taihu and one south of the river through Nanchang. They expect the Nanchang drive to be the main effort.

Terrorist activities at Shanghai on July 7, anniversary of the start of the war, resulted in the killing of three Japanese. Three others were wounded. In addition, three Chinese were killed and four wounded. Two Japanese were killed in the American Marine sector. Japanese military authorities requested permission to send Japanese troops to aid the American Marines in protecting their sector and later wished to send troops through the sector to aid the Italian forces. Both requests were refused and both the American and Italian commanders stated that they were able to safeguard their respective sectors with their own troops. However, Japanese ronin in large groups entered the Settlement and searched pedestrians in other Settlement areas. Over 1,000 Chinese were arrested by the Shanghai Municipal Police in an effort to curb the terrorism.

SOUTH CHINA THEATER

Swatow was bombed heavily on July 1 and 2. About 200 Chinese were killed and 400 wounded. The Swatow bombings came one day after the Japanese Government had informed the Pope that they would treat his appeal to cease bombing civilians with "consideration and deference." Mamoi at the Pagoda anchorage near Foochow was bombed on July 1. The British Vice-Consulate there was reported hit. Foochow was bombed on July 6 with little damage. The Canton area was relatively quiet during the period.

At Amoy, foreign business men and certain of their employees were permitted to land on the Island on July 5 for the first time since

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the Japanese occupation on May 11. About 2,000 Japanese sailors are on the Island.

COMMENT

The Japanese advance up the Yangtze continues slowly but surely. The Chinese defense of Katang and of Hukow were poorly conducted. The Katang barrier was probably one of the strongest on the river, protected by artillery. Permanent artillery forts were also located at Hukow. A well conducted defense should have held up the Japanese at these points for some time. Pai Chung-hsi at Hankow is loud in his criticism of the failure to reinforce Katang and Hukow with seasoned and trained Chinese troops.

There is much breast beating in Hankow on the subject of a defense of the Hankow area to the bitter end. However it is probable that preparations are now under way for a withdrawal of the main Chinese forces whenever the menace of a Japanese encirclement becomes real, probably in about a month. The Chinese desire above all to keep their main military forces intact as a "magnet" to draw the Japanese farther into China. The Hankow area is of undoubted importance to the Chinese but apparently not important enough to risk the annihilation of their forces. The withdrawal will probably be to the west and southwest on both sides of the river. The Japanese are concentrating large numbers of aircraft in the Yangtze area and mass bombings of Hankow may be expected at any time.

The German military advisers finally left Hankow on July 5. The decision of the German Government to withdraw the advisers and cease munitions shipments to China after the war had been going on for nearly a year is puzzling. One explanation is that Germany's ties to Japan are purely ideological and only the Nazi clique is favorably disposed toward Japan. Hitler has been preoccupied with European and domestic affairs and only recently had Germany's participation on behalf of China been brought to his attention. The decision to stop that aid is his. Hitler's decision disregards the immediate effects on Germany's profitable trade with China, its probable effects on future commercial relations with that country, and the sad ally that Japan now would make in case of war with Russia.

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

JR

TELEGRAM RECEIVED GRAY

Canton via N. R.

Dated July 12, 1938

REC'd 10:35 a.m., 14th,

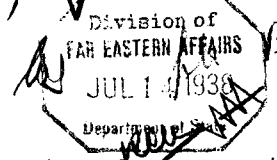
Secretary of State,
Washington.

July 12, 4 p.m.

Japanese air attacks in Kwangtung have recently been directed chiefly against the Canton Hankow and Canton Hong Kong Railways and adjacent villages. Many houses have been destroyed and civilians killed and injured but only temporary damage inflicted on the railways. The Sheklung bridges on the Canton Hong Kong Railway have been bombed repeatedly but are still intact. On July 11 in two raids at Sheklung considerable damage was done to nearby villages and the Canton Hong Kong telephone service was disrupted. Bocca Tigris forts were also bombed extensively but without damage and the press reports an attempted Japanese landing on the tenth at Taisu below the forts. This was repulsed.

On July 12 the planes again came to Canton city proper. The Canton station of the Canton Hankow Railway was the main objective and considerable damage was done to engines, rolling stock and track in the freight yards. Bombs landing in the river did considerable damage to

junks



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

-2- July 12, 4 p.m., from Canton via N. R.

junks and sampans. Bombs were also dropped in the
residential area near the civic center. Civilian
casualties were comparatively few since these districts
were largely evacuated ^{after the} previous bombings.

LINNELL

CSB

WFB
12-18-75

MICROCOPY

976

ROLL

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END

