ROLL

Microfilm Publication M976

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

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1940-44

793.94/15660-15849 Feb.-May 1940



THE NATIONAL ARCHIVES NATIONAL ARCHIVES AND RECORDS SERVICE GENERAL SERVICES ADMINISTRATION

WASHINGTON: 1975

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.

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

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 O. 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
- Class 6. Commerce. Customs Administration. Commercial Relations, Treaties and Conventions. Commercial and Trade Agreements.

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.

TELEGRAM RECEIVED

FROM

HSMThis telegram must be closely paraphrased before being communicated to anyone. (Br.)

Shanghai via N. R. Dated February 5, 1940 Rec'd 2:20 p. m.

Secretary of State, V

Washington.

February 5, 7 p. m.

Department's February 3, 1 p. m., addressed to me on LUZCN.

Comments on results of observations during trip to Hankow contained in my telegram of February 5, 6 p. m., which was drafted on the LUZON in conference with members of staff, paraphrase is going by mail to Admiral Hart through Admiral Glassford. I doubt wisdom my making public any part of these comments here. Essential point is that river is now controlled (military line of communications and question of opening will be subject to army's local interpretation of military exigencies of situation. I am frankly doubtful of any good which may ha achieved by any publicity here in view of conditions described in my comments.

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitty 0, Subject NARS, Date 12-18-75

PREPARING OFFICE WILL INDICATE WHETHER Collect

TELEGRAM SENT

TO BE TRANSMITTED X CONFIDENTIAL CODEX NONCONFIDENTIAL CODE

Charge Department

Department of State

PARTAIR Brown H PLAIN

Charge to

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Washington, NAVAL RADIO

February 9, 1940

AMERICAN CONSUL,

HONG KONG. Via UK

This cable was sent in confidential Code. It should be carefully paraphrased before being con innested to a your. BR

FOR THE AMBASSADOR.

Your/February 5, 7 p.m., from Shanghai.

The Department has decided especially in view of your doubts as to the mediativeness of making public in Shanghai any portions of your report in regard to your journey on the Yangtze, to withhold alternation, at least for the time being, any publicity in connection with your report.

Sent to Hong Kong only.

Hull

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Enciphered by	
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Sent by operator _______ M., ______, 19____,

D. C. R.-No. 50

793.94/15660



EMBASSY OF THE UNITED STATES OF AMERICA Chungking, November 19, 1939.

Subject: Transmission of a copy of Pamphlet,

"A Digest of Japanese War Conduct", Published by Council of International Affairs, Chungking.

793.94/1566

The Honorable

The Secretary of State, Washington, D.C.

DEPARTMENT OF STATE
DIVISION OF
COMMUNICATIONS AND RECORDS
PUBLICATIONS SECTION FEB 6 1940

Sir:

I have the honor to refer to this Embassy's Despatch No. 379, November 14, 1939, enclosing a copy of a pamphlet issued by the Department of Intelligence and Publicity of the Ministry of Foreign Affairs.

The Embassy has now received under cover of a communication dated November 16, 1939, two copies of another pamphlet from the same Department entitled "A Digest of Japanese War Conduct", by Dr. Shuhsi Hst, &

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prepared under the Auspices of the Council of International Affairs, Chungking. I have the honor to enclose, as of l/ possible interest to the Department, a copy of the above pamphlet.

Respectfully yours,

For the Ambassador:

Willys R. Peck, Counselor of Embassy.

Enclosure:

1/ Copy of pamphlet as stated.

Original and four copies to Department (Enclosure with original only) Copy to Peiping with enclosure.

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EMBASSY OF THE UNITED STATES OF AMERICA

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No. 422

Chungking, January 8, 1940

Subject: Correspondence between the President and General Chiang Kai-shek and Dr. H. H. Kung.

Correspondence between the Secretary of State and Dr. H. Kung.

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NA.

The Honorable

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The Secretary of State
Washington, D. C.

Sir:

I have the honor to acknowledge the receipt of a copy of the Department's strictly confidential instruction No. 747, of November 25, 1939, (file No. 793.94/15483) transmitting copies of a letter addressed to the President by General Chiang Kai-shek on July 20, 1939, and the President's reply of

793.94/15662

November 10, 1939, and of a letter to the President from Dr. H. H. Kung dated August 17, 1939, and of the reply thereto dated November 10, 1939.

The circumstances attending the delivery to General Chiang of the reply addressed to him, which was effected on January 2, 1940, were briefly described in my telegram of the following day and in my despatch No. 419, of January 4, 1940, which is awaiting the completion of plans for safe transmission.

While the Department had reason to think that these copies would reach the Embassy, Chungking, in advance of the arrival of the actual replies and the date of their delivery, I venture to invite the Department's attention to the fact that this did not occur. This fact is of no special importance, except that General Chiang, following his habit, probably had, during the conversation that took place when I . delivered the reply, a photographic record in his own mind of the contents of his letter to the President of July 20, 1939, and his observations may have been colored by that recollection. For example, his remarks concerning what I took to be current negotiations for an American loan to China may have been merely a reference to his request for financial assistance, and his reference to the attitudes of Great Britain, France and the United States, respectively, toward the present hostilities certainly indicated an extension of the sentiments he expressed in his letter. It has been observed that Generalissimo Chiang has a retentive and a continuous impression

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of an exchange that may be extremely disconnected in point of time.

In regard to the delivery to Dr. H. H. Kung,

Vice President of the Executive Yuan and Minister of *

Finance, of the reply addressed to him by the President,
and of the letter addressed to him by the Secretary of

State under date of November 13, 1939, answering

Dr. Kung's letter of August 17, 1939, (see the Department's instruction No. 184, of November 14, 1939) I

have the honor to report that both communications

were handed to him simultaneously and that no important observations concerning international relations

were made by Dr. Kung during the conversation that

took place on that occasion.

Dr. Kung particularly requested, however, that I convey to the President and to the Secretary of State an expression of his pleasure at the cordial * sentiments that characterized their replies.

Respectfully yours,

For the Ambassador:

Willys R. Peck Counselor of Embassy.

Original by air mail to the Department
Four copies to the Department
Copy to the Embassy at Tokyo (through Peiping)
Copy to the Embassy at Peiping

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DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 12, 1940.

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Mr. Hornbeck

Reference Chungking's despatch no. 430 of January 18, 1940, entitled "Alleged Conflict of Policies among Chinese in regard to the Hostilities with Japan".

Enclosed with the despatch under reference is a copy of notes made by a member of the Embassy staff from a memorandum by a European news representative. The despatch contains a summary of the notes and also comment by the Embassy.

In essence the European news representative believes that there is an important group of officials in the National Government of China which favors a peace by compromise with Japan, that Chiang Kai-shek is prolonging the war because peace would mean civil war, and that Chiang Kai-shek is using the war as a pretext for extending the military authority of the National Government in Kwangsi, Shansi, and other areas where the Government's authority hitherto has been challenged.

The Embassy agrees that there exists a group of officials in the National Government

which

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

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which favors a peace with Japan by compromise, but expresses the belief that General Chiang Kai-shek "is inflexibly determined to fight it out with the Japanese on strictly military lines and that he will never negotiate a compromise through a Wang Ching-wei puppet government".

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041 EMBASSY OF THE UNITED STATES OF AMERICA

No. 430

Chungking, January 18, 1940

Subject:

Alleged Conflict of Policies among Chinese in regard to the Hostilities

with Japan.



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The Honorable

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to state that the Assistant Military Attache on January 9 was permitted to see a memorandum written by a European news representative in regard to alleged cleavages of opinion among Chinese leaders, principally in regard to the policy China should pursue toward Japan. A memorandum consisting 795.94/15665

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consisting of notes made from that document by

1/ Secretary Weil is enclosed. The Embassy has not been able to check the assertions made by the news correspondent, but believes that they are in the main dependable.

Summary of Enclosure.

General Yen Hsi-shan, in Shansi Province, two years ago organized a "Leftist" army, to obtain additional popular support; this new army and his former army are having disagreements and General Ho Ying-chin, Minister of War, regards these disagreements as more serious than quarrels between the Central Army and the Eighth Route, or "Communist", Army, which occupies a "Spe-cial District" on the border between Kansu and Shensi Provinces. So-called "Communist" forces in North-west China, North China and in Central China, in Japanese-occupied areas, now number about 200,000, but the Government is supplying money and munitions for a mere fraction of that number. In Yunn Province the formerly recalcitrant General Lung Yun has ostensibly become reconciled to control of his sphere of In Yunnan influence by the National Government, but there are still hidden separatist tenden-cies. There has not yet been complete settlement of all questions between Lung Yun and the National Government. The memorandum lists Chinese leaders who are reported to favor "compromise" with Japan and others who favor a continuation of the war. The leader of the "comproof the war. The leader of the "compromise" group is said to be Dr. Wang Shih-chieh,
Minister of Publicity, and others include
General Ho Ying-chin, Minister of War, and
Dr. H. H. Kung, former President of the Executive Yuan and still continuing as Minister of
Finance. Recently there was some thought of Finance. Recently there was some thought of replacing Kung, because there is increasing dislike felt for him, and of replacing the Minister of War, but no change was made in the Cabinet, because a change might have been interpreted as a sign of weakness in the Government. The prospects that Wang Ching-wei will be able to form a puppet "Central Government" are improving; he is getting better terms from the Japanese Government and is being joined by former Manchurian military officers. The news correspondent thinks that Wang Ching-wei is right in saying that General Chiang is right in saying that General Chiang Kai-shek is prolonging the war because peace would mean civil war. Chiang is using the war as a pretext for

extending

extending the military authority of the National Government in Kwangsi, Shansi and other areas where the Government's authority hitherto has been challenged. The increasing difficulties in prosecuting the war are strengthening the position of the advocates of "compromise" with the Japanese, while General Chiang seems to take a neutral attitude toward this question. If a compromise peace were declared, the "Communist" forces and some, at least, of the Government forces would continue to fight the Japanese under a new democratic government, the sort of government that, according to the commentator, Chiang, himself, ought to form in order to carry on the war.

Comment on Enclosure.

Yen Hsi-shan: the attempt of this Shansi leader to set up a secessionist government in North China in 1930, with the assistance of Wang Ching-wei, and the credible reports at that time that he received financial support from the Japanese seem to have been expiated by genuine attempts to resist the Japanese in recent years. It may be true, however, that certain leaders in the Government fear that his separatist tendencies will persist after peace is restored and are fomenting the dissension in his army, as well as trouble with the Eighth Route Army, to weaken those forces and provide pretext for seizure of control by National Government forces. It does not seem at all likely that General Chiang is responsible for such tactics, if they are being used, because several years ago he renounced the use of force against fellow-Chinese and he seems to have adhered to that declaration.

The "Communist" forces: foreigners almost universally believe that these forces comprise true patriots,

indomitable

indomitable fighters against the Japanese, devoted to genuine democratic government, while Chinese in the Government seem to believe that they are doing more talking than fighting, are fostering their military strength for political purposes after the war, and are under dictation from Moscow. It will be difficult to bring them into the political scheme that seems to be evolving in China. It is China's misfortune that mere differences of political belief should carry the implication of resort to armed force. Testimony regarding the military achievements of the "Communist" forces, including those in the neighborhood of Shanghai, seems irrefutable. In any case, it is credibly reported that General Chiang has ordered cessation of attempts of some army commanders to coerce the "Communists" with force.

Yunnan: appearances indicate that the attempt to keep Yunnan for the Yunnanese against what the Yunnanese have hitherto regarded as the encroachments of the National Government has at length crumbled before the demands of the war situation.

"Compromise with Japan" group: the officers of the Embassy have personally know for a long time all the men listed of in the memorandum as favoring compromise with Japan and they believe that if these men hold the views ascribed to them, they hold them only because of a conviction that the internal and international situation of China makes further continuance of the struggle against Japan hopeless, and not because they would prefer to live under Japanese control. Even if, in individual cases, they have become exceptionally

exceptionally discouraged by the protracted effort and feel that any end to the hostilities is to be preferred to their indefinite continuance, they must be aware that defection to the enemy would make them marked men and subject them to vilification and possibly assassination by their fellow-Chinese, and on this account it seems very doubtful whether they would venture on any overt act of desertion.

Wang Ching-wei: it cannot be ruled out as a remote possibility that Wang Ching-wei is in secret consultation with Chiang Kai-shek; it is certain that the latter has adherents masquerading as "pro-Japanese" in the puppet governments. Nevertheless, everything known about General Chiang Kai-shek indicates that he is inflexibly determined to fight it out with the Japanese on strictly military lines and that he will never negotiate a compromise through a Wang Ching-wei puppet government.

Continuance of resistance after a hypothetical
"compromise": there are strong indications that if
Wang Ching-wei, or even General Chiang, were to
negotiate a "compromise" with Japan, enough of the
country would refuse to acquiesce in the surrender
to make continuance of disorder, if not of hostilities,
certain for an unpredictable period. Local French
and Italian diplomats seem inclined to envisage
the possibility that China will break up into
sections, the south-western section remaining

independent

independent and the other two coming under Soviet and Japanese influence.

Respectfully yours,

For the Ambassador:

Willy R. Peck, Counselor of Embassy.

Mnclosure:

Original to the Department by air mail her Copy to the Embassy at Peiping Copy to the Embassy at Tokyo

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Enclosure to Despatch No. 430 January 18, 1940

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CONFIDENTIAL

January 9, 1940

MEMORANDUM

Subject: Notes Taken from a Memorandum Furnished by a Foreign Correspondent:
Certain Aspects of Current Political Situation.

Yen Hsi-shan: Yen Hsi-shan, when he found himself in acute difficulties two years ago, established a new army, in addition to his old one, taking into the new army younger men with comparatively radical ideas. Formed "Sacrifice League", which, superficially, borrowed much from Communists. Old army opposed placing of political commissars in its midst; recently demanded their removal, and threatened to cooperate with Fu Tso-yi (Suiyuan) unless commissars were removed. On second anniversary of formation of new army, old army sent detachments to celebrations to provoke clashes; old army actually disarmed about 1,000 troops of new army. These clashes made it possible for Japanese to withdraw one or two divisions from Shansi front and send them to Yangtze.

Yen's present attitude not quite clear, but he seems to lean towards old army. He has, however, sent circular telegrams to both, in an effort to assuage their feelings.

A week or so ago, at a meeting of Standing Committee of People's Political Council, General Ho Ying-chin called situation in Shansi serious; accused Yen of having developed a heterogeneous and unsatisfactory organization; accused new army of

collusion

collusion with Eighth Route Army (although new army is not Communist). Possible solution of problem may be found in placing all blame on radical element in new army, and eliminating it if possible.

Communist-Kuomintang Conflict: General Ho has described recent clashes between Central troops and Communists (Eighth Routers) on Kansu-Shensi border as "not so serious as the events in Shansi"; "such things there are are bound to happen where/Red troops".

Recent clashes seem to have resulted from Eighth Routers' occupation of river crossing and pass at Suitehchow through which all communications between Special Border District (Communist) and Eighth Route forces in North China must pass. Eighth Routers obtained permission from Yen, and from the other Central Army commander in a neighboring district, to place one regiment at this point on ground that it was in danger of Japanese attack, but local Central Government head of hsien government fled, telegraphed Central Government that his district had been invaded by Reds. Central Government does not appear to have been informed of permission granted by commanders of second and tenth war areas. As a result, Central troops occupied a number of important places in Special District near Kansu-Shensi border. Clashes followed; Communists, most of whose troops were at the front, withdrew from towns. Several divisions of crack Central troops now virtually surround the Special Border District.

Total number of men in Communist armies, including

Eighth and Fourth Route, and cadres in Chahar, Hopei,

Shantung

Shantung, and in Japanese-occupied areas, increased from about 30,000 at beginning of war to about 200,000, in spite of heavy losses. Fourth Route Army has tripled in numbers, but is still receiving same pay from Central Government as when it had 15,000 troops. Eighth Routers treated similarly. Supplies furnished to Communists inferior to those supplied to Central troops.

Yunnan: Lung Yun, following fall of Nanning, demanded appointment of Lu Han, his chief military aide, as governor of Kweichow; and demanded that Yunnan, Kweichow, and Kwangsi be made a special war area under his command. He also asked for return from front of six Yunnanese divisions, and money for training of new troops in Yunnan. These demands were his price for fighting the Japanese, but he also said at a memorial meeting: "We are determined to fight any enemy who might come to Yunnan."

Lung Yun was made commander of the Generalissimo's Provisional Headquarters in Kunming, but with the improvement of the situation in Yunnan, vague promises to make Lu Han governor of Kweichow are being forgotten. The Central Government has, moreover, demanded certain assurances from Lung regarding the number of troops he will train to fight the Japanese, and regarding handing over certain modern foreign arms and munitions now in Yunnan.

Central Government Officials: Wang Shih-chieh,
new Propaganda Minister, formerly a follower of
Wang Ching-wei, one of very few having immediate access
to the Generalissimo at present, and main driving force

behind

behind current attempts to make peace; is leader of "compromise group", comprising Tai Chi-tao, President of Examination Yuan, Confucian scholar, who has great influence on Generalissimo's spiritual Mobilization theories; Chang Chun; Ho Ying-chin; Kung; Chen Li-fu.

Group favoring continuation of war includes:
Yu Yu-jen, President of Control Yuan; Sun Fo;;
T. V. Soong; Li Tsung-jen; Pai Chung-hsi; Feng Yu-hsiang;
Yen Hsi-shan; and commanders of Central and Communist
Armies.

Recent attempt to reshuffle high officials mainly the result of increasing dislike for Kung, especially in Army. For first time, Generalissimo did not support Kung. Changes were contemplated also in following ministries: Foreign Affairs; War (Ho disliked by Army); Communications; and various new ministries were to be formed. Generalissimo decided, however, that change in Government might be regarded as sign of weakness. Kung proposed as his successor Chien Ching-tsi (if a good banker were needed), K. P. Chen (if a man with good international connections were needed), or Hsu-kan (if a good administrator were needed), thereby implying that none of his possible successors would combine all the qualities he himself has. The Generalissimo replied to none of these proposals. Kung then suggested T. V. Soong, but in the meantime other problems had pushed criticism of Kung into the background, and the question was temporarily shelved.

<u>Wang Ching-wei</u>: Wang's prospects once more improving. Japanese are now offering him following: Manchukuo to be recognized as independent; North China to be governed by a special political committee; Japanese

troops

troops to be withdrawn from Central and South China after a time, but garrisons to remain in Nanking, Shanghai, Hangchow, Canton, and possibly Hankow; Hainan Island to be ceded or leased to Japs; economic and cultural cooperation to be guaranteed; Wang to be left free to make peace with Chiang without Jap interference.

Ku Meng-yu's recent discussions in Chungking were mainly with Wang Shih-chieh and Wang Chung-hui, but nothing is reliably known about subject discussed.

Old Manchurian military men are playing an important role in Wang Ching-wei's Officers' School in Woosung. Estimated that only about one tenth of officers educated at Chang Hsueh-liang's Mukden academy are now in Chungking camp. All others with puppets, and getting in touch with Wang. Former chief of Mukden academy (one of twenty Chinese officers trained at Imperial Japanese Staff College), a very able man returned from abroad six months ago. Was refused an / by Chungking, and went over to Wang. Another Manchurian general, Pao, in Peking until recently has now joined Wang.

"Wang Ching-wei is right in one regard", i.e., in saying Chiang wants to continue the war because peace would mean civil war. Jap invasion in Kwangsi has given him excuse to send his troops into that province; split between Yen's two armies being fostered by Central Government in order to put Central Armies in control in Shansi; similar procedure in Communist areas. Generalissimo seems to have been afraid that progress in these areas was too rapid, and therefore dangerous.

Increasingly

Increasingly acute character of financial and transportation problems is encouraging compromise group, and widening breach between this group and those who favor continuation of war. Generalissimo seems to take a neutral attitude.

If compromise peace is made Communists will continue fighting; form anti-Japanese, democratic government, in which many non-Communist elements, and probably even some Central troops, would participate. It would be the sort of government which "it was really the Generalissimo's task to form in order to carry out the war."

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DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 12, 1940.

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Reference Chungking's despatch no. 429 of January 18, 1940, entitled "Chinese Theories in regard to the Hostilities and Foreign Relations".

An adequate understanding may be had of Mr. Peck's memorandum by reading the summary on page 2 of his despatch. It is thought, however, that if you have the time you will be interested in reading his 8-page memorandum.

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FE: Adams: HES



EMBASSY OF THE UNITED STATES OF AMERICA

No. 429

Chungking, January 18, 1940

Subject:

Chinese Theories in regard to the Hostilities and Foreign Relations

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773.94

The Honorable

The Secretary of State,

Washington, D. C.

Sir:

1/ I have the honor to enclose a memorandum dated January 10, 1940, written by the Counselor of the Embassy at Chungking, on the subject "Chinese Theories in regard to the Hostilities and Foreign Relations". In the temporary absence of the Ambassador from Chungking it has not been possible to ascertain whether he concurs in the views and estimates embodied in the memorandum.

Summary

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DEPARTMENT OF STATE

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Summary of Enclosure

The Japanese threat to China, for many years a cause of discord in China, now divides Chinese leaders into a majority which favors continued resistance and a minority which advocates compromise with Japan. Plausible arguments are available to each side. A victorious China will endeavor to conserve China for the Chinese. Government monopolies in the largest-scale lines of commerce and industry will probably be the order of the day and American private enterprise will be circumscribed along with that of the Chinese and of other foreign nationali-ties. If the Japanese are victorious, American and other Occidental enterprise will American and other Occidental enterprise with strictly limited, with Japanese in a favored position. Chinese who intend to continue resistance to an ultimate victory are in the vast majority, but defeat of their efforts is possible if the friendly powers give aid to Japan. In case of China's defeat all nationalities would have to yield to the authority of the Japanese Army. Even those Chinese who, because of a feeling of hopelessness, advocate compromise with Japan, would probably join the ranks of their countrymen if more substantial support were given men if more substantial support were given by the "democracies" to China as against Japan.

Respectfully yours,

For the Ambassador:

Willy R. Peck, Counselor of Embassy.

 $u_{ t Enclosure}$:

Memorandum of January 10, 1940

Original to the Department by air mail
Four copies to the Department
Copy to the Embassy at Peiping
Copy to the Embassy at Tokyo

800/710 WRP: tm

Enclosure to Despatch No. 429 January 18, 1940

CONFIDENTIAL

January 10, 1940C51

MEMORANDUM

Chinese Theories in regard to the Hostilities and Foreign Relations. Subject:

It is notorious that for moretham two decades before the present hostilities between China and Japan started in 1937 China had been disturbed by factional wars. These were differences of opinion that found expression in "bullets" rather than "ballots". Beginning with strife between leaders and provinces for money, power and territory, the provincial wars culminated in the successful war for Nationalist supremacy and the war between the Nationalists and the "Communists", which was waged primarily for territory wherein to develop conflicting political theories. The last of these wars ended in 1937, in deference to the necessity for a united front against the Japanese invaders.

The Japanese threat to Chinacever since the days of Yuan Shih-kai, who died in 1916, has been an outstanding cause of discord and strife among the Chinese. Sometimes the Japanese have incited rebellion against the National Government and have subsidized Chinese leaders; at other times clashes have been caused by divergence of views among Chinese regarding the way to deal with the Japanese threat; it will be recalled that General Han Fu-chu, Provincial Chairman of Shantung, was executed for alleged failure to resist the Japanese in 1938. It was only when the nation

decided

decided definitely for armed resistance that the external danger united the country, instead of dividing it. In 1933, just before he relinquished his post of Foreign Minister, Dr. Lo Wen-kan told the writer that there was a faction that might be called the "Alsace-Lorraine Party", because it advocated abandonment of Manchuria to the Japanese until China could build up its military strength sufficiently to insure a successful attempt at recovery. Lo vehemently opposed this, partly on the ground that Japan would increase its strength during this period and would prevent China from so doing; but mainly because the Chinese are prone to make the best of things. He was convinced that it would be dangerous to permit China to relax its mood of resistance. In 1937 General Chiang warned the Chinese that once armed resistance began it could not be abandoned short of absolute victory, even if the nation perished fighting, for compromise would be fatal. General Ho Ying-chin, Minister of War, has always been regarded as a secret advocate of compromise with Japan. In 1937, shortly after the Japanese provocative acts near Peiping, when the issue of armed resistance was still in the balance, the writer inquired whether China would fight. General Ho replied that since the Japanese were so "uncivilized", the Chinese had no option but to resist with arms.

An attempt may usefully be made to marshal the arguments for "compromise with the Japanese" and for "continued resistance". In Chungking there is no

open

open voicing of "compromise" theories, but it is constantly rumored that some leaders hold them. Thoughtful consideration of the arguments involved leads to the conclusion that such leaders are not necessarily outright traitors. There is even room for the possibility that Weng Ching-wei is not, in his own belief, a traitor. But since "compromise" theories are necessarily underground, as held in Chungking they can only be deduced from indirect evidence. Compromise advocates might reason that Japan is chastened and moderate after the trying experiences of the last two or three years and would not only give China "moderate" terms, but would henceforth always respect China. The Japanese have destroyed the machinery of government in enormous areas; after the hostilities there will unavoidably be confusion; it would be convenient at that moment to have the Japanese army at hand to assist in restoring order, giving Chinese industrialists, technicians and merchants freedom to set going the economy of the nation. Peace, even with the loss of independence, would enable the country to work out its destiny along economic lines and China might even accomplish the historical process of "swallowing up" the victors. Present hostilities are only an episode in a continuing process; even if China dictated a peace, the Japanese army would in the future return to its traditional ambition of subjagating China; it would be wiser to come to some sort of understanding with Japan that Japan would voluntarily observe, rather than enter a period of protracted armed truce,

broken

broken by spasmodic warfare. In the event of a compromise China would have Japan's protection against other possible foes and would share in the glory of Japan. The social, economic and political theories of Japan are not uncongenial to the Chinese. These are some of the arguments for compromise.

The advocates of "continued resistance" may be held to feel that if China were to yield to Japan, even on nominally "moderate" terms, such terms would soon be forgotten and China would forever be a mere object of exploitation. The Japanese, in spite of fair promises given under stress of difficulties, would always regard and treat the Chinese as members of a subject and inferior race. Any Chinese of leadership rank, especially if he had been prominent in resistance, would be a doomed man. The past has shown that the Japanese regard any sign of nationalistic feeling in a Chinese as betraying his "insincerity" and unfriendliness. If China were tied up to Japan it would be involved in perpetual military enterprises, to which Japan's ambitions of conquest have committed the nation. Compromise with Japan would mean ruin for China as a whole and for the great body of patriotic Chinese. In addition to all this, under Japanese tutelage, even if it did not amount to outright domination, China could never enjoy those free, equal and cordial relations with the democratic nations of the Occident to which China's rank as a nation and natural tendencies entitle it.

There

Married Married

There are assuments for China's unalterable resistance to Japanese domination that appeal strongly to Westerners: China has its mission to perform as a world-power in support of international morality, as a counter-poise to the predatory aims of Japan and the Soviet Union, as a factor for peace in the Pacific, and as a useful producer and consumer of goods in its own right; when these arguments are advanced by Chinese they have more the air of reasons why foreign nations should aid China in resisting Japanese aggression, than of reasons why China, at whatever cost of suffering, should continue resistance.

Chinese speak of their desire to expel the Japanese in order that they may uphold the Nine Power Tresty and accord equality of opportunity to all nationalities in China; these objectives need not be doubted, but they are merely phases of another aim, the intention of the Chinese to be masters in their own house. Such a desire is not only inherent in all nationalities, particularly in our own, but in the present case seems especially useful and laudable. If Chinais to emerge from this tremendous struggle strong enough to serve as an important factor for peace in the group of powerful nations, a prerequisite and a result of such strength will be the ability to control its own political policies. It seems illogical, even fantastic, to suppose that a victorious China could serve as a stabilizing factor in the Pacific area and still remain powerless to exercise its sovereign rights, including the negotiation of trade treaties, etc. A weak nation is a source of international discord and what is universally desired

except

except by Japan and possibly the Soviet Union, is a China able with its own resources to withstand aggression and disturbance of the equilibrium of the Far East.

However, if China is able to salvage from Japanese attacks the full exercise of national sovereignty, it may exercise that sovereignty in directions that will not prove entirely palatable to the West. The Government will, in the writer's opinion, follow the example of certain other nations and both limit the activities open to foreign nationals in China and also install a "managed economy", in the form of Government monopolies. There are already monopolies in the export of bristles, silk, tea, tung oil, and minerals. These monopolies are now ascribed to the necessities of warfare and the requirements of trade agreements. among them the American credit, but there is reason to believe that it is the intention of the Government to continue such monopolies for an indefinite period, in the belief that they constitute an indispensable means of developing China commercially, industrially and economically in the shortest possible time, somewhat as many Americans believe that large aggregations of capital are essential in the United States for industrial research, adequate capital investments, etc. It is true that Chinese are individualists, but they have always had a keen perception of the benefits to be derived from collective action.

It may be expected that if China is left with power to decide, there will be no discrimination between foreign nationals in China, but this will mean that all will be under the same restrictions. If

Japan

Japan imposes its will on China, Japanese interests will have many privileges from which other nations will be excluded. Since American and European activities in China will be under hitherto unknown restrictions, without regard to which country is victorious. some foreign merchants profess indifference to the outcome of the hostilities. The superficiality of such an attitude is obvious. On the one hand there is the prospect of an independent China, its Government staffed in large proportion, as at present, with officials educated in the United States and Europe, English-speaking and eager to develop China along the lines with which they have become familiar; on the other hand we must anticipate a China subservient to Japan, all the present type of officials eliminated and their places taken by men educated in Japan, sycophantic toward the Japanese, hostile to Americans and Europeans, and steeped in the idea that China is a member of an Asiatic federation fighting against a "White" world, instead of a member of family of coequal nations. There can be no possible question where the advantage to American and other Occidental interests would lie as between "Free China" and dominated China.

In giving equal space in this memorandum to the "compromise" and "continued resistance" schools of thought among the Chinese the writer wishes to deny any implication that they are equally powerful in the country. The "compromise" advocates are a very small minority and dare not come out in the open. They are in the main defeatists, who believe that China is

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waging

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waging a suicidal struggle in a hopeless cause. They will be strengthened and their numbers will increase if, while the difficulties of the nation become more intense, France and Great Britain, because of intimidation from Japan, waver to the side of Japan, and if the United States continues to supply Japan with money and munitions, while doing relatively little of a positive nature to assist China. It is China's misfortune that the means by which the United States withdrew its assistance from the aggressor nation on the Atlantic produces the opposite effect on the Pacific. If these conditions continue, the courage and persistence of China's patriotic leaders and no less courageous masses may be brought down in defeat. In that event American educators, missionaries, merchants and travelers will be obliged to remove their hats before Japanese sentries at every cross-roads an China, in company with their humble European, Chine se and Japanese associates, if, indeed, Occidentals are, allowed entrance at all. If, on the other hand, moral support of China and condemnation of Japan's aggression as voiced by the so-called "democracies", were given more practical expression, these advocates of "compromise with Japan" would probably cease from their counsels of despair and join their countrymen under the slogan now seen everywhere, "Determined resistance until the ultimate victory". There seems to be general belief that assistance from the "democracies" would not involve China in any political or territorial concessions in derogation of its sovereignty or independence of future action.

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THE FOREIGN SERVICE , PARTHENT OF SHATE UNITED STATES OF AMERICA

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AND RECORDS

Division TAN EASTERN AFTERS

DIVISION OF COMMUNICATIONS

AMERICAN EMBASSY Tokyo, January 9, 1940

No. 4394.

FRENCH-JAPANESE RELATIONS: BOMBING OF THE SUBJECT: YUNNAN RAILWAY: PROTEST.

1/

The Honorable

The Secretary of State,

Washington.

Sir:

In confirmation of the Embassy's telegram/No. 6, January 6, 7 p.m., I have the honor to transmit herewith copies and translations of a third-person note dated January 5, 1940, and of an informal letter dated January 6, 1940, addressed to the Minister for Foreign Affairs by the French Ambassador, protesting against the bombing by Japanese airplanes of the Yunnan Railway.

Respectfully yours,

Joseph C. Grew

Enclosures:

1/ Copy and translation of note as stated. 2/ Copy and translation of letter as stated.

710 ESC:nn Original and 2 copies to Department. Copy to Embassy, Chungking and Peiping. Copy to Consulate General, Shanghai. Copy to Consulate, Yunnanfu.

F/FG

Enclosure no. 1 to despatch No. 4394 dated January from the Embassy at Tokyo.

(The compliments of the French Embassy to the American Embassy.)

The French Ambassador to the Japanese Minister for Foreign Affairs.

L'AMBASSADE DE FRANCE

Tokyo

L'Ambassadeur de France, d'ordre de son Gouvernement, a l'honneur d'attirer la plus sérieuse attention de Son Excellence le Ministre des Affaires Etrangères sur le fait que le chemin de fer du Yunnan vient d'être bombardé à trois reprises consécutives par des avions japonais.

Le 30 Décembre dernier 27 avions ont lancé des bombes qui sont tombées au Kilomètre 98 et au Kilomètre 83.

Le premier Janvier 18 avions ont lancé des bombes au Kilomètre 83.

Le 2 Janvier des avions non dénombrés ont lancé des bombes au Kilomètre 74.

L'Ambassadeur de France a l'honneur de rappeler que le chemin de fer en question a été construit à l'aide de capitaux exclusivement français et qu'il est la propriété d'une Compagnie française qui en assure l'exploitation.

Le Gouvernement de la République est persuadé que ces bombardements, qui ne sont justifiables à aucun égard, sont dûs à de regrettables initiatives locales. Ces attaques se présentent d'ailleurs comme une singulière réponse à l'attitude particulièrement amicale adoptée par la France dans l'affaire de l'avion japonais qui a atterri à Doson. Au surplus, au

moment

moment où le Gouvernement Impérial par l'entremise de Son Excellence le Ministre des Affaires Etrangères à Tokyo et de son Ambassadeur à Paris témoigne d'intentions favorables, le Gouvernement de la République ne comprendrait pas que le Commandement Superieur poursuivit l'entreprise la plus propre à rendre vain tout effort de rapprochement. Il attacherait cependant un grand prix à recevoir du Gouvernement Impérial l'assurance qu'il en est bien ainsi et qu'en outre le Gouvernement Impérial a pris toutes dispositions utiles pour interdire le rétour de pareils attentats.

Enfin l'Ambassadeur de France fait d'ores et déjà toutes réserves utiles touchant le droit de la Compagnie de Chemin de Fer à obtenir réparation des dommages qu'elle a subis ./.

Tokyo, le 5 Janvier 1940

Translation by the Embassy of a note in French from the French Ambassador to the Japanese Minister for Foreign Affairs.

THE FRENCH EMBASSY

The French Ambassador, acting under instructions from his Government, has the honor to invite the most serious attention of His Excellency the Minister for Foreign Affairs to the fact that the Yunnan Railway has recently been bombed on three consecutive occasions by Japanese planes.

On December 30 last, 27 airplanes dropped bombs which fell at Kilometer 98 and at Kilometer 83.

On January 1, 18 airplanes dropped bombs at Kilometer 83.

On January 2, an uncounted number of airplanes dropped bombs at Kilometer 74.

The French Ambassador has the honor to recall the fact that the railway in question was constructed with the help of French capital exclusively and that it is the property of a French company which is responsible for its operation.

The Government of the Republic is persuaded that these bombings, which are justified in no respect whatever, are due to regrettable local initiative. These attacks furthermore constitute a singular response to the especially friendly attitude adopted by France in the incident of the Japanese airplane which landed at Doson. In addition, at the moment when the Imperial Government through the intermediary of His Excellency the Minister for Foreign Affairs at Tokyo and its Ambassador at Paris are showing favorable intentions, the Government of the Republic does

not understand how the High Command could pursue a course most clearly designed to render useless all efforts at rapprochement. It would accordingly attach great importance to the receipt from the Imperial Government of an assurance of its good intentions in this matter and further that the Imperial Government has taken all the necessary steps to prevent the recurrence in the future of similar attacks.

Finally the French Ambassador from this moment makes all the necessary reservations relating to the rights of the Railway Company to recover compensation for the damages which it has suffered.

Tokyo, January 5, 1940.

Enclosure No. 2 to despatch No. 4394 dated January , 1940, from the Embassy at Tokyo.

(With the compliments of the French Embassy to the American Embassy.)

The French Ambassador, M. Charles Arsène-Henry, to the Japanese Minister for Foreign Affairs, Admiral Nomura.

L'AMBASSADE DE FRANCE Tokyo, le 6 Janvier 1940.

Mon Cher Ministre,

Pour faire suite à la conversation que j'ai eu l'honneur d'avoir hier avec Votre Excellence je dois Lui signaler
que le 4 de ce mois entre midi et une heure un groupe de
12 avions japonais a de nouveau bombardé le Chemin de Fer
du Yunnan à la hauteur du Kilomètre 83.

Cette quatrième agression dans un espace de cinq jours rend de plus en plus urgent l'envoi aux autorités locales d'ordres stricts de cesser ces attentats.

Il ne peut échapper à Votre Excellence que si de pareils faits continuaient à se produire ils porteraient le plus grave préjudice aux rapports entre nos deux pays.

M. CHARLES ARSENE-HENRY

Son Excellence

l'Amiral Nomura,

Ministre des Affaires Etrangères, TOKYO.

The French Ambassador, M. Charles Arsène-Henry, to the Japanese Minister for Foreign Affairs, Admiral Nomura. (Translation)

THE FRENCH EMBASSY
Tokyo, January 6, 1940.

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My dear Minister,

Following the conversation which I had the honor of having yesterday with Your Excellency, I am constrained to inform Your Excellency that on the fourth of the month between noon and one o'clock a group of twelve Japanese airplanes again bombed the Yunnan Railway at the distance of Kilometer 83.

This fourth attack in the space of five days renders even more urgent the necessity of sending strict instructions to the local authorities to cease these attacks.

It cannot escape the attention of Your Excellency that if such incidents continue to occur it will most gravely prejudice the relations between our two countries.

M. Charles Arsène-Henry

His Excellency

Admiral Nomura,

Minister for Foreign Affairs, Tokyo.

DEPARTMENT OF STATE

JWB, DIVISION OF FAR EASTERN AFFAIRS

March 4, 1940

Reference Tokyo's despatch 4419, January 16, 1940, entitled "Transmitting Newspaper Clipping Entitled 'An Open Letter to President Roosevelt'."

The Embassy herein transmits clioping of an open letter to President Roosevelt which appeared in the January 14 issue of the English-language newspaper The Japan Times over the signature of Mr. Ryozo Asano, a mominent Japanese businessman and director of many important companies. The letter is of many important companies. The letter a well-constructed plea for sympathy for Japan's cause and its contents are roughly as follows:

Occasional friendly visits between Asano and the President at various times since they were both students at Harvard are recalled; Asano therefore writes as a friend. What is going on in Asia is an analogy to the pioneering from the thirteen American colonies into the American west. Manchuria has similarities to Wisconsin, Minnesota and the Dakotas; Mongolia to Montana and Nevada. But Asia is crowded with peoples of 5,000 year histories and the problem is therefore much more complex. Even the conflict of peoples in Europe is simple in comparison. Americans undoubtedly want to measure things in Asia "according to the way they do with those obtaining in their own towns and villages." It must not be

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DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

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supposed that Japan appealed to arms in China without first seeking peaceful means of settlement. For two and a half centuries Japan was at peace with the world and resorted to arms after 1867 only to defend her existence. Otherwise Japan would surely have suffered the same fate as India, Burma, the Philippines, Australia, Hawaii, or China. The present hostilities in China were brought on by anti-Japanese education, anti-Japanese boycott, and Communism in China. Furthermore Japan has resented the squeezing of the Chinese masses by the white races. In the Chinese masses by the white races. In the preservers and to block up China in an economic sense. "We promoters of Oriental civilization... we must first clear up the Chinese confusion, bring prosperity to the masses, and ... develop Chinese culture from a monopoly of the upper class to that enjoyable by all."

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PARTMENT OPFSTME:
UNITED STATES OF AMERICA

1940 FEB 5 PM 3 37

AMERICAN EMBASSY

DIVISION OF COMMUNICATIONS AND RECORDS

Tokyo, January 16, 1940.

No. 4419.

SUBJECT: TRANSMITTING NEWSPAPER CLIPPING ENTITLED "AN OPEN LETTER TO PRESIDENT ROOSEVELT".

PEB 7 - 1940

Operation of State

193.94

1/

Copy in F.E

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to transmit herewith for the Department's information a copy of "An Open Letter To President Roosevelt" from Ryozo Asano, a prominent Japanese businessman and director of many important Japanese business enterprises, which was printed in The Japan Times & Mail of January 14, 1940.

Respectfully yours

Joseph C. Grew

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1/ Newspaper clipping as stated.

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Original and 4 copies to Department.

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

Enclosure No. 1 to despatch No. 4419 dated January 16, 1940, from the Embassy at Tokyo.

The Japan Times.

Tokyo, Sunday, January 14, 1940.

AN 'OPEN LETTER'

My Dear Mr. President:

The last visit I paid you at the White House still remains fresh in my memory, as if it were but only recently, though five years have already sped by. The truth of the ancient Chinese saying that time darts like an arrow has been never brought home to me so poignantly than now. And recalling still further back to the time when I was invited aboard your trim yacht off your villa at Campobello to enjoy a eruise over the calm blue of the Atlantic, it is hard for me to believe, were it not a real fact, that 29 long years have passed. Time flies indeed!

On that cruise, there were only four in the party Mrs. Roosevelt, yourself, her brother and myself all very young and carefree as the sea itself, expressing ourselves without restraint and enjoying those conversations among ourselves, totally oblivious of the surroundings.

Whenever an opportunity presents itself for thinking of you, therefore, what excites my remembrance is not a picture of you occupying your exalted office as President of the United States of America, but that of a young, light-hearted yacht captain plying the helm. And in writing this letter, I am doing so in the same vein, hoping that you will read it, though it may be a bit lengthy, in that light.

Speaking of the five years that have passed since I had the pleasure of last calling on you in 1934, the period has been laden with many weighty occurrences in the histories of our respective nations. During the interim, both America and Japan have undergone fundamental changes, particularly with respect to their international outlooks. For a new foundation has been erected on the old in this part of the sphere and a brand new structure is about to rise. No one will gainsay the fact that a period so significant will go down in history as the most important epoch of this century.



President Roosevelt



Ryozo Asano

While attending Harvard, which you also claim as your Alma Mater, and in studying American history, I learned that the early development of your country proceeded like a rapid-flowing stream. Blessed by nature were the original 13 States, for they had in their neighborhood vast territories which proved to be homes of great opportunitles and sources of unlimited natural resources. These great Western lands, now a part of your great commonwealth, awaited the coming of your brave pioneers to exploit and develop, eventually to rear a new and prosperous world.

Does history repeat itself? It seems so, for the same process is actually taking place in Asia today. Incidentally, it is my sincere wish that you will some day visit this new country. You will surely find that Manchoukuo is very similar to Wisconsin, Minnesota and the Dakotas of yore. You will find in Mongolia an exact counterpart of Montana and Nevada of the early days. These limitless resources and opportunities await the coming of capable and enterprising peoples. As a matter of fact they are even! now being exploited and developed. I am quite positive that a wonderful country, something on the order of your great West is now being realized on the Asiatic continent.

But, at this juncture, I must call your attention to the fact that a fundamental difference exists between conditions in your West of i the early days and the Asia of today. Your pioneers in journeying westward had a comparatively never be small number of Indians to contend peoples. with, while the Asiatic mainland is crowded with peoples who have histories reaching as far back as 5,000 years. While in your course of developing the new lands, you met with practically no racial impediments, it is unfortunate for us Japanese that we must overcome indescribable hardships in meeting The situation that conworld. fronts us here may be beyond the comprehension of you Americans who are used to a rather simple and well-ordered condition of life, that on this phase a little explanation may be well in order.

In your youth, you were very fortunate to have been taken abroad by your parents to observe things in other countries. In this connection, it may be safe to claim that there is no other American statesman endowed with as much uni-In versal comprehension as you. your travels through Austria, Bohemia, Hungary, Italy, Spain and other places, you must have observed the peculiar customs and felt that people, no matter where for manufacturing, foreign trade they live, cannot be free from na- and mining are my lifework. But tural restrictions and conditions of somehow his speech conveyed the life which constitute their land and dea—at least that was my impressociety. The Dutch, the Germans sion, though he was not explicit on

they inherited their characters, ideas and social orders of today. But for you, raised in a new country, free of old restraints, to understand all these things must have been a very difficult job.

However, cramped as these restrictions on living conditions in Europe may be, they are mere child's play when compared with those found on the Asiatic conti-The Chinese civilization, hoary and antedated, is so fierce in its struggle for existence and so complicated in daily life that it far surpasses the situation existing in the oldest of European countries. Unless this fact is amply brought

home, I am afraid that there is hardly any use in trying to clearly explain what is going on in Asia today. But to our great disappointment and regret, most of those who are here from your country, do not have, as a rule, a clear understanding of this point. And still more . . . to ask your people, who have neither seen Europe nor Asia, but depend for their information upon brief newspaper reports and travelers' lectures, to understand the psychology of the Orient, the old-

est civilization in the world, is indeed too big an order.

Undoubtedly, they want, and it is their habit, to measure things out here according to the way they do with those obtaining in their own towns and villages. Herein lies the gap between America and Asia, I think. And unless this gap is filled up by correcting whatever erroneous ideas each may have of the other, a real friendship can never be hoped between the two

Recently, I had the pleasure of listening to your Ambassador to Japan, Joseph C. Grew, one of the most esteemed Americans whom I have ever known, and was deeply impressed with his straightforwardness and sincerity in conveying the impressions of your people on the human obstacles that bar peace China Affair and my country. Though my experience in your and prosperity in this part of the world. The situation that conwas able to make out his speech as being typically American and as expressive of the real thoughts and feelings of the American people. 'here seemed to be no doubt that he wanted to promote the best relations between our two nations. all of my countrymen who attended were visibly affected as I was, and it was easy to surmise that they were all the more profoundly impressed because they knew that the one who spoke represented a great, friendly nation and spoke what you. had in your own mind.

Mr. Grew said that the happiness of mankind depended upon world economic advancement and stressed that this development was condihabits of inhabitants which inter-tioned on universal peace. On this ested you greatly. You must have point I perfectly agree with him and the mountain Swiss farmers, all this point—that my country had have histories going back more appealed to arms in the China Afthan 1,200 years, through which fair without first seeking adequate DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitter D. Duster NARS, Date 12-18-75

means for a peaceful settlement.

If such is the meaning he wanted to convey as the American view, your people need to be enlightened on a simple historical fact. It is true, though painfully incorrect, that some foreigners have the habit of calling the Japanese a war-like people. Were this true in substance, how can our historical fact be explained that Japan did not have a foreign war nor any bloody internal strife for two centuries and a half, from 1600 to 1868? There is no other race or people in world history that has lived to see such a continuous peace.

Then what were the causes that made Japan go to war following the Restoration (1868), after the country had been opened up to foreign intercourse? The causes were many and different; but when boiled down it leads to no other than that she was invariably forced to defend her very existence as a nation. Had Japan not resisted, she would certainly have suffered the same fate as that of India, Burma, Philippines, Australia, Hawaii, or

Our critics are apt to disregard the external causes that forced a historically peace-loving people to fight at great sacrifice to come out a winner, by taking up the fact of our martial conduct alone, to accuse us as being war-like. Such undeserved censure seems to be concentrated against us in the China Affair. Unfortunately our relations with China have been always difficult. Particularly was this true after the European influence entered China, thereby increasing the difficulties and making the situation complicated. It was unlike America where you have for your neighbors, peace-loving Canada in the North and friendly Mexico in the South, and where you haven't had the experience of war scares from the outside. The situation is entirely different out here. Especially was this pronounced after the Manchurian dynasty fell, as there was no stable government in China for some time, offering further chances for European influences to penetrate.

The Chinese question became so acute that we could not just sit lethargic and indulge in idle talks. We were practically pushed against

the wall. Yet the situation might not have been so aggravating if China had not resorted to a general anti-Japanese education of youngsters, boycott of our goods and taken up the Communist cause. We were confronted with a real menace. It was a life or death struggle with us.

There is still another important aspect to the Chinese situation, of which you may be already aware. We resented the Chinese masses being squeezed by the white races, and to make matters worse her warlords and moneyed interests took advanta of it and fattened their own chests. We earnestly hope and intend to correct this in order to make the living conditions of the great masses sound and worth

while. Perhaps this is the point of which you are least informed, or maybe it is just the opposite of what you have been hearing. But it is a plain fact. Illustrative of this is that when Sun Yat-sen, known as the father of the Chinese Revolution, lived in Japan after his flight, he was helped and protected by the Japanese friends of China. As this was expressive of our sentiment toward China at that time, it is so now. This feature must be tacitly understood or else it is hard to comprehend what is meant by the New Order in Asia.

For these reasons we cannot bow down to the contention that in the present affair we are waging a war of conquest or something of that order, by challenging the Chinese to settle our differences by the means of arms.

When Mr. Grew asked the other day whether or not Japan intended to block China up in the economic sense, I considered this as perhaps the foremost question your people had in mind. To this I must register an emphatic negative, No such shortsighted plan is in our program in straightening up the Chinese question. We are a big people. We are the preservers and promoters of Oriental civilization.
And further, we have for our aim
the uniting and bringing together of the civilizations of the East and West. In order to attain these objectives we must first clear up the Chinese confusion, bring prosperity to the masses, and last but not least, develop Chinese culture from a monopoly of the upper-class to that enjoyable by all. Even if this will possibly benefit China by having her opened up to foreign intercourse and trade, we are not so small as to keep the benefits only for ourselves. Economically, our hope lies in not having our goods boycotted on the part of China, to the detriment of both peoples, but instead, we hope she will cooperate with Japan and Manchoukuo to bring about general prosperity and happiness on the continent. can never conflict with your principles of open door and equal op-portunity in China. When the present hostilities cease, your trade with her will multiply in size, of which I am most confident. Yours faithfully,

RYOZO ASANO At Tokyo



THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

AMERICAN EMBASSY

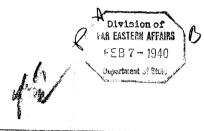
No. 4424

Tokyo, January 16, 1940

SUBJECT:

FRENCH-JAPANESE RELATIONS: BOMBING OF THE YUNNAN RAILWAY; JAPANESE REPLY TO FRENCH PROTEST.





For Distribution-Cheek		Yes:	No
For For	In U.S.A.	1	

The Honorable

The Secretary of State,

Washington.

Sir:

In pursuance of the Embassy's despatch no. 4394, dated January 9, 1940, transmitting copies and translations of a third-person note dated January 5, 1940, and of an informal letter dated January 6, 1940, addressed to the Minister for Foreign Affairs by the French Ambassador, protesting against the bombing by Japanese

FEB 12

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Japanese airplanes of the Yunnan Railway, I have the honor to transmit herewith copies and translations of the reply of the Foreign Minister, dated January 12, 1/ 1940, a copy of which was furnished to us today by the French Ambassador.

In his reply, the Minister for Foreign Affairs merely reiterates the position heretofore taken by the Japanese Government to the effect that, despite French denials, the Japanese Government has indisputable evidence that arms and other supplies are being sent to the Chiang Kai-shek regime from Indochina and that, so long as this condition of affairs continues, the Japanese military authorities will endeavor by bombing and other means to put an end to such traffic.

Respectfully yours

Joseph C. Grew

Enclosure:

1/ as stated.

710 ESC: wg

Original and 2 copies to Department

Copy to Embassy, Chungking Copy to Embassy, Peiping Copy to Consulate General, Shanghai Copy to Consulate, Yunnanfu

Enclosure no. 1 to despatch no. 4424 dated January 16, 1940, from the Embassy at Tokyo.

(With the compliments of the French Embassy to the American Ambassador, Mr. Grew, January 16, 1940).

The Japanese Ministry of Foreign Affairs to the French Embassy.

THE GAIMUSHO

Le 12 janvier 1940

TOKYO

I) Votre Excellence par l'aide mémoire et par la lettre qu'Elle m'a remis respectivement en date du 5 et du 6 de ce mois a bien voulu attirer mon attention sur le bombardement du chemin de fer du Yunnan par des avions militaires japonais.

Le Gouvernement impérial est désireux d'éviter dans la mesure du possible le bombardement du chemin de fer du Yunnan qui appartient aux intérêts français. Il a donc demandé à maintes reprises au Gouvernement français de cesser le traffic de munitions et de tous autres objets, qui renforceraient la résistance du régime de CHIANG KAI SHEK, à travers l'Indochine française et en particulier par le dit chemin de fer; ceci dès l'époque où le Général UGAKI remplissait les fonctions de · Ministre des Affaires Etrangères. Moi-même je me suis permis d'attirer à deux reprises l'attention de Votre Excellence sur ce sujet et en même temps je lui ai fait savoir que si la France cessait le trafic en question, le Gouvernement Impérial serait prêt à résoudre d'une manière équitable les problèmes en suspens entre nos deux pays et de contribuer ainsi à rajuster les relations franco-japonaises en général. Mais, les réponses du gouvernement français n'ont fait que nier l'existence du trafic. Or, contrairement à ces réponses des informations de source sûre nous ayant convainçu de l'existence incontestable de ce fait, le Gouvernement

impérial

impérial s'est trouvé obligé de répéter sa demande. Toutefois, le gouvernement français ne s'est montré nullement empressé de prendre des mesures efficaces pour la cessation du trafic. Le Gouvernement impérial dans ces conditions a été contraint d'entreprendre des opérations militaires dans le Kwangsi pour rompre par la force le trafic de munitions et d'autres objets envoyés en Kwangsi àtravers l'Indochine française. Parmi les butins de l'Armée impériale, on a remarqué en abondance des armes et munitions dont la provenance indochinoise ne laisse aucun doute. De plus, on a pu constater que la Chine renvoyait en Indochine française une grande quantité d'objets semblables, afin de les soustraire au danger de la capture par l'Armée impériale. Les informations de bonne source et la fréquente reconnaissance par avions nous font présumer que depuis les opérations militaires japonaises en question, la trafic à destination de la Chine a considérablement augmenté.

Si l'on avait laissé une pareille situation telle qu'elle est, les opérations militaires japonaises poursuivies dans le Kwangsi auraient perdu toute leur signification. Au moment où CHIANG KAI SHEK prépare une contre attaque dans cette région, il est d'une nécessité urgente du point de vue militaire que de rompre avant sa contre-attaque le trafic des munitions et de tous autres objets qui seraient utilisés à cette fin. C'est pour ces raisons militaires que le chemin

de fer

de fer du Yunnana été soumis à un bombardement aérien.

Le Gouvernement impérial considère ces mesures prises par les autorités militaires sur place comme constituant un acte indispensable de légitime défense. Il désire ardemment que le gouvernement française veuille bien comprendre la nécessité pour le Japon de continuer et même d'intensifier le bombardement aérien de ce chemi de fer, aussi longtemps que le trafic de munitions et d'autres objets à travers l'Indochine française à destination du régime de CHIANG KAI SHEK n'aura pas cessé.

2) Les opérations militaires de grande envergure qui se poursuivent entre le Japon et la Chine. Le Japon toutefois s'abstient d'arraisonner les bateaux à destination de l'Indochine française et de saisir leurs cargaisons qui sont censées être destinées au Régime de CHIANG KAI SHEK. J'attire, à cette occasion, l'attention de votre Excellence sur le fait que la France, puissance belligérante dans la guerre européanne, a augmenté notablement les catégories de marchandises de contrebande de guerre, et a non seulement saisi diverses charges des bateaux japonais à destination de l'Europe, mais encore tenté d'empêcher le transport par les bateaux japonais de produits allemands indispensables pour le Japon, lui causant ainsi des dommages considérables.

- 3) Si la Gouvernement français, dans un esprit de meilleure compréhension des véritables intentions du Japon et prenant en considération l'ensemble des rapports entre le Japon et la France, arrête spontanément le trafic de toutes marchandises susceptibles d'augmenter la force de résistance du régime de Chiang Kai Shek, et prend des mesures efficaces à cette fin, nous ne verrons aucune nécessité de rompre le trafic par le force ni par le bombardement aérien, mais encore nous serons prêts à entamer des pourparlers, sur une base amicale, pour le rajustement des rapports entre le Japon et la France; cette attitude du gouvernement impérial demeure toujours la même.
- 4) Le chemin de fer du Yunnan ayant été utilisé depuis le commencement de l'affaire de Chine pour le transport au régime de CHIANG KAI SHEK des munitions de guerre et des approvisionnements, c'est à dire pour l'intérêt stratégique de CHIANG KAI SHEK, nous ne nous considérons pas comme responsables des dommages que la voie ferrée et les ponts de ce chemin de fer auraient subi à la suite de nos bombardements aériens effectués en plein droit dans ces circonstances.
- 5) Le Gouvernement impérial est très reconnaissent au Gouvernement français de son attitude amicale montrée dans l'affaire de l'atterrissage fortuit de l'avion japonais à Doson. Les autorités navales du Japon ont exprimé de leur côté leurs sentiments de gratitude aux autorités indochinoises, par l'intermédiaire de notre Consul général à Hanoi. Mais il est de toute évidence que cette affaire ne peut être attachée à celle du bombardement du chemin de fer du Yunnan.

Translation by the American Embassy at Tokyo of a copy of a note in French received from the French Embassy, January 16, 1940.

The Japanese Ministry of Foreign Affairs to the French Embassy, January 12, 1940.

By an <u>aide-mémoire</u> and in a note, respectively dated the 5th and 6th of this month, Your Excellency invited my attention to the bombing by Japanese military airplanes of the Yunnan Railway.

The Imperial Government is desirous of avoiding, as far as possible, the bombing of the Yunnan Railway which belongs to French interests. It has, accordingly, on repeated occasions, requested the French Government to put a stop to the traffic of arms and all other supplies across French Indochina, and especially by the railway under reference, which might reinforce the resistance of the Chiang Kai-shek regime; this has been done since the time when General Ugaki held the portfolio of Minister for Foreign Affairs. I myself have, on two occasions, permitted myself to invite the attention of Your Excellency to this matter and at the same time I informed Your Excellency that if France ceased the traffic in question, the Imperial Government would be ready to settle in an equitable manner the problems outstanding between our two countries and thus to contribute to a readjustment of Franco-Japanese relations in general. But the responses of the French Government have merely denied the existence of such traffic. However, contrary to these replies, information from unassailable sources

has convinced us of the incontestable existence of this fact and, accordingly, the Imperial Government finds itself obliged to repeat its request. Furthermore, the French Government has shown no haste in taking efficacious measures to bring about the cessation of such traffic. Under these conditions the Imperial Government has been constrained to undertake military operations in Kwangsi to cut, by forcible means, the traffic in munitions and other supplies sent to Kwangsi across French Indochina. Among the prizes of the Imperial army, there has been remarked an abundance of arms and munitions whose Indochinese origin permits of no doubt. Furthermore, it has been possible to prove that China was sending to French Indochina a great quantity of similar supplies for the purpose of saving them from the danger of capture by the Imperial army. Information from a reliable source and frequent reconnaissance by airplanes lead us to assume that, since the Japanese military operations in question, the traffic to the destination of China has considerably increased. If the situation had been left as it is, the Japanese military operations undertaken in Kwangsi would have lost their significance.

At the moment when Chiang Kai-shek is preparing a counter-attack in this region it is an urgent necessity from a military point of view to cut, before his counter-attack, this traffic in munitions and all other supplies which could be used to this end. It is for military purposes that the Yunnan Railway has been subjected to aerial bombing. The Imperial Government considers that these measures taken by the military authorities on the spot constitute an indispensable act of legitimate defense. It

ardently

ardently desires that the French Government be so kind as to understand the necessity that Japan continue and even intensify its aerial bombing of this railway as long as the traffic in munitions and other supplies across Indochina destined to the Chiang Kai-shek regime has not been stopped.

Paragraph 2. Military operations of large scope are in progress between Japan and China. Japan, however, is refraining from hailing vessels destined to French Indochina and from seizing cargoes supposed to be destined to the Chiang Kai-shek regime. On this occasion, I draw the attention of Your Excellency to the fact that France, a belligerent Power in the European war, has noticeably extended the categories of goods which are contraband of war and has not only seized several cargoes of Japanese vessels destined to Europe, but has also attempted to prevent the transportation by Japanese vessels of German products indispensable to Japan, which has resulted in considerable damage to Japan.

Paragraph 3. If the French Government, in a spirit of better understanding of the true intentions of Japan, and taking into consideration the general relations between Japan and France would, of its own accord, stop the traffic in all goods susceptible of increasing the strength of the resistance of the Chiang Kai-shek regime and would take efficacious measures to that end, we would see no need of cutting the traffic by force or by aerial bombing, but, on the other hand, we would be prepared to undertake conversations on an amicable basis for the readjustment of relations between Japan and France; this attitude of the Imperial Government remains unchanged.

Paragraph 4.

Paragraph 4. Inasmuch as the Yunnan Railway has been utilized since the beginning of the China Affair for the transportation to the Chiang Kai-shek regime of war munitions and provisions, that is to say for the strategic interest of Chiang Kai-shek, we do not consider ourselves responsible for the damages which the railway and railway bridges have suffered as the result of our aerial bombings which were carried out in common justice under the circumstances.

Paragraph 5. The Imperial Government is very grateful to the French Government for its friendly attitude in the matter of the forced landing of the Japanese airplane at Dosan. The Japanese naval authorities have, on their part, expressed their feelings of appreciation to the Indochinese authorities through the intermediary of our Consul General at Hanoi, but it is quite evident that this matter cannot be connected with that of the bombing of the Yunnan Railway.

No. 197.

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AMERICAN CONSULATE,

Tsinan, China, January 11, 1940.

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SUBJECT: JAPANESE TROOPS IN NORTHEASTERN SHANTUNG, HARASSED TO DESPERATION, MANIFEST ANTI-FOREIGN, ANTI-CHRISTIAN SENTIMENTS BY BURNING BRITISH AND AMERICAN MISSION PROPERTY; HALF OF POPULATION OF LOLING DISTRICT DESTITUTE.

DIVINGO

The Honorable

Nelson Trusler Johnson,

American Ambassador,

Peiping, China.

I have the honor to refer to recent Reuter reports

from Tsingtao, as published in the Shanghai and Tientsin newspapers, copies of which are enclosed, concerning the burning on December 25, 1939, of the British Methodist Missionary Society's hospital at Chu Chia Chai (朱家), Loling district, Shantung, by Japanese troops, and to inform the Embassy that these reports are confirmed by an American Catholic missionary who returned from northeastern Shantung on January 9, 1940.

It appears that the excuse for burning the hospited was the alleged treatment and asylum afforded by it to ex-29th Route Army troops formerly under Sung Cheh-yuan, which informant states are very active at present in that region, engaging the Japanese garrisons almost daily.

The hospital was in charge of a Chinese doctor and apparently

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no foreign missionaries were present when the incident occurred.

It is understood that in a radio news broadcast by station XMHA, Shanghai, this hospital was represented as being American. This is possibly accounted for by the fact that the American Methodists do operate hospitals and other institutions in some parts of Shantung.

American Franciscan Chapel also burned.

A small Chinese-owned building at Yang Chia Kow (楊家口), in Loling district, which was rented by the American Franciscan Mission and used as a Catholic Chapel, was also burned by Japanese troops during Decem-Informant states that the Japanese troops came while religious service was being held, locked the door from the outside and then set fire to the building. Fortunately, however, the native priest and 17 other Chinese who were in the Chapel at the time were able to escape through a hole made in one of the walls. matter has been reported by the Catholic missionaries on the spot to the American Bishop at Chowtsun, but it is not considered likely that the consulate will be asked to take any action in the premises since the Catholics apparently feel that no useful purpose would be served thereby.

Reasons for above attacks.

Informant said that if any reason is ever given for the burning of the Catholic Chapel it will doubtless be alleged that the building was being used by guerrillas, which is definitely untrue. He expressed the opinion that these attacks were simply manifestations of the

general

general anti-foreign and anti-Christian feelings which prevail among this particular unit of Japanese troops, who have recently been so harassed as to become desperate. Conditions in Loling and Wutingfu (Hweimin) districts.

As indicated above, the Japanese in Loling district are being kept very much occupied at present by armed Chinese, particularly ex-29th Route Army troops, though the 8th Route Army units in that area are inactive, whenever possible avoiding any contact with the Japanese, informant states. All roads are torn up to prevent the operation of Japanese motor transport and are now impassable even for ordinary animal-drawn carts. Due to poor harvests and the requisitioning of food, et cetera, by Chinese troops and so-called guerrillas, as well as by the Japanese military, about half of the total population of Loling district are now destitute and must wander about the countryside in mid-winter begging for food.

On the other hand, conditions in Wutingfu (Hweimin) district are relatively good, informant states. Food supplies are more plentiful, a large measure of law and order prevails, roads have been repaired and extended and a regular bus service now connects the city of Wutingfu with Chowtsun on the Tsingtao-Tsinan Railway.

Respectfully yours,

A true copy of the signed original

Carl O. Hawthorne, American Vice Consul.

Enclosures:

1. Article from NORTH CHINA DAILY NEWS, January 8, 1940. 2. Article from NORTH CHINA STAR, January 9, 1940. 360/800 COH/KCC

Original to Embassy, Peiping, 5 copies to Department, Copies to Embassies, Chungking and Tokyo, Copies to Consulate, Tsingtao. Enclosure no. 1 to despatch no. 197, dated January 11, 1940, from Carl O. Hawthorne, American Vice Consul at Tsinan, China.

SOURCE: NORTH CHINA DAILY NEWS, January 8, 1940.

JAPANESE ADMIT BURNING MISSION PROPERTY

"Discrimination" Alleged in Wutingfu Incident

Tsingtao, Jan. 7.

Japanese authorities in Tsingtao admit the burning by Japanese soldiers of property of the British-owned Methodist Missionary Society at Chuchia, outside Wutingfu, in Shantung, on December 25, Reuter learns today.

They refuse, however, to give the name of the unit responsible for the burning, or guarantees for the future, owing to the alleged "discrimination" practised by the Mission.

No news as to the extent or nature of the destruction has yet been received in Tsingtao, where the Methodist Missionary Society is not represented. It is, however, assumed that it was the hospital of the Mission which was destroyed, owing to references to the "treatment of guerillas." -Reuter

Enclosure no. 2 to despatch no. 197, dated January 11, 1940, from Carl O. Hawthorne, American Vice Consul at Tsinan, China.

SOURCE: NORTH CHINA STAR, January 9, 1940.

JAPANESE AUTHORITIES ADMIT BURNING MISSION IN SHANTUNG ON DEC. 25

Reuter

Tsingtao, Jan. 8. - The Japanese authorities in Tsingtao admit the burning by Japanese soldiers of the property of the British-owned Methodist Missionary Society at Chuchia, outside Wutingfu, in Shantung, on December 25, it was learned here yesterday. They refuse, however, to give the name of the unit responsible for the burning or a guarantee for the future owing to the alleged "discrimination" practiced by the Mission.

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THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

AMERICAN EMBASSY

Tokyo, December 29, 1939.

No. 4383.

SUBJECT:

TRANSMITTING CLIPPING -- COMMENTS OF MR. YASUZO SHIMIZU, CHRISTIAN MISSIONARY IN CHINA, UPON HIS DEPARTURE FROM JAPAN FOR THE UNITED STATES.



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The Honorable

The Secretary of State,

Washington.

Sir:

1/ I have the honor to transmit a clipping of an article entitled "NIPPON GUIDANCE OF CHINA TO BETTER LIVING STANDARDS, MISSIONARY SAYS", which appeared in the December 29 issue of the JAPAN TIMES.

The article reports the departure from Japan of Mr. Yasuzo Shimizu for the United States on the TATUTA

MARU

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MARU on December 29 and relates certain comments made by Mr. Shimizu in an interview before his departure in regard to the purpose of his visit, to the effect that he intends to attempt to give to his fellow-countrymen in America a picture of what is going on in China in order to bring about better understanding between Japan and the United States.

Mr. Shimizu is reported to be an American citizen of Japanese parentage who has been the director of the Tsung Ting Academy at Peiping and who has spent the past twenty years in China carrying on Christian missionary It is said that he has often been called the work. "Saint of Peiping". He is quoted as stating in this interview that he honestly believes that under Japanese guidance the Chinese will be able to enjoy a better standard of living, including higher wages, better food, more conveniences, and greater security. Professing to know the actual facts regarding the situation in China, he is making a trip to the West Coast of the United States where he will talk before groups and at churches to explain to them Japan's position, especially where China is concerned.

Respectfully yours,

Joseph C. Grew.

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Enclosere: 1/ As stated.

1/ As stated.

Copy to Embassy, Peiping; Original and 3 copies to Department.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitty 0, dissipation NARS, Date 12-18-75

Enclosure No. 1, to despatch No.4383, dated Dec. 29,1939, from the Embassy at Tokyo.

The Japan Times.

Tokyo, Friday, December 29, 1939.

SAILS FOR AMERICA



Yasuzo Shimizu, often referred to as "The Saint of Peking," who sailed for the United States Thursday on the Tatuta Maru.

NIPPON GUIDANCE OF CHINA TO BETTER LIVING STANDARDS, MISSIONARY SAYS

By STAFF CORRESPONDENT

YOKOHAMA, Dec. 28—Unless Americans of Japanese ancestry and Japanese residing in the United States are given the true facts concerning conditions in China, it will be impossible for them to even attempt to explain Japan's position, was the opinion expressed by Yasuzo Shimizu, Christian missionary who has spent the past

20 Years in China and is often called The Saint of Peking." Mr. Shimizu left this afternoon for America on board the N.Y.K. liner Tatuta Maru.

Tatuta Maru.

"During my 20 years in China, I have lived at one time or another in so many places there that I feel that I am well qualified to give my fellow-countrymen in America as well as the Nisei a clear-cut picture of what is going on there," said Mr. Shimizu.

"For instance, I have witnessed demonstrations against the Japanese as well as actually experienced the effects of the anti-Japanese movements. And I know that China is not a unified country but one that was run by warlords who were more interested in their personal welfare rather than the needs of the people.

"Despite the fact that the Chinese troops have ravaged the country-side, I have seen the Japanese military forces not engaged in battle but in reconstruction work.

"Knowing the status of the masses, I honestly believe that under Japanese guidance they will be

"Knowing the status of the masses, I honestly believe that under Japanese guidance, they will be able to enjoy a better standard of living which includes higher wages, better food, more conveniences and what may be termed most important security.

"Possessing the actual facts, I am making this trip to the west coast of the United States where I will talk before groups and at churches where my friends are in charge and attempt to give them facts that will enable them to help bring about better understanding between Japan and America, especially where Chira is concerned."

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitty 0, August 10, NARS, Date 12-18-75

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Washington,

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February 5, 1940

AMERICAN EMBASSY.

DIVISION OF COMMUNICATIONS

PARIS (FRANCE). AND RECORDS

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P On February 3 local correspondents of the Associated Press and the United Press, acting on what was stated to be a QUOTE confidential tip UNQUOTE received by their representatives in Paris inquired whether this Government had made representations to the Japanese Government/ in regard to the bombing of the Yunnan railway and were orally informed for background use and not for attribution as follows:

QUOTE This Government has during recent weeks informally brought to the attention of both the French and the Japanese Government's the interest which the United States has in the Haiphong-Yunnanfu railway as an artery of normal commercial transportation.

Goods destined to and from the United States are carried on this railway and American citizens and officials in carrying on their legitimate activities travel over it. UNQUOTE

GA SUL FE: GA: MHP CR 7 5 1940 FW M., D. C. R.-No. 50

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitty 0. Sustain NARS, Date 12-18-75

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

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AMERICAN CONSUL, SHANGHAI (CHINA).

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Sent to Tokyo via Peiping. Repeated to Chungking and

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February 3, 1940

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Paris + Tokyo, Heb. 5, 1940.

AND RECORDS
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has in the Haiphong-Yunnanfu railway as an artery of normal
commercial transportation.

Goods destined to and from the United States are carried on this railway and American citizens and officials in carrying on their legitimate activities travel over it.



FR 7 1940

TELEGRAM SENT

TO BE TRANSMITTED CONFIDENTIAL CODE CONFIDENTIAL CODE

Collect

Charge Department

Department of State

#C#

Charge to

Washington,

February 5, 1940

AMEMBASSY,

TOKYO (JAPAN).

This cable was sent in confidential Code. It should be carefully paraphrased before being communicated to anyone.

19 Department's 41, January 30, 6 p.m.

For your information, on February 2, the Department informed the American Embassy at Paris that you had on January 31 made/informal representations in this matter to the Japanese Foreign Office.

GA FE: GA: MHP

PA/H

Sent by operator ______ M., ____ D. C. R.-No. 50

RFP

793.94

GRAY

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la -, 1 81

INFURMATION

FROM Paris

Dated February 6, 1940

Rec'd 11:20 a.m.

Secretary of State
Washington

PAR EASTERN AFFAIRS

178, February 6, 1 p.m.

Department's 95, February 5, 5 p.m.

Both Associated Press and United Press are unable to understand reference by their Washington bureaus to "confidential tip" as flat news stories on our protest to Japanese Government and not tips were sent by them from Paris February 3. These stories were based on Havas Agency and Radio Agency despatches.

MUR PHY

KLP

793.94/15670

F/F

HSMThis telegram must be closely paraphrased before being communi-cated to anyone. (Br.)

FROM

Division

Hong Kong via N. R. Dated February 6, 1940

Shown & ON! I mil Rec'd 1:20 p. m.

Secretary of State

Washington.

45, February 6, 1 p. m. (SECTION ONE).

Following is paraphrase of a telegram just received for the Department from Reed at Hannoi by air mail:

February 2, noon. Yesterday afternoon the Yunnan Railway was bombed at 83 kilometers from the frontier and considerable damage was done to the bridge and tunnel. At the moment the bridge was hit there was a passenger train on it which was also hit by bombs. Over 150 including only one Frenchman, two French women, and two children are reported to be dead or injured. Of the track at a point 95 kilometers from the frontier about 50 meters were destroyed. (END SECTION ONE).

SOUTHARD

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СЗВ

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793.94/1567

FROM

MJD

HONG KONG VIA N. R.

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

Dated February 6, 1940.
Rec'd. 3:40 p. m.

Secretary of State,

Washington.

45, February 6, 1 p. m. (SECTION TWO).

It is not yet known how extensive the damage is and how much time will be required for repairs. However, it is believed that for some time to come transportation by rail beyond the frontier will be negligible. The Caobang road which is of doubtful immediate importance will now have to be depended upon for the burden of transportation to China via Indo China.

The Chinese are severely criticized by the railway officials for failing to provide defence for the railway.

Repeated to Chungking, Peiping and Shanghai. Kunming and Saigon informed.

SOUTHARD

CSB

NK

_ Paris

mhis telegram must be losely paraphrased be- FROM ore being contunicated o anyone. (C)

Dated February 6, 1940 Rec'd 7:38 p.m.

Secretary of State

Washington



793.94 793.94116

181, February 6, 8 p.m. (SECTION ONE)

Chauvel confirmed to me that the news of the bombing of the Haiphong-Yunnanfu railway by 27 Japanese planes and a reference to the protest of the French Government was given to press remesentatives by the Foreign Office. Chauvel said that as far as the French Government is concerned there was no secrecy about that phase of the matter.

The Chief of the Far Eastern Division also stated that the France Finister received the Japanese Ambassador at Paris on February 3, and expressed to him his intense indignation over the Japanese engagement which he characterized as barbarous. We emphysized that the destruction of the laves of innocent parsengers (105 are now reported billed of whom 5 are French nationals) as well as the railroad property in question could not be excused on any hypothesis.

Dolladier reviewed for the Ambas ador's benefit the circumstances

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93.94/15672

2 # 181, February 6, 8 p.m., from Paris (SECTION ONE)

circumstances surrounding the Japanese bombardment. He said that Arsene Henry had made representations to Admiral Nomura on January 5 and January 12; that on January 5 Nomura professed ignorance of the bombardment which took place on December 30. On those occasions, We French Government inquired whether the attack was made with the advance authorization and approval of the Imperial Government; if so, was it justified on the ground that arms and munitions were being shipped over the Haiphong-Yunnanfu railway.

MURPHY

JRL

NPL

JI
This telegram must be closely paraphrased before being communicated to any one. (C)
FROM

Paris

Dated February 6, 1940

Rec'd 8:50 p.m.

Secretary of State

Washington

131, February 6, 8 p.m. (SECTION TWO)

The French Government firmly denied that such shipments were being made and referred to its voluntary decision which was notified to the Japanese Government in October 1937 under which the French restricted themselves to the shipment of items not included in the list of arms and ammunition defined by the Geneva Convention. On January 12 Nomura informed Henry that evidence of the shipment of arms and ammunition over the Haiphong route had been discovered. The French Government offered to make a full and free investigation to demonstrate its good faith but the Director for Europe of the Gaimusho informed the Counselor of the French Embassy at Tokyo on January 27 that such an investigation would be quite useless.

The Prime Hinister stressed his disappointment that just at a moment when France was so willing and able to demonstrate its good faith it should be met by the callous

-2-181, February 6, 8 p.m. (SECTION T./O) from Paris callous action of the Japanese Canton command in ordering the destruction of French lives and property.

On January 12 Admiral Homura informed Arsene Henry that involving the principle of neutrality the Indo-Chinese frontier would be considered as closed. The French reply then drove home the point that Japan has never relinquished its position that there is no state of war in China; therefore a question of conquering could hardly arise.

The Prime Hinister also referred to the utility to Japan of the Haiphong railway for the transport of shipments of Indo-Chinese iron ore and rice and nickel from New Caledonia to Japan.

HURPHY

NPL

This telegram must be RECEIVED closely partificated part of to any one. (c)

Rec'd 7:43 p.m.

FROM

Secretary of State
Washington

181, February 6, 8 p.m. (SECTION THREE)

Daladier concluded with a pointed reference to the ASSAMA MARU incident and the indignation which the British use of the recognized right of search and seizure on the high seas had aroused in Japan with an appropriate comparison of the present unjustifiable murder of innocent French nationals by Japanese military forces.

Chauvel said that the Japanese Ambassador had been requested to call on the Prime Minister with but little warning. Prior to calling his Counselor telephoned the **Poreign Office** to inquire whether some intimation of the nature of the discussion could be given in advance. Leger answered simply by saying it concerned five dead and forty wounded.

The Ambassador at the termination of the Prime Minister's expose' contented himself with the comment that he was entirely without information regarding the incident and unable to reply in the absence of instructions from his Government.

LIURPHY

This telegram must be closely paraphrased before being communicated to any one. (C) FROM

Paris .
Dated February 6, 1940

Rec'd 9:02 p.m.

Secretary of State

Washington

181, February 6, 8 p.m. (SECTION FOUR)

Chauvel also said that the Foreign Office is convinced that present dissension at Tokyo will lead to the Early fall of the Abe Government and that he did not exclude the assumption of power by a military junta with an admixture of a few civilian extremists.

He added that the Japanese expeditionary force which recently destroyed Lengehow had for its objective the destruction of railway construction material and comparatively important supplies of trucks and other equipment destined for the Chungking Government.

Having accomplished its objective the Japanese withdrew and at the moment Chauvel believes there is no Japanese force of any consequence along the Indo-Chinese frontier. He expressed the opinion that the leitmotif of the Manning drive is the Japanese desire to control tungsten shipments.

(END OF MESSAGE)

HURPHY

NPL:NK

FROM

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

Secretary of State Washington

Chungking via

Dated February 7, 1940

Division of Fun EASTERN AFFAIRS

Sprange 1/11/1/19 Rec'd 8:39 a.m.

793.94

69, February 7, 4 p.m.

Yunnanfu's February 5, 2 p.m. just received, reports that on February 3 there was an aerial (*) between Japanese and Chinese planes in the vicinity of the Yunnan Railway and that the former were driven off without having been able to inflict material damage on the railway.

Repeated to Peiping, Shanghai, Hong Kong. Peiping repeat to Tokyo.

PECK

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F/FG

793.94/15673

GEORGE HOLDEN TINKHAM

COMMITTEE ON FOREIGN AFFAIRS

Congress of the United States

Pouse of Representatives PARTMENT OF STATE

Washington, D. C.

AM 10 33 1940 FEB ?

February 5, 196MMUNICATIONS AND RECORDS

FOR EASTERN AFFAIRS

193.44

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15656 15621

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15637 15638 15627

I note that in the press the United States is sath to have made representations to the Japanese and French governments against activities on the Hanoi-Kunming Railway I which were held to be detrimental to American in the United States.

the United States and upon what it was based?

With appreciation of your attention and advice, I

remain

Sincerely yours,

GEORGE HOLDEN TINKHAM

DISER ON POLITICAL RELATION FEB 8 - 1940

18550

WARRY THE THE PARTY OF THE

FEB 12 1940

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

February 9 1940

In reply refer to FE 793.94/15674

My dear Mr. Tinkham:

The Department has received your letter of February 5, 1940, in which you make inquiry in regard to reported representations by this Government to the Japanese and the French Governments in connection with the Haiphong-Yunnanfu railway.

This Government has during recent weeks informally brought to the attention of both the French and the Japanese Governments the interest which the United States has in the Haiphong-Yunnanfu railway as an artery of normal commercial transportation. As you are probably aware, the railway in question is an important trade route. In recent months a substantial part of the trade involved in the normal commercial relations between the United States and that part of China not under Japanese military control has been transported over that railway. Also, the railway provides American citizens engaged

in

The Honorable

George Holden Tinkham,

House of Representatives.

71/

15672

-2-

in legitimate activities in southwestern China, including the personnel of our Embassy office and our naval vessel at Chungking, with their principal means of egress and ingress. An additional consideration which was brought to the attention of the Japanese Government was the fact that bombing attacks on the railway in question might endanger the lives of American citizens.

Sincerely yours,

Summer Welley

Under Secretary

CR // FEB 9 1940

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attended their control of the control of the

HSM

GRAY

Tokyo

FROM

Dated February 7, 1940

Rec'd 10:25 a. m.

Secretary of State,

Washington.

793,94

91, February 7, 9 p. m.

Our 86, February 6, 11 a. m.

My French colleague yesterday made further representations to the Japanese Government with regard to the bombing of the Yunnan Railway in the form of a letter to the Vice Minister for Foreign Affairs of which the following is a translation:

"February 6. My dear Minister: Following our conversation yesterday I have the honor to inform you that according to advices which I have just received the number of deaths from the bombing of February 1st already mount to 55, but all the victims had not yet been exhumed at the moment when the Governor General telegraphed me.

Furthermore the Governor General informs me that on February 3rd at half past 2 o'clock in the afternoon the railway from Hannoi to Yunnanfu was again bombed by Japanese planes which flew over the territory of Tonkin

hsm -2- No. 91, February 7, 9 p. m., from Tokyo
between 2:45 and 3:15. Their flight was observed over
the villages of Phobang, Halang, Traling and Trungkhanh-

While protesting again against this new bombing,

I beg you to bring to the most serious attention of
the Imperial Government the danger of these inadmissible
violations of our frontier against which I have repeatedly protested. Their reptition would lead to the belief
either that an incident is deliberately being sought or
that the Imperial Government cannot command obedience
to its orders.

Accept et cetera".

Cipher text to Hong Kong and Chungking by mail.

CSB

Phu.

ADVANCEMENT Tokyo, Japan, a. 16 Mr. Kasahara 5 of 9 Shiba Park Dr. Ben M. Cherrington Shiba - Ku Janisian July Jailan Ru Jarra 200 July 12 July 12 July 12 July 12 July 14 July 18 July Director Cultural Division Defeating of the Eastern AFFAN Warhington EB 1 6 1940 DIVISION OF STATE AND Vapon . She underrigned begs to be allowed to address you the strain and Japan . She underrigned begs to be allowed to address you the strain of view is most © 1940 interpensable in the attempt at rolving Far Eartern problems. .94/15 793.94 The political future of the Fax East oceans to kim to depend on america's present understanding of Tapan. Lack of understanding of Germany has brought Europe above to a collapse and lack of understanding of Japan would produce, in future, continuous upheavals in aria. I political imporitions which prevent her self-development. Therefore the appreciation of Jufan's particular qualifications is a conditionine qua non of future rort peace. May I be allowed to raggest that over the despatch of a special american psychological study group to Tapan or the setting up of a special prophological study group in the Cultural Division of the State Department,

especially for the study of Lapan, should not be considered a si diculour suggestion at this moment of supreme estato.

I harten to rend you a first of letch of the results of my research and shall soon supplement it by another more detailed expusition. I am in bouch with Mr. Grew and attempting to arrange a lecture down in the States through Mr. Edmonds of the International Flour of her york, now in For Angeler, 1110 I Kerwood Lowe.

I am also sending a copy of my sketch , The Peace of the Pacific ira" to Dr. Stanley touther, thom I have met in Telling, more than 10 jean ago, and to Senator Borah.

Because of the New Years' holidays, Jam forced to write this rote by hand and must apologise for the inconvenience coursed to you by this lack of office equipment.

Holding myrelf at your disposal,

I have the honour to be , Fir ,

Jours very faithfully Tictor Frênce Victor Frênce JR.D.

formerly advisor to Marshalo Li Chi. ren and Yen His shen feneral Pai Chung-hin and Chen Ming-skee int of a letter on General Him Hai

p. s. Ilean finterreland a reprint of a letter on "Jajan an a Steeter"

DEPARTMENT OF STATE

DIVISION OF CULTURAL RELATIONS

February 5

ŀŹ:

Do you have any information on the writer of the attached letter (Victor Frène) which would assist in preparing a reply?

Division of Far Eastern Struck | Far B 8 - 1940 | Department of State |

RC:HHP

February 8, 1940.

RC:

No, we have no information about

Frène. In the enclosure in Japanese
he says he received a doctorate in 1907
from the university of Munich.
FE:CL

Do. Victor Frênc, Short Biography 1938 シャクシーニ・ハノーハ世十智幽

綴逸ミェンヘン大學ヨリ心理學博士ノ解録テ投ケラル一九〇七年七月

アントンプルラタナー。(オーストリャノ大音樂家) 第五変響樂ラ新解釋シ指揮スプレモデー月

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英国二於テモンテッソリー博士ノ新教育ノ龍寮ケ港が伊太和ローマニ至り、周氏ヶ郎一九一一年 問意見す実換ス

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佛解西巴毘日佛祗會ニ於テ日本文化。数宵及ビ藍第二開スル館文ヲ靈表ス・こと。

1九二二年

英國倫敦日來協會ニ於テ日本文化、数肯及ビ發術ニ闢スと臨文ヲ要茲ス・こよ

東京ニア該論文ノ邦文謀出版セラル

一九一三年六月――十一月及ビ東洋ノ小祖奉ノ蘇資ラナス及ビ東洋ノ心祖奉ノ蘇資ラナス大政司、協強、伊太利ナ経由。アラビナ、印度及ビ支那二赴キ、各所二西洋一月二三年二月

東京二於『日本ノ政治、外交、敦育、義衛其他各階級ノ有力者ト類交ヲ結ブ、ニニュア

廣東省政府主席 李 孫 孫 法犯法犯路氏/政治及以数背顧問トナル支那/政治、文化、数背二關スル小冊子(護文)百餘雜ヲ出版ス元兆(五)於予實裝数材機關ヲ創立シ、資東ニ於テ面結學校ヲ歐立ス,其二年——三七年

林琛桥 葡茶 瓣點強 經 山西綏遠綏靖公署主任廣西省第四軍副軍長 龜線 뿉

駐在二十餘年ノ間支郡民族ノ心理研究ラナン英結果ヲ英文ニケ「支那ノ心理的教見」一九三三年 ト題シテ第一回論文トシテ藝表セリ

力機セリー 本所収、汪兆銘、開端山等ニ對シ日支協力ノ公安ラ高唱シ、其衝突ヲ難クベキコトラースニニャーニンは、「自治・一コンチョーは、「自治・一日には、「日子」、「日子」、「日子」、「日子」、「日子」、

化中失弱型类文雑誌及ビ北京英字紙「クロニタル」「海東ノ鉄台裏」トノ棚組ニテ軸東京ノジャパン・タイムスニ目支開係ニ関スト第一回論文ラ寄稿ス。設論文ハ日本文一元三七年――三八年三三、中国論」ノ禄盟ニテ支郑語ヲ以予第二回論文トジテ發表セリー九三七年 一九三八年十二月二十二日本七万十二月十二日本で

支那チ錠シャ東京ニ來ル

B性十回件力

十七四

READERS IN COUNCIL

Japan as a Doctor

To the Editor:

It is a remarkable coincidence that your issue today contains an article by Santaro, in his Japan Yesterday and Today column, in which he says "No other people on earth display a more abysmal ignorance of 'Chinese psychology than do the Japanese," and a translation of an article by Mr. Shimizu lkutaro, editor of the Fukuoka Nippon, in which is written "The sacred campaign the country is conducting in China, should be regarded as an attempt to rebuild the country. * * It is admitted by all that the current sacred campaign in China represents the greatest work undertaken by Japan in all its history. But there are few who realize the magnitude of the task and fewer who are determined to overcome the difficulties attending it."

As a life-long observer and student of Japan and China who has spent the last 10 months nearly exclusively in an endeavor to assist in the rebuilding of Nippo-Chinese relations, lecturing to Japanese scholars and politicians and submitting projects to the military and governmental authorities (Quick Peace in China, The Scientific Mobilization of the National Power of Japan, et cetera, et cetera) the undersigned feels terroted to combine both statements allating the thesis that

.orance" of Chinese psy-ر the consequent unwillingtake Chinese psychology into ant which have rendered it, up to .ow, so difficult to overcome the diffi-

culties attending the sacred compaign in China, * * * Mr. Wang Ching-wei should be provided with arguments which would enable him to obtain the collaboration of influential leaders from the present Chungking (Chiang Kai-shek) clique

for his new Central Government. Arguments, in China, are more po-

werful than bullets.

This is one of the truths only an intimate knowledge of Chinese psychocan teach. юgy

Up to now, Japan has not said a single word which would convince Chungking leaders, like General Pai Chung-hsi, Messrs. Tsai Yuen-pei and Chu Chia-hwa or others, of the sacredness of her campaign. If Japan, from the very start on, would have conducted this China campaign in the form of a cultural crusade, the war would have been over after the conquest of Hankow and Canton.

Now no Chungking Kuomintang follower has any confidence in Mr. Wang Ching-wei's Kuomintang, and Messrs Wang Keh-min and Liang Hung-che, of the new Peking and Nanking governments respectively, are, by tradition, opposed to the "Three People's Principles" of both Kuomintangs.

Therefore, Mr. Wang Ching-wei's "Three People's Principles" are politically impotent; they fail to attract his former collaborators and prevent the birth of harmony between Mr. Wang Ching-wei and the Peking Wang as

well as Nanking Liang. Why has Mr. Wang Ching-wei nothing else to say in all his talks, broadand oclamations? Honestly speaking, only because Japan does not give him materials he could use.

Mr. Wang Ching-wei, who, as everybody knows, is a poet by nature, has always acted as a kind of loudspeaker of the governments in which he held a position. He would be the best Chinese loudspeaker obtainable, if Japan would provide him with an effective textbook.

Why does Japan not issue such a

textbook to him?

Honestly speaking again, quite simply because Japan herself has not analyti-

The Japan Advertiser Nov. 18, 1939 cally described in what the sacredness of her China campaign consists. The term "New Order of Asia" is a title only. General Pai, Messrs. Tsai, Chu, et cetera, et cetera, want to know the inside of Japan's textbook.

This is the point where not only Japan's "ignorance" of Chinese psychology, but also her unsatisfactory interpretation of her own original and only real psychology, her traditional lack of analytical capacity, become dangerous.

It is this lack of analytical capacity which has forced Japan, in the past, to rely-doubtlessly not to her advantage-on Buddhism and Confucianism, more recently-to her still greater disadvantage-on a thoroughly un-Japanese version of Prusso-Kantian education, for the cultivation of her original and unique purely dynamic temperament contained in her own Shinto.

If Japan, in the course of her whole history, had always had the opportunity to develop her own psychology in her own entirely natural, and therefore scientifically sound; way and to build up an unshakable courage of her own convictions, she would, all through her China crusade, have treated China as a patient and have introduced herself as a doctor, for that is what Japan, with her incomparable healthiness, which no Buddhism, Confucianism and even Kantianism have been able to destroy, is called upon to be in China: the doctor, who cures China from her traditional psychological deficiency, that may be called a "lack of the sense of reality." What Japan is really. of reality." What Japan is really bringing to China is the foundations of future psychological healthiness and manual efficiency.

An open proclamation of these circumstances, by the cultural bureau of the Japanese army and navy, would have shown her goodwill and honesty toward China, much to the satisfaction of every earnest Chinese leader, and aroused the respectful attention of the whole world.

I have myself diagnosed China's deep psychological deficiency in my Psychological Discovery of China in 1933 and in What is China? published in Chinese under the Chinese title of Kuo Lun in General Chiang hung Kai-shek's own Review two weeks before the Lukowchiao incident.

In order to save China, that is, to bring China's abstract artistic mind down to earth by means of the natural magnetism emanating from Japan's inborn mobility and realism, Japan will have to complete her own interrupted or disfigured self-development with the help of a new psychologically scientific reconstruction of her own riginal inner power station. In this sense, the idea of spiritual mobilization, propagated by the Japanese Government, if were carried into effect, would be of first-class importance.

Premier Abe was right when he said that the solution of the China problem must be brought about by Japan's national renovation, and Mr. Shimizu Ikutaro reveals a great truth in his statement that this is a period of "a second founding of the nation" for Japan. I am afraid that, if the China affair is not utilized as an opportunity for Japan's cultural self-discovery, China will mean very little else to Japan than what India has mean to England and Asia will, also in future,

be leaderless. Only a very earnest admirer of Japan can fully realize the immensity of the task she has to accomplish. one is by race, Mr. Shimizu Ikutaro ard, by conviction, resulting from scientific analysis of Japan's temperament, the writer of these lines, who signs himself, as a devoted worshipper of Japan's unique dynamism,

JAPANOLOGIST Tokyo, November 15 Victor Frene

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitty 0, Sustain NARS, Date 12-18-75

THE PIC PEAC Z R A Vo. Pruth HYPOCRISY PS/ChoLOGY

American

ЪУ Victor Frene

A Hommage to United States Ambassador J.C.Grew and a Gift to Japan's
Two Thousand Sixhundredth Birthday

At this time, then religious, political, commercial and all other methods have once more, and more strikingly then ever, failed to secure the peace of the Atlantic era, should not a completely new method be invented and applied to the promotion of that of the Pacific era? Aready years ago, Mr. Aldous Huxley has stated, in one of his novels, that peace can be brought about by psychological methods only And is the Pacifis era, in which two oriental countries, with their racial tendencies towards oriental countries, with their recial tendencies towards sprightualisation of life, are called upon to play decisive parts, not perhaps that period of human history, in which at least the countries surrounding the Pacific ocean should gather sufficient moral courage to practical potentialities discover in a hitherto nearly exclusively theoretical science like psychology?

A searching and penetroxxiting psychological review of the situation prevailing around the Pacific ocean reveals the following new and welcome opportunities:

The only great Western country bordering on the Pacific, is the UNITED STATES. The United States are the most up-to-date of the Western countries and therefore more open-minded and willing to make a clean slate of the past, than the old countries of Europe. The United States have not only given life to a hitherto unheard of material and technical advancement, only given life to a hitherto unheard of material and technical advancement but also provided the very best thought of Europe with a hitherto non-existing clearness and intensity. Amerecans, like Mr. James Harvey Robinson ("The Mind in the Making", "The Humanising of Knowledge"etc), Mr. Wiggem ("The Hew Decalogue of Science") and the late C.A. Dorsey ("Why we Behave like Human Beings"), are the messengers of a new and psychologically sound, scientific morality, not yet practically applied in the West, but fit to replace the psychologically fragmentary doctrines of the past and to exercise a unifying influence of hitherto unatteinable denth and solidity by establiunifying influe see of hitherto unatteinable depth and solidity by establiwhing new foundations for human life, which are INTERNATIONAL, BECAUE THEY
ARE NATURAL, i.e. psychologically scientific. In her scientifically most mature expression of thought and formulation of truth, America is the most unprejudiced honest and realistic country of the Western World.

A discussion of the details of the elements constituting the new k_{-} merican truth is out of place here.

On the other side of the Pacific ocean, we have the most unprejudiced honest and realistic country of Asia, JAPAN. That is perhaps a statement, which surprises insufficiently informed American readers. But it is an American, ir Jason, who, already years ago, in his "Meaning of Shinto", has pointed out that how close the original native thought of Japan is to modern Western natural science. Ar Holtom has added that every real Japanese is supposed to carry his god within himself in his own brein and to be free from supernatural rules of conduct of any kind. Man and god, emotion and thought, play and work, liberty and discipline, are, in original Japan, more intimately united than in any other country. Psychologically considered, Japan's original morality has no other serious defect except that of being one-sidedly impressionistic and therefore sometimes illogical to the point of confusion. But American up-to-date and international psychological natural science, like all other Western

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitty 0, Sustaffy NARS, Date 12-18-75

PCIFIC PEACE Page 2

sciences and technical inventions, is all ready made and waiting for exploitation by Japan, to whom it is most congenial. Because this new natural science is psychological, it is flexible and multiform and means the end of all tyles of imperialism, even of the educational aesthetical and philososophical or moral and religious types of imperialism, which are more dangerous even than the military, commercial and political ones. In availing itself of the new natural science of psychology, Japan's original intuition is free to widen and entich it according to its own impulses, so as not in the least to impair its own incomparable and nearly heavenly delicacy and mobility, even more than that; Japan's original psychological condition is so sound that Japan can put the American scientific scale of psychological measurement of values to use as a means of clarifying her position by separating the real and originally Japanese dynamic nucleus from the felse and insufficiently scrutinised, formerly imported or imposed ingredients of her morality and culture, which, at present, are very often rendering her real self unrecognisable to untrained or careless foreigners. WITH THIS NEW AMERICAN SCHEMITFIC GCALE OF PSYCHOLOGICAL MEASUREMENT OF VALUES AT HAND, JAPAN CAN AT ORCE BRING ABOUT HER OWN SCHEMITFIC AND EFFECTIVE SPIRITUAL MOBILIDATIONS. BY FREEING HERSELF FROM UNIJAPANELE, INDIAN, CHINESE AND EURO-PDAN SUPERSTITIONS. It sounds absurd, but it is a fact, which the writer is ready to prove at any time before a Court of Psychological Justice, composed of the intellectual leaders of the world, that up-to-date, psychologically scientific, America is qualified to become Japan's most valuable assistant in the construction of the up-to-date and most highly dynamic spiritual power station that will vitalise the New Order not only of Asie, but of the Pacific era and of the world as a whole. No two coutries on earth have ever come to a point of psychological evolution where intimate and harmonious collaboration is easier and more d

If you allow me to make another surprising statement, I should like to say that up-to-date America is psychologically much closer to Japan than her neighbour China. CHIMA, the third great country situated eroud the shores of the Pacific, is psychologically just as impractical as Japan is practical, as abstract as Japan is colorete, as un-scientific as Japan is scientific. Not Japanese, but foreigners have demonstrated that, as far as the Chinese side is concerned, in many writings. Mr.Rodney Gilbert ("What is Wrong with China?"), Mr.Nathaniel Pfeffer ("The Breakdown of a civilisation") Mr.Hallett Abend ("Tortured China"etc), Mrs.Pearl Buck, in her article on China's lack creativeness, published in the London" Time and Tide", - all four Americans, if you will kindly take note of that too-, also M.Auxion de Ruffe ("Is China Mad"?) and the writer of these lines as well as many others have, with more or less insight, diagnosed China's psychological deficiences, which are counterbalanced by nothing but aeshetical qualifications manifested in Tgina's literature and fine arts. The present Japan-China war has been angineered by Chinese returned students, who, as Chinese, naturally suffered from all the national defects inherent in their race and culture. It is true that some, and even most of these returned students were from the United States. But these American returned Chinese students, with their deficient Chinese psychology, during their stay in America, have instinctively selected the most out-of-date American and static American technical and mental materials onlymaterials, which merely reinforced their native vices, and lamentably failed to discover, in America, up-to-date American, psychologically scientific truth. Such truth is just as uncongenial to real, static, China, as it is congenial o real, dynamic Japan, who is the only Malling psychologically healthy country of Asia and recognised as such even by Mr.Rabindranath Ta-

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Department of State letter, August 10, 1972
By Mitty D. dustagen NARS, Date /2-/8-75

PACIFIC PEACE Page 3

gore whose dicts on Japan are naturally clothed in postical rather than psychological terminology. Not because of an Asiatic Monroe doctrine or 16c for other political, economic , racial or other reasons, but because of very decades and underiable, psychologically scientific (Nicetal) spritual conditions seed a successfull interchange of energy between between up-te-date America between the control of the co

Now we have psycho-analysed a situation, existing around the pacific ocean, in which Japan needs America, China needs Japan, and America needs the realisation of her own most up-to-datw psychologically scientific truth, which no other nation is as fit to provide as Japan.

To recognise, that Japan, still now-a-days, in spite of all obstach les, is by nature psychologically conform to American standards of up-te-date scientific psychology and unconsciously embodies, deep down in her psychological structure, in her essential movements, the most advanced ideals, which America has, up to now only theoretically enunciated as moral postulates of science, is up-to-date America's psychologically scientific duty. By this recognition, America would consciously inaugurate the Pacific era, in which, for the first time in human history, psychological science is applied to the regulation of international intercourse and to the human-isation of politics.

The/recognition of Japan by the United States would, through the intermediary of Japan, render China's future automatically secure. That means that America needing Japan, Japan needing America, China needing Japan, these three would form a circle of mutual helpfulness, which would guarantee for ever the peace of the Pacific era.

Up-to-date American leaders should be mature enough to see that, where real Japan holds sway, not only American up-to-date psychological truth, but her material and technical advancement are bound to obtain continuous opportunities.

It is now even time for these American leaders to realise that a if the peace of the pacific is not now established, it is mainly because America lacks confidence in its own scientifically psychological theories and dependstill on traditional European political superstitions rather than on her own most advanced truth, as if the United States had never issued her Declaration of Independence or never applied it to the essentials of human life.

In conclusion it must be added that alone the purely dynamic psychology of the most modern American science, in its Japanese orientalisation, can keep the Pacific clean from the psychological perversions of communism, which is kne materialistic counterpart of European out-of-date, unscientific and abstract, morel dogmas.

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Department of State letter, August 10, 1972
By Mitter 0, dueless NARS, Date /2-/8-75

PACIFIC PEACE Page 4

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ONLY IF THE PACIFIC NATIONS HAVE THE MORAL COURAGE TO PUT THEIR FINEST EMERGIES TO WORK IS THERE ANY HOPE OF THEIR BEING ABLE TO DEFEAT ALL THE VARIOUS EVIL INFLUENCES EMANATING FROM THE ATLANTIC AND OF GREATING A NEW AND HOPENIL FUTURE AROUND THE PACIFIC ALTROUGH THE COMPLETELY NEW MAY, AT FIRST SIGHT, APPEAR TERRIFYING, IF BOT FRANKLLY NOW-SENSICAL, ONLY A VERY HEW PROCEDURE HAS ANY CHANCE OF HEING REALLY DIFFERENT FROM THE PASTWHICK LOOKS AS IF IT HAD BEEN GOVERNED BY NO OTHER PSYCHOLOGICAL MOTIVE POWER EXCEPT HYPOCRISY.

THE CASE OF THE PACIFIC VS. THE ATLANTIC IS A CASE OF PSYCHOLOGY VS. HYPOGRISY.

Tokyo, Japand, December 23,1939 (2599)

グイクトース・レフーン極十路開 Nictor Franc Chort Bicarably (1907-)

一九〇七年七月

領怨ミエンヘン大學ヨリ心理學博士 / 稀較テ授ケラル

一九〇七年十月

アントンブルツタナー1(オーストリナノ大音樂家)第五交響樂ヲ新解釋シ指揮ス

一九一一年

問意見子交換ス 英國二於ナモンテッソリー博士ノ新数官ノ服務チ窓グ伊太利ローマニ至り、同氏ナ訪グ1-14

一九二年

佛蘭西巴黒日佛協食ニ於テ日本文化、教育及ビ競術ニ関スと論文チ委表ス

一九一二年

英國倫敦日英協會三於テ日本文化、数育及ビ紫衛三關スル論文ヲ發表ス

東京ニテ該論文ノ邦文譯出版セラル

一九一三年二月

及ビ東洋ノ心理學ノ講演チナス及ビ東洋ノの理學ノ講演チナス素国ヨリ傷闔西、獨逸、伊太利チ親由、アラビナ、印度及ビ支那ニ赴キ、各所ニ所洋

一九一三年六月―十一月

東京二於。日本ノ政治、外交、数首、發術其他各階級ノ有力者ト親交ヲ結ブ

1九二三年——三七年

支那ノ政治、文化、敎育二謂スル小册子(漢文)百餘種ヲ出版ス、北支ニ於テ官義敎育機關ヲ創立シ、廣東ニ於テ師範學校ヲ設立ス

左記詩氏ノ政治及ビ教育顧問トナル、予測・話が ライ なずに

山西绿莲怒堵公署主任 阚 錦 山旗西省第四军副军县 白 崇 翰 特 雲 階 体 雲 階 衛 銘 樞 極東台政府主席 李 濟 琛 釋

一九三三年

ト題シテ第一回論文トシヲ簽炎セリは在二十億年ノ間支那民族ノ心理的簽見」は在二十億年ノ間支那民族ノ心理研究ヲナシ其結果ヲ英文ニテ「支那ノ心理的簽見」

一九三二年——三七年

- 方弦と! - 予済ほ、汪兆銘、開錦山等ニ對シ日支協力ノ必要ヲ高唱シ、共衝突ヲ避クベキコトラナニニキ――ニキ角

一九三七年

更ニ「中国論」ノ標組ニヲ支那語ヲ以ヲ第二回論文トツヲ發表セリナミイタ

一九三七年——三八年

第七3ル化中央部盟英文雑誌及ビ北京英字銀「クロニタル」11、純東ノ舞台裏」トノ線図ニテ軸東京ノジャズン・タイムスニ日支隅係二隅スル第一回論文ラ寄稿ス。該論文ハ日本文スコイダー―ニテタ

一九三八年十二月二十二日

• 支那チ叕シチ東京二米ル

昭和十四年七月十六日

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitter 0. due term NARS, Date /2-18-75

February 21 1940

No. 1902

To the

American Ambassador,

Tokyo.

The Secretary of State informs the Ambassador that a letter has been received from Dr. Victor Frêne, Care of Mr. Karahara, 5 of 9 Shiba Park, Shiba-Ku, Tokyo, a copy of which is enclosed.

A suitable acknowledgment to Dr. Frêne should be made by the Embassy in its discretion and a brief report submitted to the Department concerning Dr. Frêne's identity and professional standing and activities.

Enclosure:

From Dr. Frêne, undated.

ent CR FEB 19 1940 FM

793.94/15676

PCN. RC:PTH:EAS:RAW:88

2/14, 16

[COPY:E AS: 88] [COMP.: <u>mgs</u>]

> Tokyo, Japan, Dec. 30, 1939 c/o Mr. Karahara 5 of 9 Thiba Park Thiba-Ku Tel: Ad. Frene Yamaume Tokyo

Dr. Ben M. Cherrington
Director, Cultural Division
Department of State,
Washington, D.C

Sir:

As a professional psychologist, who has devoted 28 years to the study of China and Japan, the undersigned begs to be allowed to address you for the purpose of expressing the opinion that the cultural point of view is most indispensable in the attempt at solving Far Eastern problems.

The political future of the Far East seems to him to depend on America's present understanding of Japan. Lack of understanding of Germany has brought Europe close to a collapse and lack of understanding of Japan would produce, in future, continuous upheavals in Asia.

Japan has maintained herself against Asiatic cultural oppression for more than 1500 years and will never submit to Western economic and political impositions which prevent her self-development. Therefore the appreciation of Japan's particular qualifications is a condition sine quanon of future world peace.

May I be allowed to suggest that even the desoatch of a special American psychological study group to Japan or the setting up of a special psychological study group in the Cultural Division of the State Department, especially for the study of Japan, should not be considered as a ridiculous suggestion at this moment of supreme crisis.

I hasten to send you a first sketch of the results of my research and shall soon supplement it by another more detailed exposition. I am in touch with Mr. Grew and attempting to arrange a lecture tour in the States through Mr. Edmonds of the International House of New York, now in Los Angeles, 2220 Kerwood Avenue.

I am also sending a copy of my sketch "The Peace of the Pacific Era" to Dr Stanley Hornbeck, whom I have met in Peking, more than 20 years ago, and to Senator Borah.

Because

Because of the New Years' holidays, I am forced to write this note by hand and must apologize for the inconvenience caused to you by this lack of office equipment.

Holding myself at your disposal,

Tablia *

I have the honour to be, Sir,

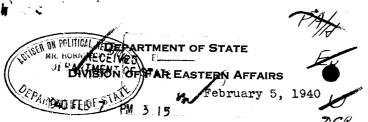
Yours very faithfully,

VICTOR PRÊNE

Ph.D.

formerly advisor to Marshals Li Chi-sen and Gen. Hsi-shan, General Pai Chung-Hsi and Chen Ming-shec, Governor Lin Yun-Kai

P.S. Please find enclosed a reprint of a letter on "Japan as a Doctor"



Mr. Truelle, Counselor of the French Embassy, called at five o'clock this afternoon at his request CATHE read to me a telegram which the French Embassy had just received from the French Foreign Office. At my request he dictated the substance of the telegram (attached). He said that the French Embassy had been asked by the French Foreign Office to communicate the substance of this telegram to the Department as soon as practicable.

I thanked Mr. Truelle for communicating this information to us. I said that we had received from our offices in the Far East a brief report in regard to the matter but that our report did not contain all the details contained in the French Government's message.

Mr. Truelle asked whether the Japanese Government had made any reply to the informal representations which the American Embassy at Tokyo had made on January 31 in regard to the bombing of the Yunnan Railway. I replied that so far as we knew the Japanese Government had as yet made no reply.

743.94

FE:MMH:HJN

DIVISION OF FAR EASIERN AFFAIRS

Department of State

Department of Stat

F/FG

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SUBSTANCE OF TELEGRAM DATED FEBRUARY 5, 1940, FROM THE FRENCH FOREIGN OFFICE TO THE FRENCH EMBASSY IN WASHINGTON

On February 2 at 2:40 p.m., twenty-seven Japanese planes bombed again a bridge at Kilometer 83 of the Yunnan Railway just at the moment when a train full of passengers was passing. There are a great number of victims, among which are a few Europeans. Another bombing took place at Kilometer 95 where the railroad has been destroyed on a length above 100 meters and traffic of the trains is stopped.

743.94

CROSS-REFERENCE FILE

NOTE

SUBJECT

"General Mobilization in War Zones - Volume I".

Two copies, under separate cover, of Chinese publication,-Transmitting-, suggests possible interest of Library of Congress in having copies or copy.

793.94/ | 567

For t	he origino	l paper	from w	hich re	ference is	ı taken	
See	#365						
	#365 (Despatch, telegram, instruction, letter, etc.)						
Dated	Nov 3,	1939		From To	China	(Chungking)	
File N	o. <u>89</u> 5	.20/709				••••••	

FRG.

12951

W was no

CROSS-REFERENCE FILE

NOTE

SUBJECT Exchange of correspondence between President Roosevelt and Chiang Kai-shek, during November, 1939.

Letters to Chiang K ai-shek were delivered by Mr Peck.

8.8

For the original paper from which reference is taken

See # 419

(Despatch, telegrom, instruction, letter, etc.)

Dated Jan. 4, 1940

From China (Chungking)
To (Peck)

U. S. GOVERNMENT PRINTING OFFICE 1-1540

793.94/15679

793.44

1834

CROSS-REFERENCE FILE

NOTE

SUBJECT Condit

Conditions along the Yangtze and in Central China.

Comment and information on-, expected from Ambassador.
Inquiring concerning advisability of making such report
public, suggests that possibility be kept in mind in
drafting of-,

For the original paper from which reference is taken

See	Tel #-; lpm (Despotch, telegram, instruction, letter, etc.)				
Dated	Feb 3, 1940		China (Johnson,	aboard USS	LUZON)
File No	793.94112/314a				

FRG.

15680

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitty 0, dustager NARS, Date 12-18-75

C O P I

UNITED STATES ASIATIC FLART . . . NUGU TA (Flagship)

A9-5/(R-0654)

MARKET !

The Commander in Chief, U.S. Asiatic Flest.

Teingteo, China, OF STRINGSEO.

From: To

The Chief of Naval Operations.

UBJ CT:

comi-monthly news letter for period 16-50 ceptember 1939.

Enclosure: (A) Copy of minutes of conference of the International Defense Force Commanders held at the Hendquarters of the Japanese Naval Landing Party on 14 September, 1939.

192.9-

MILITARY

DOD Dir. Essep. Sept 27, 1953 Domby Mack Colon date 4/2, /cr

The Japanese renewed their offensive against Changeba at the beginning of the Neval and Army units succeeded in landing in force on the period under review. southeastern and southern shores of Tungting Lake, joining the units pushing south along the Hankow-Centon railway. Simultaneously the Japanese forces in Kiangei launched an offensive along the two inter-provincial highways connecting Kisngai and Runan. Despite Chinese claims of heroic resistance on the part of the 9th lone Armies which inflicted heavy casualties on the Japanese, the latter made swift progress and at the month's end the fall of Changsha appeared imminent. In the meantime the Chinese had shifted their main supply base from Changsha to

Heaveng.

From the time that the Japanese drive on Changsha seemed certain of success the Ginese have belittled the importance of that city to their cause, but from the importance of the cause but from the cause of the ca situation. The loss of the city itself may not be significant nince it has long been described as a trading center and it may be assumed that the Chinese have m successfully completed the shifting of their principal military activities from there to Henyang. But if it is captured, the Japanese will have gained enother considerable stretch of the Canton-Hankow railway, and if the Chinese forces now north of the Nancheng-Changsha railway have not already been routed by the time Changeha falls, their position would appear to be a desperate one, and it would seem that they will have no other recourse but to withdraw into the socalled southwest defense triangle beyond lienyang, thus leaving the ontire length of the Canton-Hankow railway more vulnerable then ever to attacks from both north and south.

apart from the military significance of the full of Changsha, which may, indeed, be debatable, its capture will undoubtedly be of some political importance to the Japanese both in China and at home.

as the Japanese offensive closed in on Changsha the Chinese launched several attacks in the Canton area. The timing of these attacks indicate that they were probably made in an effort to relieve the pressure on Changsha, or failing in that, to prevent any northward movement of the Japanese slong the railroad. To the northward of the Kowloon leased territory the Chinese reported success in temporarily pinning the Japanese forces along the British border.

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitter D. Sustain NARS, Date 12-18-15

A9-5/(R-0654) RESTRICTED 16/gwt

30 September, 1939.

SUBJECT: Semi-monthly news letter for period 16-30 September, 1939, Continued.

Fighting also increased considerably along the Yellow river but no important changes in the general situation have been reported.

On 18 September Lieut. Gen. Hayao Tada arrived in Peiping to relieve Lieut. Gen. Sugiyama as commander of the North Chins forces. On 24 September Gen. Nishio left Tokyo for his post as Commander in Chief of all the Japanese Expeditionary Forces in China. On 30 September both he and Lieut. Gen. Itagaki, his Chief of Staff, were reported in Hanking, which city has many times been unofficially named by the Japanese press, and referred to by Japanese military officials as being the site of the new General Headquarters.

2. FOLITICAL

The public utterances of various Japanese officials both at home and in China and numerous press references indicate that the Japanese still cling to the plan to set up Wang Ching-wei's "Central" government in Nanking in the near future. It was the general opinion of our diplomatic, military and naval observers in Peiping with whom the Commander in Chief, Asiatic Fleet, held conversations on his recent visit there, that the combined influence of Lieut. Gen. Kita, the North China army Headquarters, and Mang Keh-min against the move to establish Wang Ching-wei will be enough to wreck it. Of the opposition of these factions to the Wang Ching-wei movement there can be no doubt, but if he is once established as the head of a Central Government it seems more reasonable to assume, unless the Tokyo authorities are hopelessly confused and at loggerheads among themselves, that the plans are laid for a real effort at a solution of the political problem in that fashion, and that these plans include keeping the North China clique in line for at least long enough to test what success can be expected from Wang.

Rumors are circulating that certain members of the Chungking Government seem to be weakening in their determination to "resist to the end", but the most reliable information indicates that even if some individuals are losing their enthusiasm for continued resistance Chiang Kai-chek is still solidly in power and still determined to fight on.

3. INTERNATIONAL

The question of the revision of the Shanghai Defense Plan and the status of the extra-Settlement roads area continued to be of immediate and major importance.

Pursuent to the arrangement made at the meeting of the Sector Commandants on 14 September, the staff officers of the Commandant's of the International Settlement Defense Sectors met on 22 September to consider proposals for the revision of the Settlement Defense Plan.

A9-5/(-0654) RESEIGTED

16/gwt 30 September, 1939.

oubject;

Semi-monthly news letter for period 16-30 September, 1939, Continued.

The Japanese offered their proposals for revision, which were as follows:

- (1) Activities of the foreign garrisons should be confined to the International Settlement only.
- (2) Japanese present "i" Sector to include the east side of North Honan Road.
- (3) Italian Marines to occupy that portion of present "B" Sector which lies north of Soochow Creek, with its eastern boundary the west side of North Honen Road. This sector to be designated as sector "B".
- (4) British forces to occupy that portion of present sector "B" which lies south of Soochow Creek. This sector to be designated as Sector "C".
- (5) The boundaries of present American sector to remain unchanged. Sector designation to be changed to "D".
- (6) The foreign garrisons to be withdrawn from extra-Settlement defense sector (D sector plus Italian Sector), and be replaced by police of the Municipality of Greater Shanghai assisted by Japanese forces.
- (7) The abolition of the Shanghai Volunteer Corps as a military unit.

In connection with points (2) and (3) it will be noted that the eastern border of sector B would thus revert to that designated in the 1934 Defense Plan. In practice this condition already exists, the British having recently withdrawn from Kiangse Road to North Honan Road.

The meeting of the defense sector commandants to hear the replies of the above proposals will be held about the middle of October. After his arrival in Shanghai and conversations with the American Consul General, Commander Yangtze Patrol and Commander Fourth Marines, the Commander in thief, Asiatic Fleet, will determine what reply is to be made. Unless information is received that the State Department has adopted, or intends to sdopt, a policy which would not be supported by the stand indicated by the related despatch relayed to the Department, it is expected that, in general, a reply along the lines of the above despatch will be made.

The present tension in the Western Area between the Shanghai Municipal Police and the Te Tao Police, and the indecision of the Shanghai Municipal Council greatly complicates the entire situation, since until it is definitely known what stand the SMC intends to adopt with regard to the policing of the extra-Settlement roads, it is difficult to arrive at a proper decision on the position of the extra-Settlement area with respect to the defense plan.

Whereas a knowledge of the attitude of the British military is, of course, not essential in the establishment of our policy such knowledge is

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Department of State letter, August 10, 1972
By Mitty 0, Sustain NARS, Date 12-18-75

A9-5/1-0654)

16/gwt 30 September 1939

oubject:

Semi-monthly news letter for period 16-30 September, 1939, Continued.

entirely pre-requisite to our decision on the concrete application of our policy to the specific problem of the revision of the Defense Plan.

Latest reports indicate that perhaps the British garrison commander may not be so adament in his opposition to the Japanese proposals as was previously reported.

In view of the seriousness of the conditions existing in the Western Area and in consideration of the adequate protection of our nationals residing there, plans are laid to send a detechment of Marines into that area in case our nationals are endangered and it is apparent that sufficient protection can not be expected from the SMP and the British garrison. This action is proposed whether or not the British garrison commander invokes the clause of the Defense plan which authorizes him, in case he deems his own forces insufficient to cope with a situation, to request aid directly from another sector commander.

Considerable progress was made toward a settlement of the Kulangsu affair and an agreement was expected to be reached on 23 September after which agreement the simultaneous withdrawal of the U.S. and Japanese lending parties was hoped for. A stumbling block arose, however, principally over the wording of the trading conditions between Kulangsu, Amoy, and the mainlend, which existed prior to the incident, and which were to be reverted to as a condition of the agreement.

The American Catholic Girls School located in Kaifeng, Honen, was closed down by the Provincial authorities when the services of a Japanese "Adviser" was refused by the school officials.

The offices of the United Press and the American Redio Service located in the British Concession in Tientsin were entered and searched by Japanese gendarmes on 28 September on the pretext of searching for Chinese terrorists.

In general, however, the Japaness in China continued to display a friendly attitude toward the U.S. This was particularly true of the Japanese neval authorities in Tsingtao who gave considerable aid in the salvage work on the U.S.C. PIGEON.

4. MISCELLAN FOU 9

The Commander in Chief, Asiatic Fleet, made a hurried trip to Peiping and Tientsin (26-28 September) in order to ecquaint himself with the layout of the Marine establishments there and with general conditions.

The principal political intelligence gathered on this trip has been previously referred to in this report.

> DOD Dir. Engl. Sopt 27, 1953 Man by Man Eddey Cate 4/45/66

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A9-5/(R-0654)

16/gwt

KAT WORKED

30 September, 1939.

Subjects

Semi-monthly news letter for period 16-30 September, 1939, Continued.

In Tientsin interviews were had with the American Consul General, the British Brigadier, and a staff officer representing the French Commandant who was in Shanhaikwan. The British and French Officers stated that they had not been approached directly by the Japanese military with the "nevice" to withdraw, or disarm, their forces, but had received the notification through diplomatic charmels. So far as they knew their withdrawal was not being contemplated by their governments.

It was apparent that the U.S. Morine Detachment at Tientsin had done excellent work during the flood in the matter of preventing damage to their supplies and installation and in their aid to American nationals.

/8/ THOS. C. HART.

Copy to:

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AmCon Sha'i (without enel.)
Aluens Peiping " "
Aluens Tokyo " "
CO AUGUSTA " "

DOD Dir. 1953 ans Aff 1971 19

TELEGRAM RECEIVED

A portion of this telegram must be closely paraphrased before being communicated to anyone. (br) to anyone.

CANTON VIA N.R.

Dated February 7, 1940

Rec'd, 3 p.m.

n affairs (4

TO NIT MILE

Washington.

Secretary of State,

793.94

14, February 7, 6 p.m.

(GRAY) According to an informed Japanese source Japanese forces in southern Kwangsi, Nanning-Pinyang area, reenforced with units drawn from the Canton area are reported to have completely encircled the Fourth and Ninth Route Armies of the Central Government comprising about 30 divisions. These operations are said to be on a larger scale than recent operations in Northern Kwangtung and to have been much more successful for the Japanese. General Ando, head of the Japanese forces in South China, has been in personal charge of the operations, and military headquarters here expect to be able to announce within a few days the complete defeat of the Chinese forces in the above mentioned area.

No information as to the approximate strength of the Japanese forces is obtainable. (END GRAY)

In the light of available information it seems highly probable that the Japanese drive into northern Kwangtung was suddenly halted about January 1 and their troops withdrawn for

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-2- #14, Feb. 7, 6 p.m., from Canton

for use in Kwangsi because the Japanese position there was gravely threatened by increasing Chinese pressure. Recent press reports would seem to indicate that Japanese operations are proving successful.

Repeated to Chungking, Peiping.

MYERS

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TELEGRAM RECEIVED

This telegram must be closely paraphrased before being communicated to anyone. (Br.) Hong Kong via N. R.

Dated February 8, 1940

FROM

Rec'd 2:35 a. sion of C

AN EADYERN AFFAIRS

B 8-1940

COPIES IN PAR TO LE SENT TO O.N.I. AND M.I.D. IN CONFIDENCE

Secretary of State,

Washington.

47, February 8, noon.

DE ME VIO SENT TO TREASURY IN CONFIDENCE

The following is a paraphrase of a telegram just received by air mail from Reed at Hannoi for the Department:

February 6, noon. Referring to my February 2, noon, the damage caused on February 1 by the bombing is not so great as first reports indicated. Extent of damage to the tunnel which was severely shaken is now the main question. Casualties are now listed at 80 and 120 injured and probably some of the latter will die.

The bombing at kilometer 235 on February 3 is understood to have caused no material damage but seven coolies engaged in the transshipment of freight were wounded.

Present Japanese activities along the railway now fill the press in contrast to its silence during the bombings at the beginning of the year. The burial yesterday of the five French victims of the bombing was marked by an impressive ceremony attended by the Governor Generalm and other high officials.

Repeated to Chungking, Peiping and Shanghai. Kunming and Saigon informed.

SOUTHARD

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

(Wafirmilal)

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PARAPHRASE

A telegram (no. 47) of February 8, 1940, from the American Consul General at Hong Kong transmits a message of February 6 from Consul Reed at Hanol which reads substantially as follows:

as much damage as was indicated by first reports. Casualties are listed now at eighty. One hundred twenty persons are reported injured, some of whom will probably die. The burish on February 5 of the five French citizens killed in the bombing of the railway was marked by an impressive deremony which was attended by high officials, including the Governor General. Although seven coolies who were transshipping freight were wounded in the bombing on February 3 at kilometer 235, it is understood that there was no material damage as a result of that bombing. In contrast to the silence of the press at the time of the bombings early in January the newspapers are now filled with articles concerning the present activities of the Japanese along the railway.

FE: EGC: MHP 2/8/40

PE NO

793.94/1568

TELEGRAM RECEIVED

FROM

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

Tokyo

Dated February 8, 1940

Rec'd 7:43 a. m.

FAB 8- "

GONT-MID

Secretary of State,

Washington.

93, February 8, 3 p. m.

CONFIDENTIAL.

Our 91, February 7, 9 p. m. One. My French colleague told me further today

that in bombing the Yunnan Railway on February first the Japanese had missed by a few yards the down-train proceeding from Yunnan to Hannoi carrying the personnel of the British gunboats on the Yangton who were being evacuated. It was the up-train to Yumman which was hit.

Two. The Vice Minister for Foreign Affairs informed the Ambassador that the train which was combed carried, according to prior advices, both passingers and military supplies. He added that while the Japanese Government in principle would pay damages for loss of life and personal injuries, the attacks on supply trains were defensive measures and would continue.

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hsm -2- No. 93, February 8, 3 p. m., from Tokyo

Three. The Ambassador has informed me, also in confidence, that the Governor General of Indo-China has telegraphed to Paris requesting removal of the present prohibition against firing on Japanese planes which fly over Indo-Chinese territory.

Cipher text by mail to Shanghai and Chungking.

GREW

CSB

No. 193.

MERICAN COMMULATE.

Tsinan, China, Jonuary 2, 1940.

MATERICA

SECRETARI

OF STATE

The Honorable

SUBJECT: CHINESE REPORTS OF RECENT ATTACK ON $\Sigma_{\rm co}$ JAPANESE-OCCUPIED CITY OF SCIFFING. HORAN, OREATLY EXAGGERATED, ACCORD-ING TO MEUTRAL OBSERVER.

20 notelvil A TAR EASTERN AFFAIRS - 194QD

Department of State

COPIL

Nelson Trusler Johnson,

American Ambassador,

Peiping, china.

Sir:

-/140 s despatohes and I have the honor to refer madio broadcasts from Chungking and London, concerning the Chinese attack on Kaifeng, Japanese-cocupied capital Af Honen, in December, in which it was alleged that the of thinese succeeded in gaining a foot-hold in the city and that severe street fighting ensued before the attackers were eventually repulsed.

In this connection, the Consulate has learned from a responsible foreign resident of Kaifeng that these reports were grossly exaggerated. According to this observer, who was in Kaifeng at the time. group of plain clothes men probably not exceeding 200 in number approached the outskirts of Kaifeng one dark night and fired into the air causing a certain smount of anxiety to the small Japanese garrison, which zeturned the fire. The Sucrrillas withdrew before daylight and the Japanese suspected that they had gome

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from Chungmow (ψ φ). Accordingly, the Japanese retaliated by heavily shelling that place with field artillory a few days later.

Respectfully yours,

Carl O. Hawthorne, American Vice Consul.

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800 COH/KCC

Original to Embassy, Peiping, 5 copies to Department, Copy to Embassy, Chingking, Copy to Consulate General, Hankow.



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

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793.94/ 15687

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese Relations.

Report for month of November, 1939.

For the original paper from which reference is taken

See #918 to Ambassy

From To Tientsin (Caldwell) Dated Dec. 8, 1939

File No. 893.00 P.R. Tientsin/139

15687-

79394

a. Proposed New "Central Government".

Japanese plens for the inauguration on October 10th
of a new "Central Government" for China, postponed
to Newsmbar 12th, failed to materialize, and the
formation of the new government was set tentatively

nin

1. Despatch to Embassy No. 911, November 29, 1939.

for January 1, 1940. Furthermore, Mr. Wang Keh-

min, head of the Peking-Government, Mr. Mangenin, head of the Manking Government, and Mr. Mange Ching-wei, head of the "Crthodox Eusmintang Party", did not meet at Taingtao in accordance with previously announced plans to discuss the establishment of a "Central Government". Allegedly these postponements were caused by differences between the views of Mr. Mangend the Japanese concerning the conditions under which the proposed government would be established. (1) During the entire would of Movember, however, much upsoe in the local press was devoted to statements made by Japanese leaders concerning the desirability of the early establishment of the new "Central Covernment" regime.

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese relations.

Report concerning -, for month of November, 1939.

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For the	original paper from which reference is taker
See	# 4377. (Despatch, telegram, Instruction, letter, etc.)
Dated	Dec. 28, 1939 From Japan (Grew
File No.	894.00 P.R. /144

795.94 / 15688

1568

(b) China.

1. Pilitary Operations.*

On November 15 the Japanese opened large-scale operations in the Tongking Bay area in Testern Krantung. A landing was made against apparently negligible Chinese resistance near Pakhoi. The town of Yamchow on Yamchow Bay was soon captured. Thereafter, a march was started inland, across the tip of Kwangtung and through a mountain range on the Kwantung-Ywangsi border to Nanning in Kwangsi and on November 24, nine days after the operations were begun, that city was captured.

The object of this campaign was primarily that of striking at the supply routes from the outside world to interior China. With the investment of Pakhoi the blockade of the China Coast was essentially completed. But of far greater significance, by the seizure of Manning one of the most important supply

*Prepared with the assistance of the office of the !'ilitary Attaché.

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routes to the interior of Southwest China was cut. After the fall of Canton in the autumn of 1938, this route and those from Hanoi to Yunnan-fu and Burma to Yunnan-fu had become the main arteries of communication of China with the outside world. A motor high any extended from the Indochina border through Nanning to the interior of China. Over this highway a considerable amount of wor material and equipment reportedly had been entering China. Foreover, it is understood a railway between Nanning and the border of Indochina was at the time nearing completion.

There were, however, political considerations attendant upon the execution of these operations. One was, it is reported, the intent of the Japanese army to present some new tangible results to the Japanese people after the indecisive character of the recent campaigns around Changsha and estern Hupeh, as well as to counteract the unfavorable impression left with the Chinese masses as regards the Japanese military strength. Others were, as reported by the press, to strike a blow at Kwangsi Province with the hope of breaking down that Province's strong support of the Chiang Kai-shek regime, to attack China in a new section of the country with the home of damaging further the prestige and strength of the Mational Government by demonstrating to the Coirese that that Government was unable to check at any place Japanese attacks on China. This last consideration was amparently directed primarily to impress the population of Yunnan Province, which it was reported in Japan had been manifesting dissatisfaction with the Chungking Government.

Very little was reported of military actions in any other area in Chine. With the exception of sporadic Japanese attacks against guerrilla bands and remnants of Chinese regular troops

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in and around the already occupied areas, the period was a very quiet one. Bombing operations were also conducted on a limited scale.

2. General Relations.

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The establishment of the new central regime in China, previously predicted to take place in November, did not meterialize during the month. When it would eventually come into being was not again publicly forecast. It appeared from the continued discussions that were carried on during the month that not only the question of timing the establishment of the "ang Ching-wei regime but as well matters of the personnel of the Government, of its financing, of the degree of authority it would have and of the extent and scope of its jurisdiction -- particularly as relating to North China and Inner Mongolia -had not been completely settled.* Reference is made in this connection to the editorial appearing in "ang Chingwei's press organ, the Chung Hua Sih Pao on November 23 in which it was asserted the new Government in China must be independent and autonomous.** That editorial was reported in Japan but no comment made upon it.

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In a press interview on November 21, the Prime Pinister outlined at some length various aspects of Japan's
future relations with the proposed new regime in China,
and he said that the Coverhment expected to follow in
settling the China "incident" the principles laid down by
Prince Monoe in the latter's statement of December 22,
1938. He said he believed that the new regime would eventually assimilate the Chungking Government, thus obviating

^{*} Embassy's telegram no. 567, November 1, 7 p.m.
**Shanghai's telegram no. 1036, November 24, 5 p.m.

any need for Japan to have any future dealings with the latter. He reiterated the Japanese contention that North China and Inner Mongolia should be a special zone for Japan, both politically and economically, and that Japan would show more concern over those areas than over any other part of China. He said that Japan probably would conclude an anti-Comintern pact with reborn China along the lines of the Japanese-German-Italian anti-Comintern accord, and that Japan would, in all probability, keep troops in China as long as that pact was in force.

A further significant statement was made by the Minister of Wer and another by the Prime Minister during the month in regard to Japanese relations with China. In a press interview on Movember 10 the Minister of Tar stated, in part, that the conclusion must not be drawn that the China Affair will automatically be settled with the establishment of the new regime. In regard to the same topic, the Prime Minister, during an address he made at Osaka on Movember 25, is reported to have stated that even after the hostilities are concluded it may take "three, five or ten years to settle the China incident". He further emphasized that it will be no easy matter to bring it to a nominal close, to say nothing of the gigantic reconstruction task which must be undertaken afterwards, inasmuch as the Chungking Government still has very large regular forces in the field, in addition to millions of anti-Japanese guerrillas lurking throughout China who are harassing the Japanese forces at every opportunity.*

The press noted that the remarks of the "ar Minister had disproved a misconception held by a large section of

^{*} Mibessy's telegram no. 629, November 27, 5 p.m.

opinion in Japan that, with the establishment of the new regime, the "incident" would have been settled.

Passimism was noted in other comments regarding the Trime Niciter's prediction of the length of time still anticipated before a final rounding-up of the Affair could be expected.

At the end of the month it was announced that, effective December 1, Journese army notes would be the sole Japanese currency in circulation in Central China and that the Bark of Japan notes must be exchanged into army notes and that the former would thereafter be withdrawn from circulation in China. The object of this regulation was undoubtedly directed at combatting the speculation in yen, with its deleterious effects on Japanese currency, the had been going on in China.

CROSS-REFERENCE FILE

NOTE

SUBJECT Japanese military activities in area of Amoy, China, during month of December, 1939.

8.8

See # 92
(Despatch, telegram, Instruction, letter, etc.)

Dated Jan. 4, 1940 From To Amoy (MacVitty)

For the original paper from which reference is taken

File No. 893.00 P.R. Amoy/147

1. S. GOVERNMENT PRINTING OFFICE 1-1540

93.94 /15689

2. Japanese Military Activity.

1. Activity adjected to Amoy.

There was no military activity of note around amoy during the month. Small numbers of Japanese planes appeared over amoy on December 10, 11, 12, 15, 16 and 22 and it is understood that some interior points were bombed, but no definite information as to the bombing has been received. Several times during the month Japanese air-craft carriers appeared in the outer harbor but made no effort to launch their planes.

It has been noted that recently Japanese Naval vessels at anchor in the outer harbor have shown no other lights than riding lights during the evening and night. As there are no Chinese aeroplanes in Fukien, the reason for the black-out of Japanese Naval vessels is not apparent, unless

*Despatch No. 51 dated Dec. 11, 1939, to the Embassy.

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it is being done in order to conserve fuel.

The Chinese renegade troops from Swatow under General Huang Ta Wei (黄 大 撑) and Japanese officers, which invaded Southern Fukien and captured during the latter part of November, were signally defeated early in the month by Fukien Protective forces under the command of Colonel Chen Wei Chin (陳維金), a former bandit chief. It is reported in the recapture of Chao an (記 安), Mr. Lin Chih Yuan (林 知淵), a former prominent member of the Fukien Provincial Government, was taken prisoner together with other Chinese puppets. The prisoners are stated to have been brought to Changchow (漳 州). and to have included twenty Japanese officers and It is reported in Kulangsu that the majority of the prisoners have been executed and that the heads of the Chinese traitors have been sent to Foochow and Chungking for identification. their defeat at Chao an (記 安) there has been no further attempt by the Japanese to continue operations on the Southern Fukien border.

793.94/15690

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese Relations.

Operations of Japanese forces reported.

For the original paper from which reference is ta	ken
See#2803 (Despatch, inlegram, instruction, letter, etc.)	-
Dated Jan. 6, 1940 From Shenghei (Ge	us s
File No. 993.00 P.R. Shenghei/135	
N	

15690

Japan.

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dilitary Activities. Japanese forces are reported to have continued their "mopping up" operations against Chinese regular and irregular forces in the lower Yangtze Valley area. The so-called Chinese "winter offensive" aspears to have been confined largely to the area around Anking, Anhwei, and to both banks of the Yangtze River in that general vicinity. Japanese Wilitary Headquarters at Manking claimed that the "winter offensive" had been grushed because of the poor training of the Chinese troops,

*Telegram no. 1090, December 7, 7 p.m.

-7-

their insdequate equipment, and poor communications. Five hundred Kwangsi troops were defeated near anking, units of the New Fourth Route army were defeated along the southern section of the Tsinpu Railway, and over six hundred Chinese troops were shelled by naval vessels east of anking, according to Japanese reports. No independent reports were received Chring the month regarding these activities.

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese Relations.

Report for month of December, 1939.

1565

793.94/ 15691

193.94

a. <u>Proposed New "Central Covernment"</u>.

Formation of the new "Central Covernment for Thina"

was excit postponed and no new date has been set for

its inauguration, but NEUTON (Cacember 23) reported

that Mr. Hang China-wei and other pro-Japanese

Chinese leaders will hold a conference during January

"to clarify the movement for a new Jentral Covernment
for China".

b. Japanese Military Operations. The Chinese "winter offensive" compelled the Japanese to resume extensive military operations and there were numerous engagements in Central Hopei, southern Chansi and Mulyuan, with allegedly heavy Japanese and Chinese casualties. The Chinese claimed the capture of Telyuan, Enifong and Taotou. The Japanese admitted attacks on these centers, but alleged that the Chinese withdrew ofter suffering heavy losses.

AL ADVISER

NC

GRAY

FROM PEIPING VIA N.R.

Dated February 10, 1940

Rec'd 6:55 a.m.

Secretary of State Washington

47, February 10, 10 a.m.

Following is Shanghai's February 9, 5 p.m. to Priping.

"February 9, 5 p.m. There has been received under date February 6 from the Japanese Consul General the following communication:

"I have the honor to inform you that in view of the probable development of military operations in southwest China, the Japanese expeditions in China desire to obtain plans or maps of those towns and cities in the provinces of Kwangsi and Yunnan where exist American properties, indicating minutely the precise location of the American properties situated there. I shall be grateful if you will be good enough to furnish me with such maps or plans as desired at your earliest convenience."

I have replied today acknowledging receipt and informing Miura that his request was being transmitted to the Embassy for appropriate action.

. .

NC -2- No. 47 from Peiping, February 10, 1940

Sent to Peiping. Repeated to Chungking and Canton. Chungking please transmit to Yunnanfu.

Following is Peiping's February 10, 11 a.m. to Canton.

"February 10, 11 a.m. Shanghai's February 9, 5 $\sigma.m.$ to Peiping.

Please be guided by Peiping's circular instruction to Consular Officers No. 138, dated January 5, 1940.
"Maps showing the location of American property" and the appropriate action.

Sent to Canton. Repeated to Chungking and Shanghai. Chungking please transmit to Yunnanfu.

FOR THE AMBASSADOR LOCKHART

and the second

TELEGRAM RECEIVED

VM

Chungking via N.R.

A portion of this mes-sage must be closely para-phrased before being com- FROM municated to anyone (BR).

Dated February 11, 1940

Rec'd 7:15 a.m.

Secretary of State

Washington.

Specific Williams

72, February 11, 11 a.m.

Following from Yunnanfu:

"February 7, 4 p.m. My February 2, 4 p.m. Service on the Yunnan railway has not yet been resumed following February 1st bombing. (END GRAY). Officials here state railway can be repaired within a short time as damage to tunnel was not great. (GRAY) Total deaths now given as 67, 5 of which were French, 40 Chinese and 22 Annamese. 106 persons were wounded, 20 seriously.

Embassy will be kept informed of traffic conditions. Perkins". Repeated to Peiping, Shanghai, Hong Kong. در اک repeat to Tokyo. 1940

PECK

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LEBAL ADVISE TELEGRAM RECEIV Chungking via N.R.

VM This message must be closely paraphrased be-fore being communicated to anyone. (BR).

FROM

Dated February 11, 1940

Rec'd 7:00 a.m.

Secretary of State

Washington.

Division of FAR EASTERN AFFAIRS B 1 2 19407

193.44

73, February 11, noon

An informant employed in a confidential position (*) the Chinese Government stated February 10 that information had been received from Japan that the Japanese Government is seriously considering declaring itself at war with China in order to obtain blockade rights, etc., as a belligerent. No means here of checking this report.

Repeated to Hong Kong, Peiping, latter please repeat to Tokyo.

PECK

(*) apparent ommission

TELEGRAM RECEIV

FROM

VM This message must be closely paraphrased be-fore being communicated to anyone. (BR). Chungking via N.R.

Dated February 11, 1940

Rec'd 7:00 a.m.

LEGAL ADVISE

Secretary of State

Washington.

P Division of P FAR EASTERN AFFAIRS *EB101940

193.94

73, February 11, noon

An informant employed in a confidential position (*) the Chinese Government stated February 10 that information had been received from Japan that the Japanese Government is seriously considering declaring itself at war with China in order to obtain blockade rights, etc., as a belligerent. No means here of checking this report.

Repeated to Hong Kong, Peiping, latter please repeat to Tokyo.

PECK

(*) apparent ommission

MINT

793.94/15694

er letter from Madame Chiang Kai-shek to H. J. Timperley.

HEADQUARTERS OF THE GENERALISSIMO

Division of Department of Stat

Chungking, Szechuan, China. November 30, 1939.

Dear Mr. Timperley,

Thank you for your letters giving us some idea of the situation, and attitude of mind, in Great Britain. We appreciate the good-will of the people of the British Isles.

As I have said very often: the fact that we know that Democratic peoples do sympathise with us consoles us in great measure for the failure of the Democratic Governments to render the help which should be forthcoming to a victim of aggression such as we are.

I have just returned from an inspection trip with the Generalissimo to the Hunan front. It was there that the recent major push made by the Japanese to capture Chungsha was so signally defeated. Probably this was the greatest setback that the Japanese army has suffered in its history.

You will, perhaps, remember that just after they started they announced to the world that they had 60 divisions of Chinese troops in pellmell retreat. A little later they declared that they had half a million Chinese troops surrounded and "facing surrender or annihilation." The Japanese were then being lured on at a rapid pace toward the city they were confident of capturing. But, unlike Lot's wife (a simile I have previously used) they did not look back. So they did not see the Chinese farmers destroying the highways behind them. When virtually in sight of Changsha, the order was given for our troops to counter-attack -- and the Japanese were caught.

A French officer, who was there, stated that he never saw troops who could retreat for days and then, as our troops did, turn around on an order and attack like now men who had just come into the lines. He said the assault by the Chinese troops was appalling to the Japanese. They turned and fired in panic, leaving 12,000 dead upon the field. In a few days! time they had reached the places from which they had started, and they are still being harried by our forces.

Ever since we withdrew from Hankow the Japanese have been defeated in all their efforts to reach new objectives in the provinces of Shansi, Hupeh, Honan and Hunan. That is because we gave up positional operations and are using our armies for mobile fighting -- a glorified form of guerilla warfare. What is significant is that our rank and file in these provinces are confident that all other thrus to made by the Japanese will be crushed as convincingly as was the one they launched against Changsha.

We do not expect that we suddenly can have success completely on our side. We know that the Japanese can at any time break through to objectives if they concentrate their heavy artillery, mechanized units and thousands of bombing planes which they have at their disposal. They did just that at Nanning, in Kwangsi, a short while ago.

793.94/15695

Their landing near Pakhoi was done under the heavy guns of a great array of men-o'-war. Their advance to Nanning was conducted under the protection of squadrons of bombing planes. But before the advance of their troops the country was laid bare by the Kwangsi people, who withdrew with all their foodstuffs to the mountains.

At the time of this landing General Pai Chung-hsi, who was in Chungking, seemed not to be disturbed, and expressed the conviction that the Japanese would be trapped just as they were when they endeavored to take Changsha.

Military observers in Kweilin, stated on November 28, that:

"Although hostilities on the Southern Route have spread to the Yukiang Valley, near Nanning, the deep penetration of the enemy force is tantamount to giving the Chinese a further chance to score another Changsha victory," and added that "the loss or gain of one point has no decisive influence on the situation as a whole.

"While the invaders have suffered considerable losses in their advance from the coastline of Yamchow Bay to the south bank of Yukiang, their future adverses will be ten times heavier on account of the fact that the region occupied by them resembles a narrow path extending more than 100 kilometers long through which the entire area has been stripped clear of labor and food supplies.

"Passing through two mountain systems, the Chulou and the Shihwantashan, the Japanese line of communication is also traversed by the Yukiang, which will make the question of bringing up supplies from the rear an extremely hazardous job for the enemy. With fighting extended to the northern bank of the Yukiang, the Japanese frontline is now exposed to Chinese attacks from three sides and the invaders also have to fight with their backs to the river."

We know the seriousness of this capture of Nanning. Not only does it involve the cutting of the line of communication from the Indo-China border, but it also gives the Japanese a chance to use air fields in the vicinity of Nanning for the bombardment of Yunnan cities as well as places in Kweichow and elsewhere. Of course the clouds that cover the mountains throughout the winter in this region will protect us, for a time, from Japanese indiscriminate bombing. We hope that the next few months will see the Japanese once again cut to pieces by our troops.

So far this is the only success the Japanese have had in 1939. Apart from that the year will go down in Japanese history as one of great disaster. They have been defeated by the scorned Chinese forces in Shansi, Honan, Hupeh, Hunan and Kiangsi provinces, to say nothing of costly set-backs throughout the rest of the country where their soldiers are operating.

In addition to these defeats in the field the Japanese suffered a disaster in materials destroyed by the floods which inundated Tientsin. One estimate puts down the actual losses of equipment and commissariat supplies at Yen 400,000,000. All the surrounding country is still under water. So what the Japanese continue to suffer is in terms of failure to gather the potential crops of cotton, etc., which they expected to harvest.

They thought, and based decisions upon the certainty, that this year would bring them their first real profits from the exploitation of our soil. They have found that nature has intervened as an ally of China.

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Then on top of their losses in China, there are their defeats by the Soviet forces on the Mongolia-Manchurian border.

Worse disaster than these, probably, is the curt abandonment of them by Germany.

Also, there is the American set-back in the announcement of the abrogation of the Commercial Treaty, followed by the downright exposure of American view by the American Ambassador to Tokyo.

In addition, Japan has been plunged into isolation such as she has not experienced since her emergence as a world power. She is almost like a pariah.

But what no doubt hurts her most is the fact that the bubble of vaunted invincibility has been pricked by the "contemptible Chinese army." It may be said that Japan could never have inflicted such losses upon China, and upon the interests of those Democratic Powers concerned in China, had she not been permitted to violate treaties with impunity.

The failure of the Democracies to stop Japan when she invaded Manchuria has produced war in Europe. All this horror and waste could surely have been avoided had the Democracies refused to assist Japan in her aggression. Their fear of Japan, their willingness to help her with supplies, set a precedent for the aggressors in Europe.

Our visit to Hunan revealed quite a remarkable atmosphere. We found the peoples and the troops in harmony, and closely co-operating. We heard no complaint from anyone about the behavior of the soldiery. We found rank and file convinced that they would be able to defeat any future Japanese thrust. All were confident that ultimate victory would be certain. The people and soldiers alike were unwavering in their determination to continue resisting until the Japanese were driven from our land.

Japanese propaganda has been busy spreading all manner of statements about China wanting peace and being a victim of Russian pressure.

There is no truth in any of the Japanese statements. China has not talked of peace, and she will not consider peace while Japanese soldiers and their puppets are on our soil.

Throughout this western region the foundations are being laid economically and otherwise upon which will be built a new China. If, by reason of superior armaments, and the ability to pay cash for war materials and carry them away from America and elsewhere, Japan can continue belaboring us with bombs and other explosives until this generation passes away, then the next one will take up the fight. If that one cannot overcome the invaders then the following generation will. As you know, the population of China is some 470,000,000, and I doubt if the Japanese could kill 70,000,000. Even if they could, there would still be 400,000,000 left, and reproduction will goom continuously.

Had China not fought as she has been doing during the past 29 months, then all Democratic territory south of China, including Australasia would now be in process of absorption, or, in course of time, would certainly be assailed by the Japanese. That must be obvious even to the most callous person who is ready to profit from the blood and ruin that are marking China.

We have fought all this time the battle which other Democracies are just now beginning. We are only wondering how far those Democracies are concerned about what is going on in Asia.

We hear much talk of readjustment of relations between Japan and Great Eritain, and between Japan and Russia. Rumors are circulating everywhere. Forecasting events with any kind of accuracy has become impossible because expediencey, and not honor, now seem to dictate political policies.

Mentioning "forecasting" reminds me that from the beginning of the Japanese aggression we have kept sounding warnings of its objectives and its possible international repercussions.

You have the collection of my broadcasts, etc. In a broadcast to America two years ago (September 12, 1937) you can read how I emphasized the necessity for the exertion of the wisdom and the sense of justice of the nations "to save the world from the consequences of the calculated falsehoods daily emanating from Japan". I spoke, too, of the Japanese aims "to sweep Occidental prestige clean from the boards of the Orient;" pointed out that the Japanese "were bent upon wrecking or eradicating all foreign influences, cultural as well as commercial," and said that "the sooner that fact is understood abroad the better."

In course of subsequent time I said many other things. And, I must explain that what I am now saying in this respect is not in any way on the "I told you so" order, but merely to draw attention to the terrible consequences that have followed the failure of the nations to understand events and their tendencies in this part of the world.

I was not writing two years ago as a self-appointed prophet, I was merely explaining what we who have already been menaced by Japanese ambitions knew and understood those ambitions to be. Time has, of course, proved that all that we of China said was true. In fact Japanese activities, barbarities, and duplicities have far exceeded our calculations.

Although only a fraction of inhumanities, such as those the Japanese inflict upon us, has so far been visited by the Germans upon the people in Europe, we now see Mr. Chamberlain (in his speech in the House of Commons on November 26) using words to describe what the Germans are doing, similar to those which we have been using for the past 29 months, to describe the Japanese atrocities. In denunciation of Germany's actions, the Prime Minister uses such expressions as "they hope with these barbarous weapons to cut off supplies from overseas and squeeze or starve us into submission." He talks of the Germans blowing up neutral ships and thereby "drowning and mutilating citizens of countries with which they are not at war." He says that Britain's aim is to defeat the enemy's military organ "which has sought continually to dominate their peoples by force, which has found a brutal satisfaction in the persecution and torture of inoffensive citizens and which in the name and interests of State has justified the repudiation of its own pledged words whenever found convenient."

Do not such expressions, now falling from the lips of the British Premier, sound pitifully like those that have continually been coming from China, where millions of our people have been blasted out of their homes and hundreds of thousands have been slain in cold blood? When we used them, they simply bored the statesmen of the Democracies. But so far the Democracies have not tasted even a

fraction of the slaughter that has come so continuously and so relentlessly upon our undefended people.

We have appealed to the Democratic statesmen to help stop the Japanese barbarity, but in vain.

Also we have appealed to the understanding of the Democratic Powers to support China materially and financially to defeat Japan, as a certain means of crippling potential enemies in Europe. They refused. Not only did they refuse, they went out of their way to show Japan that they were not interested in practically applying any brake to the Japanese juggernaut engaged in crushing the life out of China. Indeed, their attitude has helped Japan, and has brought about a war to win which they are now expending life and treasure on a colossal scale.

Now, if they are wise, they will immediately see the writing on the wall, and will actively assist us to cripple the aggressor who began this type of hostility. If the menace that is still embodied in Japan is not eliminated forthwith, it will bring ruin to Europe, if not to Civilization. We have crippled it, but it must be obliterated. The lesson of Germany's recovery of fighting strength may be repeated again. If, as proclaimed now by British statesmen, the Allies are fighting this war to ensure the harmonious relationships of peoples, free to use opened-up markets and world-wide natural resources, then they must help to crush Japan. Japan's effort to desolate and conquer China, or at least secure dominance in East Asia, is solely to secure monopolistic rights over the market and the natural resources of this great region. Japan has proclaimed that, and has gone so far as to tell the Democracies that they will not be permitted to trade or enjoy interests here unless they comply with Japan's policies.

Whatever happens, we in China will go on fighting - until the end. So far we have endured unparalleled human suffering for 29 months, and we can go on "taking it." One thing we will not take is peace on Japan's terms, or any peace impairing our complete sovereignty.

We are doing our best to reorganize to meet the new times. The Generalissimo, to override personal rivalries for the governorship of Szechuan province, assuemd the post himself. To facilitate administrative reforms he also took over the presidency of the Executive Yuan. This allows Dr. Kung to give considerably more time to the duties of Finance Minister.

There was some talk (and of course, many rumors) of Cabinet reorganization. This has not been effected yet because of various considerations.

So far as the military side of affairs is concerned, there is every confidence in ultimate victory. We have learned a lot since the beginning of this aggression. The most important lesson was that we must depend upon ourselves. To that end we have been struggling in the heat of battle to build up the means of continued resistance. While circumstances prevent us from achieving all that we would wish, in the manner that we would like, we are making great strides toward success.

The Japanese are now finding it increasingly difficult to maintain themselves in China. They are endeavoring to escape responsibility for the future by placing it upon the shoulders of the puppet regime under lang Ching-wei. They also wish to plant the costs of their misguided adventure upon the so-called "New Government."

Even Wang Ching-wei will find it impossible to create anything like the semblance of a "government" under the dominance of the Japanese. As for creating a puppet army to fight the National Army, no knowledge of China is necessary to find the answer to the question which the Generalissimo posed a few days ago: "If the Japanese 'invincible' army cannot defeat the National Army of China, how can any puppet organization do so?" Of course it is obvious that if the Japanese are so foolish as to help arm the puppet forces, the majority of the units will, in time, desert and join our forces. So there does not seem to be much hope for successful outcome of this plan of the Japanese to escape the disaster which they are facing.

We have now over a million new men, trained and equipped, ready for the field, and an equal number is being drilled so that we may, when we judge the time to be propitious for a counter-offensive on a large scale, launch it with the certainty of victory being won by us.

So far the war in Europe is not yet having marked effects out here. It is bound to, of course, in time. But we feel more convinced than ever that if the Allies are to win quickly, they must supply us with the means to eject the Japanese from our soil, if for nothing else than to place our resources and industrious people in a position to assist in producing certain needs of the Allies that can chiefly come from China. The sooner the Allies realize what this means to them, and how China's labor can help them, the better it will be for their peoples.

Whether or not the Allies do help us, we shall continue fighting. If our country is desolated in our attempts to save it, then that will be so much the worse for the Allies in particular and the world in general. The way to prevent the latter is for the Democracies to cease supplying Japan with the means to bring eventual chaos to Asia. That they should do, in any case, as a measure of justice to China, who placed her faith in the League of Nations, and in treaties, and --lost.

Yours sincerely,

Mayling Soong Chiang.

An interesting description of wartime conditions in the Chinese interior is given in a letter written to H. J. Timperley by Mr. W. H. Donald, Confidential Adviser to Generalissimo Chiang Kai-shek, shortly after his return to Chungking from a lengthy sea voyage undertaken for the sake of his health. Mf. Donald writes:

"I expected to see some change in the landscape when I returned after an absence of four months. I did see a change, though not the one I expected. I saw hundreds and hundreds of new houses and an air of solidity and activity that was surprising. The atmosphere here was one of indifference to Japanese raids and purposeful in the drive to keep not only the machinery of Government but the economic establishments running full tilt.

Japanese bombing during my absence had, in reality, done no apparent damage. At least it did nothing at all to slow down the work of the Government and those who are pushing the development of industries.

The spirit that prevails here may be judged by the optimism shown at the recent conference of the Chungking Provisional People's Political Council. It wound up a 15-day session on October 16, and, among the decisions were the opening up of new settlements on the outskirts to be supplied with city water and to have a park available to the residents; to develop transportation facilities for commuters between the suburbs and the city, and to build a steel bridge over the Yangtze River, as well as around the city tramway or an underground railway service to connect the terminus of the new railway now being laid between Chengtu and Chungking with the city proper.

This program would seem to indicate that peace prevailed and the prosecution of resistance was quite easy. But that is the stuff that has enabled China to carry on for 5,000 years in spite of all manner of natural calamities and conflicts with the barbarians.

The slump in the dollar, which seriously effects purchases abroad, does not seem to have had much influence upon life here. The dollar is still a dollar in what it can purchase, though there is a tendency on the part of the merchants to push prices of local products parallel with the rise of foreign imported goods. The latter are scarce owing to transport costs and difficulties so it is rather hard to get all one needs from abroad. However, people are adjusting themselves to the new conditions, and are becoming content to go without their coffee or their butter and lots of other things that they thought they would never be able to do without.

Quite a lot of things are being produced here. The demands for hardware and glass for new buildings caused hinges, locks, and window panes to be made locally. But even had that not been possible, the new buildings would have gone back to the Peking styles where, as you know, the Chinese houses were not blessed with hinges or metal latches. Nor was glass used in the windows. Paper windows will appear here if anything happens to the glass producers.

Gasoline is high in price, but there seems to be no diminution in the number of motor cars that are rolling about the streets and highways. Most of the hand-drawn vehicles are now wearing old motor tires, and the coolies are hauling much greater loads at a much higher rate of speed with much greater ease. So the war is doing a lot for this western country, apart from opening up its spacious lands and developing its raw materials."

CROSS-REFERENCE FILE

NOTE

SUBJECT Sinc-Japanese conflict: developments of month of Nov., 1939.

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or	the	original	paper	from	which	reference	is	taken

See	#162						
	(Desputch, telegram, instruction, letter, etc.)						
Dated	Dec 4, 1939	From Foochow (Wo	ard)				
File No	893.00 P.R. Foochow/	142					

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II. Foreign Relations.

- A. Relations with the United States.

 Nothing to report.
- B. Relations with other countries.
 - 1. Japan.

a. Bombing of P'ut'ion. Preceded by a reconnaissance plane which guided them to their target, three Japanese bombing planes flow into the P'ut'ien city air sector at nine o'clock on the morning of November 1, dropped approximately ten bombs on and around the British-owned Church Missionary Society's St. Luke's Hospital, and flew away again. The Men's Ward of the hospital was completely wrecked, and fifteen persons were buried under the wreckage. Four of these were uninjured, three were slightly injured, and, according to the figures supplied to Router's correspondent by the local Anglican Bishop, eight were killed. This latter statement is at variance with that made to this Consulate by an American eyewitness of the bombing, who stated that one person was killed and another had subsequently died, either of the shock or of the sickness which had originally brought him to the hospital. The Church Missionary Society representatives stated that the hospital had been clearly marked by British and Red Cross flags, and that the attack appeared to be quite deliberate.

Perhaps because the most clearly visible mark on the hospital was a large Red Cross, but more probably through a simple error on the part

of the man in the siren tower over P'ut'ien, the property destroyed by the bombing was reported in Foochow to have been American, and considerable confusion resulted, communications even to points within the Province being now so slow that the transmission of a telegram to P'ut'ien took about ten hours, a slightly shorter time being required for the reply. The false report reached Nanp'ing a day late, was wired to Chungking, and was there evidently copied by the United Press, before a correction could reach the capital.

b. Futsing foray. On November 8, the Japanese supported pirate group which holds Pingt'an Island (opposite Futsing District off the coast of Fukien Province below the mouth of the Min River) embarked upon a large-scale foray along the mainland across the straits. From three to seven hundred armed men are reported to have effected a landing near Nan Chieng Tiou, whence they marched to Chiang Ching, one of the important towns of the region. There they kidnapped seventeen teachers and pupils from the local school, and appropriated the arms and ammunition of the troops and militia stationed thereabout. After three days on the mainland, and various other adventures, they withdrew, first to the island of Chiang Yin, and then back to their own stronghold. A reliable observer close to the scene of this foray states that no action against the marauders was possible, the troops of the 80th Division who are charged with the defence of the area being insufficient to hold it even against so small and presumably ill-organized a force as this pirate gang WAS.

c. Plagt'an pleases the Province. There seems now little doubt but that there was a group of Fukienese - many of them no longer in the Province - who, when the defection of Wang Ching-wei first became known, hoped that he would be able to set up a rival central government to that of the Generalissimo. It is evident that Chang Hsiung-nan revolted because when he did so he thought that there was a chance of delivering a fair-sized section of the Province to the puppet Government which it was believed was soon to appear. As will be noted below, Chang has failed, and all that is left to the would-be puppeteers of the Province is the Island of Pingt'an, ruled by the pirate Yu Ah-huang with the support of Japanese men-of-war.

But Yü is not immune to the contagion of progress and the wiles of the new world order: in early November he established the flimsiest of puppet "Provincial" governments, and hastened to despatch an eloquent telegram to Wang Ching-wei in praise of truth and virtue and assuring the new leader of all China of the complete fidelity of all Fukion.

d. Plot against Fukien ports. In much the same spirit, a group of former office-holders and others are reported to have met in Amoy about the middle of November, when they formed a new Provincial Party Headquarters and, in the name of that organization, issued a manifesto denouncing the deluded individuals in northern Fukien who have believed for all these months that they composed the actual Provincial Party Headquarters. At the same meeting they are stated to

have discussed plans for extending the area under the control of Chang Hsiung-nan and Yü ah-huang. It was rumored that one Huang Ta-wei was to be given command of a force of militia with which to capture, in cooperation with Yü, the ports of P'ut'ien, Futsing, Santuao, and Foochow. This conference, if in fact it was held, was not followed by any startling developments.

- c. Meichow recaptured once again. At the end of October it was reported in Foochow that the island of Meichow was still in Chinese hands, but this was evidently not a fact, since on November 20 the local press produced a circumstantial account of the island's recapture for the third time by Chinese troops from Japanese-supported Chinese pirates. For the leader of these latter this last recapture was evidently the final one: his head was shipped to P'ut'ien on November 16 to be exhibited there.
- f. Santuao blockade renewed. In a communication dated November 4 addressed by the Japanese Consul General in Shanghai to the Senior Consul there, the Consul General conveys the notification of the Japanese China Seas Fleet that the blockade of the port of Santuao was being intensified as of November 1, the area of the "danger zone" being extended to cover the whole of Santuao Bay. This notification was evidently a part of the Japanese effort to prevent the movement of Fukien tea out of the Province, but the only shipper who has so far disregarded the blockade one George L. Shaw, half-Japanese British subject continued to do so, disdaining the

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warning altogether. It appears to have made no difference, in the actual state of affairs.

g. Moral courage and a sense of shame.

To combat the well-known tendency of many Fukienese to place private profit well above such abstract considerations as patriotism, some of the outstanding figures in provincial life undertook during November to promote a singular campaign simed at promoting "moral courage and a sense of shame". Among the slogans of the movement are, "He who betrays his country for private profit ends only in disgracing himself", "Moral courage is essential to the maintenance of national existence", and "A traitor is a homeless slave".

DEPARTMENT OF STATE - 392

DIVISION OF FAR EASTERN AFFAIRS

January 3, 1940.

S: Mr. Secretary.

Mr. Hornbeck and I would like, if practicable, to have an opportunity to discuss the contents of this memorandum with you sometime tomorrow

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DEPARTMENT OF STATE

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December 29; 1939

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Division of FAR EASTERN AFFAIRS FEB 1 5 1940

Department of State

TO MINUMICATIONS There exist at the present time appreral reasons why it seems to be important to formulate without delay a program of possible future action in relation to the Far Eastern situation.

At the forthcoming session of Congress there will undoubtedly be presented for consideration various legislative proposals relating to the Far Eastern situation. Senator Pittman has already publicly indicated that he would press for the adoption of the bill introduced by him during the last regular session of Congress under which the President would be authorized to prohibit the export to Japan of various commodities important to Japan in the carrying on of its hostilities in China. Other legislative proposals such as that presented by \ Senator Schwellenbach at the last session of Congress and which envisages a broader embargo on exports from the United States to Japan than that contemplated in Senator Pittman's bill are also likely to come up for consideration. It is believed that various definite disadvantages would attach to and flow from an enactment in

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the near future of embargo legislation. There are likewise strong objections to the defeat of such bills should they be brought up for active consideration. The proponents of such measures could probably not be dissuaded from pressing for their enactment unless the administration presents a clearly defined alternative course of action which would appear to be safer and to hold promise of achieving the same end, namely, the protecting of American rights and interests in the Far East, including the upholding of principles common to our foreign policy as a whole.

The commercial treaty between Japan and the United States expires on January 26, 1940, thus freeing this Government to take various types of action against Japan which, if taken before then, would have raised questions of our treaty obligations. The Department will be subject to strong conflicting pressures, and in order to make the wisest use of the freedom of action resulting from termination of the treaty, it would seem to be desirable for the Department to plan its steps in advance.

The Chinese Government seems to be approaching a critical period in which substantial economic and financial assistance from abroad may be essential for maintenance of the Chinese currency and for continuation of effective resistance on the part of the Chinese Government. Should the

the Chinese currency collapse, not only would it be difficult for the Chinese Government to continue organized resistance but the Japanese and the regimes which they sponsor in China would probably establish new currencies and new trade and exchange controls which would threaten American trade and investments in China with virtual extinction.

There are given below some suggestions as to action which this Government might take (a) to assist China and (b) to exert economic pressure on Japan:

I. AID TO CHINA

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- 1. Additional Export-Import Bank credits.
- 2. Support for China's currency.
- 3. A Congressional appropriation for the relief of civilians in China.
- 4. A direct loan to the National Government of China.

II. THE TAKING OF RESTRICTIVE MEASURES AGAINST JAPAN BY EXECUTIVE ACTION AND ON THE BASIS OF EXISTING LAW

- Continuance (and possible strengthening) of present policy of discouraging extension of credits to Japan.
- 2. Continuance (and possible extension) of existing moral embargo on export to Japan of airplanes, aeronautical equipment, material for the manufacture of airplanes, and technical processes for the manufacture of aviation gasoline.
- 3. Denial of trade agreement rates to Japan:

"blacklisting".

"blacklisting". (NOTE: Under the Trade Agreements Act the President may deny the benefits of trade agreement rates to countries whose acts or

rates to countries whose acts or policies obstruct the expansion of American commerce.)

4. Imposition of additional duties on imports from Japan under Section 338(e) of the Tariff Act of 1930. (NOTE: Under this Section the President may impose new or additional duties up to 50 percent ad valorem on the products of industries of a country when those industries benefit by discriminations maintained in third countries against American commerce.)

The suggestions listed above are not recommended as a "program" to be adopted in toto and to be carried in definite sequence to completion. It is felt that in the present rapidly developing international situation where there are involved interplay of many varying factors, the carrying out in orderly sequence of a predetermined program or schedule of action might not be appropriate to a particular moment. For example, the taking of restrictive measures against Japan at this time, while conversations are taking place in Tokyo between the American Ambassador and the Japanese Minister for Foreign Affairs in regard to an improvement in American-Japanese relations, might adversely affect those conversations. It is therefore believed that definitive choices of action should be made from time to time in the light of all circumstances existing

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at a particular moment. However, it is suggested generally that at the present time the extension of aid to China appears to hold more of promise toward protecting the interests of this country in the Far East than does the adoption of economic measures against Japan. Moreover, the suggested measures to aid China require preliminary discussion with other departments or agencies of the Government and with members of Congress. In the comments which follow there are therefore included several specific recommendations in regard to procedure which it is believed it would be advisable to carry out immediately.

I. AID TO CHINA

1. Additional Export-Import Bank credits.

Although the Export-Import Bank does not have visible funds available for an extension of additional credit to China at the present time, it is understood that certain adjustments of the bank's loans may be made in such a way as to free the bank from some of its existing obligations and put it in position to assume others. Furthermore, it is expected that the bank may receive authority from the forthcoming session of Congress to increase the amount of its commitments. As a matter of procedure, it is suggested that the Secretary of State communicate with Mr. Jesse Jones, informing him that this Department would favor the extension

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of further substantial credits to China.

2. Support for China's currency.

The Chinese Government has upon several occasions called attention to the fact that its currency reserves are dwindling and has emphasized the extreme importance which it attaches to the maintenance of the external and internal value of the Chinese currency. Dr. Arthur Young, American Financial Adviser to the Chinese Government, who was recently in Washington, is convinced of the necessity of maintaining the value of China's currency if China's resistance is to be continued. It is feared that during the coming months the Japanese will renew their offensive against the Chinese currency and that, given the present meagerness of China's reserves, the currency may collapse and prices get out of hand, with consequences injurious not only to China but also to the United States.

The circulation of Chinese national currency at

Shanghai and in the surrounding areas of Japanese-occupied

central China is the main obstacle to the monopolization

by Japan of the markets of those areas. The technique

developed by Japan for the monopolization of the trade of

large areas has become quite familiar through its use in

Manchuria and north China. The first step is the military

occupation of a given area. The second step is the

establishment

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establishment therein of a Japanese-controlled regime. The third step is the creation of a new currency. The fourth step is the driving out of existing currencies and the pegging of the new currency to the yen coupled with the imposition of exchange and import and export controls which permit a comparatively free flow of funds and merchandise between the area concerned and Japan but which restrict and impede the flow of funds and merchandise between the area concerned and other foreign countries. In central China the Japanese have accomplished the first three of the above-enumerated steps but the continued circulation therein (with the assistance afforded by the independently policed International Settlement at Shanghai) of Chinese national currency has thus far prevented the accomplishment of the fourth and last step. The collapse of the Chinese national currency would remove the last main obstacle to that accomplishment. Such collapse would result in a lowering of Chinese morale and/disorganization which would tend to reduce the effectiveness of any assistance which the Government of the United States might desire, in the protection of its interests in the Far East, to extend to the Chinese Government.

Under existing legislation the Secretary of the Treasury

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Treasury is empowered to engage in currency stabilization operations, and there exists a stabilization fund of approximately two billion dollars which remains at this moment practically idle. However, the Secretary of the Treasury gave during the last session of Congress an oral commitment to the Senate Committee on Finance and Banking that he would not purchase foreign currency without collateral. It is understood that the Secretary of the Treasury now feels that he cannot engage in such operations without Congressional authority. A joint resolution by Congress authorizing the Secretary of the Treasury to buy Chinese currency without collateral up to a maximum stated amount, perhaps as much as fifty million dollars, would probably make it possible to furnish the support which the Chinese currency needs.

As a matter of procedure it is suggested that the Secretary of State inform the Secretary of the Treasury either by letter or orally of his interest in the matter of extending support to the Chinese currency, that he say to the Secretary of the Treasury that it is the desire of this Department to support a legislative act giving the Secretary of the Treasury the authority needed to extend aid to China's currency, and that he ask the Secretary of the Treasury's advice in regard to

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the whole matter and particularly in regard to the type of legislation which might under the circumstances be most desirable and practicable toward accomplishing the end desired.

3. A Congressional appropriation for the relief of civilians in China.

On a number of occasions the Congress of the United States has made appropriations for the relief of civilians in foreign countries. There are listed below seven such acts of Congress:

- 1. An Act for the relief of the citizens of Venezuela, May 8, 1812, appropriated \$50,000.
- 2. An Act for the relief of citizens of the French West Indies, May 13, 1902, appropriated \$200,000.
- 3. An Act for the relief of citizens of Italy, January 5, 1909, appropriated \$800,000.
- 4. An Act providing for the relief of such populations in Europe, and countries contiguous thereto, outside of Germany, German-Austria, Hungary, Bulgaria, and Turkey, as may be determined upon by the President as necessary, February 25, 1919, appropriated \$100,000,000.
 - 5. An Act for the relief of the distressed and starving people of Russia, December 22, 1921, appropriated \$20,000,000.
 - 6. An Act to authorize the President to transfer certain medical supplies for the relief of the distressed and famine stricken people of Russia, January 20, 1922, appropriated \$4,000,000.
 - 7. An Act for the relief of sufferers from earthquake in Japan, February 24, 1925, appropriated \$6,017,069.03.

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A bill (H.R. 9150) looking toward the appropriation of five million dollars for the relief of the civilian population of China was introduced into the last session of Congress by Representative Culkin of New York.

It is suggested that the Department lend its support to the passage through Congress of a bill appropriating a substantial sum of money for relief of civilians in China. As a matter of procedure it is suggested that the Secretary of State authorize initiation of immediate conversations with the American Red Cross in regard to the amount needed for relief in China, administration of relief in China, and the wording of a bill providing for such relief.

4. Direct loan to the National Government of China.

There seems to be an increasing public sentiment in favor of a loan, through Congressional action, by the Government of the United States to Finland. This raises the question whether a direct loan to China might be authorized by Congress. Both China and Finland are victims of military aggression and neither country has been classified as a defaulting nation under the terms of the Johnson Act.

II. THE TAKING OF RESTRICTIVE MEASURES AGAINST JAPAN
BY EXECUTIVE ACTION AND ON THE BASIS OF EXISTING
LAW.

1. Continuance

1. Continuance (and possible strengthening) of present policy of discouraging extension of credits to Japan.

For some time the Department and the Government as a whole have been informally discouraging the extension of credits to Japan. It is believed that this policy has been in general successful in accomplishing the end desired and that it should be continued and, if need be, strengthened by public announcement.

2. Continuance (and possible extension) of existing moral embargo on export to Japan of airplanes, aeronautical equipment, material for the manufacture of airplanes, and technical processes for the manufacture of aviation gasoline.

The moral embargo which has been placed on the export to Japan of airplanes and aeronautical equipment and technical processes for the manufacture of aviation gasoline is believed to have the hearty support of the American people. While it is realized that the placing of embargoes on moral grounds (without basis in law) is open to certain objections, especially if the basis for the placing of the embargo should be on other than generally accepted humanitarian principles, it is suggested that consideration might be given, should circumstances seem to make such action advisable, to extending the existing moral embargo on certain exports to Japan to include other commodities, such as petroleum, scrap iron and steel, et cetera.

3. Denial of trade agreement rates to Japan: "blacklisting"
The Trade Agreements Act provides that the President may suspend the application of the duties reduced in trade agreements to the products of any country because

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because of discrimination by such country against American commerce or because of other acts or policies which in his opinion tend to defeat the purposes set forth in the Act. The question whether the acts and policies of Japan in China have been such as to defeat the purpose of the Trade Agreements Act, namely, the expansion of foreign markets for the products of the United States, has been studied carefully in the Department and it is believed that, were it deemed desirable to do so, Japan might lawfully and with warrant be put on the "blacklist".

4. Imposition of additional duties on imports from Japan under Section 338(e) of the Tariff Act of 1930.

Under Section 338(e) of the Tariff Act of 1930 the President is empowered to impose new or additional duties up to fifty percent ad valorem on the products of industries in a country which benefit by discriminations maintained in a third country against American commerce. The question whether the discriminations maintained in China and Manchuria are such as to justify action under Section 338(e) has been the subject of extensive study in the Department and the conclusion has been reached, and is concurred in by the General Counsel of the Tariff Commission and by the Department of Justice, that discrimination is occurring within the meaning of Section 338(e)

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and that action against Japanese commerce may be taken under that Section. The industries in Japan which benefit from the discriminations for which the Japanese Government is responsible in China, including Manchuria, are so numerous that this form of retaliatory action may be applied, should this Government so desire, to practically all of Japan's exports to the United States.

CONSIDERATIONS CONTRA AN ENACTMENT OF EMBARGO LEGISLATION

It is believed that, as between enactment of legislation authorizing the executive to place embargoes upon export trade to Japan and procedure in accordance with the suggestions made above, the former would create more difficulties for the administration than would the latter and, if embargoes were applied, would create greater risk of provoking Japanese authorities to acts inimical to maintenance of peaceful relations between Japan and this country. It is believed action on the part of this Government the effect of which would be to strengthen China would give less ground for and be less likely to arouse hostility on the part of the Japanese, which might easily be given expression in acts of retaliation and reprisal, than would measures the direct effects of which would be to weaken Japan. The Chinese Government has

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been and presumably will be maintaining a substantial organized resistance to the Japanese invasion. It is to the interest of the United States that China survive as an independent and sovereign country. It would seem to be a sound strategy for this country to take action calculated to contribute toward survival of the Chinese Government and of China's sovereignty. The first four suggestions made above envisage and involve support of the Chinese Government and of China's efforts at selfdefense. The last four of the items envisage and involve action against Japan, but action of a type which can be based on executive decision under the authority of legislation which already exists and which has been in effect for many years: they fall within the framework of our established commercial policy and require neither new legislation nor new machinery for execution. By procedure along that line, the political aspects of our action in exertion of pressure could be minimized and dangerously great provocation of Japan, to the extent of causing the Japanese Government to take retaliatory action. might be avoided. The concept of embargo legislation has become associated with the idea of economic sanctions; further it is associated with popular emotion and with national antagonisms: enactment of embargo legislation

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would tend to feature a quality of hostility in this country's attitude toward Japan and cause the Japanese to regard this country as a political enemy, whether or not the President proceeded to make use of the authority granted him in such legislation. Japanese resentment might easily express itself in acts on the part of Japanese authorities which would in turn push this country toward the placing of or the increasing of embargoes, and the conflict in the relations between Japan and this country would become increasingly acute. Presure groups in this country would become increasingly vociferous in their demands upon the President and the Department of State. The question of this country's Far Eastern policy might then, and readily, become a football of "politics".

for you min: HES/MHP

PA/H: SKH

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INTERNATIONAL MISSIONARY COUNCIL

Composed of the following Organizations

NATIONAL MISSIONARY COUNCIL OF AUSTRALIA SOCIÉTÉ BELGE DE MISSIONS PROTESTANTES AU CONGO CONFEDERAÇÃO EVANGÉLICA DO BRASIL NATIONAL CHBISTIAN COUNCIL OF CHINA CONSEIL PROTESTANT DU CONGO DANSK MISSIONSRAAD DEUTSCHER EVANGELISCHER MISSIONSTAG SOCIÉTÉ DES MISSIONS EVANGÉLIQUES DE PARIS CONFERENCE OF MISSIONARY SOCIETIES IN GREAT BRITAIN AND IRELAND

NATIONAL CHRISTIAN COUNCIL OF INDIA, BURMA, AND CEYLON
NATIONAL CHRISTIAN COUNCIL OF JAPAN
COMMITTEE ON COÖPERATION IN LATIN AMERICA
CONCILIO NACIONAL EVANGÉLICO DE MÉXICO
NEAR EAST CHRISTIAN COUNCIL
NEDERLANDSCHE ZENDINGSRAAD
NETHERLANDS INDIA
NATIONAL MISSIONARY COUNCIL OF NEW ZEALAND
NORSK MISJONSRÅD

FOREIGN MISSIONS CONFERENCE OF NORTH AMERICA (UNITED STATES AND CANADA)
PHILIPPINE FEDERATION OF EVANGELICAL CHURCHES CONFEDERACIÓN DE IGLESIAS EVANGÉLICAS DEL RIO DE LA PLATA
NATIONAL CREISTIAN COUNCIL OF SIAM CHRISTIAN COUNCIL OF SOUTH AFRICA SUOMEN L'ARETYSNEUVOSTO
SVENSKA MISSIONSRÂDET
ASSOCIATION OF MISSIONARY SOCIETIES IN SWITZER-

February 12

WISER ON POLITICE SEL

EPARTMENT OF

MR. HORNBECK FEB 9 - 1940

CABLEGRAMS: Intmission, New York MISSIONS CODE TELEPHONE: CHELSEA 2-3233

Chairman: JOHN R. MOTT, 230 Park Avenue, New York City Secretaries: WILLIAM PATON, 2 Eaton Gate, London, S.W. 1 A. L. Warnshuis, 156 Fifth Avenue, New York City Treasurer: S. Frederick Telleen, 156 Fifth Avenue, New York City

156 FIFTH AVENUE NEW_YORK, N. Y.

February 8, 1940.

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pivision of FAN FASTERN AFFAIRS Dr. Stanley K. Hornbeck, Far Eastern Division, Department of State,

Washington, D.C.

My dear Dr. Hornbeck:

Simply for your information, to show you how our discussions are proceeding and also to give you some evidence of the results of our conference with you and your colleagues last week, I enclose another draft of the paper which is still in process of preparation for the meeting in Philadelphia.

In this connection, may I ask a favor of you. You will note that reference is made to the Tariff Act of 1930, and I do not have a copy of that Act at hand. It is important that we should have the Act for ready reference at the meeting in Philadelphia and in preparation for it. / Can you arrange to have a copy sent to me? I have no other easy method of obtaining such a publication.

Yours faithfully

93.94/15698

ALW:W

St Danskin

MEMORANDUM ON THE CONFLICT IN EAST ASIA

for the

Mational Study Conference

on the

Church and the International Situation

Philadelphia, Fa.

February 27 - 29, 1940.

Tentative and Confidential.

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Recent issues of ASIA and AMERASIA

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DECIASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitter 0, Dustain NARS, Date 12-18-75

A STATEMENT FOR THE CONSIDERATION OF THE PROPER

OF OUR CHURCHES AITH REGARD TO THE SITUATION IN SAST ASIA

A. THE CONFLICT AT A VIRTUAL STALEWATE

The conflict in hast hais is nearly three years old. Chinese unity has held to a surprising degree and shows little signs of yielding. The Japanese have not been successful in their efforts to pacify or to exploit the territory penetrated. On the other hand, China has not been able to drive the Japanese out. The result is a virtual stalemate, here and there taking on the aspect of a blockade.

8. DISASTROUS EFFECTS OF A CONTINUATION OF THE COMPLICT

The war has cost China a wast toll of suffering and disastrous losses, military casualties alone numbering 3,000,000. On the Japanese side corresponding losses are estimated at 1,000,000. Her costs in Japan are mounting and there are unmistakable signs of a growing discontent with internal conditions on the part of the masses of the people.

Further warfare will so weaken both nations that they may easily become the victims of predatory forces let loose by world strife. There is desperate danger that the fires new burning on two continents may coalesce in a conflagration which will engulf the entire world.

C. THE CONCERN OF THE AMERICAN PROPER

All through the conflict the people of America have been deeply concerned. The losses, insults and indignities which Americans have suffered by reason of it have been important. Reparations and indomnities might repair this damage but these measures alone will not satisfy. The primary concern of Americans generally, and Christians in particular, is for a just settlement in East Asia. They will not be satisfied until justice has been done to China, for they believe that only thus can stable peace be secured. They are, therefore, becoming increasingly restive because of the support which American supplies are giving to the Japanese in the war. They do not wish to have any part in the invasion of China.

ATTENTION FOCUSEED ON AMERICA'S RESPONSIBILITY BY THE ABROGATION OF THE COMMERCIAL TREATY

The abrogation of the Commercial Treaty with Japan, which became effective on January 26, 1940, has served to intensify the concern of the American people, and has resulted in more active discussion of proposals for action. The abrogation of this Treaty gives the American Government freedom of action in the matter of economic

sanctions, and thus creates a greater degree of uncertainty and tension in American-Japanese relations. At the same time, it leads naturally to an exploration, on the part of the American and Japanese governments, of an adjustment of the relations among the mations bordering on the Pacific. The question of America's relation to the conflict in East Asia and its responsibilities on the matter are thus brought more sharply into focus than at any previous time during the conflict.

It is imporative from every point of view that an early and just settlement of the conflict be brought about. The time may not be favorable for actual negotiation to that end, but it is desirable that an attempt be made to formulate the general terms of such a settlement so that every proposal for concrete action, advocated by Christian people to be taken either by people or government, may be carefully scrutinized from the standpoint of its effect upon such a settlement.

E. PROPOSALS FOR ACTION

There are various actions which have been proposed or which are possible. These fall into three main classes:

- I. Voluntary action by citisens
- 11. Action by Administrative Agencies of the Gevernment
- Iil. Legislative Action

Briefly outlined the most important of these are as follows:

I. Voluntary action by citizens

- (a) Refusal to make or accept any profits arising from the trade in war material.
- (b) Refusal to purchase such goods from Japan as would tend to strengthen her financial resources for the presecution of the war-

Sec. 6

II. Action by Administrative Agencies of the Government

- (a) The further extension of credit to China by the Reconstruction Finance Corporation and the Expert-Import Bank.
- (b) The strengthening of Chinese currency through the use of the Exchange Stabilisation Fund.
- (e) The extension of the "moral embarge" to include cetame gasoline, erude eil, motor trucks, serap irem, etc.
- (d) Theimposition by the President of additional or new duties on Japanese imports under Section 338 of the Tariff act of 1930 in response to discriminations against American commerce carried on by Japan.

Addin

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-3-

(e) The cutting off of all imports from Japan under Section 338 of the Tariff Act of 1950.

III. Legislative Action

(a) A Discretionary Embargo. The resolution introduced by Key Pittman (Dem.), Nevada, July 11, 1939, summarized as follows:

"Until May 1, 1940, whenever the President shall find that any foreign state which is a party to the Mine Power Pact, is endangering the lives of citizens of the United States, or depriving such citizens of their legal rights and privileges in violation of the express provisions and guaranties in said Treaty, the President is authorized to restrict or prohibit the export to such foreign state of arms, assumition, implements of war, iron, steel, oil, gasoline, scrap-steel, and scrap-metal. The authority granted to the President shall be exercised only to the extent necessary for the protection of the lives of citizens of the United States and the rights and privileges guaranteed to them under the Nine Power Pact."

(b) A Mandatory Embargo. Resolutions introduced in the Semate by Lewis B. Schwellembach (Dem.), Mashington, June 1, 1939, and in the Bouse by Monrad C. Tallgren (Dem.), Mashington, June 7, 1939, summarised as follows:

"There shall be denied export to all merchandise, munitions, etc. (except agricultural products) which there is reason to believe will be used in violation of the sovereignty, independence, etc., of any nation the United States is obligated by treaty to respect. The President shall issue proclamations specifying the article and materials to be denied export whereupon it shall become unlawful to export or ettempt to export such articles or materials. Congress may disapprove proclamations by concurrent resolutions."

F. A BROAD UNDERSTANDING NECESSARY

It is of the utmost importance that the Christian people of our churches should form opinions with regard to these lines of action. For in a democratic country foreign policy must depend in large measure on the attitudes which are taken by the people and the actions which they will. The responsibility of the churches at this point is an educational one. They must attempt to furnish their members with accurate information, and arm them with the goodwill and with the moral

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

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and spiritual qualities which are essential to right decisions.

But if information is to be accurate it must include a broad understanding of the whole situation. It is not only necessary that Christian people be informed as to specific actions which their own government might take, but the information on which these actions should be based is incomplete unless proposals for action by the United States Government should form a part of the total picture including actions by other countries. Furthermore, every proposal for action must be scrutinized not only in the light of the exigencies of the immediate situstion but also with a view to a long term solution grounded on Christian principles. hile our emphasis must be upon the responsibility of our own Government and people, we must also constantly bear in mind that the world is one, that isolation short range basis or too narrowly conceived from the standpoint of our own people and our own government, may hinder rather than help in the long term adjustment required for a more just and a more Christian order in east rais. It is, therefore, important that an attempt be made to state the broad lines of a constructive settlement of the issues in cast Asia.

G. TWO BASIC PRINCIPLES IN ANY PROPOSALS FOR A SETTLEMENT

There are two basic principles to which such proposals must conform:

(1) They must call for a strong and independent China, sovereign in her recognized territory and strong enough to control her own affairs and destiny. Even assuming that China could be induced to suspend her resistance, a peace which did not respect her sovereignty would only be the prelude to a continuing struggle. In irredentist movement would be inevitable, and at some date in the not distant future would break out again in an open conflict which would destroy the peace of last Asia and threaten that of the world. A truly independent and strong China is essential if she is to avoid encroachments of Russia, of the Western imperialisms and of Japan. No indemnity for Aperican lesses in China, or renewal of rights of a strictly commercial character, must be allowed to divert attention from this essential point.

The Japanese Government has itself amounced that it desires no territory in thina, thus recognizing the principle underlying agreements hitherto entered into by nations concerned in the Pacific area. A further consequence of this principle is seen at once to be the abolition of extra-territoriality and of foreign concessions in China.

(2) They must also provide for a strong Japan, no less in control of her own destiny. A prostrated Japan sould inevitably invite encroachments from Russia and possibly retaliation from China. Japan's pressing economic problems and needs must be recognised and adequate provision made to meet them. Probably

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Department of State letter, August 10, 1972
By Mitty O. dualety NARS, Date 12-18-15

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most important is that Japan be given reasonable assurance that she will not be denied access to her natural market in China, whose economy so well supplements her own, either by Chinese beyout or discriminatory measures, or by interference from outside powers. The should be guaranteed equal terms with other nations in supplying China's needs and in securing from that sountry raw materials she can use in her industries. Bith her propinguity and the character of her manufactures she will still have a real advantage over her competitors. Any proposals for a settlement in East Asia must seek to furnish Japan full economic opportunity and provide for her a sense of political and economic security.

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H. OUTLINE OF PROJUSALA LOCAING TOWARD A CETTLERANT IN EAST ASIA

There are certain essential features of a durable settlement in East sia which apply particularly to Japan and China. These are accordingly indicated here as a part of the total situation, which naturally affects vitally not only Japan and China but mmerica as well. These features are stated in summary form below.

Features affecting China

- The facilitation of travel and communication arrangements of all kinds between China, Japan, Manchuria, and Korea, provided, of course, that these arrangements are in no way an embarrassment to China or an infringement of her sovereignty.
- The furnishing to Japan of fair and equal access through quotes to certain stipulated raw materials (for example, cotton, minerals, salt), where this can be done without injury to China's own economy, Japan to pay for the same through the ordinary processes of trade and commerce. No arrangement is contemplated here. The which does not fully safeguard China's sovereignty and freedom.

Mansharen

- 7. Regotiation of a general commercial treaty with Japan, giving her the utmost consideration consistent with China's own interests and with her commitments to other powers.
- 1.4. The cessation of "anti-Japanese" agitation. This assumes, of course, that Japan will take reciprocal measures.

II. Features affecting Japan

- 1. The lifting of the naval blockade.
- 2. Tithdrawal of her troops from China. (The details of withdrawal and subsequent reoccupation by Chinese troops should be worked out by a joint Commission specially designated for the purpose. If desired, neutrals might be requested to act as observers under such a Commission. In regard to this section see also III, 3, below.)

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

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II. (contd.)

 The return of all properties, both public and private, expropriated during the war.

III. America's possible contribution

If America could see her way elear to take some or all of the following steps, she would undoubtedly thus do much to facilitate a settlement of the situation in East Asia.

- 1. Revise the se-called "Exclusion Act" and place both Japan and China on the quota basis in regard to immigration. While this may not be practical at present it must be recognized as an essential in any lasting solution of the problems of Kast Asia.
- 2. Pelinquish extra-territoriality, withdraw our nevel and military forces, and surrender our inland navigation rights in China, within a very early period, say, within three to five years from the conclusion of the Sino-Iapanese war.
- 3. Andeaver to obtain the consent of the other powers now enjoying special privileges in China also to relinquish them, and likewess to withdraw their naval and military forces, within the same period. (Comfer also II, 2, above.)
- 4. Seek further to secure the consent of all interested powers for the return of the econossicus and foreign settlements to China. Should a three-year limit here seem too short, for example, in the case of Shanghai, a "special administrative" status after the analogy of Hankow might be arranged for a somewhat longer period if desired.
- 5. Facilitate
 to China and Japan at the American capital market to loans both
 to China and Japan at the sensitation of peace. Tustalliche.

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- 6. Government credits to both China and Japan might also be considered in this connection if there are no legal or other difficulties in the way.
- 7. In addition, America might offer reciprecal trade agreements to both Japan and China, or at least some arrangement whereby adjustments in tariff schedules could be accomplished and whereby the exchange of central commodities from both countries could be assured.

IV. Further steps

The following measures are worthy of consideration by all parties concerned, should they seek together a general settlement of the situation.

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- The making of a regional agreement among the nations bordering on, or vitally interested in, the Pacific area, designed to contribute to mutual security and lasting peace.
- Consideration of a joint program of naval limitation and of possible non-fortifying of outlying possessions which would further promote general confidence.
- The negotiation of mutual trade-pacts which would foster and develop international trade and commerce. (See III, 7.)
- 4. The establishment of a Beard of Reference, such as that originally contemplated by the Washington Conference resolution dated February 4th, 1922, with prevision for regular stated meetings to consider questions which may arise.
- 5. In allnew treaties that may be made between China, Japan, and America, or between these and other nations bardering on the Pacific, the following principles should be borne in mind:
 - (1) A provision for consultation in disputes.
 - (2) A provision for altering the treaty in the light of changing conditions. The Beard of Reference, referred to in the preeeding section, or some such agency, might well be of help in this connection.
- Co-operation in the regulation and eventual suppression of the traffic in narcotics.

1. SPECIFIC RECOMMENDATIONS FOR IMMEDIATE ACTION BY CHRISTIANS

- 1. Urgs the United States Government
 - (a) to make use of every epportunity to explore the possibility of a settlement in East Asia along the lines of the proposals made in the previous section, and
 - (b) to give primary consideration as far as practicable to the settlement of the whole situation in fast asia in all negotiations looking to the making of a new commercial treaty with Japan.
- 2. Seek to develop a public opinion favorable to the contribution to be made by America in facilitating a settlement in East Asia as outlined in Section III of the Proposals for a Settlement above.

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Department of State letter, August 10, 1972
By Mitty 0. Superfection NARS, Date 12-18-75

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- 5. Urge the extension of generous credit to China, both by government and by private capital. All will agree that China needs help in her effort to cope with the staggering problem of relief for human suffering, in the organisation and improvement of her economic life by the establishment of cooperatives, in the rehabilitation and advancement of education, and in the development of industry in all parts of unoccupied China. The properties which from any practical atend-point such grants would in the long run prove adat prefitable investments.
- 4. Urge Christians to take such voluntary action as will dissociate them from participation in Japan's program in China. This implies a refusal to make or accept any profits arising out of the trade in war materials, and also a refusal to purchase such goods from Japan as would tend to strengthen her financial resources for the prosecution of the war.
- 5. Give more active support to relief work in China. In this connection we would especially commend the work of the Church Committee for China Relief, which is the officially recognised agency of the churches.
 - N.B. A basic assumption throughout this memorandum is the friendly feeling which the American people entertain towards Japan. However combined with this feeling of friendliness is also the convistion that it is America's duty to see to it that her wealth and resources are not used by Japan for the injury of China. America's friendship is toward both nations alike, and we cannot be a partner to the injury of either one by the other. As to how this fundamental conviction can best be implemented in action, opinions differ. Therefore in separate documents attached herewith various proposals are presented from different points of view in order that all aspects of the subject may be fully presented and receive due consideration. (See Appendix).

J. LONG RANGE PROGRAM

1. The horld Mission of the Church

Perhaps the most significant contribution which the churches can make toward a solution of tensions in Fast Asia is the vigorous presention of the missionary program of the churches. Christian groups have come into being in the countries of East Asia/in the rest of the world, and the petential influence of these groups for international goodwill is a fact of major importance. The Eadras Conference gave undoubted evidence of this. The World Christian Movement is the one which perhaps of all others offers the most hope of international integration in a world which has disintegrated into areas of suspicien, hate and fear. It is important that every effort be put forth to strengthen the Christian movement in all its varied aspects in the countries of East Asia and throughout the world.

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2. World Political Organization

All through our discussion of this complicated problem we have been aware of the fact of world anarchy. We recognize that so long as each nation remains the sole judge of its own cause and so long as there are no instruments available which function in the Ec hants land of common interest, which lies between the states, situations such as that which now obtains in East Asia must recur again and again. We have suggested some sert of a regional agreement among the nations around the Pacific, and some prevision for revising treaties which may be made in the Pacific area lest the status que become fresen and no allowance be made for the basic human fact of charge. We recognize, however, that the ultimate solution of such problems as these calls for an erganized world government to which certain functions of national sovereignty shall be delegated, and which shall function in the areas common interest between the states which is now left morganized and in a state of anarchy. We could, therefore, arge that Christian people in all lands study this aspect of the problem of peace and make every possible effort to bring about a world political organization.

APPENDIX

PROPUBALS REGARDING TRADE WITH JAPAN

There is sincere disagreement among us with regard to methods to be used to implement the desire of the american people not to be a party in emabling Japan to secure raw or finished products for her military empaign in China.

Five possible lines of action are as follows:

- The imposition by the President of additional or new duties on imports from Japan under Section 356 of the Tariff Act of 1930 in response to discriminations against American commerce carried on by Japan.
- The extension of the "moral embargo" to include octane gas, crude oil, trucks, scrap iron, etc.
- 3. The passage of legislation for a discretionary embarge on exports used in the war.
- The passage of legislation for a mandatory embargo on exports used in the war.
- 5. The sutting off of all imports by executive action.

There are those of us who look upon all of these actions as varying forms of a unilateral sanction and to this they are opposed. Others are in favor of the gradual implementation of these actions, reserving the more drastic until the less so have proven in effective. Still others favor comprehensive action immediately.

*ith regard to the legislative embargo, in particular, there is a more marked difference of opinion. Three separate documents are therefore presented in connection with this proposal:

- (a) An argument in favor of the embargo
- (b) An argument against the embarge
- (e) A discussion of the limitation of Government Action as an Expression of the "Moral Indignation" of Citisens

We are divided on the question of the application of an embarge, but we are agreed that the form of the embarge embedded in the statement given below is

least objectionable. Even those of us who favor an embarge prefer this suggestion.

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America should make plain to Japan her desire to remain on friendly terms with both herself and China, but should also say to her that she eannet lenger be a party to supplying her with the raw or finished products which she uses in her military campaign in China. As a prectical measure for carrying our attitude into effect, we might offer to renew our trade treaty with Japan, but at the same time put her on a reduced basis so far as the sale of supplies to her is concerned. A suggested basis is an average quota for the period of 1921-51. It is believed that this basis would effectively dissociate the United States from participation in Japan's attack on China, while it would at the same time show Japan that our attigude towards her is friendly, and that our action is intended only to avoid injury to China with whem also we desire to be friendly. It is perhaps not too much to hope that this policy might make clear to all concerned the attitude of the American Severament and people, namely to be friendly to both China and Japan, but not to continue longer to be a party, however indirectly, to the injury of the one by the other.

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

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February 10, 1940.

My dear Dr. Warnshuis:

4. . . .

The receipt is acknowledged of your letter of February 8 and of the copy enclosed therewith of a further draft of the paper which you tell me is still in process of preparation for the meeting in Philadelphia. We appreciate your thoughtfulness in sending us this further draft.

With regard to the last paragraph of your letter, I am having sent to you under separate cover a copy of the Tariff Act of 1930.

Yours sincerely,

Stanley E. Haphages

Dr. A. L. Warnshuis,

International Missionary Council,

PEB 12 1140

156 Fifth Avenue,

New York, New York.

FE: MMH: REK

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CROSS-REFERENCE FILE

NOTE

SUBJECT

Editorial in SAO TANG PAO states view that since the US is making efforts for world peace, it should first "punish Japan, the ringleader of peace disturber in the Far East, and compel it to yield before making further efforts to restore peace in the world as a whole".

db

For the original paper from which reference is taken

See	Tel.#76 5pm			
(Despatch, telegram, instruction, letter, etc.)				
Dated	Feb.14,1940	From China (Chungking) (Peck)		
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FROM

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

Chungking via N. R.

Dated February 15, 1940

Rec'd 8:22 a.m.

FAR EASTERN AFFAIRS EB 1 5 1940

Secretary of State,

 J_R

Washington.

77, February 15, 10 a.m.

Following is paraphrase of Yunnanfu

2 p.m., to this Embassy.

Japanese planes numbering 27 yesterday bombed the Yunnan railway. An unsuccessful attempt was made to hit an iron bridge which was badly damaged in a previous raid and which was put into service a few days ago. No casualties are reported and traffic at this point has not been interrupted. Five Chinese pursuit planes from Yunnanfu met the invaders at Pohsi and after a long chase brought down one Japanese bomber.

Repeated to Peiping, Shanghai, Hong Kong. Peiping repeat to Tokyo.

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

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This telegram must be closely paraphrased be FROM fore being communicated to to anyone. (Br) Chungking via N.R. Dated February 18, 1940 Rec'd 11:23 a.m.

Secretary of State Washington



79, February 18, 10 a.m.

143.94

The statement of the military spokesman, which was telegraphed to the War Department yesterday by Assistant Military Attache, denying recapture of Nanning by Chinese, was confirmed by remarks made by Minister of War last evening at a reception attended by a member of Embassy staff.

Sent to Peiping, Shanghai, Hong Kong, Canton, Hanoi, to Yunnanfu by air mail.

PECK

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TELEGRAM RECEIVED

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

Chungking via N.R. Dated February 18, 1940 Rec'd 11:40 a.m.

Secretary of State

Washington

Division of FAR EASTERN AFFAIRS FEB 1 9 1940

80, February 18, noon.

Following paraphrase of telegrams from Yunnanfu: "February 17, 10 a.m.

743.94

Japanese planes attacked the railway again yesterday. Officials state slight damage done to tracks which have been repaired. February 17, 8 p.m. A bridge was attacked by Japanese planes today, no hits being made. Railway administration states that damage to track will be repaired and service resumed tonight. $^{\rm H}$

Repeated to Peiping, Shanghai, Hong Kong, Peiping please repeat to Embassy at Tokyo.

PECK

LMS CSB

FEB 23 1940

793.94/15703

RFP TELEGRAM RECEIVED
A portion of this telegram thungking must be closely paraphrased before being communicated Dated February Dated Februar

Dated February 20, 1940

Secretary of State

Washington

Division of FAR EASTERN AFFAIRS EB 20 1940

85, February 20, 10 a.m.

(GRAY) Following is paraphrase of Yunnanfu's telegram of February 19, 10 a.m. (END GRAY)

In an attack by Japanese bombers on the railway yesterday, several hundred meters of track were torn up and the road bed badly damaged. Traffic temporarily interrupted, but resumption expected by morning of 20th.

Repeated to Hong Kong, Shanghai. Shanghai please repeat to Tokyo.

PECK

CFW:RR

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DEPARTMENT OF STATE

--- DIVISION OF CULTURAL RELATIONS

March 14, 1940

Dr. Hornbeck:

RC will be glad to have an instruction to Tokyo drafted in FE regarding the attached letter from Mr. Frene, as suggested by Mr. Hiss.

RC:CT:ML



DEPARTMENT OF STATE

DIVISION OF CULTURAL RELATIONS

March 5, 1940

Dr. Hornbeck



RC would appreciate any comment you may care to make on the attached papers; and any suggestion you may wish to add as to advisable reply.

Charles A. Thomson

RC: IAW

TELEGRAPHIC ADDRESS "IMPHO TOKYO"

Imperial Hotel

Takya
(newadorero)

Room No: 8
31 - 1 - 1940

1940 FEE 20 AM 10 35

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RECEIVED

Division of A

MAR 16 1940
Department of State

Dr. Ben M. Cherrington Droiston of Eultural Relations

State Department 793.94. P. C/16 Washington D.C.

Jir, 793,94/15676 of his letter of Decent 30 last, the underrigned beg, to sutmit the results of his latest pan researcher, formulated in an article on "Japan-conscious nhich, he hope, will clarify the project sketched in his article "The Deace of the Pacific", which was accompanying his last let

If join would be good amough to have the manuschanded to Dr. Stanley Hopekerk for his Ki'ni perioral, he would perobably remember a going man of thirty, writing at that him under the name of Alfred Wertharp, with whom he has had revera long talker at the old Hotel de Petrin at Deking, at the stance when Dr. Paul Reinsch was the American Minister to China.

Although Deeply reflected, in Afterent restrects, of the simultaneous recurrence of two wars, and himself fighting

TELEGRAPHIC ADDRESS "IMPHO TOKYO"

Imperial Kotel

against difficulties, which threaten to undermine his excistence, the underrigned wisher that his analysis of Japan may be of some use to your Department. He is now attempting to arrange between on Japan and thing in the United States, in order to further explain his new point of view.

Waiting to receive from you an expression of your very valuable opinion at your earliest convenience and thanking you in advance, he has the honour to be,

Sir, very faithfully yours

Victor Frênc Victor Frênc Th. D.

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VALUE CONTENTS ITS ITS

<u> 3 · 3</u>

Victor Frene
Ph.D.
author of

"Music as a Meens of Spiritual Mobilisation"
Education as a Means of Spiritual Mobilisation"
Marriage as a Means of Spiritual Mobilisation"
Marriage as a Means of Spiritual Mobilisation"
Japan as A Moctor"
"Who has a Plan?"
"Versailles and Washington"
"Political Back-Stage Secrets of the Far East"
What's the Matter with China?

eto. eto.

'Victor Frêne JAPAN - CONSCIOUSNESS

The Teachers and Children of the Nitto Kindergarden

Dedicated To

My Mother and Sister

The Spirit of (Mrs.Sakurai Suzuko
Dr.Matsumoto Kumpei
Mr.Honda Yasutaro
Mr.Junatsu Tatsmijiro
Mr.Sasaki Kyuchi
Dr.Tanaka Shohei
Mr.Tanabe Hisao
Mr.Ishikawa Michiji
Mr.Ishikawa Masao
Mr.and Mrs.Sakamoto

M.Alfred Massenet
M.Alfohonse Monestier
M.Louis Leloy
M.Louis Leloy
Heern Arvid Balk
Mr.and Mrs.G.W.Gorman
His Excellency Tewfik Pasha El-Sherif

Mr.and Mrs.Harry Edmonds Mrs.Josephine Budd-Vaughan Mrs. Elizabeth Hale Mrs.Lauise Gilman Mr.and Mrs.Selskar M.Gunn Dr.Stanley Hornbeck

The Spirit of the late Prince Cassano Dr. Maria Montessori Count Rivetta di Solonghello

The Spirit of the late Mr.Sun Hung-yi Marshels Yen Hsi-shan and Li Chi-sen General Pai Chung-hsi Admiral Sah Cheng-ping Mr.Wang Ching-wei Mr.Limg Shu-ming Mr.Wang Ping-ssu Mr.Tang Wei-han Mr.and Mrs.Tu Tai-wei Mr.Hu Chuen-ru Mr.Li Shu-hsiang

Mr.N.B.Doodha Dr.Rabindranath Tagore Mr.Abanindranath Tagore

who symphathetically shared with me different parts of my arduous psychological journey of exploration, at different times, in different parts of the world

Tokyo, Japan, January 27, 1940

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Department of State letter, August 10, 1972
By Mitty 0, design NARS, Date 12-18-75

JAPAN - UUNSCIOUSNESS ITS CONTENTS, ITS CULT, ITS VALUE by Viotor Frêne Ph.D.

The West is Palestine-conscious because of Christianity, China is Shantung-conscious because of Confucianism. India Benares-conscious because of Hindaisma. The world is NOT Japan-conscious because the world has, up to now, looked upon Japan as upon a country, which has received much from the world, but given very little.

What we intend to do in these lines, as far as that can be done in a short introductory article, is, to present Japan as a country upon which the future well-being of the world as a whole depends. If we succeed in arousing the conviction that Japan is fit to become a driving force of human progress, the world will become Japan-conscious.

The countries, for which Japan-consciousness will have immediate value, are the United States of North America and China, because the relationship existing between the United States, China and Hapan will determine the fate of the Pacific Era, at the dawn of which we stand to-day. In consequence, the writer addresses this analysis of Japan particularly to the people of the United States and China, to their intelligentsia and politicians.

In the United States, technical knowledge has, in the recent past, made so much progress that the United States will probably be the first country on earth, which will apply its scientific understanding of the universe to the study of the forces of nature, which determine human life, physical as well as mental, It is the analysis of the forces of nature, manifested in Japanese life, which forms the subject of this essay.

Unly the accurate scientific analysis of Japan, free from all tendencies towards propaganda of any kind, can solidly implant into the minds of Americans, Chinese and of the other countries of the world, the conviction of Japan's importance. It is probable that, because this Japan-research has to be purely scientific and the application of science to life is one of the very latest of Western inventions, the application of science to the analysis of Japan, although Japan is an oriental country, has to be inaugurated by Westerners, who are the originators of all branches of natural science and also of this latest one.

I AMISCONCEPTIONS CONCERNING JAPAN

Unfortunately even the information on Japan, which has been spread by Westerners, was, up to now, rather misleading, mainly because the science to be utilised in the analysis of Japan is so new that none of the few really earnest students of Japan who came to Japan, was really well equipped for his task.

Most of the foreign writers on Japan, like those writing on other oriental countries, were mere amateurs, officials or missionaries, possessing nothing but the average educational background, who filled their sparetime with writings on Japan. Some of them have made great efforts and collected valuable philological and historical data. Some of them were artists and these artists have sometimes made of Japan, because of her extreme mobility and subtelty, a mere plaything of their subjective imagina-

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tions. These artistic interpretations of Japan have, from the scientific point of view, nearly all been objectionable.

rerhaps more detrimental to Japan even than the most subjective reports of foreigners, was, up to now, the Japan-interpretation undertaken by the Japanese themselves, not only because they were, and could not be, not in possession of the newest science, applicable to life, but because of certain very deep reasons, which have mostly not risen to the level of consciousness of the Japanese themselves, although the unsatisfactory quality of their results has been noticed by thoughtful Japanese observers, like Mr. Ichikawa Hikotaro, author of a book on "Bunka to Gaiko" (Quiture and Diplomacy). The causes of the unsatisfactory quality of Japanese self-interpretation with have never been taken into consideration by foreigners. This it what induces the writer to concentrate his attention in the following on the discussion of these causes.

Scientific observation and comparison reveals that Japan is climatically, geologically, geographically and racially and historically the most extraordinary and unique country on earth. The race, which governed the country's destinies for several thousand years, the real Yamato race, came from Southern East Asia and from the South Sea Islands. Their facial structure is still very evidently that of the South Sea islanders. From the South Seas, they brought not only their physiological make-up, but also their psychological features and cultural foundations.

Their minds are deeply imbued with the oldest and most sublime psychology existing on earth, that of the very ancient India of the Vedas and Upanishams. In this Indian psychology, life and morality are one, not two, and there is in it no contradiction between nature, body and mind. Mind was conceived as a magnet and filter, in other words, as a transformator of sense-impressions derived from nature and carried upwards by the body in responsed to personal requirements. The original founders of Japan were, so to speak, South-Sea Indians, who had gone through thousands of years of contact with the southern Pacific Ocean, and were, afterwards, after their migration to their present habitat in the North, put into refrigerators which cooled effectively their former Southern overheated emotions.

In the North, on their mountainous and arid islands, they were confronted with climatic, geological and geographical obstacles, which forced them to put their bodies, together with their brains, very realistically to work and made of them a race of pioneers, quite different from their former Southern brethren and endowed with a capacity of action and organisation, the effects of which became, for the very first time in all their history, manifest to themselves and all the rest of the world at the time of the so-called Meiji Restoration, about eighty years ago.

A climate changing from cold to hot, islands regularly kept in motion by earthquakes, a sterile scil, which did not yield any useful product without labour, all combined to develop in the original Yamato-Japanese a vivacity such as no other race, inhabiting any other country on earth,

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has ever attained and will ever attain, a vivacity, which is never one-sidedly sensuous and never one-sidedly spiritual, which knows no primitive vulgarity and no impractical abstraction, kmotions, which were not awakened by the climate, the earthquakes and the unproductivity of the soil, were, so to speak, subjected to a kind of irresistibly stimulating flagellation by the sea, which, also in the north, continued to surround them very closely on all sides.

What forced the Yamato race in spite of these manifold forms of stimulation, never to abandon their original Indian South Sea-psychology, with its clearly evolutionary trends leading from nature straight on to mental life, was the fact that, on the Japanese isles, no passive abanged and in this way, self-control became for them, at all hours of day and in this way, indispensable of virtues. The essential elements of this self-control were physical, physiclogical and mental, in other words, materials, emotions and thought in indissoluble unity.

With its combination of self-assertion and self-control, the Yamato race was, by nature, quite different from what, for instance, the Latin, Teuton and Slavic races, inhabiting Central Europe, were before the invasion of Christianity. Up to the fifth century of the Christian Era, Japan had a kind of emotionally imaginative culture, the potentialities of which were limitless, in the direction of technique of action as well as of spiritue-lity, what has been preserved of this culture in the "Shinto" Classics, is obviously very fragmentary. The one who wants to get the "feel" of it by reading the records, must leave his European Jewish-Christian abstractions at home and set himself free to swim in the sea of Japanese emotional or sensuous imagination.

The Yamato race was at the gates of the creation of an entirely original culture, based upon the automatic fusion of self-assertion and self-control, ignoring all abstract dogma and supernatural, unenjoyable, compulsory morality, when imported Chinese thought, in the form of the Confucien and Buddhist books, deprived them of their god-like evolutionary primitiveness and destroyed the bridge connecting their emotions with the natu-their/re, which was/XXX/foundation and the mental response, which was their aim.

Nobody has since that time ever raised his voice conscientiously in /of the favour of the resoration of the sovereignty/vigourous and all-powerful impulses of Yamato temperament.

To what extent the races, which had migrated into Japan from China via Korea, are responsible for the disfiguration of Yamato culture through contradictory Chinese doctrines, will perhaps never be verified.

what is only all too evident, is, that Confucianism and Buddhism weakened the root of Yamato psychology by cutting the Japanese off from his former most intimate intercourse and competition with the forces of nature. In spite of its adaptation to Japanese tradition, continental Asiatic

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dogma, according to its original nature, emphasised the mind at the expense of the body and nature, and erected an artificial moral edifice, built upon sdlf-denial rather than self-control of the original Japanese entirely enjoyable, realistic and self-imposed type, described in my article on "The Far Eastern Crisis", published in Dr. Matsumoto Kumpei's "Japan Bulletin" of 1939.

self-denial, of the continental Asiatic type, meant, for Japan, distrustend suppression of natural impulses of all kinds and propagation of lifeless and life-destroying, abstract principles of conduct, derived from foreign books and not from Yamato experience.

Buddhism took hold of the Yamato people and Confucianism of the office cials, so that, every Japanese was out off from the sources of his own Yamato psychology, as far as the climate, the geology, geography, race and history of Yamatoland would admit that.

Att this long and complicated history must be present in our mind, if we want to understand the very remarkable fact that the present-day Japanese, when he speaks or writes on Japan, explains Japan in a dry and cold, abstract and unimpressive, "mystical" manner, like a Chinese tather than like a Japanese, emphasizing the unessential and leaving out the essential. Although, in his discussion of Japan, he may occasionally reveal a slight perception of the original Japanese dynamism, these flashes are transitory and too fragmentary to enlighten his hearers or readers about the causes of the original greatness of Japan.

For instance, in his China-war, the Japanese Japan-interpreter, has nothing new and attractive to say to the Chinese intelligentsia, because his Japanese brain is filled with Buddhistic and Confucianistic, Chinese, conceptions, which are, of course, familiar tow Chinese leaders. What is not Buddhistic or Confucianistic, in his ideas, is Western, because Western out-of-date, Frussia-bosn, Kant-ridden education has, since the Meiji Era, continued the de-japanisation of Japan started by Buddhism and Confucianism. This Western thought is naturally also known in China and connot impress the Chinese as a Japanese mental or moral invention.

If an American asks Japan in what the novelty and the Asiatic character of the "New Order of Asia" Japan plans to establish in China, will consist, the Japanese commentator is unable to give him a satisfactory reply, which would define both.

Japan's self-interpretation fails in China just as lamentably to present real Japan, as it fails abroad. Consequently, it has to be stated, with very great regret, that, at very great expense and with very great effort, the whole world is, up to now, fed with nothing but misrepresentations of Japan, also by the Napanese themselves.

Nobody, neither Japanese nor foreigner, as far as the writer has been able to find out, has ever cleaned the Yamato psychology completely from un-japanese elements and nobody ever grasped and analysed in scientific, internationally comprehensible terminology, its immense and unique intrinsic value.

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Even Japanese specialists of "Shinto"-reasearch are abstract, vague, confased, cold, drey and dogmatic rather than impressive, convincing or scientific in their deductions and rules of conduct.

The modern scientist, who wants now accurately and fully to describe original Japan and to demonstrate her to the world, has first to discover the moders of Yamato-nature under the debris of falsehood and then to show the power, contained in it, at work; an undertaking similar to that of the physicist who splits the atom and releases its energy.

What Japan herself, during these years of China-war, officially calls "Spiritual Mobilisation", of the masses behind the guns, has also no real connection with the Yamato Spirit of old and is neither taken seriously by Chinese or foreign observers, nor effective among the Japanese people. It may also be added that the procedures selected for this so-called "Spiritual Mobilisation", are very strikingly Buddhistic, i.e. negative rather than positive.

Mortunately, although in an apparently perfectly sub-conscious form, the Ya-mato-psychology still fills the houses, shops and fields of Japan and walks along the streets of all Japanese villages and cities, manifesting itself in an overwhelmingly great number of pure Yamato faces, with their subtelty, softness, warmth and depth Ain bodily movements containing concentrated and self-controlled strength, and in sounds of speech possessing and the strength musical flexibility.

It is the modern scientific psychologist, who, perhaps, more sharply and eccurately than anybody else, registers, in his consciousness, the vibrations of energy of this subconscious Japanese psychology and recognises it as the most powerful life-force stored up for use by humanity.

This sub-conscious Yamato-psychology is the source, from which the writer obtains his materials.

As far as Japan's official intercourse with foreign nations, Yamato psychology may even be said to have been reduced to the status of a quite imperceptible "potential" energy. But, for the Western scientist, the analysis of hidden "potential" energies of nature, is, just because of its difficulty, a most worthwhile intellectual task.

II SPLITTING THE ATOM OF JAPANESE ENERGY

If the world wants to become conscious of the possibilities contained in original Yamato psychology, the world must look at it from its own point of view and measure the distance existing between its own psychology and that of Jagan. Because the Westy is obviously more different from Japan than China, to look at Japan with Western eyes, is most revealing.

Westerners must ask themselves; What good can Yeme to psychology do the West? or !What is it that the West! needs most and how can Yamato psychology be made to contribute to the solution of the West!s essential problems?

For instance, concerning the latest events of Western current history, we should ask: What is it that throws the West into abysses of self-destruction like the one in which it finds itself at present?

This is the most vital question the West should endeavour to answer in a

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competent manner, with the help of its science, and at the same time, also the question, to the salution of which the study of Yamato psychology will make the most useful contribution.

Unifortunately in matters concerning human life, the West, in spite of its science, is still, generally, as deeply imbued with unscientific ideas as Japan is with those of Buddhism and Conducianism, and it is only too probable that a scientifically psychological analysis of the motives of the West will be just/ as inacceptable to the average Westerner as that of Japan is probably to the average Japanese.

To attempt to bring the whole world from its realm of dreamy confusion down to the level of schence, one has to be more of a giant than Atlas
was when he took the globe on his shoulders. Without such a nearly superhuman effort, there will, however, never be a chance of making of Japan-consciousness an essential element of world-consciousness, because Yamato psycology is thaccessible from any other angle except from that of the purest
and most up-to-date science. Therefore we cannot afford to be afraid of
protestations, which will endeavour to drown the following flagnosis of
Jestern ills and our suggestion of a cure:

The psychological constitution of the Western races, after their migration from Central Asia to Europe, with its all too "moderate" climate and its more favourable geographical position, was neither as emotional nor as spiritual as that which the Yamato rawe carried with it from the South Sea islands to Japan. Because, in Europe, no automatic fusion of self-assertion and self-control provided a foundation for ordered living, an imported oriental doctrine of morality had to take hold of Europe with much more violence than Buddhism applied to Japan, and to declare nature straightaway to be SINFUL, in order to render morality dependant upon the belief in supernatural guidance.

For about a thousand years, the West was compelled to derive its cultural advancement from life-less and life-destroying dogmatic abstraction and developed a kind of hotility sgainst naturalness and against absorption of sense-impressions, such as Japan had never known.

When the West, under Francis Bacon's leadership, after hundreds of years of effort, slowly and painfully escaped from the prison in which its emotions were kept by pre-scientific doctrines, it had no moral motive et all to rely on and no spiritual purposes at all to aim at.

Because as mentioned above, the original racial emotional rower of the Mest, in its European wnvironment, was very much weaker than that which the Yamato race derived from its Japanese climate, geology, geography, race and history, and therefore less evolutionary, the wleavage existing between the newly emanable ted Western sensuality and the un-Western, imported and abstract moral dogma, was, in the West, much wider than that caused by any Oriental type of psychological dualism ever was in the East.

The "sublime" Western moral theories were translated into practice with so match ignorance of human nature, that their realisation became, "a priori", an absolute impossibility. That explains, why the West, with more a siduity then any other part of the world, praches "love" from its rostrums but practices systematises and glorified marker, with an elsewhere unknown

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riclence and regularity on its battlefields.

It is the amorality of Western materialism, with principles like "business is business", and its insatiable thorst for money, on the one hand, and the abstract, life-less and life-destroying type of The spirituality" of the Western moral ideals, one the other hand, which are responsible for the datastrophical relapses into barbarism, which periodically destroy the dest.

In other words, Western daily life is too vulgar and Western morality too ethereal.

The West has not yet discovered a procedure of preventing its very primitive and, by nature, as explained above, NOT evolutionary, emotions from running amok.

Now scientific psychology is confronted with the question of whether it is the immobilisation and suppression of these primitive emotions, as practiced by all moral systems of the past, or, on the contrary, their mobilisation and intensification, which bring these primitive emotions under control.

Research has rendered it evident that only a new technique of establishing self-control, by allowing primitive emotions to evolve into more diffined emotions and ultimately into the most sybtle of emotions, which is active and creative thought, could free the world from the burden of unemotional, life-less and life-destroying thought and dogma, which, by their very life-lessness, out the primitive emotions off from any other outlet except that obtained by running amok, or, in scientific terminology, MORCE these emotions to become DEvolutionary by preventing them from becoming Evolutionary. This life-destroying thought, in its effect one life, is MISLEADING thought and very often also dishonest and hypocritical.

Here we come to the point where the scientific West can profitably avail itself of the ancient Japanese conception of "mind as a filter or transformator of impressions derived from nature and carried upwards by the body" and learn from the pioneers of the Yamato race, who conquered Japan, the art cevolving a new psychologically healthy culture, in which the HICHEST DEGREE OF SENSIOUS MOBILITY, CONCENTRATED IN AN EVOLUTIONARY DIRECTION TOWARDS THE MIND, WOULD AUTOMAY TO MATICALLY FERTILISE THE ERAIN, so that life and morely would cease to be two and every human act would eo ipso be moral.

Only five of the most striking historical manifestations of the original strictly evolutionary sensuality of Japan, selected at random, need to be referred to here as illustrations/:

Just as for Dorsey, the author of "Why we behave like Human Beings", life was, for original Japan, not a matter of possessions or technical implements of any kind, but a matter of stimulation.

"Shinto" the ancient ritual of Japan, had no temples and worshipped trees as symbols of the creativeness of mother earth, with infinitely more intensity than Luther Burbank Japanese "Shinto" may be called a school of "REVERENTOR WHAT IS BELOW ONESELF", essentially different from all the other creeds, which only cultivate reverence for what is ABOVE one self"

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The Japanese house, as it is at present, is still the most perfect invention of a very refined mind working in closest proximity to nature, ever imagined by any human being.

The function of womanhood to act as intermediary between the male mind an hature, was very early understood in Japan and forms still at present the foundation of the intercourse between the sexes in Japan. Specialists trained for the fulfallment of this womanly tasks, are the real Geishas.

Ancient Yamatoland, although it had its own writing, resembling Sanscrit, did not emphasise, in its daily life, the value of writing at all, because its mind was too close to nature to demand other forms of expression except manual activities of the more technical kind.

Now we can split the atom of Japanese energy by releasing the fundamental rules, according to which the original Japanese has lived and, in his daily life, without knowing it himself, still lives, in a very concentrated form, as follows:

- I) Keep close to natube.
- 2) Eat and drink as much fresh air as you can possibly get.
- 3) Avoid waste of physical materials, muscles and braintdo not use more of anything than is absolutely necessary to secure its promotion to a higher level of enery.
- 4) For your health and long life, rely on bodily activity. For your thought on experience.
- 5) Welcome obstacles which are big enough to arouse your carefully tuned in muscles and nerves, in other words, your will, to overcome them.
 - 6) Consider Comforts as dangerous, not as desirable.
- 7) With everybody relying on natural stimulation, let individualism melt down into naturalism and with heaven and earth acting as parents, let nations become families and all humanity be connected by bonds of parentage.
- 8) See how, with much fresh air for food, useful activity for hygiene, avoidance of comforts, money ceases at once to worry you.
- 9) The evolutionary type of "reliance on natural stimulation" means what we have called shove "reverence for what is below oneself". This "reverence for what is below oneself" makes of the highest placed personality the most reverential one. Such a most reverential attitude towards his people, who are his "treasure", unites the Japanese "Tenno" (by foreigner, misnamed "unperco") with his people and leads, nearly imperceptibly, and without any artificiality, the finiversal Japanese "reverence for what is below oneself." into "Reverence for what is above oneself."

THE UNIQUE AND INTENSELY CREATIVE COMBINATION OF TWO TYPES OF THE VERLECUE IS CHICAGO WHAT GIVES TO JAPAN RER SOLIDARITY AND SPIRITUAL TYPE.

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It is the combination of these two types of reverence, which makes of the Japanese Tenno the embodiment of the nation and of the state.

Psychologically speaking, by making of this combination of two types of reverence the motive power of national life, Yamato psychology defeats, like a Japanese St.George, radically, with one blow, the three-headed dragon of egoism, compulsion and superstition.

That is the very deep and complex meaning contained in every Japanese reverential bow of politeness and mark of respect for one another and for everyone who shares his life in his own country. Because of the extreme complexity of this meaning, it is unavoidable that it remains completely below the surface of the consciousness of the Japanese masses and understandable that most foreigners entirely fail to appreciate its innumerable manifestations in the Japanese maily life, which surrounds them on all sides, during their stay in Japan.

But everybody should be able to $im^\varrho gine$ the $h^\varrho ppiness$ to be free from egoism, compulsion and superstition.

It is this happiness, which rediates from the eternal smile of the Jazpanese and gives him what a foreigner, in Kobe, has lately called his "contagious cheerfulness".

A happiness, which has enabled Japan to modernise herself, under the guidence of Meiji Tenno in an amazingly short time and with an amazing thoroughness, and to underself the West in its Mown markets with a sintflood of products of the combined sensuous imagination of the whole race.

III. THE JAPANESE EMERGY AT WORK

You can have that same happiness, without Jean Jacques Rousseau, without the "Three People's Principles" of Dr. Sun Yat-sen and without the League of Nations, quite simply by a little willingness to learn from the land of purple air, earthquakes, typhoons and devastating fires, poor-rich, little-great Japan, how to SOFTEN YOUR DRY AND COLD, LIFE-LESS AND LIFE-DESTROYING THOUGHTS, PRINCIPLESS, DOCTRINES AND DOCEAS WITH CURRENTS OF EMOTION DERIVED FROM CONTACT WITH NATURE.

"Reverence for what is below oneself" opens the mind to impressions derived from nature and environment, by facilitating the absorption of every movement of nature in its original form. Under the influence of this reverence, none of the stimulations, derived from nature and environment, is excluded or disfigured and the mind acts as a mere REF.ECTOR, until it develops in itself the urge to select the stimulus ir stimuli producing the easiest, deepest and most adequate mental response. In other words, under the new dispensation, the variety and depth of mental REACTIONS determines the quantity and quality of mental ACTIONS. Humanity is taught, that only if mental reaction precedes action, is the stimula action realistic and fertile.

That is to say that
Imagination that is not emotional is sterile,
Thought not derived from experience is empty,
Personality, that does not become manifest in daily life and work, is
like dead.

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Department of State letter, August 10, 1972
By Milton D. Sustain NARS, Date /2-/8-75

Japan-consciousness Page IO_____

Personality and work, work and personality, in their mutual adaptation and interpenetration, constitute what is commonly called vocational fitness".

Our analysis leads us here to the discovery of a new scientifically sound law of conduct of human life: VOCATIONAL FITNESS DETERMINES THE MORAL VALUE OF
EVERYBODY'S EXISTENCE. Your fields, your shops, your factories, your offices, all the places where you work all the day long, become your temples, under this new law. Under this new law, it is the rough, which makes you fine, the small, which makes you great, the vulger, which makes you divine. According to this new law, the Lord, who creates you, is on Earth, not in Heaven.

With the establishment of the connection between vocation and morality, everybody's daily life is spiritualised and ceases to be for sale, like that of a prostitute.

Parents, teachers and governments, realising the connection existing between vocation and morality will reconstruct the world by making of morality a visible, tangible, more or less technical procedure, instead of keeping it, as is done at present, in reserve for after-dinner speeches and sundays. Quite simply where there is vocational fixes, there is morality.

Mr.Henry Ford, the famous manifacturer of the "Lizzies" and "Lincolns", says in his autobiography, that "as long as we have druggery, we have no civilisation". But, although this statement is made by a businessman, it is still nothing more than a pious postulate.

Human life is still full of drudgery, because vocational fitness demands the invention of a whole new psychology, governed by the very refined emotion of "reverence for what is below oneself", which makes of the natural universe, and of every object that surrounds him, a source of inspiration to man.

Vocational misfits are moral oripples and, with human minds daily dying from starvation in uncongenial occupations, human life, from the psychological point of view, is a cemetery. From the medical point of view, uncongenial occupations are undoubtedly the main causes of diseases and early deaths.

In the present world, every cripple is kept busy trying to preserve the outward appearance of healthiness, mental as well as physical, by dolling himself up in fine clothes, providing himself with fine living quarters, overfeeding himself, riding about in automobiles, and replacing the unattainable mental creativeness by sexual promisouity and extravagence.

Ignoring the tender delight of "reverence for what is below oneself", men come to despise women, who are their mothers and the mothers of their children, and who have, or the evolutionary ladder of creation, been the biological predecessors of men.

Only some very few and very exceptional men still derive inspiration from women, and their respect for women is, in most cases, the only type of reverence for what is below one self known to them.

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

Japan-consciousness Page II

In fact, as already mentioned, all nature, its minerals, plants and animals, should inspire the one, who has evolved in his soul the new, realistic and efficient, type of reverence.

The Japanese, in his bathtub, unconsciously.every day, still practices retrogression to the state of fishes, populating the sea, from which all life came, and derives, from this retrogression, his strength for progress. He wears, all during the day, high wooden clogs, even on his asphalt roads and on his wooden floors, keeping, in this way, in touch with the places formerly inhabited by him, where he had very often to walk through water.

He worships traditionally, still not only trees, but mountains, rivers, and sun and moon; reverential emotions, which, in other countries, were killed by superstition, have remained alive in him, because he ALONE was emotionally strong enough to maintain the connection between the simple and the complex, the material and the spiritual, at least in his unconsciousness, whilst false doctrines tried to milead him, just as they did milead the West and China.

This type of Japanese conservatism, because it is rooted in primitiveness is the only type of conservatism on earth, which is progressive. This is not absurd nonsense, but absolute, undeniable, scientific truth.

The ceremonial of the daily life of the Japanese masses, unconsciously, is governed by no other principle except that off fitness for work and "Shinto" makes of cleanliness a religious obligation, preliminary to manifestations of reverence for invisible and intangible spirits, one of the most prominent of whom is visibly reflected in the looking class of the "Shinto" temple, when the worshipper himself looks into it,

Every human being should learn to consider his vocational fitness as a condition sine quantom for the restoration of moral healthiness and efficiency.

Vocational fitness creates a real Heaven on Earth for everyone, in his daily life, particularly, if it evolves into INVENTIVENESS.

Where there is originality, everybody is his own God, who creates his own world. It is in this sense, that the Japanese, without being able to explain himself, is calling his own country, to the dismay of many foreigners, who accuse him of self-conceit, traditionally the "Land of the Gods".

If he is his own Goddhe has of course no superstition and needs no corpulsion and feels no true of entering into competition with others, in an egoistic way, because, if everybody is original, nobody can displace anybody and he himself cannot displace anyone.

If he has all he needs for his self-realisation, he is automatically contained and satisfied.

Marriage, family life, education, social and political life, all should have to fit in with his God-nature. The new moral law defines that marriage, family life, education, social yand political life are sound only if and when and as far as they are contributing factors to everybody's self-realisation, based upon vocational fitness.

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

Japan-consciousness Page 12%

In the new life-worshipping order of life, marital guidance, educational guidance, social guidance and political guidance, all have to be subservient to the fundamental moral requirement of attaining and preserving vocational fitness.

Marriages motivated by sex only, education relying on memory alone, society governed by mere money and politics ling on exploitation of other nations, are outlawd by the psychologically sound morality of vocational fitness.

The new morality incessantly reduces composite things to their most minute details! or units, for instance in the following way:

Harmony between nations is rendered dependant on harmony between husband and wife, teacher and student, farmer and factory worker, people and government. All harmony between human beings is again rendered dependant on harmony between man and nature. And harmony between man and nature is ultimately derived from the spiritual motive power obtained through the recognition of the blissful, evolutionary and scientific, inexhaustible document of "reverence for what is below oneself".

In international intercourse, "reverence for what is below oneself" engenders respect for weaker nations. Because this respect was non-existent in Europe in A.D.1919 and the American President Woodrow Wilson too deeply poisoned by his traditional religious superstitions to recognise its tremendous practical importance. Germany was emasculated at Versailles. That emasculation of Germany brought about, a very intense desire for reestablishing thermany's natural international position in that unfortunate country. Finally Versailles led into the second world-war, which is on at present, and the end of which nobody can foresee.

Unfortunately impatient demands for a quick remedy cannot be conscientiously satisfied.

However deep the abyss may be in which the world finds itself at present there is no short cut to salvation. For all nations on earth, the quicke way to progressive recovery, as far as the writer can see after a life-long journey of psychological exploration, which has brought him into very intimate touch with all nations is CAREFULLY AND SCIENTIFICALLY TO STUDY THE EXAMPLE OF JAPAN, because of all nations on earth, Japan is the only one, who; although, at present in a subconscious form only, possessed the essential nuclei of the psychologico-chemical substance substance, which the world need for its long and tedious reconvalescence and its ultimate recovery of healther writer is convinced that he renders a most valuable service to the whose le world by recommending Japan-consciousness, brought about by the analysis of fact present sub-consciousness, as a spiritual lighthouse for all the INE ships of state tossed about by the mountainous waves of psychological perversion, undermining the lives of every individual citizen of every country outside of Japan.

It is a great pity that , before Japan can effectively and reliably remake the world, she has to become conscients of herself. A subconscious Japan exists only for the psychologist.

The root of all reforms required for the purpose of bringing Japan, first of all, into the lime-light of her own consciousness, would be educational.

un and moon, see and mountains, plants and animals must be freely ad-

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. dueles NARS, Date /2-/8-75

Japan-consciousness Page I3_____

mitted to the finnermost chambers of the brain of every Japanese school-climwhich, at present, is full to over-flowing with worm-eaten dusty Chinese and to eign useless and bothersome collections of incomprehensible nonsense. Sterile imagination, empty thought, in all their innumerable forms, and drudgery, of all kinds, must, cease to eripple and to de-japanese defenceless youth in Japan.

The procedure of a thoroughgoing educational reform is lined out for Japanese readers, in an article on "Education as a Means of Spiritual Mobilisation" written by the same writer.

Educational reform would easily expand into social reconstruction, as described in the Memorandum on The Scientific Mobiliation of Japan's National Power", Submitted by the writer to the former Premier General Abe.

It goes without saying that the snggested educations; and socials reforms would both be vocational in character.

Finally, for the scientific preservation of Japan's immensely valuable original racial characteristics, marital reform would have to follow. This most essential of all reforms is described in the author's "Marriage as a Means of spiritual Mobilisation".

Even the marriage reform advocated by the writer is radically procational, particularly in so far as it deprives parents, who know less than nothing of education, for the right to cripple their children by rendering them dependent on their parents so-called "love". That sounds harsh, but sentimentality is one of the worst of fashionable crimes, which science must ruthlessly refuge to be a party to.

If Japan were once conscious of her incomparable greatness, and able to explain herself to other nations, with a mind that would cease to be cold and dry and have the courage of its own emotions, the other nations of long-suffering Asia could easily be made to acknowledge, for their own benefit, Japan's leadership, as I have gaid in my Letter to the Editor of the Japan Advertiser, published last November under the title of "Japan as a Doctor". China would only be too delighted to be favoured with a transfusion of Japanese blood.

The writer makes bold to assert that, if there will ever be light, the light of the world will, some day, again come from Asia, this time not from Palestine, Arabia, India or China, but from Japan, who will consciously turn the search-light of the spirit, which, up to now, was wastefully illuminating the clouds, deep down into daily life, spreading wordly beatitude for the happiness of everyone.

Tokyo, Japan, January 27, 1940 (2600 of the Japanese era)

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E) Department of State letter, August 10, 1972

By Mitty D. Quelajan NARS, Date 12-18-75

March 19 1940

No. 1925

To the American Ambassador,

Tokyo.

With reference to the Department's instruction no. 1902, February 21, 1940, the Department transmits herewith copy of a further letter (without its enclosure) from Dr. Victor Frêne addressed to the Chief of the Division of Cultural Relations on the general subject of Japanese national psychology and the international aims of Japan.

The Department requests that the Embassy, unless it perceives objection, inform Dr. Frêne that the appropriate officers of the Department have read and noted the contents of the letter and its enclosure.

Enclosure:

From Dr. Victor Frêne, January 31, 1940.

793.94/15705

MAR 19 1940

PA/H

793.94/15705

LANCE -

CROSS-REFERENCE FILE

NOTE

SUBJECT

Sino-Japanese relations.

Report concerning -, for month of December, 1939 in Chefoo Consular District.

aa

For the original paper from which reference is taken

See # 114 to Embassy

(Despatch, telegram, instruction, letter, etc.)

Dated Jan.12, 1940 From Chefoo (Taylor)

File No. 893.00 P.R. Chefoc/153

U. B. GOVERNMENT PRINTING OFFICE 1:-1540

(1) Hilitary Bituation:

Japanese military forces are reported to have been very active in the interior of this Consular district during December and this activity is expected to continue for some time to come. The areas of greatest activity were the Laiyang, Ch'i-haia and Haiyang districts, where there was considerable actial bombarding. The Japanese re-occupied Ch'i-haia about December 18th and Laiyang shortly afterwards.

The Weihniwei-Chefoo highway was sufficiently rehabilitated by Desember to permit travel during the month by a Japanese naval armed motor earsven from Weihniwei to Chefoo and return.

793.44

793.94/15707

A.C.

CROSS-REFERENCE FILE

NOTE

SUBJECT

"Sino-Japanese peace and the United States":

Summary of editorial in Wang Ching Wei organ CHUNG HUA JIH PAO, entitled -.

aa

For the original paper from which reference is taken

See				p.m.	-
	(Despatch, telegram, tustr				
Dated	. 17, 1940	To	Shar	ngh a i	(Gauss)
File No	893.01/652.				

1570

TELEGRAM RECEIVED

 ${\tt HSM}$ This telegram must be closely paraphrased before being communicated to anyone. (Br.)

Chungking via N. R. FROM

Dated February 20, 1940

Rec'd 3:15 p. m.

Secretary of State, Washington.

Division of FAR EASTERN AFFAIRS **X**3 21 1940

DIVISION OF EUROPEAN FEB

793.94

86, February 20, 1 p.

CONFIDENTIAL. In conversation yesterday the French Ambassador informed me that his government was taking an extremely strong stand with the Japanese Government in connection with the bombing of the Yunnan Railway and in the event these attacks continued was considering the step of imposing a complete stoppage of all trade between Indo-China and Japan. Informant said Japan would feel the lack of manganese, tin and other materials it now receives from and through the former area. He observed that the native population in the French possession was very nervous, that it regarded attacks on the railroad even in Chinese territory as directed at France and that the French Government was apprehensive of very serious results if the population became convinced that France was powerless to protect itself against Japanese attacks.

793.94/15708

I

hsm -2- No. 86, February 20, 1 p. m., from Chungking

I inquired whether it was true that the decision of the French Government concerning the renewal of the French commercial treaty with Japan expiring in March was contingent on a cessation of the bombing as reported in the press and he replied it was true.

Repeated to Peiping for mailing to Tokyo.

PECK

CSB

TOWNSEN, TOBE,
ES W. TOBEY, M., DEL.
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SER AN INFINIOR SUCCESSIVED

COMMITTEE ON CLAIMS

1940 FEB 23 AM 9 51

DIVISION OF COMMUNICATIONS AND RECORDS

February 21, 1940

Polytopon of
FAR EASTERN AFFAIRS

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EEB 2 0 1940

February 27 1040 3. 40

ON POLITICAL TELATION

FEB 24 191J

793.94

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

My dear Secretary Hull:-

I am enclosing herewith a letter from Mr. David Simpson of Arlington, Nebraska. Will you kindly have someone in your office advise me just which answers I should make to Mr. Simpson. Please return his letter with your reply with your reply.

truly yours,

awaraMans Edward R, Burke, U.S.S.

) Encl.

TEB 28 1940

T Ø

793.94/15709

(COPY: FE: HJN)

Arlington, Nebraska Feb. 6, 1940

Senator Edward Burke, Washington, D. C.

Dear Sir:

I would appreciate very much information on the following. General Hugh S. Johnson writing in his column states that England: "Was not willing to protect Manchuria in accordance with a treaty with us and others. When we asked her to go in and help us check the Japs there, she was busy elsewhere and looked the other way".

My specific questions are:

"Was there a specific treaty between U.S. and England to protect Manchuria?"

"When was this treaty made? Was it authorized by Congress? What other nations signed this treaty?

"Was Mr. Stimson empowered to use armed forces of the U.S. to protect Manchuria from invasion by Japan?"

Sincerely,

(Rev.) DAVID SIMPSON

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E) Department of State letter, August 10, 1972

By Mutton 0, Duelein NARS, Date 12-18-75

February 27 1940

In reply refer to FE 793.94/15709 -

My dear Senator Burke:

The receipt is acknowledged of your letter of February 21, 1940, enclosing a letter from the Reverend David Simpson, dated February 6, in regard to certain phases of American and British policy relating to Manchuria.

The treaty to which reference is made in Mr. Simpson's letter is evidently the "Treaty Between the United States of America, Belgium, the British Empire, China, France, Italy, Japan, the Netherlands and Portugal Relating to Frinciples and Policies Concerning China" of February 6, 1922, which is commonly known as the "Nine Power Treaty". A copy of the treaty in question is anclosed for convenience of reference.

By

The Honorable

Edward R. Burke,

United States Senate.

FIJE

793.94/15709

-2-

By virtue of the provisions of this treaty, the United States is under obligation to respect the sovereignty, the independence, and the territorial and administrative integrity of China, including Manchuria.

There is not, and has not been, any treaty between the United States and any other country under which the United States has undertaken any obligation to "protect" Manchuria and the question of the use of the armed forces of the United States for such purpose has not arisen.

In accordance with your request, Mr. Simpson's letter is returned herewith, a copy having been made for the Department's files.

Sincerely yours,

Cordell Bulk

Enclosures:

- 1. Treaty Series.
- No. 783. 2. From the Reverend David Simpson, February 6, 1940.

OR 5-7 TEB 26 1940 Routine

> β**A** FE:GA:JPS 2-23

PA/1

BS JE

HSM

LEGRAM RECEIVED

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Tokyo via Shanghai & N.R.

FROM

Dated February 23, 1940

Rec'd 5:45 a. m., 24th

Secretary of State,

Washington.

orthograph of Smit

138, February 23, 7 p. m.

Our 123, February 17, noon, Yuman railway.

not 093.77

My British colleague today handed me a memorandum which he addressed on February 21 to the Japanese Government pointing out "that the railway carries an important share of legitimate British trade with China, for it is clear that British trade must be seriously injured and the lives of British subjects engaged in that trade endangered, if the above mentioned bombings continue".

Referring to the February 1st bombing it was pointed out that only by fortunate chance did the British naval party traveling on the south-bound train escape injury and "a very serious incident between the two countries" averted.

In conclusion it is hoped that the Japanese Government will give serious consideration to the danger to British lives and interests involved by further bombing of the railway.

Shanghai please repeat to Chungking, Hannoi.

GREW

RR

F/FG

F

TELEGRAM RECEIVED

FROM

JΙ

Dialition of Section 1997

GRAY

Nanking

Dated February 24, 1940

Rec'd 8:42 a.m.

193.94 Now SECTE

Secretary of State

Washington

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

7, February 24, 10 a.m.

It is reliably reported that Japanese civilians in Nanking are being compelled to move into a restricted area of about one square mile for residence.

Wang Ching Wei is runored to have visited Nanking in the past few days. On February 22 the main roads were lines with Chinese Peace Preservation Corps troops for some time, few Japanese military being in evidence. Repeated to Peiping, Chungking, and Shanghai.

PAXTON

PEG

F/Fe

793.94/15711

OFFICERS OF THE TRUSTEES

RECE**VE**L LES ARTMEN L'ENCHING ARTHUR V. DAVIS, President GEORGE G. BARBER, Vice President SIDNEY D. GAMBLE, Vice President PEIPING, CHINA

MRS. JOHN H. FINLEY, Vice President E. M. McBrier, Treasurer

ON POLITION L RELATIONS

MR. HOR BECK

FE3 2815 FD

EPARTMENT OF

B. A. GARSIDE, Secretary and Asst. Tre 1940 FEB 26 AM 10 Observation Office C. A. Evans, Asst. Secretary and Asst. Treasurer 150 Fifth Avenue

J. I. PARKER, Asst. Secretary and Asst. Treasurer

150 Fifth Avenue New York, N. Y.

DIVISION OF COMMUNICATIONS AND RECORD February 24, 1940

793.90

The Secretary of State Washington, D. C.

Dear Mr. Secretary,

Enclosed are copies of two documents we have just received from President Leighton Stuart.

The first is a memorandum given by Dr. Stuart to Chancellor E. K. Lindley of the University of Kansas, on the subject of "The Japanese Invasion of China from the Standpoint of American Concern." The third page of this document seems to be of special interest and significance.

The second document is a condensation of a letter received by Dr. Stuart from Mr. Ralph Lapwood, a British member of the Yenching staff who has been at work in the province of Shansi. It gives an interesting first hand account of the conditions in that area.

BAG:ms Enclosures 2 OFFICERS OF THE UNIVERSITY

J. LEIGHTON STUART, President
J. LEIGHTON STUART, President
C. W. LUH, Dean, Graduate School
T. C. CHAO, Dean, School of Religion
HENRY H. C. CHOU, Dean, Asts and Letters
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GIDEON CH'EN, Dean, Public Affairs
MARGARET B. SPEER, Dean, Women's College
CYPERICAL CONTROLLEY

J. O. TU'AL CONTROLLEY

LO TU'AL C STEPHEN I. O. Ts'AI. Controller MARY COOKINGHAM, Field Treasurer

793.94/15712

Confidential

Memorandum on the Japanese Invasion of China from the Standpoint of American Concern.

Japan has for several decades been preparing for what she describes as her "Continental Policy" of imperialistic conquest and economic exploitation, retionalized as a sacred mission to free the peoples of Eastern Asia from bondage to their own oppressive rulers and from Western encroachments. What it has actually meant for them can be ascertained from the wretched plight of the natives of Korea and Hanchuria. These conditions are being reproduced in the occupied areas of China as rapidly as is feasible according to an uncanny similarity of pattern. Wherever the Japanese army has penetrated, there has been a reproduction of the brutal slaughter of civilians, raping of women, looting and burning, which have been publicized in certain localities, as, for instance, Nanking. There has also followed profiteering through every conceivable form of racket, protected by the army and with ample evidence that military officers of all ranks are sharing in the graft. Nost indefensible is the enforced planting of the poppy and the open sale of opium and its derivatives as perhaps the chief source of revenue for the army and its puppet governments. The carefully authenticated studies by Dr. 1. S. Bates of this calculated debauchery of an uninformed and physically weakened populace in the Manking area holds essentially true of all regions under their control.

The complete failure of the Japanese to achieve any political or popular support for their program is the heaviest indictment against their aims and methods. They have attempted this through propaganda, bribery, terrorization, and the protense of spontaneous local movements, but have failed ignoratiously. Even the puppet leaders and the most ignorant country people hate them more as their savagery and greed become apparent. Hany observers would agree that any other fate would be better for China than Japanese military domination - this because of the record of two and a half years of only partial ability to put their characteristic procedure into offect.

This period has also convinced those who have lived in the midst of it that the openly removededed intention is to eliminate absolutely all "third power" interference, by which they mean the influence and interests of all other countries. They have no other recourse than to crush out all instincts of freedom or sources of knowledge, if they are to succeed in a monopolistic subjugation for their own advantage. Any plausible declarations to the contrary are only to deceive unsuspecting listeners. Again the record in Eachuria and the beginnings in occupied areas are the most obvious proofs.

It is the realization of this fate that has steadied the Chinese people, under their present clear-sighted and patriotic leadership, to continue their resistance, or their struggle for national self-preservation, until the Japanese armed forces are withdrawn completely from Chinese soil. No other solution can give them any assurance of independence. Any compremise would involve repetitions of the present violated pledges, ruthless de-

Memorandum on the Japanese Invasion of China

2.

struction and lust for conquest. The Japanese, having miscalculated the strength of Chinese capacity and will to resist, and with aggrevated difficulties in continuing their piratical adventure, are socking desperately for a formula by which they can at once be relieved of the "China affeir" and retain a part of the plunder. They would gladly give up the rest of their spoils if they could hold North China and perhaps the island of Hainan. But the folly of agreeing to any such peace terms is apparent to the Chinese Gevernment and people. Until all troops withdraw from south of the Great Wall there can be no willingly negotiated peace.

The essential difference between the various puppet leaders and General Chiang Mai-shek is that the former have from the beginning been defeatists with the mental outlook of the typical manderins of an earlier generation. They have failed to sense the new patriotic fervor or national consciousness which began twenty odd years ago with the educated youth and has been rapidly permesting the nation. They are too much impressed by Japanese material strength and specious representations. But even they are rejoicing in the recurrent discomfiture of the Japanese armies.

There are several clearly defined alternatives between which there would seem to be no mediating course. The Japanese must either conquer and control all China by military supremacy, or abandon reliance on force for a more enlightened policy of friendliness and mutual benefits. They have been trying to mix the two with at best but slight success, and soon must choose one or the other. China must either succumb to unrestrained weepons of destruction and code away territory while Japan recovers enough for the next stage of annexation, or fight on until Japan is compelled to abandon the attempt at subjugation. The United States must admit the Japanese claim to this continental policy and abandon all rights and responsibilities in this part of the world or insist on her own traditional advocacy of the principles inherent in the Nine Power Treaty and the Open Door Policy, since these two are in irreconcilable conflict.

It may be questioned whether ever before in the history of mankind any nation has had at once the international idealism and the power to make this effective which America now has in relation to this particular war of aggression. It is also one that involves so very little loss or danger to ourselves relative to the advantages to be gained - the independence of China and her progress in democratic reforms, a stable peace in the Pacific erea, insurance against further Japanese aggression, the repudiation of irresponsible use of forse for national aggrandisement, the demonstration of a better technique than resort to war for the restraint of aggressors, etc. All we need do is to cease selling to Japan the materials she must have to carry on this act of nationalized prigandage. There is only the remotest danger of involving ourselves in var. But if we start to use this method we must do it thoroughly and not be deflected by either Japanese threats or promises. Any evasion or postponement of the issue will be interpreted by Japanese militarists as another sign of weakness and will create greater problems latur on for all concerned, including ourselves.

Memorandum on the Japanese Invasion of China

3.

There is fortunately another and much more constructive assistance we can render both countries in this conflict. Among the most influential leaders in Japan there are some who are well aware of the futility of the present policy of expansion by armed force and who are ready to advocate a radically different one the essential points of which are as follows: recognition of the National Government of China as the only properly constituted authority with which to negotiate peace; acceptance of Frince Konoyo's assurances, as set forth in his statement of December 22, 1938, that Japan had no intention of violating the sovereignty or administrative and territorial integrity of China; promotion of economic cooperation freed from military domination and voluntary for both parties, as well as better mutual understanding especially through educational and cultural processes; immediate withdrawal of all Japanese armed forces from Chinese soil; elimination of the Manchurian problem from the present negotiations, but with the realization that this has not reached a final settlement; cultivation by both countries of friendly relations with the United States, Great Britain, and other democratic nations.

In order to placate their own militarists and to remove any pretext for the continued garrisoning of North China by Japanese troops, they would be grateful if the Chinese Government would agree to treat this region as one requiring special attention to national defense on the ground that anticommunism has been the fixed policy of Japan and China thereby takes cognisance of that fact. The reference is of course to Russia as a political and military entity rather than to the social philosophy of communism. For the same reason they wish a clause inserted that if both Governments should agree to a delay in the removal of Japanese troops from certain localities their own Government would pledge itself to complete evacuation in the not distant future. These two concessions might well be permitted by China as aiding the more liberal element in Japan in an extremely hazardous task.

How large this group is and whether it could successfully defy the entrenched might of the military clique it would be impossible to say. But they have on their side the growing awareness by the public of the mounting costs and other difficulties of this undertaking with consequent misgivings and unrest, the economic hardships and fears for the future, a weakening of morale among the soldiers, the eager desire to benefit by the European War in a resumption of their profitable export trade, etc. The army on the other hand has a firm grip on the ports and lines of communication in North China and will not relinquish this until compelled to do so. Its prestige and future power, all its grandicuse dreams of gain and glory, are involved and these are largely shared by the whole nation. It means in short the abandonment of the Continental Policy.

America can help therefore by open assurances of our readiness to negotiate another trade treaty and to renew friendly relations once the conflict in China has been concluded on terms acceptable to our Government and in accord with pacts to which Japan herself is a signatory. Such an emphasis will be especially effective now when their sensitive pride together with practical anxieties will make them responsive to any such friendly gestures. It would be necessary to guard against being misled by verbal assurances, but with this qualification, we can do much to reinforce the liberal element in Japan in this struggle against their own warlords.

Confidential

Somewhere in Shansi September 2, 1939 1

We have been now nearly eight weeks in this Border District, and as we have everywhere been very kindly treated and well informed by our hosts, we have come to know quite a lot about the local political and military situation.

This area - organized as the Border District of Shansi, Chahar, and Hopei - presents a very remarkable experiment in democracy in extremely difficult conditions. For all hsien cities but one, and most of the big towns throughout the district, are garrisoned by the Japanese, who also control the railways and the main roads of communication. The government was elected at a delegates' conference in January, 1938, when delegates of every group in society, military, tradesmen, farmers, gentry, and even monks from Wu Tai Shan came together on the simple basis of Resistance to Japan. It is a true United Front Government. 80% of its officers are non-party men, 12% Kuo Min Tang, and the remaining 8% all other parties, presumably mostly Communist. In the government, parties are forgotten in doing the work which is urgently necessary.

We talked with General Sung Shao Wen, head of the government. I was very much impressed with him. He is a quiet man with a wise square face and very sincere and friendly expression. He lives on the same standard as his hostler, receiving a salary of \$16 per month from which he must pay \$6 for food. He is experienced in administration, having worked for Governor Yen Hsi Shan in Shansi, and his workers obviously have very great confidence in his wisdom and effective action. Not that the government is a one man show; around Sung are many competent and enthusiastic young men, working as magistrates. We were able to meet many of them, as the government was in session when we arrived.

A beginning of democracy has been made by electing village councils by popular vote. In some cases there has been a vote of 80%, and even women, who previously took no political responsibility, have registered as much as 60% vote. The village head is elected by this council, which also allots shares of the village tax. So far district heads have not been elected, though they have been chosen lately purely for executive capacity, but the next step to be taken immediately is the organization of their election.

The people of every village are now organized. The men serve as guards in turn, and provide transport of military provisions and government supplies (i. e. paper). They also send letters and entertain guests. The women, where soldiers are quartered, grind meal and wash and mend clothes. Everywhere there is an attempt to teach the people to read, and to become conscious of the war. Children are organized into groups. They learn songs and slogans, act as servants to the soldiers, help to educate their elders, and prepare to be soldiers later on.

In this district there are 12,000,000 people. They are rapidly learning to cooperate effectively with the government because they trust it. They can see the sincerity of the men with whom they deal. They trust the Government bank, so that Border Pistrict money is thoroughly stable on a level with legal tender. Government power is steadily extending. Their agents operate almost up to the walls of towns occupied by the Japanese. Taxes throughout the whole region have been greatly simplified. Now there are only land tax, import tax, and export tax. The land tax is less than before and the other taxes are minor ones, for control rather than income. In addition the farmers contribute grain for feeding the army. This is their biggest burden, and they bear it because they are convinced that their government by the Japanese would be far worse. The peasants say that their burden is now heavier than in normal years, but less heavy than in previous years of war (i.e. civil war).

There are two factors which have made the anti-Japanese movement a real mass movement here. One is the excellence of the work and propaganda of the Border Government, the other is the behaviour of the Japanese army. We have during most of our travels been passing through villages visited by Japanese troops. It is easy to distinguish them. They are practically destroyed by burning. Wherever the Japanese soldiers go, they burn the village, (and sometimes the crops,too), trample the fields, kill the livestock, and perhaps villagers, too, and rape any women they can find. This last action makes the Chinese hate them worst of all and regard them as beasts. In consequence of this disestrous behaviour, the Japanese are everywhere called kuei tze or demons and feared and hated. So the work of the Border Government has been made easier.

The peasants willingly cooperate in a way that would perhaps normally be impossible. They spy for the Chinese, carry wounded, join the army (80% of the army is composed of local men). When the Japanese come now, the people completely evacuate the village, burying food and taking away all animals, utensils, etc., into the hills, and all the people leave. So the Japanese must bring with them all their necessities. One magistrate put in by the Japanese complained, "My citizens are only beggars and rascals!" For when the Japanese arrived the people fled, and so the magistrate offered free relief (food and money) to those who came back. But the patriots still did not come. Only the beggars and rascals came.

The Eighth Route Army is very strong here - probably a quarter of a million men - and is really a "people's army". The nucleus and the commanders are old Red Army men of ten or more years of experience in guerrilla fighting. We have met many of the officers and very many ordinary soldiers in the army, and have formed a very high opinion of them. The behaviour of the ordinary soldiers is in remarkable contrast to that of the Japanese. They treat the farmers everywhere with the utmost consideration and kindness. I have not heard any complaints that they take food or goods without payment. They behave quietly. They take no notice of the women at all; one would think that they have no emotions of sex, for neither in recreation nor reading do they seem to have any outlet. Perhaps they are so given up to the ideal of fighting for China that there is emotional harmony. Perhaps the poor food and hard life leave no spare energy. For their food must be on one of the lowest standards in the world, costing about \$5.00 a month (in time of high prices),

September 2, 1939

restricted to millet and one vegetable. Sometimes they have corn, and in good districts, flour. They have had clothes and equipment, poor lodgings, no comforts except occasional cigarettes. Yet they remain cheerful, loyal, and enthusiastic. Their officers live on almost the same scale as the men, only their equipment is rather better, for they have more captured Japanese material. The cooperation of army and government is good, but the government is not controlled by the army.

So you can see that in social, political, and military organization this region is making rapid advances, and even if the Japanese occupy more roads and towns they cannot solve the problem of pacification of the countryside. Methods of severe repressions such as they used with success in East Hopei this year cannot be effective here, where there is much more powerful organization against them, unless they have enough men to ∞ -cupy the majority of the villages - a hopeless task:

while the good points of this administration have been noted above, there remain some points where improvement is urgently needed. They can be summed up by saying that there is no scientific spirit. More scientists are urgently needed, for the faults are not fundamental. They can be put right by the introduction of people of scientific education and spirit, who would put telephone, radio, industry, onto a sound basis. It is extremely important, however, that those who go have a thorough grasp of fundamentals and can utilize the very simple materials which are available here. For instance, it is no use knowing only the modern methods of leather tanning. They are too expensive to use here. Something appropriate to the district must be worked out. There are minerals such as mica and asbestos in the hills here, but no one knows how to get them and how to use them.

There is no hope for industrial development to make the region independent of Japanese goods until more skilled workers come in. They must come from Peking and Tientsin, where there are plenty. The rest of China has such urgent need of them that they cannot be spared to come here from the interior. Poctors also are urgently needed. Until recently there was only one doctor in the whole region who could perform operations! Now he has about four good doctors assisting, but there are still far too few, and they are only able to look after wounded soldiers. Public health has no one responsible. In agricultural plans the government is better equipped, but here again they need technical men to put the plans into effective action.

September 2, 1939

This leads on to the general question which seems to me to be of very great importance, though people here deliberately ignore it. Now there is being built up a democratic system not based on law or obedience to the government, but on willing cooperation for a common purpose, a common motivating force. The purpose is to drive out the Japanese and the motive is hatred, or self-interest. For the people believe that self-preservation means that they must cooperate in resistance. What will happen when the war ends, the purpose is achieved, or partially achieved, and the hatred and self-preservation no longer force the members of the community into cooperative action? Good democratic habits may survive, but they are not enough to build the good society that is our ideal.

It seems to me of the very greatest importance that this single motive of hatred of Japan should be replaced by a higher motive of the service of mankind and the building of a new China and new world. In that new world China and Japan must cooperate; there is no alternative. In the future lies the immensely difficult task of healing the material and spiritual ravages of war and making this cooperation possible. So that even as I admire the singlemindedness and devotion of the people here, it seems to me essential that something further be added; the contribution which a vital Christianity can give, of self-sacrifice and love and forgiveness. I do not mean that fighting should stop. It is unfortunately a necessary evil. But I do mean that an unbreakable foundation of future peace should now be built, by replacing the motive of hatred even while the external actions may have to remain the same, or may by choice remain the same.

At present these people suffer more for their ideal than we do for ours, - their self-sacrifice is more complete, and all the time there must be vital connection between their beliefs and actions. The demand made by nationalism or communism is very strong and complete; in this part of China it gets the response of the best spirits. In we have had little competition of this kind; it remains to be seen what happens when students in the south are faced with the alternatives of Marxism and Christianity - for it seems impossible truly to combine them. Can we show a kind of patriotism more strenuous than that of the communists, and at the same time keep our clear challenge to be citizens of a new world where national barriers, prejudices, and hatred are completely transcended?

War means that for the time being all efforts at the improvement of social structure must be postponed; there is no chance to make the change till the war is ended. But the work of life-changing - that is, preparing men and women fit for the new society - must go on, and even faster than before. It can, because now people are forced to face the realities of life in a new way.

People all over the world will be subject to a one-sided propaganda and emotional stress. But it is essential that we determine to find the truth and live by reason, not emotion. In you have a splendid opportunity for this, which I am sure you will not waste. So as we have learned to face the truth about ourselves we must face the truth about our nation, and recognizing sin, see how God can change us as a nation - England or China.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitty 0, Sustain NARS, Date /2-/8-75

March 1 19-0

In reply refer to FE 793.94/15712

My dear Mr. Garside:

By direction of the Secretary of State, the receipt is acknowledged of your letter of February 24, 1940, with which you enclose copies of two documents received by you from Dr. Leighton Stuart relating to the situation in the Far East.

These documents have been read with interest and your courtesy in sending them to the Department is appreciated.

Sincerely yours,

Maxwell M. Hamilton Chief Division of Far Eastern Affairs

Mr. B. A. Garside,
Secretary and Assistant Treasurer,
Yenching University,
150 Fifth Avenue,
New York, New York.

FEB 29 1940

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JOP WELL

political

F/FG

57/2

COMMUNICATIONS AND REC

ROGER S. GREENE
548 LINCOLN STREET
WORCESTER, MASS.

OF STATE HOLE Washington Department of STATE Washington Depart

It ebreary 2 nd, 1940

143.44

Dear Hamilton:

infortant documents, it may a more you to read the enclosed effort of mine to describe my feelings towards Japan and the Jupaner.

Tineerly your, Nogustineen

Traxwell Mamillon, Esq.

Department of State

Washington, D. C.

F/FC

February 2 1940

His Excellency Mr Arita Hachiro Minister for Foreign Affairs Tokyo Japan

Your Excellency:-

Having learned of your appointment as Minister for Foreign Affairs in the new cabinet of Japan, I feel impelled to write to you about the present situation in the Far Last from the point of view of one who, though now engaged in activities that may seem hostile to Japan, nevertheless considers himself an old and sincere friend of the Japanese people.

In explanation I may say that I spent nearly the whole of my childhood in Japan, from 1881 to 1897, and later was stationed in Japan as a junior member of the American Consular Service during the Russo-Japanese war. Still later I was consul in Dairen, when I knew the then Baron Goto and Mr Nakamura Zeko, a man of fine character whom I esteemed very highly. In the interval I had the honor, while serving as U. S. Commercial Agent in Vladivostok, of representing Japanese interests there for several months after the war with Russia ended, until the arrival of the Japanese representative, my old friend, Mr T Kawakami. In the fall of 1909, while I was in the United States, I was attached to a large commercial commission from Japan which visited my country under the chairmanship of the late Viscount Shibusawa, and travelled with the party for over two months. On my return to the Far East I had the honor of being entertained by Prince Komura as well as by Baron Okura Kihachiro and other business men. While serving as Consul General at Hankow from 1911 to 1914 I had the pleasure of having as a colleague Mr K Yoshizawa, with whom I renewed my friend-

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ship when he later came to Peiping as Japanese Ambassador.

During the past twenty-five years my work has been in the promotion of education and scientific research, and this brought me the privilege of friendship with a number of Japanese leaders in medical science, including Professor Nagayo Mataro and Professor Inada of the Imperial University, and Professors Hata, Shiga and Miyajima of the Kitasato Institute. I value these friendships highly, though unfortunately not all the gentlemen I have mentioned are still living.

Yet at the present moment I am engaged in trying to induce my government to prohibit the export to Japan of certain materials essential for the war in China.

Since you know so well the attitude of Americans towards the unhappy conflict in China, I shall not attempt to repeat the arguments which have led most American friends of Japan, including myself, to sympathize in this particular matter with China. This letter will in any case be too long.

I wish rather to set forth considerations which lead me to believe that the best interests of Japan would be most effectively served
if your government would make peace with the Chinese Government now
headed by General Chiang K'ai-shek, and withdraw all your troops from
China south of the Great Wall. I admit that I do this with no expectation that the course which I propose will seem feasible to you, but
still with the hope that you will recognize it as not wholly inconsistent with my friendship for the Japanese people.

It has seemed to me that the truly important needs of Japan in the prement state of the world were for a better economic position and for political and military security. If this be true, I venture to express the opinion that withdrawal from China would be much more likely to conduce to those ends than a continuance of the struggle.

Withdrawal from China would accomplish the following purposes:

- 1. It would stop the present heavy expenditure on unproductive military and naval actions.
- 2. It would stop the slaughter of tens of thousands of the best young men of Japan.
- 3. It would permit the resumption of peaceful industries in Japan, now crippled by wartime restrictions, and would enable Japan to profit by the foreign trade demand caused by the absorption of Europe in the war between France, Britain and Germany.
- 4. It may seem difficult to believe, but it is my firm conviction that as soon as peace is restored with a truly independent China you would find a rapid development of Japanese trade in that country. As an experienced diplomat you must have observed how quickly international enmitties and friendships disappear, once the circumstances have changed. The Chinese are a matter-of-fact people, and once Japan began to act in a friendly manner, such hostility as must inevitably remain for a time would soon cease to prevent their purchase of Japanese goods, many of which are well suited to the Chinese market. It would undoubtedly be possible also to bring about a great improvement in Japanese trade with the United States and other countries, once the friction in China was removed.
- 5. I believe also, though this must be a matter of opinion, that if peace could be made soon, you would find China gravitating towards

very intimate political relations with Japan, and that there would develop a strong official friendship between the two governments even before the private feelings of the Chinese were entirely reconciled. You can undoubtedly understand tids argument, though you may not share my belief. It is, I believe, a fact that the Chinese Government, in spite of the substantial assistance which it has received from Soviet Russia, is not without anxiety as to the real intentions of that government and of the Chinese communist party. So long as the war is in progress the Chinese government is bound to maintain as friendly relations with the Soviet government as possible, and if the struggle continues and becomes even more deperate, as it well may, it is not impossible that the Chinese government may be forced into an even closer relationship with Russia. I do not believe that such a development would be welcome to your government, and it would be distasteful even to many Chinese statesmen who would feel obliged in their extremity to make the best terms that they could with Russia. On the other hand, a peaceful, strong China, friendly to Japan, as the Chinese government would be if the Japanese government should go so far as to abandon its invasion of China, would be a far better safeguard against Russia than a puppet Chinese state that has no strength of its own and can continue in power only so long as it is supported by a Japanese army of occupation. Such a China would be a grave liability rather than an asset if Japan should ever be involved in war with Russia, for undoubtedly Chinese patriotic volunteers would then be supplied with Russian technical assistance and equipment on a much larger scale than hitherto, and would be a constant

threat to the flank or rear of the Japanese forces.

6. You would begin to restore respect for Japan in a world which has become unable to understand the true meaning of any official statement of a Japanese representative. The Japanese army which in 1900, 1904 and 1905, won the admiration of the world for its good discipline, could begin to reestablish itself in the esteem of other nations. It cannot be to the advantage of any nation to be as friendless as Japan is now.

Consider now the consequences of adhering to the policy of the cabinets which have preceded that in which you are now taking up your post.

- Leven if you should destroy the government of General Chiang K'ai-shek, it is probable that it would be succeeded by a more violently hostile government than his, such as would be created by the Kwangsi group or the Communists. Guerilla fighting would in any case long continue and until it was ended peaceful trade and industry would be crippled, so that your financial burden would not be much lighter for a long time.
- 2. You would continue the slaughter of your young men, leaving many homes desolate and causing serious economic loss.
- 3. You would have no reliable ally if war should break out between Japan and Russia. You must be aware that Wang Ching-wei can never be a useful ally, and that any Chinese puppet government would be ready to betray you in a time of serious trouble.
- 4. No one can foretell what the American people and their government will do if the military operations in China continue much longer, but until a just peace is established I think it is not assuming a too

March San Assessment

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prophetic role to say that the important trade relations between the two countries will be on a very precarious basis.

To me it seems clear that it is people like myself, who urge a withdrawal from China, that are the true friends of the Japanese people, rather than your military and other leaders who counsel a war to the bitter end. Those leaders are more concerned with the prestige of themselves and of their country, forgetting that true prestige is enhanced by a frank recognition of error, and that honor is promoted by a return to observance of treaty obligations, rather than by continued disregard of pledges. I believe that there is no part of the world where the position of Japan would not be infinitely improved by the abandonment of the adventure in China. It is not impossible that your general staff would consider the military position vis-a-vis Soviet Russia much strengthened also if the Japanese armies could be withdrawn from China.

Are persons like myself to be friends both of murdered patriots like Takahashi, Inouye and Saito, and of those whose supporters are responsible for depriving Japan of the services of such wise statesmen, not to mention others who are compelled to live almost in hiding for fear of similar treatment? That is obviously impossible. A policy which has involved the loss of such valuable lives cannot commend itself to sincere friends of the Japanese people.

There have been serious defects in the American policy towards Japan. There needs to be a just settlement of the immigration question, and other matters require adjustment. Friends of Japan were hoping, prior to the invasion of China, that a beginning might be made at remedying some of these conditions. While those questions may not seem to you to

- 7 -

possess much substantial importance at a time like this, yet the principles involved are of great significance. We can make no progress towards a mutually satisfactory solution of these problems so long as the present situation in the Far East continues.

Hoping you will understand the motives which have led me to write you as I have done,

I have the honor to be,

Your Excellency's obedient servant,

g/w

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DEPARTMENT OF STATE

Adviser on Political Relations

February 8, 1940.

FE. Mr. Hamilton:

I wonder whether it might not be advantageous for us to send to Grew in strict confidence a copy of Greene's letter to Arita and F. Moore's letter to Greene?

Stanley K. Hornbeck

PA/H:SKH:ZMK

DECIASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E) Department of State letter, August 10, 1972

By Mitty D. Queler NARS, Date 12-18-75

February 12, 1940.

To: Mr. Grew

From: Mr. Hamilton

I am sure that you will concur in my view that we should regard Mr. Frederick Moore's letter as specially confidential.

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MMH: EJL

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitty D. dustafam NARS, Date /2-/8-75

February 12, 1940.

CONFIDENTIAL

Dear Mr. Grew:

With a letter of February 2 Mr. Roger S. Greene sent me informally a copy of a letter which he had drafted to the Japanese Minister for Foreign Affairs. A few days later Mr. Greene called at my office at which time he told me that he had not sent the letter to the addressee. Whether he will do so I do not know. Mr. Greene told me also that he had sent a copy of the draft letter in question to Frederick Moore. Under date February 7 Mr. Greene sent me a copy of Mr. Moore's comment, with request that I regard what Mr. Moore had said as confidential.

In the belief that you may be interested, there are enclosed for your confidential information copies of Mr. Greene's draft letter to the Japanese Minister for Foreign Affairs and of Mr. Moore's comment thereon.

Sincerely yours,

27. 7. A.

Enclosures: To the Japanese Minister for Foreign Affairs; To Roger S. Greene, Esquire.

The Honorable Joseph C. Grew, American Ambassador, Tokyo, Japan.

Jans

MMH/REK

93.94/157

The American Committee

For Non-Participation in 8 WEST 40TH STREET, NEW YORK, N. Y.
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DIVISION OF RECORD WASHINGTON OFFICE

NEW YORK AVENUE, N.W., WASHINGTON, D. C. NAtional 9343

Roger S. Greene Chairman B. A. Garside Josephine Schain
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FEB 8-1940

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A. Lawrence Lowell

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Honorary Chairman

February 7 1940

Maxwell Hamilton Esq Division Far Eastern Affairs
washington D C "ashington

Dear Hamilton:

le moletyld PAN EASTERN AFFAIRS FEB 8-1940 dalen 🧸 no

I enclose copy of Fred Moore's comment on my proposed letter to the Japanese Foreign Minister. I suppose you should regard this as more or less confidential, but it may be of some minor interest to you and your colleagues.

g/w enc

F/FG

F.W. 793.94/15713

C

FREDERICK MOORE 1868 Columbia Road Washington

February 3 1940

Dear hoger:

I have received a copy of the letter you have sent Arita and think it excellent. It is in line with what I have been saying to Japanese for years.

But I don't mink it will have much effect upon them, because, as I said to you yesterday, they are at present incapable of logical reasoning.

Horrible as the prospect is for the Japanese as well as the Chinese - I believe the struggle has to continue till the Japanese people realize they cannot let their army rule them.

There are intelligent men at the top who have long realized this. The people, I think, are now beginning to do so. But they will be bled much whiter before they give up their childish national vanity and admit error.

When that time comes I believe and hope they will revive and become again a strong and honorable nation.

Yours sincerely

F. Moore

Roger b Greene, Esq

SON OF CONT FEB 1 9 1940

FIRST CONGREGATIONAL CHURCHS 1940 34

February 14, 1940

STAIR

COMMUNICATIONS A .5.0. 9 稆

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

Dear Mr. Hull:

It has come to my attention that the United States Government, through the State Department, has protested to Japan against the bombing of a French owned railroad running from Haiphong to Kunming.

In the first place, I wonder if this is an accurate report and if it is, what justification other than the protection of private trade has been found by the State Department to involve itself to this extent?

Very sincerely yours,

James Meal

EASTERN AFFAIRS

€EB 1 9 1940

Jopartment of State

193.44

JCM: EC

February 23 1940

In reply refer to

My dear Mr. Mead:

The receipt is acknowledged of your letter of February 14, 1940, in regard to reported representations by this Government to the Japanese Government in connection with the Haiphong-Yunnanfu railway.

This Government has during recent weeks informally brought to the attention of both the French and the Japanese Governments the interest which the United States has in the Haiphong-Yunnanfu railway as an artery of normal commercial transportation. As you are probably aware, the railway in question is an important trade route. In recent months a substantial part of the trade involved in the normal commercial relations between the United States and that part of China not under Japanese military control has been transported over that railway. Also, the railway provides American citizens

The Reverend
James C. Mead,
First Congregational Church,
Pontiac, Michigan.

793.94/15714

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

-2-

citizens engaged in legitimate activities in southwestern China, including the personnel of our Embassy
office and our naval vessel at Chungking, with their
principal means of egress and ingress. An additional
consideration which was brought to the attention of the
Japanese Government was the fact that bombing attacks
on the railway in question might endanger the lives of
American citizens.

Sincerely yours,

For the Secretary of State:

JY 62 60

Maxwell M. Hamilton Chief Division of Far Eastern Affairs

EQ.C. FE: 140: HES 2-20

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A true pary of the signey original.

PEFARTIMENT OF STATE ADVISER ON POLITICAL 5 1940 January 13, 1940. DIVISION OF RECORD
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RECORD Reference, marked items here attached substance of reports which have been substance of reference in the Far Reference, marked items here attached

coming in from our officers in the Far East on the same subject.

The French have on the whole "stood up to" Japanese threats, both of words and of weapons, in the Far East during the period of the "China incident" more resolutely than have the authorities and people of most other countries.

Words, gestures and action of the United States in regard to the Far Eastern Situation are closely observed not only by the Japanese and the Chinese but also by the British and the French. An indica-Ul tion by the American Government at this time that it has no intention of refraining from giving "aid" to China might not only have a salutary effect in Japan and in China but have an influence in London and China but have an influence in London and be helpful in Paris.

193.94

SECRETARY OF STATA nat Stanley K. Hornbeck JAN 16 1940

PA/H:SKH:ZMK

NOTE'

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

Washington Times-Herald

Japan Sees Threat In Plans for Guam

Tokyo Press Also Alarmed by Proposal For 52,000-Ton Warships

By KIMPEI SHEBA

TOKYO, Japan, Jan. 11 (C.T.P.S.).—Charging that the recommendation of the American chief of naval operations Admiral Harold R. Stark, to Congress for the naval develop

ment of the Pacific Island of Guam indicates that the United States seeks to intimidate the Japanese people, the Tokyo newspaper Nichi Nichi this morning declares that no one with a shred of interest in international affairs can turn a deaf ear to this warning.

(Admiral Stark on Tuesday informed the House Naval Affairs Committee that the new naval budget includes \$4,000,000 for improvement of Guam, chiefly dredging for the construction of breakwaters.)

Alarmed by Big Ships

The newspaper also declares that the American plan to construct 52,000-ton battleships sounds like an alarm bell that has roused the Japanese people from their New Year holiday sleep.

(Admiral Stark Tuesday said four ships, he said, will be equal Nichi Nichi declares.

Don't Aid China, France Warned

SHANGHAI, Jan. 11 (U.P.) Diplomats not concerned in the matter today said that Japanese military authorities have notified France that the shipping of munitions for China over the French-owned Hapong-Yunnan railway must cease by January 23.

A Japanese army spokesman merely said that "the situation is very delicate," adding that he was "unable to deny" the reported setting of a time limit. French authorities had no comment to make.

or superior to anything now con-

templated by other countries.) "The American sense of insethat the Navy contemplates construction of ships of 50,000 or not even the Americans think it 52,000 tons, but no larger. He possible that a situation will arise said that the two battleships for when both the Atlantic and Pacific which the President last week re- fleets must fight simultaneously quested starting funds will be against powerful enemy fleets. Of practically sister ships of the two course, for those who consider 45,000-ton vessels for which funds hypothetical possibilities the sense were appropriated last year. These of insecurity is not unwarranted,"

Kn

CROSS-REFERENCE FILE

NOTE

SUBJECT

Agreement signed Dec 30, 1939, between Wang Ching-wei and the Japanese government, as revealed by Kao Tsung-Wu and Tao Hsi-Sheng.

Text of-, enclosed, together with copy of public statement by Chieng Kai-shek, Jan 25, 1940; both handed to Ambassador Bullitt by Chinese Ambassador to Paris.

793.94/157

Saa	#5966		
J CC	(Despatch, telegram, instru	ction, letter, etc.)	
Dated .	Jan 30, 1940	From To	France (Murphy
File No	893.01/651		

For the original paper from which reference is taken

FRG.

15716

DEPARTMENT OF STATE

ADVISER ON POLITICAL RELATIONS

March 4, 1940.

Mr Secretary:

I think that you would be interested in noting the marked paragraphs of the two despatches here attached -- which relate to the bombing of the Yunnan Railway and the attitude and reaction of French officials in Indochina.

Standey K, Horomeck

PA/H:SKH:ZMK

No. 51

ASSISTANT SECRETARY

AMERICAN CONSULATE GENERAL

American Foreign Service, Hanoi, Indochina, February 6, 1940.

ATTAIES & Bombing of Yunnan Railway. SUBJECT:

_ ON POLITICAL RELATIO \bigcirc THE HONOR PLE 27 SERENAMENAMEN FEB SIR

Washington, Co.

JAPR 3 CE OF STATE I have the honor to refer to my telegrams of Rebruary 2, 12 noon, and February 6, 12 noon, 1940,

regard to the recent bombing of the Indochina-Mannan Railway, which resulted in more than 200 Esualties, dead and injured, but which is understood to have caused but little material damage to the railway. The Consulate at Kunming has, no doubt, reported the details of the bombing at the so-called "lace

bridge" at 82.9 kilometers from the Indochina frontier

and at the bridge at 235 kilometers.

If the Japanese hoped to further hinder transportation to China via the railway, or to force the French to close the frontier to the shipment of gasoline and petroleum products, they have apparently failed to achieve their purpose, at least for the time being. While the tunnel at kilometers 82.9 was severely shaken, the actual damage does not appear to have been great and, barring unforeseen damage, the engineer-in-chief of the railway assures me that traffic will be resumed shortly. Absolutely no damage

AIR MAIL

- 2 -

was done at kilometers 235 where the bridge, dislodged in a previous bombing, is being replaced. Other damage to the railway, at kilometers 95, is comparatively slight.

Insofar as the second objective is concerned, the intimidation of the French, the contrary seems to have been the result. In this connection, the Director of the Section of Political Affairs of the Government General remarked, during the course of a recent conversation, that the attitude of the Government General was that there would be no restriction on the shipment of gasoline and petroleum products, despite the reported Japanese insistence that these supplies are munitions of war. He intimated, however, that policy is dictated in Paris and that expediency might strongly influence policy, especially in the Far East. (My despatch no. 43 of January 16, 1940)

As mentioned in my telegram of February 6, the utmost publicity was given to the bombing on February 1 and to the great loss of life and number of injured, in contrast to the profound silence which characterized the bombings around the first of the year. This in itself may indicate some stiffening of the French policy vis-a-vis the Japanese. The burial of the 5 French victims assumed almost the proportions of a state funeral, extremely elaborate and impressive and attended by the Governor General and practically all high officials of the Government General.

The Department may be interested in a remark made by the Managing Director of the railway, shortly after

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the full extent of the tragic incident of February 1 was known, to the effect that the Japanese not having respected the railway, even though the railway was not transporting arms and munitions, there was now no reason why the railway should not henceforth transport arms and munitions for the Chinese National Government.

Respectfully yours,

For the Consul at Saigon,

Charles S. Reed II, American Consul.

In duplicate to the Department (Original by air mail) Copies to the Embassy, Chungking and Peiping Copies to Consulates General, Hongkong and Shanghai Copies to Consulates, Kunming and Saigon

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No. 52

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ON POLITICAL RELATION RIMENT OF STA SUBJECT:

ASSISTANT SECRETARY

MAR 2 0 :040

27 FEB

AMERICAN CONSULATE GENERAL

American Foreign Service, Hanoi, Indochina February 8, 1940.

French Reaction to Japanese Activities in Kwangsi and Yunnan.

Division of 9 iar eastern appairt. C \bigcirc THE HONORAGE

THE SECRETARY OF

WASHINGTON.

I have the honor to report briefly, as of possible interest to the Department, one phase of the French reaction to Japanese activities in Kwangsi, the cutting of the Dong Dang-Nanning road, and in Yunnan, the bombing of the Indochina-Yunnan Railway.

From the date of my arrival at Hanoi I have been impressed by the fact that the Indochina officials, almost without exception, have repeatedly emphasized in conversation the point that the United States is one of the chief sufferers from the Japanese activities in Kwangsi and Yunnan, that a very large proportion of the freight being transported to China via Indochina is of American origin, and that the extension of the Japanese activities in Kwangsi and Yunnan will curtail not only imports into China but also such exports from China which are of primary interest to the United States, notably tin and wood oil.

Each new Japanese attack on a transportation route in south and southwest China has been the occasion of further articulate specualtion as to the attitude of

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AIR MAIL

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053

the United States towards developments in the Far East and I am well aware that the Government General, through the medium of a special radio news service, is following with the utmost interest such activities in Washington as have a bearing upon the situation in the Far East.

In general the reaction, both in official and non-official circles, may be summed up as follows: France and Great Britain are not in a position to check Japanese encroachments in the Far East and the United States, now more than ever affected by the infringement of treaty rights, is in such a position.

As I have mentioned in previous despatches, the loss of the Dong Dang-Namming road, the repeated bombing of the Indochina-Yunnan Railway, which my lead eventually to a complete disruption of railway traffic, and the potential threat to the Caobang road, place a definite restriction upon the transportation to and from China of freight from and to the United States.

Respectfully yours,

For the Consul at Saigon,

Charles S. Reed II, American Consul.

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DEPARTMENT OF STATE

Division of Far Eastern Affairs February 29, 1940.

PA/HT- AH

Hanoi's 53 contains little new substantive information and contains opinions which appear to be not fully justified by the facts. It is nevertheless interesting as reflecting in some degree at least the atmosphere in Tonking.

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F 2 9 10 - DEPARTMENT OF STATE

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No. 53



AMERICAN CONSULATE GENERAL

American Foreign Service, Hanoi, Indochina, February 8, 1940.

∀ Dlaision FAR EASTE IN AFFAIRS

Recent Developments in Kwangsi. SUBJECT:

9 THE HONORABLE THE SECRETARY OF STA 27

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15655 I have the honor to refer to my despatch no. 46 of January 20, 1940, and to previous despatches in regard to the progress of the SinO-Japanese conflict in Kwangsi, and to report that such information as is available in Indochina appears to indicate that the Japanese are

edving some success to the north and northeast of Manning despite stubborn Chinese resistance. This velopment, if true, is of more than ordinary interest, nasmuch as a continuance of Japanese successes in angsi militates against the possibility of the Chinese capturing Nanning, which would restore transportation by the Dong Dang-Nanning road, and constitutes a potential threat to Pingma, thus endangering the Caobang route of transportation.

According to an officer of the French military intelligence service, the Japanese have recently captured and now hold Mou Ming, Pang Yang and Wang Yuen. This officer anticipated that renewed Japanese activities would be directed to the east and northeast rather than

to

AIR MAIL

- 2 -

to the north or towards Pingma. He considered that the Japanese were ignoring Pingma and the Caobang road for the time being because that road was carrying such an insignificant amount of freight, possibly less than 100 tons of pay load since the road was officially inaugurated. As a matter of fact, the Caobang road is now closed, due to land slides on the French side of the frontier, and there is little prospect that traffic will be resumed before a week or ten days from now.

This officer was unable to confirm the story which is circulating widely in Hanoi and Haiphong that, during a recent Chinese attack on Japanese positions near Nanning, Chinese planes inadvertently bombed the Chinese troops and tanks and destroyed whatever chance the Chinese had of gaining a victory.

Respectfully yours,

For the Consul at Saigon,

Charles S. Reed II, American Consul.

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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. August 10, NARS, Date 12-18-15



Chungking's 414, January 1.

Major McHugh's report makes interesting reading but contains little new substantive information.

The air service between Chungking and Hami is operated by the "China Air Transport Company" with Chinese pilots using tri-motored Junkers which belong to the Eurasia Company. Service is scheduled once every eight days. The flight from Chungking to Lanchow is made in one day, thence to Hami and return to Lanchow the second day, and back to Chungking the third days.

Control of Kansu, Chinghai and Ninghsia is definitely Chinese. Russian personnel in Lanchow were said to be less than 100 and this number has at no time during the past year exceeded 200. Truck traffic was practically non-existent while Major McHugh was in Lanchow due apparently to extreme cold weather. Traffic appears to have been fairly heavy during August, September and October but there was no evidence that "hundreds" of trucks per day had passed through Lanchow as alleged in Chungking. Trucks used have been mainly Russian diesels the majority of which have been purchased by the Chinese and have therefore never been available for return cargo. Incoming cargoes have been principally essential war materials such as bombs, fuses, detonators and T.N.T. Stories of supplies being conveyed to

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mittin D. Dustefan NARS, Date 12-18-15

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

-2-

the Eighth Route Army in Shensi are believed to be without foundation.

The total number of planes delivered to China during 1939 was 120. Bombers are flown by a crew of three, two Russians and one Chinese. The aviation gasoline used at Lanchow was sent there from Hankow a year and a half ago. Future supplies however will be brought in by camel caravans which make the trip from Sinkiang twice annually. Major McHugh was assured that conditions in Sinkiang are perfectly normal and that although Russian political influence is naturally much stronger there, there is no display of military force or any large concentration of troops.

The wool trade is suffering from attempted over-regulation by the Chinese.

Major McHugh does not attempt to estimate the actual number of Russian personnel in Chungking and at the front but states that they unquestionably maintain a much larger group in China than the Germans ever did. He states that "the Chinese are running this war according to their own ideas and I doubt very seriously that they are paying much attention to the Russians in this respect. It he bombing raids on Lanchow of December 26, 27 and 28 were conducted by three groups totalling 99 planes. On all three raids they dropped a total of some 900 bombs of all sizes (but mostly of the

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

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60 kilogram size). Although the city was badly hit Major McHugh doubts if there was more than 25 percent of it destroyed and none of that was important. The populace had ample time to evacuate and the result was that less than 30 people were killed during the three days. The entire series of operations was futile and the results were negligible.

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No. 414

♀ ₹ 27 Chungking, January 1, 1940

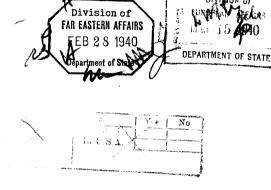
Subject:

Report by the Assistant Naval Attache on his Journey to Lanchow, Kansu, in December, 1939.

Japanese Bombing of Lanchow, December 28-28, 1939.

CHISICH OF CHAMBINICATIONS AND RECORDS

Russian Assistance to China in the North-west.



DECLASSIFIED

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

LE Sulps May 20 1873 May 20 1873 May 20 The Honorable

The Secretary of State,

Washington, D. C.

Sir:

DIVISION OF HEIERNEISER COMMENCULHES MAR 1 8 1940

I have the honor to state that Major J. M. McHugh, U.S.M.C., Assistant Naval Attache, returned to Chungking on December 30, 1939, from a tem-days' journey by air plane to Lanchow, the provincial capital of Kansu.

Major McHugh

/FG

Major McHugh has already given a brief report of his observations by telegraph to the Navy Department and the Naval Attache and it is understood that the substance of this report will be made available to the Department and to the American Ambassador.

He desires, however, to submit a more detailed report in the form of a memorandum. This memorandum will be drafted and typed in the Consulate General in Hong Kong, whither Major McHugh will proceed by air plane on January 2, 1940. A copy will be attached to this despatch after this is done. He will submit copies to the Navy Department and the Naval Attache.

He informs me that the report will describe the bombing of Lanchow by the Japanese while he was there, December 26-28, inclusive, and some aspects of Russian assistance to China in the North-west.

Respectfully yours,

For the Ambassador:

Willys R. Peck, Counselor of Embassy.

Enclosure:

Memorandum by Major J. M. McHugh, U.S.M.C., Assistant Naval Attache

Original by air mail to the Department Three copies to the Department Copy to the Embassy at Peiping

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OFFICE OF THE NAVAL ATTACHE AMERICAN EMBASSY

CHUNGKING

Report No. 1-40.

22 January, 1940.

CONFIDENTIAL

RUSSIAN ASSISTANCE TO CHINA

1. In an effort to check up on the actual degree of assistance being furnished the Chinese Government by Moscow and to attempt to get to the bottom of various recent reports concerning the alleged huge volume of truck traffic over the Northwest Route into China, as well as rumors of Russian political and military penetration into the Northwest, the undersigned arranged informally a flying trip to Lanchow during the latter part of December. Certain officials in the Chinese Government have consistently maintained from the outbreak of the present conflict that supplies were being received only in moderate amounts from Russia which in every instance were being paid for by China (admittedly on easy terms as far as time although rather expensive in terms of bartered goods); that no political quid pro quo had ever been demanded or even suggested by Moscow; and that Moscow had dealt directly with the Central Government in all cases of such assistance (as opposed to frequent allegations that help was being rendered secretly to the Eighth Route Army). When, however, rumors of the huge volume of Russian truck traffic arriving at Chengtu during the Fall became persistent,

followed by

followed by a scarehead report in the New York Times from Shanghai of Russian military penetration of Sinkiang (which coincided with the rape of Poland by Stalin and concurrent apprehension on the part of many Chinese that Stalin might suddenly withdraw assistance to China), I asked for and received permission to visit the Northwest to see for myself. I might remark, parenthetically, that although there has always been a very natural tendency on the part of the Chinese to respect the Russian desire for secrecy as to Russian activity and assistance and although I therefore had refrained earlier from pressing for permission to make such a trip in order not to embarrass my friends in the Government, once I actually made the request they not only assented immediately, but actually seemed eager that I go and confirm for myself what they had been telling me. Telegrams were immediately despatched by them to General Chieng Chien, the Commander in Chief of the Central Government armies in the Sian area, and to General Chu Shao-liang, Chairman of Kansu and concurrently Commander of the 10th War Area (Kansu, Chinghai, Ninghsia and western Suiyuan) and approval was obtained

2. Due mainly to shortage of time and partly to the difficult and elaborate arrangements which would have been necessary to obtain gasoline for a trip by car, I obtained permission to fly via the recently inaugurated air service between Chungking and Hami which connects there with a Russian service via Urumchi to Moscow. The planes on the Chungking-Hami section are

in due course.

tri-motored

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tri-motored Junkers which were actually part of the Eurasia Aviation Corporation's equipment (Sino-German). A separate company has been set up, however, by the Ministry of Communications called the "China Air Transport Company" with Chinese pilots in order to satisfy the terms of the recent agreement with Moscow. (The Russians had refused to permit German pilots of the Eurasia Corporation to fly the route and had held out for a long time for permission to bring their own planes (Russian copies of DC-3's) all the way to Chungking.) The service is scheduled once every eight days but is subject to interruption from air raids and cold weather. The flight is made from Chungking to Lanchow in one day, thence to Hami and return to Lanchow the second day and back to Chungking the third day providing connection is made satisfactorily with the Russian service (which appears very undependable.) On the occasion of my trip we departed from Chungking at 6:30 A.M. on December 19, 1939; stopped at Chengtu for gas; flew to within one hour of Lanchow when we received reports of Japanese reconnaisance planes in the area which caused out pilot to turn back to Chengtu; then received report of an air alarm at Chengtu and had to slow down to delay our return until the "All Clear" sounded there which put us back in Chengtu just before dark at 5:00 P.M. The following morning, December 20th, we left Chengtu at 6:00 A.M. and made Lanchow at 9:30 without incident. The service was completely interrupted the following week by the air raids at Lanchow on

December

December 26, 27 and 28 and the flight for that week to Hami was finally cancelled. The Bank of Communications, however, had chartered a special flight to forward funds to Lanchow and this plane came though on December 29th, returning to Chengtu the same day where I again had a stopover and proceeded to Chungking on December 30th.

3. I was met in Lanchow by the Special Delegate of the Ministry of Foreign Affairs, Mr. Li Tieh-tseng, who opened this branch office in September, 1938, after having served three years as a Secretary in the Chinese Embassy in London. Mr. Li immediately placed a car at my disposal and arranged for me to meet all of the members of the Provincial Government, the majority of whom, incidently, I found to be American educated men of mature years. I was invited to move about freely and inspect the city at will. I was likewise told that I could meet anyone whom I wished and that all would answer any questions I wished to ask. I happened to know personally the Commanding Officer of the Chinese Air Force at Lanchow who immediately gave me free access to the Air Field and arranged a dinner for me. I kept in close touch with him during

the period

the period of the raids and saw him daily in his office where all information as well as contact with his pilots was available.

- 4. In addition to the foregoing I found another personal friend of long standing at Lanchow, a member of the Generalissimo's "War Area Service Corps", and the man who from the early days of the war in Nanking has been in charge of the hostels which have been maintained in various parts of China for the comfort of Russian personnel since the arrival of the first group of aviators. I likewise met on several occasions and talked freely with the Director of the Northwest Transport Bureau who is in charge of all truck traffic and supplies on the Northwest Route. From these various sources plus frequent contact with such missionaries as were present, as well as many Chinese in private walks of life, I gained the following information:
 - 5. a. Russian Political Influence The control of Kansu and of the neighboring provinces of Chinghai and Ninghsia is definitely Chinese. I found

no evidence

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no evidence whatever in Lanchow of Russian political influence while on the contrary there was plenty of indication that the Chinese are running their affairs and doing it furthermore in close collaboration with Chungking. Commercial relations are naturally oriented toward Russia and the majority of articles of foreign origin in the shops such as toilet articles, sugar, blankets, clothing, etc., are Russian. A good bit of this, in fact, has come in as "pidgin cargo" on the munitions trucks. As for Russian personnel present, they were relatively few. One saw them occasionally in twos and threes on the street. I was informed that there were at that time less than one hundred of all categories -- truck drivers, aviation mechanics, instructors, etc., and that this number at no time during the past year had exceeded two hundred. This information came from the man responsible for feeding them and was confirmed by other sources so I see no reason to question it. A Secretary attached to the Russian Embassy in Chungking resides in Lanchow to facilitate the handling of of personnel and other questions.

b. Truck Traffic Truck traffic was practically non-existent while I was in Lanchow due apparently to the extreme cold weather prevailing farther northward along the route. From many sources, however, I was assured that it had never reached the huge figures of "hundreds" per day alleged by sources (mainly French) in Chengtu and Chungking. Common sense and simple arithmetic

alone

alone refute such rumors. The road is long and arduous and on one stretch of about forty kilometers out near Ansi there is nothing but bottomless sand which is very difficult to pass over. On other stretches they have had to mark the road with a line of stones to keep the trucks from wandering off in the wrong direction over the limitless expanse of open country. There likewise are two very difficult mountain passes between Lanchow and the Sinkiang border. Trucks used have been mainly Russian diesels of the three and one half ton variety and usually travel in groups of ten with one truck carrying nothing but oil (not gasoline). The majority of them have been purchased by the Chinese Government for further use in China and have therefore never been available for return cargo. This form of transportation, however, for export cargo was decried by all hands as too expensive and only a relatively small amount of hides and tea has been shipped in this manner. Incoming cargoes have been principally essential war materials such as bombs, fuses, detonators and TNT (the latter being the chief item). Drivers have been Russian who until recently drove all the way down into Szechuan (hence the road signs in both Russian and Chinese which have excited so much comment). The Chinese maintain a total of nineteen hostels for these drivers between Kwangyuan (in northern Szechuan) to Ansi, five of these being in Lanchow. Foreign food, good beds and baths are provided free of charge -- luxuries which can best be appreciated

by visiting the Northwest! The staff and equipment of an entire hotel in Shanghai was taken over and shipped out for this purpose. The Chinese, in other words, have done everything possible to encourage the maximum possible amount of assistance from Russia. Trucks and cargoes are now turned over to the Northwest Transport Bureau at Lanchow and Chinese drivers supplied for the balance of the trip southward. (It was stated, incidently, that the Chinese drivers find the Russian trucks difficult to handle because of their size and weight.) Traffic appears to have been fairly heavy during the months of August, September and October when the weather was best, but no one would concede that the total had aggregated more than "a few hundred" while the Director himself asserted that the total operating on the entire route was about one thousand when conditions were most favorable.

Stories to the effect that trucks occasionally slip away and convey supplies to the Eighth Route Army in Shensi are totally without foundation.

In the first place there is no road! They would have to go all the way down to Sian and then double back to do this. Kansu is a geographic entity entirely separated by mountains from Shensi. In conversations with many people I found no trace of interest in the Communists or evidence of any such activity in Kansu. Trucks and their cargoes

<u>furthermore</u>

furthermore appear to be checked carefully all along the route.

d. Aviation The total number of planes delivered to China during 1939 was 120 (exactly the figure which Col. Chennault had given me last October). Of these twenty four were the new "DB" bomber (which is a modified "SB" with greater range and somewhat larger motors), thirty six were the old "SB" type and the remaining sixty were modified E-15 and E-16 pursuits, the modification consisting mainly of larger motors, but some of the E-16's carrying two 20 m/m wing cannon. The above were part of a total order of 200 arranged for by the Chinese last January, but Moscow stopped delivery in July. The bombers are flown by a crew of three, two of them being Russian and the third in most cases Chinese (performing the functions of rear gunner and bomber). Two squadrons of Russian pursuit pilots are still in service (one of these being in Chungking and the other in Chengtu as of December 1st) the number having been reduced from that obtaining a year ago. The aviation school at Lanchow was transferred in November to Ining in Ili Valley, west of Urumchi, near A-La-Ma-Ta on the Turk-Sib railway, primarily because of considerations of supply. Graduate pilots from the American schools in Yunnan will be sent there for further instruction on Russian planes. The Russian conducted school for Chinese non-commissioned

officers

officers at Chengtu is still in operation, however. The aviation gasoline used at Lanchow up to the present was sent there from Hankow a year and a half ago (which accounts for recent stories that it had been coming from Haiphong because tins had been seen there with the Standard Oil name on them). The supply for the future, however, will be brought in by camel caravans which make the trip from Sinkiang twice annually. There is also a considerable traffic by mule or horse drawn two-wheeled carts of the type seen around Peiping and Tientsin. But the man-drawn type of cart, seen so much in South China and which my friend, the Director of the Burma Highway, had bragged that he had instituted in the northwest, was conspicuous by its absence and I was repeatedly informed that this type of transport is used only locally and not at all for through transport.

e. The Wool Trade During the period of the air raids while spending the entire morning on the mountain overlooking the city I had the good fortune to meet a Chinese whom I had met some years ago in Tientsin who was then doing business in Manchuria and who in recent years has been in the wool trade in the northwest. He speaks Russian fluently, has made frequent trips to Sinkiang and is now employed by the Ministry of Communications in connection with the Government Wool Monopoly. He happened to be an old acquaintance also of my companion during the

raids

raids, Dr. Y. P. Mei, formerly of Yenching University and now head of the Northwest Science Institute, who has likewise travelled extensively in the Northwest. Our conversations were therefore completely frank and non-political. The wool trade has been practically paralyzed ever since the Central Government attempted to institute a monopoly for the purpose of the control of foreign exchange. Chungking has become so alarmed over this condition that Dr. Kung has arranged to dispatch one of his American advisors, Mr. F.B. Lynch, to the Northwest to investigate the situation, especially with regard to fears that the wool is seeping out through Suiyuan into Japanese hands. (Mr. Lynch, incidently, had great difficulty in securing a Russian visa to visit Sinkiang and had only just obtained it as the year closed.) The answer, however, according to the above mentioned Chinese, is perfectly plausible and simple. The basic urge of all Chinese is for profit. In this case the bureaucracy of the Central Government as usual attempted to go too far afield. Instead of instituting control of wool at the main collecting points, minor officials have been despatched to the smaller points to enforce a maze of new regulations. In addition to the increased overhead incident to the maintenance of such a staff, the small producer has been scared away and simply is not bringing in his wool. My informants doubted that much of the wool so far had

gone elsewhere but predicted that it soon would if the Central Government did not back down and let nature take its course.

- f. Conditions in Sinking These gentlemen assured me that conditions in Sinkiang are perfectly normal and are governed primarily by considerations of trade. The political influence of the Russians is naturally much stronger there, but they denied that there was any display of military force or any large concentration of troops. The Sinkiang Government bows to Moscow's wishes with regard to the presence of foreigners because it enhances their relations in other fields, but I was assured that the control of the province is nevertheless Chinese, differing from Kansu only in that it is cimpletely independent of Chungking except for lip service. National currency is in general use there at an arbitrary rate of exchange and as late as October, 1939, U.S. dollars could be purchased in Urumchi in small amounts at a rate of NC\$5.50 for US\$1.00. The U.S. dollar is the principal yardstick used in computing exchange between Chinese National Currency, Sinkiang Provincial Bank Currency and Russian Roubles, the rates being arbitrarily fixed by the local Government.
- g. The Mohammedan Question Relations
 with the Mohammedan areas have been peaceful for
 some time. These areas likewise are thoroughly
 Chinese and have no contact whatsoever with Islam.

Many Chinese

Many Chinese have professed adherence to the faith for purposes of personal safety rather than because of any religious fervor, simply because during periods of unrest all "non-believers" are indiscriminately murdered.

General anti-Japanese sentiment and respect for the Generalissimo was reported in these areas.

General Chu Shao-liang, who attended the annual religious festival of the tribes on the shores of the Kokonor last Spring as the personal representative of the Generalissimo, was reported to have received a royal welcome.

Little sympathy for the Communists in these areas was likewise reported.

h. Exodus of German Missionaries The explanation of the mystery of the order issued last Fall after the Berlin-Moscow rapprochement for the evacuation of all Germans from Kansu, concerning which there had been considerable speculation in Chungking along lines of major international politics, turned out to be very simple. My friend, the Commanding Officer of the Air Force, confided in me that he, himself, had gotten Governor Chu Shao-liang to issue the order and that Chungking had approved. The reason was suspicion that the Germans were acting as spies for the Japanese and supplying them with information on aviation activities. The Air Force has probably been responsible for more regulations against foreigners than any

other branch

other branch of the Government during the present war although the organization itself has produced little or nothing in the way of effective resistance. They have long alibied their shortcomings by excuses that foreigners have been transmitting information to the enemy. In this instance it appears that a military transport plane departed one day last September from Lanchow for Chengtu via Sian and that a German Catholic missionary happened to be at the airport at the time the plane left Lanchow. When the plane reached Sian it bumped into three Japanese reconnaissance planes which chased it half way to Chengtu. The Commanding Officer at Lanchow upon getting this report decided that the German had notified the Japs and rushed to the Governor and got the order issued for the immediate evacuation of all foreigners from the province although it was enforced actually only against Germans. He complained to me that some of the Germans had already begun to filter back.

During my stopovers in Chengtu on this trip I visited the Honorary French Consul there, Dr. J. Bechamps, who has resided there for the past twenty years and with whom I happen to have had a long acquaintance through other members of my family. There is no question in my mind that Dr. Bechamps is wise in the lore of the Chinese, especially as regards Szechuan politics, for he has been personal physician to several war lords and has a wide circle of contacts among the Chinese,

especially

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especially the poorer classes among whom he has done a great deal of personal charitable work. It is he who was primarily responsible for the stories about the arrival of huge convoys of Russian trucks during the Fall, the same tale being brought back by various individuals all of whom had seen him among others. I questioned him closely about the reports and he stuck to his story stubbornly even going so far as to drive me outside of the city and to point out on the road the general location of the head and rear of the line of trucks. He claimed to have seen these on several occasions when he had evacuated the city at night during air alarms. (On one of these occasions the French Air Attache was with him.) He likewise asserted that many of his Chinese friends had brought him similar stories on other nights. According to him the trucks always came in at night, unloaded their cargo on the road where hundreds of coolies were ready to receive it and cart it away and then wheeled around across the adjacent air field and departed. Other foreigners told similar stories, but all of them also know Bechamps who is widely known and respected there.

7. It is difficult to refute such positive assertions, especially when one is **shown** a stretch of road which is quite capable of accommodating two hundred trucks. Nevertheless I am of the opinion that it is totally impossible for this to have been a nightly occurrence. One has only to count the

stages

stages on the long road to the northwest and realize that the chain must be continuous all along the route; to consider the inherent difficulties in conducting a convoy of only a few vehicles over such a route; and then do a little simple arithmetic. Had convoys of the size reported arrived nightly for even a short period, general news of such activity would have been bound to have leaked out from all along the route and the route furthermore would have been covered with disabled trucks. No such information as this came in, nor did any person with whom I talked in Lanchow have information of more than a fairly steady flow of moderate numbers of trucks. The answer, I believe, is that these smaller convoys were assembled periodically at some point north of Chengtu, probably at Kwangyuan where a large Russian air base and general center of activity is known to exist, and that large convoys were then run from there into Chengtu, possibly bi-weekly, or even at greater intervals during the period of favorable weather. It so happened, apparently, that the arrival of these large convoys at Chengtu coincided on one or more nights with air alarms when everyone was streaming outside the city for safety (there being no dugouts there because of water near the surface) and that, as usual, people jumped to conclusions and struck general averages based on insufficient information.

8. Russian Political Activity Dr. Bechamps claimed that there is a total of about five hundred

Russians

Russians of all categories (Aviation personnel) Military Advisors, Intelligence and Political Operatives) centered at Chengtu and that Chengtu is their directive center for all China. He asserted that they prepare a daily political report in Chinese for the Generalissimo's Headquarters; issue a great deal of propaganda; and maintain a close check on all Chinese activities. He was inclined to view their activities darkly and with considerable apprehension. I do not question that there is an extensive Russian organization in Chengtu. There is also a pretty fair sized one in Chungking and I know, for example, that they maintain their own intelligence service there with a large Chinese staff under instruction. But specific details of such activities are almost impossible to obtain. Their personnel come and go, for if an individual fails to get along with the Chinese they apparently withdraw him and assign someone else to the job. They have likewise used this war as a school for their own people and there have been at least three general changes in aviation personnel since the first group arrived. This constant shifting in itself creates an illusion of a greater total than actually exists. Nevertheless they unquestionably maintain a much larger group in China than the Germans ever had.

But what it all adds up to in total effect is another question. They have, for example, advisors and technical men at many of the fronts with the

artillery

artillery and mechanized equipment they have supplied. (One evident purpose of this, however, has been to prevent misuse of this materiel.) And there is a group of advisors in Chungking the Chief of which I have seen frequently at the Generalissimo's. But he is only one of many callers during the day and I doubt that his advice is heeded even as much as was that of General von Falkenhausen (which the Chinese certainly disregarded on many occasions). My general impression has been that the Chinese are running this war according to their own ideas and I doubt very seriously that they are paying much attention to the Russians in this respect. What the ultimate purpose of the Russians may be as far as possibly attempting to dominate the West politically after the war is a matter for speculation. Their immediate purpose to date appears to have been to keep the war going as long as possible. But of one point I feel certain -- that they do not dominate the Generalissimo and never will. And I have yet to see any evidence that anyone but the Chinese will ever run China, even in the far West.

> J. M. McHugh, Major, U. S. M. C., Assistant Naval Attache.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitty 0, dies from NARS, Date 12-18-75

OFFICE OF THE NAVAL ATTACHE
AMERICAN EMBASSY

CHUNCKING

Report No. 2-40

22 January, 1940

CONFIDENTIAL

Japanese Bombing of Lanchow, Kansu, December 26-28, 1939

The following notes are submitted on the mass bombing of LANCHOW, KANSU, on December 26, 27 and 28, 1939, where the undersigned happened to be present when the Japanese staged the largest scale bombing operations of the present war. Local conditions were such as to permit personal observation of the raids. It also happened that the Commanding Officer of the Chinese Air Force at LANCHOW was a personal friend of long standing thus affording access to official information not normally available of foreign observers. Attendant conditions and alient features of the raids are listed below:

- 1. General Situation Lanchow had been raided during the previous moonlight period at the end of November, 1939, (these being the first raids there since February, 1939) so the operations under reference were not a surprise. Japanese news broadcasts
 - a Tokyo had likewise hinted broadly that major al operations for the purpose of severing
 - 's Northwest route to Russia, coincident with
 - a into Kwangsi to sever the route to Indo
 - d be expected. The city was therefore

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

on the qui vive as the moonlight period at the end of December approached. The Chinese Air Force had received news during the middle of December of the arrival in Shansi of two large groups of Japanese naval bombers and on December 24th they received word that a large concentration had been effected at YUN CH'ENG in southern SHANSI which is between three and one half and four hours flight from LANCHOW. These planes were reported to have come from TATYUAN in central SHANSI, from HANKOW and from a field in ANHUI (probably HOFEI). In this connection it is interesting to note that foreign observers in PEIPING had observed two flights of bombers aggregating seventy one ships pass over there from the north headed southwest during the middle of December and that similar formations were observed returning northward early in January. It seems reasonable to assume, therefore, that the Kwantung Army loaned planes for the operations against LANCHOW and it is interesting to note in this connection that these planes were all naval planes. Chinese reports claimed that there was a total concentration of 140 Japanese planes (bombers and pursuits) at YUN CH'ENG on Xmas Day. The Commander of the Chinese Air Force at LANCHOW asserted that he had foreseen this concentration from advance information and had strongly urged the Generalissimo to send him all available fighters in order to meet it and also to attack YUN CH'ENG with bombers during this period. The Generalissimo, however, had ordered a concentration of the Chinese Air Force in KWANGSI early in December to meet the Japanese invasion there and had transferred twenty two pursuits from LANCHOW

southward at that time leaving only thirteen fighters at LANCHOW. (These ships were Russian E-15 and E-16 models manned by Chinese pilots. The only other ships at LANCHOW were five SB bombers under repair. There likewise were no Russian combat pilots at LANCHOW and only a few Russian instructors, the flying school having been transferred recently from there to INING in the ILI valley west of URUMCHI near the TURK-SIB railway where gasoline and supplies are much more accessible.)

2. Details of the Raids The Japanese raided LANCHOW successively on December 26, 27 and 28. On the 26th they arrived in three groups of 36, 27 and 36 starting at 9:00 A.M. and separated by twenty minute intervals. They repeated this on the 27th, the leading group being minus one plane (which had probably fallen out en route). On the 28th they staged what amounted to a dress parade, the first two groups arriving at 9:57 A.M. (the second group flying just in rear and slightly higher than the leading group) followed by the third group three and one half minutes later. On this day each of the first two groups was minus a plane making a total of ninety seven. The route of approach was identical each day, the Japanese leaving YUN CH'ENG on a westward course until they struck the Yellow River, then angling northwestward passing LANCHOW well to the Northward and coming in from the West against the sun. On this course they bombed a field west of the city first, then bombed by a slight variation of course either the city or the huge field adjacent thereto (this field is three

kilometers

kilometers long by one kilometer wide) and finally a field east of the city as they departed. On each of the first two days it was estimated that they dropped a total of about 300 bombs of all sizes (but mostly the 60 kilogram size) on the airfields and about 100 on the city itself. On the third day, however, they dropped nothing on the auxiliary fields and a total of less than sixty bombs on the city and main field.

3. Technical Points

- a. Weather Weather conditions were ideal (except for protection to the raiders) cloud-less sky, no wind and bright sun. The ground temperature was slightly above zero degrees, Farenheit.
- b. Altitude Bombing operations were uniformly conducted from about 9,000 feet net (LANCHOW is 5,500 feet above sea level, making the total flying altitude about 15,000 feet).
- c. <u>Formations</u> The first two groups used the standard nine-plane, 3 V formation. The rear group (36 ships) flew in three 12 plane squadrons of three 4 plane sections each. Each section flew in a diamond-shaped formation. All groups used a stacked front formation of squadrons in line, each slightly offset in altitude from the other, and each squadron with two sections leading and one in rear in a V formation. Distances and intervals between planes and units were close.
- d. Type of Planes All groups were apparently naval planes being medium bombers of the bi-motored, twin-tail variety. The remains of one

that was

that was shot down and brought back to LANCHOW
before my departure showed that it was a Mitsubishi
copy as modified by the Japanese of a Junkers -86
model. Various plates in the ship showed that it
had been manufactured at YOKOSUKE on August 8, 1939.
The Chinese claimed that some of the planes were
Breda -82 models but this was a matter of opinion
as the two models are so similar that it is difficult
for the untrained eye to distinguish them.

- e. Armament These bombers are apparently armed only with old model, 30 caliber Lewis machine guns. The Chinese had one of these which had been dropped from a bomber during the November raids and the above wreck had nothing but this type in it.
- f. Bombs All types and sizes of bombs were dropped, ranging from small incendaries to a few which were possibly as large as 200 kilograms. The great majority however appeared to be of the 60 kilogram variety. There was ample evidence of low grade and insufficient explosive, there being many cases of poor fragmentation (some of these being as large as sixteen inches long by five inches wide) while in many other instances the bomb was either a complete dud or had only strength enough to break the hard clay earth into a series of concentric rings around the hole. Metal was also very thin in many instances.
- g. Accuracy of Bombing Objectives
 The bombing at best could only be described as area

bombing

bombing. The squadrons apparently aligned themselves on the long axis of the city (which is laid out in a perfect rectangle) or along the long axis of the airfield and let go at regular intervals. There were few military objectives, the truck station being practically empty and the only worthwhile object being the steel bridge over the Yellow river. The Japanese did not even come close to the latter until the third day when they got two bombs fairly close to one end of this bridge but did no damage. The airfield had many dummy ships around it with mat shed covers, but the Chinese relocated these each night which appeared to confuse the Japanese somewhat as messages between group leaders were intercepted during the raids passing back information about the location of these planes. There was nothing to indicate, however, that the Japanese possess a really effective bomb sight.

 \bigcirc

h. Opposition The Chinese, as previously noted, had only thirteen fighters present all of them manned by Chinese pilots. They got eleven of these into the air the first day and attacked the Japanese from ahead and out of the sun on a wide front on a more or less man for man basis. Some of them only dived through the first Jap formation but four pulled back under the Japs and got in a second attack. I personally saw two Jap ships hit the first day and one the second. The Chinese lookout posts claimed that four came down outside the city

the first

the first day and three on the second day. Subsequently they claimed to have found the wrecks of four. I consider the claims quite plausible. The Chinese had no difficulty in landing and re-fueling between raids, despite the bombing of the airfields, because of the huge size of the fields, but were unable to regain sufficient altitude for attacks on subsequent raids. There was no effective anti-aircraft, the only guns present being of insufficient range. One Chinese fighter was shot down on the third day. The Chinese claimed this to be their only casualty and I have no feason to doubt it as I visited the air field daily. The funeral of this pilot was held the morning of my departure.

i. Damage Although the city was badly hit in many places I doubt that more than twenty five per cent of it was destroyed, and none of that was important. The alarms were sounded at 6:00 A.M. giving the populace ample time to evacuate into the surrounding hills which they did an masse. The result was that less than thirty people were killed during the three days. Damage to buildings was confined mainly to shops and dwellings. Fire was relatively limited due to the extensive use of dried clay in construction plus the fact that regulations for the extinguishing of stoves in dwellings were rigidly enforced by the police. The early morning time of the alarm aided this work as very few people were up and about.

j. Results

ations was futile and the results were negligible.

They cost the Japanese about 900 bombs and probably in the neighborhood of 190,000 gallons of gasoline in addition to the value of the planes lost. Other than making life in the city of LANCHOW a little more difficult through driving the shopkeepers out of town they achieved nothing. The Northwest Route, for such as it may be worth, is still open and cannot be interrupted by this type of operation.

k. <u>Miscellaneous</u> The Commander of the Chinese Air Force at LANCHOW insisted that the Japanese are using a delayed fuse in bombs, asserting that he had had cases of delayed explosion as high as sixty two hours after bombs had dropped. He vehemently denied that explosions had occurred during attempts to excavate duds. His theory was that the Japanese are using an acid in the fuse which slowly eats away a wire and eventually produces detonation. Whether this is theoretically possible is a matter for experts to decide.

The point again arose during these raids of the Japanese using female personnel, probably as the radio operator. The officer who conducted the party which recovered the plane brought back while I was in LANCHOW insisted that a female torso was found in the wreckage. The total of the crew in the ship was seven which coincided with many previous reports.

Gas tanks

Gas tanks in these

bombers are apparently equipped with rubber gaskets and possibly with a complete rubber sack lining to minimize leakage and fire hazard in the event they are pierced.

J. M. McHugh, Major, U. S. M. C., Assistant Naval Attache.

-9-

TELEGRAM RECEIVED

FROM

HSM

GRAY

Nanking via N. R. Dated February 28, 1940

REG d 8:35 a. m.

Secretary of State, Washington.

corico della qui O.N.I. AND M.I.D

9, February 28, 4 p. m.

According to local press reports Chu Min-yi has returned to Nanking and at a meeting of the "capital preparatory committee" held yesterday plans for the taking over of certain buildings occupied by the Japanese military will be discussed; all buildings formerly occupied by the National Government are also to be taken over according to these reports.

Repeated to Peiping, Chungking, Shanghai. STANTON

WWC

TELEGRAM RECEIVED

JΙ

GRAY

Swatow FROM

Dated February 28, 1940

Rec'd 8:20 p.m.

Secretary of State Washington

PIES SE Division of FAR EASTERN AFRAIRS EB 29 1940

7, February 28, 4 p.m.

193.94

According to reliable source Chinese troops ten miles northeast have occupied Chinghai/of Swatow. No Americans reside in that city which had been garrisoned by a small number of Chinese merchants and Japanese. A French missionary from Chinghai now in Swatow reports that the road has been closed by the Japanese. This development and news of Chinese troop concentration on both sides of the Swatow-Chaochowfu highway caused Chinese to close their shops yesterday but business was resumed today. A Japanese military convoy was unable to reach Chaochowfu today and returned to Swatow this afternoon.

Repeated to Peiping and Chungking.

YEARNS

PEG

793.94/15722

4

TELEGRAM RECEIVED

HSM

GRAY

FROM
Swatow via N. R.

Dated March 1, 1940

Rec'd 1:40 p. m.

Secretary of State,
Washington.

Division of FAR EASTERN AFFAIRS MAR 2 - 1940

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

8, March 1, 2 p. m.

My 7, February 28, 4 p. m.//57

Approximately 1,500 Japanese recently arrived on transport today probably coming from Canton. Chinghai has been reoccupied by the Chinese mercenaries who evacuated that place February 27th but Chinese guerrillas have cut the Swatow-Chaochowfu highway at several points.

Repeated to Peiping, Chungking, Hong Kong.

YEARNS

CSB

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1940 1940

7/76

793. 94/ 15723

No. 36

AMERICAN CONSULATE

Yunnanfu, China, February 17, 1940.



Division of FAR EASTERN AFFAIRS MAR 4 - 1940

SUBJECT: Bombing of the Yunnan Railway.

ASSISTANT SECRETARY
OF STATE MAR 4-1940

MAR 1.9 1840

Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to refer to my telegrams of February 2, 4 p.m., February 5, 2 p.m., and February 14, 2 p.m. to the Embassy, Chungking, concerning the bombing by Japanese planes of the Yunnan Railway and $_{\!\scriptscriptstyle (\!\chi\!)}$ to submit further comment on the attacks.

The February 1st attack took place at the time when the north-bound passenger and mail train was being transferred across the Lace Bridge, 83 kilometers from Hokow. According to local reports, the locomotive and a car were hit, many deaths being caused by scalding

from

from steam and by a fire that followed the ignition of train cargo. A considerable number of casualties are believed to have been due to concussion, as some of the cars were in a tunnel, at one end of the bridge at the time of the attack. The total casualty list announced by the railway here numbers approximately 220, of which 101 are dead. Among the dead are: M. Alfred, French employee of the railway, his wife and son; Madame Daviet, wife of a railway employee, and her daughter aged 3; 16 Chinese and Annamite employees of the railway; 80 passengers, the greater part Chinese. Approximately 120 persons were wounded, 80 seriously. First aid and assistance in the recovery of bodies were given by two British naval doctors who were part of a contingent of British marines transferring from Chungking and who were on the south-bound train which had just passed.

A hit was also made on the line at kilometer 95.6, where about 100 meters of rails and sleepers were torn out and dirt piled on the roadway. It was reported that no major damage was done to the bridge at kilometer 83; the tunnel suffered badly and considerable repair work has been necessary to put it into shape.

A further attack was made on February 3 on the railway bridge at kilometer 235, at Hsiaolungtan near Kaiyuan, at which place 27 Japanese bombers were intercepted by five Chinese pursuit planes from Yunnanfu. The attackers were unable to come near their objective and dropped their bombs wildly along the countryside. Eight Chinese employees of the Southwest Transportation Company, who were taking refuge in a village three miles

from

from the bridge, were injured.

On February 13, Japanese planes again attacked the 50 meter iron bridge at kilometer 235, which had been put into night service on February 9, following repairs made as a result of the January 5 bombing. Bombs framed the bridge without hitting it, and the only damage was the destruction of a few meters of track and a small telephone cabin. There were no casualties and service was not interrupted. Five Chinese pursuit planes from Yunnanfu again attacked the invaders and, after a long drawn-out fight, brought down one Japanese bomber near Wenshan, east of Mengtsz. According to Chinese reports, anti-aircraft defense near the bridge also caused difficulty to the attackers. Chinese here are jubilant over this success and special meetings have been held to praise the work of the aviators. Of some significance is the fact that Chairman Lung Yun sent a gift of NC\$5,000 to the defending pilots, and NC\$1,000 to the anti-aircraft corps at Hsiaolungtan. Civic organizations have also presented the flyers with gifts of food and personal articles.

With the completion of repairs on the tunnel at kilometer 83, through rail service is formally announced as beginning on February 18th, travel from Hokow-Kunming and Kunming-Hokow being performed during two nights, with a daytime stop over at Kaiyuan.

Respectfully yours,

Troy L. Perkins, American Vice Consul.

In quintuplicate, original by air mail. Copy to Embassy, Peiping. Copy to Embassy, Chungking. Copy to American Consul, Hanoi.

800 TLP: Epy

054

TELEGRAM RECEIVED

RFP

GRAY

Shanghai via N. FROM

Dated March 4, 1940

Rec'd 4 a.m.

Secretary of State

Washington

PRIORITY.

March 4, 2 p.m.

COPIES LINE. Division of O.N.I. AND hall-b FAR EASTERN AFFAIRS

MARÆ

193.94

Japanese Consulate General states that military operations are to be started on Hainan Island and that for the protection of lives and property, Americans are requested to evacuate by March 5 Nodoa to Tanhsien and other coastal towns. It is further stated that American citizens have already been appropriately advised by the Japanese officer in command on the spot. Assurances are given that every facility will be given Americans to return to their homes upon the termination of military operations.

Sent to Canton, repeated to the Department, Peiping, Chungking, and Hong Kong. To Tokyo by air mail.

GAUSS

NPL

793.94/15725

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E) Department of State letter, August 10, 1972

By Mitty D. Sustain NARS, Date 12-18-75

PREPARING OFFICE WILL INDICATE WHETHER

TELEGRAM SENT

CONFIDENTIAL CO X NONCONFIDENTIAL COME

Collect

Charge Department

Department of State

"Gray"

PARTAIR PLAIN

Charge to \$

Washington,

NAVAL RADIO

PM 6 13 March 4, 1940. 1940 MAR 4

1010 373.11

AMERICAN CONSUL.

SHANGHAI (CHINA).

INFO: AMERICAN CONSUL, CANTON (CHINA AMEMBASSY, PEIPING (CHINA).
AMERICAN CONSUL, HONG KONG.
AMEMBASSY, CHUNGKING (CHINA). CANTON (CHINA).

PRIORITY 95

Reference Shanghai's March 4, 2 p.m., to Canton, projected Japanese military operations on Hainan Island.

While the attitude and position of this Government in regard to communications from the Japanese authorities such as that contained in your telegram under reference have been made abundantly clear on a number of occasions in the past it is believed that you should reply to the Japanese Consul General to the effect that although American nationals generally have been and are advised voluntarily to withdraw / from places of special danger to places of safety and to take other precautionary measures, obligation rests upon the Japanese military authorities / irrespective/of/whether/ American nationals do or do not take such precautionary measures, to avoid injuring American lives and property

Sent to Shanghai. Repeated to Canton, Peiping, Hong Kong and Chungking. Peiping repeat to Tokyo.

Enciphered by .

1-1 mel

Sent by operator 793.94/15725

PA/H

793.94/15725

GA FE:GA:REK

TELEGRAM RECEIVED

FROM

1000

as our annament of SENT TO O.M.I. AND M.I.D. IN CONFIDENCE EXX

Map . JR This telegram must be closely paraphrased be-fore being communicated (br) to anyone.

Chungking via N.R. Dated March 4, 1940

ON POLITICAL RELATION Rec'd 11 a.m.

Secretary of St

Washington.

Division of FAR EASTERN AFFAIRS ATMENT OF STA

112, March 4, noon. My 111, March 4, 11 a.m.

Trip from Hanoi to Kunming was made in twenty-eight

hours night being spent at Kaiyuan. Trip was without incident of any kind. We inspected two or three places where railway had been bombed including Lace Bridge and the bridge at Hsinolungtan. Lace Bridge had been repaired and was able to accommodate traffic. Bridge at Hsiaolungtan which suffered greater damage had been repaired and goods and passenger cars were being passed across, engines being left on either side. Except for these two bridges no serious damage has been done to railway at any time, END SECTION ONE.

JOHNSON

WiC

793.94

TELEGRAM RECEIVED

FROM

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

Chungking via N. R. Dated March 4, 1940 Rec'd 11:45 a.m.

Secretary of State, Washington.

112, March 4, noon. (SECTION TWO).

Journey from Kunming to Chungking was made by motor car over newly opened highway connecting Kunming with Luhsien on the Yangtze River thence by connection with Chengtu road. Highway is in good condition except for small section descending from high mountain range forming Kweichow Szechuan boundary where road passes through difficult rock formation. Journey took six days as were slowed up by bus which accompanied us carrying baggage and gasoline. (END MESSAGE)

Sent to the Department only.

JOHNSON

KLP

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitty 0, Dustafry NARS, Date 12-18-75

[CONFIDENTIAL]

_. ~

PARAPHRASE

A telegram (no. 112) of March 4, 1940, from the American Ambassador at Chungking reads substantially as follows:

There were no incidents of any kind on the Ambassador's trip from Hanol to Yunnanfu which was made in 28 hours. The night was spent at Kaiyuan. The Ambassador and his party inspected several points along the railway which had been boshed, including the bridge at Haisolungton and Lace Bridge. With the exception of these two bridges the railway has not at any time been seriously damaged. The greater demage was inflicted on the bridge at Reisolungtan. It has been repaired and passenger cars and goods/were being sent across, engines being left on each side of the bridge. Hepairs had been made on Lage Bridge, which was able to carry traffic. From Yunnamiu to Chungking the Ambassador's party traveled by automobile over a highway which has been recently opened between Yunnanfu and Luhsien (Luchow) on the Yangtse and from there by connection with the Chengtu road. Six days were required for the trip as the Ambassador's automobile was slowed up by the bus which went slong carrying gasoline and baggage. The highway was in good condition with the exception of a small strip where the road penetrates a difficult formation of rock descending from the high mountain range forming the boundary between

Kweighow and Szeolman Provinces. FE: EGD: MHP PE /

3/5/40

FE KA

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E) Department of State letter, August 10, 1972

By Mitty D. Sustain NARS, Date 12-18-75

PREPARING OFFICE
WILL INDICATE WHETHER

TELEGRAM SENT

TO BE TRANSMITTED CONFIDENTIAL CODE

Collect

Charge Department

NONCONFIDENTIAL CODE PARTAIR

PLAIN

Pepartment of State

Charge to

Rich

1940 MAR 9 PM 2 20

Washington,

Merch 9, 1940.

2 PM

AMERICAN EMBASSY COMMUNICATIONS AND RECORDS

PARIS.

17 6 182

For your information and possible discreet use in official circles:

An American official who traveled over the Yunnan railway in the third week of February last has reported that he made the trip from Hanoi to Kunming in twenty-eight hours; that he found that the Lace Bridge had been repaired and was able to accommodate traffic; that the bridge at Hsiaolungtan had been repaired and was being crossed by goods and passenger cars, engines being left on either side; and that he understood that except for these two bridges no serious damage had been done to the railway.

Hull

793.94/15726

JKP PA/H:SKH:ZMK

OR /

Enciphered by _____

Sent by operator ______ M., . 19

1-1462 U.S. GOVERNMENT PRINTING OFFICE

SECTION OF STATE

file

DIVISION OF FAR EASTERN AFFAIRS

DIVISION UNICADE FOURIER February 1, 1940

WAA

JWB

1-1940

PA/H:

PA/H

Reference attached clipping in the

New York Herald Tribune of January 13, 1940,
in regard to the use of the phrase "JapaneseChinese war" by the House Committee on
Invalid Pensions in approving the Panay
pension bill.

If this bill should be enacted into law, it seems not unlikely that the use of the phrase "Japanese-Chinese war" might well be construed, especially by persons who might seek to embarrass the Administration, as a technical recognition by the Congress of the existence of a state of war between China and Japan.

It is accordingly suggested that
Mr. Hornbeck might wish to give consideration to the advisability of making an informal, oral and confidential approach to
a member of the House Committee on Invalid
Pensions or, preferably, to Senator Patel
Harrison or some other member of the Senate
Committee on Finance, with a view to the
taking by such member of Congress of informal steps to cause the elimination of
the phrase in question. A list of the
members of the Senate Committee on

Finance

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

-2-

Finance and of the House Committee on Invalid Pensions is attached.

m.m.H.

See wat 1

EA FE: Atcheson: MHP

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS <u>SENATE</u> <u>COMMITTEE</u> <u>ON FINANCE</u>

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DECIASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitty D. Sustaff NARS, Date 12-18-15

DEPARTMENT OF STATE

ADVISER ON POLITICAL RELATION

February 2, 1

FIF:

I took up today with Representative Lesinski of the House Committee on Invalid Pensions the question referred to in the papers here attached. I stated that information had come to our attention regarding the proposed substitution of the words "Japanese-Chinese war" for the phrase "conflict in the Far East"; and further information to the effect that he, Mr. Lesinski, had expressed apprehension that if the bill were enacted in that form it "might constitute Congressional recognition" of a war.

Mr. Lesinski said that all of this was correct. He said further that he had not yet reported the bill. I said that I had been authorized and asked to say that in the view of this Department it would be preferable that the original phraseology "conflict in the Far East" be retained and there be not substituted for it the expression "Japanese-Chinese war". I said that we saw no possibility of advantage in the proposed change and that we saw the possibility of there flowing from it, if adopted, some disadvantage. Mr. Lesinski said that he saw this clearly and that he would try to take care of the matter.

Stanley K. Hornbeck

PA/H:SKH:ZMK

JAN 137940

New York Herald Tribune

House Committee Rules Japan Is Fighting a War

Drops Euphemism 'Conflict' in Panay Pension Bill

WASHINGTON, Jan. 12 (P).—
The Chinese-Japanese conflict was recognized as a "war" today by the House Committee on Invalid Pensions in approving the Panay pension bill.

In executive section the panage of the property of the panage of the pa

sions in approving the Panay pensions in approving the Panay pension bill.

In executive session, the committee approved a namendment by Representative John C. Schafer, Republican, of Wisconsin, substituting the words "Japanese-Chinese war" for the phrase "conflict in the Far East."

"Chairman John Lesinski, Democrat, of Michigan, expressed fear that if the bill is enacted in that form it "might constitute Congressional recognition" of a war, "although President Roosevelt and the State Department have not recognized it as such."

Under the bill, already passed by the Senate, pensions would be provided at war-time rates for disability or death incurred in the line of duty as a direct result of the undeclared war in China.

Representative Lesinski said it was particularly designed to cover victims of attacks on the Navy's U. S. S. Panay and U. S. S. Augusta, bombed by Japanese aircraft in 1937.

The report of the Senate Finance Committee said the State Department had submitted to Japan claims totaling \$2,000,000, which "it is understood the Japanese government has agreed to pay."

FE meno 1.16,40 FAR EASTER AFFAIRS AAN 1 5 1940



comment house distance. The

Hear return to RB

JAN 131941)

New York Times

House Committee Terms China Conflict 'War'

By The Associated Press.
WASHINGTON, Jan. 12—The
Japanese-Chinese conflict was
recognized as a "war" today by
the House Committee on Invalid
Pensions in approving the Panay
Pension Bill.

In executive session the committee approved an amendment by Representative Schafer of Wisconsin, substituting the words "Japanese-Chinese war" for the phrase "conflict in the Far East."

Chairman Lesinki expressed the fear that, if the bill (S-1643) were enacted in that form, it "might constitute Congressional recognition" of a war, "although President Roosevelt and the State Department have not recognized it as such."

Under the bill, passed by the Senate, pensions would be provided at wartime rates for disability or death incurred in line of duty in China, especially in regard to victims on the U. S. S. Panay and Augusta, attacked by Japanese aircraft in 1937.

Calendar No. 1063

76th Congress 1st Session.

SENATE

REPORT No. 1020

PROVIDING PENSIONS AT WARTIME RATES FOR DISA-BILITY OR DEATH INCURRED IN LINE OF DUTY AS A DIRECT RESULT OF THE CONFLICT IN THE FAR EAST

JULY 28 (legislative day, JULY 25), 1939.—Ordered to be printed

Mr. Walsh, from the Committee on Finance, submitted the following

REPORT

[To accompany S. 1643]

The Committee on Finance, to whom was referred the bill (S. 1643) to provide pensions at wartime rates for disability or death incurred in line of duty as a direct result of the conflict in the Far East, having considered the same, report favorably thereon, with an amendment, and, as amended, recommend that the bill do pass.

Amend the bill as follows:

On page 1, line 10, change the word "the" immediately preceding the word "regulation" to the word "this".

The purpose of the bill is to provide pensions at wartime rates for disabilities or death incurred in line of duty as a direct result of the conflict in the Far East.

During the recent Sino-Japanese conflict in the Far East three persons in the naval service have been killed and numerous others injured as a result of the bombing of the U.S.S. Panay or the striking

of the U.S.S. Augusta by fragments of shell.

Since the death or disability of these persons occurred in time of peace and since they were not engaged in actual combat in a military expedition or military occupation, they are not entitled to the payment

of pension benefits for themselves or their dependents at wartime rates.

The bill also provides for the application of the doctrine of subrogation in all cases of injury or death arising thereunder for which pensions or other benefits are payable, where such injury or death occurred under circumstances creating a legal liability on a foreign government to pay damages therefor.

The Department of State has submitted to the Japanese Government, and it is understood that the Japanese Government has agreed to pay claims aggregating approximately \$2,000,000, of which sum

WARTIME PENSION RATES FOR CONFLICT IN FAR EAST

\$268,000 related to indemnities for death and personal injuries of

members of the crew of the U.S.S. Panay.

No estimate can be made of the cost of this bill since the degree of disability and the rates of compensation are determined by the United States Veterans' Administration and are the bases for all payment. However, the pension payment to be made under the provisions of the bill will be offset by indemnity payments made by Japan on account of the death or injury for which the bill would provide pen-

The committee is of the opinion that it would be equitable to pay pensions at wartime rates in cases where disability or death was incurred in line of duty as a direct result of the conflict in the Far

East, and therefore, recommends enactment of the bill.

The bill meets with the approval of the Navy Department and the Veterans' Administration.

The following letters are hereby made a part of this report:

NAVY DEPARTMENT Washington, July 19, 1939.

The CHAIRMAN, COMMITTEE ON FINANCE, United States Senate.

My Dear Mr. Chairman: The bill (S. 1643) to provide pensions at wartime rates for disability or death incurred in line of duty as a direct result of the conflict in the Far East, was referred to the Navy Department by your committee with a request for a report thereon.

During the recent Sino-Japanese conflict in the Far East three persons in the naval service have been killed and numerous others injured as a result of the bombing of the U. S. S. Panay or the striking of the U. S. S. Augusta by fragments

of shell.

Since the death or disability of these persons occurred in time of peace and since they were not engaged in actual combat in a military expedition or military occupation, they are not entitled to the payment of pension benefits for them-

occupation, they are not entitled to the payment of pension benefits for themselves or their dependents at wartime rates.

It is the opinion of the Navy Department that wartime rates of compensation for disability or death should apply to these persons and their dependents. The proposed legislation would bring about such a result.

The proposed measure also provides for the application of the doctrine of subrogation in all cases of injury or death arising thereunder for which pensions or other benefits are payable, where such injury or death occurs under circumstances creating a legal liability on a foreign government to pay damages therefor.

No estimate can be made of the cost of this proposed legislation since the degree

No estimate can be made of the cost of this proposed legislation since the degree of disability and the rates of compensation are determined by the United States Veterans' Administration, and are the bases for all payments.

The Navy Department recommends that the bill S. 1643 be enacted.

Sincerely yours,

CHARLES Edison, Acting Secretary.

VETERANS' ADMINISTRATION, Washington, July 17, 1939.

Hon. PAT HARRISON,

Chairman, Committee on Finance, United States Senate, Washington, D. C.

United States Senate, Washington, D. C.

My Dear Senator Harrison: This is in further response to your request of July 6, 1939, for a report on S. 1643, Seventy-sixth Congress, a bill to provide pensions at wartime rates for disability or death incurred in line of duty as a direct result of the conflict in the Far East.

The bill provides as follows:

"That paragraph I of part II, Veterans Regulation Numbered 1 (a), as amended (U. S. C., title 38, ch. 12, appendix; Executive Order Numbered 6156, dated June 6, 1933), is hereby amended by adding a new subparagraph (d) to read as follows:

"'(d) Any veteran or the dependents of any deceased veteran otherwise entitled to pension under the provisions of part II of the regulation shall be entitled to receive the rate of pension provided in part I of this regulation, if it is deter-

WARTIME PENSION RATES FOR CONFLICT IN FAR EAST

mined by the Administrator of Veterans' Affairs that the injury or disease resulting in disability or death, was incurred in line of duty as a direct result of the conflict in the Far East: *Provided*, That if an injury or death for which pension is payable under this subparagraph is caused under circumstances creating a legal liability upon some foreign government to pay damages therefor, the Administrator of Veterans' Affairs shall require the beneficiary to assign to the United States all his right, title, or interest in the indemnity payments made by such foreign government before any payments shall be made under this sub-

It is suggested that the word "this" should be substituted for the word "the" immediately preceding the word "regulation" in line 10, page 1, of the bill. If that change is accomplished, the bill would be identical with the draft submitted by the Veterans' Administration to the chairman, Committee on Pensions, House of Representatives, under date of April 28, 1938, as a part of a supplemental expert of H. 2762. Seventy 6fth Congress

report on H. R. 8763, Seventy-fifth Congress.

Paragraph I (c) of part II, Veterans Regulation No. 1 (a), as amended, provides: "Any veteran or the dependents of any deceased veteran otherwise entitled to pension under the provisions of part II of this regulation shall be entitled to receive the rate of pension provided in part I of this regulation if the disability or death resulted from an injury received in line of duty in actual combat in a military expedition or military occupation." The Navy Department has reported to the Veterans' Administration that neither the U.S.S. Augusta nor the U.S.S. Panay can be said to have been engaged in either a military expedition or military occupation at the time those vessels were struck by projectiles during their service in Chinese waters in August and December 1937, respectively.

The Veterans' Administration is of the opinion that it would be equitable to

pay pensions at wartine rates in cases where disability or death was incurred in line of duty as a direct result of the conflict in the Far East.

As to the cost of paying pension at war time rates under the provisions of the bill, the only cases to which the proposed legislation would apply, of which the Veterans' Administration has any knowledge, are those resulting from the bombing of the U. S. S. Panay and those aboard the U. S. S. Augusta, resulting from fragments of high explosive antiaircraft projectile. The Acting Secretary of the Navy, in his letter of February 24, 1939, addressed to the Speaker of the House of Representatives (copy enclosed), stated: "During the recent Sino-Japanese conflict in the Far East three persons in the naval service have been killed and numerous others injured as a result of the bombing of the U. S. S. Panay or the numerous others injured as a result of the bombing of the U. S. S. Panay or the striking of the U.S.S. Augusta by fragments of shell.

In order to make an accurate estimate of the cost, it will be necessary to evaluate the disability of each case and this is not feasible since it is impossible to foretell the final outcome in each case, bearing in mind that the jurisdiction of the Veterans' Administration would extend to cases where death occurred or where the veteran is honorably discharged and claim for pension is filed. The officers who were seriously injured may be retired for disability and paid retirement pay under the laws administered by the Navy Department, and consequently no pension would be payable to them. However, in the event of their death, pensions would be payable to their dependents in accordance with the provisions

of part I, Veterans Regulation No. 1 (a), as amended.

When this proposed legislation was under consideration during the Seventyfifth Congress, the Bureau of the Budget called the attention of the Veterans' Administration to the fact that the Department of State had submitted to the Japanese Government, and it was understood that the Japanese Government had agreed to pay claims aggregating approximately \$2,000,000, of which \$268,000 related to indemnities for death and personal injuries of members of the crew of the U. S. S. Panay. The Bureau of the Budget took the position that the doctrine of subrogation should apply and that the pension payments to be made under the provisions of the proposed legislation should be offset by indemnity payments made by Japan on account of the death or injury for which the proposed legislation would provide pensions.

This bill is identical in purpose with H. R. 4548, Seventy-sixth Congress, on which a report was furnished the Committee on Invalid Pensions, House of

Representatives, under date of June 13, 1939. Very truly yours,

FRANK T. HINES. Administrator.

Panay Elains Was \$2,204,007.36

Bill approved with amendments in Executive session January 12, 1940 Not yet reported to the House, altho bill was ordered to be reported in the executive session.

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76TH CONGRESS 1ST SESSION S. 1643

IN THE HOUSE OF REPRESENTATIVES

August 5, 1939
Referred to the Committee on Invalid Pensions

AN ACT

To provide pensions at wartime rates for disability or death incurred in line of duty as a direct result of the conflict in the K66 Fact. Japanese - Chinese War

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 That paragraph I of part II, Veterans Regulation Numbered
- 4 1 (a), as amended (U. S. C., title 38, ch. 12, appendix;
- 5 Executive Order Numbered 6156 dated June 6, 1933),
- 6 is hereby amended by adding a new subparagraph (d) to
- 7 read as follows:
- 8 "(d) Any veteran or the dependents of any deceased
- 9 veteran otherwise entitled to pension under the provisions
- 10 of part II of this regulation shall be entitled to receive

2

. .

1 the rate of pension provided in part I of this regulation, if

- 2 it is determined by the Administrator of Veterans' Affairs
- 3 that the injury or disease resulting in disability or death,
- 4 was incurred in line of duty as a direct result of the conflict
- Japanese Chinese War in the Far East: Provided, That if an injury or death for
- 6 which pension is payable under this subparagraph is caused
- 7 under circumstances creating a legal liability upon some
- 8 foreign government to pay damages therefor, the Adminis-
- 9 trator of Veterans' Affairs shall require the beneficiary to
- 10 assign to the United States all his right, title, or interest in
- 11 the indemnity payments made by such foreign government
- 12 before any payments shall be made under this subpara-

13 graph."

Passed the Senate August 1, 1939.

Attest:

EDWIN A. HALSEY,

Secretary.

76TH CONGRESS 18T SESSION S. 1643

AN ACT

To provide pensions at wartime rates for disability or death incurred in line of duty as a direct result of the conflict in the Far East.

August 5, 1939
Referred to the Committee on Invalid Pensions

TELEGRAM RECEIV

LEGAL ADVISER

MAR 9 1940

DEPARTMENT OF STATE

HSM

GRAY

FROM Canton via N. R.

Dated March 5, 1940

Rec'd 11 a. m.

Secretary of State, Washington.

Division of FAR EASTERN AFFAIRS MAR 5 - 194Q

21, March 5, 6 p. m.

15725

Reference Shanghai's March 4, 2 p. m,, concerning American citizens at Nodoa.

This afternoon I called on the Japanese Consul General in regard to this matter. I expressed surprise at the request contained in the telegram under reference and informed him that whether or not the Americans evacuated as requested we expected that the Japanese authorities will take suitable measures to ensure the safety of Americans and that we would naturally hold the Japanese Government responsible for injury to Americans or damage to American property should such unfortunately occur. He stated that according to information received his colleague at Hoihow had informed the missionaries of the proposed operations. He added that he would bring the matter to the attention of the military authorities.

Repeated to Chungking, Peiping, Shanghai, Hong Kong.

MYERS

PEG

THE FOREIGN SERVICE No. 359. RECEIVED OF THE PARTMENT OF STATES OF AMERICA

Division of FAR EASTERN AFFAIRS MAR 5 - 1940 Department of State

1940 MAR 5 PM 12 16

AMERICAN CONSULATE GENERAL

DIV 19 OF COMMUNICATIONS Barcelona, Spain, February 9, 1940 AND RECORDS

SUBJECT: Comments on the Far Eastern Situation.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to inform the Department that it would appear that Spanish opinion is beginning to recover somewhat from the shock caused by the German-Russian rapprochement, and as reported in recent despatches is again beginning to swing more and more in favor of Cermany, Italy and Japan. As regards the Spanish attitude toward Japan, I have the honor to enclose the translation of an article appearing in the "Solidaridad Macional" of February 4, 1940, which describes in a laudator manner the recent speech delivered by the Japanese foreign minister. A perusal of the article will also make evident the pro-German-Italian bias.

Respectfully yours,

ican Consul General

Enclosure:

l translation

800 HB:RAM

STATE OF THE STATE

In quintuplicate to the Department l copy to Embassy at Madrid.

793.94/15729

Translation

(From SOLIDARIDAD NACIONAL, of Barcelona, Spain, issue of February 4, 1940)

JAPAN'S STRONG POSITION

(From TRANSOCEAN agency, exclusive for "Solidaridad Nacional").

The great speech delivered by the Japanese foreign minister, Arita, proves that it is Japan's intention to persevere, at any cost, in her policy of broad objectives. The whole world realizes that the European conflict cannot fail to have effects in eastern Asia. For that reason all changes which take place in Europe are followed in Japan with the closestattention, and it is evident that Japan has succeeded in profiting from these changes in different ways. While Japan has not yet come to an agreement with Chang-Kai-Shek, it seems that the terms which would make such an agreement possible are now considerably more favorable. The western powers which had hitherto supported the Chinese, no longer have the means efficiently to maintain their policy of interference in China.

In the general statement made by Arita concerning Japan's attitude with respect to the western powers, he stressed the fact that Japan can distinguish her friends from her enemies. We thanked Germany and Italy warmly for their sympathy toward Japan. He further stressed that the Anti-Homintern agreement continued to be regarded by Japan as the basis of her political relations. Arita addressed harsh words to the western powers which assume the right of a control and a blockade that cannot be accepted by Japan. Japan protests strongly, as it has already done in the case of the "Asama Maru", against the abuses committed by the democracies, which take advantage of their position illegally to hinder Japanese trade. As long as the western European powers defend an unjust state of affairs and refuse to agree to an harmonious reorganization, there will be no lasting peace in the world. Such were the expressive words spoken by Arita in the last part of his speech.

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LEGAL ADVISER
1940
DEPARTMENT OF STATE

HSM

GRAY

Tokyo

Dated March 6, 1940 Rec'd 9:40 a. m.

Secretary of State

Washington.

Division of FAR EASTERN AGENTS
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ON POLITICAL RELAT

155, March 6, 7 p. m.

Our 67, January 31, 6 p. m./15638

The following is the text in translation of the reply of the Foreign Office which was handed to us this evening:

"The exclusion of the Hanoi-Yunnan Railway from any claim to neutrality in the event of war between China and any other power was established in 1903 when an agreement was concluded between France and China with regard to the laying and operation of that railway. At the present time the Chiang regime is employing the railway as an important route for the supply of arms, ammunition and other military commodities, and, therefore, the Imperial forces may properly take such military measures against the railway as they deem necessary.

The American Government refers in the pro memoria dated January 31 to injury to American trading rights in China and to the danger to the lives of American

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citizens

793,94 note

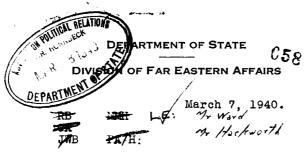
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citizens engaged in American commerce with China which will be caused by bombing of the railway, and observes that, if such bombing continues, it will be obliged to add the dangers to which American citizens are exposed and the injury which may be done to American commerce to the list of injuries done to American rights as a result of the actions of the Japanese forces in China. As a part of the military operations which are developing on a large scale in China, the Imperial forces are taking proper military means against transportation of military supplies over Hanoi-Yunnan Railway; consequently, although it is regretted that the lives of American nationals and American commerce are exposed to danger, the circumstances are unavoidable. In view of the legal position above stated, it is believed that the American Government will appreciate the view of the Japanese Government that the question of assumption of responsibility by the latter government does not arise.

Reference is made in the above mentioned pro memoria to the assurance of the Japanese Government that it will respect the interests of third parties in China. It is to be added that although there is no change in the policy of the Japanese Government to respect such interests, such assurances are not to be interpreted as limiting in any way proper military action on the part of the Imperial forces."

Repeated to Peiping. Peiping please repeat to Chung-king and Shanghai.

KLP GREW



Reference Tokyo's 155, March 6, 7 p.m., containing a translation of the reply of the Japanese Foreign Office to a <u>pro memoria</u> left at the Japanese Foreign Office by a representative of the American Embassy on January 31, 1940, in regard to the bombing of the Haiphong-Yunnan railway.

The reply of the Japanese Foreign Office refers to a provision in the Chinese-French railway construction agreement of 1903 reading as follows: "If China has a war with a foreign nation, the railway may not observe the rules of neutrality; it will be at the entire disposal of China" (page 460, Volume One, MacMurray's Treaties). The Japanese reply in effect claims belligerent rights without giving the rights claimed that name.

It is felt that the Japanese reply should not be left without further action by this Government and, accordingly, the draft of a rejoinder is attached hereto.

FE:Adams:JPS

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Washington,

"Gray" NAVAL RADIO

AMEMBASSY,

PM 2 16 March 2, 1940. TOKYO (JAPAN) VIA PENPINGAGUHINA) ~~ (1) CP. INFO: AMEMBASSY, CHUNGKING (CHINA).

Your 185, March 6, 7 p.m., bombing of Haiphong-Yunnan

railway.

193.94

Unless you perceive objection, please make an informal rejoinder to the reply of the Japanese Foreign Office along

QUOTE The Government of the United States has taken due note of the reply of the Japanese Foreign Office to the pro memoria left with the Japanese Foreign Office by the American Embassy on January 31, 1940, in regard to the bombing of the Haiphong-Yunnan railway.

In the circumstances under which the Japanese authorities are conducting military operations in China, the Government of the United States does not repeat not admit the relevancy to the question under discussion of the reference made by the Japanese Foreign Office to the Chinese French railway construction agreement of 1903, nor does it admit lack of responsibility on the part of the Japanese Government for any loss of American life or damage to American property that may be caused by the current Japanese military operations in China.

Sent by operator _______ M., ________ 19____

D. C. R.-No. 50

1-1462 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 Mittin D. August 10, NARS, Date 12-18-75

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Washington, C60

Charge to

The Government of the United States hereby makes full reservations of its rights and of the rights of its citizens in the matter. UNQUOTE.

Sent to Tokyo via Peiping. Repeated to Chungking.

Juee

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United States Senate

COMMITTEE ON INTERSTATE COMMERCE

n 29 TW

WINE STATION

February 27, 1940

1940 MAR & AM 10 39

Wall Tons AND RECORDS

. Michael J. McDernott vision of Current Information ate Department ashington, D.C.

Division of FAR EASTERN AFFAIRS **E**EB 2 9 1940 Department of Stat

March 5 1940

De r Mr. McDermott:

The Chinese situation is of great immediate importance to our entire country. Therefore I am requesting that you and your department kindly send me at your explicat convenience the following information concerning China, for my personal and official use.

- 1. Date of the Japanese invasion and the official estimate of territory conquered to date.
- 2. The population and resources of this conquered territory.
 - 3. Area and population of the Soviet sphere in China.
- 4. The miles of sea coast and important ports therein conquered by Japan.

Your cooperation with this request at your earliest would be deeply appreciated.

Sincerely yours,

PHYLLIS POSIVI

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

March 5 1940

In reply refer to

My dear Senator Landsen:

The Department has received your letter of February 27, 1940, addressed to Mr. McDermott, in which you request certain information in regard to China. As of possible interest to you in connection with your inquiry, the following information in the Department's possession, in part from official and in part from unofficial sources, is offered;

With regard to the first question, the initial clash in the present Sino-Japanese hostilities occurred on July 7, 1937, at Lukouchiao (Marco Polo Bridge) near Peiping. As to the extent of territory actually held by the Japanese forces at this time, it does not appear possible to make an accurate statement because Japanese military occupation of territory has principally followed lines of communication and embraced large cities and other

The Honorable

Ernest Lundsen,

United States Senate.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitty D, Charles NARS, Date /2-/8-75

-2-

other centers, because extensive regions behind the Japanese lines remain in Chinese hands, and because other regions are sometimes in Chinese and sometimes in Japanese hands. In general, it is a matter of public knowledge that areas in China (not including Manchuria and Jehol) within Japanese military lines are as follows:

- (1) Inland from the coast from a point on the coast
 just south of Hangehow, Chekiang Province; north to a
 point about 65 miles west of Shanghai; west for approximately 130 miles (65 miles southeast of Nanking);
 generally southwest to a point about 65 miles southwest
 of Nanchang, Kiangsi Province; then in a curving line
 north and west to a point just north of Pingkiang, Hunan
 Province; then in a curving line north and west to a
 point about 65 miles east of Siangyang, Hupeh Province;
 east by north to a point about 130 miles west of Pengpu,
 Anhwei Province; then northwest to Luan, Shansi Province;
 then southwest to Fenglintu, Shansi Province; then roughly
 north to a point 65 miles west of Tatung, Shansi Province;
 then west to a point about 65 miles southwest of Paotow,
 Suiyuan Province; then approximately north for 160 miles.
- (2) South China coast in the immediate vicinity of the port of Amoy, Fukien Province.
- (3) South China coast in the immediate vicinity of the port of Swatow, Kwangtung Province.

(4) Southeast

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

.....

- (4) Southeast China around Canton and between Canton and the coast and Canton and Hong Kong.
- (6) A narrow strip approximately 50 miles wide from the port of Pakhol, Kwangtung Province, running northwest to and including Nanning, Kwangsi Province.

As stated hereinbefore, extensive and varying regions within the Japanese lines are in Chinese hands.

With regard to the second question, there are no accurate statistics as to population, but it is estimated that the normal population of the areas within Japanese military lines is approximately 170,000,000. The question of populations of particular areas has been confused since the beginning of the hostilities by uncertainties as to the number of civilian and military casualties and by the substantial migrations which have been caused by the hostilities. With regard to the resources of the area under Japanese occupation, it is impossible, for the reasons indicated above, to furnish definitive information. As of possible interest, however, there are enclosed the general information sheets issued by the American Consulates General at Tientsin, Hankow, Shanghai and Canton, and the American Consulates at Chefoo, Tsingtae, Swatow and Amoy, which provide some information in this connection as regards the several consular districts which are partially

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitty 0. August 10, 1972
NARS, Date 12-18-75

-4-

partially included in the area in question. Publications such as <u>China's Geographic Foundations</u> by George Baboock Gressey, <u>Ores and Industry in the For East</u> by H. Foster Bain, the <u>China Year Book</u> and the <u>Chinase Year Book</u> contain further information which might be of interest.

With regard to the third question, it may be observed that, while this Government does not countenance the concept of "spheres" in regard to any part of Thina, we are aware that statements appear from time to time to the effect that certain countries have special interests in various areas of China, because of commercial investments, number of nationals or other reasons, and that in so far as these statements relate to the Soviet Union, the areas in question are Cuter Mongolia and parts of Sinking.

The whole of Cuter Mongolia is estimated to contain 617,000 square miles and 2,000,000 inhabitants. The whole of Sinking is estimated to contain 695,000 square miles and 4,300,000 inhabitants.

With regard to the fourth question, among the important ports on the coast of China which have been co-cupied by Japanese ersed forces are Tientsin (Tangku), Chefoo, Tsingtso, Shanghai, Amoy, Swatow, Canton and Pakhoi. There are extensive portions of the coastline between the ports mentioned as well as some ports which

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitty D. Suelesse NARS, Date /2-/8-75

-5-

are not under occupation, and no information is available
as to the exact mileage of coastline which is under
astual Japanese military or naval occupation.
Sincerely yours,

Enolosures:

General information sheets (8).

Cordell Mosi

MAR 4 2040 PM

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Eu Lung.

A true copy of

CROSS-REFERENCE FILE

NOTE

SUBJECT

Sino-Japanese conflict: developments of month of Dec., 1939.

For the original paper from which reference is taken

See	#168			
	(Despatch, telogram, instruction, letter, etc.)			
Dated .	Jan 9,	1940	From To	Foochow (Ward)
File No	893.	00 P.R. Fooche	w/143-	***************************************

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B. Relations with other countries.

1. Japan.

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Japanese planes from a carrier anchored off Amoy twice flew over the district city of P'ut'ien, bombing it each time; on the sixteenth of the month a single Japanese plane dropped six bombs near the Ch'angmen Forts, and on the seventeenth two planes attacked the Forts, proceeding from the south across the mouth of the Min River to bomb Meihua. There were no casualties reported, and no considerable damage effected, in any of these bombings. Acrial activity for the rest of the month was confined to recommoitering.

b. <u>Collapse of a conspiracy</u>. Of rufficient importance, and well enough known for his patriotism and energy, to be a member of the Executive Committee of the powerful Enemy Resistance Society of Fukien, the Foochow-born Lin Chih-yuan was yet not

a person of real mark until the first week in December, when he was reported to have been captured by Chinese troops in the course of their defense of Ohsoan in Kwangtung against the Japanese. Brought to northern Fukien about the 20th of the month, he is stated to have made a full confession, and to have imported to the authorities the secrets of the conspiracy in which he, Chang Hsiung-nan, Yu Ah-huang, and Wang Ta-wei are stated to have been involved, and which was alleged to have as its objective the conquest of the coastal arcas of the province, including Foochow, and the establishment here of a bogue Government to be conacotod with the projected Wang Ching-wei regime. Meanwhile, the bandit-suppression forces of General Husha Chon-wu had run Chang Heiung-nan to earth in Tchus Heien, and his head was suspended high over the gates of the provisional capital of the Province. Wang Ta-wei had seen his plans defeated in Chacan, and had, according to Foochow reports, gone to Canton, whereafter he had been seized on suspicion by the Japanese at Swatow. Nothing was to be heard of YU Ah-huang, and in his speech at the public rally welcoming him back to Foothow on December 26, General Huang Chen-wu reported that the conspiracy - which he said the authorities could prove to have been directed by the Japanese - had finally collapsed, but that he would continue his campaign against 'Chang's remnants' until they had all either been converted or exterminated. 1

CROSS-REFERENCE FILE

NOTE

SUBJECT sino-Japanese conflict.

Formula agreed upon by the British Ambassador at Tokyo and the Japanese Minister for Foreign Affairs regarding -.

793.94/ 15733

For the original paper from which reference is taken	
See Letter (Despatch, telegram, instruction, letter, etc.)	
Dated Feb. 26, 1940 To Hiram W. Johnson Us	8
File No. 893.102 Tientsin/581a	
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NO. 2854

AMERICAN CONSULATE GENERAL,

Shanghai, January 27, 1940.

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Division of FAR EASTEDN AFFAIRS

SUBJECT:

Intelligence Summaries for Month of December 1939.

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THE SECRETARY OF STATE,

WASHINGTON.

PAN OPE SIR:

I have the honor to refer to my despatch no. 2719 of December 4, 1939, and to enclose, as of possible interest to the Department, copies of intelligence summaries for the month of December 1939, prepared by the Intelligence Officer of the United States Fourth Marines.

Respectfully yours,

C. E. Gauss American Consul General

Enclosure:

1/- Intelligence Summaries for month of December 1939.

800 EFS MB

In Single Copy.

Cony to Embassy, Peiping.

Copy to Embassy, Chungking.

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DEC :- 1939

SHANGHAI, CHINA

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HEAD JUARTERS, FOURTH MARINES SHANGHAI, CHINA

1 December, 1939

RESTRICTED:

INTELLIGENCE REPORT ON THE MILITARY, POLITICAL, AND ECONOMIC

SITUATION IN CHINA.

25 November to 1 December, 1939

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

H. N. STENT
Major, U. S. Marine Corps
Regimental Intelligence Officer

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I. HILITARY CPERATIONS:

1. Japanese Pakhoi Landing:

The landing of Japanese Forces in the vicinity of Pakhoi on $\ensuremath{\mathbb{R}}$ vember 15th has again demonstrated the unorthodox tactics of the Chinese Army. The Chinese had ample time to prepare strong beach defences and they were favored by the shallowness of the sea off this coast, and the mountainous terrain from the coast inland, through which an invading Japanese army would have to advance. Moreover, the Japanese plans for landing at Pakhoi were known by the Chinese Authorities when the Imperial Airways plane was forced down at Waichow and reported large Japanese transport and troop concentrations. The only serious defense apparent was the destruction of roads. This seems to have been no serious handicap to the Japanese for they readily fought their way through the mountains and occupied Nanning on November 24th. This latest invasion, which the Chinese are trying to minimize, means for China the loss of Pakhoi through which 80 percent of the Chinese oil and gasoline supplies were transported. Nanning, the keypoint on the highway system between French and Kwangsi territory and it permitted the Japanese to build an airbase within ready striking distance of the Hanoi-Yunn infu Railway.

The Japanese are now reported by the Chinese to be advanceing North of Naming along the Maning-Yamehow highway. These reports state that the Japanese Forces in this advance number some 10,000 soldiers while an additional 2,000 remained in Nanning. The immediate objective of the Japanese is understood to be Pinyang, about 50 kilometers northeast of Namning. The Chinese have expressed the belief that the Japanese advance has the junction of Liu and Hungshui Rivers as its ultimate objective. The town of Namning is reported by both Chinese and Japanese to have been reduced to ashes before the Chinese withdrew.

The latest reports from South China indicate that the Chinese resistance is stiffening as the Japanese progress inland. The Chinese are at present issuing lengthy statements to the effect that the large scale operation soon to take place in the Lwangsi hills will be the most crucial battle in the present Sino-Japanese war. The Chinese General, the so-called "Ironside" leader of the Chinese Armies in Lwangsi, Chang Fa-Iwei, stated that the invasion gave the Chinese an opportunity to tie up another large Japanese force.

Had the excellent soldier material, that has always been the pride of kwangsi, been used to any advantage the Japanese would have had to employ three times the number of troops they actually employed and even then the success of the operation would be doubtful. However, the Chinese military leaders say that by allowing the Japanese to land unopposed they escaped the losses that Japanese Naval gunfire would have inflicted. Furthermore, in the mountainous interior the use of the Japanese mechanized equipment, heavy guns and planes will be minimized, thus putting the two forces on a more equal footing.

2. Japanese Aerial Activities in Kwangsi:

Immediately following the landing in the vicinity of Pakhoi, the Japanese started construction of an airfield. The Chungking authorities believe the Japanese drive inland will not go beyond the junction of the Liu and Hungshui Rivers, but that the airbase near Pakhoi will be utilized to facilitate aerial attacks against traffic along roads and rivers of kwangsi. The Chinese anticipate day and night straffing and bombing of highway and river traffic in Kwangsi and Yunnan. The Chinese have expressed their determination to keep traffic moving despite the new Japanese threat. The recent intensive daylight Japanese aerial attacks on Chinese truckers and transport lanes, however, have already forced the truckers in Kwangsi to operate only at night.

The Chinese authorities at Chungking are reported to be planning to equip trucks leading motor conveys with radios so that caravans would be kept constantly informed of threatened aerial attacks. The Chinese claim that they are operating nearly a thousand trucks in Lwangsi alone and that during September they lost some 200 trucks due to straffing of Japanese Canton-based planes. With the new airbase near Pakhoi, Japanese planes will undoubtedly inflict heavy losses on Chinese transportation.

II. POLITICAL:

1. Japanese Mforts to Ind China Incident:

Japanese leaders are convinced that the recent Nomenham Truce, which concerned only the immediate area and not the entire Soviet-Japanese Border, gave the Japanese but a reprieve from the coming show-down with the Russians. The Japanese Military Authorities feel that once the Soviet has made her Baltic position secure, Russia will have a free hand in the Crient and that Japan can expect ever increasing pressure from the Soviets. It is this factor that has prompted the Japanese to attempt to secure some sort of peace with China. For Japan, with approximately 1,000,000 soldiers strung out from Lanchuhue to Indo-China is in no position to meet the Russians in a major clash.

The Japanese are understood to be willing to offer the Chinese the mildest of peace terms, if the Chiang hai-shek Gevernment would negotiate a peace. Another reason behind this fervent Japanese desire for peace is that both the army and navy planes have seen long service, and new planes are not being acquired rapidly enough to insure Japanese command of the air in the face of ever increasing Soviet aid to the Chinese. Japan is also experiencing difficulty with her artillery which is becoming worn with little or no replacements. The Japanese dream of using a conquered China for a vast supply base in her war against Russia is as yet but a mirage. The occupied

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territories in China are yielding no real profits under present conditions in spite of the multitude of Japanese monopolies.

The corner-stone of the Japanese "New Order" was to divide the Chinese into Warring factions and to use one group of Chinese to subjugate the rest of the mation. On this score Japan has been betrayed on every point. The drubbing General Ma gave the Japanese in Manchuria, after they had set him up as a military power, when he deserted with all the military equipment the Japanese had furnished him plus the 2,000,000 dollars in silver the Japanese had furnished him as a war fund, has been a lesson the Japanese have never gotten over. Today the Japanese are extremely chary of putting any sort of military power in the hands of Chinese. The recent desertions of the Puppet Police in the Shanghai Area have again demonstrated to them the impossibility of using Chinese against Chinese with any degree of effectivness.

On the Political Front, the Provisional Government in the North and the Reformed Government in Central China are total failures. Their influence extends only as far as the Japanese bayonets and there is no indication that this condition is likely to improve. The grandiose plans of the Japanese, to establish Wang Ching Wei at the head of a new National Government, show every indication of failure. Weary as the Chinese are of war, wang Ching Wei has no real following, and with the excessive demands he has lately made upon the Japanese, it appears very possible that reports of his having been sent by Chungking in the guise of a traitor, for the purpose of gaining the support and of later betraying the Japanese, are true.

2. Wang Ching-wei's Demands on Japan:

Despite many efforts by Wang Ching-wei and his followers, the much publicized puppet "Central Government" has, so far, failed to materialize. At first it was reported that this

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regime would have been inaugurated on 12 November, but this plan failed. Although the Japanese authorities recently announced that the regime would be established in January, reports received here claim that despite several arrangements made by Tang Chingwei and the Tokyo authorities, the view of the Japanese and Tang Ching-wei are so divergent that the inauguration of the puppet regime will be indefinitely postponed. The major differences of opinion are over the economic-cooperation, withdrawal of Japanese troops and the "New Central Army".

Regarding economic-cooperation, wang Ching-wei requests the Japanese authorities to hand over to the "New Central Government" all the enterprizes in the occupied areas including railways and highways, whether they are controlled by Japanese official circles or seized by private Japanese merchants. To this, the Japanese authorities only promise to return those seized by Japanese merchants. In connection with the withdrawal of the Japanese Army, Wang Ching-wei was turned down flat. The Japanese state that the only concession they will make to the "New Control Government" is to permit them to organize certain "Peace Preservation Corps", and that the training of regular armies will remain strictly prohibited. By these stipulations the Japanese very definitely belie their much publicized role of giving the Chinese a so-called "new deal" under Chinese administration.

III. ECCNOMIC:

1. Rice Situation in Shanghai:

The supply of rice in Shanghai has been sharply increased lately. The stock of rice in Shanghai on November 30, 1939, is estimated at some 261,000 "zars". It is reported that rice is arriving in Shanghai at the rate of 13,000 zars per day, while the consumption rate is approximately 10,000 zars per day. This leaves a comfortable margin which should have the acceptance.

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of lowering the price as no rice shortage is apparent. Instead, newever, the manipulators, by buying up large quantities of rice. have forced the price up to 40.00 per zar. Reports received here state that the rice merchants are able to offer rice stocks 85 security to banks for loans, thus giving them ready cash with which to control the market. Information has also reached this office to the effect that it is not so much the hoarding of rice as the speculation and buying and selling of fictitious quantities of rice that do not exist. This speculation is done with the knowledge, if not the connivance, of certain members of the Shanghai Municipal Council. To correct the situation several remedies have been suggested, one being that the Eunicipal Council forbid bankers to advance money to merchants who offer rice as security to prevent the use of such credit being used to control the market. To prevent hoarding, various local citizen groups are planning to order a consignment of 200,000 zars of foreign rice unless the local authorities do something to control the situation.

The police are planning to arrest the principals in the rice market as soon as their case is air-tight. Unless some solution to this problem is reached there is every indication that there will be a recurrence of the rice riots staged at the last rice crisis. During this time several shops were broken into and the rice distributed among the mob.

IV. MISCELLANEOUS:

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1. Japanese Attempts to Control Crime in Hongkew:

The Japanese, in an attempt to control the crime situation in Hongkew, have organized the Naval Landing Party and the Consular Police as raiding parties and stationed them at various important areas in the district. On 27 November the Commander of Japanese Marines in Hongkew admitted the crime situation will bad and was likely to become worse. He requested the massidative

the Hongkew District to co-operate with the marines in make beining security by giving the authorities information concerning serious crimes as quickly as possible. To aid in maintaining security the Japanese have recently been engaged in laying down a network of military telephone wires. Jires have been laid along Range Road, North Soochow Road, Thorburn Road and Yangtzepoo Road. Then Completed the Japanese will have the entire district blanketed with this telephone network.

Information from local Chinese sources state the reason for this elaborate system of control is that the hostilities in Hunan and Kwangsi have forced the Japanese authorities to transfer most of the troops formerly stationed in Joosung, Paoshan, Viangwan, Hongkew, Chapei and Nantao to these two provinces. They state that only a small number of marines landed from the warships in the Whangpoo River are available as replacements. The report further claims that sentry duty at the street intersections of Hongkew, formerly performed by the Japanese marines, has been largely taken over by City Government police, with a small number of Japanese marines as supervisors. The withdrawal of Japanese forces they claim is responsible for the increased crime in the Hongkew Sector of the Settlement.

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HEADQUARTERS, FOURTH MARINES SHANGHAI, CHINA

9 December, 1939

RESTRICTED:

INTELLIGENCE REPORT ON THE MILITARY, POLITICAL AND ECONOMIC

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DEC 1 1939

HANOHAI, CHINA

SITUATION IN CHINA.

1 December to 9 December, 1939

Page. I. POLITICAL: 1. Factors Pertaining to China's Continued Resistance. 1. (a) Man-power. 2. (b) Supply. (c) Finances. (d) Counter-Offensive. 2. Situation in the Border Areas of Kiangsu, Chekiang and Anhwei Provinces. II. MILITARY OPERATIONS: 10. 1. The Nanning Campaign. III. CRIME: 1. The Crime Situation in the American Sector. 7. 2. The Crime Situation in the Western Extra-8. Settlement Area. IV. MISCELLANEOUS: 1. Refugees in the International Settlement. 6. 2. Ta Tao Police Fire on British Soldiers. 9. N. STENT

Major, U. S. Marine Corps Regimental Intelligence Officer

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I. POLITICAL:

1. Factors Pertaining to China's continued esistance. (A) Man-power.

A survey of the factors in China's continued resistance against Japan shows that China's main advantage in this stage of the incident, is her enormous superiority over Japan in manpower. Ever since the outbreak of the war, and increasing after the fall of Hankow, China has been drawing on her male population to build an army capable of defeating the Japanese. An intensive program of recruiting and drilling has now produced a force of fully trained regulars totaling three and a half million men. Two and a half million more have been conscripted and are now partially trained, and an additional three to four million have drawn lots, passed muster and are ready to go to training as they are wanted.

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In the Japanese occupied territories another 1,700,000 men carry on constant harassment against the Japanese. These men are organized into small mobile detachments or guerrilla bands aided and directed by the large guerrilla armies such as the Fourth Route Army (ex-Communist) operating in the Nanking area and the Eighth Route Army (Communist) operating in the Northern Provinces.

China has ten military academies in the unoccupied area which annually graduates 20,000 officers for the regular army, while in Hunan the Special Military Academy has just graduated 25,000 officers specially trained to command guerrilla units. A new class of officers destined for guerrilla command is now being organized. The Chungking Government is still effectively ruling three hundred million out of China's four hundred million people and Chinase Army leaders estimate at the rate China's man-power has been utilized during the present incident China will not have to consider exhaustion

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of man-power for the next twenty years.

(B) Supply.

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The next most important consideration is that of supply, whether or not China can supply and equip this immense army. To this question most military observers answer yes. with certain qualifications. Chinese army Leaders confidently state that the supply of arms and ammunition, on the scale with which Chinese troops are customarily equipped, are assured for the coming year. All 3,500,000 Chinese regulars are reported to be equipped with rifles and machine-guns and some units are equipped with heavier weapons. Chinese arsenals in the unoccupied territory are turning out practically all of the small arms ammunition being used. The importation of heavy guns, tanks, and other Weapons is not very great, but these imports are being used to swell the quantity that China has been hoarding since the fall of Hankow. The steady importation of artillery and shells, principally from Russia, will soon give China an imposing strength in this category. China's air-force has lately been growing constantly stronger. Reliable sources state that the planes imported from the United States and Russia have brought the Chinese air-force to more than 500 pursuit ships and bombers. Hundreds of pilots are nearing completion of their training in the various Chinese airdromes. All of this strength is being consolidated and preserved for the counter-attack which the Chinese believe will free their country of the Japanese. The weakest point in China's growing military might is admittedly the low state of economic development of the Chinese Western Provinces, which are now the base of China's resistance. Yet remarkable progress has been made in creating industries and communication systems in these Provinces, which up until the fall of Hankow had virtually no industries and only a few main lines of

communication. The wealth of these provinces was measured only in agricultural production, and while the Japanese have taken over some of China's most valuable mineral districts, the iron and coal producing areas, the unoccupied territory contains supplies of minerals sufficient to supply all the industries the Chinese could hope to construct in the next decade. In addition there are rich deposits of tin, antimony. wolfram and gold which are being extracted for export. In the mills of Szechuan and Yunnan, alone, China produced 80,000 tons of iron and 33,000 tons of steel and the Chinese claim that in the next year the output of these mills will be seven times as great as this year's production. This year China produced almost all the copper used and about a third of the alcohol, lead and zinc and a similar proportion of the chemicals used. The recently opened oil fields in Kansu may soon materially help to solve the liquid fuel problem.

(C) Finances.

The Chungking Covernment still controls most of China's basic export producing areas. China's exports of antimony, wolfram, tea, bristles, hides, furs, wool and tung oil at the present high prices on the world market have brought in large amounts of foreign exchange. The gravest difficulty to China's exports is the problem of communications. It is conservatively extimated that only 100,000 tons of carge a month can be transported over the three land routes to Indo-China, Burma and Russia. The cost of transporting goods over these routes is many times higher than the normal cost, and the Chungking Government is making every effort to improve these routes. Although there are few figures obtainable regarding the actual financial position of China, authoritative sources assert that China has enough credits abroad already to pay for the war materials to be imported for the coming year.

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The import restrictions plus the low level of the Chinese dollar which is encouraging exports has made for a fairly stable Yuan internally despite a present forty percent inflation. in this year's bumper crops and the increased production in all lines there is general confidence in the Chinese currency. For while there is wide-spread suffering and isolated famines through-out the country, the demestic unity of the Chinese and the good crops have combined to keep foreign credit open to China.

(D) Counter-Offensive.

All China's plans for the future revolve about the projected large scale counter-offensive, which is to take place sometime next year. Men, machines and supplies are being accumulated as rapidly as possible in preparation for the drive. Even the most optomistic Chinese leaders do not expect this counter-attack to sweep the Japanese out of China, however they do believe they will be able to deal a number of heavy blows to the Japanese Forces and perhaps retake some major cities. The Chinese feel that it is possible for such reverses to provoke a political upheaval in Japan resulting in a change in Japanese policy towards China. Almost since the war began Chinese leaders have realized that China will be unable to drive the Japanese out of China by purely military means. They believe, however, that the present anti-war sentiment among the Japanese people, the severe economic strain which the Japanese are experiencing, plus Japan's poor standing internationally, which procludes much holp from abroad, will combine with the Chinese counter-attack to end Japan's China venture.

2. Situation in the Border from of Kinngsu, Cheking and Anhwei Provinces.

Following the Sino-Japanese hostilities in the border areas of the three Provinces of Kiangsu, Thekiang and Anhwei, these districts have practically returned to normalcy and

most of the inhabitants have again settled in their former abodes. The districts of Ishing, Li-Yang, Kwangteh and Chang Shing, which make up the joining borders of these Provinces, are under control of the authorities owing allegiance to the National (Chungking) Government. Administrative functions have been carried on for some time past and government efforts directed at the pacification of the war-stricken areas are in progress. To prevent undesirable elements from entering the areas, the pro-war "Pao-Cha" system (A system of mutual guarantee) is being enforced through various district and village guilds and inhabitants are required to apply for "Good Citizens' Cortificates" to prove their identity when called upon to do so. Should they fail to produce these certificates, they are detained by the District Magistrate pending an investigation.

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National Government armed forces operating or garrisoned in these districts consist of three full central divisions, namely the 62nd, 73rd, and the 108th Divisions and also the 33rd Independent Brigade, totalling 35,000 strong, equipped with light guns, machine-guns, rifles. They are active in the mountainous regions on the border areas, especially in the vicinity of Ishing and Li-Yang. The headquarters of these regular units of the Chinese National Army is located in Tsang Tse San of the Ishing District. Uninterrupted communications are being maintained between the various bases and the headquarters of the Chinese High Command.

Conservation has revealed that strict discipline is being maintained among the Chinese regular units, which has gained for them the support of the local inhabitants.

Recently, circulars were posted in Ishing, calling for recruits to join the Central Gendarmerie. Recruits for this New Central Police organization are to be sent to Hunan for training.

Apart from the Chinese regular units mentioned above

there are guerrilla bands which have now been reorganized into numerous mobile units, with a total strength of approximately 50,000 men under the command of General Mei.

In the Japanese occupied areas, the number of Japanese troops are far from adequate. Only a few hundred soldiers are deployed along the Ishing-wusieh Highway, and some 500 garrisoned in the walled city of Ishing. These troops remain behind strong defense works and are reported to maintain underground communication with military posts along the Ishing-Wusieh Highway. In an effort to capture this city, Chinese regular units have launched several offensives on the garrison in Ishing but no tangible results have been achieved, and it has been decided to leave the city alone. Occasional skirmishes, however, are inadvertent since tax collectors of the administrative organs under the Reformed Government, accompanied by small squads of Japanese soldiers, visit the countryside from time to time to impose land tax on the villagers in the form of ten catties of rice for each "now" of land, no cash being accepted for payment of tax. Upon receipt of information regarding the activities of these tax-collectors, troops are despatched by the Chinese regular units to effect their expulsion which inevitably results in the Japanese withdrawing to the fortifications.

Sc far, the Japanese have made no attempt to launch any attack upon the Chinese positions and appear to be satisfied with what they have obtained and occupied.

IV. LISCELLANEOUS:

(1) Refugees in the International Settlement.

It is estimated that there is a total of 42,005 refugees in the Shanghai International Settlement. This figure represents a decrease of 304 since last month.

Statistics of refugees classified according to three

headings are as follows:

CRIME:

- (a) Living in Refugee Camps - - - - 37,319
- (b) Living in Alleyways and Open Spaces - - 3,983
- (c) Living in Emergency Hospitals - - - 703

Of the refugees living in Refugee Camps 27,319 are in the American Sector, while 118 of those living in alleyways and open spaces are in this sector.

During the past month, three Refugee Camps were closed and the inmates housed therein removed to the Refugee Camp of the Shanghai Refugee Relief Association on Tunsin Road. As compared with last month, the number of refugees housed in camps show a decrease from 37,792 to 37,319; the number of refugees living in open spaces show a decrease from 4,020 to 3,983 while the number of refugee patients in the 5 emergency hospitals has increased from 497 to 703.

1. The Crime Situation in the American Sector.

The crime increase in the american Sector as reported last month shows little sign of decreasing. The below table gives the number of crimes committed in the American Sector, as reported by the Police, during November with the number of crimes committed in the same area during the previous two months.

CRIME	NCVELBER	OCTOBER	SEPTEMBER
Lurder	1	4	6
Attempted Murder	ន	3	3
Armed Robbery	29	17	11
Robbery	4	1	0
Armod Highway Robbery	10	7	2
Highway Robbery	6	3	5
Attempted Armed Robbery	2	0	1
Attempted Robbery	1	0	0
Possession of Arms	1	0	0
Possession of Explosives	0	1_	1
Total	56	36	28

remains unchanged. The Ta Tae Authorities are still refusing to co-operate with the Municipal Police in apprehending criminals who have committed crimes in the Settlement. The conference held by Major Bourne of the Municipal Police and General Miura, Commander of the Japanese Gendarmerie, failed to reach a solution to the problem. General Miura ence again asked that the Municipal Police be withdrawn from the extrasettlement reads until the whole question is settled. In the meantime the lawless elements in Shanghai are still given immunity for crimes committed in the Settlement ence they regain the Ta Tae Districts.

It is entirely possible that the Japanese may, in the future, use the statistics on the prevalence of crime in the American Sector to refute the contention of the American Authorities that the Shanghai Municipal Police are effectively curbing crime where they have sole policing rights, while in the Mestern Area where there are joint policing rights crime is rampant.

2. The Crime Situation in the Vestern Extra-Settlement Area.

In the Western extra-Settlement Lrea, for the month of November the following crimes have been reported by the Municipal Police:

Murder	0
Attempted Lurder	0
Armed Robbery	7
Robbery	0
Armed Highway Robbery	9
Highway Robbery	1
Attempted Armed Robbery	C
Attempted Robbery	О

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Fcssession of Arms - - - - 1
Total- - - - - - 18

At first sight it would appear that crime in the western extra-Settlement Areas is well under control but it must be remembered that the above reported crimes were only those committed on the Municipal Roads or in buildings abutting on these roads and at times when the Municipal Police were on the spot to make the arrest. By no stretch of the imagination can the above figures be taken as a true picture of the situation.

There are several reasons for this apparent better policing of the Extra-Settlement Areas, but the most important is that by agreement with the Municipal Police the Japanese Gendarmerie are permitted to accompany the Municipal Police into the Settlement to apprehend criminals who commit crimes in the Ta Tao District, whereas this courtesy and cooperation is not extended by the Ta Tao to the Settlement Police in the extra-Settlement Areas.

IV. MISCELLANEOUS:

2. Ta Tao Police Fire on British Soldiers.

on the evening of 3 December the Ta Tao Police arrested a British Soldier and a British Civilian in the back room of a fish and chip shop on Great Western Road for suspected complicity in a previous brush, occuring the same evening, between the British soldiers and the Ta Tao Police. As they were leaving the shop with the prisoners, several unarmed British soldiers from another cafe a few steps away came out with the intention of effecting the release of the two prisoners. The Ta Tao patrol then are reported to have opened fire on the British soldiers. The soldiers withdrew to the cafe and the Ta Tao proceeded to the Ta Tao Headquarters on Jessfield Road with their two prisoners. In the firing one Chinese woman was fatally shot in the abdomen, but none of the soldiers were injured.

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On hearing the shots reinforcements from the Ta Tao and Japanese Gendarmerie arrived and surrounded the cafe, while two trucks of armed soldiers from the East Surrey Regiment arrived and took up position on the outskirts of the area. The Funicipal Police arrived with the riot vans and all traffic in the area was held at a standstill until it was ascertained just what happened. The arrested soldier and civilian were later released on demand of the British Military Authorities.

The Japanese army spokesman, in giving the Japanese version of the affair, stated that a group of four intoxicated Britons, three of them soldiers, approached a Ta Tao police patrol and tried to take away the rifle of one policeman. In the struggle that ensued the rifle was detonated, and two members of the Ta Tao patrol fired six shots into the air whereupon the Britons run into the cafe. When the Ta Tao men, with reinforcements, surrounded the cafe and searched it they could not find the other culprits. The Japanese could not account for the death of the Chinese woman as they claimed all the shots fired by the Ta Tao were fired into the air.

As far as can be determined no definite settlement placing the responsibility has been arrived at and negotiations are still proceeding between the British Authorities and the Special Eunicipality.

II. MILITARY OPERATIONS:

(1) Nanning Campaign.

During the conference of the High Japanese Lilitary Authorities on 14 October, 1939, it has decided to launch attacks from the north in the Changsha area and from the south in the Canton area. The purpose of these simultaneous drives was to give the Japanese complete control of the Hankow-Canton Railway, thus cutting off the Eastern Provinces from communication with the Changking forces. This plan fell through

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with the unexpected Chinese resistance at Changsha. The Japanese then revamped their plans and decided to launch columns into the interior through Foochow, Swatow, Canten, Amoy and Pakhoi in an effort to so disperse the Chinese forces as to prevent effective resistance and thus attain their goal of isolating the Eastern Provinces. The first of these attacks has been launched on Pakhci. After landing at Pakhci this column captured Nanning and are now proceeding north of that city. The Province of Kwangsi was defended entirely by the Provincial troops. The bad blood that has existed between Provincial troops of Kwangsi and Contral Government troops was climaxed by the Kwangsi troops refusing to fight any further in the North after the fall of Canton. Now, however, large Central Army Forces are proceeding from Hunan to Kwangsi, but their effectiveness will not be felt for another two weeks. In the meantime the Provincial troops are withdrawing to take up positions North of the Hung Shui River, approximately 75 miles north of Manning.

The next drive was to have been on Forchow, but the Japanese believe they have the General commanding this area bought over. He has a Japanese wife and the Japanese feel that their "silver bullet" campaign will result in this General withdrawing his troops from this area and permitting the Japanese to occupy the greater part of Fukien Province without a costly landing operation.

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HEADQUARTERS, FOURTH MARINES SHANGHAI, CHINA

16 December, 1939

RESTRICTED:

INTELLIGENCE REPORT ON THE MILITARY, POLITICAL AND ECONOMIC

SITUATION IN CHINA

9 December to 16 December, 1939

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H. N. STENT
Major, U. S. Marine Corps
Regimental Intelligence Officer

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I. THE RICE SITULTION IN SHANGHAI.

(A) Attempts at Price Control.

The inicipal Council took action against the rice manipulators in Shanghai, on the 14th, by publishing proclamations to the effect that any person engaged in hoarding, speculating or in other ways manipulating the rice supplies of Shanghai would be liable to expulsion from the Settlement and the French Concession. The Council is also supporting a ruling of the Shanghai Rice Dealers Guild setting a price limit of \$45.00 per "zar" for the best grade of rice and \$38.00 for inferior grades of rice. These maximum prices are not to be exceeded under pain of expulsion.

The above efforts of the Council to control the rice situation, is ironic. For the manipulating of the market has been done with the knowledge or connivance of the Municipal Council and one Chinese member is one of the leaders in the pool buying and selling fictious quantities of rice in order to maintain the high cost of this grain. The setting of the 345.00 limit for rice is merely a device for the protection of the speculators in official positions who have large sums of money tied up in paper rice stocks. There is no necessity for the high price, for while the record price of 345.00 per "zar" is blamed on the Japanese, the Japanese are but partly to blame. The price of rice in Wuhu is \$15.00 but by the time it gets to Shanghai it costs about \$29.00 and the disparity between \$29.00 and \$45.00 represents the profits that are made by the manipulator of the Shanghai market.

The stock of rice in Shanghai is at present estimated to be some 355,000 "zars". This represents an increase of some 20,000 "zars" over the rice stocks on hand during the first of the month, which should have normally caused a reduction in price.

(B) Japanese Withhold Rice Stocks.

Commencing from 8 December, all consignments of rice, wheat and other cereal which have arrived here from the interior by rail, have been held up at Markham Road Junction and prevented from entering the Settlement. The amount of rice held at the junction now totals some 12,000 bags and a similar quantity of other cereals are being detained at the same place.

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On December 11th, the Shanghai City Government notified the dealers concerned to supply the City Government with the quantity and costs of the detained commodities. This rice has been sold on demand to the City Government at the price of "24.00 per "zar". Negotiations are underway at present for the sale and release of another consignment totaling some 1,500 bags from the same source.

The Rice Quild has requested the Municipal Authorities to make representations to the Japanese Authorities for the release of the consignments now being held at the Markham Road Junction. They also requested the Municipal Authorities to secure permission from the Japanese for the rice dealers to import 50,000 to 100,000 bags of inferior grade of rice from Wuhu, the price to be fixed by the Municipal Authorities.

On December 10,1939, copies of a circular order issued by Tsu Ngoeh Tsung, Chief of the Pootung Administrative Office, were posted on important the regulares in Pootung, prohibiting the people in Pootung from transporting rice into the Settlement and French Concession. The notice also notifies rice shops that the sale of rice be limited to half a "zar" to each purchaser. This action is being adopted in order to prevent hoarding by the people.

(C) Rice Disturbances in Settlement.

About 30 disturbances occured at Shanghai rice shops during the afternoon of Friday, 15 December.

The Municipal Police state that they believe there was no organized rioting but that it was an attempt by the beggar and poorer classes to grab a little rice and run. In most instances an argument started over the price and in a short while the rice dealer found his shop full of people who were helping themselves.

On Thursday evening, 14 December, five Chinese were arrested in the Pootoo District for stealing rice. Friday morning the Judge who was sitting on their case gave them a suspended sentence. It is believed that this was more or less a signal for the execution of the disturbances which occurred during the day.

It is of interest to note that all of the disturbances reported took place in the American Defense Sector. There were two cases reported from the Badlands and a few from the French Concession.

There were a number of participants injured by being trampled under the feet of crowds. The Police met with little difficulty in dispersing the crowds and in only one case were there any shots fired. One Chinese Police Constable, on duty close to the Seymour Road Market fired five shots in the air. These shots had the proper effect for the crowd immediately broke and ran.

It is believed that this is only a beginning of the rice rioting, and that the situation will assume serious proportions if the present price limit of _45.00 per "zar" is allowed to stand.

It is conceivable that, as soon as the rice speculators have "covered up" on their speculations, the price will be reduced, but how soon this may occur is a matter of conjecture.

II. JAPANESE ARLED PRESSURE ON SHANGHAI.

About 12,000 Manchukue Troops were reported to have been transferred, on 7 and 8 December, to Shanghai from Muhu by

the Japanese Military Authorities. Of the total, 3,000 Were stationed at the Civic Center (Kiangwan), and the remaining 9,000 are stationed in Nantac over an area from the South East Gate to the South of Rue Pere Robert.

These troops are natives of Lanchuria and wear uniforms similar to those of the Japanese Army. The officers are Japanese and Formosans. The discipline a mong the troops is reported to be very lax, and upon arrival they searched the residents near where they were quartered for bedding, causing a panic among the Nantao population. Unconfirmed reports have been received that these troops had mutinied. They were reported further to have left this area on the 13th for unknown destinations.

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Further reports, from a usually reliable source, but taken with great reservation, states that a total of 90,000 Manchukuo troops are to be concentrated in Nantao before December 15, 1939. The idea behind this concentration being to intimidate the French Eunicipal Authorities and so accelerate the negotiations between the Shanghai City (Puppet) Government and the French Authorities over the re-opening of the iron gates along the French Concession boundaries. Should no success attend these negotiations the iron gates will be broken open by these Manchukuo troops after the inauguration of the new "Central Government" of Jang Ching Jei.

The French Police state that these soldiers are part of the 106th and 101st Divisions who have been sent down from the Hupeh area for a rest. Part of these troops are quartered in Nantao.

On the night of the 14-15 December the Japanese moved between 150 and 200 light tanks from north of Soochow Creek via Chung San Road to one of their billets on Lincoln Avenue in the Hungjao area.

During the past week an increase in the number of Japanese troops in the Hungjao area has been noticed. Thether or not this increase has any significance is not known. It is possible that they were transferred to this area for maneuvers.

III. MISCELLANEOUS.

1. Ta Tao Police - Relations with Foreigners.

"Mayor" Fu of the Ta Tao Government recently announced that he had ordered the Ta Tao police to refrain from reckless arrest of Third Power Nationals. His announcement implied that Foreign Nationals would be accorded every consideration in the Western Extra-Settlement District. The "Mayor's" stated policy was echoed by several Japanese officials including the Consul General and the Chief of the Japanese Gendarmerie.

During the past two weeks the Special Shanghai City Government Police in the Western Extra-Settlement area have been observed to be somewhat less truculent and threatening in their attitudes.

In apparent epposition to this the following order issued to Loo Ying, Chief of the Western District Police Bureau was obtained from a usually reliable sourse. Whether this is an old order, since supersided, or a new one as yet held in abeyance, is not known, but from observations during the past week its provisions are not being carried out.

The chief of the Shanghai City Government Western District Police Bureau is reported to have recently received a confidential order which included the following points:-

- (1) To arrest members of the "Police" or "Defence Forces"

 Who attempt to obstruct the activities of the Shanghai

 City Government Authorities in the extra-3cttlement

 Roads in the Jestern District.
- (2) To resist at once in self defence when interfered with by members of the "Police" or "Defence Forces".

- (3) To adopt a hostile attitude towards the "Police" and "Defence Forces".
- (4) Men on sentry and post duty are strictly prohibited from retreating during incidents with the "Police" or "Dof-once Forces" irrespective of consequences.
- (5) Officers and policemen of the Western District Police

 Bureau should endeavour to persuade the "Police" to

 join the Shanghai City Government Police.
- (6) Menever an opportunity avails itself, the outdoor staff should insult and find fault with foreign Nationals with the exception of Japanese, Germane and Italians.

 Upon receipt of this confidential order, the Chief of the mestern District Police Bureau has instructed his subordinates to act accordingly.

II. MILITARY OPERATIONS:

2. Chinese (pen Offensive on Three Fronts.

(A) Shansi Cffensive.

Chinese reports claim that the Chungking Government has ordered a general offensive on all fronts. It is believed to be somewhat early for the long planned general counter offensive by the Chinese, but three major battles are reported to have been fought in the past two days. In Shansi the 8th Route Army, with their increased strength, have been fighting the Japanese in the vicinity of Taiyuan, the capitol of Shansi. The 8th Route Army is reinforced by Mational Government Troops and guerrillas. About two months ago they crossed the Yellow River between Yungho and Linhsien. They made excellent progress for a short time, and then the 8th Route Army withdrew into Shensi. Since the Chinese forces remaining in Shansi have been reinforced by the 8th Route Army the Japanese hold on the Province of Shansi has become very precarious. The Chinese troops in Shansi are based in the Chungtiaoshan mountains and are attacking in force the numerically smaller and

widely spread Japanese garrisons throughout the Province.

(B) Chinese Attack on Hangchow.

Chinese troops are reported by the Chungking Government to have attacked the Japanese Garrison at Hangchow killing more than 100 Japanese soldiers. This is the second such report to reach this office, neither of which could be verified. These attacks, however, are believed to be the action of Chinese troops in plain clothes from Ningpo districts. The troops infiltrate through the Japanese garrison lines and meet in the city for concerted attacks on Japanese controlled "puppet" activities in the city.

(C) Hupch Operations.

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The Chinese opened their Central China operations by an attack on Tungcheng, on the highway near the Hupch-Hunan border. According to the Chinese reports, Central Government troops based at Pingkiang drove north capturing Tungcheng and are now engaged in attacking the Japanese garrison at Tsungyang. The main objective of this drive is reported to be Puchi on the Hank, w-Canton railway. The Japanese are sending reinforcements to this area according to Chinese dispatches. These dispatches state the Japanese morale is very low throughout Central China. Reports received here from excellent sources state that the Chinese sank a Japanese warship near Kiukiang. No details regarding the identity of the ship could be obtained.

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HEADQUARTERS, FOURTH MARINES SHANGHAI, CHINA

22 December, 1939

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INTELLIGENCE REPORT ON THE MILITARY, POLITICAL AND ECONOMIC SITUATION IN CHINA

16 December to 22 December, 1939

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H. N. STENT

Major, U. S. Marine Corps
Regimental Intelligence Officer.

I. MILITARY.

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(a) Japanese Fortress at Shanghai.

With reference to a report forwarded in August, 1939, regarding the construction of a fortress by the Japanese Military Authorities near Lotien, further enquiries have been made and it is found that the site in question is located about 3 li (one mili) to the East of LIUHONG VILLAGE, south of Lotien, and on the Shanghai-Taichong Omnibus Highway. This is the former site of the Government Wireless Station which was destroyed during the recent Sino-Japanese hostilities and is approximately 4 miles to the South-East of Lotien.

The site is now encircled by a wooden fence strung with barbed wire and stands 6 feet high. The entrance faces

South-East and a number of Chinese masons are still engaged in erecting a gateway.

At the entrance to the enclosure, there is an ordinary Chinese single-floor house on the right-hand side, occupied by four Japanese sentries who carry out guard duty by day and night. Pedestrians are not allowed to go near the place.

In the South-Western corner, there are three foreign sytle buildings in two rows: one covered with red tiles and the other with black. Each building contains about ten rooms all of which, in the three buildings, are interaccessible. The building in front is reported to be the offices of a Wireless Station and is connected with subterranean structures.

An Observation Station, about 40 feet high, equipped with night signals and capable of accommodating four or five persons, is located to the West of the aforementioned buildings.

Within the enclosure, five aerial projectors have been erected, stretching from the South-Western corner towards the North-East in a semi-circle. Each projector stands on

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a cement base and is approximately 180 feet high. There is also a semi-circle of some thirty wooden pillars erected beyond the projector-stands, to a height of over 120 feet.

At each of the four cardinal points within the enclosure stands a cement gun-platform, each of which measures about 25 feet high and 8 feet in diameter, mounted with a 6" gun. The platform near the South-Western corner is located to the east of the above-mentioned buildings. By the side of each platform and at an equal distance of approximately 8 feet apart, there stands an anti-aircraft gun which is allegedly used for the purpose of safeguarding the Wireless Station from enemy aerial attacks.

(b) Chinese Counter-Attack on Nanning.

The Chinese have been on the offensive in the Nanning area for the past four days. They have been to date successful in keeping the Japanese from capturing the strategically favorable terrain west of Nanning, and most important, the Kunling Hountains twenty-five miles northeast of Nanning. As long as the Chinese can hold these mountains the Japanese position in Kwangsi remains precarious. The Japanese are now approximately 20 miles north of the metropolis and for the last four days have been giving ground steadily. The Chinese recaptured Patang, a small village thirty miles Northeast of Nanning and the furtherest point of Japanese penetration.

The Chinese claim to have surrounded Nanning and cut the Japanese off from the sea, except by means of air transportation. While this report has not as yet been verified it is true that the Japanese are being seriously harrassed by guerrilla attacks on their communication and supply lines. The Japanese forces in Kwangsi are insufficient to guard their supply routes and at night the guerrillas tear up the roads or place obstructions across them which is causing considerable delay to the Japanese.

The Japanese military authorities in Shanghai refuse to make any statement in regards to the Japanese position in Nanning. It is estimated that the Japanese have two divisions in the Nanning Area, including those guarding their supply and communication lines. These forces are not believed rufficient to guard against a determined Chinese counter-attack. The Japanese action in stating that there is no information from their forces, which is the same attitude they adopted durthe engagements at Taierchwang and Changsha, leads to the belief that the Japanese are in serious difficulty at Nanning.

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(c) Shansi Operations.

Heavy fighting has been progressing in the extreme southwest of Shansi at the elbow of the Hwang Ho (Yellow River). The Japanese are being dislodged from the mountainous area that they have held since the opening days of the war. They are now withdrawing, under attack from Chinese regular troops who crossed the river at Shihiow, to the Chungtaio Mountains. Reports from North China claim the Japanese have already lost control of the southern part of the Linfeng-Peiping railway.

The guerrillas in this area have been har rassing the Japanese both in their withdrawal and in their counter-attacks in this province. Reports on their activities state that during the past year these guerrillas have wrecked 63 locomotives and 400 passenger and freight cars. For their train wrecking activities the guerrillas get explosives from the miners who are supplied by their Japanese bosses. The most common method used in destroying trains is to place the explosive under the track in the form of a land mine to explode as the train passes over.

(d) Miscellaneous Military Operations.

In Honan the Japanese attacked and captured the Chinese positions near Miyang, a small village 80 kilometers Northwest of Sinyang, on the Peking-Hankow railway. The Japanese detachment is now moving toward Hwangshan.

In Hupeh the Chinese troops attacked the Japanese defenses north of Anlu on the Han River without success. The Japanese counter-attacked on the 17th and are continuing their pursuit. Their present position is now about 30 kilometers north of Anlu.

In Hunan the Japanese attacked Chinese troops operating in the Kiata mountains 30 kilometers east of Yochow. These Chinese troops have been engaged in harassing the Japanese and making it impossible for the Japanese garrison to live off the land.

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In Kiangsi Chinese troops attacked, on the 18th of December, the Japanese defenses at Shihchakei, on the Chin River 45 kilometers south of Nanchang. A simultaneous attack was made on Jenkiang, on the Fu River about 30 kilometers to the south-east of Nanchang. These attacks were repulsed after three days of intensive fighting and on the 21st the Chinese started a general retreat on both sides.

II. POLITICAL:

(a) Proposed Opening of the Lower Yangtse.

The Japanese spokesman in Shanghai emphatically stated that the Japanese proposal to reopen the lower two hundred miles of the Yangtse river within two months was not a Japanese gesture of appeasement to the United States. He declared that the proposal was the Japanese recognition that the conductions prevailing in this region at present justify that the foreign trade rights be to some extent restored. This attitude is considered in Shanghai as merely an attempt at face-saving so as not to be discredited in the eyes of the Japanese public and the Chinese Puppets. Observers here point out that Japanese spokesmen have on many occasions declared the Yangtse would be kept closed as long as the Chiang Kai-shek government continued to resist Japan. Therefore the present proposed partial relaxation on the present restrictions is

considered as a transparent attempt to appease the United States in view of the forthcoming abrogation of the Trade Treaty.

Business men in Shanghai are unimpressed by the Japanese proposal as they do not believe the Japanese will open the river without placing such restrictions on ship movements as to stifle trade. There is undoubtedly good ground for this belief as the Japanese could not, if they wished, open the river to unrestricted third power trade even as far as Nanking without sericusly jeopardizing their control of the area. Guerrillas are operating along both banks of the Yangtse and as long as major hostilities continue in the Yangtse valley the Japanese must take every precaution to prevent third powers from supplying the Chinese forces. Opening the Yangtse to third power trade would in effect be supplying not only the guerrillas with arms but eventually the Chinese army itself. Therefore the only relaxation of the present restrictions possible would be an arrangement similar to that enforced in southern ports where third power ships are permitted to transport into the ports only cargos comprised of necessary supplies for the immediate needs of the third power nationals. III. RICE.

(a) The Rice Situation in the International Settlement.

Following the rice looting, that was reported on last week, trading at the Rice Market was at a standstill. Merchants refused to augment their stocks until they were given a security against mob raids.

To ease the situation the price limit of \$45.00 was reduced to \$40.00 Maximum by the Rice Dealers' Guild. This price reduction combined with extensive police patrolling has eased the situation and at present no more raids are being reported.

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The retail price of rice at present is \$40.00 per "zar" for best quality and \$33.00 for the inferior quality.

Rice Authorities after investigation into these lootings declare them to have been organized. In the majority of cases, the initial move was made by one or more individuals of the better dressed loafer type, who disappeared immediately after their lead had been taken up by the crowds. These crowds consisted mostly of mill workers and others of the poorer class.

Following the rice looting the Rice Guild met ostensibly to ease the situation. In addition to arbitrarily reducing the price of rice, which they could have accomplished before the trouble, they addressed a letter to the authorities of the two foreign areas requesting the "real sense of rice hoarding and speculation" be defined. Since this request was made to a Municipal Council member known to be engaged in wide spread rice speculation it is believed that the entire Rice Guild is engaged in rice speculation and that the appeal to this member was merely an attempt to protect themselves should their manipulations become known.

Lack of confidence in the Rice Guild has been demonstrated by the leading citizens of Shanghai, who, to correct the present evils, have formed a "Staple Food Regulation Committee" presided over by Mr. Yu Ya Ching, Shanghai's most prominent Chinese citizen. The purpose of this committee is to take the active control of the rice situation in Shanghai out of the hand of the Guild, and place the sale and distribution under the control of the prominent citizens.

(b) Rice Situation in the Western Extra-Settlement Area.

Copies have been recieved of a circular notice, purporting to have been issued by Wong Teh Ling, Ghief of the Western District Police Bureau of the Shanghai City Government, which was found posted in the extra-Settlement area on 18 December. The notice limits the price of rice to \$37.00 per "zar". Since rice can be bought in the areas adjacent to the Settlement for \$29.00 per "zar", this notice may be a prelude to the kind of price control, in the extra-Settlement area that is at present going on in the foreign controlled areas.

IV. KISCELLANEOUS:

(a) Ta Tao Police - Relations with Foreigners.

A week ago the chief of the Shanghai City Government Western District Police Bureau was reported to have received a confidential order, the substance of which was to adopt a hostile and aggressive attitude toward the Police, Defense Forces and Foreign Nationals with the exception of Japanese, Germans and Italians.

The authenticity of this order was questioned at first, (See last week's report) but during this past week there have been several incidents which would seem to indicate that this order is not only authentic, but is actually being carried out.

The morning of December 17th a Foreign Bus Inspector was assaulted by members of the Shanghai City Government Police. According to reports, a quarrel arose between two civilian Chinese and a Bus Inspector over the former's refusal to remove their bicycles obstructing the path of the stalled bus on Yu Yuen Road. The Chinese left the scene and shortly returned with several members of the S.C.G. Police who seized the Foreign Inspector, and after assaulting him, removed him to the S.C.G. Police Station at 13 Jessfield Road.

The two men who had assaulted the Russian Bus Inspector were attached to 76 Jessfield Road. The S.C.G. Police stated that the Bus Inspector would be compensated for his damaged spectacles, and that the two men would be strongly cautioned by their Superior.

The following is quoted from a British Intelligence report on the situation in the western area regarding the

Shanghai Special City Government Police:

"The Shanghai Special City Government Police first appeared in armed force on the Settlement roads in the Western District at the beginning of September, 1939. At this time they took over various buildings as sub-police stations and began to duplicate the traffic control duties of the Shanghai Municipal Police at main road intersections. In addition, they produced strong armed patrols on Council roads. These patrols moved on foot and in motor vehicles. At this time the attitude of the Shanghai Special City Government Police was not unfriendly to the British Military. There has, however, been a marked deterioration in their attitude in the last four weeks, chiefly attributable to the strong attitude adopted by the British Military in settlement of various incidents which have occurred. There are four major incidents which have caused the Shanghai Special City Government Police to lose some measures of prestige and face. These major incidents are summarised as follows:-

- (1) A British subject arrested and detained. Released at once on demand by British Military and apologies tendered.
- (2) A British subject who failed to see a traffic signal fired at by Shanghai Special City Government Police. Considerable publicity given the case and official number of Shanghai Special City Government constable who fired obtained. Official protest made by Consulate and British Commander.
- (3) British unarmed soldiers on pass fired on in Great
 Western Road. Shanghai Special City Government authorities refused to produce evidence to enable British Military Authorities to bring soldier alleged to
 have assaulted Shanghai Special City Government constable to justice. Official protests from Embassy,

Consulate and British Commander were made.

(4) A British Military patrol was interfered with by a Shanghai City Government Police party on Keswich Road. British Officer threatened with pistol; Shanghai Special City Government constable tried to drag British soldier from motor truck. Strong protest submitted by British Commander and Consulate.

The above incidents are the major incidents which have occurred affecting military personnel. There have been at least ten other minor incidents in which British soldiers or civilians have been involved. In all such cases the Shanghai Special City Government Police have given ample proof of their inaptitude for police work, their obvious lack of training and inadequate control. One of the difficulties encountered is the complete inability on the part of the Shanghai Special City Government Police to produce any official with authority to discuss or decide matters in the event of an incident taking place. Everything has to be referred to the Japanese advisers, usually the Japanese Gendarmerie, who if they do not approve of the action taken disclaim all knowledge or right to assist. This system is excellent from the Shanghai Special City Government aspect, but extremely unsatisfactory from any other point of view.

There is no doubt that since the 1st of December, 1939, the attitude of the Shanghai Special City Government Police has become more truculent and insolent on the roads. Patrols are more active and there is an increased tendency to obstruct and aggravate foreigners. The foreigner who rides in a car probably fails to observe such an attitude unless his chauffeur offends or appears to offend a traffic sign controlled by a Shanghai City Government ponstable. The British soldier who walks on the pavements has noticed a definite tendency to obstruct him, aggravate and annoy him. Shanghai Special City Government

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patrols on foot and in lorries constantly visit the perimeter and endeavour to make an impression on the British troops.

It is not within the scope of this summary to discuss

the relations between the Shanghai Municipal Police and the
Shanghai Special City Government Police. It is noticeable that
the Shanghai Special City Government Police have lost, to some
extent, the smart (?) appearance attributed to them in September - October. This is due certainly to bad pay, long hours,
boredom and the weather. There have been descritions and there
may be more as soon as the weather gets colder. Standing at
windy corners for dollars eight per month is not worth while.
There is no love between the Shanghai Special City Government
Police and the "terrorists" resident at 76 Jessfield Road.
In fact it is considered the Shanghai Special City Government
stand in some degree of fear of these "thugs" at 76 Jessfield
Road.

The British Military at present hold six Chinese, four of whom were armed, who were arrested on 4 December in Tunsin Road. These men are known to belong to the organization designated as the "Armed Police H.Q. of Zau Woo Kying" (Outside Perimeter) whose chief is a Chinese called "HANCHUN" who works under the orders of a Japanese "Colonel" called "NISHIMURA", believed to be connected with the Special Service Section of the Japanese Army. This armed corps is an unofficial rival to the Shanghai Special City Government Police and tends to "steal their thunder" when opportunity occurs. No claim for these men has yet been made."

With reference to incident number four in the above quotation, Major General Simmons, Commanding the British Military Forces in Shanghai wrote a strong letter of protest to Major General S. Muira, Commanding Japanese Gendarmerie.

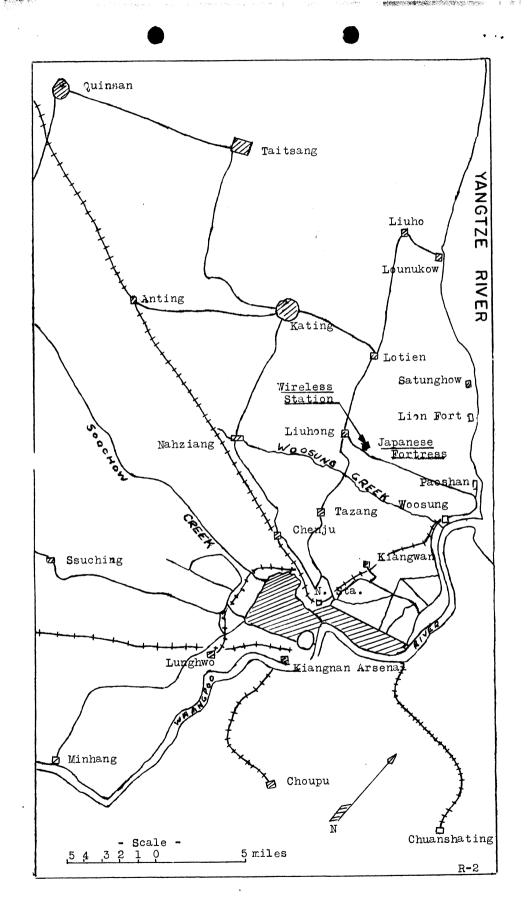
In this letter he protested most strongly at this unwarranted interference with British soldiers and demanded an ...1_...

apology for the insulting and menacing attitude adopted by the S.S.C.G. Police, towards a British Officer. He further stated that in the future British troops when on duty would not tolerate such interference, and that they have authority to arrest and detain any persons who commit a similar offense.

In regard to the cooperation which the S.S.C.G. Police demand, Major General Simmons stated that these police do nothing at present to enable any confidence to be placed in them as a means of preserving law and order. He suggested that if the activities of this force were directed more to improving the state of the traffic and the general prevention of irregularities in this area, their existence might be more justified.

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HEADQUARTERS, FOURTH MARINES SHANGHAI, CHINA

29 December, 1939

RESTRICTED:

INTELLIGENCE REPORT ON THE MILITARY, POLITICAL AND ECONOMIC SITUATION IN CHINA

16 December to 29 December, 1939

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· 	Major, U. S. Marine Corps Regimental Intelligence Officer.	.

I. SURVEY OF RUSSIAN PENETRATION INTO CHINA.

(a) First Russian Attempts to Sovietize Northwest China.

Well confirmed reports over a long period of time indicate that Russian influence, while usually considered as taking place in the provinces of Shensi, Suiyuan, Kansu, Chinghai Ninghsia and Sinkiang, began in Sinkiang soon after the Russian Revolution when China signed a treaty with the U.S.S.Rgiving the Soviets right to have Consulates at Urumchi, Kashgar, Ining, Tarbagtai and Altai.

Soviet dominance over Sinkiang dates from 1931 when the Russians concluded a treaty with the semi-independent Chinese warlord of the province. The treaty permitted Russia to establish commercial agencies in Urumchi, the capitol of Sinkiang, and in Kashgar, Ining and Tarbagtai. It also provided for the development of Sinkiang's economic life with the use of Russian equipment and experts.

Soviet influence was further strengthened in 1934, when General Sheng Shih-tsai, the present Pacification Commissioner emerged in control of Sinkiang after a period of civil war.

Aided by refugee Chinese troops from Manchuria who had been allowed by the Soviets to make their way through Siberia to Sinkiang after the Japanese conquest of the Northeast Chinese provinces. Sheng, in aiding the Russians in their plans to Sovietize the Northwest provinces, has allowed the Russians a free hand in Sinkiang. The Chinese Central Government, needing Russia's aid in her war with Japan has done nothing to counter-act Russia's complete dominance over this province.

(b) Soviet Political Control in Sinkiang.

While Russia does not directly rule Sinkiang, control is exercised to the end that administration is in accordance with the Russian plan. In many phases of provincial life organization parallels that of the U.S.S.R.

Tight control of political activity and thought are raintained through policing agencies officered by Chinese educated in Moscow and organized along the line of the G.U. The Kuomintang is permitted, but the dominant political group is the provincial "Anti-Imperialist Party", which is the instrument of Soviet influence in all walks of life.

The few independent, first-hand reports obtainable from Sinkiang indicate that free speech is permitted only in so far as it is not anti-Russian and not outside the line of Soviet Policy. Political espionage abounds, the mails and press are closely censored and communications with the rest of China is rigidly supervised.

The link-up of the political machinery in Sinkiang with that of Moscow is evidenced by the reaction in Sinkiang to the recent purges of the deviationists (Trotskyist) in Russia. Purges in Russia are accompanied by parallel clean-ups in Sinkiang. As an example, when Yagoda was shot in Russia, the head of the Bureau of Public Safety, who was Yagoda's appointee, was likewise executed.

Today Sinkiang is a forbidden land to all but those approved Russians and Chinese who hold Soviet passes. The Chinese Government controls only in name. Chungking Officials admit wryly that they know only in a general way what is going on in Sinkiang. All travel into Sinkiang from the rest of China is through the famous Baboon Pass on the Kansu Border. Even the Chinese going in are closely watched and no non-Russian foreigner. has entered Sinkiang in several years. None are likely to without the approval of Moscow or the Russian diplomatic agent in Lanchow.

(c) Sinking's Economic Development.

Russian hegemony over Sinkiang has brought the territory into the Soviet economic orbit. The province is reported to be rich in iron, saltpetre, gypsum, salt, gold, coal, oil, but how rich, probably only the Russian engineers know. However,

the fact stands that under the Soviet system of "liberation" the trade of 3,000,000 Sinkiang natives - Chinese, Turkis, Mongols, Moslems, Kasaks, and Uzbeks is solely with Russia.

Hand in hand with the large measure of Russian control in Sinkiang has gone notable material progress and political modernization. Roads, small factories, arsenals, powder plants have all been built, cities improved and modern sports introduced.

(d) The Northwest Highway.

Russian domination of Sinkiang is reported on in detail because this process of Sovietizing is being repeated in the provinces of Shensi, Suiyuan, Kansu, Chinghai and Ninghsia with varying degrees of success. Russian penetration into these last named provinces is a development born of the China-Japanese war. Russia made agreements with China to provide the latter with aviators, airplanes and general war supplies in return for Chinese wool, woodoil, pig bristles, tea, pig intestines and camel wool. These agreements called for the development of communication from Siberia through China's Northwest.

Thousands of Chinese coolies have been employed in the construction of the Northwest Highway. Although built by Chinese labor it is at least as far as Lanchow virtually a Russian road. Russian trucks driven by Russian army men, often carrying Russians for service as fliers in China or advisers with the Chinese Army, monopolize its 1,500 miles. Along it from the Russian border all the way into Shensi, hotels have been erected for the use of the Russians. These places are staffed with Russian. speaking personnel and serve Russian style food.

(e) Russian Air Bases in China.

To protect this highway from the alleged danger of Japanese straffing and bombing raids, the Russians, again with Chinese labor, have built large air bases at Lanchow, Liangchow, Anai, Hami, Urumchi and Ili. These bases, steming out from the huge Soviet Aviation center at Alma Ata on the railway just

inside the Russian border from Sinklang, constitute a spearhead of immense power. From these bases and others in the process of construction Russian planes dominate China's entire Northwest.

(f) The Chinese Communists.

Flanking Russia's directly controlled Sinkiang province and Northwest Route are the Chinese Communists. From their base at Yenan in Shensi province the Chinese Communists control a population of 1,500,000 in Shensi, Kansu and Ninghsia. The Chinese Red Army which is in reality Russian colonial troops, is supplied by both Russia and Chungking, but hows only to the desires of Russia. The Chinese Reds in reorganizing the Northwest have introduced widespread reforms. The taxation burden has been lifted from the farmers, income tax has been made the chief source of revenue. Village and district elections have been introduced and many other steps towards local domocracy have been taken.

(g) The Eighth Route Army.

The Eighth Route Army, backbone of the Chinese Communist Forces, numbers more than 100,000 men. They are well equipped and trained. It is they that direct the hundreds of thousands of communistic guarrilas and although they are technically a part of the Chinese National Armies, and are partially supported by Chungking, they are in reality responsible only to Russian representatives of the Special Russian For Eastern Army.

(h) Present Soviet Endeavours in China.

Russia today is busily engaged in consolidating her position in the Northwestern provinces, while they keep the Chinese Red forces for in the East harrassing the Japanese. The Russian consolidation consists of constructing Soviet highways and air lines from Outer Mongolia and Siberia, cutting the frontiers of China in all directions; and along with the quasi-assistance to China the infiltration of Soviet troops, propagandists, military

and commercial advisers who are preparing the country to taked its part in the struggle to come. Tens of thousands of Chinese coolies are working under the guidance of Soviet instructors, building roads, constructing tunnels and bridges. Officially, in order to facilitate the transportation of arms to China - but unofficially, to prepare for the passing of Soviet troops in case of resistance on the part of China or in case of war with Japan.

(i) Russian-Japanese Relations.

There is every indication that the crisis between the U.S. S.R. and Japan is nearing its end and the two countries have either to clash or divide China between themselves. Japan, in her struggle with China, seems to have reached a point where it is clear that she alone is unable to bring the war to a successful conclusion. She must, therefore, arrive at some arrangement with someone for the division of the spoils, and although the U.S.S.R. is Japan's ancient enemy, the Japanese military are all for a German-Russian-Japanese block. The Japanese Navy and civilian leaders are reported to be bitterly opposed to such a plan because they consider that such a union with the U.S.S.R. would undermine the government in the eyes of the Japanese people, and seriously weaken their country internally.

The Navy leaders are reported to be in favor of an agreement with Britain and France at the expense of China. While the civilian leaders consider that some sort of understanding with the United States should be reached.

(j) Possible Political Developments in China.

Some Willitery Observers point out that since Russia's diplomatic defeat in the Near East, which aligned Turkey with Britain and France and the more recent Soviet reverses in Finland, open war between Japan and the Soviet has become improbable. Instead they believe the German General Staff Plan for the division of China will be the final outcome. The German plan as

far as it can be pieced together is that the U.S.S.R. shall e agree to recognize Japanese soverfighty in the present occupied areas in exchange for Northwest China plus the provinces of Szenhuen, Yunnan and Ameichom. This would put the Russians on the border of both the French and British Colonial Empires whereby the Soviets could put pressure on British and France for favorable settlement of the present European conflict.

II. HILITARY.

(a) Nanning Campaign.

The Chinese claim that thousands of Central and Yunnan Army Troops are pouring daily into Kwangsi as the Chinese attempt. to over-power the Japanese drive in Kwangsi. Three divisions of the 11th Chinese Group Army are reported to have arrived at Liuchow on the 20th.

The Chinese command claims that the Chinese troops have completed the occupation of a 12 mile stretch of highway up to a point 13 miles Northeast of Nanning. The reports state that the Japanese troops holding parts of the highway about 30 miles North of Nanning are isolated and that efforts are being made to mop-up these Japanese forces before the attack on Nanning is launched.

These reports are discounted as the Japanese, after the fall of Nanning, sent a detachment Southwestward from Nanning toward the French Indo-China border. On the 19th reports were recieved here that the Japanese had captured the terminal city of Lungehow after having fought their way through the border pass of Chengnankwan. The Japanese claim that in taking Lungchow they captured huge stores of military supplies that had piled up awaiting shipment to the China interior.

The Chinese deny that the Japanese captured Lungchow, claiming that the Japanese attempted to reach the Indo-China border had ended in disaster after a 24 hour battle in which they claim the Japanese lost over 1,000 killed and several thousand

wounded. These counter-claims by the Chinese are considered as exaggerated for the purpose of dispelling the uneasiness that has permented the Chinese populace since the Japanese drive into Kwangsi began.

III. ECONOMIC.

(a) French Finance Yunnan-Szechwan Rallway.

After a full year of surveying and planning negotiations have been concluded and a contract signed for a French financed railway linking Szechwan and Yunnan Provinces. The cost is estimated at 480,000,000 francs, which has been subscribed to by various French banks.

The length of the projected railway will be 720 kilometers. It will pass through the mountainous districts of Yunnan, Kwci-chow and Szechuwan, connecting Kunming, capitol of Yunnan Province with Suifu on the Yangtse, 230 kilometers above Chungking. From here supplies can be carried down the Yangtse to Chungking in junks.

(b) Motor Highway to French Indo-China.

The French are also reported to be considering the financing of construction of a motor highway from Kunming to the French Indo-China border, the estimated cost of the highway being \$5,500,000. Such a road has been necessitated by the Japanese invasion of Kwangsi which destroyed the value of the railway the Chinese were building from Nanning to Kweilin, the capitol of Kwangsi, for the purpose of transporting imported supplies to the Chinese armies in Hunan.

IV. MISCELLANEOUS.

(a) Rice Situation.

With the price control regulations going into effect, the rice market seems to have settled down and there have been no more reports of rice ship lootings during the past week.

To offset any future emergencies the Shanghai Citizen Federation are planing to establish graneries within the settle-

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ment by buying up large quantities of staples following the harvest periods.

However, the price of rice remained high during the week and numerous strikes were called in local factories for the purpose of securing a rice allowance, varing from five to ten dollars per month for each worker. Some, in consideration of the high prices of rice have met these demands while other. companies, notably the China Aluminum Rolling Mill Co., refuse to grant such an allowance.

(b) The Situation in the Western District.

That the situation in the Western District is causing the British Forces considerable concern, is shown by the fact that Major-General Simmons asked Colonel Igarashi, Japanese Gendarmerie, and Lieutenant Colonel Utsunomiya, Japanese Liaison Officer, to a conference, in order to explain his views on the situation and to enlist their aid.

He particularly deprecated the unnecessary use of firearms and the irregular arrest of Third Party Nationals for trivial alleged offences.

He further stated that the attitude of the Shanghai Special City Government Police towards the British Forces was most provocative and that he was very concerned lest this should lead to further incidents.

Finally, the General asked if some method of direct and rapid communication could be established with someone in a responsible position, with whom contact could at once be made, so that in the future incidents could be dealt with summarily and satisfactorily.

Colonel Igarashi assured the General that he had already given the S.S.C.G. Police careful orders regarding their behavior, and particularly their dealings with Third Party Nationals.

Some of the incidents in which British troops were concerned



were in his opinion due to these soldiers having had too much to drink, and he asked that the British Troops should not treat the S.S.C.G. Police with contempt.

Finally he expressed his sincere desire to cooperate and that he would arrange for some means of direct communication with a responsible party.

That same morning Major Suwa, advisor to the S.S.C.G. Police, called and complained that some members of a British Patrol on a truck had pointed their machine gun at the S.S.C.G. Police in a threatening manner. He also expressed his desire to cooperate and asked that the British Forces cooperate by not behaving in the provocative manner just described.

From all the information available it would seem that the Japanese have again created a Frankenstien; that the lawless element which they gathered and put in uniform are not only untrained as police, but are not carrying out the orders given by the Japanese officials.



THE FOREIGN SERVICE CATHELL OF THE UNITED STATES OF AMERICA

Division of

1940 MAR 7 AM 11 24

No. 58

DIVISION OF COMMUNICATIONS CONFIDENTIAL AND RECORDS

AMERICAN EMBASSY Nanking, China, February 9, 1940.

SUBJECT:

Chinese Reactions to Japanese Propaganda.

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DEP ASSISTANT SECRETARY PARQMENT MAR 22. OF STATE

Honorable

The Secretary of State,

Washington, D. C.

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I have the honor to enclose a copy of a "Report on Popular Understanding of Japan's Policies in China, with Especial Reference to Concepts Reiterated in Propaganda" which was prepared under the direction of Dr. M. Searle Bates, an American professor at the University of Nanking, copies of several of whose previous reports have been made available to the Department.

The report consists of an analysis of the reactions of a number of representative Chinese in and near Nanking to the following four questions:

1. What is "The New Order in East Asia"?

2.

- 2. Who is China's "Good Neighbor"?
- 3. What is meant by "Cooperation with Japan"?
- 4. What does Japan want in China?

The report is chiefly interesting in its demonstration that Japanese propaganda appears to have signally failed to produce the inculcation of the desired ideas as shown by the replies given.

Respectfully yours,

For the Consul General at Shanghai:

American Consul

Paxton

Enclosure:

1/ - "Report on Popular Understanding of Japan's Policies in China, with Especial Reference to Concepts Reiterated in Propaganda."

JHP/ha

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In triplicate to the Department Copy to the Embassy, Peiping Copy to the Embassy, Chungking Copy to the Embassy, Tokyo Copy to the Consulate General, Shanghai Copy to the Consulate General, Hankow

2 40.

(COPY)

REPORT ON POPULAR UNDERSTANDING OF JAPAN'S POLICIES IN CHINA, WITH ESPECIAL REFERENCE TO CONCEPTS REITERATED IN PROPAGANDA

Procedure: With the help of dependable Chinese friends in and near a large city of East China, 80 persons of varying occupations, ages, and degrees of education, were asked the following questions:

- 1. What is "The New Order in East Asia"?
- 2. Who is China's "Good Neighbor" (the term publicized and sometimes required by the Japanese in reference to themselves)?
- 3. What is meant by "Cooperation with Japan?" (Some of the questioners used the common version of "Economic Cooperation" as the key term).
- 4. What does Japan Want in China?
- * * * * * * * * *
 - 1. WHAT IS THE NEW ORDER IN EAST ASIA?

19 persons stated that they did not know, including 3 of some education; a number of vague or confused answers were also thrown out as impossible to classify or report.

Although one might expect from a great many persons either a cautious or a parrot-like repetition of words and phrases used by Japanese agents, as indicating the meaning of the novel term, the actual answers were astounding in two respects: First, in that the actual experience of many persons welled up so strongly in resentment and distress, as to displace all thought of words and formal concepts by a report of what they have suffered and are suffering under the Japanese Army. Second, in that many persons, particularly the educated, understand by "The New Order" not a political situation, but the new manners and customs forced upon them by the bayonet -- bowing and doffing the hat to sentries, showing passes and varied certificates in order to pass through the city gates, deferring in all points to Japanese. Often these two types of answers were combined, because a recital of murder, rape, robbery, burning, confiscation, exclusion from normal work, and so on, included the ever-detested indignity of required "courtesy" and of imposed petty controls, as part of the hated new conditions. 34 persons gave answers of the types mentioned in this paragraph.

 $23\ \mathrm{persons}$ said plainly that the New Order means Japanese rule.

5 said that the New Order means the exclusion of white persons from East Asia; 2 said that it means op-

position

position to communism; 2 said that it means opposition to Chiang Kai-shek.

Chiang Kai-shek.

Comment. In view of the daily repetition of the main term in every publication, on the radio, in every speech, for more than a year, it is remarkable that more than 25% of the persons questioned had no ascertainable idea of its meaning. Only 9 answers, or 11%, comprised ideas which the Japanese have lavishly tried to get across (and these answers, of course, do not imply agreement or approval -- merely comprehension). Better than four in ten had in mind only their hard lot at the hands of the Japanese; while an additional three in ten (nearly) also understood and stated, less concretely and dramatically, that the New Order meant rule by Japan.

Note: On this question and others a few answers were compound in such a manner that they are most fairly reported under two headings; thus the apparent total of answers slightly exceeds the number of persons answering

Examples: (Farmer) "The Japanese have come. That's the New Order."

Order."

(Farmer-laborer) "There is no order now. Arbitrary oppression and interference with daily work."

(Former shoemaker, now peddling) "I do not understand the meaning. I only know that now I cannot make a

living.

"Rice last year at this time was \$7.20. (Gardener) Now it is \$22.15".

(Literate landowner) "This is the New Order! Extreme prices, no freedom, undignified treatment. Our life is not our own."

(Property-holding teacher) "It means conditions we have never before had to endure: high prices; restricted travel; excessive and arbitrary searches; boom in prostitution, begging and opium; menipulation of our money; elevation of the worst elements in Chinese society."

(Educated landowner, gentry class) "It means that the Chinese are no longer a free people. We are under complete subjection."

(Literate farmer) "It means their New Order. We are to become slaves in it."

(Unemployed clerk, educated) "It is Japan's order, not China's".

(Farmer) "Probably it's some big shot."
(Farmer) "I've just now heard people talking about it.
Probably it means they will tell us to obey them."
(Businessman) The New Order means no white men in (Businessman)

"Their idea is to have no white men in (Scholar)

(Scholar) "Their idea is to have no white men in China. The New Order is a Japanese proposition."

(Nerchant) "The yellow race is to combine and drive out the influence of the white race. Japan herself comes forth as the eldest brother of the yellow race, and acts as our master. China is therefore to be her servant."

(Schoolboy) "It is only a screen for the savage conquest of the Japanese."

(Educated youth) "The New Order in East Asia is a nicknewe for swallowing China whole."

nickname for swallowing China whole."

(Tailor) "That's a Japanese lie to trick the Chinese people. Don't you pay any attention to it!"

II. WHO IS CHINA'S "GOOD NEIGHBOR"?

21 persons, all with some degree of education, that China has no good neighbor, often remarking with bitterness upon the aggressiveness or the indifference of those who should be good neighbors.

2 said that the term refers to Japan, while 2 implied it by saying something about the familiar cliche, "same race, same culture". Il savagely launched into criticism of Japan by charging that she is the exact opposite of a decent neighbor.

5 said that China had various or many friends among western nations; 23 named the United States, 9 Russia, 8 England, 4 France. 2 favored those who help against Japan.

10 did not know an answer for the question (all of them were uneducated persons); while 14 educated persons gave generalized or abstract answers, indicating the qualities of a good neighbor (one or two questioners used a Chinese phraseology which invited a definition rather than gave a concrete answer). concrete answer).

Comment. It is plain that the concept of the "Good Neighbor" has made a less clear impress on the public mind than have "The New Order" and "Sino-Japanese Cooperation"; and in fact it is less common in print and other propaganda. Again experience is too strong for words. It is not ap-Again experience is too strong for words. It is not apparent that even one person regards Japan as an acceptable neighbor, much less a "good" one; and only four recognize that the term is intended to suggest Japan. There are 51 distinct references to western countries, individual or collective. Also noteworthy are the more than 25 per cent who see no good neighbor (i.e., friendly country), and the 14 per cent who cannot bear the implication that the words might be used of Japan. might be used of Japan.

(Gardener's wife) "What kind of friendship is this?
Our young men have been killed, our young women ruined, and what recourse have we? Only traitors and rascals welcome them." Examples: (Gardener's wife)

(Ricksha puller) "China's Good Neighbor -- that means Japan. Other countries have not called themselves that."

(Gentry class) "Mere empty words. Nothing to it.

By their acts you can see what kind of friends they are."

(Literate farmer) "China has many good friends among the nations, but Japan is not one of them."

(Foodseller) "Except for Japan, they are all friends of China."

(Former teacher, whose brother was carried off by soldiers) "There isn't any country that's a good neighbor to China. Even America is nothing good."

(Clever cook in a restaurant) "No country is good to China. America is the country of cultural imperialism; England is the country of economic imperialism; Russia is a robber country; Japan is still worse, without humanity."

(Farm laborer) "I was beaten twice by Japanese soldiers, for no reason at all. I don't want that kind of friend."

friend.

(Shoemaker)

(Shoemaker) "I see no indications of friendliness or improved relations on the part of Japan. It looks as if they are trying to win the children; they go to nearby schools and distribute candy, fruit, and whistles." (Tailor) "All the countries that are not making war upon us are our friends." (Schoolboy) "I hate them. My brother is a college graduate, who disappeared in the slaughter when the Japanese entered the city. My mother is almost blind with crying."

III. WHAT IS THE MEANING OF COOPERATION WITH JAPAN?

40 persons stated in clear but varying forms that the so-called cooperation is utterly one-sided, usually to the injury of China; while 6 others declared that the facts are the exact opposite of cooperation. (All degrees of education held these views in about equal ratios). 20 others said that "cooperation" meant economic advantage

ll persons considered that "cooperation" is a program put forward by the Japanese Army as a secondary tactic, since military conquest has not been successful.

6 persons did not have any grasp of the term as presented to them.

Comment. Well over 80% of those interrogated were prompt and plain in their understanding that exploitation is the game, whether or not it is called "cooperation". The answers indicate plenty of direct experience and observation as the basis for this remarkable unanimity. Not a single person, literate or illiterate, man, woman, or child, holds a concept corresponding to that which the Japanese propaganda desires to spread.

Examples:
(Well-educated clerk)
is that of robbers." "Their method of cooperation

(Ricksha puller) "It means requiring Chinese to help Japan make war or do work."

(Literate farmer) "It means working for them to give them all the profits. They now have a monopoly on all buying and selling."

(Tailor) "The government and the military affairs of China must all be put into the control of the Japanese."

(The ducated mother of three sons) "They want us to the sons of th

(Uneducated mother of three sons) "They want us to like them and work for them. They are terrible. When my son works for them they beat him and kick him."

(Leather worker) "China's business must all be given to the Japanese to do. People of other countries are all refused permission to do business here."

(Literate landowner) "Cooperation means working for them becoming their sleves, their running-dogs. Only

for them, becoming their slaves, their running-dogs. Only a traitor can do that."

(Ricksha puller) "Cooperation is this: Chinese cannot sell their own stuff, but have to let Japanese sell it."

(Foodseller)

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- 5 -

(Foodseller) "When we have fish to sell, we have to sell them in the Japanese fish market. Only when we have got a ticket from them can we sell. Otherwise we are breaking the law of Sino-Japanese cooperation, and they fine us or take away our goods."

(Industrious gardener) "They have robbed our country. What is the basis for cooperation?"

(Teacher) "Cooperation in name, but seizing advantage in fact."

vantage in fact."
(Landowner)

vantage in fact."

(Landowner) "It means following them. We are the inferior ones. They lord it over us."

(Fuel seller) "The Japanese are unwilling to cooperate with us. If they could really cooperate with us, things would be all right."

(Scholar amounts) "You they converte but

would be all right."

(Scholar, owning property) "Yes, they cooperate, but with all our rascals. Now the status of rough floaters is graduatlly being elevated."

(Gardener, whose land has been confiscated by the military) "It's only Japan, not China."

(Farm laborer) "The Japanese cannot help China.
They cannot cooperate."

(Fuel seller) "On the hills by my home the Japanese have prepared the trees to take away. They won't let us cut them, but they have cut them all down. And to this day they haven't given a cash."

(Farmer) "They bring paper and give to us for things that are worth money."

IV. WHAT DOES JAPAN WANT IN CHINA?

29 persons specifically (and often solely) say, "Land." This number is relatively higher among farmers and laborers, but is considerable among the educated. It reflects both the generality of confiscation and the universality of controls over property and means of livelihood, of which latter, land is the common symbol. Some answers said, "Our land", whether thinking of the nation or of the neighborhood; others said, "The land of China".

36 replied, "They want to take everything", sometimes specifying so many interests, resources, forms of property, and means of authority, that it is impossible to list or classify them in a brief report. Many of these answers were based upon observation of robbery and confiscation; others turned to general views of Japanese policies; some comprised both methods of reply. 36 replied, "They want to take everything" sometimes

20 said, "They want to control everything". 12 more mildly emphasized economic advantage in some form, and 2 economic monopoly.

4 answered in terms of destruction or enslavement.

Of replies that might give any satisfaction to Japanese propagandists: 1 mentioned destruction of Chiang Kai-shek as an aim, 1 the amalgamation of Japan and China into one country, 1 the establishment of a family relationship country, 1 the establis between the two nations.

Comment. Again experience destroys mere words.

Acquisition

- 6 -

Acquisition and domination have been so completely revealed as actual programs, that the ordinary slogans are not entering the thinking of the people. Not one person in twenty-five even approaches an acceptance of views corresponding to the advertised aims of Japanese activities in China.

Example: (Food seller) they take." "They control China Whatever they

want, they (Farmer) "They want our grain."
"They want all kinds of things; they even (Farmer) come for chickens. Every day they remain is one more day of trouble."

of trouble."

(Shoemaker) "She wants our land. She already has a small piece I owned. There is no compensation."

(Literate landowner) "They want to enslave us."

(Ricksha puller) "They want our country to be under (Ricksha puller)

(Ricksha puller) "They want our country to be under their management."

(Farmer) "They want our cities and railroads. They want to destroy our race."

(Foodseller) "They want to have all of us Chinese perish, so that Japanese can come here to live."

(Ricksha puller) "They want our China. If not, why should they come and make war on us?"

(Literate farmer) "She has no real love for the Chinese people, and would just as soon see us all die. She only wants what we have."

(Vegetable seller) "They want our land. Our family planted a big plot. It was all taken by the Japanese, who gave us no money and now prevent us from planting."

Ricksha puller) "They've killed a great many ordinary folks in China. That shows they want our lives."

(Fuel seller) "They don't want the Chinese earth, because they can't move it to Japan. But everything else has been carried off by them."

(Barber) "They want our land, our sovereignty, and still more they want our economic life. In their mouths are words of not wanting; but in fact, they do."

(Merchant) "They want the Chinese people; that's why they desire cordial relations with China. They want China's industry and commerce; that's why they desire conomic cooperation. They want China's territory: that's China's industry and commerce; that's why they desire economic cooperation. They want China's territory; that's why they want cooperation against communism, so they can station troops wherever they like."

CONCLUSION

As tested on the basis of acceptance or understanding of four of the most commonly pushed slogans or concepts, Japanese propaganda in the occupied areas of East China Japanese propaganda in the occupied areas of East China seems plainly unable to surmount its denial in deeds. Experience comprises much of military brutality, confiscation, exploitation, and falling interference with normal life. That is ample check to the ballyhoos for a somewhat nebulous New Order and for a cooperation found in practice to be predatory. Indeed, the New Order and Sino-Japanese cooperation can be made even verbally attractive only by flying in the clouds of fancy, far from actual earth. Chinese are generally realistic and practical. One of them has said: "Japanese propaganda is of no effect whatever. In fact, for fifty years to come the people

- 7 -

of this region cannot be convinced by any words in favor of Japan. What their army has done has cut too deeply into the life of every family, including those who now save themselves from starvation by working in the puppet administration."

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AMERICAN CONSULATE GENERAL,

Shanghai, February 12, 1940.

Confidential

Division of MAR 8 - 1940 Department of

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SUBJECT:

Intelligence Summaries for Month of January 1940.

For District

THE MONORABLE

E SEGRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to refer to my despatch no.

2154 of January 27, 1940, and to enclose, as of 1/ possible interest to the Department, copies of intelligence summaries for the month of January 1940, prepared by the Intelligence Officer of the United States Fourth Marines.

Respectfully yours,

C. E. Gauss American Consul General

Enclosure:

1/- Intelligence Summaries for month of January 1940.

800 EFS MB

In Single Copy.

Copy to Embassy, Peiping.

Copy to Embassy, Chungking.

Ma Carbon Copf &

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Consulate General

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SHANGHAI, CHINA

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HEADJULRTERS, FOURTH MARINES SHANGHAI, CHIMA

6 January, 1940

RESTRICTED:

INTELLIGENCE REPORT ON THE MILITARY, POLITICAL, AND ECONOMIC

SITUATION IN CHINA

30 December to 6 January, 1940

Page. I. ECONOMIC: A. JAPANESE INDUSTRIAL AND AGRARIAN ACTIVITIES IN THE OCCUPIED AREA (1.) Foodstuffs. (a) Manchuria. 1. (b) North China. 2. (c) Central China. 3. (d) South China. 3. (2.) Industry. (a) Minchuria. (b) North China. 4. (c) Central China. 5. (d) Conclusions. DECLASSIFIEB E.O. 11652, Sec. 3(E) and 5(D) or (E) II. POLITICAL: i. Shanghai. 6. B. Western Extra-Settlement Area.

Major, U. S. Marine Corps Regimental Intelligence Officer

A STATE OF THE STA

I. ECONOMIC:

A. Japanese Industrial and Agrarian Activities in the Occupied Area:

(1) Foodstuffs.

(a) Manchuria:

After eight years of Japanese rule and even with improved transportation, the inauguration of barter agreements, government substitutes and with a greatly increased population, Manchuria's agricultural production is steadily declining. The total production for 1939 is reliably estimated to be 10 percent below that of the previous year.

This decline in agricultural production is attributed by third power observers to the discouragement the farmers are experiencing due to the Japanese oppressive measures. These measures include price fixing, impressment of men, animals and vehicles for military needs. In addition the Japanese Military Authorities are exercising full control of all livestock, including distribution, export, import and slaughter. The Military also divert to their own needs all desired foodstuffs at arbitrarily fixed prices, regardless of needs of the non-Japanese civil populace.

In order to supply the Japanese nationals with low cost food stuffs, while retaining and in some instances increasing the profits from food exports, the Japanese have set up various monopolies. An example is the Manchuria Cereals Company. This company possesses the sole right to purchase cereals from producers for export. In addition it has exclusive right to retail cereals in Manchuria. By being the sole export agency this company is able to dietate, the price to be paid producers, and as there is no competition they are able to fix the price third powers must pay for these products. The exclusive retail rights permit this company to retail cereals to Japanese nationals in Manchuria at low cost while compensating, for this loss, by a relatively high price charged third power buyers on the retail market.

The Japanese Authorities have set up the Manchuria Staple
Produce Company for the control of all staple goods produced in
Manchuria. Third power exporters can only obtain stocks through
this monopoly at exerbit int prices.

The Japanese have recently monopolized the soya bean business and the Occidental Companies have been denied membership to the monopoly association, which effectively rules these companies out of business.

In all the Japanese have set up 74 distinct monopolies in foodstuffs alone, with severe penalties for illegal selling or exporting. These monopolies have made the attempt of third power nationals to conduct legitimate business in this field a farce.

(b) North China.

The 1939 wheat crop is estimated at only 60 percent of the normal production. A serious shortage is reported in this and in other cereals throughout North China. The Japanese have done little toward relieving the distress of the rural population which is the result of this food shortage. The arrival of agricultural export products at Tientsin is but a fraction of the volume of previous years. This reduction has been caused by the shortage of transportation facilities and the restrictions on the purchase of raw materials by non-Japanese business men.

North China cotton crop for export through Tsingtao is estimated at 225,000 American bales as compared with an average 900,000 bales for previous years.

Other crops throughout North China show a similar decline. The leaf tobacco crop is estimated at 65,000,000 pounds, or about forty percent below normal. The peanut crop is about eighty percent below that of previous years. The Japanese continue to export foodstuffs from North China in order even to obtain foreign exchange through a large bloc of the North China population face starvation.

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(c) Central China.

Central China has had excellent crops during 1939. All interior towns report an abundance of cereal stocks. In Shanghai rice prices have attained highest price on record in spite of plentiful supplies, in the Yangtse Valley. This is caused by Japanese military restrictions which prevents the normal flow of rice to Shanghai, thereby encouraging hoarding and profiteering. The price of rice in the interior is kept up by the Japanese demands for export. During the latter part of 1939 the Japanese Military authorities exported three million bushels of rice.

(d) South China.

In China's "free" territory crops have been generally good with the exception of Yunnan, which is suffering from a rice shortage, following the recent floods. Conditions in this province have improved by arrangements for imports of rice from Indo-China and neighboring provinces.

Szechuan has a large surplus of rice and has stored large quantities for future military use. Reports from the country districts adjacent to Canton indicate that the second rice crop is about seventy five percent normal, with prices some thirty percent above last year's. The sugar cane crop is reported good throughout South China with the exception of Kwangtung where the harvest is reported far below normal, although no figures are given.

(2) Industry.

(a) Manchuria.

The Japanese Cotton Spinning Company has started construction of a large wood pulp factory, which is to commence operations about 1941. At Kaiyuan the Japanese have completed construction of the 10,000,000 yen rayon plant for converting bean stalk into rayon. No date has been announced for the start of production.

The Manchurian Mining Company, a subsidery of the South Manchurian Railway, has the Manchurian monopoly on mining and has promoted 45,000,000 yen for the development of Manchurian mines diring 1940. So far mining developments in Manchuria have been disappointing as the refining of the low grade ore so far mined has proven too costly.

The Manchurian railways claim to have handled thirty million tons of freight during 1939. This represents an increase of 27 percent over last year. However, no differentiation was made regarding the percentages of military and commercial traffic making up this total. The Japanese Cabinet, in December, approved an increase of 600,000,000 yen. This capitalization is largely being used bysubsidiaries to develop the many Japanese industrial monopolies in Manchuria.

(b) North China.

The Japanese are organizing industrial monopolies in North China as rapidly as conditions permit. They are now in the process of organizing an Electric Power Syndicate with a reputed capital of 100,000,000 yen. All privately operated electric plants in North China are being taken over, including those owned and operated by Japanese. The Syndicate plans to eventually develop 800,000 kilowatts in order to meet the rapidly expanding use of electricity in North China.

The increased demand for electric power is caused by the acute coal shortage which continues to curtail manufacturing operation, especially in the Tientsin area.

The cotton mills of North China are reported to be running about 60 percent normal. This reduction is attributed to the difficulty in securing raw cotton. Japanese mill owners are agitating to have the restrictions against the importation of raw cotton lifted. However, imported cotton must meet an unprecedentedly unfavorable currency situation with/cost almost prohibitive.

The monopoly rights vested by the Japanese Government in the North China Development Company, include railways, motor bus lines, inland water navigation, electric light and power, water works and

gas plants, telephone and radio communications, real estate operations, marine products, silk industry, mining operations and the salt industry. These monopolies operate as twelve subsidiary Sino-Japanese companies under the control and direction of the parent organization. The North China development Company in turn is controlled by the Japanese Military Authorities in the field. (c) Central China.

Central China is experiencing a serious decline in industry due to difficulties in transportation. Sales of manufactured products in the interior areas are practically at a stand-still. In Shanghai, the center of Central China industrial activity, silk mills are operating at only 10 percent capacity. This is due to their inability to secure cocoons from the Japanese occupied areas. The Japanese Rayon Company, under the direction of the Central China Development Board, is erecting plants at Soochow and Wusih using Japanese machinery. In Hankow there is considerable industrial activity in expropriated industrial plants, which are operated by their original owners under the direction of Japanese.

(d) Conclusion.

It appears from the above reports that the Japanese are due to experience the same results from their China conquests as they have experienced with both Formosa, Korea and Manchuria. In short, regardless of whether or not the Japanese are at war the mere holding of vast territories does not denote wealth. It is more likely that the possession of the Chinese occupied areas will complete the bankruptcy of Japan. Both Korea and Formosa have been and continue to be liabilities to the Japanese. The Japanese maintain that possession of these colonies is necessary to Japan's scheme of national defense, irrespective of the economic losses entailed. The harsh oppressive measures adopted by the Japanese authorities over their subjects in foreign controlled areas are mainly responsible for the poor results the Japanese have attained to date in their attempts at colonization. The

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losses that the Japanese will undoubtedly continue to experience in their attempt to make their China venture pay, can be largely contributed to this inability of the Japanese to grasp the fundamentals in the art of colonization, and the losses entailed in controlling the vast Chinese territory cannot even be attributed to the necessities of national defense.

II. POLITICAL:

(a) Shanghai.

The Chief of Staff of the Japanese Naval Landing Party approached the British Commander, this week, for permission to open the perimeter barriers on North Thibet Road. It is the British Commander's opinion that the Japanese Naval Landing Party is acting as go between for the Shanghai Special Municipality Government from which the request originated. The Japanese stated that access to the Settlement was desired so as to permit a new vegetable market to be opened in Chapei. The British contend that the vegetable market is in reality a Japanese attempt to monopolize the vegetable trade, not only in the Japanese controlled area but also in the International Settlement.

Although Commander Toma, the Japanese Chief of Staff, offered the explanation that the new market was part of the scheme for the rehabilitation of Chapei and that it was also intended to serve the large and rapidly increasing Chinese population now living in the area controlled by the Japanese, the British Commander remained adamant. The British Commander called the attention of Commander Toma to the situation existing at present in the Western Extra-Settlement Area, which he contended is the major problem of the moment, and continued that until the situation there improved relaxation of the present protective measures on the perimeter could not be expected. The British Commander suggested that should the Japanese use their good offices to bring about a settlement of the Western District, the authorities concerned would undoubtedly be inclined to give the Japanese proposal

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sympathetic consideration.

Commander Toma agreed that the attitude of the British Commander towards the opening of the roads into Chapei was most reasonable and stated that, while the Naval Landing Party was not directly concerned, that they would use their influence to ameliorate the problems of the Western District.

(b) Western Extra-Settlement Area - Summary of Events for December, 1939.

The tense situation in the Western District of Shanghai continued throughout the month of December, 1939.

The Western District Police Bureau was reported to have received instructions from their superiors to adopt a hostile attitude towards the Settlement Police, the Defence Forces and third power nationals in general with the exception of Japanese, Germans and Italians. The several incidents that have occurred lead to the belief that the Western District Police are carrying out these orders.

The Special Service Corps of the Kuomintang Anti-Comintern and National Salvation Army (pro-Wang Ching Wei organization with headquarters at 76 Jessfield Road), formed two new organizations during the past month. The first of the organizations is the "Secret Assassination Group" which calls itself the "Youth Group". This group is under the direct control of Ting Muh Tsung, Director of the Special Service Corps of the above mentioned National Salvation Army. The group is organized along lines similar to those adopted by the "Blue Shirts" of General Chiang Kai-shek, for the purpose of detecting the movements of anti-Wang Ching Wei and anti-Japanese elements and carrying out the assassination of these people. The second of these is the Western District Factory Owner's Federation. The main object of this group is reported to be the guarding of factories in the Western District against acts of extortion from undesirable elements and also to prevent workers from agitation. In December there commenced the registration of factories in the Western District Area, Upon registration of factories

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each was required to pay a registration fee of \$6.00.

The Armed Police Headquarters at Zau Woo Kying, a small hamlet in the Western District, was dissolved on December 1, by order of the Japanese Military Authorities on account of the undesirable activities of its members. This organization came into existence during April, 1939, under the auspices of the Special Service Section of the Japanese Military and had some 1,000 members of unscrupulous character.

In the beginning of December, the Bureau of Finance of the "Shanghai City Government" commenced collecting house rates equivalent to 11 percent of the house rent from residents occupying premises in terraces abutting the extra-Settlement roads in the Western District and this is the first attempt on their part to extend collections to houses abutting the extra-Settlement roads.

The Western District Section of the Japanese Military Police took over the matter concerning the issuance of "good citizenship certificates" to residents in the Western District, which was hither-to carried out by the Western District Administrative Office of the Shanghai City Government. A total of 30 cents for each certificate was collected from each applicant to defray expenses.

By order of the Japanese sponsored Shanghai Amusement Paper-vison Department, gambling dens in the Western District ceased dealing with Japanese, Formosans and Koreans. This order was believed to have been issued as a result of an incident which occurred in the Zao Yoong Club, a gambling den situated in Yu Yuen Road, opposite Jessfield Park, on December 3, in which three Japanese gamblers were involved and for which the den was ordered closed for six days. The incident arose out of the den operator refusing to return the money lost in gambling by the three Japanese who eventually resorted to firing their pistols as a demonstration. There are 25 gambling dens in operation in the Western District at the present time, while the opium hongs remains at 42.

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HTADQUIRTERS, FOURTH MIRINES SHINGHAI, CHINA.

13 January, 1940

RESTRICTED:

INTELLIGENCE REPORT ON THE MILITARY, POLITICAL, AND ECONOMIC SITUATION IN CHINA

6 January to 13 January, 1940

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Major, U. S. Marine Corps Regimental Intelligence Officer

I. JAPANESE-CHINESE RELATIONS.

A. POLITICAL.

1. Chungking's Appraisal of the Present Political Situation.

Doctor Wang Hung-hui, China's Minister of Foreign Affairs, declared privately that there was a strong possibility of the present Chino-Japanese war ending during 1940. In his estimate of the present situation Wang stated that it was the belief of the Chinese leaders that the Japanese were at the end of their rope. He claimed the Chinese leaders are firmly convinced that the present year will see the military and economic collapse of Japan. The Foreign Minister predicted that the Japanese, fearing internal rebellion at home, would agree to negotiate a peace on China's terms, probably with the United States acting as mediator. When pressed as to what terms the Chinese would accept, Wang reiterated that the only peace terms acceptable to the Chinese would be the withdrawal of the Japanese troops from China, and the restoration of China's status previous to the commencement of hostilities.

The ideas of China's Foreign Minister, as expressed above, are of importance chiefly because they indicate that China is depending more upon the weakness of Japan than on the strength of China for ultimate victory. In enumerating the principal factors in Japan's eventual downfall, "ang placed the international isolation of the Japanese with the attendant acute economic difficulties, foremost. Among the World Powers who are isolating Japan, Wang declares, America, by terminating the 1911 trade treaty with Japan, is chiefly responsible for the precarious position in which the Japanese now find themselves. The Foreign Minister claimed he was particularly gratified by Japan's inability to impress the United States with the "puny gesture" of offering to open

the Yangtse as far as Nanking.

In pointing out the weakness of the Japanese Military Wang called attention to the Japanese Imperial Guards Divistion which has been sent to China, an unprecedented action which indicated the Japanese acute shortage in trained men.

The Foreign Minister was then questioned regarding the possible rapprochment of Japan and Russia. He declared that such a rapprochment was unlikely since, unlike German-Russian interests, Japan and Russia conflict in a fundamental way and therefore Russia could never afford to strengthen Japan for continental expansion. When questioned as to whether or not China did not fear that Russian help was but a prelude to Red Imperialism, Wang stated that he believed Russia had no designs on Chinese Sovereignty.

The Foreign Minister was then queried as to the probable attitude China would take in the forthcoming negotiations, for which London announced the British Ambassador was being sent to Chungking to initiate, concerning the Tientsin issues. He stated, "I have always insisted that the British Government must confine any agreements with the Japanese regarding Tientsin to purely local issues of peace and order." He asserted the Chinese consent could never be given to a fundamental change in the Concessions affecting the Chinese Sovereign rights. As regards to the turning over of the Chinese Government silver at Tientsin to the Japanese, the Foreign Minister pointed out that the silver, which is now deposited in French and British banks in Tientsin and Peiping is silver reserve for Chinese Legal Tender Notes and China could never consent to their being diverted to other uses. B. MILITARY.

1. Nanning Offensive.

Although the Japanese have experienced what appears to have been temporary setbacks, the recent Kwangsi offensive

has made China's position for 1940 somewhat less favorable than it was two months ago. Changking, however, expresses the belief that there is little likelyhood of any serious Japanese military operations during the coming year. The Japanese position in the Nanning area is being made precarious by the constant Chinese counter-attacks, while any attempt to advance further inland to make their position more secure, leaves Japanese flanks exposed to attacks from the Chinese mountain strongholds. Following the capture of Kunlungkuan the Chinese have been counter-attacking Nanning. The Chinese deny the heavy Chinese casualties that the Japanese have been reporting in the Namning sector and claim that these reports were circulated by Japan in an effort to hoodwink the American public with the hope of influencing the American Far Eastern policy. Reports from Chungking claim that the recently launched counter-attack by the Japanese north of Nanning has been repulsed. The Japanese are now reported by third power nationals to be improving the harbor at Lungmen, near Yamchow , where the original landing was made. With the completion of this harbor the Japanese are expected to commenge landing reinforcements and equipment on a large scale. Observers have reported that the Japanese have already begun to land reinforcements at Lungmen.

2. Canton Operations.

The Japanese South China Forces started the new year with a drive in the Canton Sector. This drive consisted of three divisions advancing to the north along three routes. One division pushing along the Canton-Hankow railway, another along the Yungyuen-Sunkai Highway through Tsunghau end the third along the Eastern Highway through Lungmen on what appears to be a wide flanking movement. The Japanese advanced to the Chinese positions in the Chungtiao Mountains where the drive seems to have stopped.

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Reports from that area state that the Japanese lines are now slightly north of Lungmoon and Tsungfa, about 80 kilometers north of Centon. Two new Japanese divisions were recently landed in the Canton area, one being the Imperial Guards Division. The recent apparently unprepared offensive in the Canton area is only an attempt on the part of the Japanese to relieve pressure on the Nanning sector until reinforcements could be landed. A total of 12 attacks were launched on the Chinese positions in the Chungtiao Mountains, each of which was repulsed. The Chinese state the reason for the recent Japanese offensive in the Canton area was to usher in a new Wang Ching-wei South China Government. This report has not as yet been verified.

3. Central China.

The Chinese National Military Spokesman in a private interview denied that there had been any plan formulated to date for concerted action by the Chinese army for the purpose of cutting Japanese communications in the Yangtse Valley. He stated, however, that as a result of the persistent attacks by regular and guerilla units in Central China, the J panese communications in Central China had been badly disrupted along the river. He stated that the Japanese are losing on the average of two ships per week. He denied the reports that have been current to the effect that the Chinese forces had repulsed the large scale Japanese offensive that had been launched in Central China. He said this offensive had never materialized and had been purely propaganda. Yesterday the Chinese attacked the Japanese positions at Puchi on the Canton-Hankow railway. They reported severe street fighting throughout the day, but admitted that they were unable to capture the city.

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C. Japanese Aerial Activity.

1. Lanchow Bombing.

During the week the Japanese staged the biggest air raid of the present China incident on Lanchow, capitol of Kansu Province. The raid was witnessed by Major McHugh, U.S.M.C., Assistant Naval Attache, who reports that approximately a quarter of the city was destroyed. The raid was carried out on three successive days. During the first day 99 bombers participated, during the second day 97 bombers comprised the raiding party and on the third day 98 planes participated. During the three days approximately 1100 bombs were dropped. The casualties, however, as reported by Major McHugh, did not exceed thirty. This low casualty rate is attributed to the long advance warning which permitted practically the entire population to evacuate to the surrounding countryside. The Major reports seeing Chinese pursuit ships engage the Japanese bombers over the city, during which time he counted seven Japanese bombers shot down, 2. Aerial Attack on Hanoi-Yunnanfu Railway.

This week also witnessed the first direct attack by
Japanese planes on the French owned Hanoi-Yunnanfu Railway.
This attack was staged on Mengtze, a treaty port on the
railway, approximately fifty miles from the French border.
According to French reports the Japanese raid was directed
at the vital railway bridge at Mengtze. Destruction of this
bridge, the French admitted, would paralize the railway for
an indefinite period. The latest reliable reports received,
however, state that the bridge was not damaged, but that the
Mengtze station was destroyed as well as considerable lengths
of track on the outskirts of the city. Observers believe
that with the construction of the air base near Pakhoi nearing

 completion, frequent plane attacks on this important route of Chinese communications can be expected.

D. Crinese Finance.

1. 1939 Trade Balance in "Free" and Cocupied China.

The preponderence of the Chinese imports through Japanese controlled ports or subject to Japanese interference, has been largely responsible for China's unfavorable trade balance for the past year. "Free China", according to statistics of the Central Bank of China, shows a favorable international trade balance of roughly 34,000,000 yuan. In the Japanese occupied areas or those areas under partial Japanese control, the past year shows an unfavorable trade balance of 521,000,000 yuan. Chinese financial leaders claim this difference is largely due to Chiang Kai-shek's regulations forbidding the importation into "Free China" of any foreign products not actually necessities. This policy has permitted the Chinese to export without the usual drain of buying imports at an unfavorable exchange rate. Chinese financial leaders admit that the system of exporting China's products, while at the same time forbidding imports could only be successful with the cooperation of friendly nations. II. POLITICAL.

1. Japanese Political Views on China Incident.

In an "off the record" conversation with a prominent American civilian in Shanghai, a Japanese Minister gave some interesting views on the present Japanese dilemma.

He stated during his conversation that he was returning to Tokyo this week very disheartened. Continuing in this pessimistic vein he deplored the actions of the "loud-mouthed and violent-acting" section of the Army, whom he contends is still in control. This section, he explained, is a minority, even an army minority, but they have a power entirely

unjustified by their numbers, such power being maintained by the constant threat of violence.

In the threat of this violence the Japanese moderates do not dare to advocate nor attempt to carry out policies too much in opposition to this violent and vocal group. Any attempt to curb the power of this group might easily lead to another "February uprising" in Tokyo. He further said peoples and governments abroad do not realize how this group always holds the sword of threatened violence over the heads of moderates.

The Minister claims that today the Japanese Foreign Office is all for moderation and for genuine and sincere appeasement of the democracies, but that the Foreign Office is weak. Nomura, he explains, is weak because he opposes the extremists. The only encouraging sign, he explained, is that at last most of the important Army leaders realize that Japan has gone as far in China as they can - farther than they should have gone, but that the Army leaders are powerless to call a halt.

The subject of "ang Ching-wei and the proposed "Central Government" was then discussed. The Minister agreed that the whole show had been run wrong, as Wang had no chance to gain prestige nor "make face" with his own people. He said that he would be particularly sorry to see this puppet regime founded, because once Japan recognizes this creation and exchanges Ambassadors, she will have committed herself irrevocably. Japan, he declared, could never afford to jeopardize her national honor by later disavowing her own creation to appease third powers.

He then stated that to him, the recovery of American-Japanese cordiality was the most important issue involved in this Wang Ching-wei scheme. He admitted that he could not understant how the United States, or any other of the Nine Power Treaty Powers, could ever recognize such a creation, or concede to Japan the legality of such a step. In conclusion he further stated that he believed the Japanese had better drop the whole plan of a "Central Government" on the pretext that Chinese harmony could not be achieved, and that Japan was waiting for a stronger leader to emerge before pledging Japanese support.

III. MISCELLANEOUS.

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I. Terroristic Activities in the Western District.

On January 6, 1940, an unsuccessful attempt was made on the life of Mr. G. Godfrey Phillips, Secretary and Commissioner General of the Shanghai Municipal Council.

Discreet enquiries show that the crime was instigated by Vang Ching-wei's party and the Japanese Military Police with the following objects in view:

- 1). To frustrate the conclusion of an agreement between .
 Mr. G. Godfrey Phillips and Mayor Fu Siao-en over the administration of the extra-Settlement roads area in the Western District.
- 2). To bring about the eventual resignation of Fu Siaoen and the appointment of Chu Ming Nyi, Fang Ching-wei's Secretary, to the post of Mayor of Shanghai. The Japanese Authorities, it is said, have altered their views towards the proposed agreement and intend to revise the terms of same. They also intend to give Chu Ming Nyi, the proposed "mayor", instead of Fu Siao-en, the credit for the conclusion of the said agreement.

3) And the most important reason after the assassination which was expected to be successful, to lay the blame on the Chungking Government by fostering propaganda to the effect that the case was perpetrated by agents of Chungking on account of Mr. Phillips' attempt to conclude an agreement

with the puppet regime which is opposed to Chungking and which is not recognized by foreign powers. By means of such propaganda, it was expected that sympathy of the foreign community, at least a section of it, would turn from the Chungking Government towards Wang Ching-wei.

Three of the would-be assassins were attached to the Intelligence Section of the Japanese Military Police at 12 Yung Loh Tsung, Jessfield Road, 0.0.L. It is reported that they are at present detained at 94 Jessfield Road, the premises of the Western District Section of the Japanese Military Police, who have demanded a statement from them as to why they failed in their mission after coming so close to their object.

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From a reliable source it is learned that these three prisoners will be sent to Nanking, from where they will be set free. (The story that they will be liberated at Nanking is hardly feasible and may have been put forward by the Japanese Gendarmerie to cover up execution of the culprits.)

Rigorous investigation is being made into leakage of information in the case and offenders will be dealt with according to martial law. Instructions have also been given by the Japanese Gendarmerie that persons detected making enquiries in connection with the incident shall be interrogated at 76 Jessfield Road.

HNS/ fjc

HEADQUARTERS, FOURTH MARINES SHANGHAI, CHINA.

20 January, 1940

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INTELLIGENCE REPORT ON THE MILITARY, POLITICAL, AND ECONOMIC SITUATION IN CHINA

13 January to 20 January, 1940

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Major, U. S. Marine Corps Regimental Intelligence Officer

I. JAPANESE PLAN FOR DOMINATION OF EAST ASIA.

The Japanese Kwangtung Army which for several years past has controlled Manchuria and for all practical purposes been a law unto itself is reported to be secretly plotting to grab Outer Mongolia from the Soviets and found a buffer state of vital strategic importance.

The plan for this maneuver is credited to Ataman Semenoff, notorious "White" Russian Cossack leader in Siberia following the World War. Since 1920 Semenoff has been adviser to the Japanese military. From all indications the plan was submitted to the leaders of the Kwangtung Army by Semenoff in an attempt to justify his existance, and probably to prevent his liquidation. For Semenoff is an astute man well versed in the Far Eastern situation and while acceptance of the plan under present conditions is a sad commentary on the intelligence of the Japanese Kwangtung Army leaders, Semenoff must have known the impracticability of the proposed maneuvers at this time. Semenoff is reported to have presented his scheme to the heads of the Kwangtung Army in Hsingking, the capitol of Hanchoukuo, on September 19, 1939, where it is understood to have been approved by the Japanese leaders at a secret conference.

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Semenoff's plan, which is known by the innocent title of "A Plan for a Hongol-Mohammedan Federation", is designed to create a Japanese dominated state including an area of 2,512,500 square miles with a total population of 10,555,000 people. This huge sparsely populated country is situated so close to the heart of Asia that from it Japan plans to be in a position to dominate radiating trade routes and strategical lines going to India, Afghanistan, Russian Turkestan, Inner Western Siberia and to the Lake Baikal and Amur River regions.

The plan envisages forcing Soviet Russia out of Outer Mongolia, combining Outer and Inner Mongolia once more and then grabbing the vast Chinese Province of Sinkiang, which is now falsely reported under Soviet domination.

If Semenoff's scheme can ever be carried out, and the attempt would certainly precipitate a first class Russian-Japanese war, Japan would be in control of a stretch of East Asia 2,500 miles long and 900 miles wide with a population of approximately 70,000,000 people.

According to the plan presented to the Kwangtung Army the Japanese must take the following steps to achieve this dream empire:

- 1.) Demand that Moscow withdraw all Soviet Troops from Outer Mongolia. (Foolish to even consider.)
- 2.) Then create, under the protection of Japan, a new buffer state out of Outer and Inner Mongolia.
- 3.) The Russian emigrants will become subjects of the new state. The Russian emigrants consist of 27,000 Buriat Cossacks in Mongolia, and 120,000 White Russians in Manchuria.
- 4.) The buffer state, created in accordance with the above plan, will exist under the official or unofficial control of Japan.

Semenoff then discusses possible coelitions of powers with and against Japan. A rough translation of his plan on this subject reads as follows:

"In view of the fact that Germany gave a free hand to the Soviets in Eastern Europe, the Soviet Government declares that it is the destiny of the Red Army to liberate the nations from the yoke of the capitalistic government.

Independent of the fact as to whether a non-aggression pact will be signed between Japan and the Soviets, the possibility will remain that the Soviets may call upon the Asiatic nations to liberate themselves from the oppression of Japan.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E) Department of State letter, August 10, 1972 NARS, Date 12-18-15

> Enclosure No.8 No.8 , to despatch , dated July 11 ,1938. No. $_{3100}$, dated July 11 , from the Embassy at Tokyo.

The Japan Advertiser.

Tokyo, Friday, June 24, 1938.

INTENSIFIES CONTROL OF 32 ESSENTIAL MATERIA TO HELP IN WINNING WARFARE

Munitions and Export Goods to Have Priority in Distribution Program

SIMPLER LIVING WANTED

Statement Points Out End of Fighting Still Is Remote Despite Progress

GOVERNORS TO ASSEMBLE

The Cabinet approved and outlined for the public in a statement yesterday plans for further mobilization of raw materials to help in winning the hostilities in China. The use of 32 materials, both imported and produced domestically, is placed under more stringent control.

The plans were drafted by the Cabinet's Planning Board with the co-operation of all the Ministries concerned and will be elaborated on in detail by a group of representatives of the War, Navy, Finance and Commerce and Industry Ministries and other quarters concerned meeting under the Planning Board, according to Domei.

Admitting that the new restrictions are likely to cause more or less inconvenience to the people, Finance Minister Seihin Ikeda voiced hope to reporters yesterday that the people will co-operate with the Government because of "the great mission of achieving the goal of the hostilities in

China."

Exports Get Consideration

The plans are designed, says the Government's statement, to place national defense on a solid foundation and to strengthen national economy. In the distribution of raw materials, export goods are to share priority with war supplies.

When the Cabinet met in special session in the Premier's official residence yesterday morning, President Masao Taki of the Rlanning Board explained the plans. Among those who expre ed views on them, Domei reports, were Premier Konoe, Foreign Minister Kazushige Ugaki, Finance Minister Ikeda, Minister Seishiro Itagaki and Navy Minister Mitsumasa Yonai. At the end of a two-hour meeting, the Cabinet approved the plans unanimously.

At 2 o'clock, Chief Secretary Akira Kazami met with newspapermen and issued the following statement:

"Marked progress is being witnessed in the China incident because of the fall of Hsuchow, but the end of the hostilities still is distant. To bring about the collapse of the National Government, which relies on the as-sistance of foreign Powers and advocates prolonged warfare, our fighting strength has been increased until vast land, sea and air forces without pre-cedent in the history of our nation have been mobilized.

Fighting Must Be Aided "In order to assure adequate preparations at home so that operations in the field may be conducted without hindrance and the goal of the hostili-ties achieved for the sake of eternal peace in the Far East, the many in-stitutions of the State must be concentrated on the task of facilitating the

The Soviets will have no difficulty in taking this step under the flag of a Mongolian National Republic, or with the assistance of the Chinese Communist Party.

The Japanese Government must forget about an alliance with the Soviets and Germany because, due to German expansion to the east, the Soviets will be forced to pay closer attention to the situation in the Far East and it will lead to an armed conflict.

The present situation leads either to a Russo-German bloc, directed against Japan, or to a Russo-Japanese bloc directed against Germany.

Germany understands this, and is trying to create an armed conflict between Japan and England. Japan must find cooperation with the enemies of the Russo-German bloc, which is the only way Japan can keep her prestige as a great nation in Asia.

As mentioned above Semenoff is not unacquainted with the situation in the Far East and while his plan for the creation of a buffer state is considered more in the light of a smoke-screen, his commentary on possible or probable alliances is considered sound and based on intimate knowledge of present world conditions effecting the Far East. The plan itself, especially under present conditions, can best be described as fantastic. For the maintenance of a line of communication for war supplies from Korea to Outer Mongolia even through friendly territory would be a gigantic undertaking and through hostile territory, while Japan is bogged down in China, obviously impossible.

II. POLITICAL.

A. Chungking and Communist Relationship.

Relations between the Communists in eastern Kansu and the Chungking Government Troops are reported to remain tense, although the actual fighting is now reported to have subsided. Nothing seems to have been settled in regards to the original differences that led to the armed clash. The Communist forces! version of these differences is at complete variance with Chungking's account of the affair. The Communists charge that the Eighth Route Army garrisons were subjected to numerous surprise attacks and constant harrassment within the legally constituted boundaries set for the Communist forces by the Koumintang. Chungking is reported as claiming the break in the harmonious relations, that have existed between the Koumintang and the Communists since the outbreak of the present war, came when the Communists occupied five Hsien adjoining the Special Communist District. The Communists are reported to have occupied those Hsien in an attempt to enlarge the area under Communist control and to occupy and fortify the famous baboon Pass in Kansu, which controls one of the most important routes linking Russia and China.

The Chungking Government Troops, reported to have been employed against the Communists, total seven divisions, and numbering home 34,000Fmem and commanded by General Hu Tsang-Nan. These forces are further reported to have included the crack Ninety Seventh Division. These troops are reported as still being deployed for possible action against the Reds in the event of a break-down in the current negotiations. Central Government planes are understood to be making daily reconnaisance patrols over the Special Communist Areas.

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Information from Chungking states that the Eighth Route Army has been steadily recruiting to enlarge their forces during the course of the present war. They claim that the Red forces are now two to three hundred percent greater than two years ago. The remittences which Chungking furnishes for the support of the Red Army are based on the old strength, which according to Chungking makes the Red Army drastically lower paid than other units of the Chinese Army and also forces the Communist troops to live off the country.

B. American Observers! Reaction.

The most recent information from American official sources at Chungking states that the differences between the Central Government and the Communist forces are grossly exaggerated. This source admits that there were minor political clashes between the two parties, but that the Communist forces are equipped only for guerrilla warfare and could not conceivably hope to engage in positional warfare such as holding the Baboon Pass in Kansu would demand. This source also points out that the Governor of Kansu Province is a Chinese who is loyal to Chungking and who is in complete control of the Province. While reports of the Chungking—Communist struggle are being widely circulated especially in the United States, they are believed to be largely fabricated by American press reporters.

III. MISCELLANEOUS.

A. Wang Ching-Vei's Central Cadet Corps.

The military review of the Central Army Cadet Corps on 15 January 1940, which was a Japanese sponsored pumpet show, designed to conceal the fact that the Japanese boast of a new Central Government on the 15th remained unfulfilled, was held at the old Japanese barracks between Tazang and

Kiangwan.

This is the site of the new school, which is directed by General Yeh Pong.

All the foreign military representatives were invited. However, only the Italian Military Attache, Lt-Colonel Principini attended.

The guests were received by General Yeh Pong and Dr. Chu Hing Yee, representing Vang Ching-Wei. Six companies of cadets were drawn up in the central compound between the barracks for inspection. The cadets did not pass in reveiw, as General Yeh Pong explained, the cadets had had insufficient training.

The corp's strength is 828 cadets, 235 former officers undergoing refresher courses and 174 teachers, instructors, etc. (Including Japanese instructors.) The uniforms and equipment of the cadets, judging from the inspection are perfect. The barracks are on Italian style, which were found in a perfect state of cleanliness.

As to armament, this is reported to be heterogeneous and insufficient (German, Austrian and Japanese rifles.)

Each company has but one automatic rifle of Czechoslovakian manufacture and the entire school possesses but three machine guns.

The cadets are drawn principally from the Northern and central provinces, there being, however, a few from the south. The course is of 12 months duration.

B. Increase in Shanghai Puppet Police Force.

Reports have been received here from Japanese sources during the week that the Shanghai City Government Police will recruit about 2,000 additional policemen. The Puppet

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Finance Bureau has agreed to issue \$280,000 to cover the cost of recruiting and training of these men. The report states that the additional police are being recruited in order to facilitate the maintenance of peace and order in the extra-Settlement Roads. Area. It is at present unknown whether or not this is to be another Japanese attempt to intimidate Third Power Nationals living in the Western extra-Settlement Area.

HNS/jaw

HEADQUARTERS, FOURTH MARINES SHANGHAI, CHINA

27 January 1940

RESTRICTED:

INTELLIGENCE REPORT ON THE MILITARY, POLITICAL, AND ECONOMIC

SITUATION IN CHINA

20 January to 27 January 1940

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H. N. STENT
Major, U. S. Marine Corps
Regimental Intelligence Officer

I. SHANGHAI:

A. Proposed Fruit and Vegetable Harket in Chapei.

For the past two months the Japanese Naval Landing Party has been trying to get the British to open a gap in the perimeter wire on North Thibet Road (Yu Ya Ching Road), in order to give the new vegetable market access to the Settlement.

With this point in view Commander Toma, Chief of Staff, Naval Landing Party, arranged a conference with Najor Hunt of the British Army. Toma explained that the new market was part of the scheme for the rehabilitation of Chapei, and it was intended to serve the large and rapidly increasing Chinese population now living in the area controlled by the Landing Party. Access to the Settlement was desired in order that goods could be brought in to the market from the Settlement without having to make a long and inconvenient detour around the British Sector.

The plan of the market is as follows:

- (a) The market extends over the area bounded by Kulun Road, North Thibet Road, Soochow Greek and Minchow Road.
- (b) The market will deal only in fruit and vegetables and is a wholesale and not a retail organization.
- (c) The market would be a meeting place for merchants from the Settlement and Chapei; it would not be a thoroughfare for the general public.

According to the available information, the Japanese are progressing rapidly in their rebuilding program, but as yet there has been no great influx of Chinese into this area: The Waval Landing Party is apparently acting as a go-between for the Shanghai Special Municipal Government, whose project it is, and the Settlement authorities.

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A report from the British Military Headquarters says that it is probable if the Settlement authorities and the British Military continue in their attitude of refusing to open the wire, an attempt might be made to utilize a ferry across the Soochow Creek or possibly the use of all existing bridges between the American Sector and Chapei.

The Commanding General of the British Military Forces in Shanghai is fully determined not to allow any opening to be made in the perimeter wire.

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A recent letter from the Commander of the Japanese
Naval Landing Party to Major General Simmons is of considerable interest. It is quoted below:
"Sir.

With reference to the recent conversation between your liaison officer, Major Hunt, and our Staff Officer, Commander Toma, I have the honour to inform you that we have received an application from the Shanghai Special City Government and, after investigation, we consider their request for the opening of a wholesale vegetable and fruit market fully justified to meet the requirements of the rehabilitation of Chapei. It is clear that the removal of your barricade in front of the main entrance (facing North Thibet Read) will be necessary for the full working of the market, and I have the honour to request that you will be so kind as to remove the requisite section of the barricade and so enable the opening of the market to achieve its object; which is purely cultural.

I should be grateful if you will favour me with a reply to the foregoing.

I have the honour to be, etc."

The Japanese were informed that no action could be taken until the return of Hajor General Simmons from North China.

Obviously the real object of this Herket is to monopolize the vegetable trade not only in the Japanese controlled area but also in the Settlement. Also it is quite possible that this request is but another form of putting forward their recent request for the opening of direct communication between Chapei and the British Sector.

B. Increase in Shanghai Puppet Police Force.

Last week the report from this office contained a statement from a Japanese source alleging that the Shanghai City Government Police Force would be strengthened by 2,000 men. It has been determined since then that this allegation is untrue.

Prior to June, 1939, the strength of the Shanghai City Government Police was 5,352 and the monthly expenditure was \$250,000. The strength was increased by 1,000 men during August, 1939, and the monthly expenditure was raised to \$280,000. When the control of the Shanghai City Government Police was taken over by the Ministry of Interior of the "Reformed Government", in September, 1939, the minister warned the Chief of the Shanghai City Government Police Bureau against further increase in strength on the grounds that the monthly expenditure of \$280,000 was already a heavy burden for the Ministry.

The present strength of the Shanghai City Government Police is estimated at 6,213.

C. City Government Police Activities.in Western Area.

The City Government Police continue to duplicate the Shanghai Municipal Police on traffic duty and maintain a small guard at each traffic post. Patrols continue but never appear to function as police, i.e., searching pedestrians and cars. These patrols merely march along the streets at various times during the day. The City Government Police attitude towards the British troops and foreigners remains

about the same although no incidents between troops and police have taken place.

The recent cold weather has not added to the smartness of the City Government Police. Many of them look wretched and inactive. Continuation of the cold weather will probably lead to further desertions from the force.

Unconfirmed rumors state that there are differences of opinion between the City Government Police and the Mang Ching-wei followers. It is reported that the Mang followers seek to diminish the influence of the present City Government officials in favor of their own candidates.

D. Crime in the American Sector.

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The amount of crime in the American Sector has shown a steady increase during the months of December and January. The below table gives the number of crimes in the American Sector, as reported by the police, during January with the number of crimes committed in the same area during the previous two months:

CRIME:	NOVEMBER:	DECEMBER:	JANUARY: (through the 26th.)
Murder	1	1	2
Attempted murder	2	4	7
Armed robbery	29	34	27
Robbery	4	2	5
Armed highway robbery	10	17	21
Highway robbery	6	8	16
Attempted armed robbery	2	3	2
Attempted robbery	1	0	0
Armed kidnapping		_4	_1_
TOTAL	55	73	81

Conditions responsible for this increase in crime remain unchanged. The Special Municipal Police are still refusing to co-operate with the Municipal Police in apprehending criminals who have committed crimes in the Settlement. After a criminal regains the Ta Tao Districts, he is given immunity for crime committed in the Settlement, and the only way the Settlement Police can arrest this criminal is to take him into custody when he again comes into the settlement.

E. Opening of Nantao District.

Following closely the agreement recently reached between the French Consul-General and the Japanese Consular and Hilitary authorities, the Japanese issued a proclamation regarding the opening of Nantao as of January 24th.

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The gates between Nantao and the French Concession were closed during the latter part of 1937. At this time the Japanese had a large number of their troops billeted there. Before the hostilities Nantao was governed by the Shanghai City Government, the same as Chapei or Hungjao.

The recent proclamation provides that all bona fide residents of Nantao must possess either "citizens certificates" or "residence certificates". These certificates are issued free of charge by the Shanghai Special Municipality. The time limit of such applications is one year. Upon expiration of the one-year period, unless application to return to Nantao is made, property and residence rights will be officially considered forfeited. "Citizen" certificates are issued to those wishing to visit Nantao and "resident" certificates to those wishing to reside in the area.

Prior to the recent proclamation the Nantao District
Administrative Office (Chinese puppets with a Japanese advisor) had the power to issue "citizen certificates" and

had issued 9,000 certificates up to the end of September, 1939. Recently the Japanese sentries in the Nantao area began destroying certificates issued after October, 1939. This action was taken because it was found that the new certificates have been obtained by bribery, at \$1.00 or \$2.00 for one certificate from the Nantao District Administrative Office. It may be mentioned here that the issuing of forged passes to Chinese desiring to travel in the interior or for other activities requiring Japanese permission has become quite a profitable business, engaged in by both Chinese and Japanese.

The Proclamation urged all former Nantao residents to return to their places as the Japanese authorities would do them no harm but it provided that "bad" elements would be severely punished. A similar proclamation has been issued by Mayor Fu Siao-en and is posted in Nantao.

The French Concession authorities will require no passes from Chinese pedestrians entering the Concession but in order to prevent a further shortage of staple foods in the foreign areas, special permits for supplies of rice and flour which are to be taken into Nantso from the Concession will be required.

F. Rice.

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The supply and price of rice continued during the week to be one of the pressing problems of the local authorities.

Last Sunday, January 21, the sale of "cheap" rice to the poor was begun under the auspices of the Shanghai Cheap Rice Sale Committee of the Shanghai Staple Food Regulation Committee. Sixty shops in the Settlement and forty in the French Concession cooperated with the committee by donating the use of their premises.

Each person is allowed to buy only \$1.00 worth of this rice. The amount given for \$1.00 is figured at \$25.00 per "picul" This is a great relief to the poor who have during the past month paid on the average over \$36.00 a "picul" for the same rice, which is Saigon rice, the cheapest on the market. The best quality Chinese rice or "Kan Wee" ranged from \$39.00 to \$43.00 per "picul" while the inferior Chinese rice, or "See Mee", sold between \$34.50 and \$36.00 for the same amount. It is interesting to note that the best quality Chinese rice can be purchased just outside the Settlement in the Hungjao area for \$32.00 per bag, the same rice which has been selling for \$39.00 to 43.00 in the Settlement. However, there are restrictions against bringing rice into the foreign areas, thus precluding the possibility of importing large amounts from areas surrounding Shanghai.

The "Cheap Rice Sale Committee" is composed entirely of Chinese, its chairman being Mr. Yu Ya Ching. A contribution campaign for funds to buy more of the "broken" Saigon rice for sale to the poor has been launched by the Committee. During the first five days of the "cheap" sale 8,710 bags were sold and 255,000 people made purchases. No untoward incidents occurred at any of the selling points although some trouble was expected in handling the crowds.

It is a relief to see that somebody besides the Salvation Army is taking an interest in supplying rice to the poor, even if they are charging for it while the Salvation Army donates theirs.

The Shanghai Staple Food Regulation Committee on January 24th issued a statement in the form of a letter addressed to local citizens advising industrial concerns, business firms, organizations and and educational institutions to import rice direct from abroad on behalf of their members

or employees, instead of making purchases from the local markets, in order to reduce the demand and so relieve the situation.

II. POLITICAL.

A. Ambassador Johnson's Life Reported in Danger.

The Japanese press spokesmen in Shanghai issued a startling statement last Thursday in which they said that the Chungking Government was going to make an attempt on the life of the United States Ambassador, Nelson T. Johnson, with the intention of making the crime appear as being engineered by the Japanese.

If the blame could be shifted to the Japanese it would preclude the possibility of another Trade Treaty being made, it was said. The Japanese say that they are now doing everything in their power to protect the Ambassador.

It is very interesting to note that although there have been no reports of mines being found in the Yangtze for some time past that all of a sudden there were three such cases reported by the Japanese in one week. This information was published by the Japanese in Shanghai just before the Ambassador had returned from Peking. There is a strong possibility that this was an attempt to discourage Mr. Johnson from taking his proposed trip up to Hankow.

If the Chinese actually had a scheme to harm Ambassador Johnson in an attempt to discredit the Japanese, it seems logical that Peking would have been an ideal place, as that city is more under Nipponese domination than Shanghai. Here, such a scheme successfully carried out would only greatly embarrass the Shanghai International Settlement Municipal Authorities, something the Chinese surely do not want to do at this time.

It has been learned recently that two male Chinese purchased from a Nanking Road shop, a photo of the Ambassador the day he returned here from North China. At first the proprietor hesitated to sell the photo but when the Chinese produced a card of a Japanese member of the Gendarmerie he made the sale. Later he called the Japanese Gendarmerie and turned the card over to them. The Japanese to whom the card belonged, upon being questioned, said that he knew nothing of the matter and that he allows no one to carry his cards. When the Japanese heard about this incident, they said it was further proof that the Chungking Government was bent on harming the Ambassador.

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It would seem apparent that, since all the above reports are of Japanese origin, and are without known substantiation from other sources, an effort is either being made by the Japanese to discourage further travelling by the Ambassador, or -- what seems improbable -- are paving the way for an attempt on his life themselves.

III. MILITARY OPERATIONS.

A. Nanning.

Although there have been no extensive operations in the Nanning area of late there have been some interesting reports of French source reaching here.

Chinese Central Government Troops have driven to within thirty kilometers northeast of the city and within sixty kilometers on the northwestern side. These troops are well equipped and have quite a number of tanks and some artillery supporting them. The Japanese appear content to hold what they have and wait for the Chinese to make the moves.

Concerning the number of Nipponese Troops in the Nanning Area the French set the number at six divisions. It is believed that this estimate is considerably too large and

that an estimate of three divisions, or about 60,000 men, is nearer the actual number.

The guerillas have succeeded in harassing the Japanese troops engaged in transporting supplies and ammunition from the coast up to Nanning by destroying roads, bridges and occasionally making attacks on convoys.

It will be recalled that soon after Nanning was taken by the Japanese, a column was dispatched by them to Lungchow, on the Indo-China border, about 100 miles northwest of Nanning. It has now been learned that this column, which can truly be called a "flying" column was composed of only 1,000 men. At Lungchow they destroyed large quantities of Chinese Army supplies and then turned about and returned to the main body safely.....

NO. 2889

RECEIVED AMERICAN CONSULATE GENERAL,

Shanghai, China, February 5, 1940 MAR 7 PM 3 53

CONFIDENTCIAL.

N OF CHONS ORDS

SUBJECT:

Transmitting Letter from the Inspector General of Customs Concerning Conditions in Canton.

693.002

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

COPLINS SENT TO O.M.I. A D M.I.D. IN COMPIT

ASSISTANT SECRETARY
OF STATE SIR: MAR 25

I have the honor to transmit herewith, as of Sated January 31, 1940, together with the enclosure Thereto, received from the Inspector General of Customs.

will be noted that the enclosure to the Inspector General's letter consists of a communication addressed to him by the Commissioner of Customs at Canton in regard to the military situation in the Canton area. to various customs matters, including "extra customs trade" and to a report prepared by a Japanese concerning Japanese business and shipping activities at Canton.

In regard to customs matters, the Commissioner reported that as of January 17th no new developments had occurred regarding the reopening of the Pearl River;, that the Japanese authorities would not permit Customs officers to board the occasional foreign vessel permitted to enter Canton; and that the reason given by

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the Japanese Consul General for such refusal was that until Japanese Customs officers are appointed to Canton the Customs cannot resume normal "outdoor" functions because there would be danger of "friction" between Chinese or European officers and the Japanese Navy and gendarmerie.

The Commissioner also reported the existence of a considerable import and export trade carried on by Japanese vessels which is entirely beyond customs control. The Commissioner described the various expedients resorted to in the conduct of this trade and the exorbitant freight and other charges indirectly levied by the Japanese military and naval authorities on non-Japanese shipments.

Of considerable interest is the report appended to the Commissioner's letter which was written by a Japanese who is described as being in close touch with commercial circles but not in the Customs service. The report in question indicates that all types of business are controlled by what is described as the "Three Department Conference", namely the Japanese Army and Navy Special Service Sections and the Japanese Consulate General. It is stated, however, that the "China Affairs Board" may supersede the triumvirate mentioned. The report indicates the diversity of Japanese commercial and economic interests in the Canton area, which include shipping, banking, mining, utilities, industries, transportation, fisheries and the export-import trade, exports amounting to approximately 7,000 tons monthly and imports to 15,000 tons exclusive of military supplies.

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The report refers at some length to the currency situation at Canton and points out that fluctuations in Japanese currency at that port may be attributed not only to fluctuations in the exchange markets of Hongkong and Shanghai and to the balance of trade, but also to the expenditures of the Japanese military. In this latter connection it is pointed out that when the Japanese military made extensive purchases in October and November, 1939, in preparation for their military offensives in Kwangsi and Kwangtung, the value of the Yen dropped to Y2.70 to the Hongkong dollar.

The report concludes with the interesting but somewhat cryptic statement that "the Japanese military is selling 100 million Yen of opium monthly, which is confiscated by the Japanese authorities". The Inspector General indicated that he had asked the Commissioner to elucidate this statement.

Respectfully yours,

C. E. Gauss American Consul General

Enclosure: 1/ -

Copy of letter, dated January 31, 1940, with enclosures, from the Inspector General of Customs.

620 EFS:fc

In Quintuplicate. Copy to Embassy, Peiping. (by Marine wouch)

Copy to Embassy, Chungking. (by pouch)
Copy to Embassy, Tokyo (by safe hand).
Copy to Consulate General, Canton (by safe hand).

Enclosure No. 1 to despatch No. 2859, dated February 5, 1940, from C. E.Gauss, Consul General at Shanghai, China, on the subject: "Transmitting Letter from the Inspector General of Customs Concerning Conditions in Canton."

COPY

CONFIDENTIAL

Shanghai Office of the Inspectorate General of Customs 421 Hart Road

Shanghai, 31st January, 1940.

My dear Mr. Gauss:

I attach hereto for your information a copy of a confidential report from the Canton Commissioner, regarding the situation in Canton. Mr. Little has been requested to elucidate the remarks in the final paragraph of the enclosure appended to his report.

Yours sincerely,

(Sgd.) F. Maze

C. E. Gauss, Esquire,
American Consul-General,
. S H A N G H A I.

Copied by FC Compared with JLM

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Sub-Enclosure to Enclosure No. 1

Copy of Confidential Letter from Canton Commissioner to Inspector General, dated 17th January, 1940.

THE SITUATION AT CANTON

1. Military. It is practically impossible to get any information regarding the military situation in the Canton region. Chinese reports claim the defeat of the Japanese in the North River (Canton-Hankow Railway); the Japanese state that they have withdrawn after gaining their objective, viz., the destruction of the Chinese "winter offensive".

There is constant movement of Japanese troops into and out of Canton. One day the city is denuded of soldiers; the next, it is again full. Much aerial activity is also taking place.

Every day for the past week, a large number (possibly totalling 100) of the Japanese military trucks has passed the Custom House loaded with household furniture of all sorts - chairs, beds, desks, etc., etc. This furniture, which is undoubtedly loot from private Chinese houses, is being loaded on Japanese transports at Wongsha. This development may or may not prove of significance.

2. <u>Customs</u>. No further developments regarding the reopening of the Pearl River have occurred since my IGS No.22 was written (12th January).

The Japanese permitted lighters with about 1,000 tons of fuel oil for the Socony-Vacuum and A.P.C. to come in on the 15th January. We have treated the importations in the usual way: lighters entered and cleared; tanks measured; duty paid; etc.

B. & S. have obtained Japanese permission to bring in a coaster - the "Hoihow" - tomorrow. She will have 200 tons of coal aboard, and will take away a shipment of Yee Tsoong Tobacco Company's factory stores, etc., for Shanghai. The "Hoihow" will enter and clear and cargo will pay duty, in the usual way. I attempted to get permission to send Customs Officers on board to collect import manifest and supervise discharge, but the Japanese Consulate (after consultation with military and naval forces) refused. Matsudaira said that until Japanese Customs Officers are appointed to Canton we cannot resume normal Cutdoor functions, because, he went on, there would be too much danger of "friction" between Chinese or European Officers and Japanese naval and gendarmerie.

3. Extra-Customs Trade. As you already know, there is a large import and export trade carried on by Japanese vessels which, when they enter the Pearl River, cover up the house markings on their funnels and hoist the Japanese "transport" flag. This trade, both at Canton and Whampoa, is, of course, entirely outside Customs control.

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These Japanese "transports" cannot, however, take cargo to and from Hongkong. In order to provide direct shipping facilities for exports to Hongkong, tugs and lighters leave Canton under the Japanese flag, and are met at the mouth of the river by British or Portuguese tugs, which take the lighters in to Hongkong. The extent of this clandestine traffic is unknown, but believed not to be very important.

Another clandestine outlet for exports has recently been opened, viz:, by shipment to Macao on the Portuguese s.s. "Shing Cheong" through a Chinese intermediary, who secures permits from the Japanese military authorities. The following is a specific case: a foreign firm exported by this method 73 bales of Silk Waste (223 piculs) and 10 bales of Taw Silk (8 Piculs). For this they paid Hkg. 5,800 (dollars five thousand eight hundred) freight. The normal charge for freight on this shipment would have been about Hkg. 70 (dollars seventy). The shipping permit bore the chop of Japanese Military Headquarters; the cargo was towed from wharf to the "Shing Cheong" by a Japanese-owned tug; and a Japanese sentry in naval uniform supervised the loading.

The universal opinion among foreign and Chinese merchants in Canton is that the Japanese army and navy officers, up to the very top, are taking all the "squeeze" they can get. They are reputed to live handsomely and expensively in the local hotels. Possibly the emoluments they are receiving explain in part the reluctance of the Japanese army and navy to retire from China.

4. Report on Japanese business and shipping at Canton. I append copy of a report on Japanese business and shipping activities, etc., at Canton. This report was written by a Japanese (not in the Customs) in close touch with commercial circles. I may not divulge its source.

Yours truly,

(Signed) L. K. Little

APPENDIX

APPENDIX

THE PORT ON JAPANESE BUSINESS AND SHIPPING ACTIVITIES AT CANTON ($\underline{N} \cdot \underline{B}$. This report written by a Japanese)

Roughly estimating, the Japanese residents at present in Canton are about a little over 9,000 excluding the military staffs and soldiers as well as non-commissioned staffs. Out of the 9,000 population most of them are connected with some sort of business, such as banking, import and export, shipping, building contracting, utilities, transportation, godown, fishery, hotels, cafes, tea-houses, restaurant, local markets, publicity, etc.

Every business is controlled by the Three Department Conference which is represented by the Japanese Army Department, i.e. the Army Special Service Section; the Navy Department, i.e. the Navy Special Service Section; and the Foreign Department, i.e. the Japanese Consulate General at Canton. In addition, a branch of the China Affairs Board whose headquarters is in Tokyo headed by the Premier of Japan has been dispatched in Canton recently. This Board manages civil affairs in China and in the future it may assume the duties of the Three Department Conference.

Classifying the business, in banking corporation there are Yokohama Specie Bank, Bank of Taiwan and Bank of South China, in shipping companies there are N.Y.K., East Asia Navigation (Towakamu), and Canton Inland Shipping Association.

N.Y.K. has only a branch office in Canton although no ship comes to Canton, East Asia Navigation Co. has the Canton-Swatow-Amoy-Shanghai-Tientsin-Dairen line operated by five 2,000 ton steamers, and the other line of Canton/Takao, Kilung with four 1,500 ton steamers, almost all of Canton's export and import for the Japanese civilians are done by this steamship company. Canton Inland Shipping Navigation Association concentrates only for passengers between Canton and Macao, also Canton and Hongkong route; Nitto Merchant Vessel Association is chartered by M.B.K. and Japanese Sugar Mill Association.

Export and import are done for mass consumption by M.B.K., Mitsubishi, Fukudai, Taiwan Exploitation, Sugihara Sangyo, the last two named are also engaged in mining; Euilding contracting are Katsura-shokai, Hachidai-gumi, Shimizu-gumi and Tamura-gumi; Utilities - Electric plant, Water works and Telegraph; Transportation- International, Taiwan, Maruichi, Fukudai and South Canton; Godowns - Nanyo and Taiwan; Hotels - White House, New China, International and Canton; Fishery - Nippon Suisan and Taiwan Suisan. Other large industries are sugar mill, brewery, iron factory, cotton mill, paper mill and cement works.

The expenditure in addition to the supplies and imports from Japan by the Japanese Military Authorities in Canton is roughly estimated as 300 million Yen monthly.

Japanese

Japanese business activities in Canton is mainly based on this military expenditure.

In understanding the fluctuation of the Japanese currency in Canton, one must consider in addition to the effect of the Shanghai and Hongkong exchange markets - the relation between imports and exports as well as the large expenditure by the Military. Clearly stating, last January in Canton when there were hardly any imports, Japanese currency was two and one half times as much as Hongkong currency (Hkg. 100 = Y 250). By March when the imports and exports were balanced, the Japanese currency (Hkg. 100 = Y 160) which may be called somewhat normal. As Canton became rehabilitated so did the exchange market remain quite settled for some months. Then in September when the political condition made its effects which caused the outbreak of the present European war, the Hongkong currency due to this crisis became very cheap all of a sudden (i.e. Hkg. 100 = Y 130), but within a short period of time, Hongkong currency recovered its present condition.

In October when the South China Expeditionary Army began preparing for new military operation for Pakhoi, Nanning, Kwangsi regions and along the Canton-Hankow Railway, the military expenditures locally increased tremendously, which caused the Japanese currency to become very cheap (Hkg. 100 = Y 230). When November came, the military concerned still increased its expenditure in buying up and taking in stocks locally and imported goods such as rice, sugar, salt, soy bean, sauce, flour, tobacco, tea, etc., which greatly affected the exchange market causing the Japanese currency at its lowest as almost three times as much as Hongkong currency (Hkg. 100 = Y 270). In addition to this reason, there was the closure of the Pearl River until the end of last year due to military operations.

By the middle of December when the Military Headquarters ceased to buy local goods for the preparation, the Japanese currency became a little better (Hkg. 100 \pm Y 230).

From now on until the Japanese military operation along the Canton-Hankow Pailway completes its aim - it is supposed to be three months - the local expenditure of the Japanese Army is increased compared with the previous expenditure of 300 million Yen monthly. It means that the exchange rate of the Japanese currency against Hongkong currency will remain around 200 to 250, because the imports from Japan to Canton cannot be expected to increase to compare favourably with the increase of the local expenditure of the Military.

Tonnage of the monthly imports from Japan to Canton is roughly estimated 15,000 tons, which are of course excluding the military supplies. A rough estimation of the tonnage of exports from Canton to Japan is 7,000 tons monthly.

It is very interesting that the Japanese Military is selling 100 million Yen of opium monthly, which is confiscated by the Japanese Authorities.

Dated: 4th January, 1940.

Copied by FC Compared with JLM

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FIVE COPIES TO DEPARTMENT

No. **961**

THE FOREIGN SERVICE OF THE

UNITED STATES OF AMERICA

N Division of FAR EASTERN AN MES SAR 9 ~ 1640

1940 MAR 8 PM 12 05

AMERICAN CONSULATE GENERAL

Tientsin, China, January 26, 1940.

CAMBUNICATIONS AND RECORDS

SUBJECT

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ASSISTANT SECTION

343 54.3

American-Japanese Relations in North China - Interview with General Homma by Representative of the NORTH CHINA STAR.

The Honorable

Nelson Trusler Johnson,

American Ambassador,

Peiping.

Olike I have the honor to transmit a newspaper clipping

from the NORTH CHINA STAR of January 26, 1940, reporting an interview granted on January 25th by Lieutenant-General Masahara Homma, Commander of the Tientsin Garrison, to a representative of that newspaper.

General Homma, according to the report, stated that the lapsing of the Japanese-American treaty "even in the absence of a modus vivendi would not necessarily result in the restriction of United States trade in North China, but that if all efforts to improve American relationship should fail, the Japanese would see no further reason to extend special privileges to American citizens in North China".

Whereas, according to the newspaper article transmitted in my despatch no. 952 of January 16, 1940 to the Embassy (a copy of which was sent to the

Department)

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

-2-

Department), General Homma is reported to have denied, on January 15th, the probability of an anti-American campaign by the Japanese, he is now reported to have said, on January 25th, that in the event of failure of Japanese-American relations to improve "there would at least be no further reason for treating American nationals in North China more favorably than other nationals".

The General is reported to have said further, that Japan could not look upon American naval expansion in the Pacific as a friendly gesture; that no amount of pressure could induce Japan to abandon the establishment of a New Order in East Asia; and that while connections with the Comintern were not desirable, Japan must get materials somewhere.

Respectfully yours,

J. K. Caldwell, American Consul General.

Enclosure:

1. Newspaper clipping from the MORTH CHINA STAR of January 26, 1940.

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Original to Embassy, Peiping.
Five copies to Department without
covering despatch.
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Copy to Embassy, Tokyo.
Copy to Consulate General, Shanghai.

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

> MORITH CHINA STAR, Tiontsin, Chana, www 26 -- 1

961 Jan. 26, 1940

GARRISON COMMANDER

Reason To Favor American Nationals, Says General Homma On Eve Of Treaty Expiration

On the eve of the expiry of the United States Treaty of Commerce and Navigation with Jap-Homma, Commander of the Tientsin Japanese Garrison, yesterday said in an interview that the lapsing of the treaty even in the absence of a modus vivendi would not necessarily result in the rein North China, but that if all efforts to improve American relationships should fail, the Japarese would see no further reason to extend special privileges to American citizens in North

A failure to extend the present treaty until negotiations on a new one can be completed would be looked upon with continued disappointment, General Homma said, but added he would American attitude toward Japan. Should all the Japanese efthe military would be forced to review the situation and reconsider the steps to be taken.

Qualifying his statement the North China Star of a week ago in which he said that the failure to improve relations between the two countries would not be the cause of an anti-American campaign, the General said that in such circumstances reason for treating American nationals in North China more favorably than other nationals.

War Not Possible

It having been brought to General Homma's attention that the American press has recently reported some circles as believing that a war between the two countries is possible, he said: "I would like to ask the people of the United States If All Efforts Fail No Further if there exists any serious reason why our differences cannot be settled by negotiation. I do not think that war between the United States and Japan is

However, he added, Japan could not look upon American naval expansion in the Pacific as a friendly gesture and recalled that an, Lieutenant-General Masaharu Japan had never menaced American shores.

General Homma said that there would be no difficulties between the two countries if the United States would have a better understanding of Japanese aims and striction of United States trade realize that large scale hostilities are being engaged in in China. No restrictions, he said, were imposed on Americans in China but felt by them they must underrestrictions as on the exports of some furs and skins, he added, were of military necessity as those items were needed in China,

General Homma went on to say that it was his personal opinion that Americans were inclined continue to hope for improved to construe as "malicious" the sia for a new trade market. relations and a change in the actions of the Japanese military in North China, and that there was a tendency to intentionally forts toward this end fail, he said, misunderstand Japanese inten-

May Turn To Russia

He cited the instance of an anonymous letter which he recently received from New York in which it was reported that a group of Japanese officers in New York were representing themselves as the Healquarters of the Japanese In perial Army but were in fact spies and there would at least be no further, should be recalled to Japan and executed. The officers thus referred to, General Homma said, were merely in the United States on a mission of purchasing military supplies.

But no amount of pressure can induce Japan to abandon the establishment of the New Order in East Asia, he said, and added: "Think of the sacrifices made during the present incident. If you were in our shoes, would you go so far as to nullify all that had been accomplished because pressed to do so by another coun-

In fact, he commented, American and Japanese vital interests do not clash in the program of the New Order, although Japan needs the cooperation of the United States.

In regard to the belief current if the existing restrictions are in some American circles that the American attitude may throw stand these circumstances. Such Japan into the arms of Soviet Russia, General Homma said that connections with the Comintern were not desirable, but that they must get materials from somewhere, intimating that if American embargoes were enforced they might have to turn to Rus-



THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

AMERICAN EMBASSY

No. 4465

Tokyo, February 5, 1940.

SUBJECT: BOMBING OF YUNNAN RAILWAY.

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ion of FAR EASTERN AFFAIRS MAR 9 - 1940 epartment of O

₹ . ထ The Honorable

The Secretary of State,

Washington.

sir:

ESL

I have the honor to refer to the Department's tele-graphic instructions no. 25/January 19, 6 p.m. and no. 40, January 30, 6 p.m. and to the Embassy's telegrams no. 43, January 25, 3 p.m. and no. 67, January 31, 6 p.m., concerning the bombing of the Yunnan Railway.

There is enclosed a copy of the pro memoria, in the sense of the Department's instructions under reference, which was delivered to the Foreign Office on January 31, 1940.

Joseph C. Grew

Enclosure:

1/ as stated.

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Original and 3 copies to Department Copy to Embassy, Peiping; Copy to Embassy, Chungking Copy to Consulate, Yunnanfu

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Enclosure No. 1 to despatch No. 4465 dated February 5, 1940, from the Embassy at Tokyo.

The American Embassy to the Japanese Ministry of Foreign Affairs.

EMBASSY OF THE UNITED STATES OF AMERICA

PRO MEMORIA

The United States Government is informed that the portion of the railway between Haiphong and Yunnanfu which lies in Chinese territory has recently been subjected to frequent bombings by Japanese military airplanes. This railway in recent months has carried a considerable part of the trade involved in the normal commercial relations of the United States and China. American commerce must, therefore, necessarily be injured and the lives of American citizens engaged in that commerce may be endangered as a result of the Japanese bombing of that railway.

This danger to our nationals and injury to our commerce comes at the very time when Japan desires, according to our understanding, to indicate to the United States its intention to avoid injuring the rights in China of third Powers. The United States will have no other choice, if the bombing continues, than to add this to the extensive list of injuries, commercial and otherwise, which has been suffered by it as a result of the actions of the Japanese forces in China.

The United States Government assumes that the Japanese Government is aware that, to the personnel of American

official

official establishments at Chungking, the railway is an important means of ingress and egress, and that the lives of Americans lawfully engaged in the pursuit of their official duties may therefore be endangered by bombing attacks on the railway.

Tokyo, January 31, 1940.

Copy to British Ambassador, Tokyo, February 1, 1940. Copy to French Ambassador, Tokyo, February 1, 1940.



THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA



AMERICAN EMBASSY

Tokyo, February 6, 1940

No. 4469.

ARTICLE IN CONTEMPORARY JAPAN BY NAOTAKE SATO, FORMER MINISTER FOR FOREIGN AFFAIRS, REGARDING JAPANESE AIMS IN CHINA. SUBJECT:

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

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to invite the attention of the Department to an article regarding Japanese aims and aspirations with respect to the China conflict, entitled "Future Relations between Japan and China", which appeared in the January 1940 issue of Contemporary Japan, a copy of which is appended to this despatch, written by Mr. Naotake Sato, Japanese Minister for Foreign Affairs in the Hayashi Cabinet

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in 1937 and subsequently adviser to the Ministry of Foreign Affairs, and most recently active as a publicist and critic on foreign affairs.

According to Mr. Sato's article, there are two Japanese interpretations of the "New Order in East Asia": one is that Japan is to arrogate to itself all the rights and privileges now enjoyed by the western powers in China; and the other, to which Mr. Sato subscribes, is that the Open Door and Equality of Opportunity may be permitted to operate within the framework of the "New Order" in so far as such operation does not interfere with the "existence" of the peoples of East Asia. In the opinion of the author the latter principles have been abandoned throughout most of the world to such an extent that Japan cannot be expected to be satisfied with the continued application of these principles in unlimited form in China, particularly in view of the fact that certain conditions in China are essential to Japan's national existence. These conditions comprise control of China's iron, coal, and other essential raw materials and its power, communication, and transportation facilities; the principle of the Open Door and Equality of Opportunity may be applied to the management of "other less vital enterprises". However, foreign capital need not be excluded from those enterprises in which Japanese interest is paramount, in the opinion of the author, unless national defense (whether Japan's or China's is not stated) is jeopardized.

In any case, writes Mr. Sato, it is necessary to make clear that, in conformity with the terms of the Konoe statement of December 1938, there are to be no territorial cessions or indemnities. Once China has consented to "cooperate" with Japan, Japan has only a "few more requests" to make of China: recognition of "Manchukuo", assurance of anti-Comintern solidarity.

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solidarity, and economic cooperation. When foreign rights and interests come into conflict with the exercise of Sino-Japanese cooperation, they will perforce be abrogated or suspended, and taken over by the "new order" regime irrespective of protests.

In closing, Mr. Sato expresses the opinion that strict adherence by Japan to the letter and spirit of the Konoe statement will cause China to abandon its resistance to Japan and will cause the United States eventually to reconsider its attitude with respect to the Treaty of Commerce and Navigation. Nevertheless, in order to break the immediate deadlock in Japanese-American relations, it is incumbent upon the United States to abandon its anti-Japanese attitude and to give sympathetic consideration to the "new order".

The present article is interesting from several aspects. In the first place, the author is one of Japan's more moderate statesmen and diplomats and has demonstrated on several occasions, notably during his tenure of the Foreign Office portfolio, outspoken opposition to the methods employed by the Japanese army in China. Moreover, he is sufficiently familiar with the formulators of Japan's present-day foreign policy to regard his utterances as a fairly accurate reflection of official thought on the subject. It will be noted that in Mr. Sato's article Japan is conceived as host and the western powers as guests in China's house, the implication being clear that the guests may be asked to depart at any time. In fairness to Mr. Sato it should be said that he is probably sincere in his belief that a China thus conceived could still be an independent state. The article also illustrates the persistent inability of the Japanese to see that the impasse now facing Japanese-American relations ALCO A

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is the direct result of their own actions, and that initiative in surmounting that impasse must come from them.

Respectfully yours,

Joseph C. Grew

Enclosure:

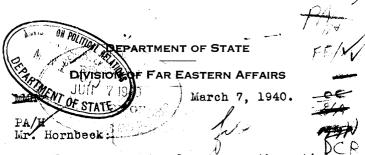
1/ January 1940 issue of Contemporary Japan.

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



You may care to glance over the article on page 7 entitled "Future Relations between Japan and China" by Naotaké Sato who, you will recall, was Foreign Minister in the Hayashi Cabinet shortly before the outbreak of the conflict with China and who caused a sensation by advocating dealing with China on the basis of equality.

The article in my opinion represents the utmost in the direction of moderateness to which a Japanese statesman can with safety go today, at least in public utterance. Briefly, Mr. Sato's thesis is as follows:

The time has come for Japan and China to pass philosophical judgment on the future of East Asia. The sacrifices on both sides have been too heavy to warrant a patched-up policy. Up to the present moment the "New Order" has not been precisely defined. The writer favors giving it a broad interpretation and is willing to proceed along the lines of the Open Door and equality of opportunity so long as the existence of the peoples in this area is not threatened. There are some indispensable conditions for a nation to maintain its existence and Japan claims priority in satisfying the minimum indispensable conditions for her national existence. Important changes have taken place since the Nine Power Treaty was concluded.

The

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By Mitter D. Charles NARS, Date 12-/8-75

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The rise of economic nationalism has run counter to its principles as the Open Door and equality of opportunity have vanished from practically every part of the world. Tariffs are so cleverly manipulated that merchandise from any particular country can be accorded discriminatory treatment. Japan can hardly agree to the preservation of a system in China which has ceased to be observed elsewhere especially when that region provides essentials for the satisfaction of Japan's needs.

Japan must not lay at the doors of Chiang Kai-shek all the blame for the rise of anti-Japanese sentiment which he sought to capitalize. We must not overlook the shock which the Manchurian incident may have given to the Chinese people as well as the extension of Japanese influence into north China which would no doubt serve to stimulate further Chinese sentiment. Japan has to assume partial responsibility for the Chinese boycott against her if her high-handed way of dealing with the Chinese Government needlessly stimulated Chinese sentiments. Should Wang Ching-wei succeed in organizing a new Chinese Government in cooperation with Japan it is likely that Chiang Kai-shek would continue in his anti-Japanese campaign and the war will go on. Hostilities, then, will merely assume new form and Japan must be determined to fight on until this anti-Japanese attitude is abandoned. If the Wang Government is to become a central government worthy of the name it is essential for this new administration

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

-3-

to win the confidence of the Chinese people and to win such national confidence Wang would find it necessary to safeguard the sovereignty and territorial integrity of China; he must positive. ly refuse to consider territorial cessions or the payment of indemnities. Japan has clearly indicated that she wants China's cooperation, not China's submission. It is imperative that Japan should abide faithfully by her declarations. No attempt should be made on the part of Japan to monopolize the entire economic field of China and any attempts to compromise the independence of China under the cloak of economic cooperation must be strongly deprecated. The economic cooperation which Japan seeks of China is compatible with the interests of third powers in China except for that part of the Japanese program which covers the indispensable conditions necessary for Japan's national existence. Peace can never be established between nations when one nation possesses a superiority complex. The Japanese nation should discard all its prejudices which it has held toward the Chinese since the Sino-Japanese war of 1894-95 and should fraternize with them on an equal footing. There is unfortunately strong opposition to such a program based in part on the heavy sacrifices Japan has made since the outbreak of the hostilities. We already have too good an example of a peace treaty imposed under duress. Where is the Versailles settlement today? Should we start a third war with China within six years

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of the termination of the present hostilities we would have no word of apology for the souls of the war dead. We should strive to build up a lasting peace between the two countries by settling the basic misunderstandings through channels other than armed force. If Japan's fundamental attitude toward China contained nothing designed to compromise the independence and territorial integrity of that country her claim to priority in the management of certain enterprises will be of secondary importance and will hardly justify the existence of a nontreaty situation between Japan and the United States. Now that the United States has abrogated the 1911 treaty in protest against Japan's action in China it can not be expected. for the time being at least, that Japan should turn to the United States but the fact remains that Japan has never stood aloof from America. What is especially required at the present moment is for Japan to follow a path of justice and fairness along the lines of the Konoe statement while the United States on its own part should abandon its anti-Japanese prejudices and give sympathetic consideration to the "New Order".

Comment

It is inferred from Mr. Sato's comments that he is doubtful whether the Japanese Government's expressed intentions to adopt a liberal policy in respect to China will be literally carried out.

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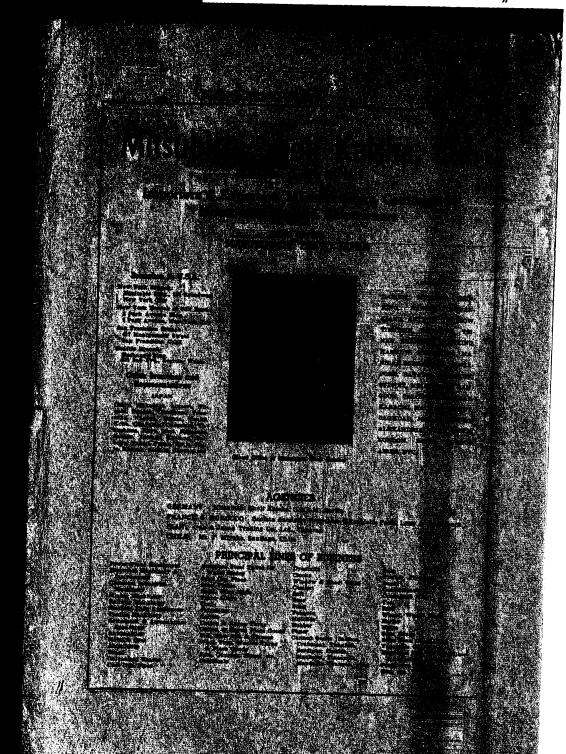
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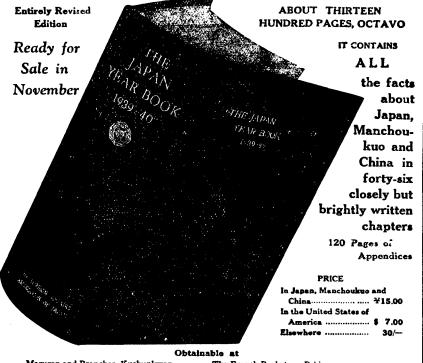
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THE EUROPEAN WAR

By KENKICHI YOSHIZAWA

IN point of size the present European struggle is nothing like the last World War. Yet there is a possibility that its present scope may be considerably extended. Italy and the United States have so far stood aloof from the conflict, and the Soviet Union has only participated on an exceedingly small scale. But as the general situation becomes more tense it may not be safe to predict that the struggle will remain confined to its present limits.

This war did not come as a bolt from the blue; nor is it anything like an accident. It is the logical and inevitable consequence from conditions which followed their course of development with inexorable force. The root cause of the present conflict must be traced to the World War of a quarter century ago. Technically speaking, the World War came to an end with the Versailles Treaty. But the European peace edifice brought forth upon this basis proved effective so far as and as long as the countries which imposed its terms could dominate by force or pressure the countries upon which the terms were imposed. But once their grip was relaxed the whole structure was bound to crumble. This was the inherent weakness of the Versailles Treaty and it was proved when Germany regained its power. It was for this reason that Hitler rose with the avowed intention of overthrowing the enforced terms

of the Versailles Treaty and he was able to lead his country to its present position.

Hitler dealt the first blow at the peace structure when he renounced the armament restrictions. This was in 1935, two years after he had set up the Nazi régime. The second blow was the remilitarization of the Rhineland. Germany had been forbidden either to send troops within fifty kilometres of either side of the Rhine or to fortify the same area. But under the Nazi régime this restriction was thrown aside. This violation of the Versailles Treaty was made under the impact of the mutual aid pact that France and the Soviet Union concluded in 1936. France found this pact attractive because of her fear of German retaliations. The Soviet Union, for its part, had reason to be apprehensive of Germany's growth under the leadership of a man who made little secret of his intentions toward Communism in his book, Mein Kampf. Moreover, Hitler had on more than one occasion declared that in his lifetime his country would settle its score with Russia. It was not surprising, therefore, that France and the Soviet Union fell into each other's arms. Germany, however, considered their mutual assistance pact a violation of the spirit of the Versailles Treaty and retaliated by occupying the Rhineland.

The third and fourth blows were the annexation of Austria in 1938 and the acquisition of the Sudeten district in the autumn of the same year. The latter issue was accomplished when the leaders of Britain, France, Italy, and Germany met in council at Munich and reached an understanding. As a matter of fact, if Hitler's demands had been rejected then there would have been war. Britain and France were averse to this, especially when the issue did not directly involve their own interests, but only those of Czechoslovakia. At the same time, Germany was no more disposed to fight on this occasion than were France and England, and had these two Powers displayed sufficient determination at Munich they might well have succeeded in gaining their point. France had a mutual aid pact with Czechoslovakia but had no intention whatever of implementing it at that time.

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When the Sudeten issue was settled, Hitler said that this was the last territorial demand Germany would make in Europe, And this assertion was accepted at its face value by both Chamberlain and Daladier. But in March of that year, only six months later, Hitler made Bohemia and Moravia a German protectorate and Slovakia a German vassal state. This was the fifth blow dealt at the Versailles structure and in sheer boldness of conception surpassed anything that either Chamberlain or Daladier could have imagined. Britain and France have always looked upon the Versailles Treaty as the only instrument by which the peace of Europe can be maintained on their own terms, and therefore guarded it jealously. When this mainstay of their peace structure was given five successive sledge-hammer blows they realized that the sword of Damocles hung over their heads. Their hope was then to secure the diplomatic encirclement of Germany.

This was attempted by trying to enlist the support of the countries surrounding Germany. The new front against Hitler began with Poland. Since this country held parts of the former German Empire and cut off East Prussia from the homeland by the Corridor, it was regarded as the next German objective. Britain and France, therefore, concluded mutual assistance pacts with Poland, thinking that such measures would certainly forestall any German thrust in that direction. That the plan was incomplete and that Poland ran too many risks was only proved by what happened later. Meanwhile, Britain and France succeeded in their encirclement plans by taking Greece, Turkey, and Rumania into their fold. Since Rumania is rich in agricultural resources and petroleum, its inclusion in the encirclement plan was hailed as an outstanding diplomatic victory.

But the encirclement of Germany was not complete without the Soviet Union. Moscow's participation was most important because this, from a geographical standpoint, would be the most effective check to any German advance into Poland since both Britain' and France were too far from the scene of operations. From April to August, 1939, the British Government

negotiated with the Kremlin for such a political understanding. When these negotiations broke down, Britain proposed a military agreement instead, indicating a drastic departure from its previous diplomatic policy. In less than three weeks after the proposal was made the Soviet-German Non-Aggression Pact was concluded. Not only Britain and France but the world were electrified by the announcement of the conclusion.

It was subsequently learned that Moscow had been negotiating with Berlin while it was dealing with the British Government, and in the last moment took the world by surprise with a diplomatic coup at the expense of Britain. Germany's hand was materially strengthened by this understanding. Immediately German diplomacy toward Poland demanded plebiscites in the Free City of Danzig and in the Polish Corridor. When Poland, presumably emboldened by Anglo-French assurances, rejected the German demand, a state of war ensued as of September 1, 1939, between Germany and Poland. Britain and France, by virtue of their treaty obligations with Poland, declared war on Germany on September 2, but proved in practice utterly incapable of providing any succour for Poland which, after eighteen days of fighting, was removed from the map of Europe. The completeness of the German military victory was only matched by its swiftness. Yet it was in reality Russia's support that made this sudden and swift victory possible, and it is not an exaggeration to say that this was "Stalin's war."

Thus began the present European conflict. As far as developments to date indicate, none of the belligerents seems fully determined to force the issue to a decision. Even if determined enough, they seem hesitant to take decisive action. Germany seems least enthusiastic of all, with France second, while Britain strikes us as most seriously engaged in the contest. More than once Germany has made peace overtures, among which not the least important was the proposal for an Anglo-German alliance. Nevertheless, due allowance should be made of the fact that these German peace bids are in good

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measure for domestic consumption, and such gestures are no doubt necessary since the German people too well recall the last war and are not anxious to plunge into another. They had to be convinced that a fight was necessary.

All of these German peace overtures were doomed to failure because they were based on the presupposed condition of ceding Poland to Germany, or at least the acquisition of Danzig and the Corridor. That Britain and France could never retreat to such a premise was a foregone conclusion. On the other hand, the minimum peace terms that the Allies would consider would necessarily postulate the return of Poland and Czechoslovakia to the *status quo ante*. This means that when Germany made its peace gesture, it took its position on just as impossible grounds as when Britain and France countered them with their own demands. That nothing can be expected from either suggestion is only too evident.

Such being the case, this war, with all hopes to the contrary, is evidently bound to become a protracted struggle. In Parliament Chamberlain declared that Britain would prepare for a three years' war at least, and Hitler must no doubt have prepared for no shorter a contest. Since a prolonged struggle means an economic war, superiority in economic power will prove the decisive factor in the end. The conclusion is that Britain and France, which seem well equipped to endure the strain of economic warfare, will prove no mean adversary for Germany to overcome. Moreover, the general belief is that Germany has not fully recovered from the economic effects of the last war, and although this is also true of the Allies, it is to a less severe degree. Taking this into consideration, it must be admitted that Germany is fighting under a material handic although allowance has to be made for the admirable

of ingenuity and endurance of the German people. Again and France possess numerous overseas colonies from which they can draw supplies, and they apparently have a firm friend in the United States, one of the world's greatest producers of materials. This friendly supporter, moreover, now has

better facilities for aiding Britain and France, having revised its neutrality legislation so as to open its ports to countries which can afford to accept the "cash and carry" terms. Just how Germany intends to overcome these handicaps is not yet known. In any event, Germany has no doubt explored fully the possibilities of securing supplies from the Soviet Union. But it is not known to what extent the Soviet Union is in a position to give Germany effective assistance in this form. Because of this pressing situation, it is rumoured that Germany will enter Holland and establish advance bases of operations against England there. The advantages of such a position are only too obvious, but so far these rumours have not been substantiated. Germany may well be hesitating to undertake such a step for fear of arousing the United States and all other neutrals which might undertake some form of economic retaliation for the violation of Holland's frontiers.

Economic assistance from the Soviet Union has not apparently been what Germany expected when the war broke out. In this respect, it might be said that Russia holds the most strategic position in the present war. Just what course this enigmatic Power will pursue is about as unpredictable as the volte-face which resulted in the Non-Aggression Pact with Germany.

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FUTURE RELATIONS BETWEEN JAPAN AND CHINA

By NAOTAKÉ SATO

TWO and one half years have passed since hostilities broke out between Japan and China. Both countries have paid enormous sacrifices. Japan has lost thousands of men and spent billions of yen, but the nation is solidly united in constructing the New Order in East Asia. China's anti-Japanese policy has in turn cost her millions of lives and vast territory which is now occupied and controlled by Japan. The anti-Japanese Kuomintang Government, now reduced to a mere provincial administration, has taken up its headquarters in Szechwan Province in the hinterland from whence it still pursues a desultory military campaign.

Viewed objectively, it would now appear that the China affair has reached a stage where there is a limit to much further Japanese expansion of military operations, while at the same time it has become absolutely impossible for China to emerge victorious. If this be the case, the time has certainly come for both Japan and China to weigh the outcome of the affair calmly and pass philosophical judgement on the future of East Asia. The sacrifices on both sides have been too heavy to warrant

any patched-up policy on the part of either party.

Up to the present moment the New Order has not been precisely defined. Some interpret it in a narrow sense, implying that it is a plan whereby the positions occupied by the Western Powers in East Asia are to be replaced by Japan. Others, however, give the idea a much broader interpretation. They agree with the narrow versionists that East Asia is for the East Asiatics, but they are broadminded enough to recognize

the interests of Westerners in East Asia so long as the existence of the peoples in this area is not threatened, and are accordingly willing to proceed along the lines of the Open Door and Equality of Opportunity. The writer agrees with this latter view. While fully contending that the Orient should be for the Orientals, it is but natural that a too narrow interpretation of this view would shut the Orient off from much of the outside world from which it is possible to derive many benefits in economic intercourse. Considered in this light, it would be the height of folly to pursue a purely exclusionist policy in East Asia at the risk of exclusion from other parts of the world. Yet the writer is thoroughly opposed to the unconditional opening of East Asia so as to make the Open Door and Equality of Opportunity an absolutely inflexible doctrine by which to govern the affairs of this region. There are some indispensable conditions for a nation to maintain its existence, and Japan claims priority in satisfying the minimum indispensable conditions for her national existence. There is no reason whatever why the conditions essential for national existence should be completely contingent upon a set of rules which is primarily for the benefit of other non-Asian Powers which have only a secondary interest in this part of the world.

Although Japan is a signatory of the Nine-Power Treaty, important changes have taken place since that agreement was drafted. The rise of economic nationalism has run counter to the principles of this treaty, and it is little wonder that Japan has become dissatisfied with its terms, since the principles of the Open Door and Equality of Opportunity have vanished from practically every part of the world. Everywhere foreign commerce threatens to become exclusive and discriminatory. In some cases it would appear that no discrimination is actually made against any foreign country, but the tariffs are so cleverly manipulated that merchandise from any particular country can be accorded discriminatory treatment. Viewed in this light, Japan can hardly agree to the preservation of a system in China which has ceased to be observed elsewhere, especially when that region

FUTURE RELATIONS BETWEEN JAPAN & CHINA

is essential for the satisfaction of the conditions necessary for her national existence.

The question naturally arises: What are the essential conditions for Japan's national existence? It is difficult to give a definite reply in such brief space, but the essential conditions will certainly include an adequate supply of such resources as iron, coal, and oil, and such agricultural products as raw cotton and wool, as well as power resources and communication and transportation facilities. There are also essential conditions for China's own national existence. In developing these resources and managing these enterprises, both Japan and China—not necessarily Japan alone—must claim priority before the Western Powers, though the principle of the Open Door and Equality of Opportunity may be applied to the management of other less vital enterprises.

In those economic fields, however, where Japan and China claim priority, Japan should limit her claims to a minimum without being so greedy as to grasp things beyond her legitimate wants and capacity. In undertaking such enterprises where Japan claims priority, there is no need either to exclude the participation of foreign capital, unless national defence is jeopardized. In any case, it is necessary to make clear that Japan and China are masters of the Far East and that the Western Powers are guests.

This argument is certainly counter to the stipulations of the Nine-Power Treaty, but developments in East Asia since 1922 have made it necessary for the provisions of that pact to be completely readjusted to conform more closely with the fact that Japan and China are now the actual masters of the Far East.

Turning to the question of the Kuomintang's anti-Japanese policy, it is obvious that this has only led China to incredible hardships and served the people no useful purpose. General Chiang Kai-shek has a claim to greatness in the fact that he achieved some form of unity in warlord-ridden China, but he committed an irrevocable blunder in basing his national

unification upon an anti-Japanese policy. At the same time, however, Japan must not lay all the blame at the doors of Chiang Kai-shek for the rise of this anti-Japanese sentiment which he sought to capitalize. We must not overlook the shock which the Manchurian incident may have given to the Chinese people as well as the extension of Japanese influence into North China which no doubt served to stimulate further Chinese sentiment.

Even before the outbreak of the Manchurian incident, Japan suffered from frequent boycotts which materially impaired the development of Japanese interests. The means employed by the Chinese in their anti-Japanese movement were often improper and in some cases even inhuman, at which Japanese feelings ran high. But even in these cases Japan should reflect upon her own attitude. Japan must be fully entitled to lodge protests with the Chinese Government when wrong lies on the Chinese side, but she has to assume partial responsibility for the Chinese byocott against her, if her high-handed way of dealing with the Chinese Government needlessly stimulated Chinese sentiments. Be that as it may, the cumulative effect of these circumstances appeared in Chiang Kai-shek's out and out anti-Japanese policy which in turn led to the present hostilities. China has gained nothing thereby. And Japan, too, has paid dearly. It will be no easy task to restore order in this chaotic situation and lay the foundation of a lasting peace, but it is incumbent upon both Japan and China to reflect upon their own attitudes in the past and devote their energy to reconstruction.

So long as Chiang Kai-shek's anti-Japanese policy is continued, Japan must fight to crush it. Japan wants China to reverse this attitude and co-operate with her, and peace can never be restored until this is done. Therefore, it might be argued that if China reconsiders her stand, there is a basis upon which peace can be negotiated with Chiang Kai-shek. It so happens, however, that General Chiang is in no position to change his anti-Japanese course, since he has compromised himself too fully with the Communists and the Soviet Union.

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On the other hand, Mr. Wang Ching-wei, who jointly ruled China with Chiang Kai-shek, taking charge of civil affairs as Vice-President of the Kuomintang and concurrently as Chairman of the Central Political Council, while Chiang took charge of military affairs, has seceded from the Chungking Government and announced his desire to co-operate with Japan. It is quite likely, however, that should Mr. Wang Ching-wei succeed in organizing a new Chinese government in co-operation with Japan that General Chiang Kai-shek will continue in his anti-Japanese campaign and the war will go on. Hostilities then will merely assume a new form, but Japan must be grimly determined to fight on until this anti-Japanese attitude is abandoned.

It is to be hoped, of course, that some steps can be made toward settling the China affair with the establishment of a new government under Mr. Wang, which will also form a corner-stone for the New Order. If it is to become a central government worthy of the name, it is essential for this new administration to win the confidence of the Chinese people. And to win such national confidence, Mr. Wang will find it absolutely necessary to safeguard the sovereignty and territorial integrity of China. He must also take every precaution to avoid the appearance that China is a vanquished country as a result of the hostilities. In other words, he must positively refuse to consider territorial cessions or the payment of indemnities. There should be no difficulty in arriving at such a settlement, for Japan has clearly indicated that she wants China's co-operation, not China's submission. This attitude was set forth in Premier Konoye's statement of December 22, 1938, by which Mr. Wang fully understood Japan's real intentions. It led to his secession from Chungking and his devotion to the cause of establishing a new central government. Such being the case, it is imperative that Japan should abide faithfully by her statement.

In addition, however, to China's co-operation after the suppression of the anti-Japanese policy of Chiang Kai-shek

which precipitated the current hostilities, Japan has a few more requests to make of China for the termination of the China affair. They are the recognition of Manchoukuo, co-operation between Japan and China against the Comintern, and economic co-operation between the two countries. With regard to this third point, the writer insists that such economic co-operation should be limited to what Japan requires for her national existence, and within such limits China should give Japan preference in the development of certain economic fields. But no attempt should be made on the part of Japan to monopolize the entire economic field of China. Furthermore, any attempts to compromise the independence of China under the cloak of economic co-operation must be strongly deprecated. Otherwise, Japan will fail to win the all-important confidence of the Chinese masses, while the new central government will become a mere puppet administration. Such a government can carry no authority with the Chinese people. It will not be recognized by the foreign Powers, nor will it be instrumental in restoring peace and order. In all this activity, the Konove statement must be the guiding principle for the disposal of the China affair. Mr. Wang Ching-wei has launched his drive for peace and national salvation in response to this statement, and his confidence must not be betrayed.

Mention must also be made of the interests of the foreign Powers in China. The economic co-operation which Japan seeks with China is perfectly compatible with these interests except for that part of the Japanese programme which covers the indispensable conditions necessary fot Japan's national existence. When strategic necessity demands, the exercise of foreign rights and interests in China will be suspended, regardless of the protests that may be forthcoming. In such cases those rights and interests must be returned to their original beneficiaries, the Chinese.

Lasting peace can never be established between nations where one possesses a superiority complex. The writer therefore counsels the Japanese nation to discard all its prejudices

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which it has held toward the Chinese since the Sino-Japanese War of 1894-95 and to fraternize with them upon an equal footing. The Chinese nation must also give up its prejudices toward the Japanese. When this form of reconciliation is effected, peace will return to East Asia and the construction of the New Order will really be under way. It is no exaggeration to say that this is the only way by which mutual friendship and prosperity can be attained between the two countries.

There is, unfortunately, strong opposition to this contention. It is based in part on the heavy sacrifices Japan has paid since the outbreak of the hostilities. Sections of Japanese opinion assert that such leniency toward China would not be consistent with the sacrifices Japan has made. This may be a plausible argument which would be subscribed to by the bereaved families who have lost their members during the war, but would the souls of those Japanese who fell victims to such a gigantic conflict repose in peace by being satisfied with material compensations such as territory and indemnities?

We already have too good an example of a peace treaty imposed under duress. Where is the Versailles settlement today? War is raging over Europe only twenty years after the conclusion of this treaty. And Japan, too, started fighting with China again only six years after the Manchurian incident. Should we start a third war with China within six years of the termination of the current hostilities, we would have no word of apology for the souls of the war dead. We cannot afford to seek a patched-up, short-sighted peace with China. Instead we must strive to build up a lasting peace between the two countries by settling the basic misunderstandings through channels other than armed force.

Japan is now faced with the most critical problems she ever tackled. She must not only dispose of the China affair, but must also adjust her relations with the foreign Powers. If the Government strictly adheres to the principles and the spirit of the Konoye statement, the Chinese nation will realize the futility of keeping up its anti-Japanese resistance, while the

United States will undoubtedly reconsider its attitude toward the abrogation of the 1911 Treaty of Commerce and Navigation. If Japan's fundamental attitude toward China contains nothing designed to compromise the independence and territorial integrity of that country, her claim to priority in the management of certain enterprises will be of secondary importance and will hardly justify the existence of a non-treaty situation between Japan and the United States. Moreover, if relations with China are adjusted amicably, Great Britain and France, now engrossed in the European War, will wash their hands off Far Eastern affairs for the time being. What remains for Japan is to adhere to the Konoye statement and to persist in the policy announceed by Premier Abé of keeping aloof from the European War.

Japan may find a good lesson in an article, as reported by Domei, by Mr. Walter Lippman in the New York Herald-Tribune of November 30, 1939, which points out that rapprochement with the Soviet Union would prove a dangerous policy for Japan. Mr. Lippman also states that

Japan would find a more attractive and safer alternative by turning to the United States who undoubtedly would be willing to meet Japan halfway in the general efforts to establish a genuine new order in Asia. Though some Americans would object, the majority would support a project of peace in China, which, while restoring China's sovereignty, would recognize Japan's special position.

Now that the United States has abrogated the 1911 Treaty in protest against Japan's action in China, it cannot be expected for the time being at least that Japan should turn to the United States. But the fact remains that Japan has never stood aloof from America; on the contrary, the United States has deliberately disassociated itself from Japan.

If the United States is prepared to make mutual concessions and co-operate in the general efforts toward the reconstruction of the new East Asiatic order and is willing to recognize Japan's special position in China with China's sovereignty restored, as stated by Mr. Lippman, there is certainly a favourable change in American opinion. As a matter of fact,

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Japan wants only a minimum special position necessary for safeguarding her national existence in the sovereign state of China, and an understanding with the United States regarding such an issue might eventually be reached. But what is specially required at the present moment is for Japan to follow a path of justice and fairness along the lines of the Konoye statement, while the United States on its own part should abandon its anti-Japanese prejudices and give sympathetic consideration to the New Order.

SHOZO MURATA: SHIPPING MAGNATE

By BARON RYUTARO FUKAO

17/HEN Shozo Murata, President of the Osaka Shosen Kaisha, was offered the portfolio of Commerce and Industry in the cabinet being formed by Baron Hiranuma, many people in Tokyo were surprised. And they were further surprised when Murata, shortly after the Hiranuma Cabinet came into being, was appointed a member of the House of Peers. Few recalled that while the Konoye Cabinet was in power Murata had been offered the important post of President of the North China Development Company, and that he had declined, just as he declined the cabinet offer. His friends consider that his nomination as a member of the Upper House is a fitting public recognition of his outstanding position in Osaka financial circles and of the growing financial and political importance of that city, while at the same time they consider his refusal of the cabinet offer to be only in keeping with what they know of him. For he has often said, "One should never undertake anything one is not confident of; at least I never do. I hate to be a figure-head." It is not surprising, therefore, that he turned down offers to work in a field to which he was little attracted. Moreover, he knows that his foster-child, the Osaka Shosen Kaisha, is now at a very important stage of growth—the stage of transition from adolescence to maturity. And that means the company needs him. It is patent also, to those who have followed his career, that the importance he attaches to his own position as a leader in the shipping world outweighs the attractions of a ministerial post or the presidency of a semi-official corporation.

With this man, who has amazed Tokyo people with his

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sudden emergence into the limelight, the present writer has been on intimate terms for more than forty years; few perhaps can claim a better knowledge of the man or his career in the business with which he has grown up. As a child Murata had to put up with plenty of hardships. His father died when he was quite young and the family was left in such straitened circumstances that he was not able to pay his middle school fees beyond the third year. He had to leave school, but he continued studying on his own. He went to the public library every day, and in the following year sat for the higher commercial school entrance examination. He passed successfully in the face of strong competition, thus entering the higher school a year earlier than the regular middle school student. The Murata family fortunes were very little improved, however, and he had to teach English at the local Y.M.C.A. night school in order to pay his way.

But Murata, although he had to struggle so early in his life, never became morose, as is the case with so many boys under similar circumstances. He was always cheerful and out for all the enjoyment he could get. He was a good sportsman and managed to get on the school rowing crew, eventually becoming stroke. The present writer, who was coxswain of the opponent boat at the time, can recall vividly what a good race he used to row. In 1900, at the age of twenty-two, he graduated from the school and immediately entered the Osaka Shosen Kaisha. That company, although the second largest shipping enterprise in the country, was capitalized, at the time, at a modest \(\frac{4}{5}\),500,000, and was operating only a coastal service. But Tokugoro Nakahashi, who became president of the company about two years before Murata entered the company —and still later Minister of Education—had plans for a major expansion of the company's activities. One of his projects was for the development of navigation on the Yangtze River, China's main artery of trade and communication, and he was looking for some one to send to Chungking, which was then the most important commercial centre in the Chinese interior.

Young Murata was chosen for the job, and in 1905, accompanied by two colleagues who were even younger than himself, he left Japan for the Szechuan capital.

The Yangtze River of those days was closed to steam navigation above Ichang. Some small steam-powered craft designed by a Britisher named Archibald Little and two British gunboats, the *Woodcock* and the *Woodlark*, had made trial trips up river from Ichang, but the boats plying between that city and Chungking were still hauled by man power, with intervals of sailing. It generally took thirty-five to forty days to cover the 350 mile course, so it was with good reason that Chungking was called the furthest place within the nearest distance. Murata stayed there for about one year and a half, making visits from time to time to important places in the province of Szechuan and thus familiarizing himself with the country that was to be a background for his business plans in later years.

The future president of the O.S.K. next turned his attention to North America. As a result of arrangements made with the Chicago, Milwaukee and St. Paul Railroad, the company inaugurated a North American service with Tacoma as the terminal port. The Tacoma Maru was commissioned in 1909 as the first ship to serve on this run, and at the same time Murata was chosen to represent his company in the United States where he went the following year. He set up offices in Chicago, from where he handled all his company's business over a period of some years. From Chicago he returned to the company's head office in Osaka and in 1914 was made chief of its Deep Sea Service Section. The World War broke out soon afterwards, and Murata was one of the first to foresee the beneficial effect it would have on Japan's shipping industry. He proved himself a valuable man to his company in the years that followed and in 1920 was appointed managing director, while later in the same year he accompanied Keijiro Hori, president of the Osaka Shosen Kaisha, to Geneva, where the International Labour Conference was being held.

Upon his return from the Geneva Conference he found the

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shipping business suffering from the effects of the world depression. He met this difficult situation by launching a progressive policy. Surplus shipping, instead of being left lying idle, was put to work on new commercial routes of which the first were those to the South Seas, the Philippines, Bombay and Calcutta. Then in 1926 the East Africa service was inaugurated; so that for the first time in the history of the Japanese merchant marine vessels flying the Rising Sun flag were found plying between Osaka and Mombasa, Zanzibar, Beira and Lourenço Marques. This line, by the way, has now been extended to take in ports on the West Coast of Africa, all the way round to Dakar.

When this shipping service to Africa was started Japan was practically unknown to the people of that continent. It was partly to help dispel this ignorance of Japan and partly to help remedy a situation in which Japanese nationals were denied the same treatment as Europeans that Murata started the service. He realized that the most effective way of bringing about a better understanding of Japan and her people was to provide an object lesson in the form of an efficient cargo service and was fully prepared to operate at a loss, if necessary, for the first ten years. Actually, however, the new service was out of the red within two years, and today it is one of the most profitable operated by the company. Where only one vessel a month was sufficient, four are now in regular operation; while the value of export goods carried every year has risen from \forall 1,-500,000 to \frac{\frac{1}{2}}{3}0,000,000. The African service moreover proved effective in winning recognition in that part of the world for Japan and Japanese ability. Good work in this connection was done right from the beginning by Captain Katsuye Mory of the Canada Maru, the first vessel to be put on the line. Captain Mory, who had the happy knack of making friends easily, was soon on excellent terms with the Governor of Uganda and other important officials; he was aided too by Consul Sakaye Yamasaki, then at Capetown, and by other Japanese who had been equally sensible of the discriminatory

treatment meted out to them. Murata, who had been the chief sponsor of the new shipping service, was able, before long, to look back with pride on the change it had helped to bring about in the status of his fellow-countrymen.

In 1929 he became Vice-President of the company. An outstanding development of the following period was the inauguration of a fast freight service between Japan and New York. The first of the present fleet of six fast motor vessels now on this run was placed in service in 1930 and on its maiden voyage covered the distance between Yokohama and New York in twenty-five days and seventeen hours. The same voyage up till then had taken from thirty-five to forty days. Once again the Osaka Shosen Kaisha had been pioneers, this time in a field that was later entered by such lines as the Kokusai Kisen, the Mitsui Kisen, the Kawasaki Kisen, the N. Y. K. and the Dollar Steamship Company.

While he was Vice-President, however, Murata was guilty of one miscalculation. This happened in 1932 when the shipping business of the country was at a very low ebb, mainly because of the world depression, partly because of the anti-Japanese boycott in China, and also partly because of the conservative policy of the Government. Murata not only stopped advance in the pay rates, but also cut extra allowances and retirement allowances, and in some cases even provisions. But despite these slashes in expenditure the company's deficit continued to increase. Murata began to have nightmares in which he saw his men being discharged one after another and the company going bankrupt; though had he known it the O. S. K. was faring little worse than the Nippon Yusen. It was at that time that he hit upon the idea of a merger with the N. Y. K. He saw Kenkichi Kagami, President of that company, and put forward a plan aimed mainly at a fusion of the two companies' branch offices in foreign countries, at purchasing materials on a joint basis, and at an adjustment of service routes. The plan fell through because of Kagami's opposition to joint operation in the shipping business and because of his conviction that the Sec. 3(E) and 5(D) or (E) August 10, 1972 NARS, Date <u>/2-/8-75</u>

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shipping of this country should be made government-owned. It was unlike Murata to make such an apparently impracticable attempt; but perhaps, though fully acquainted with Kagami's ideas, he had been hoping against hope that he would be successful. Be that as it may, it was just as well that he failed to bring about the merger, for what seemed like a misfortune turned out to be a blessing in disguise; the shipping business took a turn for the better in the following year and has never looked back since.

In 1934 Murata succeeded Keijiro Hori as President of the company. He was far-seeing enough to have new ships laid down even in the depression years, with the result that a series of modern cargo vessels has been coming out of the company's shipyards at a cost per unit that seems ridiculously low today. The latest addition to the company's commercial fleet was the Argentina Maru which is to serve on a round the world route via South America. She has just returned from her maiden voyage to South America where her luxurious equipment and fast speed won general approval. The company has announced, moreover, that her sister ship the Brazil Maru will soon be completed. And besides expanding its own merchant fleet the Osaka Shosen has been extending its influence through acquisition of a controlling block of shares in the Kokusai Kisen and the Kawasaki Kisen, hitherto independent companies.

A remarkable thing about the Osaka Shosen has been the willingness of its employees to work for comparatively low wages or salaries. But this is only one aspect of their loyalty to the company, which they would like to see the equal of the Nippon Yusen Kaisha. They have already had the satisfaction of seeing the O. S. K. shares outstrip those of the N. Y. K. in value on the stock exchange, and are prouder than ever of their President. Murata, since he became President, has found public duties of one sort and another making an increasing claim on his time. He is the same hard worker that he always was and just as conscientious as ever. He keeps himself well informed on every subject that might bear on the job in hand and quite

evidently relishes extending his interests, not only in financial but also in political and military circles. His wide information and many contacts make him eminently worthy of his membership in the House of Peers.

Physically, Murata is lean and short of stature. But the eyes in his expressive face burn with an intensity expressive of the indomitable spirit that has got him where he is today. Unyielding in matters of business, he is, on the other hand, warm-hearted to a degree with his friends. Many suddenly orphaned children have found in Murata a kind advisor; and he has helped, financially and otherwise, quite a few of the families of friends of his who have died unexpectedly. Even when he was young, and not earning very much, some of those who knew him found him a true friend in need. He has a positive genius for arranging successful marriages, and what is more, he periodically invites all the young couples he has brought together to a party, at which he gives them a little friendly counsel. He is as simple in his tastes as he is abstemious in his habits. Even after he became President of the company he stayed on for some time in the old hundred yen a month house he had been in for years, and when told that the house was neither his own nor worthy of the head of a concern capitalized at \\$100,000,000, he would reply that his family of four found it sufficient for their needs and that he saw no reason why he should live in an imposing mansion just because he had become chief man in the company. Significant, too, was his contention that if a man had to move into a bigger house just because he had risen to higher position, then he would have to move out of it and back to it when he left the job; an idea that he could never find logical or attractive.

His only recreation is golf which he plays at the Ibaragi Golf Club of which he is now president. His handicap is 20; although this figure is more than anything else in the nature of a tribute to one of the club's oldest and most active members. Throughout his life Murata has worked in the interests of the shipping business, convinced that it was at the same time an

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important factor in, and index of, the fortunes of his country. When the China affair broke out, he looked far ahead as usual and lost little time in organizing an autonomous shipping regulation league for control of the freight and charter markets and adjustment of shipping supply, thus anticipating the inevitable control measures of the Government and at the same time saving the shipping business from what would have been serious wartime handicaps.

Murata has thus grown up with the shipping business of the country. His position as its leader is moreover unchallenged. His eventual retirement is nonetheless certain, the only question being when that will be. The present writer considers his retirement possible under the realization of two conditions, of which the first is the rise of Japan's merchant fleet to at least second place in world ranking. Murata thinks Japanese industry stands on firm ground and that its strength lies in the absence of a capitalist class such as exists, for instance, in Britain. Democracy in industry is how Murata describes the system existing in Japan, under which even a junior clerk may work his way up to be a company chairman. He is determined to utilize this system to the best possible advantage in developing the business of which he is leader and will not rest satisfied until the Japanese shipping industry is at least second to that of Britain.

The second of the conditions under which his retirement is possible is his discovery of an able successor as President of the Osaka Shosen. Murata remembers the internal strife that has been the cause of weakening and often undermining big companies and wants to avoid anything like that in the Osaka Shosen. It is quite uncertain how soon these conditions will be satisfied, but judging from some remarks this captain of the shipping industry has himself made, it is likely to be six or seven years more before he comes down from the bridge. And from the shipping business to what? Most of his life his activities have been centred in Osaka, but of late he has had to spend more and more time in Tokyo, where his attendance in connection with

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control measures over industry has been increasingly in demand from official quarters. In view of his own attitude it seems likely that Tokyo's political and financial circles will see more of him once he leaves the shipping business. He would be just the right man to bring about closer and more harmonious relations between the country's two major centres, Tokyo and Osaka. And if only he could once be induced to assume some public rôle in this connection, there is every chance that in time he would be more favourably disposed toward entering some future cabinet.

CHARACTERISTICS OF CHINESE ARCHITECTURE

By Chuta Ito

THE architecture of each country has its own special features, but the buildings of no country are as quaint and fantastic as those of China. Adapted to the peculiarities of China's country, people, and history, Chinese architecture has developed distinctly multifarious and polymorphic characteristics which set it in a class by itself. Each period in the history of China's development has contributed certain features to the building art of the country, thereby setting certain architectural standards which have been characteristic of each historical period.

This is, of course, a type of development which is not peculiar to China alone. For example, in ancient Japan, the construction of Imperial Palaces dominated the architectural field of development. From the introduction of Buddhism down to the Muromachi Period, the construction of Buddhist temples set the standard of architecture. In the Momoyama and Yedo Periods, the construction of Imperial edifices was again the dominating note, while since the Meiji Period, the architectural talent of the nation

This article summarizes a section of a publication by the same author tentatively entitled Decorative Arts in Chinese Architecture, which is expected to appear in English in the near future. The Toho Bunka Gakuin (the Oriental Culture Institute), of which he is a member, was inaugurated in 1929 and has for its purposes the scientific and systematic study of Chinese culture, such as philosophy, literature, laws, arts, history, religion, etc., and the propagation of the results of such studies through lectures, publications and other means. Originally there was another institution of a similar nature in Kyoto and the two organigations worked together, but in 1938 they discontinued such callaboration. While working together, they published twenty-five works, Tokyo thirteen and Kyoto twelve, two of which won doctorates for the authors from Tokyo Imperial University.

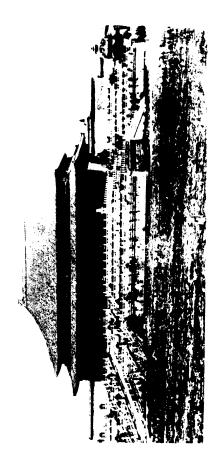
has been concentrated in the construction of public buildings. In China, however, with certain exceptions, the construction of Imperial Palaces has consistently set the standard from earliest times. In most other countries religious architecture has been looked upon as the standard, leading to some of the world's most beautiful buildings.

In Japan the Todaiji Temple at Nara was the most outstanding representative of Buddhist architecture; in the Momoyama and Yedo Periods the Castles of Yedo, Osaka, Juraku, and Fushimi were the most magnificent buildings. And in the present age, the Imperial Diet Building may be regarded as the most impressive architectural achievement of modern Japan. The most beautiful building Italy has ever produced is the S. Pietro of Rome; England's highest achievement is St. Paul's; while India's most impressive edifice is undoubtedly the Taj Mahal. These buildings are quite different from ordinary dwelling-houses in mode, construction, appearance, and treatment of decoration. They are primarily for religious purposes.

The principal aspects of Chinese architecture, on the other hand, are quite different. The most splendid and beautiful buildings through all ages have been the Imperial Palaces. They are far superior to the Buddhist temples, Taoist halls, and godly shrines. Many buildings have been modelled after these palaces, for there is no mode or style of architecture in China which may be called purely religious. If any Buddhist statues were installed in these palace-like buildings, the house would at once become a temple; or if any Taoist statues were installed, it would immediately become a Taoist hall.

The greatest and most splendid building in all China is the Tai-hai Palace in Tzu-chin-cheng, Peking. It was the main Imperial Palace for the Ming and Ching Dynasties. It covers an area of 613 tsubo and is a little more than 90 shaku in height. It is far from being a gigantic structure, but it is nevertheless the greatest building in China. Another impressive edifice is the Lung-en Palace of Chang-ling, the most outstanding of the Imperial Mausoleums of the Ming Dynasty, situated in the north-

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The Tai Hai Palace in Peking, the Largest Architecture in China.

ern suburbs of Peking. It covers an area of 580 tsubo. But it should be noted that scarcely any Buddhist temple, Taoist hall, or shrine, covers more than 400 tsubo.

Just why has Chinese architecture always been based upon the standards of Imperial Palaces? Originally in China there was no religion in the strict sense of the word, and there was no possibility for a religious architecture to originate. Ancestorworship may be looked upon as a primitive religion in ancient China, but the shrines for this purpose were built entirely in the style of Imperial Palaces. In Japan likewise, the shrines where we worship the Emperors and their ancestors are built after the style of Imperial Palaces. In ancient China ceremonies were performed to worship the objects of nature. On such occasions altars, without any buildings, were erected. Temporary enclosures were also built in Japan in ancient times to worship the dieties of heaven and earth. Thus in ancient China there was no special form of architecture developed for religious purposes. In all the fields of architecture, the imperial-palace style was used.

In later periods when godly shrines were built by Taoists, and still later with the appearance of Buddhist temples, the palace style of construction continued. The residence of the sovereign was, of course, the ranking palace. In China the Emperor was called the Son of Heaven and had absolute power to rule the world on behalf of Heaven. He was vested unconditionally with the power of life and death, and in compensation for this privilege he was responsible for everything that occurred in the universe. For this reason what was most dreaded and most revered by the Chinese people was not a god or Buddha, but the Son of Heaven. Thus his palace was far superior to any other building in the country, and if there was any religion in ancient China, it would not be too much to say that it was emperor-worship. In view of this fact, the Emperor's Palace was considered the embodiment of architectural beauty and achievement, and thus its type of construction set a standard for the entire country.

The plan of primitive dwelling-houses in ancient China was

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merely an oblong or rectangular structure. Gradually, however, it developed into several rectangular blocks. On either side of the main house a divisional block or wing was constructed. Each of these wings was attached by a corridor to the main building, so that the whole was symmetrically arranged. The method of construction subsequently made further progress, as is represented in the more complicated plans of the Imperial Palaces. Shrines and temples and various other kinds of buildings were patterned after this style, but as a rule religious buildings were never large, being merely sufficient to meet the requirements necessary for the holding of religious services. The fundamental principle in all buildings was to arrange a number of rectangular houses on both sides of the main structure, connecting them with corridors. It was deemed appropriate that the main entrance should always face to the south.

It is customary with buildings for ceremonial or solemn purposes to arrange gates, corridors, and hallways in symmetrical order. This is common to most countries, but in China it was a fundamental principle, which is still rigidly observed. The Chinese passion for architectural symmetry is indeed an interesting point. It would seem that this strict observance is, after all, derived from the tenets of Taoism. According to these doctrines, all things in the universe move in conformity with the five-element theory. These five elements originated from two basic elements, the positive and the negative, these forces in turn evolving from the absolute. In other words, the absolute is the centre of everything, from which the other elements emanate and are accordingly arranged on the right and the left. In architecture, the main building corresponds to the central absolute, while its wings are the positive and negative forces. This doctrine was also introduced to Japan, and was especially prevalent in the Nara Period. In the reign of the Emperor Kammu a splendid suite of Imperial Palaces was constructed. The main hall in the outer enclosure was named Taikyoku-den (Absolute Mansion). On the south-eastern side was the Sō-ryu-rō (Blue Dragon Tower), while on the south-western side

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was the *Byak-ko-rō* (White Tiger Tower). The former tower symbolized the positive force and the latter, the negative force. Each tower was connected with the main building by a corridor. Blue is the colour of the positive, while the dragon is a positive animal symbolizing the east. White is the colour of the negative, while the tiger is a negative animal symbolizing the west. In the inner enclosure of the main hall was the *Shi-shin-den*, which symbolized the Polar Star. To the east of the front corridor there was a gate named the *Nikka-mon* (Sun Light Gate), representing the positive element. To the west there was another gate known as the *Gekka-mon* (Moon Light Gate), representing the negative element.

There are many other similar examples to show the arrangement of buildings in this fashion. The absolute, the positive, and the negative are a trio, or trinity, from which, according to Chinese theory, the five elements and all other things may be comprehended. The following passage from Lao-tsze illustrates this point: "The Way produces one; one produces two; two produces three; and three produces all things."

It thus seems that the figure three is the sacred unit that governs Chinese civilization, and when considering Chinese architecture we find that the standard for the most part consists of the figure three, or multiples of three. According to regulations mentioned in *Chon Li*, for instance, it was ordained that the area of the capital of the country should be nine square ri; the main roads nine in number; the wall gates twelve in number, with a width of nine *kmi*. Each number, of course, is a multiple of the sacred three.

This idea of symmetry always appears in architecture and decorations. The decorative sign-boards hung at the entrances of common peoples' houses, the characters represented upon them that form antitheses, and the furniture arranged in reception halls, not to speak of the entrance decorations, such as flagstaffs and stone images of lions that are found in the Imperial Palaces and government offices—there is not a single instance where the display of symmetry is absent. There are, of course, some ex-



The Stone Cave Temple at Yun Kang near Tatung, Shansi Province,
Discovered by the Author. Note the Conspicuous Ionian and
Corinthian Influences,

ceptions. In the plan of gardens and the arrangement of architectural objects therein we find winding streams, a bridge, a perspective arbour or a kiosk in a picturesque position, or a meandering wall. All of these objects harmonize with towering rocks, their sharp points in equilibrium with the winding corridors, breaking the symmetry at points. Yet as a whole it will be found that such exceptions from the rule maintain a certain balance of beauty.

The external appearance of Chinese buildings is also unique and unequalled in the world. What attracts most attention is the roof line. Chinese roofs, as a general rule, are divided into four classifications: the tetra-style, the purlin roofs, the bargeroofs, and the hip-roofs. In each case, however, the lines are concave and curved. At the eaves, except in the case of bargeroofs, the lines are turned up sharply at both ends. It is common also for the ridge line to be curved upward a little at both ends. Each end is always crowned with some sculptural ornament, and to the end of each hip a similar ornament is fitted. If the roof is double-hipped, the image of a tiny fantastic animal named kuei-lung-tzu or chao-feng is fixed to the smaller hip. the roof is fitted with complicated ornaments, the ridge, the sloping hips, and the corner hips are all adorned with gorgeous pieces of sculpture. This adornment is often extended to the gables and sometimes to the walls. Azure stone tiles are used for high-class buildings, but the colour of roof tiles differs according to the classes of architecture. They are yellow, blue, green, azure blue, and purple. Occasionally tiles of different colours are used to cover the same roof, and in palace buildings or temples eddypatterns and arabesque tiles are frequently used. On the surface of each tile some ideographs or fantastic representations of plants or animals are inscribed.

Such unique methods of roof covering have never been found in the West, and Westerners are often puzzled to understand the purpose of Chinese roof ornamentation. This type of architecture was brought over to Japan together with Buddhism. It was thoroughly adopted and subsequently modified. But

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Chinese architectural principles never played such a dominant rôle in Japanese life, especially the keen desire for ostentation.

The origin of the method of hollow-faced roofing is not clear, but it is certain that this type of construction began at a very early period in Chinese history. One theory contends that the style was dervied from the lines of a tent, but this argument cannot be well supported. Perhaps certain geographical and religious factors had more to do with this style of roof than anything else. In Central and South China, where it is believed the style originated, the climate is warm, with a very hot summer season. There is also much rainfall with a high humidity, and the land is fertile and woody so that an abundant supply of timber was available. In view of these facts, we can imagine that the buildings in these districts needed protruding eaves, as in the case of Japan. Roofs with such long eaves had a straight outline in the primitive ages, but in the course of cultural development and greater proficiency in art, they acquired the hollowfaced form. If a house of rectangular plan is capped with a roof of rectilinear slopes with deep eaves, the roof will look too large and too heavy. If a curved outline is used, however, the roof will be less in volume and gain a greater appearance of lightness. In order to have the rain run down swiftly the roof must be steep, but in order that there will be sufficient sunshine beneath the projecting eaves, the lines of the eaves must be high and elevated. To achieve both ends, the roof must be steep near the ridge with a more gentle slope near the bottom and with the eaves having an upward curve so as not to cut off the sunshine. This would seem to be the most satisfactory explanation for this unique type of roof line.

The main materials for the construction of buildings in ancient China were wood and clay. Clay was subsequently replaced by tiles. Later on stone was used as part of the material, along with metal, pottery, textiles, paint, and paper. The commonest form of material is a mixture of wood and tiles. The all-stone building is limited to special purposes and is not intended for general use. Of course, both tiles and stone are

used for some parts of all-wood buildings, and some of the fittings of tile buildings are wood. In special buildings, tiles alone are used, as in the case of the Wu-liang Palace.

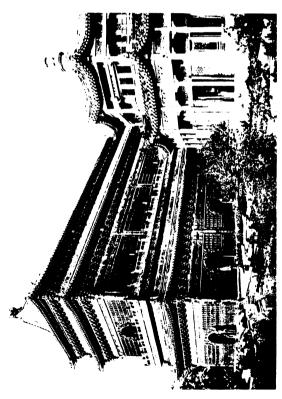
There is also in China an architecture of grotto dwellings. These are found chiefly in Honan, Shansi, Shensi, and Kansu. Such dwellings are made by digging a cave in the side of a steep cliff of loess, or yellow clay. It is easy to dig into this kind of material, and the clay or loess is sufficiently packed to prevent cave-ins. These cave dwellings are specially suitable where the climate is dry. In summer the cave is cool while in winter it is warm, and if the particular dwelling is found to be too small, it can easily be enlarged by digging further into the cliff.

In wooden dwellings much importance is attached to the pillars which support the roof. The roof and eave lines are also given much attention for they will determine whether or not the building will have a light and airy appearance. In the case of tile and stone structures, importance is attached to the walls. A house of this kind has the appearance of being sealed up. The eaves are short and the roof corners are turned up only a little. As a result, the house looks firm and heavy. It is a very strange phenomenon that house of such heavy, solid appearance exist side by side with the lighter appearing dwellings. The accompanying illustration of the Hsiao Hsi Tien, a Buddhist temple on the north side of the Tai-i Pond in Peking, and the pavilion standing before it, shows the heaviness of the temple contrasted with the lightness of the pavilion. This is largely the result of the different kinds of materials employed in the two buildings.

It is probable that *chuan* (a kind of tile) were invented between the Hsia and the Yin dynasties. When building a wall with *chuan*, it is necessary to make arches at the openings. The exact date of the invention of the arch in China is not known, but it was probably between the Yin and the Chou dynasties. With its perfection, vaults were also probably constructed next to arches. This was possibly at the beginning of the Chou

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The Buddha's Hall in Shao Hsi Tren in the North-west of the Peking Palace. The Building on the Left is of Tiles and That on the Right of Wood.

Dynasty, and if so, the use of such architectural methods had a very early origin in China.

According to the account of Marco Polo, the bridge which spanned the Yellow River in 1190 was 350 steps in length and 18 steps in width. It had eleven arches and was supplemented by wooden bridges. There were 140 balusters and each of the main pillars was crowned with a lion's statue one shaku in height. The space between the pillars was wainscotted with marble. The four main pillars at the approaches of the bridge were adorned with sculptured elephants. It is evident from his account that the use of arches in China had been thoroughly perfected for major construction purposes at that time. Other examples show that the entrances and windows of castle-gates and palaces, as well as bridges, employed arches from ancient times

It is noteworthy that the ancient Chinese arches were not semi-circular in shape, but oval or parabolic. Just why this shape was preferred has never been determined; perhaps the Chinese were influenced by similar parabolic arches which they may have seen in Western Asia, especially in Persia. It is possible, too, that their dynamical conception of the arch coincided with that of the Persians. With the introduction of Mohammedan art after the Tang Dynasty, the Chinese style of arch construction underwent a gradual change, and it is possible that many of the arches built in China in this later period were wholly of foreign inspiration.

In wooden buildings the construction of the eaves presents the most important problem. In order to support heavy protruding eaves, the tou arch system was devised. This was a great invention and it was mentioned in the Analects of Confucius, a fact which would demonstrate that the technique had been perfected in the Chou Dynasty. The gate of the Sung-yo Palace in Honan and many sepulchral gates in Szechwan show certain traces of this method. There are also some pictures on the stone images in the Wushih Shrine and the Hsiao-tang-shan in Honan which suggest the ancient tou arches.

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Where wood and tile are used together, it is customary to erect wooden posts first and fill in the spaces between them with tiles. The posts are sometimes covered with tiles, but occasionally they are left exposed. Frequently just the outer sides of the posts are covered and the inner sides left uncovered. In most cases the front of such buildings is entirely of wood, with the sides and rear covered with tiles. In this type of architecture, the front of the building reveals the structure of the beam system, while the openings of the arches in the tile portion of the sides are also visible, giving the building a rather strange appearance with beams and arches co-existing.

If the posts are covered with tile they will often rot easily in damp districts. But this problem does not exist in the semi-arid regions of North China, where the author has found wooden posts thus covered preserved in perfect condition after more than two hundred years. It would seem, therefore, that tile walls with wooden frames were probably invented in the drier districts of the north.

It is generally conceded that the styles of architecture are dependent to a considerable degree upon the type of materials available. On the other hand, we cannot overlook the factors of taste and thought. The building materials of China are for the most part wood, tile, and stone, and as a result the form of architecture differs with the type of material used. Nevertheless, there is a consistent form which pervades all the types of construction found in China, whatever the materials may be. Here is how the characteristic tastes of the Chinese have been asserted in the unique architecture of their country.

OVERSEAS TRADE AND COM-MERCIAL NEGOTIATIONS

By SHIKAO MATSUSHIMA

THE laissez-faire doctrine that trade is conducted because traders consider it profitable and thus does not require governmental support is still entertained in some quarters. In the past there was some basis for this contention, but today this argument has become incompatible with the economy of the state. Before the European War of 1914–1918 this opinion claimed a certain validity because the doors of all countries were kept open to commerce, and there were no restrictions or barriers against trade which was then conducted independently of government control. There was no room for interference from above and when governments did attempt to interfere with the management of business this action raised serious political opposition.

Before the last European War there was no government office in Japan having special charge of foreign trade. The Ministry of Agriculture and Commerce did have a Commercial Affairs Bureau with a section devoted to commerce and industry, but it was engaged more in the conduct of domestic commercial affairs rather than in handling foreign trade matters. The Commercial Affairs Bureau of the Foreign Office has been in existence for some seventy years, but the members of its staff before the last European War were less than half the present number. Furthermore, they were charged with the task of handling matters relative to emigration and overseas enterprises, including the fisheries in the Maritime Province of Russian Siberia, along with the trade affairs which the present bureau

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now manages.

But times have changed. The Ministry of Commerce and Industry now has a special trade bureau of its own. The Ministry of Overseas Affairs also handles trade problems concerning the overseas territories of the Empire, while the management of such key articles of commerce as raw silk and marine products are placed under the jurisdiction of the Ministry of Agriculture and Forestry. The promotion and protection of trade with foreign countries are among the problems within the jurisdiction of the Foreign Office. All branches of the Government now desire to have a share in the management of commercial activity, and the increased activity on the part of the Government in this direction motivated the decision to create a new Ministry of Foreign Trade.

There is no need here to go into the circumstances which have led to the present official interference with foreign trade. On all sides and in all countries the trend toward economic self-sufficiency has enforced all sorts of restrictions and erected all sorts of barriers. At first these restrictive measures were centred mainly upon articles of import while efforts were made to encourage export trade. But eventually there also developed a tendency to restrict exports as well, or to channel both imports and exports into certain categories which were deemed most advantageous to national economy. In such circumstances where governments restrict their trade in both directions, it has become necessary to enter into special negotiations in order to facilitate any kind of exchange at all.

It would seem at once inconvenient and unnatural that such negotiations should be required when ordinarily the law of supply and demand would govern commercial intercourse. But such are present world conditions, and Japan is no exception to this rule. It follows, therefore, that the conduct of these commercial negotiations is now of utmost importance to the economic well-being of a state. It is impossible to gratify one's desire to increase sales or purchases unless the other party is disposed to buy or sell. In order to bring about such

favourable disposition, it is essential to make the other party recognize the merits of one's products and demonstrate the advantage of such intercourse. But it often requires more than a mere presentation of the merits of one's products to induce sales in these troubled days. This alone will often not complete a transaction, and it is often necessary to place the other party in such a position where he must agree to receive some of your commodities. In other words, nations must refuse to purchase certain goods from other nations unless they agree to purchase certain goods in return. The threat of such economic retaliation is a weapon which no nation today can afford to overlook.

Another method to foster trade under the adverse circumstances of present-day restrictions is by offering some form of compensation as a reward for the purchase of one's commodities. Needless to add, this method is preferable to that of retaliation, for this is only apt to provoke counter-retaliation on the part of the other party. But the method of compensation is also not without its difficulties, for it is not always possible to provide compensation which will be considered adequate by the other party, and compensation often injures a country's own position. Both the methods of retaliation and compensation may imply sacrifices, and if these methods are to be used, nations must be prepared for the sacrifices which they are apt to entail. Such being the case, negotiations with foreign countries on trade matters frequently necessitate important domestic adjustments at the same time. To put it in another way, the authorities in charge of such foreign negotiations cannot expect them to be satisfactory unless such internal adjustments can also be made.

There is no doubt that the present trend toward trade restriction has gone much too far, and has reached a point where such restrictions are imposing too heavy sacrifices. Some nations today are actually restricting the importation of articles which they actually need merely with the view of selling luxuries. They put restrictions on the importation of such necessities as cotton cloth on the ground that other countries do not buy enough beef or wine from them. It is because one

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needs articles that one seeks to get them, but prevailing conditions are such that unreasonable restrictions are almost too numerous to enumerate. This is attributable to the fact that various governments are inclined to interfere in foreign trade arbitrarily without really appreciating the actual demands of their peoples, and it is only natural that the peoples in question are becoming restive under such unreasonable restrictions.

In her recent negotiations with foreign countries, Japan has had to face a number of cases in which unreasonable trade restrictions have been imposed. Japan is not always in a position to make the sacrifices which are demanded in order to achieve a satisfactory arrangement. In such cases it is imperative that the Government ascertain whether the measures taken by the other parties are reasonable or unreasonable from the standpoint of Japan's own economic policy and economic well-being, and if other parties insist that their measures are reasonable, as they are naturally inclined to do, these facts cannot be kept from the people. When this country knows that the measures taken by other nations are unreasonable as viewed from the aforementioned standpoint, the people must know why they are being called upon to make sacrifices in order to overcome these difficulties.

On the other hand, those in charge of a government's negotiations must bear in mind that the imposition of sacrifices upon the people should be undertaken only as a last resort, and that every effort must be taken to assure the success of negotiations without necessitating either side to make sacrifices.

STUDIES IN BUDDHISM IN JAPAN

By REIMON YUKI

SPRINGING from the cultural background of India in the sixth century B. C., Buddhism spread over a good part of Asia in the course of the next twelve centuries, thanks to the enthusiastic missionary activity of its believers. The propagation of this faith followed two routes. To the north it was introduced into China by way of Central Asia, penetrating into Tibet, and spreading as far east as Manchuria, Korea, and Japan. To the south Buddhism spread into Burma, Siam, Annam, Borneo, and Java, with Ceylon as the centre of this southern missionary activity. By the middle of the seventh century the faith embraced believers scattered over most of Asia, and the religion developed a distinct Buddhist culture which assumed forms peculiar to the various countries in which it had taken root.

Generally speaking, Buddhism is divided into two broad categories, the Northern and the Southern after the two principal routes along which the religion spread from its Indian origin. There are certain ideological differences between Southern Buddhism, or the Hinayana school (the Lesser Vehicle), and Northern Buddhism, or Mahayana (the Greater Vehicle). The latter is richer and deeper in ideas and freer and more advanced than the former, although it possesses many similarities to the Hinayana school. Material for studies in Southern Buddhism are to be found in the *Tripitaka*, a bulky collection of sutras. There are various texts of the *Tripitaka*, including the Sinhalese Printed Text, the Burmese Printed Text, the Siamese Edition by Prince Chandaburi, and an edition by the Pali Text Society. These various texts are now being

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translated into Japanese by Japanese scholars.

Material for the study of Northern Buddhism is more varied and voluminous, including the Sanskrit Text, the Chinese translation of the Tripitaka, mountains of commentaries and studies on the Chinese Tripitaka by both Chinese and Japanese scholars undertaken during the past ten centuries, and also the Tibetan Tripitaka which contains valuable literature not translated into the Chinese text with some of the original Sanskrit texts which have been lost. There is also a Mongolian and Manchu Buddhist literature, which, however, consists mainly of translations from the Tibetan.

Students of Buddhism in Japan are making systematic studies of the Northern and Southern schools in the hope that a material contribution will be made to world culture. Generally speaking, however, Buddhism in Japan belongs to the Northern school with the result that Japanese students take more interest in the Northern studies with the exception of a few noted Buddhist scholars. In studying the Northern school with China as the centre, the problem may be approached from several angles. First to be considered is the effect exercised by Buddhism as it came from India across Central Asia on Chinese culture and also on the Chinese Buddhist doctrines which had already been introduced into the country. This contact produced a new Chinese culture, modifying much of the older background. The second problem centres around the interrelationships between Buddhism introduced from India and the older Chinese religious beliefs, including Confucianism and Taoism. The third point is that the high cultural value of Chinese Buddhism may be studied in connection with the faith and ideas embraced by the Chinese Buddhists themselves. A fourth consideration is the mode of life adopted by Chinese Buddhists in carrying out their faith under the peculiar social background of their country which was quite distinct from that of Buddhism's homeland. Finally, great interest is attached to the influence which Chinese Buddhism has exercised on other countries, notably Korea and Japan. There are still other ways to

approach the problem. For example, in considering the fundamental principles of Chinese Buddhism, one must consider the dozen or so different sects which have existed in China. Some of these sects derived their doctrines from principles which were formulated entirely in India and brought to China as full-grown faiths, while others have been worked out by the Chinese themselves from their own religious and philosophical viewpoints.

Japanese students of Buddhism are prosecuting their studies from these five angles, including the writer. The most prominent student is Dr. Taijo Tokiwa, Professor of Tokyo Imperial University and author of a large number of books on Chinese Buddhism. He is also well known for his exploration of famous Buddhist historical sites in China. Dr. Tokiwa is the author of Yakkyo Soroku (Comprehensive Studies on the Canon Translated into Chinese) which is published by the Toho Bunka Gakuin (The Oriental Culture Institute). This book embodies the first authoritative piece of research ever undertaken on the subject of the introduction of the Buddhist Canon into China and its translation into Chinese over a period of 450 years since the Eastern Han Dynasty (25-221 A. D.). It was during this period that Buddhism was first brought to China from India by way of Central Asia, so that Dr. Tokiwa's work is of major importance among Buddhist studies.

Mr. Itano, a member of the Toho Bunka Gakuin is making an exclusive study of Northern Buddhism from the second angle, namely, the inter-relationships between Buddhism and the older Chinese religions, such as Confucianism and Taoism. He has not only taken up the ideological relationships but has also devoted considerable emphasis to the social and economic aspects as well.

Most Japanese students of Buddhism are keenly interested in the third angle, namely, the fundamental principles of Buddhism as formulated by the Chinese Buddhists themselves. Mr. Ohcho of the Oriental Culture Institute is devoting his 4 8

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Vijnaptimatra School which originated in India in the fifth century and dominated the Indian ideological world for a time and which also flourished in China during the Tang Dynasty. The Vijnaptimatra School was organized at the final stage of development in Indian Buddhism and represents the most systematic of all Buddhist philosophies or ideals born of meditation. After its introduction to China it was brought to Japan during the Heian period. Fifteen centuries have since passed, but it is still flourishing in Japan. In 1935 I published the result of this research in the form of a history of the Vijnaptimatra School, the first book of its kind in this country.

Of those Chinese Buddhist sects which were originated and elaborated by Chinese themselves, the most philosophical are the Huayen school which was built around the Avatamsaka Sutra and the Fahua school, developed around the Saddharmapundarika Sutra. Of the two, the latter has exercised a strong influence on Japanese Buddhism. It is true that all the Buddhist sects of Japan have a distinct Japanese complexion, but they may all be traced in one way or another to the Chinese Fuhua school. Mr. Ohcho of the Oriental Culture, Institute is undertaking a study on the ideological evolution of this particular Chinese school.

Chinese school.

The fourth approach to Chinese Buddhism, namely, the mode of life adopted by the Chinese Buddhists in carrying out their faith in a Chinese social atmosphere, forms the subject of Mr. Ryuchi's study. He is also a member of the same institute. There are many Buddhist scholars in Japan who have studied the Chinese Buddhist orders up to the Tang and Tsung dynasties, but there are only a few who have devoted any attention to the orders which came into being after the Yuan or Mongol dynasty. Mr. Ryuchi is exceptionally well qualified to work in this neglected field, for he spent two years living with a Chinese Buddhist order of this latter type. He is now examining the structure of Buddhist orders in China after the Mongol dynasty and is demonstrating that this long abandoned field is yielding valuable results.

JAPANIZATION OF MODERN CHINA

By KEISHU SANETOW

SINO-Japanese political and economic friction is no new thing; but, on the other hand, in the field of culture, education, literature and the like, there has always been close contact between the two countries. For, while economic relations have to do with tangible and finite things, which means that if one side advances the other is apt to retreat, culture, by reason of its infinite possibilities, can, like the wine in the magic pot of the well-known Chinese legend, never be exhausted. Acquisition of the culture of another land does not lead to any cultural impoverishment of that land. Thus, even if there should be friction in the political or economic field, there is little danger of a severance of the cultural ties linking China and Japan.

It is a law of cultural movements that they flow from a higher to a lower level. In ancient times Japan acquired her culture from China; now China is learning from Japan. This reversal of the cultural flow between China and Japan started in fact after the Sino-Japanese War of 1894–5. Until then China had been obsessed with the idea of an absolute superiority based on the possession of a civilization 5,000 years old, and had neither the enterprise nor the capacity to absorb the civilization of the modern outside world. She merely held foreign nations in contempt.

Japan, on the other hand, had sufficient initiative to absorb on her own account the civilization of the Western world, and steadily raised her standing as a modern State. Upsetting the predictions of many foreign Powers she fought and defeated 48

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China, her huge continental neighbour, greatly to the latter's amazement. The Chinese reflected on Japan's military and naval victories and came to the conclusion that the essential elements behind them were the modern constitutional government and sound national education system which Japan had adopted. They decided that in these matters China must learn from Japan; hence from that time on China began to send students to Japan.

Thus, in 1896, a group of 13 students came to Japan to study at the Government's expense. The first students ever sent from China to Japan, they came not only because of the reason given above, but also because of the short distance and small expense involved, because national conditions in both countries were similar and because Japanese and Chinese were written in the same characters.

Year by year the number of Chinese students coming to Japan increased, so that by 1901 there were 280 in this country, and in the following year some 400 or 500. There were women as well as men students, and students paying their own way as well as those sent by the Government. Then in 1904 Japan declared war on Russia and in the following year defeated that powerful country. As a result of Japan's success and partly because of domestic conditions in China the number of Chinese students coming to study in Japan shot up to 1,300 in 1904, to 3,000–5,000 in the first half of 1905 and to at least 8,000 in the latter half of that year.

At about the same time, too, the Chinese Government invited between 500 and 600 Japanese teachers to go over and help in its new schools for which it could not find suitable Chinese teachers. Teachers of every kind of subject went over, many of them going to cities as far in the interior as Kweichow and Yunnan. Upon the outbreak of the Republican Revolution of 1911, these teachers all withdrew from China, while most of the Chinese studying in Japan returned home. With the establishment of the Chinese Republic, however, a large number of students came over again to Japan; while as a result of the

failure of the Second Revolution many refugee intellectuals poured into Japan. In 1914 there were some 5,000–6,000 Chinese studying and in 1918, even though commodity prices were high due to the post-war inflation, the number of such students was not less than 1,000.

After the Manchurian incident, when the Sino-Japanese exchange rate was in favour of China, students again began coming to Japan in large numbers and immediately prior to the outbreak of the China incident there were some 6,000 Chinese students in this country. The total number of Chinese, therefore, who studied in Japan in the forty years since the end of the Sino-Japanese war must have been enormous. Tai Tienchiu, who was private secretary to Dr. Sun Yat-sen, in his book On Japan written in 1928, estimates the total number for the period to be no less than 100,000. This figure is perhaps too large, but there can be no doubt that China has sent, and Japan received, more students respectively than any other country in the world.

With so many Chinese coming over to Japan to study, and given the fact that both countries use the same sort of written characters, it is only natural that many Japanese books should have been translated into Chinese. The first series of Japanese books to be rendered into Chinese were Japanese law texts. By 1902 the greater part of the Japanese laws had been translated, and in 1906 an 80 volume series of Japanese Laws and Regulations was published in China. Among the translators, most of whom were Chinese staying in Japan as students, was none other than Wang Ching-wei, then a student at Hosei University, Tokyo.

Next to be translated were several kinds of correspondence courses in law and politics, each comprising scores of volumes. There are also four huge books that I know of, each of them a dictionary having to do with Japanese law. It is interesting to note in this connection that most of the modern Chinese legal terms are the same as the Japanese. This, of course, is because the Chinese learned their law from the Japanese.

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Educational works have also been translated, and even the rules of the Peers' School, the Higher Normal Schools, the Military Academy and other Army Schools. The various provincial authorities adopted many of the textbocks used in Japanese primary, middle and normal schools; as a result one can find Chinese school books with illustration, reproduced from Japanese textbooks, showing customs and manners which are not Chinese at all, but Japanese. An Educational Series comprising scores of volumes has been published, while there is a 100-volume Encyclopaedia of Common Education compiled from translations of the works of a number of Japanese scholars.

The Chinese, again, have been assiduous in translating Japanese books to serve both as textbooks and as general reading matter. There is a large Encyclopaedia of Agriculture; there are even translations of works on Chinese history, Chinese and Far Eastern geography and Oriental history, including the Essentials of Oriental History by Tozo Kuwahara and three other volumes. The Japanese language has also been studied intensively. There now exist books written on the subject by Chinese themselves, but at first Japanese textbooks of grammar were used. There are apparently several different translations of the Japanese Grammar for Secondary Schools by Chuzo Mitsuchi, who became subsequently a State Minister.

In the early days, that is up till about the end of the Manchu Dynasty in 1911, there was a well-known group of Chinese students in Tokyo who used to translate books, publishing them either in Japan or in China. Even when they published in China, however, they entrusted any photographic cuts and illustrations of technical difficulty to Japanese printing shops. At that period there were more Chinese magazines published by Chinese students in Japan than there were Chinese magazines circulating in China itself; and the former, moreover, were superior in content—largely consisting of translations—and in make-up.

Then there came the revolution in China; but even after

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By Mitty D. Dueless NARS, Date 12-18-75

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the founding of the Republic, that is, after 1912, translation from the Japanese went on unabated. Especially during 1930 and 1931, Chinese newspapers day after day carried advertisements of books translated from Japanese. But whereas in the time of the Manchu Dynasty the demand was mainly for law books and textbooks it has since been largely for works of general literature. Establishments such as the Commercial Press have taken over on a business basis the publishing of books on natural science, social science and literature and have been very successful.

In brief, there is hardly a book written by any Japanese scholar of note which has not been translated into Chinese, while even among ordinary authors there are very few who have not had at least one of their works translated. The present writer has on record more than 2,000 Japanese books, not to mention newspaper or magazine articles, translated into Chinese. And translations from Japanese appear continually in every Chinese magazine.

People often say that the Chinese are better than the Japanese at mastering foreign languages, but in making such a statement they confuse written and spoken language. The Chinese, because of the tonal and accentual peculiarities of their language, find the pronunciation of foreign words comparatively easy; they may therefore learn to speak English, French or German more quickly than a Japanese. But when it comes to mastering a book on science or literature they cannot compete with the Japanese. Although a Chinese may understand a European book he is handicapped in translating it into his own language because, although there are a vast number of ideographs in Chinese, there is a lack of appropriate terms with which to express modern cultural ideas. The Chinese have come to rely on the Japanese for the creation of such terms; hence it happens that instead of directly translating a Western book into Chinese, they wait for it to be translated into Japanese first and then translate into Chinese from the Japanese.

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Some of the Chinese are practising this. Among the Chinese who follow this double translation method there are some, such as the well-known writer Lu Hsün, who very honestly wrote: "Original book by so-and-so, Japanese translation by so-and-so and retranslation by so-and-so." There are others, however, who make a secret of the fact that they have retranslated from the Japanese and in extreme cases they even state expressly that a work has been translated directly from the original, whereas its retranslated nature is quite obvious.

The Chinese writer Joh Sü drew attention to this practice in an article entitled "Criticizing Some Writers and Translators," and published in the January, 1931, issue of the China New Book Monthly. "It is easier," he said, "to translate Japanese into Chinese than to translate an occidental language. Thus a questionable translator will often look for a Japanese translation of a good foreign book and turn the translation into Chinese. Then on the jacket of the book or in newspaper advertisements he eloquently assures the reader that it is a direct translation from the original... When one opens a new translation one finds in nine cases out of ten that the book has come from Japan." This statement is rather sweeping, but there is, nevertheless, a large element of truth in it.

There seem to be a great many Chinese who think that Japan acquired its ancient culture from China and has been importing its modern culture from the West, and that it has therefore no culture of its own. A single instance will suffice to prove the mistakenness of this idea. The Tale of Genji, a novel written a thousand years ago, can still hold its own among modern literature. A novel of this calibre is, in fact, rare in the literature of the world; moreover, nothing to equal it has ever been written in China.

Chinese have come to Japan to learn Western culture, but they have learned many things Japanese in the process. The influence of the literature of Japan over that of China has been particularly marked. Thus Kuo Mei-jo has said: "The

literary world of China today has been built up largely by Chinese who have studied in Japan. Thus the leading authors of the Chuang Tsao-she school were all formerly students in Japan, and the same can be said of the U-ssu school. There may be a certain number of authors who studied in America or Europe and of new authors of the pure Chinese school who have had a meteoric rise to fame, but their work cannot equal in importance that of the writers belonging to the two schools mentioned above. And they have, moreover, been influenced by these schools. In this way, the new literature of China has become deeply imbued with Japanese culture, while at the same time it has absorbed the poison of Japanese literature."

As an instance of the influence of Japanese literature on that of China, I may cite the phenomenon of "lovers' double suicide," which the Chinese at first puzzled over and later began to imitate. In a novel depicting the life of Chinese students in Japan, entitled: Lin-tung-wai-shih (The Tale of a Man Who Studied in Japan), which was written in 1914, the students are described as unable to understand why Japanese lovers commit double suicide. But Tai Tien-chiu, in his On Japan, mentioned above, defends the institution. "Lovers' suicides," he writes, "develop out of a combination of passionate sexual love and gracious sympathy. The idea of such suicides could never occur to men and women who were corrupt, weak or content only with ephemeral pleasures. They are an expression of the sincerity of faith of the Japanese race."

Chang Tzu-ping, a graduate of Tokyo Imperial University and the most popular novelist in China, in his novel Tai-li, published in 1926, handled the theme of double suicide, and with evident success. The novel, which ran into several editions, appealed tremendously to young Chinese of both sexes. The Chinese, who twenty years before, did not understand the meaning of lovers' suicides, have grasped the meaning so well that in the last few years they have even been practising such suicides. Apart from the moral question involved, this is certainly a vivid illustration of Japanese influence on Chinese

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literature. This is only one instance, but many more could be cited.

The Chinese, before they were exposed to Japanese influence, lacked an objective and scientific attitude in their pursuit of learning. Thus even in the study of their own philosophy, literature, history, etc., they were unable to compete with the Japanese. They were especially weak in the fields of philosophy and literature; fields in which Japanese scholars wrote-excellent books, including systematic histories of Chinese philosophy and literature, all of which were translated into Chinese. More recently, of course, with these pioneer works to refer to, the Chinese have turned out their own philosophical and literary histories. Yet even today there are some Chinese who are using a translation of a Japanese book on Chinese prosody as an aid to writing verse in their own language.

Again, in the case of the ideographs, which were a Chinese invention, China is adopting certain Japanese usages. Thus, having found that these characters, as turned into designs by the Japanese, offer something new in the way of artistic feeling, they are using imitations of such designs on signboards and

book covers.

The Japanese give more flexibility and variety to the written language by using their own alphabet in addition to the Chinese ideographs. The Chinese have no such alphabet; but, recently, in order to imitate the element of variety in Japanese writing, they have taken to mixing the principal ideographs with characters in small type, which thus correspond

in appearance to the Japanese kana.

The individual ideographs, it is true, were invented by the Chinese, but words formed out of two or more such characters have not always been the same in Chinese and Japanese. Because the Chinese have, however, translated so many Japanese books, they have come to use Japanese compounds in place of their Chinese equivalents. A glance at any one of the numerous modern Chinese dictionaries reveals that most of the compound words listed were taken over from the Japanese. In the past

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the Japanese took over many words from the Chinese, but recently the process has been reversed and probably as many words have been taken over into modern Chinese from Japanese. The sentence structure in Japanese and Chinese is still different, but the increase in the number of words common to the two languages must be considered an important element in bringing ever closer the cultures of the two countries.

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WOMEN AND MARRIAGE

By KAN KIKUCHI

EDUCATION for women in Japan has made considerable progress in recent years. Girls who have graduated from a "girls' school," which is equivalent to the junior grades of ahigh school, and who have any confidence in their scholastic ability, usually desire to enter college. From the standpoint of marriage, however, a college education is not considered necessary since it often proves a hindrance to a successful marriage.

By the time a girl has graduated from a women's college she has generally passed the customary age of marriage, and hence her choice of a husband is apt to be more restricted by reason of the masculine sense of superiority and higher cultural attainment. Women college graduates naturally feel that they deserve husbands with higher incomes and disdain to contract unions with small-salaried clerks. On the other hand, men with high incomes are usually already married because of their economic security. Unable to find suitable husbands after graduation, women frequently remain unmarried until they are about thirty years old, which still further complicates their opportunities to marry.

In John Galsworthy's play, The Fugitive, there is a passage stating that women's education in England is "too fine, but not fine enough." By this Galsworthy meant that women's education was too fine for a housewife but not fine enough for a woman seeking a professional career. In the same way, women's college education in Japan is not quite adequate for a professional career while it is too good for the requirements of a housewife. And in this respect, I don't think that college education for women is essential for a happy marriage and in some cases it is

a positive obstacle. A woman with a college education is apt to acquire a too complete personality with her tastes and character so completely moulded that there is no room for suitable adjustment to married life. When a man marries he much prefers an incomplete personality for his wife, for it is part of his happiness to convert her into the sort of woman he likes. This is impossible if he receives a finished product. In my opinion, a woman with good common sense and native intelligence makes a better wife than one with a full complement of learning.

Cases are extremely rare in which learning alone is demanded of a woman. Good sense, tact, care, gentleness, and generosity are all part of intelligence and these attributes are much more useful in a housewife than learning. Moreover, this sort of intelligence cannot be inculcated by education alone. There are many intelligent maid-servants who have only received a primary school education. Intelligence with a background of learning is, of course, quite desirable, but stupidity with a background of learning is simply impossible. If a woman is to become an attorney, a teacher, or a member of an office staff, then education is essential, but for a housewife who must cope with tasks of home life, good sense alone is sufficient.

Even the girls' school today stresses learning too much. They do not seem to teach enough about the things of daily life. For example, how many girls' school graduates can remit, say, thirty yen to one's relatives by going to the post office, filling out a money order form and mailing it registered without making a mistake? There are many cases of suburban housewives being made victims in petty swindles. How many graduates of a girls' school know how to take proper care of their husbands when they are ill? How many of them have the wit and preparedness to deal properly with attempts at seduction and the like? These are some of the practical, everyday problems for which girls just out of school have received little or no preparation.

The most important part of a housewife's equipment is knowing how to create a happy home life. Foremost, perhaps, is skill in cooking. It makes all the difference between a good ec. 3(E) and 5(D) or (E) August 10, 1972 NARS, Date <u>/2-/8-75</u>

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and bad wife whether she will make her husband eat trash all his life or delicacies fit for the gods. A half-baked knowledge of English or mathematics from girls' school days is useless in married life. All the mathematics needed would be the ability to take the correct amount of change when marketing or to keep an account of month-end payments. About all the English needed for a housewife would be enough to serve as a foundation if she happened to become a diplomat's wife or went abroad with her husband. Of much greater importance than either is the art of cookery. For the first few days of married life cooking does not become an issue. But a husband fed with refuse day after day begins to change his attitude toward his wife in time. On the morning after a quarrel, for instance, it makes quite a difference if the wife serves a bowl of fine miso soup or sheer dish water.

A second important consideration is that a housewife should have an abundance of cultural interests. She should know something about the theatre, motion pictures, sports, literature, music, art, et cetera. At least she should be able to discuss these things with her husband. It is quite an asset for a wife to be able to discuss sports with a sporting husband, or to say a word or two of criticism about a popular novel if her husband has literary inclinations. These interests can be hastily acquired after marriage, but it is more advisable that they be regarded as the proper equipment for married life and from this point of view be given greater consideration in women's education.

Another necessary attribute is the ability to display graceful feminine taste in decorating the rooms in the home. And equally important is proper taste in the selection of clothes. A wife should know exactly what style and colours are most suited to her personality; what sort of handbags, parasol, sash, haori, and slippers can be best harmonized with her clothing. Too many people think that the more an article costs the better it is, and there are women who buy costly clothing and accessories with no regard for individual tastes, and such disregard for proper selection will in many cases depreciate a woman's

standing in the eyes of her husband.

Cleanliness, too, is an important quality. That the rooms of the home should be kept clean, tidy, with everything in its proper place is no small matter in achieving a happy married life. I remember reading a novel in which the main theme was based upon the estrangement between a man and his wife because the ash tray was always untidy. In extreme cases, even such a little item as this could shipwreck an otherwise successful union.

In many cases it is much easier for a girl to get married if she is able to assist her husband in making a living. For this purpose women ought to cultivate the ability to earn their own living so that even if they are married they can help their husbands out in a pinch. It has been the conventional idea that men should provide for the family, and today there are many working girls who look forward to marriage only as a means to escape from continued employment. This is a mistaken idea, for marriage does not constitute a change of vocation at all. Marriage is not a place of refuge for women who are tired of making their own living. As can be seen in magazines and newspapers, many modern men want working girls for wives so that they can work together. This is not because men have lost the grit to support their wives but because economic conditions of modern society have made such co-operation necessary in order to maintain a decent living.

Another factor that is delaying marriage for some women is a belief that marriage is something irrevocable, that when a woman marries a man, she is tied to him for the rest of her life. But I think that women in particular and society in general should entertain a warm and broad-minded feeling that there is no reason why a woman should not get a divorce if the husband proves a rotter or if a couple find themselves temperamentally unsuited to each other. "A chaste woman never marries twice," is a good maxim in so far as married life is thus regarded in a holy light and it should be borne in mind by every woman. But today when life has become so complex

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and when it has become increasingly difficult to make a living, such rigid and formal ideas will only tend to make marriage all the more difficult for women.

No matter how morally superior, learned, cultured, and rich in taste, a woman sexually deficient cannot be considered a good wife. We often see or hear of a wife of whom it is said that one cannot understand what makes the husband so dissatisfied with such a flawless and fine woman. In such cases, it is frequently sexual shortcomings that are responsible for this dissatisfaction. This peculiar attribute depends upon the innate qualities in a woman, and it is difficult to approach this problem by education. One important point, however, can be stressed. There was a book published during the Tokugawa era entitled Modesty in the Bedroom in which, in the form of a parent giving advice to a daughter, a girl is told how she should behave on the night of her wedding. In the very first passage it states: "Once a girl has become a wife, she should always carry herself in the manner of a bride on the first night." In other words. she should always preserve the same modesty of a new bride if she is to hold her husband's love, for this feeling of shyness is the basis of feminine charm. As Stendhal said, shyness in a graceful woman is an attempt to speak to her lover in a language more eloquent than words of her love for him. If this modesty is discarded, a husband will soon lose interest in his wife, and the precept given in Modesty in the Bedroom that a wife should spend all her life with the same feeling of the first night of marriage is the best advice that can be given to a girl before her marriage.

When marrying or after marriage there are many women who are worried over their past. It is the morals of the manmade world that no question is raised regarding the past of men, but a woman's chastity is most solemnly subjected to scrutiny. This is a shameful and unfair way to deal with women, but the fact stands. There are various secrets of the past, and if a woman has given her chastity to a man before marriage because she loved him she is morally responsible for

her act and it is morally sound that she should confess the matter to the man she is to marry before the wedding. But it happens that many women marry without confessing such past secrets because they cannot bear to have a good match destroyed. If a marriage proves a success, I personally do not see any need to bring up the past through such a confession and thereby destroy the newly-found happiness. What purpose can be served by making both herself and her husband unhappy? Whether to follow the dictates of conscience or whether to safeguard the happiness of all concerned by stilling the voice of conscience used to be a favourite theme of fiction toward the close of the last century. When a confession of the past makes both parties unhappy, results in a divorce, and subjects the children to untold misery, it certainly cannot be justified even on the basis of a troubled conscience. If the confession were not made before the marriage, there is even less reason to make it at a time when its consequences will be even more disastrous. GRAMOPHONES AND RECORD

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MUSIC IN JAPAN

By MIKITARO MIHO

THERE has always been a natural and instinctive desire to store and reproduce sounds. That this human desire has often been expressed in strong forms even in primitive ages is clear from ancient tradition. It is sufficient, however, for the present purpose to say that the era of sound reproduction began in 1877 when Thomas A. Edison developed his phonograph.

This invention seems to have been brought to Japan in its second year, for it is on record that Edwyn, an Englishman, on March 28, 1878, gave an exhibition of a phonograph at the Tokyo Chamber of Commerce and his explanation was heard with astonishment by all those who were present. Also, when Count Munemitsu Mutsu, one of the most distinguished diplomats and statesmen of modern Japan, then Ambassador to the United States, returned home in 1886, he brought with him a phonograph. It does not seem improbable that some of those who went abroad around at that time made a point of bringing home what was one of the sensations of the time.

When the phonograph gradually ceased to be a novelty, attempts were made to commercialize the new device, but it was not until 1896 some time later that phonographs were first imported by Horne & Co. of Yokohama, the Ohsawa Shokai of Kyoto, the Yamanaka Import Company of Osaka, and the Ishihara Clock Company of Kyoto followed with imports, which increased as time went on.

This trend had its stimulating effect, the first enterprise being seen in organization of the Sankodo, the first store to deal exclusively in phonographs and records. This undertaking is

important as the cradle from which the native industry was destined to spring. The Sankodo was brought into being in 1899 as a joint enterprise of Messrs. Buichiro Matsumoto, Sen Katayama, and Shinichiro Yokoyama, and its business was to sell tallow tubes on which sounds were recorded and the machines to reproduce those sounds. Their idea, however, was far too advanced for the times, and their business proved so difficult that two of the partners withdrew. Buichiro Matsumoto, alone, struggled on. One of his ideas which was more or less successful was to provide phonographs with a number of rubber listening tubes attached to them. These devices were taken by street hawkers and merchants and installed wherever people thronged. Later Matsumoto achieved his second success by producing the tallow tubes on which native music was recorded, but he died in 1907 before his persevering efforts were well rewarded. His achievement, however, laid the foundation for a new industry in Japan.

Imported phonographs and records found an increasing market although no attempt of any importance to manufacture in Japan was seen until the Nichi-Bei (Japan-America) Phonograph Company was brought forth as a joint stock company toward the close of 1907. This undertaking was sponsored by E. W. Horne who had for many years been engaged in import trade at Yokohama. Because Victor and Columbia phonographs and records happened to be among his import items, Matsumoto of the Sankodo Company suggested the idea which was later to develop into the present Japan Gramophone Company.

The Nichi-Bei Phonograph Company established its factory at the town of Kawasaki in 1909. This plant set up there a generation ago had the extremely modest capacity of 100 records a day compared with the present production in Japan of more than 30 millions a year. The initial production was also made under very difficult conditions for the operatives employed were without skill or experience. When these factory workers after some training, either dissatisfied with their work or its result, left the shops, they could be replaced only with much difficulty.

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The Nichi-Bei Phonograph Store which was originally the sales organ of the Nichi-Bei Phonograph Company was closed in August, 1910. This was replaced by the Japan Gramophone Store in October of the same year, organized as a joint stock company under the title of the Kabushiki Kaisha Nippon Chikuonki Shokai.

The new organization, like the Nichi-Bei Phonograph, was headed by E. W. Horne. The first move was to adopt the uniform trade name "Nipponophone" for all records that the Nichi-Bei Phonograph had been producing. Also at about the same time the Kawasaki factory began to manufacture gramophones and marketed them at prices within reach of those who had found the imported machines too expensive. These native made machines met with instant success, and in 1912 the Japan Gramophone was financially strong enough to carry out a merger with the Nichi-Bei Phonograph Company, the newly formed organization being capitalized at one million yen.

The Japan Gramophone Company on its new basis developed rapidly under the influence of boom conditions. But its prosperous career some time later terminated mainly for three reasons: (1) uncontrolled piracy: (2) increasing competition, and (3) the outbreak of the World War. The possibility of piracy was not foreseen and no action towards protection against such an emergency was taken. Piracy entered the field overnight and when one of the native artists made a "hit," his records were reproduced by a multitude of large and small scale manufacturers. Every possible means was taken to suppress these illegal record manufacturers, but the law of the country proved helpless and when this was made known piracy became so unscrupulous and universal that the original manufacturers were reduced to financial straits. They were forced to struggle under these conditions for more than a decade until in July, 1920, a revision of the authorship law was approved by the Diet.

The next difficulty was the increasing competition from the number of record manufactures which rapidly multiplied. Some

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of the more important of these were the Nisshin Chikuonki, the Osaka Chikuonki, the Sankodo, the Tokyo Chikuonki, the Toyo Chikuonki, and the Teikoku Chikuonki. Of these manufacturers none remains today in the field, but during their existence, they were competitors of importance which the Japan Gramophone, itself financially none too well circumstanced, had to contend. The last mentioned three units were later merged with two other manufacturing companies and afterwards taken over by the Japan Gramophone.

The effect of the World War that broke out in 1914 was instant and severe, especially since the infant industry was almost entirely dependent on external sources for its supply of raw materials. A keen shortage developed in iron, steel, tinplate, carbon black, shellac, and most important of all, the supply of mica, essential for the diaphragms of the sound-boxes, was suspended.

To add to the difficulties of those times, the demise of the Emperor Meiji in 1912 plunged the whole nation in mourning. From all these years of trial and hardship only those of enduring power were to emerge, and the manufacturers who survived this period were able to share the boom conditions that developed in the earlier part of the post-war period.

In 1927 the Columbia Gramophone Company of London startled the entire industry by buying out the Japan Gramophone and its affiliates, adopting a policy which took the trade by surprise. This new company at once began to make and sell ruminated records, later inaugurating electric recording and introducing educational records. Its sales were conducted through a system of specially appointed retail shops and an export department was organized.

The Columbia, however, was soon to meet with strong competition from the R.C.A. of the United States which entered the field about a year later in collaboration with the Mitsubishi and Sumitomo interests, founding the Japan Victor Gramophone Company. Intensive competition soon developed between these two major organizations and while this was still in pro-

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gress, new manufacturers entered the field: namely, the Japan Polydor Company founded at Tokyo in 1927 and the Teikoku Chikuonki K.K. at Nara in 1934. The former tried to win new markets by special productions while the latter directed its policy toward winning the custom of the working people. As a result of the keen competition that followed, canned music soon became the fashion throughout the country.

This development of gramophones and record music was not to escape the attention of capitalists. In October, 1935. the whole industry was given one of the biggest surprises in its history when both Columbia and Japan Victor were purchased by the Japan Industrial Corporation, more commonly known as "Nissan." Under this unified control the two producing units continued to operate and even improve in many ways. One of the most noteworthy achievements was the acquisition of rights and the commencement of research on television. Patent rights were purchased from the E. M. I. of England and the R.C.A. of the United States, and, in addition, the system devised and patented by Professor Takayanagi was likewise secured. Under these arrangements the Japan Broadcasting Corporation was charged with experimental work. A high tower was completed to carry on field tests, and the manufacture of receiving sets was started to meet the popular demand which it is hoped will follow.

The final alignment of the industry took place when the two major units which had been under unified control for two years were again transferred to the Tokyo Electric Company. This change took place in December, 1937, shortly after the Japan Industrial Corporation had assumed the title of the Manchuria Industrial Development Corporation, and as its new name indicates, decided to operate as one of the semi-official enterprises in Manchoukuo.

Meanwhile new manufacturers had appeared on the scene to add to the intensity of competition. In 1931 the publishers of the monthly magazine *King* created a new organization under their arrangements with the German proprietors of the Tele-

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funken rights. Through the special literary connections they possessed these new manufacturers were able to secure new talent whose productions were marketed by the chain of wholesale and retail stores handling their publications. In the year following, the Nitto Chikuonki, by fusion with another unit, founded the Dai Nippon Chikuonki Kabushiki Kaisha. The field at present is largely shared by six organizations: namely, the Japan Gramophone Company (Nippon Chikuonki Shokai), the Japan Victor Gramophone, the Japan Polydor Gramophone, the Teikoku Gramophone, the Dai Nippon Yubenkai-Kodansha "King" Record Section, and the Dai Nippon Chikuonki.

In addition to the six major organizations above mentioned, there are at present a fairly large number of small scale enterprises, mostly in the form of household industries. It is estimated that there are forty-eight of these small manufacturers distributed as follows: Tokyo 3, Osaka 28 and Nagoya 17. The total production for the year 1937, half of which preceded the outbreak of the China trouble, was given at 290,000 machines and 25 million records.

The first attempts at export trade were made more than a decade ago in the directions of China, India and the South Sea Islands, but these were of little importance until 1933 when the Columbia turned its attention to markets abroad. Japanese manufacturers at present hold markets in all parts of the world, the exports for 1937 reaching around ¥2.5 million in value.

The Japanese people have always been known for their fine arts and literature, but hardly for their music. That this neglect has been unwarranted may be seen from the development of the gramophone business. It is noteworthy that the musical pieces recorded until some 15 years ago were exclusively native and only native musical instruments were used for accompaniment. The musical selections offered for general appreciation in these early years were chiefly stage music which is often in the form of direct sounds and has but a limited appeal.

The musical pieces recorded some fifteen years ago, when

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the business began to expand, were for the most part selections from "Nagauta," Kabuki stage music, "Gidayu," "Yokyoku," "Tokiwazu," "Biwa" music, "Kiyomoto," "Hauta," "Kouta," "Naniwa Bushi," Folk songs, "Shakuhachi" music and Children's songs. They were mostly classics or ancient tunes handed down from generation to generation. In not a few instances, they were offered in the form of music played as accompaniment to dramatic acting or to dances expressive of romantic emotions. In other instances, they were played as accompaniment to ballads of romantic or heroic tales. All these varieties were sung or played for recording by a number of artists and marketed under several different labels each of which accounted for 30 to 40 and sometimes 50 selections.

As already mentioned, canned music began its period of expansion fifteen years ago, this movement being stimulated by the fertility of native artists who gave new interpretations to native music, and by the popularity of imported motion picture theme songs as well as jazz songs.

The rise of native music was seen in the increasing recognition give to the folk songs and local music as they are preserved in different parts of the country. These were given new musical interpretations in the rhythmic form of what is popularly known as "ondo." The record manufacturers vied with each other in producing new songs set to this particular rhythmic movement, and their keen competition culminated in a race for new "Sakura (cherry) Ondo" pieces. This keen competition also caused record makers to scout the field for new talent who, in turn, busied themselves in new productions, thus ushering in a new era in the history of music in Japan.

The next development was the growing popularity of songs known as "ryukoka" (songs for popular fashion). This trend of popular taste quickly found favour with the masses of people whereas the classical varieties of native music remained popular with only a limited section of society. This popularization of new musical productions resulted in enormous increases in the sales of records.

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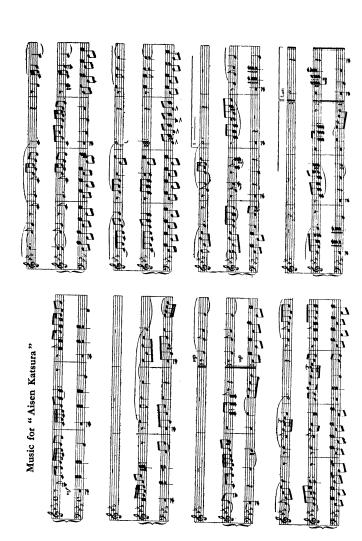
It is also to be noted that with this development of popular musical taste, record music became much richer in variety. From the field of pure entertainment and amusement it entered the fields of education and classical productions. In the earlier stage of record music the more popular songs were generally of romantic and lyrical themes, offered sometimes as theme songs of motion pictures or set to the captivating swing of jazz numbers. More recently, especially since the beginning of the Manchurian and Chinese campaigns, popular taste has swung in favour of patriotic tunes and war songs.

"Ryukoka" which is at present most popular is marked by the following characteristic features (1) The songs are set to new arrangements of native rhythms and cadences (the Japanese have since early times developed a keen rhythmic sense): (2) The harmonies are native in character but new in arrangements which are made possible by study of European music: (3) The adaptation of European musical instruments to native music: (4) The development of a new vocal art by the combination of native and foreign ideas.

In more than one instance, a single record production has accounted for sales of more than a million pieces. The most outstanding "hits" in recent years and the sales of their records are as follows:

1930, "That's okay," 70,000: 1931, "Wine with Tears or Sighs," 500,000: 1931, "Over the Hill," 250,000: 1932, "The Maid of the Isle," 700,000: 1932, "Tokyo Ondo," 800,000: 1933, "Spring when She's Nineteen," 150,000: 1934: "Sakura Ondo," 1,000,000 (the total for two companies): 1935, "The Poor Sailors," 320,000: 1936, "A Camp Song," 1,200,000: 1937, "The Patriotic March," 1,500,000 (the total for 6 companies): 1938, "Aisen Katsura," 350,000: 1939, "Daddy, How Strong You Were," 700,000.

It may indeed be a surprise to learn that the Japanese demand for records of European music, especially classical music, is equalled in no other country in the world, and this demand is steadily increasing. That this is not to be explained as a mere fad may be seen from the fact that a keen sense of



appreciation is shown in the purchase of records. Generally speaking, popular demands are distinctly classified for classical music and for light music. What is most remarkable is that the sales of records of the former class are far greater than those of the latter.

Taking Columbia records, for instance, in the field of classical masters, Bach, Beethoven and Chopin are decidedly most popular, and of these three the second named leads the others by a large margin. Among varieties of music, orchestration is in the highest demand. For example, Beethoven's Fifth Symphony as played by the Berlin Philharmonic Orchestra under the direction of Furtwangler has since 1938 accounted for sales of nearly two million pieces. The same symphony played under the leadership of Mengerberg and Toscanini has also been in good demand. There has also been appreciation of such grandiose compositions as the Ninth Symphony, especially as played with Weingartner as conductor. The most popular among all symphonies is Schubert's Unfinished Symphony, in the orchestration given under the direction of Henry Wood. Next, Tschaikowsky's Pathetique and Mozart's Jupiter, directed by Furtwangler, are most popular.

From the standpoint of instruments, Mendelssohn's Violin Concerto, as rendered by Szigetti and the London philharmonic Orchestra, are by far in the highest favour. Among the violin soloists, Kreisler and Elman are best favoured. In cello, Casals, Marechal, and Feurman stand above all others. Among the pianoforte masters Gieseking, Cortot and Schunabel command the largest followings. In the field of vocal art, Chaliapin formerly used to be the most popular, although his place is now taken by Dalmonte, Lotte Lehmann, and Ninon Vallin. In the urban area French Chansons are decidedly popular, the common favourites being Boyer, Damia, Gauty, Baker.

Lastly, in the field of light music, salon orchestras, accordion ensembles and Hawaiian guitars are best appreciated. As for jazz, preference is generally for European pieces rather than American. Rumba and Tango also come for their shares

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GRAMOPHONES AND RECORD MUSIC IN JAPAN

of popularity.

The present situation resembles that which existed before the last Great War, with shortage of materials looming as an obstacle to further immediate expansion. To those companies able to weather the emergency, however, it may carry some benefit in that the output being restricted, greater caution will be taken in selection of both artists and music. This is indeed a period of changes but to the phonograph industry of Japan, it is the preliminary step towards new forms of music and higher technical standards.

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Neither the Association nor the editors assume responsibility for matter appearing in the magazine, as is clearly defined by the editorial policy printed on page IX. It runs: The articles in "Contemporary Japan" do not represent any consensus of opinions; nor should the views expressed in them be taken as those of "Contemporary Japan" or the Foreign Affairs Association of Japan. We therefore print here a correspondence from Captain Giorgio Giorgis of the Royal Italian Navy concerning Mr. Masa-atsu Yasuoka's article entitled "Impressions of Pre-war Europe," which was carried in the November, 1939, issue of the magazine, regretting at the same time the fact that some parts of the said article may have created unintentionally impressions unfavourable to Italy and her people.

To the Editor of "Contemporary Japan:"

In the article "Impressions of Pre-war Europe" printed in the November, 1939, issue of *Contemporary Japan*, some opinions are expressed on the internal political situation of Italy and on its leaders, together with a derogatory criticism of the military and civil qualities of the Italian people.

It is not my intention to enter into any argument on the political side of the article, for any reader may put his own valuation on such superficial opinions on Fascism and on the no less idle utterances directed against its leaders.

Concerning the military qualities of the Italian people, the author himself has sent you a letter stating that "sometimes words and phrases, such as unheroic, Italian débâcle, etc. that he did not employ, are used in the translation, while sometimes opinions of others he is citing are given as his own." Therefore we must conclude that such judgements are due partly to errors in translation from the original into English, and partly to impressions hastily gathered.

Notwithstanding this, in order to avoid false impressions, detrimental to the Italian Armed Forces, from being spread through your publication to readers who are unaware of the true facts, I trust you will publish the following recorded facts.

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In the same article mention has been made of the King of Italy. The author himself states that "he had no intention of speaking disrespectfully of His Majesty the King of Italy." As your Japanese readers know the deep respect that every subject has for his sovereign, they will understand and appreciate the reason why I refrain from making any comments here.

"Italian people, particularly unheroic"

It being impossible to measure the bravery of a people, it is better to leave such judgement to the enemy who fought against it.

The war, started on May 24th, 1915, was protracted until September, 1917, on the Isonzo Front, where the Italians with eleven fierce battles conquered inch by inch the way to Trieste. The following is the manner in which the generals of the opposing army spoke of the troops with which they were confronted.

The Austrian General, Krauss, gives this testimony of the fighting spirit of the Italian troops in the first battle of the Isonzo (June, July,

"The troops of the Carso, in the preliminary fighting from the 6th to the 22nd of June had to repel forty-one attacks, and in the sixteen days of the great battle from the 23rd of June to the 1st of July, they had to drive back eighty-six dangerous attacks, many of these attacks were pushed home, after whole units had remained under fire of heavy artillery, behind poor shelters. In frequent engagements from hour to hour, sometimes in counter-attacks by night, it was necessary to drive back the enemy who had penetrated into our lines. This battle will always be of the greatest honour to the troops who took part in it."

And then, on the 3rd battle (October, 1915):

"In the zone of Mount Nero, the splendid Alpine troops operated: the Italian Infantry at Plava, on the Sabotino, on the Carso. The energy with which the Italians advanced is proved by the fact that they attacked opposite a battalion sector seven times, leaving there eight hundred dead. On the Carso, the peak of San Michele passed from one to another and the fight was so bitter that the 3rd Honved regiment lost a thousand men on the 31st of October and the brave troops of the 20th Hungarian Division were so exhausted that they had to be relieved."

And again on the 4th battle (November, 1915):

"In forty-seven days the Italians attacked the Sabotino fifteen times, the Pogdora, forty times, the Oslavia thirty times."

Archduke Joseph, commander of an Austrian army corps, tells in

his memoirs of these battles in the following way:

"And what of the Italians? Already the greatest achievement! Savage and desperate struggles took place between us and them, death alone spoke. The Italians came on to the assault in compact masses and suffered untold losses; they were massacred in masses, but even then they continued to fight on as long as a few men remained standing. And this struggle continued without a pause, scattering death and destruction..."

And further

"I must recognize here the immense work performed by the Italians, who hurling themselves daily against the circle of steel of my heroes, with unheard of scorn of death and undergoing terrible losses, almost got the better of our heroic resistance. What the Italians did will be written in immortal characters in the golden book of History. These two Nations, compelled by Fate, fought with savage desperation a life and death struggle; it would have been better that, being neighbours, they should be friends. Between the Italians and the Hungarians there are few causes of discord."

On November 15th, 1915, the Archduke again writes:

"I must admit that the Italians attacked with incredible determination and Cadorna can well be proud of his men. In front of my lines are real hecatombs of Italians' and Hungarians' corpses, who in heroism have concluded peace and eternal friendship."

On November 29th, 1915:

"With all my heart I must express my wonder at the Italians: such patience and determination in their attacks, and under similar losses, is something I have never seen before."

And on the 6th battle of Isonzo (August, 1916):

"In line with the determination of our defences stands out the determination of the attackers, who without pause and in compact masses delivered an endless number of attacks on certain days. The conduct of the Italians was simply stupendous. Notwithstanding the immense losses and our murderous fire, their troops attacked with always greater élan. Such a thing has never been seen on any other front."

General Pitreich, Chief of the General Staff of Field-Marshal Boroevic, speaks, dealing with the 10th battle (March-June, 1917) of the "fury with which the Italians after the conquest of Gorizia, sought to extend their occupation towards the East."

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And so on:

"With an obstinacy which must be recognized, the Italians continued, on the 24th, 25th and 26th March, their efforts to open by force the road to Trieste. Day and night, especially on the plateau of Carso, the fighting was hand to hand. One cannot help being amazed at the obstinacy with which the enemy sought with ever renewed efforts to conquer their objectives, not only in the Quota Zone of 600 and 52 of Monte Santo, but also in the valley of Vippacco, and also the massed attacks against the solid defences of the plateau of Comen, were, to tell the truth, utterly regardless of human life."

And finally,1 this is the judgement on the military virtues of the

Italian soldier given by Archduke Joseph on August, 1916:

"I sincerely admire the Italians, who in spite of untold losses, attacked repeatedly under our murderous fire with always greater élan. Deberdó is a plain of corpses on which Italians and Magyars have written what is true patriotism and true heroism.

Judging impartially we must point out as worthy of admiration the great courage and dash of the Italians. A courage so marvellous that, even though they are enemies, it must be remembered with the most profound respect."

The Italian people, who well know how many lives and sacrifice these judgements have cost, remind the people who like to criticize from a comfortable seat of the sentence used by the Archduke in his memoirs: "The Italian troops? Take off your hat when speaking of them"

"The traditional weakness of the Italian Army"

In October, 1917, after three years of war, the military situation was as follows:

Towards the east, the Russian front had been brought to final collapse under the hammering of the German and Austrian armies and of the Red Revolution. Towards the west, the German front had established itself on French territory. Only the Italian front, through eleven battles of which we have spoken previously, and the victorious counter-offensive in the Trentino, had advanced deeply into enemy territory, beyond the Isonzo River, at a point only 16 km. from objective: Trieste.

The German and Austrian General Staffs decided that a powerful offensive was necessary to counteract the menace of an imminent Italian victory. Ludendorff writes:

¹ For complete foreign documentation on the Italian War 1915-1918 see the publication of General Adriano Alberti. Testimonianze straniere sulla Guerra Italiana 1915-18.

"On the Isonzo front, at the end of August (1917), the eleventh battle of the Isonzo, commenced on seventy kilometres of ground, ending with the success of the Italians. The Austro-Hungarian army had, it is true, stood firm, but their losses on the Carso had been so heavy and their morale had suffered so much that in competent Austro-Hungarian circles the belief was gradually gaining ground that the Austro-Hungarian armies would not be able to sustain a continuation of the battle nor a twelfth attack on the Isonzo. The Austro-Hungarian army on the Italian front required assistance from German troops."

In fact, German troops had been sent to the Italian front, and the battle began on the 14th of October, 1917. The front that formed an ample curve from the Alps to the sea, was broken in the centre, near a village called Caporetto. The Austrian Bulletin of the 25th of that month says: "The enemy defended itself bravely" and the Ludendorff Bulletin of the same date confirms: "in spite of the ferocity of the defence...". Nevertheless, to avoid encirclement, the Italian command was compelled to retreat to the Piave River, where the front could be straightened. The difficult manoeuvre was rendered more hazardous by the swollen rivers crossed by few bridges and imposed great sacrifices especially on the heavy artillery. The covering troops fought with desperate bravery in the face of overwhelming odds even when occupying hopeless positions. These are the testimonies:

The Austrian Bulletin of the 27th of October, 1917:

"On the plateau of Bansira the Italians defended the ground at close quarters."

The German Bulletin of the same date:

"The German and Austro-Hungarian divisions had advanced, repeatedly breaking through the stubborn resistance of the enemy."

The Austrian Bulletin of the 29th of October 1917:

"Gorizia was recovered after fierce fighting on the roads: later on in the evening Pogdora was occupied. The sectors of Oslavia, Monte Sabotino, and Coroda, were the scene of fierce fighting."

The German Bulletin of the 6th of November, 1917 (Ludendorff):

"The Allied armies of Field Marshal Archduke Eugene with untiring persistency pushed on yesterday as far as the River Livenza. The enemy at all points offered a furious resistance to the crossing of the river. On the mountains also, the Italians offered determined resistance in many places. At the south of Tolmezzo, behind our front, supported by the work on San Simone, a bold Italian group, under the order of the commander of the 36th division, was able to maintain itself for

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several days against the encircling attacks of our Alpine troops and German Jaegers. Only the day before yesterday in the evening the Italian artillery ceased fire; yesterday the enemy, completely cut off, blew up their defence work and their attempts to open a passage failed. After an honourable struggle the enemy, several thousand strong, laid down their arms."

The German Bulletin of the same date:

"The columns of assault by means of an encircling movement cut off the retreat of the enemy which was still defending itself desperately."

Behind these gallant covering troops, the Italian armies retired and formed a strategic front on the Piave. There the Austro-German attacks immediately (November 10th) launched with the rabidness of one who sees victory slipping out of his hands, were all driven back notwithstanding the scarcity of artillery. The Italians alone repelled these attacks: four Anglo-French divisions arrived on the fire line one month later (at the beginning of December) and in localities (Monfenera and Montello) which were not attacked by the enemy.

At the end of this arresting battle, fought by the Italians with epic gallantry, Ludendorff himself was obliged to state:

"I had to persuade myself that our troops were not strong enough to pass through the Venetian Alps that overlook a great part of the Venetian plain and thus break the Italian resistance on the Piave. The battle had reached a deadlock. The greatest determination of commanders and troops, faced with this reality, had to desist from any ulterior attack."

Judging impartially one must then conclude that Caporetto was in reality a military reverse wherein the Italian army displayed the rarest of quality: moral resistance in face of misfortune. This quality stopped at the Piave a much stronger enemy.

We have recalled this unfortunate, but not inglorious, page of the Italian war because it has more than any other been used by the anti-Italian propagandists, who have instead completely forgotten that the fifth English army division was reduced to dust on March, 1918, while, at Chemin des Dames, as related by General Nordacq, Clemenceau's Chief of Cabinet, "entire units, regiments, brigades and even divisions were caught in the storm and the divisions sent to restore the position, were not long in crumbling away and being reduced to dust." As also has been forgotten that a year earlier, in France too, after the offensive of Neville, a wide movement had taken place to break up the French army. And nobody, including the Italians, on account of these facts, has doubted the military virtues of the British and French army.

But unfortunately propaganda has two really powerfull allies: ignorance and superficiality.

"The Italian 'débâcle' in the World War"

As a matter of fact, this malicious propaganda has even tried to destroy the most beautiful gem of Italian glory: the victory.

The Anglo-French vainly tried to obtain on the French Front with the help of Italian troops (an army corps that was praised by Gen. Magin and Gen. Petain), of British Dominion's and Colonial troops and troops of United States of America, the decision of the War. Few people know that the decision was obtained by the Italians, and precisely on the Piave.

On the Piave River, during a whole month, from June 13th until July 13th, 1918, fifty-four Austro-Hungarian divisions fought against fifty Italian divisions, three English and two French divisions. The figures of the losses of belligerents, show in their crudity that this battle was one of the fiercest in history: Austro-Hungarians: 149,042 Italians: 84,614—English: 1,759—French: 488—Total: 235,903.

This battle, as asserted by the leading enemy Chiefs, was decisive for the European War. Ludendorff thus states regarding this battle:

"... The decision which till then has been sought on the Western front, was no longer to be looked for there, but on the Italian front which hitherto had been regarded as of secondary importance. More serious reports of the defeat of the Austrians reached us during the following days. Austria has suffered a defeat which might well be decisive. There could no longer be any question of bringing up Austrian-Hungarians troops to strengthen the German front and it was even doubtful whether they could withstand a determined Italian attack. If Austria, as we had only too good reason to fear, fell, the war was lost. For the first time we had the feeling of defeat. We felt ourselves abandoned. We saw disappear in the mist of the Piave that victory we had been so certain of winning on the french front. With the feeling of death in my heart, I saw our hopes fall like dead leaves."

No less emphatic is the opinion of Hindenburg:

"The calamity to our ally was a disaster for us also. The enemy knew just as well as we did, that Austria-Hungary, in that offensive, had cast her last die, and from that moment the Danubian Monarchy had ceased to be a danger to Italy."

And the final blow to the Central Empires, as the enemy leaders feared, was given, three months later (October, 1918) on the Piave:

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at Vittorio Veneto." On the mountains between the Brenta and the Piave there developed a struggle which lasted four days and which in violence is not inferior to the great battles of the World War, and which became one of the most terrible tragedies in the history of war On every rock, around every cavern, in every gallery, they fought with a fury beyond description..." so wrote Col. Glaise Hordtenau, now Director of the War's archives in Vienna.

Only the three Italian army corps of the Grappa lost on the attack 24,000 men and the enemy infantry—General Horsetsky certifies—lost forty per cent. of their effective forces. The enemy front was broken and the success was developed in such a way as to cut off the retreat to the enemy.

Austria was compelled to ask for an armistice without conditions (November 3rd).

The results of the Italian victory were irreparable for the Central Empires. The German General von Bernhardi declared laconically: "In Italy came the decision." Less laconic but not less eloquent, is the judgement of Ludendorff: "After June of 1918 the feeling that we had lost the war became every day definite and in that bitter state of mind we continued the exhausting struggle on the Italian front, because no General would consent to declare himself beaten, so long as there was a possibility of being in a suitable position to treat for peace. In October of 1918 once again on the Italian front a mortal blow was dealt. At Vittorio Veneto Austria did not lose merely a battle, but the whole war, dragging down Germany also with her in her ruin. Without the disastrous battle of Vittorio Veneto, in conjunction with the armies of the Austro-Hungarian Monarchy, we could have continued a desperate resistant during the whole winter."

Germany, in consequence, asked the Anglo-French some days later (November 11th) for an armistice for the cessation of hostilities.

"Italian people naturally lazy; ... need to gain confidence and courage"

The Italian people did not rest long upon its laurels. After having got rid the country, through a Revolution, of the post-war influences introduced by the Reds, the people, united under the banners of Fascism, marched again towards the future.

Italy never had overflowing gold. Her land, in comparison with the ever-increasing population, is scarce, especially in the south where dry climate prevents the intensification of production. Nature has not

been generous in her bestowal of minerals and oils. Many essential raw materials are lacking completely.

To compensate these natural deficiencies, the Italian people have but one wealth: it's work. With work, Italy has provided a good standard of living for 44 million people, maintains defensive forces, that in proportion to her population, are not inferior to those of any other country. New towns have sprung up, marshes have been reclaimed, the Lybian desert has been irrigated and transformed into fertile soil, highways have been built, Abyssinia was conquered; Spain was helped in its fight for national salvation, Albania was occupied.

In two years and a half only, notwithstanding the European crises, Italy has built in Abyssinia 4,000 kilometres of good roads, has established there 4,007 industrial firms, undertaken 4,785 commercial enterprises, besides shipping there 22,000 trucks, 7,500 cars, enormous quantities of materials, and sending 200,000 nationals as colonists.

As a matter of fact, the Italian people is one of the most sober and labourious in the world. This fact is well known by some Trade Unions, who have, with philanthropic spirit, asked their Governments to stop Italian immigration, whose competition in the work market of their countries, was feared.

But an active people such as the Italians, do not beg for a place in the sun: they earn it. A century ago, history said that Italy was a "geographic expression." In less than one hundred years, Italy, through seven wars, in spite of either hidden or open rivalry of her powerful neighbours, evidently all wishing to mantain the status quo, has reached her present condition. History also notes that she has destroyed in six months a coloured army one million men strong and situated 5000 km. from her shores; furthermore, she has resisted successfully economic sanctions enforced by 52 nations. This remains an example in history to all peoples poor in raw materials, that still waits to be followed.

The Future .

The future will tell where this "lack of confidence and courage" will lead this "lazy people." Perhaps some think that it would be better if the Italian people possessed less "confidence and courage." Many hope so in the present European crisis.

But they are wrong. Italy is not a small, materialistic nation,

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that sits brooding on her accumulated treasure. She is alert, dynamic, anti-birth control, tending towards the future. She has some political and economic problems to solve and something to say in the European new order of tomorrow. She cannot therefore be absent, she cannot be "neutral" and she is not. Italy, with arms ready at hand, is vigilant, and meanwhile, in order not to lose time, works in silence to increase her strength.

Because, after all, until now, relations between nations have been only relations of strength.

December 5, 1939 Tokyo

G. Giorgis

READJUSTMENT OF AMERICAN-JAPANESE RELATIONS

Disposal of the China affair is a focal point in any discussion of Japan's diplomacy at the present time. It is the pivot around which all national affairs are revolving. When Japan first began her struggle against the Chiang Kai-shek régime, Britain, France and the Soviet Union were her diplomatic adversaries. Following on the fall of the Wuhan cities before the advancing Japanese armies, however, a change came over the Far Eastern situation. The period of major battles ended and a policy was thenceforth adopted of concentration on construction enterprises. The war is not yet over, but since the areas of predominant military and economic significance came under Japanese control the Chungking régime's power of resistance has been greatly weakened. Japan has thus been concentrating her attention on the "construction of a new order in East Asia "-which is a kind of post-war readjustment -rather than on military operations. And following on this change in the Far Eastern situation itself a change has occurred in the line-up of Powers opposing Japan. This change is a result of the outbreak of war in Europe; expressed bluntly it consists in the assumption by the abovementioned Powers of minor rôles in the Far Eastern diplomatic drama and the transfer of the major rôle to the United States.

Britain, France and the Soviet Union, because of the European War, are changing over gradually from a positive to a negative policy in East Asia. They are rapidly reducing the extent of their aid to the Chiang régime and seem bent on compromise with Japan. Early establishment of peace in the Far East is to their advantage, for it will enable them to concentrate their attention on the war in Europe; they may therefore feel less reluctant to sacrifice to some extent their interests in the Far East in order to advance the cause of peace between Japan and China. British and French confidence in Mr. Josef Stalin was destroyed when the German-Soviet non-aggression pact was concluded, and it is not hard to imagine that London and Paris would like to see the China affair brought to a rapid conclusion, merely because this would stop the

expansion of Soviet influence in China. As for the Soviet Union, some quarters consider it likely that the Kremlin will adopt a more vigorous policy in the Far East; so far, however, this threat has not materialized. And it may not materialize so long as the European War continues. On the contrary, the Soviet Union may turn its attention to the Balkans or the Near East. The Soviet Union's absorption in its attempt to secure a dominant position in the Baltic and its concern over developments in Central Europe will surely interfere with any plans it may have to strengthen its Far Eastern policy.

It is hardly possible, however, to believe that the Soviet Union will ever really abandon its aid to the Chiang régime or relinquish its efforts to increase its influence in the northwestern part of China. The only assurance that can be made is that it will not adopt a positive policy in the Far East so long as the European War continues.

But while Britain and the Soviet Union are thus retiring into the background, the United States is coming boldly and impressively forward. Its attitude is so pronounced that it has already served notice of abrogation of the Treaty of Commerce and Navigation of 1911, concentrated its fleets in the Pacific, strengthened its forces at Hawaii, the Aleutian Islands, Midway and Wake Islands, and sent submarines to the Philippines. It is not unnatural that Japan should look askance at all this, for the impression is easily gained that the United States thus completed its "wartime setup" against Japan before causing Ambassador Grew to deliver his recent outspoken speech at the welcome reception held in his honour by the America-Japan Society. In some quarters it used to be predicted that were war to break out in Europe, America would be obliged to concentrate her attention on that war and would most likely refrain from activity in the Far East; but to the confusion of such prophets the United States now appears unusually determined to intervene in this part of the world.

It is not known whether there was any previous understanding or not on this matter between the United States and the other two democracies, Britain and France; but in any case it now appears that the former country is committing itself to the rôle of "watchdog" over the rights and interests of the other two in China. America's Far Eastern policy, as a matter of fact, has come to assume such importance in connection with the disposal of the China affair that readjustment of American-Japanese relations is now a matter of cardinal interest to Japan. Is a readjustment of relations possible at the present time? Intrinsically there exists no problem between the two countries which cannot be

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solved. As Mr. Yakichiro Suma, director of the Information Bureau of the Foreign Office, declared, "readjustment of their relations will benefit both countries and the present is the best time to attempt it. The problems arising now are such as can be solved by direct negotiations."

To judge from Ambassador Grew's speech the problems at present confronting Japan and the United States, can be summed up in three main points. First, American rights and interests in China are unduly oppressed and American nationals in that country are unnecessarily molested. Secondly, Japan has violated the principle of the Open Door and Equal Opportunity, which is the mainstay of America's policy in the Far East, and has established control over a vast extent of territory in China with the intention of organizing a system of closed economy solely in its own interests. Thirdly, Japan's actions in China are an infringement of the provisions of the Nine-Power Pact, an international commitment to which both America and Japan are parties.

The first problem is the least important of the three. Respect for the rights and interests of third countries has been part of Japan's invariable policy since the beginning of the present affair and every possible precaution has naturally been taken to avoid infringement of such rights and interests. Large-scale warfare is, however, being waged in China and some trouble with third Powers is inevitable. Japan has hoped that the United States would recognize the existence of a state of hostilities in China and admit that the rights and interests as well as the lives of Americans in that country were exposed to some risk, just as they now are in Europe. Unfortunately, even in cases where the infringement of rights and interests is not very serious, much public indignation is liable to be stirred up when the report is circulated at home. The difference between Japanese and foreign customs and manners moreover often complicates matters. The Japanese military authorities in China must take every possible precaution against the occurrence of undesirable incidents in the future.

On the second point frequent declarations have been made by the Japanese Government. Owing to the fact that Americans have not been able to understand fully the meaning of the term "a new order in East Asia," trouble has inevitably arisen over the principle of the Open Door and Equal Opportunity. If Japan were really closing China's doors against other countries it would be an entirely different matter; but Japan, on the contrary, has repeated on several occasions her willingness to co-operate with any third countries which desire her to do so.

We wonder why there should be any cavilling at this pledge on the part of Japan. The question of navigation on the Yangtze River is certainly an urgent one, but this gives promise of being solved if opening of the river to shipping is carried out gradually. The point, in short, lies in the interpretation given the phrase "a new order in East Asia," a matter which will be referred to again later.

It is no use to dwell at any length on the third question. The United States gave Japan notice of abrogation of the Treaty of Commerce and Navigation for the reason that it would have to be revised so as to conform to a changed situation; that country should therefore realize more fully than it does that the Nine-Power Pact is no longer practicable in view of the new situation in process of creation in the Far East. If America persists in its contention that the pact must be upheld, it would be better for it to consider a renewal on the basis of a new situation. The tragedies brought on in Europe by the attempt to apply in toto the provisions of the Versailles Treaty are only too well known. Should America, then, desire to see the pact concluded anew in a changed atmosphere, Japan would do well to support the move.

There is nothing between the two countries that could not be settled by frank negotiation. The United States makes a point of declaring that the principle of the Open Door and Equal Opportunity is at the basis of its traditional Far Eastern policy, but in reality its investments in the Far East are only \$750,000,000, or roughly 5 per cent. of its aggregate overseas investments. Americans spend more in a single year for chewing gum than the \$750,000,000 which is the total amount they have invested in the Far East over a period of several decades; they also pay out much more than \$750,000,000 every year as football and other sporting admission fees. Moreover, this \$750,000,-000 does not represent the value of American investments in China alone, but includes the value of those in Japan, the Philippines, the South Seas, and all other parts of the Orient. The net worth of American investments in China is \$200,000,000, or less than the \$225,000,000 invested in Japan. These investments in China are incomparably smaller in amount than those of Great Britain. The fact, however, that the United States has a far smaller amount invested in China than Britain means that it can follow a much freer and less constrained policy in the Far East. Britain may well be concerned over the protection of its enormous investments, but the United States is in quite a different position. Japan must not forget this fact. What we wish to point out is that United States Far Eastern policy is not affected so much by

monetary considerations as by the American conception of justice and humanity. Japan, therefore, in seeking to readjust relations with America, must make its own stand on the basis of the Japanese conception of justice and humanity.

America is a country where public opinion carries great weight, and where the effects of mob psychology must be taken into account. One satirical European critic has said that the terms "democrazy" and "mobocracy" should be used instead of democracy in describing that country. That may or may not be true, but if it is true then Japan should map out her plan for readjustment of relations accordingly. Many Japanese are not familiar with conditions in America and are apt to make light of the force of public opinion in that country. It is necessary for the Japanese people to realize that no American administration, however powerful, can carry our a policy opposed by public opinion.

As far as real economy is concerned there is virtually nothing in the way of the betterment of relations between the two countries. Each, in fact, is a good customer of the other. Since before the outbreak of the China affair Japan has been selling goods worth more than ¥500,000,000 to America and buying from that country goods worth more than ¥800,000,000. America is at one and the same time Japan's most important customer and supplier; thus 36.2 per cent. of the total value of Japan's exports used to go to America, while 32.2 per cent. of Japan's imports came from that country. Since the outbreak of the China affair these ratios have changed, because Japanese exports to Manchoukuo have increased. Thus only 15.9 per cent. of Japan's exports now go to America, but on the other hand the proportion of imports to Japan from America has risen to 34.3 per cent. of the total. This increase in imports from America, in spite of the severe restrictions imposed since the outbreak of the China affair, is due to the fact that Japan is concentrating on America as a source of supply for munitions, war supplies, materials for expansion of productivity and raw cotton, which is, in a sense, a kind of wartime material because it is made up chiefly into cotton cloth which is then exported to obtain foreign currencies.

Examining this question from the American angle, we find that Japan is America's third biggest customer, coming next to England and Canada, while in point of view of purchases America buys more only from Canada. Many Americans are still dreaming of the "huge China market," making calculations which look marvellous on paper

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but are unrealizable in practice. They forget that China is buying from America less than one-tenth of what Japan is now buying. America's exports to Japan, in fact, are larger than those to South America and China combined. The importance of Japan in the American economic scheme is quite considerable, though of course not so great as the importance of America in Japan's economy.

Japan's unshakeable policy was proclaimed by Prince Konoye. Needless to say, the readjustment of American-Japanese relations should be negotiated on the basis of this proclamation. Unfortunately, however, the term "construction of a new order in East Asia" is too abstract and is not understood at all by Americans. The expression of an important national policy in such an abstract manner is liable to lead to unnecessary misunderstanding and encourage all kinds of conjecture. Smooth international relations are impossible if one country alone merely assumes that its own interpretation of justice and humanity is the correct one; it must convince the other country by its actions that this is really so. In this sense I believe it would be wise for Japan to make an effort to let Americans understand the real meaning of "construction of a new order in East Asia."

What the United States would like to know is how far China's doors will be opened under the new order, what economic opportunities will be made available to the Powers, to what extent Japan will exercise control over any new central régime in China, what will be Japan's attitude to the Powers' stationing of their troops in China, what Japan is thinking about the foreign concessions and the like. The American character is such that if these points are made clear, America may understand the situation much better than Japan expects her to. Japan should go ahead, pursuing the course she believes to be the right one; she need not change her policy, nor assume an attitude of flattery toward other countries. But if Japan really wishes to readjust her relations with the United States, it is absolutely essential that she convince that country as to the justice of her intentions. And I believe that a concrete expression of the Konoye proclamation is the first essential in this connection.

-Ken Sawada (The Konnichi no Mondai, December, 1939)

BUSHIDO AND JAPANESE WOMANHOOD

In all phases of their life, the Japanese people seek not only a synthesis of intellect and morality as their ideal but also attach importance to sentiment. In other words, a blending of intellect, virtue

and aesthetic sentiment is set up as the form of idealism characteristic of their racial life. One may ask, however, whether this interpretation will be adequate to account for the development of the distinct and forceful traits with which they have pursued their national career on the international stage—a career of vigour and progress. This article is devoted to answering this question.

When, in its inner life, the Japanese mind stresses its outstanding idealism, there always is a distinct attitude to be noted. It is less given to emphasizing the importance of instinctive force, the force innate and primary in man which makes for life and development. Instead, there is a stronger effort to adjust this force to moral phases of life. This attitude of mind has been traditional since antiquity. But this does not mean that the Japanese people have ever divested themselves of the instinctive force as individuals or as a nation. That is to say, the Japanese always have shown the capacity to control their instinctive force, regulate its impulsive moves and balance the mental delicacy to refine and sublimate it. However, they have not on that account lost or reduced their power of life. They always have recognized this force and have tried to find how it may be turned and directed to the best planes of human activity.

The characteristics of this traditional attitude of mind are apparent in the conception of Bushido, or the way of the warrior. It commonly is said that this conception known as Bushido originated in the middle ages, when the warrior class rose to power, and was completed in the Tokugawa period. It probably is true that the conception of Bushido itself assumed its form in the middle ages, but the idea and its expression in the conduct of life that constitutes the cardinal element of Bushido's spirit did not date from the period of the warrior régime, for it was seen clearly even in the history of remote antiquity.

For example, Prince Yamato Takeru was regarded as a paragon of Bushido, the essence of native idealism, but this was somewhat different from the Bushido of the feudal period, which was a relationship between suzerain and vassal. The Prince was worshipped as a peerless type of the warrior tradition of the country not only because he represented the highest order of courage, valour and military leadership but because he typified that refined order of the mind and body which represented the heights of racial ideals. Bushido, later in the feudal ages, like the knighthood of Europe, was reduced to a relationship between overlords and retainers. But Bushido must be distinguished because of its distinct characteristic of orderly adjustment

and refinement of mind and body as compared with the warrior life of courage and valour. This fundamental spirit underlying the national attitude of mind, as seen in Prince Yamato Takeru, has come down from antiquity.

Bushido, as it developed through the régime of military power, represented a development of morality under the influence, first, of the Zen sect, a branch of the Dhyana School of Buddhism, and then of the teachings of the moral school of Chu Tzu, which sprang from Confucianism and was brought across the sea by Buddhist monks who had gone to China to study the Zen faith. But the primary spirit of Bushido was purely of native origin and almost as old as the history of the Japanese race itself. Bushido took the colouring of Buddhism and Confucianism only to give finishing touches to its outward form. What Bushido stressed most of all were what were called rites and music in Confucianism. However, there was a clear distinction between the two schools of thought. Whereas the rites and music as taught by Confucianism involved highly intricate theories that were intelligible only to scholarly minds, Bushido, instead of seeking higher planes of philosophic thought or doctrine, developed as an attitude of mind and as forms of conduct in everyday life and even in emergencies—ideas within easy reach of soldier minds, which generally were trained for arms rather than for letters. Expressed in letters or presented in the form of theories, Bushido was less impressive than the corresponding ideals of China, but translated into mental attitudes and actual actions of soldiers, it rose to heights never seen in China. In this respect, Bushido stands above the extraneous conditions under which it developed, a distinctive trait of the Japanese race.

This characteristic feature of Bushido, for example, may be seen in the fact that its principle of soldierly training stresses two elements, shitsuké and yohgi, both of which correspond to the li, or rites of the school of Confucius. These two elements are regarded as being so important that when a school for training warriors was established in the Tokugawa period they formed one of the courses for younger students. Shitsuké, a Japanese term, is formed by a combination of the word "body" and the word "fairness," signifying the fairness of the body. That this idea was held so important shows a distinct side to the moral conception represented by Bushido. Saho, or the rules of manners, today are taught at all schools for girls as an important phase of training for womanhood. This was known in the past as "rites" when applied to the training of women and as shitsuké or yohgi when

applied to the training of warriors. These terms have a deep meaning in that they refer not only to outward forms but also the form of the mind. It is held that this form of the mind should find its expression in the outward form of the samurai and in his address and deportment.

The idea itself is by no means peculiar to Japan or to the East. The chivalry of Europe involved similar ideas. It should be noted, however, that the fairness of body and mind as conceived and taught by Bushido was something quite different in conception and expression from anything found in China, India or the West.

Whereas the knighthood as generally conceived by the people of the West as well as of the East was the cultural expression of the instinctive impulses of human nature in intensified and elaborate forms, the fairness of body and mind as idealized during the military feudalism of Japan restrained instinctive impulses, avoided their shocks by refinement of emotions and sought the presentation of sentiment in its truest form, shunning intricacy for simplicity, and impurities for purity. This is seen in the refinement of sentiment understood by the native words of miyabi and awaré, the refined sensibility which discountenances pompous display, gorgeous effects, elaborate design and imposing dimensions. It is true that the sentiment predominant through the ages of military rule was something foreign to the traditional conception of the people, its pomp and exuberance reaching a peak in the cultural attainments of the Momoyama period. But even the cultural achievements of those ages, with all this brilliance of colour, were much simpler and plainer as compared with those of China or of European countries. It is seen, therefore, that the shitsuké of Bushido aimed at restraint of emotional impulses by discarding exaggeration and seeking the beauty and simplicity of nature.

Leaving the notion of rites, we find next that music was representative of one of the phases to which the Japanese since early times have attached much importance. This idealism of music dates from the introduction of court music from China in ancient times. Whereas this form of music has passed away in its home country, it has been preserved on this side of the water.

An example will show how this form of cultural accomplishment in this country has been found more attractive in practice than in theory. The warriors always regarded music as part of their professional culture, a custom traceable to the traits of the people. For the Japanese, either of high or low station, always have been familiar

with some forms of music, and in this they are comparable with civilized people anywhere in the world. The samurai, especially, as seen in the Noh and Kabuki plays, were well accomplished in the art, as a rule, and often arranged for the performance of dances on festive and other occasions for the entertainment of guests.

It can be seen, therefore, that Bushido attached importance to the bodily form and mind of the samurai as a true expression of their honoured profession, the way of the warrior and the art of war (It was called a fine art in those days). One of the cardinal principles impressed upon the warrior was that in wielding his rapier, in holding his spear and in bending his bow he should never lose sight of the fairness of form and of mind. This principle was emphasized in everyday training not as an end in itself but as a means to the end of expression of morality and personal conduct on the field of battle.

By the same principle, all conduct contrary to this rule on the battlefield was condemned as unfair or as unseemly. These terms prove that morality and physical fairness are one and the same thing in the Japanese mind. This attitude of mind was of particular importance in Bushido. As seen on the Kabuki stage, scenes depicting samurai life almost always are given picturesque settings. The artistic effects, although sometimes intensified for dramatic purposes, generally were realistic presentations, free from artificial designs or exaggeration. This may be seen by comparison with the scenes in which plebeian life is presented. There the backgrounds, as realistic and artistic effects, are sought principally for the art with which the play is developed, and the characters are made alive. Realism is followed in the presentation of life in one section of society as that of the other. The artistic side of samurai life practically was as true in life as now seen on the stage.

One may now ask where these characteristics of Bushido came from. For the answer he should be referred to one particular point which those who have taught Bushido or studied it seem to have overlooked, namely, that these characteristics of Japanese knighthood were fostered and developed under the strong influence of Japanese women. It commonly is said that the Japanese civilization of the Heian period, civilization in its fullest and purest form of development was characterized by femininity. And this cannot be denied. This is because Japanese womanhood, since the dawn of Japan's history, has played an important rôle in the development of the national mind.

History shows that when the people of this country had no letters of their own, education was carried on by word of mouth in a language now known as the Yamato. Through this medium education was conducted chiefly by women. The cultural attainments of those remote times were in the form of numerous romances, which told of the history of racial development and showed characteristic elements of the race from its earliest time to the achievement of racial unification. It was the rule of the cultural life of those days to tell of those romantic tales in the dialect used in the Yamato district, which was the centre of female civilization at the time.

It was for this reason that the people of those early times had their literature presented in the one language which was common to all sections of society, as shown in the case of the *Mannyoshu*, the oldest anthology in Japanese literature. As a matter of fact, the *naganta*, poems of many stanzas, and the *tanka*, poems of brief lines, both of which represented the forms of literature prevalent in the towns where the seat of Imperial rule was placed, were but later and more advanced forms of ancient poetry and common among all classes of people in early days. This means that the central culture of ancient Japan was based on the cultural activity that had been national in the sense that it was common to all sections of social life.

Among the musical dances performed at the Imperial Court there are people's verses, which bring in songs sung in certain local communities or dances performed by inhabitants of other towns. This was not because the upper class of ancient times took a fancy to these songs and dances of the commoners but because of the traditional background against which they were developed. Similarly, because of the same traditional background, some of the songs and tunes popular among the middle class today are based on local songs and folk music of one part of the country or another.

Furthermore, the life and soul of Japanese culture, since the earliest days, has been in the care of women. For this reason, women were the ones who gained command of the kana letters when these phonetic symbols were devised and who employed them for free expression of the Japanese mind in its true native language. Because men continued to depend on the Chinese characters as a vehicle for their expresson and indulged in poetical and other literary compositions of foreign style, they failed to be exponents of the national mind. This consequently resulted in women writers giving birth to the literature of the race in its true and pure form.

In these circumstances, the form of Japanese civilization that was developed in the Heian period for the first time in Japanese history came to assume a character which was branded as effeminate. For the same reason the civilization of the Heian period was marked with forms akin to those of Greek culture and even with a higher order of delicacy and refinement, a distinct type of culture that has won its own niche in the history of world civilization. On the other hand, this age, developed under such conditions of social and cultural life, necessarily had great defects of its own. These were seen in the form of the decadent literature of the Fujiwara period. A change likewise was seen in internal politics. The régime of the court nobility fell and the rule of military power rose in its place as the age of weakness was replaced by one of force.

In China as well as in European countries, political changes of this type generally were brought about through extraneous circumstances, invasions of foreign barbarism and its subjugation of the effete native culture. Thus countries rose and later weakened under the enervating influence of culture until their people were replaced by barbaric invaders who had more vigour. In the case of Japan, however, the decadent régime of the Fujiwaras was overthrown not by a foreign invader but by another section of the Japanese race that had risen to power. The peculiar conditions under which this great internal change took place made the middle ages in Japanese history unique, something without parallel in the corresponding periods of other countries. Here there was no period wrapped in the darkness of barbarism. The beacon of cultural life, undisturbed and unquenched, was handed from generation to generation as it burned on its pedestal in the centre of What is more, it was in this period that new forms of learning were absorbed from China and an impetus was given to new forms of art in this country.

The middle ages of Japan had a distinct feature of their own in the form of Bushido. Since the characteristics of Bushido as indicated above were developed when the country, under military rule, strove to simulate the cultural life of the Heian period that had just passed away, Bushido from its very inception came basically under the influence of Japanese womanhood. It was not without reason that the men of those and later ages, even while pursuing the way of arms, studied the art of poetical composition and sought pleasure in romantic literature. In matters of apparel and appearance, harking back to the times of court nobility, they tried to express their bodily

forms in terms of miyabi refinement, and awaré sentiment, as scholars

of Japanese history can show. It would be wrong, however, to say that our warriors became effete or less valiant on this account. As already stated, the warriors as individuals and their reign itself became refined through attentiveness to these elements of cultural life, but their influence was far from enervating. Even during the period of civil wars, when truculence perhaps was apt to be overemphasized, the warriors were disgraced unless they were well initiated in the art of tea ceremony, an art in which the spirit of reserve and modesty is stressed above all others. warriors of these ages were matchless in courage and valour throughout the history of the country. Perhaps the most formidable among them was Kiyomasa Kato. He was above all a good soldier, but at the same time he possessed the most refined sensibilities, a supreme capacity for combining moral sublimation and aesthetic appreciation. Born and bred in the time when wars were almost incessant and men had to be proficient in the art of war, he nevertheless not only was well learned in letters and well trained in moral philosophy but he even was a well accomplished artist. It was he who created the feudal castle of Nagoya that to this day remains as a monument of the architectural art of the

The development of Bushido under the influence of native womanhood is not unlike the knighthood of Europe, which also came under the influence of womanhood. But the virtue of womanhood in the case of Bushido found its expression in different forms. Furthermore, Bushido, unlike the knighthood of Europe, never adopted the outward form of worship of womanhood. The moral life of womanhood as expressed in its form and mind was taken as a means of regulating the instinctive impulses of male life. Bushido, therefore, found no reason for the adoration of woman or the worship of woman as expressed in a social institution. Bushido found in womanhood virtuous beauty with which the soul of the warrior should be blended and fused in sublimation.

-Nyozekan Hasegawa (The Shin Joyen, December, 1939)

A TURNING POINT IN JAPAN'S ECONOMY

In the early aftermath of consternation, a section of the Japanese public was justified in thinking that abrogation of the Japanese-American Treaty of Commerce and Navigation, signed in 1911, amounted

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to nothing more than another domestic gesture by the Roosevelt Administration. Some received the news light-heartedly enough to characterize it as a political manœuvre and a popularity stunt.

For one thing, it was contended that America would stand to lose far more than Japan if the step were permitted to take legal effect at the end of the period of notification. Last year, for example, Japanese exports to the United States, mainly raw silk, totalled \(\frac{425}{,000},000\) against imports from the United States of \(\frac{4915}{,000},000\), leaving a balance of nearly \(\frac{45}{500},000,000\) in favour of the United States. Japan took 30 per cent. of America's cotton exports, 38 per cent. of iron and steel and a similarly substantial proportion of machinery and petroleum products. Such figures were considered ample to warrant the prediction that Washington itself would not suffer a treaty-less situation to come about between the two countries.

Now Japanese opinion has progressed to a point where it no longer can hold to this optimistic view. There has been a sharp awakening to reality on this side of the Pacific, most of all, to the fact that the move occurred as a sequel to Britain's concessions, slight though they were, made at the Anglo-Japanese parleys in Tokyo last summer. Japanese now realize that Washington meant precisely what was implied by the abrogation notice: that, treaty or no treaty in the future, America is determined to salvage the nine-Power structure, which Japan has declared obsolete, and with it the millions of invested capital the United States holds at stake in China.

To make matters worse for Japan, the European War started less than a month after Uncle Sam's diplomatic, but nonetheless exceedingly businesslike, brandishment of his clenched fist.

Hitherto Japan had been purchasing the bulk of her metal ore, machinery and other essential materials for "Asiatic development" from European sources. These suppliers automatically bolted their doors to neutral customers when the war broke out. Consequently almost overnight Japan found herself confronted with infinitely greater economic and commercial dependence upon the United States. The Government soon found it necessary to scrap the old connection between the yen and sterling, and to substitute it with a newly forged link with the American dollar. Simultaneously the Japanese-U. S. trade balance was deprived of a great deal of its former significance as a diplomatic weapon. At present Japanese cotton purchases in the United States are expected to continue heavy, but her purchases in other fields are likely to be overshadowed by a rush of wartime orders for steel,

iron, petroleum products and the like from European countries.

Responsible Japanese, as already mentioned, realize their disadvantageous position and have been reiterating the need of readjusting Japanese-American relations in order to pave the way for a new agreement. But no concrete suggestions have been proposed yet. All that is being said is that Japan should undertake to respect American rights in China and to furnish concessions after giving prior consideration to all of Japan's avowed objectives on the Continent. Such abstractions have been repeated for years and, although undoubtedly tendered in a spirit of sincerity and goodwill, have never really served to furnish ground for a practical compromise. Nor is it conceivable that the United States will agree to lend Japan a helping hand for the sole aim of developing Asia into a self-contained economic unit eliminating the present deficiencies of the Japanese Empire; in which case America, in the long run, would be undoing whatever basis there exists for Japanese-American trade.

Let us briefly examine the immediate results that would occur if the United States Government were to allow the 1911 treaty to lapse altogether at the end of January. These may be listed in three items: (1) the loss of rights to Japanese businessmen and concerns in the United States, (2) the imposition of a 10 per cent. discriminatory tariff on all goods discharged from Japanese vessels, and (3) an embargo on exports to Japan, including iron, copper and petroleum products, as provided by the Pittman measure.

There is reason to believe that the Administration would never let the first step materialize. For, if it did, Japan could immediately retaliate with similar measures, only on a much wider scale, against American business interests, not only in Japan proper, but in the whole continental territory under Japanese control. The 10 per cent. tax would not prove a telling blow even if adopted. Japanese exports to the United States consisting principally of raw silk and this commodity being practically immune from foreign competition, a higher selling price to some extent in the United States would not cause serious repercussions here.

On the other hand, if the third course were taken—and there is at present no assurance to the contrary—a far graver situation would arise. This, in all probability, would compel Japan to undertake a complete reorientation of her economic and industrial system and to replace it as rapidly as she could with a closely co-ordinated economy embracing Japan, Manchoukuo and China as a single unit.

Speaking strictly, a wrong impression is liable to be imparted by mentioning this replacement as something in the nature of an expedient national programme to be held in readiness until the threatened crisis occurs. Actually the reconstruction has been in effect ever since Japan felt the need of simultaneously waging war in China, strengthening her international defences and perpetuating her goal of introducing a new order in East Asia. Only the process thus far has failed to register any spectacular progress due to several adverse reasons. Haphazard planning at the outset was one of them; more recently, the snapping of economic ties between Japan and Germany proved to be another. Not the least has been the sheer vastness of the whole undertaking.

Yet if such an emergency as that mentioned should arise as a result of the United States precipitating the laws of embargo against Japan, this country would have no other plan with which to cope with the situation. The task in hand would cease to be one of economic experimentation, but a vital struggle on the success or failure of which would depend the very existence and destiny of the Japanese nation. Every ounce of the country's energy would have to be poured into the task and no sacrifice, whether individual or collective, would be too dear in order to guarantee its eventual achievement. Japan would be fighting squarely with her back to the wall. She would have to succeed in providing herself with a new source of motive power to keep her economy functioning or else face the alternative and, in the economic sense at least, admit the bankruptcy of her programme in China

-Shinsaku Shimada (The Tairiku, December, 1939)

THE KUOMINTANG VS. THE COMMUNIST PARTY

Following on the outbreak of the European War, the Soviet Union has reorientated its Far Eastern policy, as evidenced by its efforts to effect a *rapprochement* with Japan on the one hand and on the other to bring further pressure to bear upon the Chungking Government.

The Soviet Union used to seize every available opportunity to check Japan's advance on the continent by engaging in armed clashes on the border between Manchoukuo and the Soviet Union or Outer Mongolia. The Nomonhan truce agreement, however, marked the end of this Soviet policy. The intention of the Soviet Union is now to take advantage of the war between Germany and the Allies in order to strengthen its position in Europe. It has already partitioned Poland

with Germany, brought pressure to bear upon the Baltic States and undertaken various operations in the Balkans. The European question is far more vital to the Soviet Union than the Far Eastern issue; hence its desire to avoid meeting Japan in border clashes which are always potential precursors to a full-dress war.

One must not jump to the conclusion, however, that the European War has induced the Soviet Union to suspend all its activities in the Far East. Quite the contrary; for the Soviet Union, while out to reap a maximum of gains in Europe, is still active in the Far East but under a new guise.

The Soviet Union, in reorientating its Far Eastern policy, has taken into account the following considerations, namely: (1) the European War, (2) the marked weakening of the Chungking régime, (3) the decline in Anglo-French influence behind Chungking as a result of the European War, and (4) the steady progress of the Wang Chingwei movement for reconstruction of China and Japan's determination to give this movement its unstinted support, as demonstrated by the establishment of general headquarters for the Japanese expeditionary forces in China. While pursuing a policy of appeasement toward Japan so far as armed clashes are concerned, the Soviet Union has started, out of the reach of Japan, a vigorous advance in the hinterland of China.

The Soviet Union has long had troops stationed in Sinkiang Province (Chinese Turkestan) and officers in the Chinese Communist Army; and of late there has been a remarkable recrudescence of Soviet activities in this field. The Hankow correspondent of the *Nichi Nichi* reported on October 22, 1939, that a number of Soviet officers and soldiers were, in accordance with a Moscow decision, being newly assigned as volunteers in the Chinese Communist Army and Red guerilla forces, and this story was corroborated in later reports from Hankow, Nanking, Shanghai and Hongkong.

There is no denying the fact that this new Soviet move will act as a powerful stimulus to the Chinese Communist Party, which has been exercising strict vigilance over the anti-Communist and peace factions in Chungking and has carefully kept in mind its clash with the Kuomintang in 1927. The Chinese Communist Party has now thrown off its mask and is voicing openly its grievances against the Kuomintang. Its leader, Mao Tze-tung, is quoted by the Daily Herald in its issue of October 22, 1939, as declaring in an interview with that paper's correspondent, Edgar Snow, that the Chinese Communist Party has never surrendered to the Kuomintang and means to continue its resistance

against Japan by forging closer connections with the Soviet Union. Mao Tze-tung further states that his party absolutely refuses to be controlled by the Kuomintang; that it means to pursue its own course with the ultimate object of bringing about a social revolution; and that the territory under the control of the Communist Army is entirely independent of the Chungking Government.

This interview not only sheds light on the present state of Kuomintang-Communist relations, but is also eloquent proof of the fact that the Communist Party has abandoned the waiting policy it has been pursuing since the outbreak of the China affair, in the belief that the longer the hostilities dragged on the weaker the Chungking Government would become, with the result that China would ultimately fall into Communist hands.

The Chinese Communist Party in fact, backed by the Soviet Union, is now turning its back on the Kuomintang in Northwestern China, which is being rapidly converted to Communism. Incidentally, it is reported in a press message from Peking that the Communist Party is transferring its headquarters from Yen-an in Northern Shensi Province to Paoki in the western part of the same province. It would be unwise to place too much credence in this solitary report, but what is at least certain is that the Chinese Communists now mean to secure sole control of Northwestern China by removing their base of operations as near the centre of that region as possible.

In the face of all this Communist activity, however, the Kuomintang has not been idle. A Domei report dated Hongkong, November 2, 1939, has it that a nation-wide drive is under way to strengthen the Kuomintang fabric against a possible serious aggravation of Kuomintang-Communist relations. Senior rightist members of the Kuomintang, including Tai Tien-chiu, Chen Kuo-fu and Chou Chia-hwa have started organizing nationalist party members under such slogans as "Strengthen the foundation of the Kuomintang" and "Exalt the true Three People's Principles." And at the same time the central head-quarters of the Kuomintang have instructed the provincial and city organs of the party to control strictly all such propaganda, activities and agitation not in conformity with the Three People's Principles.

With regard to the situation in Northwestern China, the Peking message adds that the central headquarters of the Kuomintang have strengthened the party organization in the two provinces of Shensi and Kansu, by mobilizing the Kuomintang members there and also the members of the Young Men's Three People's Principles Association.

Moreover, Ho Chung-han, leader of the Blue Shirts Society, has proceeded to Lanchow, the capital of Kansu Province, to superintend personally the activities of the Kuomintang members there and at the same time keep an eye on the activities of the Communist Party.

A general survey of the situation reveals, however, that the Soviet drive is extremely vigorous, whereas the Kuomintang attitude is rather of a negative character. For, while the Kuomintang has taken steps to counteract Communist activities, it has neither the determination nor the power to sever connections with the Soviet Union and the Chinese Communist Party, toward both of which it has in fact adopted a policy of appeasement, at the same time appealing to the United States for intervention in the Sino-Japanese conflict.

In asking the United States to exert its good offices in order to bring about peace between Japan and China, the Kuomintang was apparently actuated by the desire to check the Soviet Union and the Chinese Communist Party and also shake Japan's determination to uphold the movement for establishment of a new central government headed by Wang Ching-wei. The United States, however, has shown no readiness to mediate between Japan and China; while Japan, for her part, has remained adamant in her determination to support the Wang Ching-wei movement. The only effect of the Kuomintang's peace gesture, therefore, has been to reveal its own heightened difficulties.

The Chungking Government has also failed to all intents and purposes in its policy of appeasement toward the Soviet Union and the Chinese Communist Party. Apparently dissatisfied with the activities of Sun Fo, pro-Soviet leader in the Chungking Government, Chiang Kai-shek sent General Ho Yao-tsu, one of his braintrust, to Moscow. General Ho Yao-tsu, assisted by General Yang Chieh, has been active for some time in Moscow, but so far has apparently not been successful in his appeasement mission.

Meanwhile, Viacheslav Molotov, Soviet Premier and Commissar for Foreign Affairs, speaking before the Supreme Council on October 31, 1939, announced the Soviet Union's readiness to readjust relations with Japan. This announcement, obviously intended as a feeler to sound out the Japanese attitude, certainly does not intimate any intention on the part of the Soviet Government to suspend assistance to the Chungking Government; it must nevertheless have been very unwelcome to the latter which has been counting both on the Soviet's assisting it directly and checking the activities of Japan.

In short, it may be seen that the Chungking Government is now at

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the beck and call of the Soviet Union and the Chinese Communist Party. Chiang Kai-shek is not in a position to break with either although he is harassed by the Soviet demands and hampered by the critical state of Kuomintang-Communist relations; he has in fact been compelled to emphasize the necessity of strengthening the Kuomintang's ties with the Communist Party. This provides a significant hint as to the probable future tactics of the Chungking Government.

But in this connection it must be observed that there is a limit beyond which the Soviet Union cannot advance in China. The Soviet Union, by its action in concluding a non-aggression pact with Germany and marching into Poland, has placed itself in opposition to the Anglo-French camp; and it is now attempting to strengthen its position in Eastern, Northern and Southeastern Europe to the disadvantage of both Germany and the Anglo-French bloc. This accounts for the delicate situation developing between Britain and France on the one hand and the Soviet Union on the other, not only in Europe but also in the Far East.

Should the Soviet Union therefore start a bold drive in China it is easy to imagine that Britain and France would seek a rapprochement with anti-Comintern Japan since they themselves are fully occupied in the West. In other words one could envisage an anti-Comintern combination among Japan, Great Britain, France and the United States. The Soviet Union is just as afraid of an Anglo-Japanese rapprochement which might lead to a joint alignment of the four Powers just mentioned. as it was of any strenthening of the original anti-Comintern pact.

But it will nevertheless become increasingly aggressive in China so long as it makes light not only of Japan, but also of Great Britain and France, and so long as it attaches undue importance to the difficulties in the way of a combination among Japan, Great Britain, France and the United States. Everything depends on the future Soviet attitude in this regard, but not even the boldest of prophets would at the present juncture venture any predictions as to what this attitude is likely to be.

-Kanayé Tanaka (The Kaizo, December, 1939)

WAR AND CRIME

A decrease in crime, a decline in suicides, and a scarcity of domestic help have followed in the wake of the China affair. Regarding the decrease in the number of suicides, the Asahi Shimbun in its issue of May 12, 1939, reports that there were 2,681 suicides in 1936, but the

number fell to 2,376 in 1937, the year in which hostilities with China broke out. A further drop was recorded in 1938 when only 1,884 cases were registered. The first quarter of 1939 witnessed a further decline, when, from January to March, there were only 379 suicides of which 240 were males and 139 females. Various explanations have been advanced for this phenomenon which is apparently not peculiar to this country. A similar decline in cases of self-destruction was noted among the belligerent Powers during the early stages of the World War. In 1913 there were 10,339 suicides in France, but the number dropped to 8,386 in 1914, to 6,652 in 1915, and again to 6,363 in 1916 and 5,982 in 1917.

A scarcity of domestic help was also experienced among the European countries during the World War, for, as a German authority on criminology has pointed out, male and female servants are invariably drawn to the higher-paying munition industries during wartime. Of these wartime phenomena, the number of suicides kept declining until the end of hostilities, but soon increased again to pre-war levels after the restoration of peace. During the early stages of war, crime also decreased, but this tendency did not last long. On the contrary, a crime wave soon swept over not only the belligerent countries but the neutrals as well, while a large number of prostitutes and cases of female delinquency sprang up among the female workers who had been absorbed and later discharged from the munition industries.

As statistics show, crime usually declines during wartime. During the Austro-German War of 1866, there was a remarkable decrease of crime in Prussia, contrary to the general expectation, for in that year Prussia had suffered from crop failures, industrial depression, and a cholera epidemic. The same decrease was noted during the Franco-Prussian War of 1870. In 1869 one out of every 175.6 of the population was prosecuted for crimes and one out of every 97.4 was punished for police offences. In 1870, however, prosecution decreased to one per 176.8 for crimes and those punished for police offences fell to one per 118.1 of the population. The following year there was a still further decrease in the number of prosecutions.

A similar phenomenon was seen during the Sino-Japanese War of 1894–1895 and the Russo-Japanese War of 1904–1905. In 1893 prosecutions for crimes except police offences totalled 358 per 100,000, but the figure fell to 323 in 1894. The same figure in 1903 was 210, declining to 168 in 1904 and to 129 in 1905.

Why does crime decrease during wartime? A high patriotic senti-

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ment is undoubtedly one factor, but this is not the solely responsible one. There is also the relaxation of the control of crime as a result of war and the enlistment of young men into the services is also important, since the strongest propensity to crime is found among youth. These two factors are operative in both the victor and the vanquished countries. In both the Franco-Prussian War and in the World War the decline in criminal activity among young men was noted. In 1913 the number of crimes among men between the ages of 21 and 24 was 269 per 100,000. This figure for this age group dropped to 193 in 1914 and to 114 in 1915. The number of crimes between the ages of 25 and 29 were 376 in 1913, 247 in 1914, and 120 in 1915, while crimes between the ages of 30 and 39 dropped from 514 in 1913 to 384 in 1914, and to 177 in 1915.

It is obvious that high patriotic sentiment is not the only factor responsible for this decline. What is also of importance is the extent to which this declining tendency continues. During the World War, for example, the crime curve began to swing upwards in both belligerent and neutral countries after 1916. It might be assumed, therefore, that crime will decline during the first two years of a conflict, and then begin to regain its former position. Those crimes which decreased during the early stages of the World War were mostly such personal cases as murders and assaults, and this class of crime continued at lower levels even after the termination of hostilities. One explanation is the remarkable shortage of alcoholic drinks during wartime. But in strong contrast with crimes of a personal nature, those relating to property showed a decided increase during the World War. It is true that they fell off during the early stages of the conflict, but it was this group which increased so remarkably after 1916. In Germany cases of petty larceny totalled 65,747 in 1914, but had increased to 75,257 in 1916 and jumped again to 95,010 in 1917. Cases of larceny increased from 13,958 in 1914 to 28,103 in 1917, and a similar tendency was noted in France.

Crimes relating to property top the list even in peace time, and it is perhaps only natural that they should increase during wartime when people are forced to live under more trying circumstances. During the World War, however, statistics show that malignant cases predominated among crimes relating to property, including offences committed by the desire to profit at the expense of others. Some were prosecuted for stealing daily necessities and selling them at exorbitant prices, some, for adulterating sugar with sand, some, for blackmailing people who had hoarded provisions beyond the prescribed amount, some, for violating economic control regulations, and some, for profiteering. In

this connection, it is noteworthy that not only the crime wave itself took an upward curve in the third year of the war, but new criminals made their début in the person of women and boys. Those found guilty in the juvenile courts of France numbered 13,194 in 1913. There was a slight decrease in 1914, but 1915 witnessed an increase to 14,204 cases. In 1918 the number reached 22,549, nearly double the pre-war figure. Similar phenomenon also occurred in Germany and England.

There were 88,462 female criminals in Germany in 1913, but this figure jumped to 127,906 in 1918. In France the figure was 33,645 in 1913 and 45,284 in 1918 with the percentage of female crimes to the total increasing from 14 to 28 per cent. In Austria female crimes totalled 1,074 in 1913, increasing to 2,089 in 1916 and again to 4,245 in 1918, four times the 1913 figure. Female crimes in France included interference with government officials in the performance of public duty, larceny, fraud, and illegal speculation. Cases of female interference with officials increased from 16 in 1913 to 25 per cent. in 1919; thefts from 23 to 29 per cent; while illegal speculation showed a 50 per cent. increase. Similar trends dominated the cases of female crimes in Germany and Austria. No less noteworthy was the marked increase in prostitution, especially among middle class women.

Two factors are largely responsible for this increase in delinquency among women. One cause was the replacing of adult male workers by women and juveniles; and the other was the new temptations created during wartime which beset women and juvenile workers. During hostilities boys are deprived of the necessary protection and guidance of home and school. Women are often compelled to support their families and through economic necessity are driven to crime. In other cases, women who have profitted by higher wages in munition industries acquire luxurious habits and are exposed to greater temptations by being removed from the standards of home life. This phenomenon occurs in not only the victorious countries but in the vanquished as well, and this deplorable tendency continues for some time after the termination of hostilities.

The criminal situation has been comparatively satisfactory in Japan since the outbreak of the China affair. But it may be well to remember that Japan now stands at the threshold of a new stage in wartime crime, although this does not necessarily imply that Japan is predestined to face the same crime situation which prevailed in Europe during the World War. Crime among females in Japan is likely to present a different situation from that in European countries due to the different

social organization which prevails here. Nevertheless, undue optimism is not warranted, because we have already observed an increase in the number of juvenile crimes which marks the second stage of the criminal situation during wartime. It may be well to recall that in April, 1939, the Tokyo Asahi sounded a warning against the increase in juvenile crimes despite a falling off of general crimes due to the pressure of a wartime emergency. The paper pointed out a marked increase in juvenile delinquency in the farm villages as well as in the factory and urban centres. Some 70 per cent. of the juvenile cases involved thefts with trespass, with frauds and blackmailing also occupying a conspicuous share.

It is our ardent hope that these signs of the second stage of a wartime criminal situation will remain a "strange phenomenon," a term which the *Asahi* used to characterize these cases of juvenile delinquency. Nevertheless, in the formation of a sound crime prevention policy, careful consideration must be given to the wartime conditions which were responsible for the crime waves in European countries.

-Kameji Kimura (The Chuo Koron, December, 1939)

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SUYE MURA, A JAPANESE VILLAGE. By JOHN F. EMBREE. The University of Chicago Press, Chicago, 1939. pp. xxv, 354. \$3.00.

Few foreign writers succeed in penetrating the linguistic and other barriers which shield so many aspects of Japanese social life from the Western world. Despite these handicaps, Professor Embree has produced an unique record of everyday forces and conventions in Japanese rural life. His main purpose is to add a new chapter in the story of social anthropology under a comprehensive programme sponsored by the University of Chicago. In this specialist's assignment he has made a remarkable contribution toward a better understanding of the reactions of a non-primitive but essentially agricultural community in its contact with the modern world. But Professor Embree's book will prove of interest to others besides the social anthropologist, for anyone seeking to understand the working forces in Japanese life today will find this study of great value.

Suye Mura is, as the author explains, "an attempt to present an integrated social study of a peasant village in rural Japan." Objections might be raised that a detailed study of a single community even in such a homogeneous country as Japan would be an inadequate index to determine the social phenomena of a nation. This, to be sure, is a handicap, but for the want of a study upon a more comprehensively geographical basis, the reasons advanced for the selection of this particular village are entirely valid.

Suye Mura is essentially a rice-growing community with sericulture as the principal subsidiary occupation, and in this respect the village is typical of much of rural Japan. Moreover, the village has no unusual features, either to its advantage or disadvantage, that would distinguish it from the average rural community. Located in central Kyushu, it is sufficiently removed from any large town or industrial centre so as to be free from any unusual social and economic impacts, while at the same time the village is close enough to railways and small towns so that it has not experienced complete isolation. At the time of this study

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(1935-1936) Suye Mura had a population of 1,663 inhabitants living in 285 houses. It is this small community of farmers with a few shop-keepers and non-village individuals such as the school teacher that is subjected to a searching analysis.

Throughout this study emphasis falls upon the buraku rather than the mura (village) as the principal administrative unit which governs the lives of the rural inhabitants. The mura organization undertakes the broader and more political administrative functions, such as taxes, the school system, and the official Shinto Shrine. But the main activity and affairs of each individual are centred in the buraku rather than the mura. The buraku is merely a division of the mura, although there is evidence to show that buraku may at one time have been independent communities. Today it is a self-contained social unit with its own headman and religious centre. Each buraku forms the cluster of houses which distinguishes the Japanese countryside, and several of these clusters go to form the village. Within the buraku are many smaller subdivisions, the kumi. These are groups of three to five households. Into these two units are focused the main life and affairs of the village. The various forms of co-operation—for rice-planting, harvesting, housebuilding, road- and bridge-repairing, et cetera—are all undertaken through the buraku and kumi. A good part of the book is devoted to these forms of co-operation and the unusual social results which grow out of such widespread household interdependence. Much space, too, is devoted to tracing the individual's life history within this peculiar social pattern, how the landmarks in one life-span are determined and conditioned by membership in this society. Birth, entering the barracks (in the case of a man), marriage, and death are all cared for by cooperation among these unusual social units.

This system with few minor changes has survived from feudal times, but new forces today are exercising a tremendous influence on the old structure. There are the non-native elements which have entered the village, such as the school teacher, a few of the shopkeepers, and the nefarious broker. But of even more importance are the new ways of thinking and doing things which have crept in with the vast industrial changes of the country. As the author points out, "The outstanding element in Japan's response to Western civilization is the controlled form in which the Government has allowed it to reach the countryside." Thus many of the changes which have taken place in rural life are the direct result of a deliberate and systematic policy on the part of the Government. Such changes include the modern educational system,

universal conscription for the Army, agricultural improvements, and various enterprises to promote greater national consciousness. Most of these changes have benefited the individual villager, but they have also brought other problems in their wake. Education, especially beyond the grades, makes both men and women discontented with village life; service in the Army or Navy broadens the young man's outlook, but also makes the village seem dull and monotonous on his return; agricultural improvements, while helping the farmer make both ends meet, have also made it necessary for him to work harder. Extra crops and new subsidiary occupations cut down on the leisure which was formerly devoted to festivals and social gatherings. These gave rural life a certain colour and personality which the more mundane programme of today is destroying.

But along with these controlled and government-sponsored changes, are a great many changes which are not controlled. The most important is the penetration of money economy and the gradual breakdown of "the old mura system based on rice and co-operation." The use of money for the purchase of goods and services is gradually rendering obsolete many of the old co-operative units, and so far no adequate substitute has been devised to preserve the corporate unity of the village and the buraku. Another important change is the fact that the all-important subsidiary product, silk, has tied this village with the world-market. While rice gives the village its chief means of subsistence, the price of silk in foreign markets determines whether or not the village enjoys prosperity. And with the growth of money economy, the cash paid for cocoons is becoming a vital factor in the life of the village.

Thus Professor Embree has not only presented some unique material for the study of social anthropology, but he has also struck upon some of the significant problems which confront Japan's economic and social life today. The author speaks with authority for what he writes. In a study of this kind the printed word is all too often an inadequate source of material, and to overcome this difficulty, Professor Embree spent a full year in Suye Mura. Even with the advantage of such first-hand information and personal observation, it is to the author's credit that he has been able to present such an analytical and comprehensive study considering the personal factors which must accompany such a penetrating investigation of this kind.

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THE JAPAN YEAR BOOK, 1939–40. By THE FOREIGN AFFAIRS ASSOCIATION OF JAPAN, Tokyo. pp 1,250, Octavo. 15 yen in Japan, China and Manchoukuo, \$7 in the U.S.A., and 30 s. Elsewhere.

Several years have passed since I first met the editor of this work. He was at that time in the birth throes of his first volume and was just as anxious as any expectant father as to the child he was about to thrust upon the world. His detailed trials and tribulations were, I am afraid, poured into unsympathetic ears, for we were then at a time when Japan was just awakening to her deficiencies in the field of propaganda and seemed, it appeared, to be making up for lost time and opportunity. I was, then, unkind enough to remark that perhaps we were in for just a little more.

"Our object is to present Japan as she is, factually, not factitiously, neither adding to nor detracting from things as they are," was his reply.

Well do I remember these words and I ask no pardon for recounting them, for though I rarely meet the editor I oft-times consult his work, and as each new volume appears put it to the test to see if he still maintains the standard he set himself in his first work. I have not caught him out yet, but when it fell to my lot to review the 1939-40 edition I visioned success around the corner, for an additional chapter, 60 pages closely printed, on China, a country with which this country has been at war in everything but name for two-and-a-half years, is a new feature and must contain something at which exception could be taken. But here again was failure, a more well-balanced sober evaluation of that country could not have come from the most neutral of pens. In keeping with the main part of the book-1,100 pages on Japan and 60 on Manchoukuo-the new chapter deals, in an encyclopaedic though comprehensive and succinct manner, with all phases of China, from its ethnology, through its geography, politics, commerce, industry and social conditions to the events which led up to the present incident with its results, losses and gains, and the efforts at rehabilitation.

Attempts at valuation of such a book of reference must normally follow well-worn tracks. It cannot be read in toto—though one often wishes the time were his to do so, for so well-written and entrancing are many of the chapters that one feels reluctant to pass over the piles of information that he considers he ought to possess but doesn't, even after long years of residence in the country—so one's first effort is at unearthing something that ought to be there and isn't. Yet many

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were the searches before any such were brought to light in any of the 43 numbered chapters and the additional 3 on The Imperial Court, Manchoukuo and China, and then I am not sure that I am quite fair in quoting the chief, but do so, as in conjunction with several friends, I have suffered from ignorance of such a point. We are told in the chapter on Foreign Exchange Control, pages 315 and 346, that ¥100 a month may be remitted abroad in foreign currency to pay for imports, but we are nowhere told that the Department of Commerce and Industry Regulations nullify this by restricting imports of certain goods to ¥50 per month.

Extenuating circumstances may be pleaded in that ordinances come and go so quickly at present that it is difficult to keep up with them, but be that as it may, one likes to have all the latest rules and regulations on tap and the fact that the basic laws and amendments are contained in the book should not preclude up-to-the-time-of-printing amendments from being contained on, say, an insert slip as a kind of "stop press." A revolutionary suggestion for a year book maybe, but a sound one.

The addition of the chapter on China called for a map of that country—I was hoping to catch the editor out on this, but didn't—so must content myself with suggesting that in future the map printed should show more of China and a little less of Japan and the sea.

One other omission I came across was on page 1212, the name of a newcomer to the newspaper world, the one-year old weekly, the Japan News-Week. But apart from a few minor points like the above there appears to be nothing on which a reviewer can hang his criticism, even misprints are conspicuously rare, and one cannot even point with scorn at the new spelling which many locally published works are effecting, for wisely and fortunately the publishers leave this bewildering method alone.

Annual experience, review and past criticism have not been wasted on the editor. He has not stood by and hoped to reap the rewards of past successes. Hard work in plenty is necessary to keep such a book up-to-date and much has had to be put into this new and revised edition. Japan never was to be congratulated on its statistics as anybody who has had to do any research in the country will readily testify. Congratulations must, therefore, be extended to the editor on the way his figures have been brought up-to-date, especially when the Official Secrets Act can be made to cover anything and everything. All but military and naval strengths, which stop at 1936, seem to have been

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modernized.

However, it is not merely on statistics that the book is worth its money. It is a mine of information on things geographical, historical, governmental, political, literary and social, right through the whole gamut of everyday life. It not only tells how many girls marry as young as eleven and at what age the first males take on marital responsibilities, what numbers of families live in less than one room, and where Japan's goods come from and go to, but it informs us on the care being taken of the wounded soldiers, and even gives the themes of the outstanding literary works of the year. Nothing seems to have been neglected.

No review, however meagre, could conclude without calling attention to the 120 pages of appendices. Herein, particularly interesting and valuable at the present time, is to be found the Treaty of Navigation and Commerce with the United States which that country has lately seen fit to abrogate and which in future months is going to find itself increasingly in the public news. The other chief treaties and agreements which de jure, if not de facto, regulate Japan's foreign relations commercially and culturally are also to be found.

A more comprehensive, well-chosen, well-balanced, source of reference on Japan could hardly be found and I can only endorse what its publishers claim, "that every statesman, diplomat, journalist, banker, exporter, importer and student of international affairs should have a copy at hand." It should make a much appreciated Christmas present.

SHINA-JIN (THE CHINESE PEOPLE). Compiled by the TOKYO NICHI NICHI SHIMBUN, Tokyo, 1939. pp. 279. 1.30 yen.

In the preface of this compilation, the Japanese attitude toward the present conflict in China is stressed: "The Japanese are fighting against Chiang's Government and the Chinese Communist, who have reduced East Asia to chaos and disorder; and against those European Powers that are assisting them directly and indirectly." On this basis the writer maintains that the conflict transcends any type of aggressive war, and points out that the people who are generally called the Chinese are a population with whom Japan has every intention of establishing a lasting friendship. Nevertheless, it is indisputable that the peoples of Japan and China are actually at war, for on the battlefield it is impossible to distinguish between "people" and the avowed enemies of Japan. Then why is it that these two great nations, which have enjoyed such

close contact and to a large degree shared the same cultural heritage, should be involved in such a desperate and disastrous conflict? Shina-jin attempts to answer this question.

Much emphasis is therefore placed upon the character of the Chinese people. The character of a community or a nation may not be sum total of the character of the individuals who compose it, but a careful study of individuals is necessary to understand the whole. The problem is therefore attacked from various points of view by ten different writers, each of whom has had considerable experience with China and Chinese affairs. Mr. Tomoyuki Murakami, the author of the first article, was born in a remote village in Fukushima prefecture. With little education, he struggled against poverty and finally went to China, lived among the Chinese people and married a Chinese woman. He is now living in Peking, and his views of China and the Chinese are derived from his personal experiences. "The Japanese and Chinese differ in the mode of life," he writes. "This difference is derived from different mental processes owing to different social backgrounds." Japanese society has a greater degree of stability and is arranged in a precise and businesslike manner. Chinese society today is far less systematized and therefore far less stable. It would be unthinkable in Japan for a university professor's salary to be left unpaid, but in China this is not unusual. Therefore, while Japanese society is based upon businesslike considertions for the most part, Chinese society tends to be more political, with a constant shifting and realignment of forces to gain advantage. Thus, those who lack business training fall behind in Japan, while those deficient in political acumen lose out in China.

Mr. Murakami considers this political character of the Chinese partly a result of the complicated family system of the country which calls more for political ability than for business ability. Although both countries have a family system based upon the Confucian teachings of filial piety, the system in China has become extremely formal. When a powerful man of the military clique celebrates his mother's birthday or performs his father's funeral ceremony, he boastfully shows his own power by performing the rites upon a grand scale, and too often this occasion degenerates into a means of collecting money. The family system to be sure has given the Chinese patience and perseverance, but in becoming so formalized the system has lost much of its original significance. Their perseverance, often amounting to stubbornness, has rescued the Chinese from frequent foreign invasions and enabled them to remain a nation, and their patience has generally enabled them

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to find a solution for problems by mutual concession. But at times this latter virtue degenerates into indifference and allows the Chinese to tolerate misgovernment and other abuses. Another strong point which has resulted from their patience and generosity is self-possession, but this, too, frequently degenerates into sluggishness. Mr. Murakami in conclusion suggests that it will be advisable to re-introduce to the Chinese people these fundamental characteristics which in recent years have degenerated so deplorably. The unhappy conflict cannot be settled by the businesslike efforts which are so typical of the Japanese outlook

Mr. Shinzaburo Fujii has contributed an article entitled "Chinese Nationality and Communism," in which he discloses that in the communist movement of China a certain metamorphism is demanded owing to the individualistic character of the people. Thus the communist movement has been compelled to compromise with the orthodox communist principles in its campaign in China. In the article entitled "Chinese Nationality" Professor Fumio Ohtaké of the Tung Wen College forewarns those who intend to deal with China of the unique power of absorption which the Chinese have displayed in assimilating their conquerors in the past. Mr. Motonosuké Amano of the South Manchuria Railway, who is well versed in Chinese agricultural problems, gives some interesting material on certain private circumstances, such as servants, concubines, money lenders, coolies, and methods of extortion, which have played such an important part in Chinese life since ancient times.

Mr. Hayao Uyeda, an authority on the Concessions, describes how these imperialistic remains have distorted the outlook of the Chinese people by harbouring various undesirable influences. Mr. T. Yoneyama of the Department of Foreign Affairs in Tokyo discusses Chinese women showing the disastrous part they have frequently played in influencing political leaders. Mr. M. Hara takes up the question of the Chinese intelligentsia, while Mr. Kanayé Tanaka, chief of the East Asia Section of the Tokyo Nichi Nichi, makes a critical analysis of Chinese leadership in the present conflict. The article by Mr. Yo Ting-tung, secretary to the Bureau of Foreign Affairs in the Nanking Renovation Government, is the only work by a Chinese contributor. He also discussed the modern Chinese intelligentsia. The article by Bunroku Yoshioka, chief of the Political Section of the Tokyo Nichi Nichi, criticizing the present Chinese leaders, has concluded that one of the main characteristics the Chinese have acquired during their long history is a thick pro-

tective membrane of realism, and he is convinced that any policy toward China on the part of any country, including Japan, which does not take into consideration this characteristic will end in failure.

This compilation makes no claim to possess the solution to the China question. It does, however, bring to light certain qualities in the Chinese which are all too frequently little known or poorly appreciated by the average Japanese, and it is only through a comprehensive understanding of the people of Japan's populous neighbour that Japan can ever achieve permanent peace with that country.

BUNKA TO GAIKO (Culture and Diplomacy). By HIKOTARO ICHIKAWA. The Ohkura Shobo, Tokyo, 1939. pp. 303. 1.60 yen.

The author's purpose in this book is to present the reader with "the profile of Japan viewed from the standpoint of cultural diplomacy," rather than to expound any theory of culture and diplomacy. The book is thus a collection of observations and criticisms on the manner in which Japanese civilization has been introduced to other countries.

The book differs from the memorandum of an ordinary traveller to foreign countries in that the author is not a mere observer but a diplomat who must constantly realize that he is a representative of Japanese civilization on every occasion. Considering the direction of international cultural enterprises in general, he insists that what Japan should do for China is not to impose abstract Orientalism or Japanism upon her, but to teach her the true method of learning Western civilization, that by taking this attitude we can for the first time give a practicable method to Chinese cultural enterprises. In other words, Japan should attempt to synthesize the East and the West.

This view is, in short, that Japanese civilization should be given a more rational and scientific form of expressing itself, so that it can be made more comprehensible to foreigners. This could be accomplished by expressing Japanese thought through the means of Western methods of reasoning. The reason why Japanese civilization has often been misunderstood and why our international cultural enterprises have not made any remarkable progress is partly due to the fact that the technique of expression has hitherto been ignored. As an illustration that Japanese civilization has not been rightly interpreted abroad, the author notes that that while visiting foreign countries he was often asked if there were any tramcars in Japan.

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It is indeed strange that much is known abroad about the national power and political side of Japan—so much indeed that Japan is often regarded as a menace. As matter of course, the greatness of a nation's power is possible unless there is a certain development of cultural knowledge laying behind it. But it would seem that almost nothing is known abroad about Japan's cultural life. While politics, economics, and diplomacy are discussed in accordance with a rational Western reasoning and interpreted in a type of diction common to the world, this method is almost completely abandoned when attempts are made to explain Japanese civilization and instead mystic expressions are often used. Keenly perceiving this fact through his experience as a diplomat, the author insists that the starting point of a cultural enterprise in altering this form of expression.

In the last chapter of his book, the author discusses Buddhism, Confucianism, the principle of relativity, and atomism, and comparing the East and West, he has sought to find the features which are common to both. "I am glad to find, as Russell says he did, that the realm which was intuitively arrived at by the ancient sages of the East perfectly coincides with the world which the scholars of the West have attained through mathematics and logic." As he continues, "Is it not a task imposed upon us to read the classics of the East by the lamplight of Western science? In order to inherit this lamp rightly, however, it seems to me that we must first peruse the classics of Greece and Rome,

and grasp the scientific spirit."

Associating this idea with the tenets of Mahayana Buddhism, the author's particular faith, he concludes by describing the ultimate object of cultural diplomacy as follows: "The flowers arranged in a vase, each displaying its own individuality, represent an harmonious and beautiful form—there is the philosophy of synthesis and harmony."

London no Yu-utsu (Melancholy of London). By Tetsuro Furugaki. The Sanseido, Tokyo, 1939. pp. 454. 2.30 yen.

The European armed struggle represents a clash of tactics so complicated, so unpredicted and so delicately administered that eventually these factors may completely transform the traditional conceptions of war. The deportment of this conflict of 1939 has proved puzzling to many. Numerous aspects of it are, to say the least, bewilderingly unorthodox. One of the most striking features of all is the extent to which military propaganda has replaced old-fashioned military pressure in-

flicted with the use of explosives and projectiles. The combatants thus far without an exception have kept their powerful air fleets moored to the ground and, instead of bombing the enemy's capital, have administered them to a ceaseless bombardment of words, by censorship of the press, by rumour-mongering, by the radio and by every other means available to them. The motive behind all this is clear. Paradoxical as it may seem, it is to minimize bloodshed and to achieve the fruits of war with minimum human sacrifice on all sides. For, there can be no argument, propaganda is the cheapest of all the branches of war.

It is natural all the more, then, that neutral observers should wish to acquaint themselves with an unbiased version of the facts underlying the conflagration—as it were, to take a peep into the greenroom in between acts so as to get a glimpse not only of the mechanical facts, but also of something of the general atmosphere in which the drama is being staged.

For anyone embarked on this quest, Melancholy of London by Mr. Tetsuro Furugaki should serve as an admirable guide. The author, who is foreign editor and editorial writer of the Asahi Shimbun, has been the newspaper's correspondent in Geneva and London and in that capacity and others has spent more than ten years of his time in various parts of Europe. Gifted with an unusual faculty for observation, he presents in this volume a subtle yet comprehensive picture of political, economic and social phases of life in the British capital. The chapters do not pretend to offer a composite delineation of wartime conditions in London. In fact they are more or less fragmentary reminiscences of the author's experiences during his stay abroad.

The work is a collection of free verse, epics and unrestricted comments on men and life presented to the reader very much with the delightful spontaneity of a fireside talk. The author's mature criticism, his lyrical expressions and refinement of diction make themselves felt throughout the book, especially in the chapters "Melancholy of London" and "Father and Daughter on Saturday." Composed of material more directly interesting are the sections "Harley Street," "Savile Row," "Japanese in London" and "The Atmosphere of a British Election."

"On Amending Japanese Foreign Policy" is an essay of more ambitious proportions in which the writer, with convincing argument, warns against the dangers of what he terms "amateur diplomacy," which he holds to be one of the causes of the present European situation. He points out that disaster is the inevitable outcome of wresting dip-

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lomacy from the hands of professional diplomatists. The seeds for pre-war Germany's collapse were sown in fact, he says, when the direction of foreign policy was divorced from the Wilhelmstrasse and placed at the disposal of the ex-Kaiser and Chancellor Beethmann Hollweg.

Contrasting to this exposition are two sketches executed in a minor key and titled, "Last Days of Disraeli" and "Falling Leaves of Tuileries." Taken all in all, the work is a happy composition of refined literary craftsmanship, the authenticity of the reporter and material that bears a direct interest on the unsavoury circumstances prevalent in present-day Europe.

CHRONICLE OF CURRENT EVENTS

October 7 The Navy Ministry announces that Commander Jin Ikeda has been appointed personnel affairs director at Sapporo, succeeding Captain Teisaburo Fukuda, who has been stationed in China. Captain Giichi Azuma has been assigned to the Kuré naval station and Captain Tadasuké Hamanaka has been made personnel affairs director at Osaka.

October 6 The Cabinet votes the Foreign Minister a free hand to attempt to settle the Foreign Office personnel situation arising from the approval of the projected Trade Ministry in his own manner, despite some talk of possible disciplinary action.

The Agriculture and Forestry Minister suggests to the Cabinet that compulsory restrictions on the consumption of food and commodities should be enforced. In an interview the Agriculture Minister warns that unless effective checks are devised, commodity prices will continue to soar and that increased State control is inevitable under the influence of the war in Europe.

October 7 The Japanese Army headquarters in South China announces that Japanese forces have occupied Chungshan, between Canton and Macao, birthplace of Dr. Sun Yat-sen. The announcement explains that the capture was made without difficulty and had been hitherto delayed deliberately because of the spiritual and historical significance of the place. However, it is

said, continued anti-Japanese agitation and resistance had forced military action against Chungshan.

October 9 It is decided to abandon

October 9 It is decided to abandon Torishima island, according to the Yomiuri, as volcanic rumblings and earthquakes continue to disturb the area following a severe eruption in August. Residents will be urged to move to Hachijo Island.

The Government is reported to have advised sake brewers to cut production for the coming year by one-fourth as a measure to economize on the consumption of rice.

October 10 The United States Ambassador, Mr. Joseph Clark Grew, returns to Tokyo from a lengthy furlough in America. His principle work, he says, will be to seek improvement in Japanese-American commercial relations.

American commercial relations.
Also passing through Japan, on
his way to Manila, is the Philippines
Vice-President, Mr. Sergio Osmena,
who has been in Washington seeking
modification of the terms of the
Philippines Independence Act.

October 11 One hundred and thirteen members of the Foreign Office staff submit their respective resignations, following the failure of a compromise move by the Foreign Minister in attempting to ameliorate personnel opposition to the Trade Ministry project approved by the Cabinet. Those resigning include several bureau directors and the chief of the information section.

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Mr. Francis B. Sayre, the new United States High Commissioner to the Philippine Islands, visits in Tokyo for luncheon with the Ambassador. Mr. Sayre says he hopes to promote better commercial relations between

Japan and the Philippines.

October 12 The Foreign Vice-Minister submits his resignation to the Foreign Minister, reportedly in an attempt to halt the mass resignations from among the Foreign Office personnel in protest against the Trade Ministry project. He also transmits to the Foreign Minister the sheaf of resignations given him last night by staff members. Foreign service men abroad begin telegraphing encouragement to those opposing the Cabinet-approved Trade Ministry plan. Former veterans of the Foreign Office confer on measures to settle the issue. At a conference called by Premier Abé, it reportedly is decided that all resignations shall be returned to the senders, including those of consular officials abroad, and the men will be requested to continue their duties, in return for which no one will be asked to account for his

actions.

October 13 Foreign Minister Nomura informs the Premier tonight that all permanent members of the Foreign Office staff have agreed to remain in their posts, accepting the Cabinet decision to have the Premier evolve a satisfactory method of appointing commercial attachés abroad, in consultation with the Foreign Minister, the question over which more than a hundred had submitted resignations. The affair thus is considered finally settled.

Mr. Toshio Shiratori, former Ambassador to Italy, arrives in Japan from his post in Rome. Mr. Shiratori, known as an advocate of a JapanGermany-Italy military alliance, defends Germany's rapprochement with the Soviet Union, saying Germany signed an agreement with Moscow "because an agreement was not reached with Japan."

October 14 Domei announces that Lieutenant-General Otozo Yamada, former Commander-in-Chief of the Japanese forces in Central China, has been appointed Inspector-General of Military Education, one of the three most important army posts. He also has been named to the Supreme War Council. Lieutenant-General Korechika Anami, who also recently returned from China, has been made War Vice-Minister, succeeding Lieutenant-General Masataka Yamawaki, who has been assigned to the Army General Staff.

October 16 Count Tadamasa Sakai, president of the Imperial Agricultural Association, is invested formally as Minister for Agriculture and Forestry, relieving Commerce and Industry Minister Takuo Godo of his concurrent duties. Count Sakai promises immediate measures to alleviate the fertilizer shortage and to increase farm production throughout the country.

out the country.

October 18 United States Marines and Japanese naval landing forces, which have been stationed on Kulangsu Island off Amoy for the last five months as a result of the tense situation certring around the International Settlement there, are to be withdrawn immediately, it is announced, following last night's agreement among the international authorities concerned for the future security of peace and order on the island. The agreement is said to differ only slightly from the original Japanese proposals made some months ago. British and French

forces which had followed the Americans to the island last May, were withdrawn upon the outbreak of the

war in Europe.

The Foreign Office has announced the appointment of Mr. Tateki Horiuchi as director of the East Asia Bureau; Mr. Tatsuo Kawai, hitherto chief of the information section, as Minister Plenipotentiary to travel in Europe and America; Mr. Yakichiro Suma, until recently counselor at the Japanese Embassy in Washington, as Mr. Kawai's successor; and Mr. Teruo Hachiya as Japan's first Minister to Bulgaria. Foreign Vice-Minister Tani is being urged to rescind his resignation submitted at the height of the recent controversy over the projected Trade Ministry.

The Yasukuni Maru reaches Yokohama via Panama with 184 Japanese

from war-torn Europe.

Imperial ordinances invoking sections of Articles 6, 11 and 19 of the National General Mobilization Law are promulgated in the Official Gazette for enforcement, starting tomorrow, of strict control of wages, prices, rentals, fees and other charges at

levels prevailing on September 18.

It is learned in Tokyo that 38 persons were killed and 900 houses were destroyed during a typhoon which swept over a part of Shikoku Island during Monday afternoon

and Tuesday Morning.

October 19 The United States Ambassador, Mr. Joseph C. Grew, in his first public utterance since his return from a furlough in America, tells an America-Japan Society luncheon meeting in his honour that American public opinion of Japan is strongly unfavourable and that, unless early action is taken to improve it, highly undesirable consequences may

Vigorously urging an imarise. provement in relations between Japan and the United States, the Ambassador claims that Americans "understand the projected 'new order in East Asia' fully as well as the Japanese" and believe that there is every indication of potential harm to America therein. He says American public opinion has been shocked by Japanese bombings in China and injury and death to American citizens and interests. "It is my belief," he says, "that many of the things which have been done to the United States in China were wholly needless." The Ambassador emphasizes throughout his speech that his many years in Japan have given him a real affection for the country and its people and that his only desire is to establish better terms between his country and Japan.

October 20 The Nichi Nichi newspaper's twin-motored monoplane arrives at Haneda airport amid a tremendous ovation after completing a flight around the world which began from the same place on August 24.

American Ambassador's The speech on American sentiment toward Japan creates considerable stir in Japanese newspapers, private and official quarters. The general trend of comment appears to strike a note of resentment and it is freely charged that both the Ambassador and the United States still fail to appreciate the sincerity of Japan's intentions in its China campaign.

October 21 The Asabi reports that the Japan-Manchoukuo-China Economic Council, which has been meeting in Tokyo for several days, has decided in favour of establishing a unified economic bloc of nations in

East Asia.

The Navy Ministry announces the

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of Vice-Admiral appointment Mineichi Koga, Vice-Chief of the Naval General Staff, as Commander of the Second Fleet. Vice-Admiral Nobutaké Kondo, who recently returned from service in China, is to succeed Vice-Admiral Koga, while Vice-Admiral Soyetaké Tovoda, heretofore Commander of the Second Fleet, is to be director of the Naval Materials and Technical Affairs Department.

October 22 The Foreign Office spokesman, questioned by foreign correspondents on the American Ambassador's speech last week, denies that the United States is well informed on conditions in the Far East. He says the Ambassador failed to take into account the part emotionalism and sentiment play in forming public opinion in America.

It is widely reported meanwhile that the Foreign Minister may soon initiate discussions with the American Ambassador looking toward improving relations between the two countries.

October 24 The Cabinet decides formally to link the external value of the yen with the United States dollar instead of the English pound sterling, pegging the foreign exchange rate officially at \$23 7/16 (twenty-three and seven-sixteenths dollars per one hundred yen). The change is said to be intended to facilitate the operation of Japanese exchange funds abroad, in view of the pound sterling's uncertainty under the influence of the war. Manchoukuo follows suit.

The Nippon Yusen announces that three luxury liners now under construction for European service will be placed on trans-Pacific service instead, owing to the war in Europe.

October 26 Preliminary negotiations to arrange for delimitation of boundaries by Japan and the Soviet Union are reported under way in Moscow, with the prospect bright for formal discussions to be taken up soon.
Mr. Toyotaro Isomura, of the

Japan Economic Federation, dies in Tokyo from heart disease. He was

71 years old.

October 27 The British Ambassador calls on the Foreign Vice-Minister and reportedly declares his readiness to resume discussion of pending issues between Great Britain and Japan over the Tientsin affair.

October 28 The Foreign Minister is reported to have discussed with the Premier matters he intends to take up with the American Ambassador during the meeting anticipated soon.

October 29 Prince Chichibu, brother of the Emperor, formally opens a nation-wide sports meet at Meiji Shrine Stadium in Tokyo, in which more than 12,000 athletes from all parts of the Empire will participate during the coming week. October 30 Despite a denial by the Foreign Office spokesman that the Government is preparing to open discussions with the United States Ambassador on points of difference between the two nations, leading Japanese newspapers insist that a meeting today among the Foreign Minister, the Vice-Minister and the Minister-at-Large to China centred chiefly on the course the Foreign Minister should follow in the anticipated talks with the American Ambassador. One of the main Japanese wishes in this respect, it is said, is to have the United States accord formal recognition of the extent of the hostilities in China and the

consequent abnormal conditions prevailing there.

October 31 The War Minister reports in detail to the regular Cabinet meeting on the progress toward establishment of a new central government in China. The Cabinet Advisory Council also hears a report on the same subject and after consultation with the China Affairs Board, a concrete policy vis à vis the projected new régime in China is expected to be adopted by the Cabinet.

The Foreign Minister continues discussions with his advisers on possible approaches toward adjusting Japan's relations with Great Britain and America, while expectations are that he will open conversations soon with the British and American Ambassadors in Tokyo. The Nichi Nichi reports that the Minister-atlarge in China, Mr. Sotomatsu Kato, will hold coincident talks with the British and American officials in China. The newspaper also predicts that both conversations will be broad in scope, taking into consideration the views of the Army, the Navy and the China Affairs Board on the rights and interests of third Powers in China.

The Nippon Yusen Kaisha launches a new 16,500-ton luxury liner, the Yawata Maru, for European service. The new vessel is a sister ship of the Nitta Maru, launched last May and now being fitted for service.

November 1 The Navy Ministry announces that the port of Maizuru, in Kyoto Prefecture on the Japan Sea, is to be recommissioned as a naval station. First established as a naval station in 1901, the site was made an ordinary seaport in March, 1923.

The joth anniversary of the founding of the present judiciary system in Japan is observed with appropriate ceremony in courts throughout the nation. Highlight of the observance is a visit by the Emperor to the Tokyo Supreme Court, where His Majesty is greeted by the Justice Minister and

the Chief Justice. It is reported that the Soviet Foreign Commissar and Chairman of the Council of People's Commissars, Mr. Viacheslav M. Molotov, in an address to the extraordinary session of the Supreme Soviet of the U. S. S. R., hinted openly at the possibility of improved relations with Japan. Referring to the liquidation of the border conflict between Manchoukuo and Outer Mongolia, Mr. Molotov went on to say that "the possibility has been established for the commencement of Soviet-Japanese trade negotiations which would be greatly to the interests of both countries." The Kokumin, only influential Tokyo newspaper to offer comment, strongly urges the Government to take advantage of the implied Soviet offer for trade negotiations, in view of the present strained relations with the United States. The Nichi Nichi, however, considered Mr. Molotov's failure to mention the rumoured German-Soviet military agreement as the most significant feature of the talk.

Lieutenant-General Hiroshi Ohshima, outgoing Ambassador to Germany, sails from Naples with Mrs. Oshima on his way back to Japan via the United States.

November 2 The newly formed Institute of the Pacific, consisting of many high Government leaders, issues a prepared statement to foreign newspapermen in Tokyo in reply to the October 19 speech by the American Ambassador, who warned at that time that the United States Government and people are highly

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incensed over Japan's actions in China which they hold have been in disregard of existing treaties. The Institute statement declares that Japan's China campaign is an expression of the just and legitimate right to expand its power, "by fairly sharing the fruits and opportunities offered by Mother Earth." The United States Ambassador's speech, the Institute says, was guilty of the "glaring omission of the word 'justice'."

November 3 The new Soviet Ambassador, stopping at Seoul (Keijo), Korea, cn route to Japan, emphasizes to newspapermen that the Soviet authorities attack all problems, in the Far East and elsewhere, with "the ultimate object of maintaining peace." He blames the Nomonhan fighting on the uncertainty of the border in that area and expresses hope that, with the conclusion of a truce, Soviet-Japanese relations may soon be restored to normal.

The Asahi reports that the Agriculture Vice-Minister has announced that the Korean rice crop this year is 42 per cent. below that of last year, thereby precluding normal shipments of rice to Japan proper.

of rice to Japan proper.

The Times of India, influential Bombay newspaper, in an editorial today declares that no time could be better than the present for improving Japan-India trade relations, especially in view of the European War which restricts Japanese import and export markets in that direction and yet has no effect on the sea lanes between Japan and India.

November 4 The Foreign Minister holds a "surprise" conference with the American Ambassador. According to a Foreign Office announcement, the meeting was simply the

result of a mutual desire of the two statesmen to get together and talk things over. "The meeting was in no respect of a formal character,' the announcement said. Newspaper reports of the meeting can add little to the official account of what actually took place at the meeting, beyond a common exchange of views on pending issues between the United States and Japan. It is said that, pending a fundamentally new understanding between the two countries, both agreed that efforts must be made for the settlement of approximately 600 incidents arising out of Japan's operations in China and allegedly affecting American nationals there, consequently calling for official attention. The Nichi Nichi understands that most of these incidents have to do with alleged Japanese damage to schools and churches operated or maintained by Americans in China.

The United States Department of State issues a denial of reports that the American Ambassador in Tokyo suggested to the Foreign Minister that America may apply economic pressure to Japan if the latter continued its present policy in China. The Ambassador's talk is held to have been wholly objective, suggesting neither in tone nor substance any threats of economic pressure.

November 5 Two Japanese naval air squadrons raid three Szechwan Province cities in China and destroy 30 Chinese warplanes.

The Navy Minister officiates at ceremonies held at Haneda Airport, Tokyo, christening 50 Japanese planes purchased with civilian funds and contributed to the fighting service.

November 6 United States Senator Key Pittman declares in Washington that Congress certainly will approve

his own resolution to authorize the President to impose an embargo on trade with Japan, unless Japanese-American relations improve meanwhile.

The Soviet Ambassador Mr. Constantin Smetanin, arrives in Tokyo to take up his new duties. Mr. Smetanin formerly was chargé d'affaires in Tokyo.

The Cabinet holds an emergency session and approves a ¥5 increase in the official maximum price for one koku of unhulled rice, bringing the charge from ¥38 to ¥43 per koku. The measure is said to have been designed to encourage selling to alleviate the threatened shortage resulting from a reduced crop. A Cabinet statement promises that the new maximum price for unhulled rice shall remain unchanged throughout the current rice year (starting from November 1). The new price becomes effective at once.

Japanese naval air units continue bombing Szechwan Province points, reportedly inflicting serious damage on a number of Chinese airfields.

Mr. Renzo Sawada, former Foreign Vice-Minister, leaves Tokyo en route to Paris to assume his new post as Ambassador to France.

In reply to Senator Pittman, Senator Arthur H. Vandenberg issues a statement warning that any United States embargo action against Japan might "too easily lead to war." He urges that instead of threats the Government should continue, through the judgement of its Ambassador in Tokyo, to make commonsense efforts in a spirit of "give and take" for the conclusion of a new treaty with Japan.

November 7 The Social Mass Party presents a petition to the Government urging the establishment of a State monopoly on rice and general invocation of the provisions of the National General Mobilization Law.

Mr. Kanichi Ohtaké, 80, second oldest member of the House of Representatives in point of service, is reported to have resigned in protest against the "idleness" of Japanese leaders in the face of the current situation confronting the nation. Mr. Ohtaké has been returned to the Diet 16 times, being second only in that respect to Mr. Yukio Ozaki.

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DOCUMENTARY MATERIAL

STATEMENT OF THE FOREIGN OFFICE SPOKESMAN CON-CERNING THE BRITISH BLOCKADE OF GERMAN EXPORTS, NOVEMBER 25, 1939

Since the outbreak of the present European War the British Government, exceeding the rights of the belligerent, have been interfering with the legitimate trade of neutral Powers with regard to contrabands of war and other matters. Protests have frequently been lodged by the Governments of Scandinavian countries, Belgium, Holland as well as of Japan. Now on the 21st of this month Prime Minister Chamberlain declared the intention of the British Government of inaugurating the so-called de facto blockade such as was adopted in the last Great War, namely, of preventing the export of German goods by neutral vessels, as a retaliatory measure against Germany on the assumption that the recent successive sinking of neutral vessels by mines in British waters is due to German action.

Even if granted that the aforesaid sinking of neutral vessels in British waters were due to German action, the proposed measure of the British Government not only exceeds the limits of reprisal recognized under international law, but violates also the undertaking of the British Government made to the Japanese Government not to interfere in any way with the exportation of German goods. The British measure inflicts really greater losses upon neutral Powers than upon Germany.

Just to what extent the British Government intend to prevent the exportation of German products is not yet clear in the absence of an Ordinance in connection with the matter. However, it is possible that the proposed measure of the British Government may cut off the importation to Japan of important articles from Germany, in which the Japanese Government can never acquiesce. Accordingly, instructions have been sent to Ambassador Shigemitsu in London yesterday, the 24th instant, to present a vigorous protest to the British Government.

In case the vital interests of Japan should be affected by the proposed British measure, Japan would be compelled to take appropriate counter measures.

AGREEMENT FOR THE OPERATION OF REGULAR AIR SERVICES BETWEEN JAPAN AND THAILAND, SIGNED NOVEMBER 30, 1939

Article 1 A Japanese air transport company to be designated by the

Japanese Government may operate regular air services between Taihoku and Bangkok, with a regular landing at Udorn, and any other points in Thailand as may subsequently be agreed upon between the competent authorities of Japan and Thailand.

Article 2 The Japanese air transport company's aircraft shall in Thailand fly over routes approved by the Thai Government. Deviations therefrom may be made only in case of emergency or with the consent of the competent Thai authorities.

Article 3 The Japanese air transport company's aircraft may, along the routes approved as aforesaid, land on and take off from any landing-ground in Thailand approved by the Thai Government and open to commercial aircraft, under such conditions and subject to such charges as govern civil aerial operations at each such landing-ground.

Article 4 The Japanese air transport company shall comply with the laws and regulations now or hereafter in force in Thailand as well as such treaties as are entered into by the two countries.

Article 5 The Japanese air transport company shall transmit free of charge between Bangkok and Udorn the mails which the Thai Government may tender to it.

Article 6 The Japanese air transport company shall not transport mails, other than those specified in the preceding Article, passengers or goods between points in Thailand except as part of a continuous journey originating or terminating outside Thai territory.

Article 7 The Japanese air transport company shall hand over to the Thai authorities at such regular landing-place in Thailand as the Thai Government may fix, any air-mails carried by its aircraft for delivery in Thailand

Article 8 The agent of the Japanese air transport company in Thailand shall be a suitable Thai company approved by the Thai Government.

Article 9 The Japanese air transport company shall transmit the mails which the Thai Government may tender to it, and the rates of payment to the Japanese Postal Authorities for the conveyance of such mails, exception being made for the mails specified in Article 5 for the conveyance of which no charge is to be made, shall not be higher than those charged to other Postal Administrations which do not contribute to the costs of the service.

Article 10 The Japanese air transport company shall convey officials of the Thai Government at the same rates as in the case of Japanese officials.

Article 11 The Aerial Transport Company of Thailand, Limited, may operate regular air services between Bangkok and Taihoku and any other points in Japan as may subsequently be agreed upon between the competent authorities of the two countries.

Article 12 The Aerial Transport Company's aircraft shall in Japan fly over routes approved by the Japanese Government. Deviations therefrom may be made only in case of emergency or with the consent of the competent Japanese authorities.

Sec. 3(E) and 5(D) or (E) , August 10, 1972 NARS, Date <u>/2-/8-75</u>

DOCUMENTARY MATERIAL

Article 13 The Aerial Transport Company shall comply with the laws and regulations now or hereafter in force in Japan as well as such treaties as are entered into by the two countries.

Article 14 The Aerial Transport Company shall not transport mails, passengers or goods between points in Japan except as part of a continuous

voyage originating or terminating outside Japanese territory.

Article 15 The Aerial Transport Company shall hand over to the Japanese authorities at such regular landing-place in Japan as the Japanese Government may fix, any air-mails carried by its aircraft for delivery in

Japan.

Article 16 If requested to do so by the Thai Government, the Japanese Government will allow as many as four students at a time to undergo courses of training in military aviation to which foreigners have been or may hereafter be admitted, provided that this obligation shall cease to have effect if and when a Thai aerial service shall have been in operation in or

over Japanese territory for a total period of three years.

Article 17 This Agreement shall come into force ten days after the date of its signature and remain in force for two years. In case neither party shall have notified the other of its intention of terminating the Agreement six months before the expiration of the said two years, it shall remain in force until the expiration of six months from the day on which either party shall have denounced it.

STATEMENT OF THE FOREIGN OFFICE SPOKESMAN CONCERNING THE SAME, NOVEMBER 30, 1939

The agreement concerning the inauguration of regular aerial service between Japan and Thailand was signed at Bangkok today, November 30, by the Japanese Minister, Mr. Kuramatsu Murai and the Thai Foreign Minister, Major-General Luang Pibula Songgram.

A plan for such aerial service has been under consideration since 1935, while actual negotiations with Thailand were begun in April of 1936. It is, therefore, a matter for great satisfaction that these negotiations have now resulted in the conclusion of the agreement between the two countries.

The inauguration of regular aerial service will still further enhance the existing cordial relations between Japan and Thailand. Moreover, it is greatly significant for the future development of Japanese aerial activities that Japan has come to be connected with Thailand, which occupies an important position on the aerial route between Japan and Europe.

COMMUNIQUÉ OF THE FOREIGN OFFICE INFORMATION BUREAU REGARDING THE NOMURA-GREW INTERVIEW, DECEMBER 18, 1939

The Foreign Minister, Admiral Kichisaburo Nomura, requested the American Ambassador, Mr. Joseph C. Grew, to call on him at 3:30 p.m.

today, December 18. Continuing their discussion of the various questions which have arisen between Japan and the United States in the course of the China affair for one hour and a half, they held conversations in a mutually constructive spirit for the purpose of surmounting obstacles of Japanese-American friendly relations.

In the interview Foreign Minister Nomura communicated to Ambassador Grew that, in view of the fact that the absolute military requirements calling for the closure of the lower Yangtze River area have become amenable to gradual modification, the Japanese forces have accordingly decided to make preparations with a view to lifting the ban on the navigation of the Yangtze from Nanking downward under certain restrictions for the maintenance of peace and order and for military operations.

REMARKS OF THE FOREIGN OFFICE SPOKESMAN CONCERNING THE SAME, DECEMBER 18, 1939

In his interview with Ambassador Grew today, Foreign Minister

Nomura explained to the latter to the following effect:

Various restrictions placed on American rights and interests in China in the course of the China affair have arisen either as unavoidable consequences of military operations in China or as a natural corollary of the reforms which have been in progress simultaneously with the long-term reconstruction in China.

The Japanese Government have hitherto put forth their sincere efforts for the settlement of the so-called pending questions between Japan and

the United States and it is their intention to continue such efforts.

It is greatly regrettable in this connection that Japan is misunderstood in some quarters as if she were intending to act in an exclusive and monopolistic manner. The Japanese Government are not acting with a view to shutting out in the future the economic activities of other Powers in China. As a matter of fact they are not reluctant to open even the Yangtze and Pearl Rivers at a proper time and under appropriate conditions.

It is hoped that in the light of the above explanation made by the Foreign Minister Japan's real intention will be understood not only by the

United States but by other Powers.

c. 3(E) and 5(D) or (E) ugust 10, 1972 ARS, Date <u>/2-/8-75</u>

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

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THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA



AMERICAN EMBASSY Tokyo, February 7, 1940

No. 4470.

SUBJECT:

FRENCH-JAPANESE RELATIONS: BOMBIN RAILWAY -- FRENCH REPRESENTATIONS. BOMBING OF YUNNAN

Division of FAR EASTERN AFFAIRS MAR 9 - 194

The Honorable

The Secretary of State,

Washington.

Sir: I have the honor to refer to our telegram No. 86, February 6, 11 a.m., and to transmit herewith a copy and 1/ translation of the aide-mémoire presented on February 5, 1940, by the French Ambassador to the Minister for Foreign Affairs protesting the renewed bombing on February 1 by Japanese airplanes of the Yunnan Railway.

The

793.94/1574

The Ambassador states that one of the bombs struck a passenger train causing a great number of casualties, and that to date there had been recovered the bodies of forty dead, of whom five were French, and 184 wounded Annamites and Chinese. He points out that the attack was aggravated by the fact that the airplanes, both on the outward and on the return journeys, flew over Indochinese territory. He reserves the right to claim indemnity.

Respectfully yours,

Joseph C. Grew

VEnclosure:

1/ Copy and translation of aide-mémoire as stated.

710 ESC:nn

Original and 2 copies to the Department. Copy to Embassy Chungking. Copy to Embassy Peiping. Copy to Consulate General Shanghai. Copy to Consulate Yunnanfu.

Enclosure No. 1 to despatch No. 4470 dated February 7, 1940, from the Embassy at Tokyo.

(With the compliments of the French Embassy to the American Embassy. Received February 5, 1940.)

The French Ambassador, M. Charles Arsène-Henry, to the Japanese Minister for Foreign Affairs, Mr. Hachiro Arita.

L'AMBASSADE DE FRANCE

Aide Mémoire

Pour faire suite aux diverses démarches qu'il a eu l'honneur de faire auprès du prédécesseur de S. Exc. le Ministre des Affaires Etrangères au sujet des bombardements par l'aviation japonaise de la ligne de Chemin de fer de Hanoi à Yunnan-Fou, l'Ambassadeur de France a l'honneur de protester contre deux nouveaux attentats commis contre cette propriété française.

Le premier de ce mois un groupe de 27 avions japonais a lancé des bombes en deux endroits: Au kilomètre 83 et au kilomètre 95. Le second bombardement a causé des dégats matériels mais au cours du premier un projectile a été lancé au kilomètre 83 à deux heures quarante cinq de l'aprèsmidi sur un train de voyageurs et a fait de très nombreuses victimes: on a jusqu'à présent dégagé des décombres quarante morts dont cinq Français; cent quatre vingt quatre blessés annamites et chinois ont déjà été dénombrés.

Cette nouvelle attaque est aggravée du fait qu'à l'aller et au retour les avions japonais ont survolé le territoire de l'Indochine. Ils ont été signalés entre midi quarante cinq et une heure quarante en de nombreux endroits et notamment au dessus des villages de Ta-Lung, Trung-Khang-Phu, Tra-Ling, Ha-Giang, Dong-van, Man-Mei et Movong-Khu-Ong et entre trois heures cinquante quatre et quatre heures sept au dessus des villages de Pho-Bang,

Dong-

-2-

Dong-van et Chan-Poung.

L'Ambassadeur de France se réserve de faire tenir au Ministère impérial des Affaires Etrangères, lorsqu'il les aura reçus, les états de dommages et intérêts aux fins d'indemnités.

Tokyo, le 5 Février 1940.

Translation by the American Embassy at Tokyo of an aidemémoire in French presented to the Japanese Minister for Foreign Affairs by the French Ambassador.

FRENCH EMBASSY

The second second

Aide-mémoire

In pursuance to the several representations which he has had the honor to make to the predecessor of His Excellency the Minister for Foreign Affairs relating to the bombing by Japanese airplanes of the Hanoi-Yunnanfu Rail-way, the French Ambassador has the honor to protest against renewed attacks upon this French property.

On the first of this month a group of 27 Japanese airplanes dropped bombs at two places: at Kilometer 83 and at Kilometer 95. The second bombing caused material damage but during the course of the first a bomb was dropped at Kilometer 83 at 2:45 p.m. upon a passenger train resulting in a great number of casualties: there have already been recovered from the wreckage 40 dead of whom five are French; 184 wounded Annamites and Chinese have already been counted.

This new attack is aggravated by the fact that on the outward and on the return journey these Japanese airplanes flew over the territory of Indochina. They were noticed between 14:45 noon and 1:40 p.m. in many places and notably over the villages of Ta-Lung, Trung-Khang-Phu, Tra-Ling, Ha-Giang, Dong-van, Man-Mei, and Movong-Khu-Ong and between 3:54 p.m. and 4:07 over the villages of Pho-Bang, Dong-van and Chan-Poung.

The French Ambassador reserves the right to forward to the Ministry of Foreign Affairs, when received, the account of damages and interest to the end that indemnity may be recovered.

Tokyo, February 5, 1940.

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

March 11, 1940.

Tokyo's 4478, February 10, 1940, entitled "French-Japanese Relations: Bombing of Yunnan Railway -- French Protest."

The closing sentence of the British protest of February 6, 1940 against the bombing of the Yunnan Railway is worthy of note. It is to the effect that repetitions of such inadmissible violations of the frontiar would lead to the belief that either an incident is deliberately sought or that the Japanese Government is unable to obtain obedience to its orders.

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FE:Coville:MacD:SS



THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

AMERICAN EMBASSY Tokyo, February 10, 1940.

No. 4478.

FRENCH-JAPANESE RELATIONS: RAILWAY -- FRENCH PROTEST. SUBJECT:

BOMBING OF YUNNAN

SEPARTMENT OF STATE RECEIVED MAR 8 1940 DIVISIUM C.

Division of FAR LANGUES

DIVISION OF EUROPEAN AFFAIRS MAR 2 7 1940

DEPARTMENT OF STATE

The Honorable

The Secretary of State, Washington.



Sir:

With reference to our despatch No. 4424 dated January 16, 1940, and in confirmation of our telegram No. 102, February 9, 7 p.m., I have the honor to transmit herewith copies and translations of two notes addressed by the

French

2/

French Ambassador to the Japanese Vice Minister for Foreign Affairs, dated February 6 and February 9, 1940, respectively, protesting against further bombings and violations on February 3 and February 5 of Indochinese territory by Japanese airplanes.

The Department will no doubt observe with interest the language employed by the French Ambassador in concluding his note of February 6 in which he states that a continuation of the violations of Indochinese territory by Japanese planes would "lead to the conclusion either that it is desired to provoke a deliberate incident or that the Imperial Government cannot make its orders obeyed".

Respectfully yours.

Joseph C. Grew

Enclosures:

1/ Copy and translation of note dated February 6, 1940. 2/ Copy and translation of note dated February 9, 1940.

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Original and 2 copies to Department.

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Copy to Embassy Peiping.
Copy to Embassy Chungking.
Copy to Consulate General Shanghai.
Copy to Consulate Yunnanfu.

Enclosure No. 1 to despatch No. 4478 dated February 10, 1940, from the Embassy at Tokyo.

With the compliments of the French Embassy to the American Embassy. Received February 7, 1940.)

The French Ambassador to the Japanese Vice Minister for Foreign Affairs.

L'AMBASSADE DE FRANCE TOKYO

6 fevrier 40

Mon cher Ministre,

Pour faire suite à notre conversation d'hier j'ai l'honneur de vous faire savoir que, d'après les renseignements que je viens de recevoir, le nombre des morts du bombardement du ler février monte déjà à cinquante cinq. Toutes les victimes n'avaient d'ailleurs pas encore été dégagées au moment où le Gouverneur Général m'a télégraphié.

D'autre part le Général Catroux me signale que le 3 de ce mois à deux heures et demie de l'après-midi la voie ferrée de Hanoi à Yunnan-fou a été de nouveau bombardée par des avions japonais qui ont survolé le territoire du Tonkin entre deux heures trois quarts et trois heures et quart. Leur passage a été constaté au dessus des villages de Pho-Bang, Halang, Tra-Ling et Trung-Khanh-Phu.

En protestant encore contre ce nouveau bombardement, je vous prie d'attirer la plus sérieuse attention du Gouvernement Impérial sur le danger de ces violations inadmissibles de notre frontière, au sujet desquelles j'ai déjà maintes fois protesté. Leur répétition conduirait à penser, soit que l'on recherche un incident de propos délibéré, soit que

.

le Gouvernement Impérial ne puisse pas se faire obéir de ses sous ordres.

Veuillez agréer, etc. ...

Signé: Ch. Arsène-Henry

Son Excellence

Monsieur Tani,

Vice-Ministre des Affaires Etrangères, Tokyo.

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Translation by the American Embassy at Tokyo of a communication in French addressed by the French Ambassador to the Japanese Vice Minister for Foreign Affairs. Received by the American Embassy February 7, 1940, with the compliments of the French Embassy.

FRENCH EMBASSY Tokyo

6 February 1940

My dear Minister:

In pursuance to our conversation of yesterday, I have the honor to inform you that, according to information which I have just received, the number of deaths resulting from the bombing of February first has already risen to fifty-five. Furthermore, all the victims had not been recovered at the time the Governor General telegraphed me.

In addition General Catroux informs me that on the third of this month at 2:30 p.m. the Hanoi-Yunnan Railway was again bombed by Japanese airplanes which flew over the territory of Tongking between 2:45 and 3:15 p.m. Their flight occurred over the villages of Pho-Bang, Halang, Tra-Ling and Trung-Khanh-Phu.

In making a further protest against this new bombing,
I urge you to draw the most serious attention of the Imperial
Government to the danger of these inexcusable violations
of our frontier, against which I have already protested many
times. Their continuance would lead to the conclusion either
that it is desired to provoke a deliberate incident or that
the Imperial Government cannot make its orders obeyed.

Please accept, etc. ...

(signed) Ch. Arsène-Henry

His Excellency
Monsieur Tani,
Vice Minister for Foreign Affairs,
Tokyo.

Enclosure No. 2 to despatch No. 4478 dated February 10, 1940, from the Embassy at Tokyo.

With the compliments of the French Embassy to the American Embassy. Received February 9, 1940.)

The French Ambassador to the Japanese Vice Minister for Foreign Affairs.

L'AMBASSADE DE FRANCE TOKYO

9 Février 40

Mon cher Ministre,

Le Gouverneur Général de l'Indochine me fait savoir que le 5 de ce mois un avion japonais a lancé des bombes en territoire tonkinois dans la proximité immédiate du village de Ngai-Kho-Kai. Il n'a fait heureusement aucune victime mais son acte n'en est pas moins hautement répréhensible et s'ajoute à la liste déjà beaucoup trop longue des violations de notre territoire contre lesquelles je n'ai cessé de protester. J'ai de nouveau l'honneur de vous demander de faire donner des ordres précis aux aviateurs japonais leur enjoignant de ne pas survoler le territoire français.

Veuillez agréer, Mon cher Ministre, les assurances de ma haute considération.

Signé: Charles Arsène-Henry

Son Excellence

Monsieur Tani,

Vice-Ministre des Affaires Etrangères, TOKYO.

Translation by the American Embassy at Tokyo of a communication in French addressed by the French Ambassador to the Japanese Vice Minister for Foreign Affairs. Received by the American Embassy February 9, 1940, with the compliments of the French Embassy.

FRENCH EMBASSY Tokyo 9 February 1940

My dear Minister,

The Governor General of Indochina has informed me that on the 5th of this month a Japanese airplane dropped bombs within Tongkingese territory in the immediate vicinity of the village of Ngai-Kho-Kai. There were fortunately no casualties but this act was none the less reprehensible and must be added to the already much too long list of violations of our territory against which I have continued to protest. I have the honor again to request that you cause specific instructions to be given to Japanese aviators enjoining them from flying over French territory.

Please accept, my dear Minister, the assurances of my high consideration.

(signed) Charles Arsène-Henry

His Excellency

Monsieur Tani,

Vice Minister for Foreign Affairs,
TOKYO.



THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

EUROFFAN DEPARTMEN

AMERICAN EMBASSY

Tokyo, February 17, 1940

No. 4507

SUBJECT: FRENCH PROTEST REGARDING FURTHER BOMBING OF YUNNAN RAILWAY AND VIOLATION OF TONGKINGESE TERRITORY BY JAPANESE AIRPLANES.

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Division of FAR EASTERN AFFAIRS MAR 9 - 194Q department of St

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to state, with reference to our despatch no. 4478 dated February 10, 1940, and in confirmation of our telegram no. 123, February 17, noon, that on February 16, 1940, the French Ambassador addressed a note to the Japanese Government protesting the further bombing of the Yunnan Railway and the violation of Tongkingese territory by six Japanese airplanes

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Exploit BARMA I will be

on February 13, 1940.

In conclusion the note states: "In protesting again to Your Excellency I am constrained to refer to my previous correspondence and to my previous oral representations in order to call attention to these repeated violations of our territory and to emphasize how dangerous they are to the good relations between our two countries".

A copy and translation of the note under reference are enclosed.

Respectfully yours,

Joseph C. Grew

ZEnclosure:

1/ Copy and translation of French Ambassador's note to the Japanese Vice-Minister for Foreign Affairs, dated February 16, 1940.

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Original and 2 copies to Department Copy to Embassy, Peiping Copy to Embassy, Chungking Copy to Consulate General, Shanghai Copy to Consulate, Yunnanfu

Enclosure no. 1 to despatch no. 4507 dated Feb. 17, 1940 from the Embassy at Tokyo

with the compliments of the French Embassy to the American Embassy.

The French Ambassador to the Japanese Vice-Minister for Foreign Affairs.

16 Février

Mon cher Ministre,

Le Gouverneur Général de l'Indochine me signale un nouveau cas de violation du territoire de la Colonie par l'aviation Impériale. Six avions japonais ont bombardé le 13 de ce mois la ligne ferrée du Yunman et à l'aller et au retour ils ont survolé le Tonkin. Entre deux heures vingt et trois heures cinq de l'après midi ils ont été aperçus à Than-Thuy, Ha-Giang, Bac-Mé et Ngason.

Cette nouvelle infraction aux coutumes internationales et aux droits de la France est d'autant plus répréhensible que les localités survolées sont à une si grande distance de la frontière que le pilote le plus mahabile ne pourrait prétendre y être allé par erreur.

En protestant encore une fois auprès de vous je ne puis que me référer à ma précédente correspondance et à mes précédentes démarches verbales pour qualifier ces violations répétées de notre territoire et faire ressortire combien elles sont dangereuses pour les bonnes relations entre nos deux pays ./.

Veuillez agréer, Mon cher Ministre, les assurances de ma haute considération,

Son Excellence
Monsieur Tani (ARSENE-HENRY)
Vice-Ministre des Affaires Etrangères
TOKYO

Translation by the American Embassy at Tokyo of a note in French sent by the French Ambassador to the Japanese Vice-Minister for Foreign Affairs.

February 16, 1940

My dear Minister,

The Governor General of Indochina informs me of a new instance of violation of the territory of the Colony by the Imperial air forces. Six Japanese airplanes on the 13th instant bombed the Yunnan Railway and on the outward and on the return journeys they flew over Tongking. Between 2:20 p.m. and 3:05 p.m. they were seen at Than-Thuy, Ha-Giang, Bac-Mé and Ngason.

This new breach of international customs and of French rights is even more reprehensible in view of the fact that the localities flown over are at such a great distance from the frontier that the most unskilled pilot could not pretend to have done so by error.

In protesting again to Your Excellency I am constrained to refer to my previous correspondence and to my previous oral representations in order to call attention to these repeated violations of our territory and to emphasize how dangerous they are to the good relations between our two countries.

Please accept, My dear Minister, the assurances of my highest consideration.

(Arsène-Henry)

His Excellency
Mr. Tani, Vice-Minister for Foreign Affairs
Tokyo

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

March 11, 1940.

1

Tokyo's 4509, February 17, 1940, entitled "Transmitting Newspaper Clipping with Regard to Radio Broadcast to the United States by Mr. Noboru Ohtani."

On February 15, 1940 there was broadcast from Japan to the United States a speech by the President of the Nippon Yusen Kaisha steamship line based on the usual argument that the "new order" will mean trade and prosperity in which America will have a profitable share. The Embassy considers that the speech was officially inspired.

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CC/ FE:Coville:MacD:SS



THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

AMERICAN EMBASSY

Tokyo, February 17, 1940

No. 4509.

TRANSMITTING NEWSPAPER CLIPPING WITH REGARD TO RADIO BROADCAST TO THE UNITED STATES BY SUBJECT:

MR. NOBORU OHTANI.

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The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to transmit for the Department's information an excerpt from The Japan Times of February 16, 1940, giving the substance of a broadcast to the United States made on the previous day by Mr. Noboru Ohtani, President of the important Japanese shipping company, the Nippon Yusen Kaisha.

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The radio address, which was obviously officially inspired, asserts the unshakable determination of Japan to establish permanent peace and "the new order" in East Asia and appeals to Americans to understand that Japan was forced into the Sino-Japanese conflict against its will, and "to judge the present objectively". The argument as naively advanced by Mr. Ohtani may be summed up in the following quotation from his broadcast, which contains a veiled threat that economic reprisals will be taken against American interests in the event of the imposition of an embargo: "Since therefore the Japanese people so unanimously believe in the righteousness of their cause, it seems to them not only totally irrational, but wholly unjust for any nation to apply economic pressure with a view to causing them to change a policy so fixed, and which they believe so just. Moreover, any third power which applies such unwarranted sanctions to Japan should bear in mind that the economic sufferings involved will not be limited to the victimized people, but that all alike must suffer."

Respectfully yours,

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Joseph C. Grew

Enclosure:

Newspaper clipping from <u>The Japan Times</u> of February 16, 1940, entitled "N.Y.K. President Asks Americans to Accept Inevitable in Far East."

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Original and 3 copies to Department.

Enclosure No. /, to despatch No. 4509, dated Feb. 7,1940. from the Embassy at Tokyo.

The Japan Times.

Tokyo, Friday, February 16, 1940.

N.Y.K. PRESIDENT ASKS AMERICANS TO ACCEPT INEVITABLE IN FAR EAST

In Overseas Broadcast Ohtani Avers By So Doing All Will Mutually Profit

sary and the New Order" was the title of a talk broadcast over JOAK's overseas program Thursday by Noboru Ohtani, president of the Nip-pon Yusen Kaisha, the text of which follows:

"I am greatly honored to be permitted to speak this evening for a few minutes to our American neighbors on points concerning the United States, Japan and the new order

in the Far East.
"Now, on the 11th of this month Japan celebrated the 2600th anniversary of her Empire's foundation. You will, I am sure, understand that such a celebration is one of unparalleled significance in her history. This is especially so, seeing that the celebration comes at a time when Japan is engaged in a national life-and-death struggle which has now lasted nearly three

"Japan had intended to invite the world to share in her jubilation this year. She had planned to hold the Olympic Games and an International Exposition in Tokyo. We all deeply lament that the Sino-Japanese Incident has made this impossible.

GIVEN TO INTROSPECTION

"Instead therefore of making the celebration of this great historical year an international event, as they have been forced to become intensely introspective. This has stimulatnational consciousness and the determination to carry out her plans in the Far East, cost what they might. It has resulted also in a unity of purpose, and an empire ed that reason must rule internation-wide spiritual mobilization, such as al commercial relations. There is the Japanese people have never been called upon to demonstrate during their eventful 2600 years of history.

major results of this spiritual mobition in the Far East, I am persuadlization, and how they affect Amer- ed that the way to prosperity for ica and Japan.

determination, since so far-reaching wisdom of Japan's aims, in which a plan for reconstruction in this all the Far East is involved. part of the world cannot be achieved without heavy sacrifices by the American prosperity? Well, American prosperity?

"America, Japan's 2600th Anniver- Japanese people. But all are willing, and even happy, to make such sacrifices, heavy as they undoubtedly are, to achieve what the Japanese people have come to regard as a sacred national mission.

"Our people appeal therefore to their American friends to understand that they were forced into the Sino-Japanese Conflict against their will. It was China's blind anti-Japanese policy which was the cause. This has obliged Japan to fight for nearly three years for her very national existence. Her sacrifices have been untold. And yet, what is her main policy? Nothing more than to establish peace in the Far East whereby China and Japan may live as neighbors in common strategic safety against Bolshevism, and in common economic prosperity. ALL MUST SUFFER

"Since therefore the Japanese people so unanimously believe in the righteousness of their cause, it seems to them not only totally irrational, but wholly unjust for any nation to apply economic pressure with a view to causing them to change a policy so fixed, and which they believe so just. Moreover, any third power which applies such unwarranted sanctions to Japan should bear in mind that the economic sufferings involved will not be limityear an international event, as they ed to the victimized people, but that had hoped, the Japanese people all alike must suffer. History has proved this repeatedly, and never more than since the first Great War. ed to the very inmost core Japan's And was it not a great American who wrote:

In the loss or gain of one nation

All the rest have equal claim. "As a businessman I am convincal commercial relations. There is no room for unrestrained emotion. When therefore I see that the most powerful leaders in China are now cooperating with Japan to establish peace and build up a stable situa-America and Japan lies in the wis-"First and foremost is her grim dom of according their support to determination to set up permanent the new order. All China is slow-peace in the Far East. I say grim by coming to see the sincerity and

ica has already seen an increase in her trade with the new Manchoukuo. Is it therefore irrational to assume that she would enjoy increased trade with a re-established China, in which peace reigns and the trade door is opened wide? It cannot be disregarded that during the past ten years America's trade with Japan has increased by some 8 per cent. It is not difficult then to imagine the enormous trade boom which will result to America in the work of reconstruction and economic exploitation of the countries involved in the new order.

the new order.

"Concerning this potential prosperity, may I speak for a few moments of marine transport, with which I am most familiar. Under restored peace, America is certain to share in the resulting marine prosperity. Japan is planning to build a mercantile fleet of several million tons. But this will manifestly be quite inadequate to transport all the materials required from America to reconstruct under the new order, or to carry normal exports in the trade boom. America's shipping is certain therefore to benefit considerably.

BROADER WORLD ISSUES

"Now, may I beg your leave to glance for a moment at the broader world issues affecting Japan. There is of course the European War. This inevitably affects Japan closely. But at its outbreak Japan declared her intention to remain neutral, and insofar as possible she will certainly do so. For the present she is content to concentrate on her spiritual and economic mobilization, and to establishing peace in the Far East. This necessitates the successful prosecution of the Sino-Japanese Incident and the far-reaching work of reconstruction. In carrying out this colossal program, it is of course natural that Japan should begin to feel a shortage of certain materials.

"This shortage has been interpreted by the misinformed as implying the possibility of an economic collapse in Japan. But nothing is further from the truth. Only those totally unacquainted with Japan's

economic resources and capacity for self-sacrifice to achieve what she conceives as a sacred mission could make so dangerous a blunder. Her inexhaustible moral resource is indeed the most potent virtue of the 2600 years' of history which today Japan is celebrating. Nothing can break its spirit!

therefore to their American friends to judge the present objectively. It is a time for the wise and farseeing leaders of America to accept what is inevitable in the evolution of the Far East, and to strive how best to collaborate in building the New Order, so that in it all may mutually benefit.

"In conclusion, may I say that the Japanese cordially invite their American friends to cross the Pacific during this eventful year to see for themselves what Japan is doing. We believe that it is by seeing for themselves that our American friends will come to understand Japan's aims. In understanding them, Americans will see that Japan is justified in her mission of creating a New Order in the Far East. We believe that mission is one in which America also has her responsibilities, if she is to share in its rewards, which will be great."



EMBASSY OF THE UNITED STATES OF AMERICA

No. 2503

Peiping, February 7, 1940

Subject: Activities of Mr. Yasuzo Shimizu.

FAR EASTERN AFFAIRS MAR 9 - 1940 epartment of State

The Honorable

The Secretary of State, Washington, D.C.

1933. av 1566 a I have the honor to refer to Tokyo's despatch No. 4383 of December 29, 1939, entitled "Transmitting Clipping - Comments of Mr. Yasuzo Shimizu, Christian Missionary in China, upon his departure from Japan for the United States".

> Mr. Shimizu and his wife are understood to be graduates of Oberlin University. They are not registered as American citizens in this office. He has resided in Peiping for some twenty years and has conducted a small mission just outside the city walls.

Since

Since the commencement of hostilities in 1937. however, he has devoted more time to political activities on behalf of the Japanese military than to his Christian missionary endeavors. American missionaries here have had the feeling that he has been attempting to obtain for the Japanese military information in regard to their work, particularly as regards the Chinese personnel of their missions, and his activities in this connection led to one fairly bitter controversy with an American educator in Peiping. American missionaries here who know him well generally consider him to be a Japanese agent.

So far as is known to the Embassy or to American missionaries here, Mr. Shimizu has never been called the "Saint of Peking" except in Japanese or Japanese controlled publications. Among the local Japanese military, with whom he is on excellent terms, he is sometimes referred to as "The little God of Peking".

The impression prevails among American missionaries here that Mr. Shimizu has been sent to the United States by the Japanese military for propaganda purposes.

Respectfully yours,

For the Ambassador:

Counselor of Embassy

Original and 4 copies to Department.

Copy to Embassy, Chungking. Copy to Embassy, Tokyo.

710 U.S.-Japan/710 Sino-Japanese/360

RLS-SC

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DIVIS ON OF COMMUNICATIONS AND RECORDS

March 7, 1940

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

Dear Mr. Secretary,

ON POLITICAL MELLING MR. HOR MECK March 12 1940 MAR 12154 Attached hereto are two letters from

President Stuart dated January 18 and February 12. giving important information as to the situation in North China and in Japan at the present time, and expressing Dr. Stuart's views as to America's interest in these developments.

Very truly yours,

Secretary

and the state of t

BAG:MS Enclosures 2

793.94/15746

Confidential

January 18, 1940

To the Board of Trustees:

Some weeks have elapsed since my last report to you on the war situation. This is paradoxically because there have been no major changes and because things have been happening so rapidly. What I mean is that the developments have been in general along lines with which you have already been made familiar but without as yet any decisive results, while on the other hand there have been shifts or trends which might at any time take a new turn thus nullifying forecasts or creating altered possibilities. I shall try briefly to summarize the most recent tendencies, realizing that what I write may reach you long after cabled dispatches or be disproven by some at present unknown factors.

I have indicated more than once that the answer as to when and how this conflict will end seems to lie in Japan rather than in China. This is even more true now. The Abe Cabinet has fallen, as had been predicted for some time, it being unable to end the China war to the satisfaction either of the more moderate elements or of the military extremists. The former of these had become organized with the intention of putting forward a relatively liberal army officer, General Ugaki, on a general policy of ending the war through direct negotiations with Chiang Kai-shek, yielding as much as necessary in recognition of Chinese national independence, postponing the Manchuria issue, advocating the cultivation of better mutual understanding through cultural contacts and education, recovering the goodwill of the United States and Great Britain.

Meanwhile the army leaders seem to have threatened one of their tours de force by which they would seize control, enforce further totalitarian measures and negotiate at once with Russia (and Germany) in a desperate effort to neutralize American economic "interference". The dissension seemed sufficiently serious to draw the Emperor into appealing personally to intransigent militarists. Prince Konoye, who is supposed to be succeeding the aged Prince Saionji as the Emperor's adviser, apparently induced Admiral Yonai to serve as premier rather than sacrifice the moderate leadership prematurely. A navy man can also curb the army better than civilians, and it is hoped that he can placate the United States. To give point to all this it had come to light that army agents were maneuvering to win party leaders and thus get their huge appropriations passed by the Diet, then in March to throw aside these allies and establish a more thoroughgoing military despotism. This rather colorless Cabinet will probably be short-lived and will institute no radical changes in policy. What type of cabinet will succeed depends mainly on public opinion. This somewhat new element within Japanese life seems to me the most interesting and significant phenomenon that is emerging from the conflict. It may prove to be the decisive one. It will be influenced chiefly by four factors.

- (1) Steadily augmenting economic and other causes of internal discontent or anxiety.
- (2) Lack of military successes and weakening in man power and morale from the Chinese policy of attrition. The Chinese estimate of Japanese casualties on all fronts during December was 100,000. With due allowance for exaggeration this is at a much higher rate than previous estimates from the same source. Chinese theory is not to attempt to recapture cities for the present but to endeavor unceasingly to reduce the numbers of the enemy, waiting until they think the time has come for attempted recovery of lost territory.

- (3) The outcome of the Wang Ching-wei movement. The Japanese people have been duped into thinking that with the inauguration of this supposedly Chinese government the war would be ended happily for both sides. The Abe Cabinet tried desperately to bring it into being and fell largely because of this failure. Mr. wang, who has never been a traitor in the crass sense but rather a timid and disgruntled opportunist politician with a defeatist complex toward China's hopes for winning independence, is not at all pleased with his present predicament. He is clutching at any method of regaining public support and his lost position in the government. Many influential Japanese army men have always disapproved this palpably puppet device and the sentiment is spreading. His own supporters have insisted that he must stop the fighting by negotiating for them with the Chungking Government or in whatever way he can; otherwise they will have no further use for him. The strongest of these, General Itagaki, has always been on unfriendly terms with the new premier which makes it all the more probable that he will soon be recalled from ective service. This would react very unfavorably on Wang's movement. The one hope for Mr. Wang and his group is to come out openly and courageously for the complete independence of China involving as this must the withdrawal of all Japanese armed forces from the country, including North China, but this would be a humiliating loss of face. Should he make such a decision before it is too late his friends could intercede for him with General Chiang, and in any case his place in history would be improved. Even if the present Cabinet or a more violent succeeding one coerces him into attempting to set up a figment of a government it will not have the allegiance of the North China puppet leader and could not therefore cover even the whole of the occupied areas. In fact it would be limited to the lower Yangtse Valley and be wholly dependent on Japanese protection. When, however, the scheme collapses, as somehow it will, the Japanese public will have one more disillusioning shock which ought to help them toward an awareness of the fatility of political solutions for militaristic objectives.
- (4) American policy. This is giving the Japanese no slight uneasiness. I have already argued so insistently in favor of economic pressure on our part that I shall refrain from further comment. The action by Congress is due in any case long before this can reach you. But the form it takes will have a very large part in shaping Japanese opinion. More than ever I believe that strong action by us now will not only aid China and avert more serious consequences for ourselves, later, but that it will also have a beneficent effect in railying this mascent Japanese public opininto become articulate and to assert itself. As is true no doubt of all other nations, the Japanese people want peace, and as they come into greater power they will demand it. Witness the popular determination in our own country not to be drawn into the European War.

The secret agreement that Wang Ching-wei made with his Japanese associates has no importance in so far as his own ability to "deliver" is concerned. But it does have interest as revealing the aims of the present rulers of Japan. One item was of course the treatment of North China as "special area" which meant for practical purposes a colonial status. Another was the permanent opening of the Yangtse River exclusively to Japanese shipping. Another was the establishment of naval bases on the island of Hainan, in certain designated southern posts and islands off the Chekiang coast, China to organize a navy with vessels purchased from Japan and under her tutelage, all this in order to "protect" China from further western aggression. The real intention is to utilize Chinese resources and to implicate its government in the further Japanese aggressive designs against the Philippines, and the British, French and Dutch colonies further south. It is worth remembering that whatever fair promises the new premier may make, he is

XX Mark Cz an admiral and is committed to the navy program to secure Hainan. This would encourage the army in turn to hold out for North China as its share of the spoils. But more than that, it confirms the already well-founded fears that those who have been dictating Japanese policy are all at one in an expansionist program by force of arms. They differ as to the direction this should take at any given time, as to the speed and recklessness with which it should be prosecuted, but not as to the essential objective. What will be the consequences is sufficiently apparent from the fate of those regions already subjugated and exploited.

Every instinct of altruistic sympathy for China and of international decency, as well as of far-sighted national self-interest, should lead us Americans at the very least to give no further aid to a ruthlessly determined imperialistic policy so sinister in conception and so savage in execution. Be tolerant with me if again my emotions seem to make me tediously or even uncharitably repetitious. My defense is, as always, not only that all that Yenching means to you and me is literally quivering in suspense but that Yenching is a single instance, or as it were a symbol, of the immeasurable catastrophe which would befall this country and mankind should the Japanese army and navy succeed in their ambitions. The gallant Chinese resistance despite the vast welter of destruction and misery this has brought on them, and the failure of the Japanese to win any reputable associates despite all their blandishments and mass terrorization, give conclusive evidence of how clearly they realize what is at stake.

Meanwhile livelihood problems in this region are very bad and rapidly becoming more so. Over large tracts in the southern part of this province and in Shantung the virtual famine conditions are appalling. Between guerillas, bandits and Japanese punitive methods the plight of the country people is pitiable. In the cities prices are soaring to nearly 300% above normal, but it is difficult to get staples at any price. It all reveals the breakdown of the military administration, and is aggravated by the racqueteering they and their Chinese followers carry on.

Confidential

February 12, 1940

To the Board of Trustees:

It has seemed increasingly true of late that the Japanese war against thina is being fought in Tokyo and throughout Japan itself. Because of this sent one of my capable young lieutenants there last month in order to gain dependable information which I can take with me to Chungking. He returned a day or two ago, having spent nine days in Tokyo and returned here by way of Shanghai. This is to share with you a brief summary of his impressions. He was in direct touch with the most authoritative sources though I had best avoid mentioning manes.

Japanese opinion as to the adventure in China and its consequences to their own economic and other interests is becoming acutely conflicting. The usual tension between army and navy is more violent than ever, especially under the present cabinet headed by a navy man. The army is therefore in strong disagreement with the trend in policy. Within the army itself the factional divisions always active are being exacerbated by the unfavorable military and other developments. The real power has always been with the younger officers and a group of these is actively promoting a reform movement aiming at making of the army a purely military instrument of government policy rather than being itself concerned with political issues. This group vigorously oppose efforts such as that of General Itagaki and his following to organize a rival Chinese Government under Wang Ching-wei. Their ideal for the army is to be colorless politically. Hata, the War Minister, is trying to keep a balance among all these contending groups with the army itself.

There are of course the normal differences in outlook among political parties and others, all intensified by the disillusionments in their grandiose dreams of imperialist expansion. But the most significant of these tensions is that between government and populace as the latter anaken to the futility alike of military conquest of China and of the puppet devices for political domination, together with the economic hardships and the threatening disasters ahead. They turn to Prince Konoyo as the only one qualified to assume loadership and yet there is widespread criticism of him, chiefly on the ground that he and the Government generally - do not seem to be consistent or clearant in aims, causing confusion and perplexity to the booole.

The discharged soldions are adding to the disorder. Ifter their orgy of slaughter, raping and plundering in China they find life at home and its restrictions inksome. They are also constantly utilized by those who wish to incite disorders for political purposes. They are largely responsible for the recent doubling of the police force.

The Government attempt at nationalization of resources, industries, agriculture and economic life in general seems to have broken down, mainly because of the human factor rather than the material difficulties. The Japanese docility or disciplined acceptance of established procedures become paradoxically the hindrance to a policy of increased regi-

February 12, 1940

mentation. Discharged soldiers and others are leathe to find employment in munition works which they regard as temporary rather than in their accustomed occupations from which many of them are now debarred because of war conditions. But this process of economic mobilization is obstructed also by material causes such as the lack of coal, electricity, and other basic requirements.

Economic consequences of the war are on the whole becoming decidedly more serious. Business is bad. Usually at this season the nation has 70,000,000 piculs of rice to last until the next harvest as against 30,000,000 piculs this year. The major topic is no longer war news from China but internal problems affecting livelihood. The fear of violent outbreaks within the next few months is openly expressed. This explains the effort to persuade Ikoda, perhaps their ablest financier, to assume the post of Premier and lead the nation out of the impending economic chaos. This he cannily declined and the man who finally took it is not of outstanding capacity.

There is a sobering realization of the possible consequences of American policy in not renowing the trade treaty and in more positive economic measures. As one clear-thinking leader among them summed it up, they have only two courses, one boing to satisfy the American demands and the other defiance backed up by force. There is no likelihood of the latter, despite certain intemperate pronouncements in their press. It is extremely improbable therefore that there will be officially promoted anti-American agitations, even though sporadic instances of this occur, especially in localities away from higher control.

The more intelligent and liberal loaders, including many in the army and navy, are well aware what the foisting on China of a support travesty of the Kuomintang Government under lang Ching-wei is fatuous. But apparently with an understandable reluctance to be realistic they are trying to believe that peace can be achieved by inciting him to organize a government into which General Chiang Kai-shek and his associates could be induced to include themselves. Other prominent Japaneso maively imagine that something of this sort can really be worked out, or that General Chiang could be persuaded to retire temporarily while the Japanese troops are being withdrawn. There seems to be a defect in Japanese mental habits which prevents them from facing or even seeing unpalatable facts or from conceiving how these are regarded by others (in this case Chinese patriots). I might add that my representative returned through Shanghai because of Japanese urging, presumably to study the Tang Chingvei movement. He wisely decided not to risk any direct approach to Mr. Tang or his satellites. Any one calling on political agents of an opposing faction in Shanghai risks the danger of being followed and shot by gunmen who do not as a rule bother to verify their suspicions. But he learned from his Japanese contacts that Ir. Tang is feeling quite possimistic, which is not surprising.

My young man is ontirely at case in the Japanese language and their customs. He made a similar trip for me last summer. This time he went not merely to secure authoritic information but also to follow up previous conferences with Japanese in which I had tried to make clear the only peace terms that General Chiang could consider as well as my own readiness to serve as an unofficial intermediary once responsible Japanese

February 12, 1940

were willing to begin negotiations on such terms. They are obviously both grateful and eager but I have the quite definite impression that the time is not yet ripe. They must not only abandon all hope of manipulating a figment of a Chinese government under their patronage and military coercion, but also any compromise that enables them to hold under plausible phrases their desired political and economic control of North China by garrisons of their own troops. To sacrifice these long cherished dreams of continental empire, schemes of economic exploitation, notional prestige, compensating gains for their vast expenditure, will not be easy. Chinese policy must therefore be one of patiently continued and determined resistance, whatever sufferings and losses this requires, until the Japanese are convinced of the futility of any other solution than that of recognizing China's national independence with all that this involves. Concretely this means, as is equally true of the naintenance of American rights in China, the complete withdrawal of Japanese troops south of the Great 'all. Then they are ready to discuss a settlement on this basis, I hope that America will be sought by both nations for helping toward a rational and equitable peace.

3.

As to more personal matters, I am loaving in a few days to attend a conference in Chungking called by the Rockefeller Foundation to discuss its program of rural reconstruction training courses. The special share Yenching has had in this is in such subjects as local government, social organization, rural economics, and education. I must also attend the annual meeting of the Trustees of the China Foundation (American Boxer Indemnity) and a conference of the presidents of the Christian Colleges. Transportation facilities are so deranged by war conditions that returning here, unless for urgent reasons, would be costly both in time and money. All travel into free China requires going through Hongkong and ten days is considered quick time from here to that port. From there travel by air is expensive, has an element of danger, and usually requires booking long in advance. I shall therefore probably spend the six weeks between my first and final most-ings in unhurried observation of general conditions in free China, visiting our graduates who are scattered all through that area, and otherwise trying to keep frosh and vital our relationships with that section of the country. This should supply material for my next report.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mittin 0, dueletin NARS, Date 12-18-15

In reply refer to FE 793.94/15746

March 12 1940

My dear Mr. Garside:

By direction of the Secretary of State, the receipt is acknowledged of your letter of March 7, 1940, enclosing two letters of January 18 and February 12 from Dr. J. Leighton Stuart in regard to the situation in the Far East.

Dr. Stuart's letters have been brought to the attention of interested officers in the Department and your courtesy in making the letters available to us is very much appreciated.

Sincerely yours,

" 7. m. [

Maxwell M. Hamilton Chief Division of Far Eastern Affairs

Mr. B. A. Garside,
Secretary and Assistant Treasurer,
Yenching University,
150 Fifth Avenue,
New York, New York.

eq.C. FE:ECC:HJN 3/11

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F/FG

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TELEGRAM RECEIVED

FROM

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

WIGH VIA N.R.

Dated March 8, 1940

Rec,'d 9:07 p.m.

Secretary of State,

193.94

Washington.

March 9, 10 a.m.

Divisionof FAR EASTERN AFFAIRS P U.N.I. AND Mills.

Japanese troops arriving in this area during the past fortnight totaling perhaps 15,000 (Chinese estimates 50,000) lend some substance to widespread rumors of a Japanese spring offensive. The objective of the anticipated drive: is variously designated as Ichang and Changsa. This office believes that the Japanese cannot hope to take either of these cities unless their present forces in this area are considerably strengthened.

Sent to Chungking. Repeated to the Department, Priping, Shanghai.

SPIKER

JRL:NPL

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E) Department of State letter, August 10, 1972

By Mitty 0, dustiff NARS, Date 12-18-75

(Confidential)

PARAPHRASE

A telegram of March 8, 1940, from the American Consul General at Hankow reads substantially as follows:

Widespread reports of a spring offensive by the
Japanese are somewhat substantiated by the arrival in
the Hankow area during the last two weeks of perhaps
15,000 Japanese troops (50,000, according to Chinese
estimates). Changsha and Ichang are variously mentioned
as the anticipated drive's objective. Unless Japanese
troops in the Hankow area are reinforced considerably
the Japanese cannot hope to capture either Ichang or
Changsha, in the opinion of the American Consulate General.

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TELEGRAM RECEIVED

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

HONG KONG VIA N. R.

Dated March 9, 1940

Rec'd 1:11 p.m.

Secretary of State

Washington

72, March 9, 11

Division of FAR EASTERN WHATES MAR 1 1 1940

FROM

193.94

The combined naval and military operations on a small scale by the Japanese against the Chungshan district during the past week have now resulted in the occupation of Shekki and the cutting of the much used highway from that town to Macao.

Refugees reaching Macao are estimated by the authorities there as at least 50,000 but Hong Kong sources believe the

there as at least 50,000 but Hong Kong sources believe the number exaggerated.

There has not been found in Hong Kong any well-defined opinion as to the significance of this renewed action against Chungshan but the suggestion has been made that it has been taken because of increased exportations from Macao into China via the devious waterways of the Pearl and West Rivers. The Japanese occupied Chungshan in October of last year and withdrew a few days later for no reason of apparent importance (See our 1939 numbers 366 and 373). The Japanese forces participating in this reoccupation of Chungshan are estimated at about 3,000. The only immediate effect in Hong Kong is to reduce at least temporarily the considerable supplies of vegetables

F/FG

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TELEGRAM RECEIVED

NC -2- #72 from Hong Kong, March 9, 11 a.m.

FROM

vegetables and other foodstuffs which come to this colony daily from Macao- and the Chungshan district.

Repeated to Canton, Chungking, and Peiping. ${\tt SOUTHARD} \label{eq:southard}$

 \mathtt{NPL}

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitty 0, due to NARS, Date 12-18-75

(Confidential)

PARAPHRASE

A telegram (no. 72) of March 9, 1940, from the American Consul General at Hong Kong reads substantially as follows:

The much traveled highway between Shekki and Macao has been out and Shekki has now been occupied as a result of the small scale Japanese combined military and naval operations which have taken place during the week of March 3 against the Chungshan district and in which it is estimated that approximately 3,000 Japanese took part. The authorities at Macao estimate that 50,000 refugees at least are coming into Macao. However, this is an exaggerated estimate in the opinion of persons in Hong Kong. In October 1939, Chungahan was captured by the Japanese who a few days later withdrew for no apparently important reason. Rather large amounts of foodstuffs, including Vegetables, go each day from the Chungshan district and Macao to the Colony of Hong Kong and a reduction at least temporarily in the amount of these foodstuffs is the only immediate effect in Hong Kong of the Japanese occupation of Chungshan.

No well-defined opinion concerning the meaning of this new action against Chungshan has been found in Hong Kong. However, it has been suggested that the operations were DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mittm D. diveter NARS, Date 12-18-75

-2-

were undertaken on account of growing shipments into China from Macao by way of the winding waterways of the West and Fearl Rivers.

FE:EGC:JPS

FE A

DEPARTMENT OF STATE 61

Division of Far Eastern Affairs March 11, 1940

Chungking's 120, March 8, 2 p.m.

Of special interest is Ambassador Johnson's statement in section 5 of this telegram which indicates that the success of the Chinese in retaining economic control over large areas of the country nominally occupied by the Japanese is due in large measure to the high-handed methods of the Japanese themselves. It thus appears that the Japanese could, by changing their tactics, almost immediately start to increase the economic benefits which they obtain from China and at the same time greatly increase the difficulties of the Chinese Government's economic problem.

793.94/15749

FE:Perfield:HJN

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TELEGRAM RECEIVED

FROM

CORRECTED COPY

This message must be closely paraphrased before being communicated to anyone. (Br)

Chungking via N. R. Dated March 8, 1940

Recid 9:12 a.m.

FAR EASTEIN AFFAIRS

MAR 1 1 1940-

Secretary of State,

743.44

Washington.

120, March 8, 2 p.m.

I offer following comments on observations made during recent visit to Peiping, tour of Yangtze and journey Shanghai to Chungking via Hanoi and Kunming.

One. Great numbers of Japanese have followed army into North China and are engaged in operating communications services by rail, air and motorcar, telephone, telegraph and radio; public facilities such as electricity and water and there is much planming for the future. Chinese population seems less afraid of Japanese than was reported to be the case in the beginning of trouble and evidence little interest in state control plans which Japanese appear to be prepared to carry forward with or without Chinese cooperation. All activity based upon unconvertible currency issued by Japanese agencies and known as B currency which gives unstable economic background & to whole business and state control structure. Link system

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-2- #120; March 8, 2 p.m. from Chungking via N. R.

system now enforced plus blockade of British concession has killed normal trade leaving B currency entirely dependent upon business with Japan and ability of holders to convert it into Chinese national currency still only currency with exchange value.

(END SECTION ONE)

JOHNSON

WWC

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TELEGRAM RECEIVED 664

JR
This telegram must be closely paraphrased be- FROM fore being communicated to anyone. (br)

Chungking via N. R. Dated March 8, 1940 Rec'd 3:05 p.m.

Secretary of State, Washington.

120, March 8, 2 p.m. (SECTION TWO)

Communication facilities and public utilities of Yangtze Valley from Woosung to Yochow are held in iron grip of Japanese army and all commerce on the river is in the Japanese army's control. The Japanese army through its special service section has been busy preparing for the setting up of a political Chinese machine with its seat at Nanking the old capital of the Chinese Republic to serve as a legal facade for the setting up of so-called Sino-Japanese companies to operate these public utilities as monopolies. Thus far the Japanese army has refrained from any attempt to introduce into this area a printed currency of its own paying for its purchases with military script with Chinese holders convert into Japanese made goods as fast as they can. (END SECTION TWO).

WWC

JOHNSON

IMS
TELEGRAM RECEIVED
This telegram must be _____ Chungking via N. R. closely paraphrased before being communicated to anyone. (BR)

FROM

Rec'd 5 p. m.

Secretary of State,

Washington.

120, March 8, 2 p. m. (SECTION THREE)

Three. The Japanese army aided by the navy have blockaded or occupy all treaty ports along the coast of China and have attempted to cut all normal routes from the interior into such ports apparently for the purpose of cutting off all access to Chinese products or to Chinese markets except through channels controlled by them.

Four. In spite of this blockade large quantities of Chinese products are finding their way out of various unopened Chinese ports along the coast by junk and other small conveyance to Hong Kong (*) sold for the account of Chinese merchants, such transactions involving considerable amounts of exchange between foreign currencies and Chinese national currency. Chinese national currency still prevails throughout Chinese territory except in areas immediately adjacent to Japanese garrisons, supported by Chinese confidence

in

LMS 2-No: 120, March 8, 2 p. m., Sec. 3, from Chungking in their own government, considerable amounts of exchange derived from the exports above referred to, large remittances from Chinese living abroad which continue to come through Chinese controlled banks, and by Japanese goods bought in China with Japanese military notes which add to the country's stocks of needed materials from the outside the importation of which constitutes (on?) no burden of the Chinese currency.

(END OF SECTION THREE)

JOHNSON

NPL (*) Apparent omission.

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THIS TELEGRAM RECEIVED
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FROM Rec'd 5:50 p.m.

Secretary of State,

Washington.

120, March 8, 2 p.m. (SECTION FOUR)

Five. Communications between interior China and the outside world through French Indo-China are being increased by additional roads now under construction, inability of Japanese permanently to injure the Yunnan Railway, present through connection by railway and road between Haiphong and Lu Hsien on the Yangtze with cheap waterway connections between Lu Hsien and other parts of Szechuan. The Burma road is being developed and gives direct connection between Szechuan and Burma. The roadway between European world.

Six. The Japanese invasion with its attack upon Chinese cultural and industrial development has driven into this section of China all of the trained Chinese engineers, chemists, and cultural leaders who are settling down and working hard at developing the latent mineral and agricultural resources of this area. They are busily at work developing mines, increasing wheat, cotton, and vegetable oil crops, opening motor roads, (END OF SECTION FOUR)

JOHNS ON

EMB

TELEGRAM RECEIVED 668

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

FROM Chungking via N. R.

Dated March 8, 1940

Rec'd 10:48 a. m., 9th

Secretary of State,
Washington.

120, March 8, 2 p. m. (SECTION FIVE) Developing methods of producing fuel from vegetable oils, developing oil wells in Kansu and Sinkiang, smelting copper, lead and tin, and developing hydroelectric power. They are making a beginning which is already showing results. Dependent upon their ability to win the support of the people they have resources in man power and of a natural kind (?), area sufficient to create a power of considerable weight. Up to the present they have been meeting with success because of the high handed methods of the Japanese military, which have created a feeling of hatred against Japan and Japanese among all Chinese that dominates their minds to the exclusion of everything else when a Japanese is concerned. It is conceivable however that guided by wiser counsels the Japanese, possessed of China's chief lines of communication and the principal treaty ports of entry, might open these facilities in such a way

hsm -2- No. 120, March 8, 2 p.m. (Section 5) from Chungking a way as to make them once more the easiest and cheapest way for products of China to reach the outside world in which case it would become exceedingly difficult for Chinese authorities in the interior to prevent Chinese merchants and farmers from selling their products in the markets giving them the most for their labor. (END SECTION FIVE).

JOHNSON

CSB

TELEGRAM RECEIVED

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

FROM Chungking via N. R.

Dated March 8, 1940

Rec'd 10:50 a. m., 9th

Secretary of State,
Washington.

120, March 8, 2 p. m. (SECTION SIX).

The Japanese up to the present have been handicapped in their use of the facilities which they have taken over by lack of capital and an unwillingness to share what they have taken either with the Chinese or with nationals of third powers who have the capital to invest.

SEVEN. My observations convince me that this year will be a critical one for both Chinese and Japanese in the solution of their present difficulties and that at the moment Chinese difficulties appear from this angle of observation to be less critical than those facing the Japanese because of the current domestic situation in Japan. The Chinese can still feed and clothe themselves without difficulty, and the Government still has the support and confidence of its people. (END MESSAGE).

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

JOHNSON

CSB

793.94

CROSS-REFERENCE FILE

NOTE

SUBJECT

Trend of Japanese thought and feeling toward the Chinese people.

Encloses copy of memorandum recording conversation of Jan. 31 between Admiral Nomura and a member of the Embassy staff, regarding -.

aa

For the original paper from which reference is taken

See	# 4505 (Despatch, telegram, instruction, letter, etc.)		
Dated	Feb.16, 1940	From	Japan (Grew)
File No.	711.94/1438		

15751

793.94 /15750

FI

This telegram must be closely paraphered RAM RECEIVED ong via N. R. fore being communicated to anyone. (br)

Dated March 12, 1940

FROM RECAD 9 p.m.

Secretary of State, Washington.

Division of FAR EASTERN AFFANSIN

77, March 12, noon.

March 9, ll a.m., travelers from Chungshan and Macao indicate the Japanese reoccupation of Chungshan has produced comparatively little disturbance and that local government at Shekki and other places is about to be restored with Japanese approved Chinese officials in control. The Macao frontier customs stations have been reopened and many of the refugees have returned to Chinese territory. Observers say that there are apparently very few actual Japanese in the small forces of occupation which are composed mainly of Chinese mercenaries who have committed a few excesses. Observers here thought that the Japanese would carry off the important supplies of rice available in Chungshan but such does not now appear to be their intentions.

The Japanese have issued proclamations inviting the return of those who evacuated and indicating pacific intentions with the exception of operations to eliminate the guerrillas and bandits who have been preying on the population

T / A

793.94/1575

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-2- #77, March 12, noon; from Hong Kong.

population during recent months.

This Consulate General is inclined to credit local opinion that this Chungshan operation is one of a series in adjacent territory (including developments in the Hong Kong frontier zone) to install local governments of Chinese officials favorable, or at least not antagonistic, to the Wang-Ching-Wei enterprise.

Repeated to Chungking, Canton and Peiping for Tokyo.

SOUTHARD

RR

TELEGRAM RECEIVED

EG

GRAY

Division of

UAR 13 1940

FROM

Tokyo via Priping & N.R.

Dated March 12, 1940

Rec'd 6:55 a.m., 13th

Secretary of State,

Washington.

167, March 12, 11

Department's 85 / March 9, 2 p.m., bombing of

Haiphong-Yunnan Railway. Action taken yesterday.

Peiping please repeat Chungking.

GREW

KLP

793.94

793.94/15752

MAR 16 1940

TELEGRAM RECEIVED

HSM

GRAY

FROM

Tokyo

Dated March 13, 1940

Rec'd 8:50 a. m.

Secretary of State,

Washington.

193.91

176, March 13, 8 p. m.

The Prime Minister made today a statement on China policy which is being covered by an Associated Press despatch. As it is couched in general terms I shall not telegraph the text unless instructed to do so.

GREW

KLP



793.94/15753

New York Herald-Tribune

Japan to Speed Recognition of Wang's Regime

Yonai Pledges Assistance to Proposed Government, Hopes for Chinese Amity

By Wilfrid Fleisher By Telephone to the Herald Tribune Copyright, 1940, New York Tribune Inc TOKIO, March 13. - Japan will render "wholehearted assistance" in the formation of a new China government to be set up by Wang Ching-wei and is prepared speedily to extend recognition to it after its establishment, Premier Mitsumasa Yonai declared in an official statement this morning in reply to a statement issued by Wang Chingwei in Shanghai last night announcing his plan for establishing the new China regime.

Premier Yonai's statement is understood to have been prepared by the China Affairs Board and to have been approved at a meeting of the Cabinet yesterday. In it the Premier declared that the construction of a new order in East Asia must be founded on a new relationship between Japan, Manchukuo and China in accordance with the Konoye statement of policy of Dec. 22, 1938, which has since stood as the basis of Japan's policy.

In accordance with this pregram, he said, the three countries thall "respect one another's racial and hational endowments, cultivate friendly relations of mutual aid and good fellowship, stand guard against the menace of Communism to insure the peace of East Asia, and practice the principle of ministering to one another's needs by setting up a reciprocal economic system." Premier Yonai pledged to respect China's "independence and freedom."

Although Japan and China were now engaged in hostilities, Yonai said, the two peoples "retain in their hearts the spirit of mutual sympathy and tolerance." He expressed the hope that the "far-sighted" Chinese who were trying to "help" China, among them Wang Chingwei, would go forward with the work of restoring peace for the "regeneration of Asia."

tion of Asia."

The Japanese government will appoint an ambassador to the new Wang government within the next few days, it was announced. The last act of the Abe Cabinet before its downfall in January was to approve an agreement with Wang, the contents of which have not been revealed, although they were communicated to a secret session of the Diet here.

Foreign Minister Hachiro Arita told the Budget Committee of the House of Representatives yesterday that Japan was prepared to abolish extraterritoriality in China as soon as possible after the establishment of the new regime, but that various preparations made it impossible to carry out this step simultaneously with its establishment.

The Arelian No. 11/2 March 14

FAR EASTERN AFFA

TELEGRAM SENT

CONFIDENTIAL CO

Collect {Full rate | Day letter | Night letter

Department of State

PLAIN

Charge Department:

Full rate Day letter Night letter

1940 MAR 14 PM 6 06

Washington,

Charge to

DIVISION OF COMMUNICATIONS AND RELACES

March 14, 1940.

AMEMBASSY,

TOKYO (JAPAN).

92

Your 176, March 13, 8 p.m.

Full text of statement does not repeat not appear to have been published here Please telegraph text via Shanghai.

H well

793.94/15753

PA/H

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Enciphered by ... Sent by operator ______ M.,

793.94/15753

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E) Department of State letter, August 10, 1972

By Mittin D. Susseff NARS, Date /2-18-75

PREPARING OFFICE WILL INDICATE WHETHER

TELEGRAM SENT

TO BE TRANSMITTED

CONFIDENTIAL CODE

NONCONFIDENTIAL CODE

Collect | Full rate | Day letter | Night letter

Department of State

PARTAIR

Charge Department:

Full rate Day letter Night letter

Washington,

March 14, 1940.

Charge to

AMERICAN CONSUL,

SHANGHAI (CHINA). WA

7 pm/

130,20

112

Press/reports from Tokyo in regard to a statement
by the Japanese Prime Minister mention reference therein
to a statement issued in Shanghai on March 12 by Wang /
Ching-wei announcing his plan for the establishment of
new regime. Please prime text of Wang's statement.

Hull

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TELEGRAM RECEIVED

Shanghai via N. R.

FROM Dated March 13, 1940

Rec'd 11:15 a. m.

Secretary of State

Washington.

Mary of Deal

200, March 13, 2 p. m.

Department's 95, March 4, 6 p. m. / 15725

This Consulate made reply to the Japanese Consul General in accordance with the Department's instructions.

A letter received under date March 12 from the Japanese Consul General states that he has now received a communication from the Japanese naval authorities to the following effect: "the officer in command of the local naval forces approached, through the good offices of the Japanese Consulate General at Hankor, the Commissioner of the Customs there, an American citizen, who succeeded in getting in touch with American citizens residing at Nata. On March the fifth three of those for Tiengmainsien (97, 6701, 4905), Americans left Nata two others remaining there. When the Japanese naval landing party entered the town of Nata on March the sixth, they paid every attention not to cause any inconvenience to these remaining American citizens, who, by their letter

3.94/15754

of

hsm -2- No. 200, March 13, 2 p. m., from Shanghai of March the ninth, expressed their gratitude for the

kind attitude shown to them by the naval landing party."

Repeated to Canton, Peiping, Chungking, and Hong Kong, to Tokyo by airmail.

GAUSS

CSB

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese Conflict.

Large Japanese Force in Tsingtao.

793.94/ 15755

For the original paper from which reference is taken
See #470 to Embassy (Despotch, telegram, instruction, letter, etc.)
Dated Jan. 6, 1980 From To Teingteo (Sokobin)
File No. 893.00 P.R. Tsingtao/138

Large Forces in Tsingtao.

793,94

There was considerable Japanese military activity in Tsingtao during December, apparently in connection with the campaign against the guerrillas in the Laiyang and Chi Msia districts. The Japanese claimed to have occupied Laiyang city and to have embarked on a campaign which they hoped would once for all eradicate the guerrillas in the Laiyang area who have given them considerable trouble in two years of occupation of Shantung.

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese conflict.

Report regarding military operations.

793.94/15756

rot me origina	paper	пош	мшсп	reference	is token
See#92	(Despatch,	talegram,	nstruction, le	otter, etc.)	
Dated Jan. 6,	1940		Fro To	m Hanko	w (Spiker
File No893.00	P.R. H	ankow/	/150	••••	

a. Military operations.

793,94

There were no important military developments in Central China. The Japanese do not have sufficient forces

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I Telegrams, No. 279, Dec. 13, 4 p.m. and No. 230, Dec. 19, 4 p.m.; desputch No. 79, Dec. 22.

Political report December 1939 Hankow, China

-6-

forces in thina to conduct successful major operations in more than one theatre at a time and their energies were being expended in Ewangai during this month. The Chinese initiated minor operations in the Han Eiver area, on the Hupeh-Hunan border east of the Tung Ting lake, and around Manchang which, while causing the Japanese some trouble, failed either to dislodge them from any important position in these areas or to weaken their effort in Ewangai. So for as Jentral China was concerned the so-called Chinese winter offensive to which the Japanese press made frequent allusions appeared to be an intensification and extension of guerilla activities whose object was as much political as military.

CROSS-REFERENCE FILE

NOTE

SUBJECT Bombing of the Yunnan Railway by Japanese planes.

Same which took place on December 30, 1939 marked a serious turn in Japanese military policy toward this area.

See #16

(Despatch, telegram, instruction, letter, etc.)

Dated Jan. 12, 1940 From To Yunnanfu (Ferkins)

File No. 893.00 P.R. Yunnan/133

For the original paper from which reference is taken

793.94/15757

5. Bombing by Japanese Planes of Yumnan Railway.

79394

The bombing of the Indochina-Yunnan Railway on December 30 by Japanese planes marked a serious turn in Japanese military policy toward this area. Two groups of bombers entered Yunnan from Ewangsi Province on that date, one group bombing the Chinese training field at Lengtsz, while the other attacked the Yunnan-indochina Railway at various points south of Lengtsz. The Consulate learned that damage at the Eengtsz airfield consisted of the destruction of one plane and a group of houses near the field, as well as injury to about fifteen Chinese villagers.

The principal attacks on the railway took place from kilometer 45, near Laofanchai, southward toward mokow. An attempt to bomb the important steel bridge at kilometer 83 was also reported. Thile the actual damage done in this raid was small, the Japanese attack on strategic points furnished evidence that the action was not a mere gesture of warning to the French or the Yunnan Provincial Government, but was for business purposes. In some quarters it is regarded as an answer to reportedly unsatisfactory attempts by the Japanese to persuade the French Indochina authorities to stop shipment

-8-

shipment of Chinose war supplies, particularly motor fuel, over the railway, and as an earnest of further pressure to this end. It is possibly of some significance that this serious attempt to cut the line came shortly after the announcement of Chairman Lung's new military affiliation with the Generalissimo.

CROSS-REFERENCE FILE

NOTE

SUBJECT Japanese Military activity in and around Amoy district.

Report regarding for month of January, 1940.

793.94/ | 5758

POI	ще	originai	paper	пош	мшсп	reierence	ıs taken
See	#	104	(Despatch,	elegram,	nstruction, le	otter, etc.)	
Date	ed	Beb. 3,	1940	*	Fro To	m Amoy	(MacVitty)
File	No.	893.00	P.R.	moy/1	4 8		
				N			

15758

E. Japanese Military Activity.

There was no military activity of any importance in or around the Amoy district during the month under review. It is reported that the Japanese puppet government in Amoy is conscripting young Chinese between the ages of 16 and 20 for military service and that between 600 and 600 are already undergoing military training.

that the Japanese authorities in Amoy greatly fear an attack by Chinese guerrillas, some evidence of this fear was expressed at the end of the month when four Chinese escaped from the prison in Amoy and were not re-taken. Almost immediately after this incident, barbed entanglements appeared in the streets and send bags were placed at all jetties.

193.94

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese Conflict.

Report regarding military operations.

ror	tne	originai	paper	нош	witten	reference	is tuken
See		2901	(Despatah,	telegram,	instruction, l	etter, etc.)	
Dat	ed	Feb. 10,	1940		Fro To	Shang)	ngi (Gauss)
File	No.	893.00	P.R. S	hangha	1/136		
				N			

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18759 -

olty of isoshen. Jour dalts ushed on down the Cheklang-Finness ball by a distance of approximately six miles and occupied lingu. It was thoughtlocally that the Japanese intended to cut or munications between Aingre and the minterland and tous onl this outlet for exports from and imports into "froo" waina. However, according to a conmunique issued by Jepanese Military Bendquerters at Man-King this operation was dealgred to improve conditions in the bangohow district by obsering a small area couth of the Chientang diver coposite dangehow. In any event the dapasers hasted offensive operations, purhaps in part secure of the despatch of heavy Chinese reinforcements to that area which it was reported would attempt to recupture labelian and drive the Jupanese back across the chientens giver. Vessels continued to ply irregularly between Themphel and bloaps and it was reported that the alghmay from Bingpo into the hint rland via Linhwa to ained open.

operations were carried out around Mengehow, (opening).

Manyu, (minggu), minkwang on the southern section of the Menyu, (minggu), several bases of the New Fourth Monte army southwest of Manking and around Tringgans, (whise) in soich latter area the Japanese claimed to have defented a large Chinese force. According to these reports Japanese troops engaged were then one hundred thousand Chinese troops and guerillus during the course of these operations and inflicted over twelve thousand cassed while their own lesses were five hundred killeds.

"Telegrum no. 77, Jan. 27, 12 moon, to the Dept. Repeated to habesay.

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793.94

force, numbering a prolimetely five thousand den, crossed the Chientens liver south of managehow and occupied the city

Traingress no. 76, January 27, il s.m., to Lepartment, repasted to Mabasay.

city of labellen. come write justed on down the Chekinh -. langed hall by a distance of upproximately six niles and cosupled Lingu. It was thoughtloomly that the Japanese iscended to cut communications between hingpo and the ainterland and thus coul this outlet for exports from and imports into "free" Chine. dowever, according to a conaunique issued by Jepanose clittery Mandquerters at Manking this operation was dealgred to improve conditions an the mangehow district by clearing a small area south of the Chientang River opposite Hangehow.* In any event the Japanese halted offensive operations, purhaps in part secense of the despatch of heavy Chinese reinforcements to that area which it was reported would attempt to recayture leashes and drive the Japanese back seroes the Chienteng Siver. Vessels continued to ply irregularly between canghai and Mingpo and it was reported that the alghous from Singpo into the bint rland via .. inhou posined open.

operations were carried out eround Mangahow, (Shaleng).

Recyu, (Mangau), Minkwang on the southern section of the Manya, (Mangau), Minkwang on the southern section of the Manya, Neversl bases of the few "ourth Moute army southwest of Manking and eround Teingyang, (Anhwei) in which latter area the Japanese claimed to have defeated a large Chicase force. According to these reports Japanese troops engaged fore then one hundred thousand Chinese troops and guerillas during the course of these operations and inflicted over twelve thousand cesselities while their own losses were five hundred killed.

*Tolegram no. 77, Jan. 27, 12 moon, to the Dept. Repeated to Embassy.

FINANCE COMMITTEE CHAIRMAN MENRY R. LUCE

THE COLLEGES

. CHEELOO UNIVERBITY (SHANTUNG)

FUKIEN CHRISTIAN UNIVERSITY GINLING COLLEGE HANGCHOW CHRISTIAN COLLEGE HUA CHUNG COLLEGE HWA NAN COLLEGE

LINGNAN UNIVERSITY

UNIVERSITY OF SHANGHAI SOCHOW UNIVERSITY

Associated Aogeds HBOBIVED

February 22, 1940

Christian Colleges in China

150 FIFTH AVENUE, NEW YORK, N. Y

OFFICERS OF THE ASSOCIATED BOARDS

PAUL D. CRAVATH PRESIDENT

JOHN W. DECKER VICE PRESIDENTS

DIVISION OF RECORDER S. BARBER PARTITIONS AND RECORDER MILDRED H. MCAPER

E. M. MCBRIER ASSOCIATE TREASURES EXECUTIVE SECRETARY

SECRETARIES OLIVER J. CALDWELL J. FREDERICK GOFORT MRS. T. D. MACMILLA JOSEPH I. PARKER ARTHUR RUGH

YENCHING UNIVERSITY 193.91

393.1163.

My dear Dr. Hornbeck,

Division

I TAR EASTER AFFAIRS

The Associated Boards for Christian Colleges in China has, after extended study, formulated a statement of the views of its officers, members, and constituents on the conflict in Eastern Asia and the attitude which we as American citizens should take toward that conflict. W. Decker and I have been directed to seek an orportunity to discuss this . statement with the representatives of the Department of State.

Dr. Decker and I would therefore welcome an op ortunity for at least a brief conference with you and perhaps some of your colleagues. We would certainly hope that Mr. Hamilton could participate in such a conference, and possibly you may think it desirable to bring in others. We might be able to bring one more member of our special committee responsible for drafting and presenting this statement, depending upon the date of our meeting.

The time for such a conference that would best fit our schedules would be Friday, March 8th, up to 4:00 F.M. (when Dr. Decker would have to leave to catch a train). Our second choice would be any time on March 7th. If neither of these days is satisfactory for you, some date earlier that week, or during the following week, might be fitted into our schedules.

For your nerusal in advance of such a conference, I enclose a ' draft of the proposed statement. You are already familiar with the Colleges, but to provide up-to-date details I enclose copies of our last annual report and also of an illustrated booklet just published. I enclose also a precis of the addresses given at a recent dinner here in New York under the auspices of the Associated Boards, at which the work of these Colleges and of their American friends was given recognition. This material is in duplicate, so you can share one set with Mr. Hamilton or others who may be interested.

Our attitude in asking for such a conference is not that of making · a pronouncement but rather is that of desiring consultation. We all admire the wise and capable way in which the Department of State has handled the difficult and delicate problems which have arisen in asia during the last two and a half years, and are grateful for the innumerable courtesies which the Department and also our Ambassadors in China and Japan have extended to the Colleges throughout this trying period. We are anxious that all the forces represented by the Associated Boards give intelligent and effective support to the constructive policies of our government in dealing with the situation in Tastern Asia.

Dr. Stanley K. Hornbeck, Department of State, Washington, D. C.

Very sincerely your

A STATEMENT ON THE CONFLICT IN EASTERN ASIA

from the standpoint of

THE FORCES ENGAGED IN CHRISTIAN HIGHER EDUCATION IN CHINA

1. The Place of the Christian Colleges in the Conflict.

The thirteen Christian universities and colleges now at work in China have been built up during the past seventy-five years. Twelve of them hold charters granted by four states in the United States, one a charter granted by the Dominion of Canada. Their physical plants are valued at more than U.S. \$10,000,000. Their endowment funds, held almost entirely in America, exceed U.S. \$7,000,000. They normally enroll over 6,000 students. Nearly 25,000 of their graduates and former students are scattered all over China. Among these are an amazingly large percentage of the leaders in every sphere of the nation's life education, the professions, business and industry, social and religious service, and governmental posts. These Colleges, with their graduates and constituencies, form one of the strongest and most productive ties of friendship and understanding between China and the United States.

During the two and a half years of the conflict in Eastern

Asia all of these Colleges, despite very serious difficulties, have succeeded in maintaining their work. Despite the necessity of transferring much of their work to temporary locations, of operating under disturbed conditions, and of carrying on with greatly reduced income, their academic programs have been continued and extensive relief activities conducted. The Colleges have not only won widespread confidence and gratitude from the Chinese people, but have gained the respect of some of the best Japanese leaders, and have been at many points instruments of mutual understanding between the two countries.

-2-

Within the United States, the supporting constituencies of these Colleges include thirteen mission boards, four foundations, and groups representing twenty-seven American universities and colleges. The membership of the churches and other organizations sharing in the support of these Colleges comprise more than one-fourth of the adult population of the United States. American supporters annually provide more than U.S. \$1,000,000 toward the maintenance of these institutions.

Since the beginning of the present conflict American friends, in addition to providing this regular support, have sent out to the Colleges each year more than \$250,000 in emergency funds. Local sponsoring committees have been formed in a score of American cities, and individual contributions have come from every state in the Union.

It is our judgment that the Christian Colleges in China constitute an important outpost of democracy, that they are vital centers of international understanding and cooperation, and that their maintenance during and after the present crisis is of immense importance not only to the Chinese people but also to the people of the United States. The maintenance of this work requires not only the physical safety of personnel and property, but also surroundings where democratic ideals are preserved and academic freedom maintained. Under any prolonged Japanese military domination it would probably be impossible either to maintain academic freedom or to retain the presence and participation of Chinese members of staff.

2. Present Status of the Sino-Japanese Conflict.

The American Leaders of these Colleges - both in China and in the United States - believe that the Sino-Japanese conflict has now reached a stalemate that may be of long duration. Such a prolongation of hostilities

Mineral March

is likely to have increasingly disastrous effects for all concerned. Each side's losses will probably mount steadily. A growing economic maladjustment may be expected, and the possibility of serious social and industrial disintegration will increase. Both nations may thus become sources of international disease and contagion in the field of political economy.

If the Japanese militarists should succeed in maintaining a foothold in China, any peace resulting from that outcome would be merely an armistice, in which each side would proceed to strengthen its forces for an even more destructive conflict later.

It is our judgment that Japan could not have continued its invasion this long if it had not secured from the United States a large and increasing supply of essential war materials - airplanes and parts, automobiles and parts, oil and gasoline (particularly high-octane aviation gasoline), iron, copper, zinc, and machinery of various kinds. Since the outbreak of the European war, the percentage of these supplies coming from America has risen rapidly, as other possible sources of supply have been cut off.

3. America's Interest in the Sino-Japanese Conflict.

The American leaders of these Colleges believe that, in addition to humanitarian considerations, the United States has definite and vital interests which require an early and equitable settlement of the conflict in Eastern Asia:-

- (a) Only through the maintenance of peace, and the independence of both China and Japan, can the vast potential markets of Eastern Asia be developed along lines favorable to American and to world commercial interests.
- (b) The strength and independence of both China and Japan are the best guarantees of peace and non-aggression in Eastern Asia.

........

- (c) It is inimical to American economy and security to aid Japan in building up tremendous and aggressive military strength on the Asiatic mainland, against which America must develop costly protective armaments.
- (d) America needs the cooperation of a strong and democratic China, and of a vigorous but non-militaristic Japan, in dealing with the present and future problems of the Pacific basin and of the world.

4. Bases for a Just and Enduring Peace in Eastern Asia.

The American leaders of these China Colleges believe that the following are essential bases for a just and enduring peace in Eastern Asia:-

(a) From the standpoint of China -

- (1) China's political and economic independence must be preserved. Processes must be worked out whereby all foreign nations will unite in returning their foreign concessions to Chinese sovereignty, and in giving up their extraterritorial rights. China must be left free to deal with her own problems in her own way, with neither selfish nor benevolent interference from the outside.
- (2) On the other hand, China must prove her ability to maintain peace and order within her borders, and to protect the lives and property of all other nationals living therein. She must allow proper opportunities for trade and commerce, without discrimination against Japan.

(b) From the standpoint of Japan -

(1) Japan's sovereignty and honor must be protected. She must not be cut off from access to trade and to raw materials on the Asiatic mainland. She should be relieved of the constant fear of Soviet encreachment on her lands and her ideology. She must have reasonable opportunity for national growth and development, in harmony with the rights of her neighbors. The problem of emigration from Japan should be dealt with by Westernations in a manner that will not offend her national

-5-

pride and dignity.

- (2) Japan must, however, abandon her attempted military conquest of China, must give up her efforts to dominate China through puppet governments, and must allow China to administer her own affairs in her own way.
 - (c) From the standpoint of the United States.

We believe that, whether it desires it or not, the United States has the power to terminate the Sino-Japanese conflict and to aid in bringing about a just and enduring peace. The task is difficult and delicate, but the future of Eastern Asia, and perhaps of America, depends upon how successfully we meet the situation.

- (1) The United States must first seek to convince Japan of its desire to deal with her on a basis of friendship, understanding, and good will. To that end it should express its willingness to negotiate a new trade treaty, to deal sympathetically with problems of Oriental immigration, and to use its good offices with other nations in securing fair and friendly treatment for Japan.
- (2) These actions by the United States must, however, be contingent upon Japan's return to policies in line with the Nine-Power Treaty and the Open Door in China. She must terminate the "China Incident" by withdrawing her troops from China and by abandoning the puppet governments she has created.
- (3) Pending the adoption by Japan of these positive measures, the government and people of the United States should withhold further military aid to Japan. We must cease to supply the war materials which make possible her invasion of China. To the extent that a moral embargo will accomplish these ends, it should be used. A second step might well be for the President of the United States, proceeding under Section 338

-6-

of the Tariff Act of 1930, to proclaim additional duties on Japanese goods because of Japan's discrimination against American commerce. But where these measures alone are insufficient the government should, by withholding a new trade agreement, and if necessary by an embargo on essential war materials, terminate its participation in Japan's campaign of aggression in China.

(4) Meantime, the people of America should make generous provision for the relief of widespread war-caused suffering in China, and for the maintenance of the constructive program of education and rehabilitation now being carried on throughout China.

5. Support of Efforts to Attain these Objectives.

A STATE OF THE STA

The American friends and supporters of the Christian Colleges in China solemnly pledge their endorsement and support of all constructive measures by the United States government looking toward the solution of these critical problems in Eastern Asia. They believe that the immediate adoption of such measures is essential to the best interests alike of China, of Japan, and of the United States.

* * *

February 33, 1940.

My dear Mr. Garside:

I have your letter of February 22, 1940, in which you state that the Associated Boards for Christian Colleges in China has formulated a statement, copies of which you enclose, of the views of its officers, members, and constituents on the conflict in Eastern Asia and the attitude which you as American citizens should take toward that conflict. You state that you and Dr. Decker have been directed to seek an opportunity to discuss this statement with representatives of the Department.

Mr. Hamilton and I shall be glad to see Dr. Decker and you on the date which you suggest, namely, Friday, March 8. We are setting the hour of 10:00 a.m. for Your

Mr. B. A. Garside, Executive Secretary,
Associated Boards for Christian Colleges in China,
150 Fifth Avenue,
New York, New York.

DECIASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E) Department of State letter, August 10, 1972

By Mitty 0, Surface NARS, Date 12-18-75

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your call and shall expect -- barring unforeseen contingencies -- to see you at that time unless you inform us that that hour will not be convenient.

Sincerely yours,

Stanley K. Hornbeck Adviser on Political Relations

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180 FIFTH AVENUE, NEW YORK, N.

VICE PRESIDENTS
J. H. ARNUP
GEORGE G. BARBER
ARTHUS V. DAVIS
EDWARD H. HUME
MILDRED H. MCAPEE
TREASURER DIVISION AND DIVISION OF DIVISION OF FAR EASTERN AFFAIRS

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Department of State

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, A. GARSIDE

SECRETARIES

OFFICERS OF THE ASSOCIATED BOARDS

TREASURER

ASSOCIATE TREASURER

E, M. MCBRIER

PAUL D. CRAVATH

PRESIDENT

February 27, 1940

Dr. Stanley K. Hornbeck Department of State Washington, D. C.

Dear Dr. Hornbeck,

Called 8,1940

Thank you for your letter of February 23. We are grateful to you and Mr. Hamilton for your willingness to see Dr. Decker and me at 10 A. M. on Friday, March 8.

We will plan to be at the State Department at that time, unless some unforeseen contingency should make it necessary for you and Mr. Hamilton to ask for a change in the arrangements, or unless some unexpected emergency should arise here which would necessitate our asking for some modification of this plan. It is probable that in addition to Dr. Decker and myself, Dr. Olin D. Wannamaker, who is one of the officers of our group and a member of the special committee appointed to formulate a statement of our views in the Far Eastern situation, will be able to join us in this conference.

We look forward to seeing you again next week.

Very sincerely yours,

BAG:ms

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CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese Conflict.

Military operations for month of December, 1939.

For the original paper from which reference is taken

Dated Jan. 30, 1940 From Japan (Grew)

File No. 894.00 P.R./145

U. S. GOVERNMENT PRINTING OFFICE 1-15

1576

(b) China.

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1. Military operations.****

Military operations during the month under review were characterized by defensive engagements and counteroffensive

^{*} Embessy's telegram no. 694, December 20, 2 p.m.

**Despatch no. 4342, December 18, 1939,

***Despatch no. 4344, December 18, 1939.

***Prepared with the assistance of the office of the Military Attaché.

offensive attacks against the so-called Chinese "winter offensive". By the end of the month the Japanese reports claimed that this offensive had been a complete failure for reasons which were described principally to be the poor training, bad equipment and lack of communication facilities of the Chinese.

Chinese offensive operations occurred on practically all fronts, but the most important reportedly centered eround Tatung on the Yangtze River and in Kwangtung. In regard to the former, campaign Japanese sources claimed to have successfully beaten back Chinese assaults made in central Anhwei near Tsingyang. In regard to the latter, after continuous attacks by the Chinese on the northern segment of the Japanese cordon about Canton, the Japanese forces, in what were considered to be fairly large numbers, launched a strong counter-attack in two drives beginning on December 20. The first was made north along the Conton-Hankow Reilway and the Poh River Which, by the end of the month, had reached Yingtak. The other, procoeding to the north, cost of Canton, resulted in the fall of Lungmoon on D-cember 26 and then, in the occupation of Sinfong, and on the last day of the month in the capture of Sanwachen and Yungyuen in the northern part of the province. The latter town had been the headquarters of the Chinese Kwangtung provincial forces. It was intimated in the press that Shiu-chow, an important point on the railway in the northern tip of Kuangtung Province, was to be the final objective of this campaign.

Further

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Further fighting was reported to have occurred in Shansi without any definite results having been attained. Fighting also occurred close to Nanchang in Kiangsi Province, near Kaifeng in Honan Province, in Hopeh, Hupeh and Kiangsu-Chekiang areas, while a large-scale engagement took place at Paotow, Suiyuan Province. In this latter campaign Chinese troops were reported to have penetrated Paotow and a struggle was said to have ensued before reenforced Japanese troops were able to drive off the attackers. In Kwangsi Province Japanese troops made a sortie from Manning to the French Indochina border.

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Incessant and large-scale aerial activity was conducted by Japanese air forces, principally in connection with combatting the offensives of the Chinese but also in making various concentrated bombing raids on interior cities and communication centers.

2. General Relations.

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There were no significant developments during December as regards Japan's political relations with China. The Prime Minister, on December 14, stated that the projected establishment of the new central regime in China would be somewhat delayed "but not because of any major difficulty". Nothing further in the matter was made known.

CROSS-REFERENCE FILE

NOTE

SUBJECT

Sino-Japanese relations.

Report concerning -, for month of January, 1940.

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For the original paper from which reference is taken

See # 212 to Embassy, China.

Dated Feb. 6, 1940 From To (Hawthorne)

File No. 893.00 P.R. Tsinan/125.

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2. Japan.

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a. Military-guerrilla motivities.

There is no doubt that a part of the large number of Japanese troops which passed through Tsingtao in December were destined for the Tsinan consular district. Regardless of the original purpose for which these new contingents were detailed, however, it is believed that it was necessary during January to utilize the bulk of the fresh troops to reinforce Japanese defensive garrisons, rather than in any offensive operations.

while

While the Japanese announced more than the usual number of successful attacks on various Chinese units at widely separated places in the district, notably against former 57th and 51st Army troops in the Chuhsien, Ishui and Jihchao districts in the south (in which planes are said to have participated), against followers of Shen Rung-lish in the vicinity of Showchang in the west, against Chang Pu-yun's Japanese-equipped troops in unnamed areas south of the Kiaotsi Railway, against "communist" troops (presumably 8th Route Army units) in the Yenchowfu and Tenghsien areas on the Tsinpu line and against whih Yusan's troops in the Sucheng district in the northwest. there is good reason to believe that the Chinese took in the initiative in forcing most of these encounters. In other words, it is believed that the so-called Chinese winter offensive in this district has been and continues to be a reality and not just a catch phrase invented in Chungking, as Japanese commentators would have the world believe. That the Japanese military in this part of Shantung are nervous and 111 at ease is obvious to the most casual observer, and that they probably have good reasons to be is indicated by the frequency with which Japanese dead and wounded arrived in Trinam by rail during the month. The Japanese garrisons in the Loling district of northeastern Shuntung, for instance, are reported by an American observer to have recently been harassed to the point of desperation by ex-29th Route Army troops, formerly under Sung Cheh-yuan.2

Aside from military activities, as such, querrilla interference with railway communication, revived in

December

1. This discredits previous Japanese reports of General
Shih's defection (of. Consulate's despatch to Embassy no.
168 of September 25, 1939, file 800, copies to Department).
2. Cf. Consulate's despatch no. 197 to Embassy of January
11, 1940, file 360/800, copies to Department.

December, was unabated. Trains on the southern section of the Tsinpu line continued to be regularly delayed or wrecked by "sebotuge." A freight train of 20 cars laden with coal and tobacco was derailed just west of Rucei on the Kiaotsi line during the first week of January. interrupting the train service to Twington for a day. Also considerable difficulties have lately been experienced by the Japanese in operating trains on the Changtien-Poshan spur of the Kiaotsi Railway which connects the main line with important coal mines from which unprecedentedly large shipments of coal were made to Tsingtae for export to Japan in 1939. Along this branch line, some 18 miles in length, a reliable traveler alleges that he recently observed three derailed locomotives, not to mention numerous wrecked freight cars.

It appears definite that the Japanese and their civil and military puppets are not making as much progress in consolidating the authority of the new regime in this district as might have been expected. An American resident of Tsining, Shantung, reports that the Japanese exercise even less control over that area than they did a year ago and that conditions appear to be growing steadily worse. Similar reports have been received from other "occupied" regions of the district.

Japanese reports of discension between the 8th Route Army and other armed Chinese in Shantung continued to be given prominent publicity in the local vernacular press, but such clashes as have recently been confirmed involved 8th Route Army detachments and groups which could more properly be termed bandits than troops or guerrillas.

The Japanese Army is said to be constructing large military barracks at Yucheng, 20 miles north of Tainan on the Tainpu Railway.

b. Ruthless Japanese tactics said crystallizing Chinese determination to resist.1

An American missionary reports that no less than

400 villages and hamlets in Yihsien and contiguous districts have been burned by Japanese troops since the
Japanese "occupation", and that 20 different fires were
visible from the city of Yihsien one night during the
first week of January. An American who, upon observing
this general conflagration, expressed his sympathy to a
Chinese friend, was assured by the latter that the ruthless tactics of the Japanese were serving to crystallize
the determination of the people to resist, and that, while
many helpless women and children were being made to suffer
as a result thereof, such tactics on the part of the Japanese
ese would redound to china's ultimate benefit.

c. Friction between Japanese civil and military authorities.

A high Japanese official connected with the civil administration of Shantung has admitted in recent conversations with the writer that considerable friction exists between the Japanese military and civil authorities in North China, particularly as areas under one military command often include all or part of several civil administrative areas, such as hsien, provinces, et cetera, and that the questions of policy and of jurisdiction are often at issue. Furthermore, it is a matter of common knowledge that the military authorities are constantly at loggerheads with the Japanese consular

representatives
1. Cf. Consulate's despatch to no. 198 to Embassy (copies
to pepartment), file 310/800.

No.

representatives.

In this connection, it is of interest to record that a responsible foreigner who has spent many years in Japan recently expressed the opinion, after a prolonged visit to North china in the interests of his firm, that there is some likelihood that the semior Japanese military officers in North china, some of whom, he contends, already consider themselves as semi-autonomous war lords, may eventually embarrass Tokyo by failing to carry out orders from that quarter which are incompatible with their own ideas or interests. Thus North China would return to the days of the <u>Tuchun</u> with the difference that the war lords would be Japanese instead of Chinese.

It is inconceivable that any such state of affairs could be long maintained, and the Japanese Government and people would doubtlessly oppose any trends in that direction, thereby breaking the unity of Japanese efforts toward China's subjection and the realization of the long-heralded "New Order in East Asia."

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese conflict.

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Report of Japanese military operations during the month of January, 1940.

For the original paper from which reference is taken

See #4485

(Despatch, telegram, instruction, letter, etc.)

Dated Feb. 13, 1940 From To Japan (Grew)

File No. 894.00 P.R./146

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(b) China.

1. Military Operations.*

793,94 PP 16.20

Japanese military operations during the month under review were involved with continued fighting over most of the fronts in China, but were featured by three outstanding developments: the Suiyuan campaign; the Nanning-Pinyang-Wunuing operations; and the "strategic withdrawal" from northern Kwangtung. Following the Chinese attack on Paotow, Suiyuan, in the so-called "winter offensive" last December, the Japanese are reported to have assembled large forces, much of which were mechanized, at that city, and, on January 24, to have launched a campaign westward along the south and north banks of the Yellow River. By the end of the month the Japanese claimed to have taken a number of Chinese positions, and to have advanced many miles westward, directing the advance upon Wuyuan and Linho. The reasons for this apparently large-scale offensive were considered to be fourfold: to crush the Chinese military strength in the plains around Wuyuan which had been used for some time as a base of Chinese operations against the westernmost rail-head of the Kwantung Army at Paotow; to gain control of the fertile plains which were a productive source of wool, hides, skins, and cattle; to attain a possible base of attack against the Chinese supply route from Soviet Russia by way of Finliang to Sian; and lastly, to occupy in advance the possible route for a Soviet attack on Manchuria or North China through the district. It is understood that possession of the

^{*}Prepared with the assistance of the office of the Military Attaché.

resources of this area was one of the Japanese object-

It was reported that the Chinese had assembled some 200,000 troops in the neighborhood of Nanning for the purpose of recapturing that city. To meet this expected attack the Japanese were understood to have heavily reenforced their garrison at Nanning and, on January 28, to have launched a campaign on their own part with the view to thwarting the Chinese attack.

Heavy fighting, it was reported, was under way at the end of January in this campaign directed against Pinyang.

In the earlier part of the month the Japanese had also launched a cleaning-up campaign along the Yamchow-Nanning highway which was being assaulted by Chinese troops.

Of the other operations carried on during the month it is noted that fighting continued in Shansi, near Nanking, in Hupeh, - involving the lines of communication out from Hankow, the railway leading south from Hankow to Yochow and the highway running northwest from Hankow to Icheng, - along the Hupeh-Hunan border in the Tahung mountain region, in the Huchow-Hangchow-Kashing area west of Shanghai and in a drive across the Tsientang River south of Hangchow, Chekiang Province.

The Japanese air force conducted large-scale air operations during January, particularly in connection with the two military compaigns at Nanning and Suiyuan. It is reported that the Japanese, in the recent operations

in the Nanning area, had used as many as 1,500 planes. Pelitically the most important of the bembing raids conducted during the month were those raids upon the Haiphong-Yunnan Railway. It was reported that during the series of attacks several bridges were damaged and the line cut in several places, seriously disrupting traffic on the railway.

Following the offensive madeduring December by the Japanese forces into the northern part of Kwangtung Province, the Japanese troops in the first part of January "withdrew" to approximately the line held before the offensive began, evacuating the towns of Yungyuen, Sanhwachen and Yingtak. The Japanese reports claimed that the withdrawal was for strategic purposes, but there is reason to believe, in view of the assertions made in December, that the campaign held as its final objective the capture of Shiuchow in the northern tip of Kwangtung. The Japanese had apparently overextended themselves or were driven back in defeat by the Chinese forces.

2. General Relations.

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It was reported in Japan that, on December 31, an agreement had been reached at Shanghai between a Japanese delegation headed by Lieutenant-General Heisuke Yanagawa, Director-General of the China Affairs Board, and Mr. Wang Ching-wei, regarding the terms for the establishment of the new central regime in China. After various official conferences were held in Tokyo, it was reported

reported that, on January 8, the Cabinet had reached a decision according approval to the agreement and, as amnounced by the Cabinet spokesman, had formulated "a basic policy" which provided for the rendering of powerful and positive support for the formation and expansion of the new Government. The contents of the agreement and the full purport of the "basic policy" were not revealed but it was suggested that the arrangements for the establishment of the "lang Ching-wei regime had been definitely decided upon.*

The press in Japan affected to see in the proposed establishment of the new regime "a political vehicle" by which the disposal of the China "incident" could be furthered. Editorial comment in some of the more conservative newspapers was in the nature of a warning that the setting up of a new central government in Chine would not bring the China Affair to an end, and that it had become apparent that the China campaign had now devolcped into a war of endurance. In this latter connection there was manifest a realization that the Chinese were showing strong determination of resistance to Japan and much greater military strength than the Japanesehad ever expected. Articles in the press went so far as to state that the country must make a re-estimate of the ability and the determination of the Chinese to oppose Japan. It was said in explanation of this thesis that before the fighting in China began it was felt that, with a few divisions, Japan could shortly overrun China, but it was now

considered

^{*}Embassy's telegram no. 31, January 19, 5 p.m.
Peiping's telegram no. 13, January 9, 4 p.m.
Shanghai's telegram no. 51, January 17, 7 p.m.
Peiping's telegram no. 39, January 29, 6 p.m.

considered that the Japanese had erred, not as regards the Japanese military might, but in misjudging the task before it. Note was also taken that the Chinese National Government had a neither collapsed nor disintegrated as had been expected, but, instead, was still very strong and powerful politically.*

There also appeared during the month under review an undertone of doubt concerning the purpose and meaning of the China Affair and what the continuation of the hostilities was to lead to. It was asked how far Japan was going to go in protecting its rights in China. It was stated that it was all very well to protect those rights but questioned whether the interests of the entire Japanese nation in the enormous costs to it should be relegated to those rights.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Midton 0. due letter, NARS, Date 12-18-75

DEPARTMENT OF STATE

ADVISER ON POLITICAL RELATIONS 071

Februar R. 1940

Mr. Secretary:

The memorandum hereunder and papers attached relate to the appearance before the Senate subcommittee dealing with Senator Gillette's resolution to which Senator George asked you to send someone. As Judge Moore was not able to go and Mr. Hackworth asked to be excused because of urgent work at the moment, I asked Mr. Hamilton to go with me.

During the conversation, which lasted more than an hour, the first two-thirds of the time was taken up with questions raised by Senator Gillette and members of the subcommittee in regard to the subject of an alleged or possible British-Japanese secret agreement. Finally, the subject of the Gillette resolution was raised.

You will find in the first eight pages of Mr. Hamilton's memorandum hereunder an account of what was said on the first of those subjects, and on pages 9-11 an account of what was said on the second subject.

Mr. Hamilton and I came away with a definite impression that the subcommittee was not favorably inclined toward the Gillette resolution and that Senator Gillette himself would probably not be insistent in his support of it.

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Stanley K. Hornbeck

MR. HORNIECK Division of FAR EASTERN AFFAIRS £8 **2** 3 1940 MAR 1 6 1940 DIVISION OF FAR EASTER February 21, b940.09 Gillette AND REPORTS

Subject:

S. Con. Res. 36 by Senator Cillette declaring a state of war to exist. between Japan and China.

Pursuant to a request made of the Secretary by

Senator George that the Department send representatives to appear before a subcommittee of the Senate Committee on Foreign Relations of which Senator George is Chairman to consider S. Con. Res. 36 declaring a state of war to exist between Japan and China, introduced by Senator Gillette, Mr. Hornbeck and Mr. Hamilton this morning attended the meeting of the subcommittee. (Judge Moore tended the meculiary tended the had a previous commitment ould have attended, but he had a previous commitment which prevented his doing so.) The subcommittee was somposed of Senator George (Chairman), Senator Van Nuys of Indiana, and Senator Johnson of California. The subcommittee delayed opening its meeting until Senator Gillette, the author of the proposed resolution, had

Upon Senator Gillette's arrival, Senator George referred to the fact that Senator Gillette had communicated to the subcommittee certain information in regard to an alleged secret treaty or agreement between Great Britais and Japan. Senator George stated that he understood

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that Senator Gillette had called on Mr. Hamilton in regard to this alleged treaty or agreement. Senator George then asked that the representatives from the State Department be so good as to inform the subcommittee of what they properly could in regard to such treaty or agreement.

Mr. Hamilton first read to the subcommittee that portion of the memorandum of the Secretary's press conference of January 20, 1940, relating to a reported treaty between Japan and Great Britain, as follows:

"At the press conference this morning a correspondent referred to a news story in the Washington Times-Herald of today to the effect that the attention of the members of the Senate Foreign Relations Committee had been drawn to a memorandum setting forth the terms of a reported secret treaty between Great Britain and Japan made early in 1939, in which Japan was said to have agreed not to molest the British Crown colony of Hong Kong, the British naval base at Singapore, the British and Dutch possessions in the East Indies, Australia, and New Zealand, in return for which Great Britain was said to have agreed to recognize Japan's claim to absolute political and economic domination of China and to remain neutral in any war in the Pacific between Japan and the United States.

Asked whether he knew anything about the reported secret treaty, the Secretary said that he had never heard of it before. A correspondent said that there was one line in the story to the effect that the State Department had been furnished with information similar to that contained in the story. The Secretary said that he had nothing whatever on the subject. Asked whether he believed such a treaty existed, the Secretary replied that he was telling all that he knew about it, and would prefer to rest on what he knew rather than to discuss other speculative phases of it."

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letter

Mr. Hamilton then said that, when Senator Gillette had called on him yesterday in regard to this matter, Senator Gillette had referred to the fact that Senator Gillette had information to the effect that a letter had been addressed to Mr. Hamilton under date May 4, 1939, in which letter there was set forth the substance of the purported secret agreement between Great Britain and Japan. Mr. Hamilton said that when Senator Gillette made this statement he had no recollection of the letter to which Senator Gillette referred; that he had inquired of Senator Gillette as to the name of the writer of the letter; that Senator Gillette had stated that the writer was one Kilsoo Haan of the Sino-Korean Peoples League; that Mr. Hamilton had thereupon endeavored to obtain from the Department's files the letter in question; that he had been unable to obtain the letter promptly; that Senator Gillette had thereafter departed; and that subsequently the letter in question had been obtained. Mr. Hamilton said that he had the letter and copies with him, and Mr. Hamilton thereupon distributed to members of the committee copies of the text of the letter (file 894.20211A/46). Mr. Hamilton said that he would call the attention of the members of the subcommittee to certain aspects of Mr. Haan's letter; namely, that the

letter contained the statement that "certain quarters from Great Britain have urged the Japanese Foreign Office to approach Chamberlin"; that on "February 16, 1939, Japan made a friendly gesture to Great Britain", suggesting for consideration inter alia that Great Britain remain neutral in case of conflict with Soviet Russia (Mr. Hornbeck pointed out that this statement differed from the statement in the newspaper report that Great Britain had agreed to remain neutral in any war in the Pacific between Japan and the United States); and that the writer of the letter himself stated that he did not "vouch for the authenticity of this information". Mr. Hamilton said that Mr. Haan's letter had been read by four officers of the Division of Far Eastern Affairs and by Mr. Hornbeck and that it had thereupon been filed. Mr. Hamilton said that he did not regard the information contained in Mr. Haan's letter as constituting information to the effect that Great Britain and Japan had concluded a secret treaty or agreement. Mr. Hamilton said that in his opinion the statement made by the Secretary on January 20 was wholly accurate.

Senator Gillette at first was inclined to be somewhat critical of the fact that representatives of the State Department, having had the information given in Mr.

Mr. Haan's letter, had stated that the Department had no knowledge of the alleged secret treaty or understanding. Mr. Hornbeck pointed out that the statements contained in Mr. Haan's letter were merely report of rumors of suggestions or proposals; that Mr. Haan's own statements as set forth in the letter of May 4, 1939, constituted in his opinion no ground for an assumption or an allegation that there was in existence a secret agreement or understanding between Great Britain and Japan; and that the State Department more or less constantly receives communications containing information regarding rumors and conjectures.

In reply to a question by Senator Gillette, Mr.

Hornbeck and Mr. Hamilton stated that they had not considered and did not consider that the statements contained in Mr. Haan's letter of May 4, 1939, warranted the making by the State Department of any special investigation. Mr. Hamilton pointed out that one month after the date of Mr. Haan's letter of May 4, 1939, the Japanese military took rather drastic action against the British at Tientsin — which would seem to cast doubt on any supposition that there was in existence at that time a secret treaty or agreement between Great Britain and Japan in regard to the Far East. Mr. Hamilton said that when

when we received information such as that contained in Mr. Haan's letter we made a practice of checking it against the information which we constantly receive from American diplomatic and consular offices abroad and other sources.

Senator Van Nuys asked who Mr. Kilsoo Haan is. In reply Mr. Hornbeck and Mr. Hamilton gave a brief account of what they knew of Kilsoo Haan. They explained that he is a Korean, a subject of Japan, interested in international political matters, usually antipathetic to the Japanese Government and its policies. They said that the Department had over a period of several years received a good many communications from Mr. Haan and that it was our general practice not to acknowledge such communications, in as much as they have come from an alien and have related to controversial political matters. They said that Mr. Haan is known to officers of the War and Navy Departments and has sent various items of information to those Departments. They indicated that the bulk of the information communicated by Mr. Haan had not been found to be of significance, although at times some of the items of information had been of definite interest.

Senator Johnson asked a number of questions, the most important of which are indicated as follows:

Senator

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Senator Johnson referred to the Manchuria situation and asked whether, due to Sir John Simon's unwillingness to go along with Mr. Stimson in Mr. Stimson's policy, Mr. Stimson had not later "found himself out on a limb". Mr. Hornbeck commented briefly in regard to the course of American policy in the Far East and the course of British policy in the Far East in 1931-32 and said that he would like at some time to take an hour or two to talk with Senator Johnson on matters relating to the question which Senator Johnson had asked. Mr. Hornbeck pointed out that there was no simple and brief answer to many of the aspects of the situation.

Senator Johnson asked whether Mr. Hornbeck and Mr. Hamilton believed that there was now in existence a secret agreement in regard to the Far East between Japan and Great Britain. Mr. Hornbeck replied that for his part he did not believe that there was in existence any such agreement or under negotiation at the present time any such agreement. He said that he realized, always, that he might be mistaken and that he agreed with Senator Johnson that the situation should be closely watched. Mr. Hornbeck referred to the fact that just as there are in this country people who advocate this country's "making friends" with Japan and doing nothing which would antagonize

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antagonize Japan, so there are in Great Britain certain persons in "Tory" circles, not so numerous now as at some times in the past, who constantly advocate a rapprochement between Japan and Great Britain. In reply to a further question by Senator Johnson whether we had knowledge of any present disposition on the part of the British to take action directed toward effecting a rapprochement between Great Britain and Japan, Mr. Hornbeck said that we from time to time see published statements by private individuals advocating such a course. Senator Johnson asked whether we had any knowledge of an agreement in reference to the Pacific relating to the use of American and British navies in that area. Mr. Hornbeck and Mr. Hamilton replied in the negative. Senator Johnson asked whether it was possible that certain officials in the State Department might have information and this information be not made available to or be not known to Mr. Hornbeck and Mr. Hamilton. Mr. Hornbeck replied that such a situation is possible, but that he knew that Secretary Hull wished that Mr. Hamilton and he be thoroughly informed in regard to Far Eastern matters and that we know of no instance in which any telegram, no matter how confidential, relating to Far Eastern matters, has for any length of time been kept from Mr. Hornbeck and Mr. Hamilton. Mr. Hornbeck added

that

that he was confident that had any information come to the Secretary of State that a secret agreement was actually in effect between Great Britain and Japan, the Secretary would promptly have communicated that information to Mr. Hamilton and to him.

Senator George then referred to S. Con. Res. 36 and asked whether Mr. Hornbeck and Mr. Hamilton had any statement which they felt they might properly make in supplement to the statements contained in the Secretary's letter of February 2, 1940, to Senator Pittman.

Mr. Hornbeck recapitulated the statement made in the Secretary's letter and said that he thought that the members of the subcommittee might be interested in a memorandum prepared by the Division of Controls under date February 20 on the subject "Some Effects of the Application of the Neutrality Act to the Far Eastern Conflict". Mr. Hornbeck thereupon read aloud the memorandum (attached). Mr. Hornbeck added a brief statement to the effect that from the outset of hostilities in the Far East it had been the view of the Department that application to the hostilities in the Far East of current neutrality acts would complicate and render more difficult the problem of extending protection to American citizens and the interests of the United States. Mr. Hornbeck said that that continued to be the view of the Department

-10- C78

Department of State. He said that, neither Japan nor China having declared war, a declaration by the United States that there exists between Japan and China a state of war would have the effect of causing this country to accord to Japan and China the rights of belligerents without there being imposed on Japan and China any corresponding obligation to accord the United States the rights of a neutral.

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Senator Johnson asked several questions relating to whether the export of scrap iron from the United States to Japan could be prohibited by application of the present neutrality act to the hostilities in the Far East. He also asked a number of questions relating to moral embargoes. Mr. Hornbeck and Mr. Hamilton answered those questions.

In further discussion of one of the questions asked by Senator Johnson in regard to the possibility that Japan and Great Britain might have concluded an agreement relating to the Far East, mention was made of the agreement concluded between the British Ambassador at Tokyo and the Japanese Foreign Minister in reference to the Tientsin situation. It was pointed out that this agreement was couched in very general terms and that it was open to the interpretation that Great Britain had recognized in those parts of China occupied by Japanese military

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-11-

military forces the rights in Japan's favor pertaining under international law to military occupancy. Senator Johnson was informed that this agreement was a matter of public knowledge and that the text thereof had been published in the press. (See New York Times, July 25, 1939.)

The members of the subcommittee and Senator Gillette offered no further questions; the Senators present thanked Mr. Hornbeck and Mr. Hamilton for their testimony; and Mr. Hornbeck and Mr. Hamilton departed.

37.7.1.

Enclosures:

- 1. Letter of May 4, 1939, from Mr. Kilsoo Haan.
- 2. CO memorandum of February 20, 1940.

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitty 0. Superfix NARS, Date 12-18-75

080

March 81940

CONFIDENTIAL - STAFF USE ONLY

No. 1911

To the American Ambassador,

Tokyo.

793,94/15765 The Secretary of State encloses for the confidential information of the American Ambassador a copy of a memorandum of February 21, 1940, in regard to the appearance of two representatives from the Department before a subcommittee of the Senate Committee on Foreign Relations to consider S. Con. Res. 36 declaring a state of war to exist between Japan and Chins. Copies of the enclosures to the memorandum are also enclosed.

Enclosure:

Memorandum of February 21, 1940, and enclosures.

Field distribution: Tokyo, Peiping (Chungking), London.

MAR 2 1949

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitty D. declara NARS, Date /2-/8-75

.March 21940

CONFIDENTIAL - STAFF USE ONLY

No. 78/

To the American Ambassador,

Peiping.

The Secretary of State encloses for the confidential information of the American Ambassador a copy of a memorandum of February 21, 1940, in regard to the appearance of two representatives from the Department before a subcommittee of the Senate Committee on Foreign Relations to consider S. Con. Res. 36 declaring a state of war to exist between Japan and China. Copies of the enclosures to the memorandum are also enclosed.

Enclosure:

Memorandum of February 21, 1940, and enclosures.

Field distribution: Peiping (Chungking), Tokyo. London.

Copy to Chungking.

OR / 2 1949

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

March 21940

CONFIDENTIAL - STAFF USE ONLY

No. 1254

To the

Section 1

American Chargé d'Affaires ad interim, London.

The Secretary of State encloses for the confidential information of the American Chargé d'Affaires a copy of a memorandum of February 21, 1940, in regard to the appearance of two representatives from the Department before a subcommittee of the Senate Committee on Foreign Relations to consider S. Con. Res. 36 declaring a state of war to exist between Japan and China. Copies of the enclosures to the memorandum are also enclosed.

Enclosure:

Memorandum of February 21, 1940, and enclosures.

Field distribution: London, Peiping (Chungking), Tokyo.

MAR 2 1940

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DEPARTMENT OF STATE

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DIVISION OF CONTROLS LOCALITY OF MEMORANDUM

940 MFebruary 20, 1940

THE APPLICATION OF THE THE FAR EASTERN CONFLICT

Division FAR EASTERN AFFAIRS AFEB 20 1940 riment of Stat

SION OF CONT

Section 2

The provisions of section 2 prohibiting American vessels from carrying passengers or cargo to belligerent ports and requiring the transfer of title on all goods shipped to such ports could not have any great effect in this instance since paragraphs (g), (h) and (1) of this section exempt shipments (except arms, ammunition, and implements of war) on American or neutral vessels "to any port on the Pacific or Indian Oceans". Shipments of arms to China are already subjected to these restrictions at the present time since they are necessarily shipped via such belligerent ports as Rangoon, Haiphong, and Hong Kong. As the result of the moral embargo, no shipments are being made to Japan at the present time. American commerce with the Far East would therefore not be hampered to any significant extent by the application of the provisions of sec 2 of the Act.

Section 5

The provisions of section 5 which prohibit travel by American citizens on belligerent vessels would, if applied

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to the Far Eastern conflict, have no effect on travel in that area since the regulations issued on November 6, 1939, under this section of the Act, permit American citizens to travel on belligerent vessels in all parts of the world except the North Atlantic and other waters adjacent to Europe.

Section 7

Section 7 prohibits loans or credits to a belligerent government or any person acting on behalf of such government. The application of this section of the Act to the Far Eastern conflict would be of the greatest importance since it would presumably prevent the extension by the Export-Import Bank of further credits to the Universal Trading Corporation or any other agent of the Chinese Government and would, in addition, prevent any American manufacturer from selling any goods on credit to the Chinese Government or any of its agents.

Section 8

If the Neutrality Act were applied to the Far Eastern conflict, it would be unlawful under the provisions of this section for any person in the United States to solicit or receive any contribution for the Chinese Government or any of its agents. This would presumably prevent the collection of funds from Chinese resident in the United States for the

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use of the Chinese Government. Furthermore, all of the persons and organizations engaged in the collection of funds and contributions for relief work in China would be required to register with the Secretary of State and submit monthly reports of their operations.

The other sections of the Neutrality Act would not appear, if the Act were invoked, to have any significant effect on our relations with the Far Eastern nations.

Charles W. Yost

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DEPARTMENT OF STATE

THE COUNSELOR THEN

40 MAR 14

JUMUNICATIONS

FOR DR. HORNBECK:

It is very clear from the terms of Section 1 of the present neutrality statute that the mere existence of a state of war between foreign nations does not compel the issuance of a proclamation which would put into effect the provisions of the statute. Action is not to be taken unless "it is necessary to promote the security or preserve the peace of the United States or to protect the lives of citizens of the United States". It is difficult to believe that any such necessity now exists.

Should some question be raised as to why the President did not issue a proclamation under the former neutrality statute, $\overset{\mathcal{Q}}{+}$ the answer is that it was construed as vesting in him discretion to find that a state of war existed and that in his opinion to make the Act effective by such a finding would be detrimental to Americans and American interests in China. At that time and since, the Japanese Government has refused to admit that it is making war.

Should the President or Congress after such a lapse of time since the hostilities began, now proclaim a state of war the Japanese Government might or might not formally declare war against China. Should it declare war, our status in China

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might easily be more seriously difficult than it now is. In that event Japan might exercise authority as a real belligerent that would materially and injuriously modify the situation as it now is. For example, it might bring about a complete blockade of the Chinese coast; it might forbid, so far as Chinese ports are concerned, the ingress or egress of neutral vessels; it might even require the departure of any neutral vessels from the area it occupies in China and perhaps the departure therefrom of the citizens of a neutral country. There can be no doubt that American interests in China might become very much worse than they now are.

It can not be assumed that the purpose of the proposed enactment is to assist Japan and hurt China. Nevertheless, that would be the result. Japan would continue to make and pay for its purchases in this market and its ability to carry on hostilities would not be curtailed. On the other hand, there would be at least doubts raised as to the right of this as a neutral country to extend possible assistance to China in conducting the struggle. There can be no misgiving that the psychological effect on the Chinese would be injurious.

The question to be determined is not theoretical, but highly practical and the answer would seem to depend upon whether the enactment of the Resolution would do more harm than good to us, and whether it would do more harm than good to Japan or to China.

C RWM: AEM

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese conflict:

Report concerning -, for month of December, 1939, in Swatow Consular District.

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For the original paper from which reference is taken

See #4
(Despatch, talegram, instruction, letter, etc.)

Dated Jan. 6, 1940 From Swatow (Yearns)

File No. 893.00 P.R. Swatow/145.

793.94 /15766

1. . ine-Japanese hostilities.

Japanese military operations were more active during Desember than at any time since the June (1939) occupation of the Ewatow area but the Japanese were not successful in extending their military control in this district.

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

-5-

this route a few days later, the above named towns were left ungarrisoned by the Japanese and were again occupied by Chinese troops who had fled on the advance of the mixed force a few days previously. This same source reported that the Chinese pupper troops (so-called "wang Ching-wei recruits") were chantung men, well-behaved and did no looting during the march. on or about pecember End the mixed force proceeded from ungking towards the Fukien border and encountered at Chaoan (77 +), Fukien. a superior number of thinese national troops. The battle, on pecember 8-7, ended in a complete rout of the Japanese-Chinese puppet army. It was reported that 700 of this force were killed and wounded, many dispersed into the countryside while others went over to the Chinese regulars. The leader of the puppet Chinese forces, one Rusing Ta-wei, and some followers took to a ship and returned to swatow while the remnants of the ill-fated expedition returned along the original line of march. These latter were encountered by the regular Chinese troops, who had recocupied the area, and suffored further losses particularly during a day's fighting at Tang Leng on December 8. A Japanese source at watow admitted this reversal and stated that the local Japanese military were immensely surprised to witness the return of Huang Ta-wei who, incidentally, was reported to have been the first to arrive at swatow. This informant stated that the expedition had been greatly outnumbered but had not anticipated such resistance and that it was unlikely that another expedition would be

sent until after greater preparations had been made. It is believed that as a result of this brief campaign the Japanese military has lost whatever confidence it may have placed in the utility of pupper chinese troops for manouvers of this nature.

2. Japanese Bombing.

on December 9th three Japanese planes bombed villages to the north, northeast and northwest of Kityang and, according to a missionary's report, a number of civilians were killed and wounded. The planes also visited hisyang (see Rovember Folitical Review) and one bomb which fell about twenty-five feet from the american Emptist mission hospital exploded and pitched several large lumps of earth about forty feet into the air, three of which broke through the roof of the hospital leaving two holes in the roof and attic floor about eighteen inches square. The hospital was marked by a flag painted on the roof and a flag also flaw from a pole. according to the mission it was thought that the objective of the bomber might have been a large compound opposite the hospital belonging to a wenlthy thinese which occasionally, but not for the past two months, had housed some Chinese soldiers.

3. <u>Miscellaneous Military operations</u>. The Japanese military continued the Campaign against the Chinese troops and guerrillas in the vicinity of ampo (養華), about seven miles north of Swatow, and in the regions northwest of Swatow, particularly in the thim you shan (元素 清里) hills where, because of the rugged country,

the Japanese have experienced difficulties ever since they invaded this area. Their "mopping up" efforts were intensified after peccaper lath and artillery and machine gun fire was audible almost daily in swatow. It was reported that in various engagements during this period in the Chim hou shan more than 500 Japanese troops had been xilled or wounded without any indication that the Shinese had been dislodged from their positions. The two Japanese hospitals in swatow are reported to be housing a large number of wounded soldiers.

Fighting continued in the vicinity of Chaochowru (福州度) and Pangkol (福港) but reports that the Chinese had Captured and held the former city for one day were not substantiated. According to a japanese source the Chinese troops are only one mile from Chaochowfu and the entire strip of territory between that city and Swatow, about 30 miles long, is loosely held by small Japanese garrisons slong the highway.

TELEGRAM RECEIVED PLAIN

PAP

TOKYO VIA SHANGHAI AND N.R.

Dated March 15, 1940

Rec'd 9:07 p.m. March 16.

Secretary of State

Washington

Division of FAR EASTERN AFFAIRS

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

179, March 15,

Department's 92, March 14,

The following is translation by the Foreign Office y, of the Prime minister's statement:

"To free the world from contentions and conflicts and to make peace and good will prevail among mankind is an aim consonant with the great ideal upon which our Empire was founded. It is to that end that a new order in east Asia is contemplated. Every country should be enabled to find its proper place of peace and contentment; there should be amity and harmony among neighbors and there should be mutual respect for one another's natural endowments and common prosperity and progress for all.

In the performance of the sacred task of reconstructioning East Asia, the first step to be taken is to create and insure a new international relationship between Japan, Manchukuo and China. Needless to say, this new relationship should of necessity conform to the deal underlying the construction

PAP -2- 179, March 15, 8 p.m. from Tokyo via Shanghai and N.R.

K. J. C. on William

 f construction of the new order in East Asia. That is why neighborly amity and good will, common defense against the Comintern and economic cooperation were advocated in the statement of Premier Konoye. Our goal is plain as day. The concrete program for the construction of the new order which the Japanese Government proposes to accomplish in concert with the new central government of China is formulated on that very statement. It is devoted to no other purpose than that the nations concerned shall respect one another's racial and national endowments and shall cultivate friendly relations of natural aid and good fellowship, stand guard against the menace of communism so as to insure the peace of east Asia, and practice the principal of ministering to one another's needs by setting up a reciprocal economic system. That Japan will respect China's independence and freedom has been made clear in the successive statements issued by our Government, and it will be proved in fact as the present disturbances subside.

Although Japan and China are now engaged in hostilities, the two peoples retain in their hearts the spoils of mutual sympathy and tolerance. The longer the hostilities last, the greater will be the sacrifice imposed upon east

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PAP -3- 179, March 15, 8 p.m. from Tokyo via Shanghai and N.R.

east Asia. But certainly the great timeless mission of our Empire cannot be abandoned simply because of the sacrifices of this conflict. The determination of our Government and people is firm as ever, and the strength of our nation has been replenished according to plan, so that we are allready to carry on our campaign, no matter how long, until the eyes of China's anti-Japanese and pro-communist regime are finally opened.

Farsighted men are not lacking among the four hundred million people of China. Some enlightened leaders have long advocated peace and national salvation. In order to rescue their nation from suffering and distress, they are fearlessly standing for right and dedicating their lives to their cause. These men who share in the same solicitudes toward the general welfare of east Asia are our comrades. We cannot but admire them for their high purpose and their unselfish enterprise.

Charles

Mr. Wang Ching Wei is an outstanding figure of this group. He could not endure to see the actual state of affairs by which his people are needlessly plunged into the depth of misery owing to the mistaken policy of the Chungking regime, which in the last analysis only hastened the Sovietization of his country. He came out for national salvation through opposition to Communism and conclusion

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PAP -4- 179, March 15, 8 p.m. from Tokyo via Shanghai and N.R.

of peace with Japan. In the face of all manners of pressurs; and persecution by Chungking, he pursued the path of his conviction, bringing light to his people lost in darkness. Thus has he won the confidence and the following of his nation. His peace and national salvation movement as well as the preparation for a new central government have made rapid headway since the sixth Kuomintang national congress which was held in Shanghai in August of last year.

For the sake of the peace of east Asia, we are truly gratified to know that the Central political council is to meet soon and a new central government will be brought to being with the united support and cooperation of both regimes at Peiping and Nanking and also of many leaders representing the various political groups and the various sections of society. Japan will, of course, render whole-hearted assistance toward the formation of the new government and is prepared speedily to extend recognition following its establishment.

In this connection I should add that I am deeply impressed by the fact that in full accord with Mr. Wang those leading statesmen in the Peiping and Nanking Government who have for the past two and a half years devoted every ounce of their energy to the reconstruction and rehabilitation

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PAP -5- 179, March 15, 8 p.m. from Tokyo via Shanghai and N.R.

habilitation of their respective areas, are now going forward with the work of restoring peace and building up a new China.

On the eve of the establishment of a new central government of China, I express my ardent hope that Mr. Wang and all those other men of vision and leadership, united in purpose and resolute in action, will proceed with the great task for the regeneration of Asia, I am convinced that their ernest endeavors will meet with approval and support, both in and out of China, and that the misfortune brought on by the present Sino-Japanese conflict will be turned into an eternal blessing."

Repeated to Peiping and Chungking.

GREW

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TELEGRAM RECEIVED

Shanghai via N. R.

Dated March 16, 1940

Rec'd 5:05 p.m.

Secretary of State,

JR

Washington.

216, March 16, 15753 Department's 112, March 14, 7 p.m.

In statement March 12 (15th anniversary death Sun Yat Sen) Wang Cheng Wei referred to previous statements by Dr. Sun advocating joint action by China and Japan in Far East and, observing that Konoye in statement of November 3, 1938 expressed hope that China would assume its share of responsibility for establishment of new order in East Asia and said that Japan did not (repeat not) desire China's extinction and subjugation but rather its prosperity and cooperation, stated that Konoye's subsequent statement of December 22 same year, with its promise Japan would consider return of the concessions and abolition of extra territoriality, caused the Chinese people to realize that it was unnecessary to continue the war of resistance and fighting to restore peace. "They further realized that the two countries, China and Japan, not only ought to extirpate the present calamity of warfare but should advance and

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 $-2-\frac{4}{2}$ 216, March 16, 2 p.m., from Shanghai. 087

expel the causes of previous complications and lay the foundations for future friendly relations." The slogan, national construction through war of resistance, should be altered to national construction through peace. he continued, and substitution of constitutional government for the personal dictatorship which obstructs the affairs of the Chinese state cannot (repeat not) longer be delayed: that there should be readjustment of foreign relations, and said that publication of the various concrete formula for such readjustment naturally must wait awhile; "However, I dare to assume responsibility in guaranteeing to the people that those formulae definitely do not (repeat not) exceed the boundaries of Konoye's statement and moreover do not (repeat not) conflict with its basic principles; there is no (repeat no) injury to China's independence and existence, and as regards the legitimate rights of third countries in China not only is there no (repeat no) injury but advantage will follow as consequence of protection obtained through the restoration of peace, besides effecting economic cooperation with Japan, there will naturally be admission of the skill and capital of all countries on the basis of the industrial plans of the national construction policy, for the accomplishment of China's construction to the end that east Asia shall be prosperous."

Wang

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-3- #216, March 13, 2 p.m., from Shanghai.

Wang referred to China's losses of territory and lives during hostilities, said that no (repeat no) strategic point had been recovered, and asserted that Chinese people are being driven to a disaster for which the National Government and the Kuomintang must bear heavy responsibility. "If there is still something to be saved from danger and death, then it is surely the proper responsibility of the National Government and fellow members of the Chinese Kuomintang to accept bravely responsibility for blame, cease warfare with Japan and discuss peace, and accept those conditions (of peace) is which can be borne, in order to preserve the national strength as yet unwasted and clear away the debris and plan again rehabilitation." Advocacy of final victory through continued resistance he termed cheating the people and predicted that continuance of the struggle would result in further shrinkage of national territory, further wasting of strength, to the point where there would be no saving the situation. Wang held that China and Japan are the pillars of east Asia, and that peace between them means not only peace for the east Asia but a basis for world peace, and that therefore the peace movement must go forward. He said in conclusion that there exists no (repeat no) doubt that the people of

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-4- #216, March 16, 2 p.m., from Shanghai.

the country want peace but only doubt whether it can be achieved, stated that he and his colleagues would work to the end that the people's hopes for peace would be brought to fruition; "and, it is hoped that the Chungking side will abandon its prejudices, at once cease fighting, and jointly discuss the materialization of the peace formula, whereupon (peace) can be more extensive and can come more quickly. Salvation and revival surely depend upon this."

Full translation by despatch.

Repeated to Peiping, Chungking, Nanking. Air mail to Tokyo.

GAUSS

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TELEGRAM RECEIVED

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

Chungking via N. R.

FROM Dated March 19, 1940

Rec'd 9:30 p. m.

Secretary of State,
Washington.

RR

Division of FAR EASTAN LEGINS

MAR 20 1940

Department of States

193.94

137, March 19, 1 p. m.

J. Leighton Stuart told the Counselor in reply to questions yesterday that after a week of conversations with various Chinese leaders he found them uniformly in favor of continued and dogged resistance to Japan. They have not seemed optimistic of an early victory but believe that any terms of compromise Japan would now accept would be far worse for China than continuation of hostilities. Moreover, they feel that China is building up in West China an economic structure that can ultimately be self-sustaining. Chiang Kai-shek especially is determined to go on with resistance and to refuse all offers of negotiations for compromise with Japan. He asserts China is already at the point where it can manufacture such arms and munitions as are used in current types of warfare in China and he is facing without misgiving the prospect of continuing the present; hostilities for five years more.

Repeated to Peiping. Peiping please aif mail to Tokyo:

JOHNSON

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793.94/15769

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

JWB MATH PA/H

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April 4, 1940.

Tokyo's 4533, February 27, 1940, transmitting article from the <u>Japan</u>
<u>Times</u> reporting text of radio broadcast to America by Mr. Toshi Go.

In a propaganda broadcast from Japan to the United States on February 20, Mr. Toshi Go, new managing director and editor of the Japan Times and formerly representative of Japan at the New York World's Fair, presented the usual arguments (but in English more understandable to Americans than that ordinarily used by Japanese) to the effect that Japan's action in China is for self-defense and that American policy is not support of China as a whole but of one political party in China.

793.94/15770

A ARTMENT OF STATE

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Fore Contract



THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA



AMERICAN EMBASSY Tokyo, February 27, 1940.

No. 4533.

SUBJECT:

1940 MAR 20

TRANSMITTING ARTICLE FROM THE JAPAN TIMES REPORTING TEXT OF RADIO BROADCAST TO AMERICA BY MR. TOSHI GO.

Division of FAR ATTEM OFFAIRS & MAR 21 1940 Donartment of State

MID

ONI



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

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to transmit herewith for the information of the Department a copy of an article from the Japan Times of February 20, 1940, giving the text of a radio broadcast to America by Mr. Toshi Go, the new managing director and editor of the Japan Times

and

and formerly representative of Japan at the New York World's Fair.

Mr. Go's radio address, which continues a series of radio messages to the United States presenting to the American public certain aspects of Japan's case in regard to its involvement in China, emphasizes the view that the United States, in order to normalize Japanese-American relations, should make a new approach by considering the problem in the Far East as it is today. Mr. Go asserts that both Japan and America are victims of misunderstanding and that each nation should be more tolerant of the other. He denies that Japan is a warlike nation and asserts that it is really fighting in China in self defense in order "to subdue dangerous elements in China which threatened our existence", and that the American espousal of China is mistaken chivalry, as the United States is supporting a political party in China rather than China as a whole, thereby "taking sides in Chinese politics".

In conclusion, after stating that Japan is in China "with everything we have" and alleging that Japan must logically have as its objectives the independence of China, equal opportunity, and cooperative action in the Far East in settling its own affairs, he strikes a note of warning regarding the danger of continued irritation in relations between the United States and Japan.

Respectfully yours,

Joseph C. Grew

Enclosure:

1/ as stated.

710 SEG:wg Original and 4 copies to Department DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitty 0. Sustain NARS, Date 12-18-75

Enclosure No. 1 . to despatch No. 4533 , dated Feb. 27 ,1940. from the Embassy at Tokyo.

The Japan Times.

Tokyo, Tuesday, February 20,1940.

GO MAKES PLEA FOR NEW START BY AMERICANS

Times Managing Director Hopes for Consideration Of Far East of Today

The hope that Americans will make a new start by considering the problem in the Far East as it is today and not of the past with the view to normalizing Japanese-American relations was expressed by Toshi Go, Managing Director and Editor of The Japan Times and Mail, in a radio speech broadcast to America this afternoon.

The text of Mr. Go's speech

follows:

My friends in America:

I have just been prevailed on to take a new job which will keep me in touch with live-wire America, and I hope there won't be too many shocks for either side.

My job is to keep going a big English language newspaper here, and as we have many subscribers in the United States, I think the ocrasion permits a few casual confidences,

KNOWS AMERICA WELL

Because I know America well, having seen you with your hair down and in your best clothes, I believe I am well equipped to give a sympathetic presentation here of life in your country. My last trip over there was as representative of Japan at the New York World's Fair, an experience I shall always cherish.

Knowing both countries I can see we are both in great need of No Men. Too often do we hear from ourselves that there is nothing wrong with us, and too often do we say Yes. A little self-criticism will do no harm to either of us. It might help us to be more sympathetic towards each other in our difficulties. Whenever we tell ourselves in Japan that we are altogether right, I am going to say No, if I think that way. And if I read that America claims to be 100 per cent in the right in her treatment of conditions over here, take it from me I shall say No too.

There are some things about both our policies towards each other that need debunking. I like to think, also, that there are many features about Japan which we can share with America—generosity, kindness and gentlemanliness amongst them.

What is the matter between Japan and America? We are the victims of misunderstanding. Both countries are the victims of a wave of wickedness which has engulfed the world. There is too much irritation, and in many cases, too much hate. How can we get on to a better plane?

I say good feeling between our peoples is not a matter of treaties. We can be tolerant of each other, friendly toward each other, we can do business together, and visit with each other, without the ald of a diplomatic document. Now there is no piece of paper to say that we are permitted to get along, because the Treaty of Commerce and Navigation of 1911 has been discarded. Never mind. Perhaps we can reach better terms without writing the terms in notes or agreements.

IN BAD WAY

It is plain to see we are in a bad way amongst Americans. And we Japanese are indignant for two reasons. The first reason is that we like Americans—we have shaped the Western features of our lives largely after the American pattern. The second reason is because we feel we have been misrepresented.

As I read many of your papers and magazines, as I listen to your radio descriptions, and as I read between the lines of statements by your diplomats, I gather the impression that Machiavelli was a Little Lord Fauntleroy compared with Japan. Then I look at my own country—I see the sufferings our people have gone through, I consider the sacrifices and the dangers, and I believe you haven't been fair to us. For, if you had been open-minded, you would have taken our side of the case into consideration.

When I say you are not fair, I myself am not fair in accusing you of being unsportsmanlike. How can you be expected to judge if you have not been given the fullest evidence. This war in China was not the case of a war-hungry nation deliberately taking on the terrifically risky job of beating the one country in the world that has never been beaten by an outside nation. China may been overrun by Mongol and Manchu, but they were neighboring and related races. Japan is not of the China Continent, yet had to try and subdue dangerous elements in China which threatened her existence.

JAPAN MISREPRESENTED

This is not the time to go into the history of the war, nor to show you how badly we have been misrepresented by adverse publicity. Or how the accident of sensational newspaperwork has favored the elements of the Chinese against whom we are fighting. It always has been a better story, an easier one to write and to feature, which puts us in the villain's role. Vindication of Japan is complicated. You say 'Japan Invades China"—
"Japan Bombs Open Cities." And if we give the honest answer, the explanation makes good sense but poor headlines. Now, admit there is a lot in what I say!

There is a great depth of kindness in America. That is why you have espoused what you call the cause of China. Because it seems to be chivalric. Really, it is not China you are being asked to support and protect. It is a political party in China. America is actually taking sides in Chinese politics.

What I ask of you is to give your kindly and chivalric help to the consideration of the problem in the Far East as it is Now. Not as it was yesterday. Not as it might be. It is useless to talk about a new start which would mean turning the clock back to July of 1937. We are in China—in it with everything we have. We shall win because we are right! Chiang Kai-shek is where he is in the distant and remote southwest. America is where she is as regards her trade and her diplomacy

towards us and towards the two parts of China, the occupied part under Wang Ching-wei's government and the unoccupied part under Chiang.

SHOULD CONSIDER TODAY

We should start figuring from the way the pieces are set. Now, TODAY. That is the only practical method. And you will see, from the way our pieces are disposed, that our King pieces is the independence of China. And our next most valuable chess piece is the Queen, meaning equal opportunity for all. And the rest of our game is open for you to see, the cooperation of the Far East in settling its own affairs and in mutual effort for peace and development. This is the logical conclusion.

Give yourselves time to believe this. Remember we are out to protect in China the things you stand for. We are against Communism. We are for religious freedom as you see it practiced in Japan today.

The world is in a dangerous state. America can do a lot to keep it from getting into a worse condition. I ask you to consider most gravely the implications of danger to both of us if certain elements, whether political or otherfwise, continue to irritate both of our na-

tions. Your policy is to keep out of foreign wars and entanglements. You are strong. So are we, stronger than you think. We are both strong enough to behave like men, with reason.

MUCH PRESSURE

The Japanese have been asked to submit to a lot of pressure and prevocation. They are continually misrepresented, maligned and ridiculed. Actually we are not much different from Americans in our hearts and our minds. It is bad that we should permit men and conditions to make

things bad for us.

Both nations can play big parts in helping the world back to peace. Can we not make a fresh start today? Cannot Americans ask their government for leadership toward a more peaceful state? You will find the Japanese leaders abreast of you in getting back to normal.

Good night and good luck.

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

April 4, 1940.

Comp

Tokyo's 4534, transmitting article from the <u>Japan Times</u> reporting radio broadcast to America of passes speech by Mr. Saiko Tsurumi.

The Embassy herein reports another propaganda broadcast from Japan to the United States, this time by Mr. Saiko Tsurumi, President of an organization called the Federation of Commercial Cooperation. The arguments are the usual ones (that Japanese fighting in China is in defense, etc.) with special emphasis on economic factors. Mr. Tsurumi states that the Japanese must have an economic environment in which 100,000,000 people may live with no fear for the future. He states that the new order in East Asia means progress in order in East Asia means progress in civilization and increase of purchasing power in the Far East which will benefit all nations.

793.94/15771

FE:Coville:EAS



THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA



AMERICAN EMBASSY Tokyo, February 27, 1940.

No. 4534.

SUBJECT:

TRANSMITTING ARTICLE FROM THE JAPAN TIMES REPORTING RADIO BROADCAST TO AMERICA OF A SPEECH BY MR. SAIKO TSUKOMI.

NA V 1940 MAR 20



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

The Honorable

The Secretary of State, Washington.



Sir:

With reference to despatch no. 4533, February 27, © 1940 and to previous despatches reporting Japanese radio broadcasts to the United States dealing with the relation to the United States of the present Sino-Japanese situation, I have the honor to transmit for the Department's information

S. T. S. Sandard Williams of the Sandard

1/

information a copy of an article from the <u>Japan Times</u> of February 23, 1940, giving the text of a radio broadcast to the United States on February 22 last by Mr. Saiko <u>Tsurumi</u>, vice-president of the Imperial Invention Association and president of the Federation of Commercial Cooperation.

Mr. Tsurumi is quoted as stating that, although they are not a warlike people, he regrets that "unfortunately the Japanese are sometimes spoken of as being intolerant and warlike", -- possibly because "they are poor propagandists". Mr. Tsurumi's main thesis appears to be that Japan is now an adult nation requiring "a new suit of clothes", by which somewhat clumsy metaphor he apparently intends to describe Japanese efforts for "the renovation and rationalization of its industry and for the expansion of its foreign trade". The Manchurian incident and the present "China affair" are traced by Mr. Tsurumi to an accumulation of "such flagrant and extreme actions directed against Japan" as Chinese boycotts which forced Japan "to take up arms in self defense". He continued by defining Japan's aims and needs in the following manner: "We must have an economic environment in which one hundred million of our people may live with no fear for the future. And that is all what (sic) we want. Other powers as well as China have mistaken a merely grown-up Japan for an imperialistic, rapacious and aggressive nation".

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Mr. Tsurumi's definition of the "true motives and aims" of Japan is "Sino-Japanese cooperation and mutual economic interdependence for the common prosperity and well-being of the two countries". He concludes with the assertion

assertion that, "when the actual facts and conditions before our eyes are recognized, and the new order in East
Asia is firmly established, there will come peace and
prosperity to all the peoples of the Orient. The progress in civilization and the increase of purchasing power in this quarter of the world will redound to the benefit of the West, and contribute to the peace and happiness
of all mankind".

Respectfully yours,

Joseph C. Grew

Enclosure:

1/ as stated.

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Original and 4 copies to Department

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E) Department of State letter, August 10, 1972 By Mitty D. Sustain NARS, Date 12-18-15

> Enclosure No. 1, to despatch No. 4534 , dated Feb. 27,1940. from the Embassy at Tokyo.

The Japan Times.

Tokyo, Friday, February 23,1940.

TSURUMI SAYS JAPAN IS NOW **ADULT NATION**

Peaceful Aims of Japan In Orient Outlined By Invention Body Official

"Japan today is a full grown youth and requires a new suit of clothes.'

of the Federation of Commercial trade. Cooperation.

must be apparent to all those who have ever traveled our country. That our people have a great capacity for tolerance of alien races and assimilation of alien cultures has also been amply demonstrated by Japanese boycott that was launched the historical record of our nation in China and Manchuria, where who early embraced the Buddhism every oragnization by every possible and even Christianity. It is a gross mistake to regard the Japanese as eration with anti-Japanese sentia stubbornly nationalistic people incapable of getting along well with in the public schools. other nationals.

"Again the Japanese are a soberof the world.

NOT WARLIKE

"I regret that nevertheless the Japanese are sometimes spoken of as being intolerant and warlike. It may be because of their natural re-ticence or that they are poor propagandists. But the fundamental "Japan, I said, having come of cause lies in the lack of compresage requires a new suit of clothes. hension on the part of other coun-

followed, Japan, in the spirit of in- aims of Japan will become clear. I ternational amity and cooperation, believe, in the near future.

steadfastly pursued a policy of the "Sino-Japanese cooperation and open door and progress. Eager to natualy economic interdependence

lift herself to the level of other powers in all spheres of human activities, she worked indefatigably, absorbing all that was good in other nations. Special emphasis was laid upon the difficulties of education and promotion of industry and commerce. As a result, the country grew quickly in wealth and power. The population which was estimated at 30,000,000 at the time of the opening of the country, increased to well over 80,000,000. With this phenomenal development, Japan became a first-class modern state in every respect.

"Metaphorically speaking, Japan, as a modern power, was a child several decades ago, whereas the Japan of today is a full-grown youth. As such the nation needs a new suit of clothes, the old one of its child-In this way Saiko Tsurumi sum hood days being no longer fit for its marized the new situation in the age and stature. It is in order to Far East to the American listeners prepare this outfit—namely, to over the overseas system of the create a new economic miliew to Japan Broadcasting Corporation live in, that the nation has concentrursday afternoon. Mr. Tsurumi trated its efforts on the renovation is vice-president of the Imperial and rationalization of its industry Invention Association and president and on the expansion of its foreign

"However, our advance into foreign markets perforce encountered "The Japanese are not by any means fond of fighting. That they are gentle and kindly to foreigners must be appeared to all these miss the perforce encountered competition and friction. Moreover, our path was deliberately blocked by those Powers who failed to realize or recognize the needs of an adult Japan, and movements against Japanese merchandise were set on

of India and the Confucianism of means worked for the severance of economic relations with Japan. The China, and more recently, has adopted and adapted Occidental culture movement was pushed to the extent of inoculating even the young genments through the text books used

"The Manchurian Incident and the present China Affair are in the minded and hard-working race. It | last analysis traceable to an accumuis entirely due to their diligence and lation of such flagrant and extreme industry that they have made such actions directed against Japan, who brilliant progress, economic and was forced to take up arms in self-cultural, and that the nation stands defense. If China had really undertoday as one of the major Powers stood and appreciated the position and requirements of the present-day Japan and extended to her the wil ing hand of economic co-operation and neighborly friendship, both of the bloody and costly conflicts would never have occurred.

"Japan, I said, having come of We must have an economic envitries of Japan's position. As the ronment in which one hundred mil-hermit nation of the East, Japan lion of our people may live with had long dwelt in peaceful seclu- no fear for the future. And that sion until 1858 when Commodore is all what we want. Other powers And that Perry's arrival brought about her as well as China have mistaken a introduction into the comity of namerely grown-up Japan for an imperialistic, rapacious and aggressive nation. The true motives and

for the common prosperity and well-being of the two countries is what is wanted. That will provide Japan with the suit she requires. With that alone will Japan be content, And its absolute necessity for Japan should be, I believe, readily admitted, if only from the standpoint of humanity. When this point is understood, appreciated and accepted, the China Affair will be brought to an end and a new order established in East Asia.

"If on the other hand, the world should insist on keeping Japan clothed in its old garment, the conflict will never cease and unhappy problems will continue to multiply in the future. For the proposition is utterly unnatural as it is impossible. Neither our government nor our people will ever submit to such unreasonableness.

"Should not the Powers be at this moment broad-minded enough to consider calmly the requirements of a modern Japan that has come of ge. When the actual facts and conditions before our eyes are recognized, and the new order in East axia is firmly established, there will ome peace and prosperity to all the reoples of the Orient. The progress in civilization and the increase of turchasing power in this quarter of the world will redound to the benefit of the West, and contribute to the peace and happiness of all mankind."

5 COPIES FOR THE DEPARTMENT.

No. 981

THE FOREIGN SERVICE RECEMPERHE UNITED STATES OF AMERICA

Division of FAR EASTERN AFFAIRS MAR 2 1 1940

1940 MAP 20 PM 2 22

AMERICAN CONSULATE GENERAL

Tientsin, China, February 14, 1940.

ASSISTANT SECRETARIOF STATE

SUBJECT:

Transmission of an Editorial Regarding the Plet Speech of Mr. Takao Salto and the Settlement of the China Incident.

The Honorable

Nelson Trusler Johnson

American Ambassador,

Peiping.

Bir:

1/

I have the honor to enclose herewith, as of possible interest to the Embassy, an editorial from the PEKING AND THENTSIN TIMES of February 7, 1940, discussing the reaction in Japan to the Diet speech of Mr. Takao Saito on February 2, 1940 in which he criticized the Konoye statement of policy.

The aditor expresses the opinion that acceptance and carrying out of Frince Konoye's basic principles A-M/ are essential for the solution of the Sino-Japanese Saispute, and makes an interesting reference to the difference between Mr. Saito's speech of February 2, 240 and his speech in May 1936, when he attacked the Army and the extreme rightists in connection with the February 26, 1936 uprising in Tokyo.

Looking into the future the editor sees the establishment of a new order in Europe, the British Empire, America and the Far East, "based on much the

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- 2 -

same principles as Britain, in her wisdom, founded the new order several years after the Boer War in South africa", and asserts that in the Far East the new order depends upon the complete acceptance and fulfilment by Japan of the basic principles laid down by Frince Konoye and upon concrete contributions by China to the development of East Asia, based upon "friendship, equality and magnanimity", as a result of which in the end both China and Japan will be found to be victors - the former with its independence and nationhood maintained, and the latter with its desire for closer and more intimate relations with China fulfilled.

Respectfully yours,

J. K. Caldwell, american Consul General.

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Enclosure:

1. Copy of an editorial appearing in the February 7, 1940 issue of the PEKING AND TIENTSIN TIMES.

800 WEY:sfa

Original to the Embassy, Peiping.
Five copies to the Department (without covering despatch).
Copy to Embassy, Chungking.
Copy to Embassy, Tokyo.

86

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

Enclosure No. 1 to despatch No. 981 dated February 14, 1940, from the American Consulate General, Tientsin, China, on the subject of "Transmission of an Editorial Regarding the Diet Speech of Mr. Takao Saito and the Settlement of the China Incident".

PEKING & TIENTSIN TIMES, Tientsin, China, February 7, 1940.

THE GREAT CROSS-ROADS.

The uproar caused by the vehement speech of Mr.
Takao Saito, a leader of the Minseito and a former ViceMinister, shows how indiscreet and untimely it is to play
politics with Japan's difficulties in China. For everything there is a season, but the time for inquests into
the conduct of Japanese policy in China, past and present,
is manifestly not yet. Public opinion in Japan will
react to any attempt to take partisan advantage of the
nation's greatest and most difficult problem in much the
same way as it has reacted in Britain over and over again
in the past decade to the wily tactics of the "Welsh
Wizard." In his previous sensational outburst, in May,
1936, Mr. Saito lashed both the Army and the extreme
Rightists, basing his attack on the murders and uprising
of the previous February in Tokio. In this speech he
said that if radical leftist thought was harmful to the
nation, so, too, was extreme rightist thought. He sharply
denounced the attitude of certain sections of the Army,
their interference in politics, and the ban they had
imposed on Party members being admitted to the Cabinet.
His speech then was so popular that it aroused thunderous
applause from all quarters of the House. Indeed, the
War Minister himself (Count Terauchi) said he was
completely in accord with the views of the veteran
Minseito leader.

On this occasion, though his outspoken speech electrified the House, the outcome was very different. The Speaker ordered that Mr. Saito be committed to the Disciplinary Committee, while the offender resigned from his Party in order to protect it from becoming involved in the case. The text of Mr. Saito's speech is not available, but such data as we have received indicates that, while in 1936 Mr. Saito was, so to speak, "on the side of the angels," this time he appeared as the devil's advocate - to put into harsher English the familiar Latin expression.

Apparently Mr. Saito severely attacked the famous Statement of Policy issued by Prince Konoye, then Premier, at the end of December, on the settlement of the China

Incident.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitty 0, die fer NARS, Date /2-/8-75

- 2 -

Incident. This declaration, it may be recalled, has ever since been regarded, and accepted by the Cabinet and the nation at large, as the guiding principle for the readjustment of relations between Japan and China. Mr. Saito's argument was that if this declaration remained the basis of national policy, Japan would get nothing out of the war in China. Undoubtedly this feeling exists, but how largely is a matter not so easy to determine. In various quarters there have been mutterings about "another Hideyoshi episode," referring to the ill-fated expedition conducted by that famous warrior on the mainland over three centuries ago, when Korea was invaded and occupied for some years, until a successful naval action cut the Japanese communications between the island and the mainland, and changes at Home led to the withdrawal of the expedition and the adoption of a policy of seclusion which was maintained for two and a half centuries.

Other times, other methods. The old form of conquest is obsolete. It is impracticable in the present age. The policy of liquidating the China conflict, which is draining the resources of Japan as well as of China - and in many ways is affecting the highly-organised industrial Japan much more than it is China - is the only conceivable policy to-day, and the principles set forth by Prince Konoye form the only basis so far set forth on which a settlement is possible. Even in this case the difficulties are by no means surmounted. In our opinion Prince Konoye is the one outstanding statesman in Japan to-day. He is the only man who can, in the end, pull his country out of the great crisis of these terrible times. Even his policy has to overcome immense difficulties, of which misconception and out-right suspicion on the one hand, and efforts to use the principles in quite a different way, on the other, are not the least.

Indeed, the fact that he rejected the repeated requests made to him to take the helm again during the last Cabinet crisis, and stood steadfast against quite unprecedented pressure, was a clear indication that the difficulties in the way were still too great. Just as the anti-British fanatics made the most of the Asama Maru affair and were out to make things as hard as possible for the moderates, so are the extremists in China likely to take advantage of Mr. Saito's outburst. Judging by Mr. Saito's attitude in 1936, and the general alignment of his Party, it is starting indeed to find him on the side of the annexationists. One wonders whether or not it was not intended to serve as a tortuous and oblique attack on the whole forward policy in China in the guise of a championship of the extremists.

Be that as it may, there is undoubtedly a tendency among the latter to employ the ultimate Korean device as the solvent in China, and to follow in the footages of

Genghiz

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitty 0. Support NARS, Date 12-18-75

- 3 -

Genghiz Khan and the Manchu conquerors. It is a policy of despair, and arises as much from sheer exasperation as from any set convictions based on a rationalisation of the problem. In some ways, therefore, it is just as well that the matter has had such a spectacular ventilation. Moreover, it has produced two notable declarations from the War and Navy Ministers confirming their adherence to the Konoye Declaration. General Hata, after insisting that Japan's military action was "fundamentally different from a socalled aggressive war," declared his firm belief that "the blessings and benefits to be derived from the new order in East Asia will more than make up for the sacrifices, both material and moral, paid by Japan."

A new order is coming in Europe as a result of the travail of our time. The Great war was the destructive revolution; the present struggle will turn out to be the constructive revolution. That is a faith and a conviction we deeply cherish. A new order, too, is coming in the British Empire; in the Americas, where the foundations are being laid for much close association in all matters between North and South America; and in East Asia. But it will not be a one-sided or exclusionist order. It will be based on much the same principles as Britain, in her wisdom, founded the new order several years after the Boer War in South Africa.

There can be no new order unless it be based on friendship, equality and magnanimity, and that is seen by statesmen like Prince Konoye, however hard it may be to communicate these ideals to the rank and file. We have no
hesitation whatsoever in asserting that it depends, in
the first place, on the loyal acceptance of the basis
principles laid down by Frince Konoye by the Japanese
nation; and in the second place, on the steady fulfilment
in concrete practice of the letter and spirit of those
principles. China herself must make her own contribution
to this development. It takes two to make peace, as it
takes two to make war. The difficulties which have
resulted in the existing stalemate are not wholly of
Japan's making. But we do not despair of a gradual change
for the better, though it may be slow at first before it
breaks clear into the open for all to see.

There is everywhere a steady groping for closerunity amidst all the controversy and bitterness of the world struggle. If it were not so one might well despair of mankind and of civilisation. We believe that when destiny shows its face to us in all its lineaments it will be found that both sides in East Asia will gain the victory: that China's independence and nationhood will be vindicated as was Turkey's under Kemal, and that Japan's desire for closer and more intimate relations with China will likewise be vindicated. This will, however, and must, be complemented by the marmonization of the policy of the good neighbour in East Asia with the world of which it is an indivisible part. There is a part for all to play, and all must play it if the greatest good is to triumph over unimaginable disaster, and the anarchy so graphically depicted by H. G. Wells in "The Shape of Things to Come" be defeated in its challenge to civilized order and progress.

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DEP RTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

Remainder of Shirt

Reference altached despetors
no 4538 from Tologo - Juman Railway
To note that the British,
on tet 21, made supersulations to
the Japanese substantiably similar
to those made by the american
Embussy.

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THE FOREIGN SERVICE 01 S**¹of**€the UNITED STATES OF AMERICA

1940 MAR 20 AM 11 25

AMERICAN EMBASSY

DIVISION OF COMMENCATIONS AND RECORDS

Tokyo, February 27, 1940

No. 4538

MEMORANDUM SENT TO THE MINISTRY OF FOREIGN AFFAIRS BY THE BRITISH EMBASSY CONCERNING THE RECENT BOMBING OF THE YUNNAN RAILWAY. SUBJECT:

> Division of MAR 2 1 1940



The Honorable

The Secretary of State, Washington.

Sir:

In confirmation of our telegram no. 138, February 23, 7 p.m., I have the honor to transmit herewith a copy 1/ of a memorandum addressed on February 21, 1940, by my British colleague to the Japanese Foreign Office relating to the recent bombing of the Yunnan Railway, and expressing the

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the hope that the Japanese Government will give serious consideration to the danger to British lives and interests involved by further bombing of the railway.

Respectfully yours,

Joseph C. Grew

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Enclosure:

1/ as stated.

350 ESC:wg

Original and 1 copy to Department Copy to Embassy, Peiping Copy to Embassy, Chungking Copy to Consulate General, Shanghai Copy to Consulate, Yunnanfu Copy to Saigon for transmission to Hanoi Enclosure no, 1 to despatch no. 4538 dated Feb. 27, 1940 from the Embassy at Tokyo

(With the compliments of the British Embassy to the American Embassy).

Copy of Memorandum from the British Embassy to the Japanese Ministry of Foreign Affairs. No. 41. (21/72V(1)/40)

Memorandum

His Majesty's Government are reliably informed that that section of the French-owned railway between Hanoi and Yunnanfu which is situated in Chinese territory has recently been bombed repeatedly by Japanese military aircraft. In this connexion His Majesty's Government wish to draw the attention of the Japanese Government to the fact that the railway in question carries an important share of legitimate British trade with China, for it is clear that British trade must be seriously injured and the lives of British subjects engaged in that trade endangered, if the above-mentioned bombings continue.

Regarding the bombing which took place on 1st February, His Majesty's Government would point out that only by a fortunate chance did the British Naval party travelling on a south-bound train from Chungking escape injury. The fact that a very serious incident between the two countries was only averted by a delay of a few minutes amply demonstrates the risks inherent in such attacks.

His Majesty's Government have no doubt that the Japanese Government will give serious consideration to the danger to British lives and interests which would be involved by further bombing of this railway.

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British Embassy, Tokyo. 21st February 1940.

WITHDRAWAL NOIL

ACCESS RESTRICTED

The item identified below has been withdrawn from this file:				
File Designation 793. 94/15774				
From U.S. Conselde General Thoughou (Factor) To Sec of State				
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To Sec of State				
In the review of this file this item was removed because access to it is				
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R. E. Huss S/21/73 Authority Date				

GENERAL SERVICES ADMINISTRATION

GSA FORM 7117 (2-72)

GSA DC 72.1042

CROSS-REFERENCE FILE

NOTE

SUBJECT

Sino-Japanese relations.

Report concerning -, for month of January, 1940.

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For the original paper from which reference is taken

See	# 978 to En		
Dated	Feb. 12, 1940	From Tientsin	(Caldwell)
File No	893.00 P.R. 1	Fientsin/141.	

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1. Japan.

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(a) Proposed new "Central Government".

The local press devoted much space to the conference which bogan at Tsingtao on January 25rd, when Wang Ching-wei, leader of the Orthodox Ausmintang, Wang Keh-min, Chairman of the Feking Provisional Covernment, Liang Rung-chih, Chairman of the Hanking Provisional Government, and Li Chou-sin, President of the Advisory Council of the Federated Autonomous Covernment of Mongolia, met with their Japanese Military advisors to discuss plans for the formation of a new "Central Covernment of China". Press reports of the proceedings indicated that Inner Mongolia and Forth China will have a special political status under Japanese domination.

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⁽¹⁾ Despatch to Embassy, No. 963, Jan. 29, 1940.

- Japanese Military Operations. The Japanese military authorities claimed to have repulsed and inflicted heavy losses on Chinese forces which were attempting to re-capture Kaifeng and Tainyang, Kopeh Province. They also reported extensive and successful mopping-up operations in North Chansi and Julyuan. There were fewer reports of guerrilla activities in Hopeh.
- (c) Peking Provisional Government Budget.
 The PEKINO CHRONICLE, January 9, reported that the
 Provisional Government of Peking Budget for the next
 tiscal year had been set at Yuan 111,000,000, of which
 camount 20,000,000 will be spent on development enterprises; 10,000,000 on peace preservation services; and
 70,000,000 on other administrative purposes.
- Japanese-sponsored YUNG PAG, January 10, reported that the North China and Inner Mongolian Governments will continue to have autonomous status efter the establishment of the new central government regime; that texes will be collected and retained by them; that administrative areas will be retained as now organized and administered; that the Japanese-sponsored Hsin Min Mul will be retained as a political party; and that financial matters will remain in the hands of the Federal Reserve Bank.
- (e) <u>Japanese Shops in Peiping</u>. According to the PEKING CHRONIGLE, January 4, there are about

-6-

1500 Japanese stores and shops registered in Peiping, and the number is growing steadily. Similarly, the number in other North China cities, such as Tientsin, Tsinan, Chinkiachwang, and Kalgan, is increasing.

- (f) Japanese Consular Conference. DOMEI, January 26, announced that all Japanese Consula General and Consula in North China would meet at Feiping on February 5, 1940, to discuss measures to be taken after the establishment of the new Central Government of China.
- (g) Japanese Embassy to remain in Feiping.
 Quoting an Embassy spokesman, DOKEI, January 28,
 announced that the Japanese Embassy will remain in
 Feiping, in consideration of the special importance
 of North China, after the establishment of the new
 Central Covernment of China.

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TELEGRAM RECEIVED.

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COPINS D

Dated March 22, 1940

FROM

Rec'd 7:10 a. m.

Secretary of State,

Washington:

Division of

FAR EASTERN APPAIRS

191, March 22, 6 p.

the Minister of War made According to the ASAHI, the following reply to an interpellation in the Budget Committee of the Lower House this morning regarding the attitude of the fighting services toward the Nine Power Pact:

"With respect to the Nine Power Pact the army will of course conform to the Government's policy. As for my private opinion; however, the present China incident was brought about by the anti-Japanese policy of the Chiang regime, and is literally a holy war for the purpose of correcting this mistaken policy and of ensuring the lasting peace of East Asia. Consequently, the present incident in my opinion transcends the Nine Power Pact. While the said instrument still exists, Japan will not be restricted by it in recommendation in the without saying that the present situation in the same generally is far different from the time when the Nine was concluded.

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C92 DEPARTMENT OF STATE

Memorandum of Conversation

Mai Dunk

DATE: March 2, 1940.

SUBJECT: Situation in the Far East.

PARTICIPANTS:

The French Ambassador, Count de Saint-Quenvin.

Mr. Hornbeck.

COPIES TO:



Division of SAR 151340

Department of Starts

Division of Starts

MAR 5 - 1940

Department of Starts

PARTMENT OF SLATE

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The Ambassador called by appointment at his request.

He read to me a document containing the text of a note
given by the Japanese Minister for Foreign Affairs to the

French Ambassador at Tokyo, dated February 19, 1940, in

which the Japanese Government expressed regret that the

bombardment of the Yunnan Railway had killed and wounded

French subjects and stated that the Japanese Government

was willing to give to French subjects a solatium. (Copies

of the French text and translation thereof are here attached.)

The Ambassador further indicated that the Japanese had suggested negotiations for the improving of French-Japanese

relations and said that the French Ambassador (at Tokyo)

had replied that he would be glad to enter into conversations

for that purpose.

The Ambassador

793.94/1577

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The Ambassador read bits from telegrams which he had relating to Far Eastern matters, none of which bits were of particular importance or significance.

At an opportune moment in the conversation, I inquired whether the Ambassador had seen in the press dispatches from Paris of date February 29 giving an account of an alleged interview between Premier Daladier and a representative of the Osaka Mainichi. The Ambassador replied that he had seen those accounts. I inquired whether the Ambassador had any direct information on the subject. The Ambassador replied that he had not. He said that he supposed that the interview must have been with Mr. Suzuki. I said that we doubted that, for the reason that Mr. Suzuki represents the Asahi, which has no connection with the Mainichi. I then said that it would be interesting to us to know whether there had been such an interview, and if so who had been the Japanese interviewer and what the Premier really had said. The Ambassador said that he also would like to know. I inquired whether he might not wish to make an inquiry. He replied that he would do so. I said that we would appreciate being informed of whatever he learned.

The Ambassador then made an observation to the effect that France is apprehensive regarding the possibility of Soviet-Japanese collaboration in some form. I said that we had

- 3 -

084

had given that question much consideration, had studied it from various angles, and do not find ground for being alarmed over that possibility. The Ambassador said that he was familiar with our views to that effect. He then abruptly put this question: "What real ground is there for not recognizing 'Manchukuo'?" I replied with a somewhat extended exposition of the subject, in reverse: What real ground would there be for recognizing "Manchukuo"? I developed the thesis that "Manchukuo" is not a sovereign state, it is a dependency of Japan; recognition of "Manchukuo", while desired by the Japanese, would not confer upon Japan any material advantage, and therefore would not cause Japan to feel any debt of obligation to the countries which recognized; that so far as the United States is concerned, principles and precedent are involved and there is no type of bargaining on the basis of quid pro quo upon which we could enter; that other countries, if they had the idea of making the subject a matter of bargaining, should take into account the fact that Japan's program in regard to eastern Asia is being based on a procedure of expansion by force and Japan's action will not be limited by processes of bargaining the essence of which is a procedure of appeasement; therefore, the practical question for the powers other than China is: What good reason would there be for recognition? I said that so far as the Chinese are concerned, the great

great issue at the present moment is whether China is to remain independent or is to come completely under the sway of Japan; and that so long as the Chinese choose and feel able to resist Japan, and while Japanese armies remain in China, there would seem to be ample reason for the Chinese to refrain from recognizing "Manchukuo".

The Ambassador then gave me a lengthy account of the Ethiopian problem, going back many years and concluding with observations on French-Italian relations during recent years. The logical inference from what he said is that he feels that a policy of concession and sweet agreeableness on France's part toward Italy would have been better than the course which the French Government followed.

My inference from the whole of the latter part of this conversation was that the Ambassador leans toward a policy of compromise and "appeasement" toward Japan and that there may be something in last week's press account of the alleged Daladier-Mainichi interview.

Stanley K. Hornbeck

Papers attached.

PA/H:SKH:ZMK

[TRANSLATION]



986

NOTE DELIVERED BY THE JAPANESE MINISTER OF FOREIGN AFFAIRS TO THE AMBASSADOR OF FRANCE

The Ambassador of France having, on the 5th day of this month, informed Vice Minister of Foreign Affairs Tani that on the occasion of a bombardment of the Yunnan Railroad by Japanese airplanes, a bomb had fallen on a train and had killed or wounded therein French nationals (ressortissants), the Japanese Government immediately made an investigation into the circumstances under which this affair had occurred.

The bombardment of February 1 had as its objective particularly the 7th iron bridge (the 7th iron bridge after leaving the boundary of French Indo-China). But the Japanese airplanes never had from the beginning the purpose of bombarding but of combatting the enemy and the fire of the anti-aircraft artillery. At that moment, the train in question, which had stopped on the said bridge, could not be seen by the personnel of the airplane because of the bridge and of other structures so that the bomb thrown by the Japanese airplane only fell on the train because of an entirely fortuitous accident.

Profoundly regretting that that bombardment should have had the result of killing and wounding French and Annamite persons, the Imperial Government is disposed to pay to the

French

-2-

French nationals (ressortissants) as consolation and condolence a reasonable sum as soon as it shall have determined the extent of the damage.

February 19, 1940.

TR:--jp

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1 DEPARTMENT OF STATE

ADVISER ON POLITICAL RELATIONS

Tr. Mr. Christie:

Please be so good as to have a translation made of the attached paper, with seven flimsy carbons.

Thank you.

Stanley K. Hornbeck

-

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- in

WILLIAM DETT

NOTE REMISE PAR LE MINISTRE DES AFFAIRES ETRANGERES JAPONAIS A L'AMBASSADEUR DE FRANCE

A la date du 5 de ce mois l'Ambassadeur de France à Tokyo ayant fait savoir au Vice-Ministre des Affaires Etrangères Tani qu'à l'occasion d'un bombardement du chemin de fer du Yunnan par des avions japonais une bombe était tombée sur un train et y avait tué ou blessé des ressortissants français, le Gouvernement japonais avait aussitôt effectué une enquête sur les circonstances dans lesquelles cette affaire s'était produite.

Le bombardement du ler février avait pour objectif en particulier le septième pont de fer (le septième pont de fer à partir de la frontière de l'Indochine française). Mais les avions japonais n'ont jamais eu dès l'origine le dessein de bombarder mais de combattre l'ennemi et le feu des batteries d'artillerie anti-aérienne. A ce moment, le train dont il s'agit, arrêté sur le dit pont n'avait pu être aperçu par l'équipage de notre avion à cause du pont et des autres constructions, de sorte que la bombe lancée par l'avion japonais n'est tombée sur le train que par suite d'un accident entièrement fortuit.

En regrettant profondément que ce bombardement ait eu pour résultat de tuer et de blesser des Français et Annamites le Gouvernement Impérial est disposé à verser aux ressortissants français comme consolation et condoléances une somme raisonnable dès qu'il aura déterminé l'état des dommages.

Le 19 février 1940.

Daladier Sees Massive Nazi **Drive in Spring**

French Premier Tells Japanese Paper of Hope For Closer Relations

By the United Press

Paris, Feb. 29.—Premier Edouard Daladier, in an exclusive interview with the Osaka Mainichi tonight, revealed that French military preparations envisage a "massive Ger-man attack with all forces," this

spring.
Daladier also said France and Daladier also said France and Japan are preparing to open negotiations for French recognition of Manchukuo and that the French government views Russian bolsheyism and German naziism as essentially the same thing, comparable to cholera or the plague.

It was the first full dress interview the premier, foreign minister and minister of national defense has granted since the start of the war and he expounded his views on the world situation at length, making these points:

Russian Attitude "Contemptible"

Russian Attitude "Contemptible"

1. France is determined to continue the war "until we have rid Europe of a situation under which.

Europe of a situation under which, every 25 years, France finds herself obliged to go to war."

2. France expects a German offensive this spring, but is not prepared to speculate on the possibility of an Allied drive if the Germans fail to attack. The premier did not deny that an Allied attack is possible.

is possible.

3. No negotiations are taking place so far between France and Italy with regard to Italian aspirations in Tunisia, the Suez Canal zone, and Djibouti. Technically, French-Italian relations are "good."

4. Russia's attitude toward the European war is "contemptible." Moscow hopes the war will spread and bolshevism with it. France considers bolshevism and naziism equally hateful—as hateful as cholera or the plague.

5. Following a discussion of general policy, it is hoped that negotiations can be started "very soon" envisaging French recognition of Manchukuo. Conversations will be held simultaneously in Paris and Tokyo, and the outlook is "excellent." (The United States has refused to recognize Manchukuo, composed of China's former northeastern provinces, on the grounds that the Manchu state was brought into being by "force.")

General Atmosphere Conciliatory

General Atmosphere Conciliatory

6. France agrees that the French Yunnan Railway, in south China, which has been bombed by Japanese planes, should not be used for transporting war supplies to China, but is not yet ready to accept Japan's broad definition of what shall be considered "contrabad."

7. France is "much less preoccupied" with the situation which
will be created in China following establishment of the new
Japan-sponsored "national" government, to be proclaimed soon in
Nanking, than with that in Eu-

rope.
The premier's attitude throughout that a Russo-Japanese accord would be against Japan's best interests.

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

CONFIDENTIAL - STAFF USE ONLY

March 19 1940

No. 1924

The Honorable

Joseph C. Grew,

American Ambassador,

Tokyo.

Sir:

793,94

There are enclosed for your confidential information copies of memoranda, as listed below, of conversations which the French Ambassador in regard to the situation in the Far Rest with the Far East with special reference to the matter of recognition of "Manchukuo". A copy of the translation of the note of February 19 given by the Japanese Minister for Foreign Affairs to the French Ambassador (mentioned in Mr. Hornbeck's memorandum of March 2) is also enclosed.

Very truly yours,

Cordell Hull

Enclosures:

- Memorandum of conversation, March 2, 1940, between Count de Saint-Quentin and Mr. Hornbeck.
- 2. Translation of note of
- February 19.
 3. Memorandum of conversation,
 March 7, 1940, between
 Count de Saint-Quentin and
- the Secretary of State.

 4. Memorandum of conversation,
 March 11, 1940, between
 Count de Saint-Quentin and Mr. Hornbeck.

STR 16 1 MAR 16 1940

Field distribution: Tokyo, Paris, London, Pei (Chungking).

793.94/15777

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E) Department of State letter, August 10, 1972 By Mittm 0. Sustain NARS, Date /2-/8-75

March 19 1940

CONFIDENTIAL - STAFF USE ONLY

No. 790

The Honorable

Nelson T. Johnson.

American Ambassador,

Peiping.

293,01 Marsir:

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- the Secretary of State.

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Copy to Chungking.

Field distribution: Tokyo, Paris, London, Peiping (Chungking).

FE:ECC:JPS 3-14

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

March 19 1940

CONFIDENTIAL - STAFF USE ONLY

No. 20/0

Robert D. Murphy, Esquire,

American Charge d'Affaires ad interim,

Paris.

gaziol marchistr:

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Tokyo, Paris, London, Peiping (Chungking). Field distribution:

FE:ECC:JPS

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitter 0. Sustain NARS, Date 12-18-75

CONFIDENTIAL - STAFF USE ONLY

March 19 1940

No. 1283

The Honorable

Joseph P. Kennedy,

American Ambassador,

London.

There are enclosed for your confidential information copies of mamoranda, as listed below, of conversations with the French Ambassador in regard to the situation in the Far East with special reference to the matter of recognition of "Manchukuo". A copy of the translation of the note of February 19 given by the Japanese Minister for Foreign Affairs to the French Ambassador (mentioned in Mr. Hornbeck's memorandum of March 2) is also enclosed.

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the Secretary of State.

4. Nemorandum of conversation,
March 11, 1940, between
Count de Saint-Quentin and Mr. Hornbeck.

Field distribution: Tokyo, Paris, London, Peiping (Chungking).

CROSS-REFERENCE FILE

NOTE

Sino-Japanese relations. SUBJECT

Report concerning -, for month of January, 1940, in Foochow consular district.

For the original paper from which reference is taken See # 177

(Despatch, telegram, instruction, letter, etc.) From To Dated Feb. 6, 1940 Foochow(Ward) File No. 893.00 P.R. Foochow/144

U. S. GOVERNMENT PRINTING OFFICE 1-1540

793.94 / 15778

1. Japan.

793,93

port.** In what is regarded as the most serious sirraid on any point in this district since the Sino-Japanese hostilities began, seventeen Japanese planes - of which sight were stated to be of the reconstissance

type

*A brief review of Fukienese views on the abrogation of the treaty between the United States and Japan will be submitted by separate despatch.

**See this Consulate's telegram of January 17, 5 p.m., to the Embassy, repeated to the Department and the Embassy at Chungking.

yet been signted locally - appeared on the morning of January 14 over the mouth of the Min River, the reconnaissance planes proceeding inland while the bombers flew over Toga Island (), where shortly they began systematically to attack a group of undefended fishing villages. The villaged were without arms or armaments of any kind, and had been unmolested up to that time, although there had been planes overhead slmost daily for months. The villagers had, therefore, made no attempt to escape or to go into hiding, and the resulting casualties were very high, the most conservative estimates available being fifty-seven killed and staty injured. The autack is dine apparent military object.*

The following day, January 12, the Chiangman () Forts were bombed, but evidently without effect; they were again attucked on the 16th and the 19th, while Kuant'ou () and Roga Creek were bombed on the 17th.

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese relations.

Military situation report.

8.8

For the original paper from which reference is taken

See	# 126 Despatch, telegram, instru	to Embassy.		
Dated Feb. 6, 19	940	From To	Chefoo	(Taylor)
File No	893.00 P.R. (chefoo/154.		

18779

1. Japen:

(1) Militery Situation.

The military situation in the interior of the Chefoo Consular District is reported to be virtually unchanged since mid-December. The cold weather and heavy snowfall are expected to so hamper Japanese attempts to clear Chinese forces in the country between Chefoo and Tsingteo and Weihaien that no great changes should occur in the military situation until spring. At the present time the larger cities of the interior are held by the Japanese, but the rest of the area remains under Chinese control. The sea-count in the Shih Tao area south of Weihaiwei is reportedly still under Chinese control.

The state of the s

193.94

432

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese conflict; developments in consequence thereof: January, 1940.

See ##
(Despatch, telegram, instruction, letter, etc.)

Dated Feb 14, 1940 From Canton (Myers)
To

File No. 893.00 P.R. Canton/144

For the original paper from which reference is taken

FRG.

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitty 0, Sustain NARS, Date /2-/8-75

- 3 -

B. Relations with Other Countries: 1. Japan. (a) Hostilities in Kwangsi:

engaged during the greater part of January in an offensive the apparent objective of which was the recapture of Nanning. They succeeded in driving the Japanese from Kunlunkuan (), strategic pass on the highway which leads northeast from that city, and recaptured Wuming (), 25 miles north of Nanning. To the scuth, Chinese mobile units were reported to have made frequent attacks on the Japanese communications lines between Yamchow and Nanning. The Japanese, in order to meet Chinese pressure, brought in substantial reinforcements from the Canton area.

The largest concentration of Japanese troops which has thus far occurred in South China on January 28, under the personal direction of General Ando, Supreme Commander of the Japanese forces in South China, began a counter-offensive reportedly designed to surround between 20 and 30 Chinese divisions massed in the mountainous regions northeast of Manning. This highway of the Chinese along the Manning-inyang () highway, other forces began to encircle the Chinese wings. The Japanese claim that during the first days of February they completed this operation, destroying numerous Chinese troops and capturing Munlum Pass and Pinyang. A Japanese report admits that their casualties included two major generals.*

(b) Hostilities in the Canton Area:

Japanese forces which at the end of December had penetrated northern Ewangtung and appeared to be attempting the capture

<u>of</u>

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^{*}Telegram to Department, reiping and Chungking no. 14 of Feb. 7. 6 p.m.

of Jhiuchow, on January 1 began a general withdrawel. Yingtak (英德) and Yungyuen (資源) were evacuated, and by the end of January the Japanese had abandoned advanced positions which they had occupied during December.* On the Canton-Hankow line they were reported to be entrenched at Lunkai (新住), 20 miles north of Canton. To the northeast they had retired to then-kang (神風), south of Tsungfa (光化) and east of Canton they were defending Tsengshing (岩城).

It is believed that the Japanese withdrawal was occasioned by the urgent need for sending additional Japanese troops to Kwengsi, where the Japanese position was gravely threatened by increased Chinese pressure. The withdrawal was, it is understood, attended by a considerable number of Japanese casualties. It is reported that the retreating Japanese troops seized all available foodstuffs in the area from which they withdrew and that a large part of that area is now devestated.

(c) Japanese Aerial Activities:

coording to reports Japanese planes actively participated in military operations in Ewangtung and Ewangsi, bombed the Canton-Hankow Railway in northern Ewangtung, and raided the airfields at liuchow (科学) and Ewailin (本主文). It was claimed that on January 11, during a raid on Ewailin, fourteen Chinese planes were shot down and nine were destroyed on the ground.

(d) Construction of Japanese Air Base on Mainan Island:

It is learned from a reliable source that the sirfield constructed by the Japanese at Holhow is approximately four square miles in area, and that it contains three completed

hangars

^{*}Telegram to Department, elping and Chungking no. 3 of Jan. 5, 10 p.m.

hangars and two others under construction. At least fifty planes are known to be based on this field (See Folitical Report for May, 1939).

(e) Japanese Civilians in Canton:

It is reported that there were 10,760 Japanese nationals in Canton at the end of January, an increase of about 1,750 in three months. There were about 350 Japanese residing in Canton prior to the outbreak of Jino-Japanese hostilities in 1937.

ALFRED KOHLBERG.....

AFFILIATE HAND MADE HANDKERCHIEFS, LTD. LONDON, ENGLAND Chinese Textiles

I WEST 37™ STREET JUST OFF FIFTH AVE.

NEW YORK,U.S.A.

CABLE ADDRESS LKOHL'NEW YORK ALL CODES

Division of FAR ENGLED AFTERNS O

March 12, 1940

RD. m AND RECORDS $\overline{\infty}$ ₹ ---

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

Dear Sir:

793.94

The enclosed letter and statement were sent by me to each member of the Senate and later to each member of the House of Representatives. Though I know you are not especially interested in all the propaganda that floods the Congress, I am, nevertheless, taking the liberty of enclosing a copy for your information at the suggestion of Mr. Bruce Barton.

While in Swatow last year I met Mrs. Hashim, whom I had known in Canton a great many years ago, and she advised me that a Miss Fisher, with whom Mrs. Kohiberg and I had the pleasure of traveling to China in 1922, was now Mrs. Hamilton. May I take this opportunity to extend our greetings and kindest regards to Mrs. Hamilton and hope to have an opportunity at some time in the future of again repewing an old acquaintance. some time in the future of again renewing an old acquaintance.

Very sincerely

AK:AM Encl.

0710

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By __Mittm_D, distant___NARS, Date __12-18-75

ALFRED KOHLBERG.nc.



AFFILIATE

Chinese Textiles



NEW YORK,U.S.A.

SWATOW SHANGHAI CHEFOO

CABLE ADDRESS
"ALKONL" NEW YORK
ALL CODES
TELEPHONES
WISCONSIN 7 8478

February 6, 1940

My dear Senator:

Having had twenty five years' business dealings with both Japan and China (almost entirely with China, only, for the past five years due to changes in our business), I take the liberty of submitting the enclosed statement, thinking you may find it of interest.

No doubt you are deluged with Pro-Chinese propaganda, possibly also with isolationist propaganda. The enclosed statement being neither, but based on personal knowledge of the Orient, may in some slight way help to clarify your conclusions on this subject.

Very truly yours,

P.S. I enclose reprint of an interview with me in the New York Times something over a year ago, as an indication of the bona fides of my information.

AK:AM

1940 - Our Silver Anniversary - 25 years importing Chinese Textiles

THE NEW YORK TIMES, FRIDAY, NOVEMBER 25, 1938.

SOVIET AID TO CHINA IS REPORTED ENDED

Alfred Kohlberg, Importer, Says That Russia, Japan and Germany Are in Pact

An agreement giving a free hand to Japan in China has been reached by Russia, Japan and Germany, according to information given by sources within the Chinese Government to Alfred Kohlberg, president of the Art Embroidery Linen Importers Association. He returned yesterday from a seven weeks' tour of Chinese territory on both sides of the battle lines there.

Although Mr. Kohlberg was un-

Although Mr. Kohlberg was unwilling to identify his source, he asserted that the information had been given to him by men within the Chiang Kai-shek Government. He added that on other occasions, information obtained from the same source had been confirmed after periods of from six months to a year.

Mr. Kohlberg's understanding was that during the Summer, Russia, Japan and Germany had arrived at an agreement by which Russia either joined the German-Japanese alliance, or, if she did not go so far, made peace with Japan and Germany. The arrangement, he understands, calls for cooperation with Russia by Japan and Germany rather than antagonism, and provides for withdrawal of Russian support of Chinese forces.

Says Supplies Have Stopped

Asserting that he had been unable to find any official confirmation of the reported agreement, Mr. Kohlberg said that he had found circumstantial evidence to support it. He learned definitely, he said, that all supplies from Russia had ceased to flow to the Chinese armies during the Summer and the shipments of planes, tanks, guns and munitions from Russia to China that started last Winter had been suddenly halted.

Mr. Kahlberg was unable to obtain information as to Germany's contribution to the agreement, other than to discontinue hostile propaganda. Asked whether the reported arrangement by Russia with Germany and Japan might have influenced the Munich accord which closed the Czechoslovakian crisis, Mr. Kohlberg said he had no way of knowing. He suggested, however, that if antagonism between Russia and Germany were ended, Great Britain and France might have capitulated because of lack of support from Russia.

Guerrillas Are Active

The Japanese expect the collapse of the Chinese Government's resistance, but to outsiders, Mr. Kohlberg said, there were no visible signs of any such collapse. While the Chinese resistance may end officially, he added, the activities of guerrillas behind Japanese lines are increasing, and Japanese attempts, by measures of "frightfulness," to beat the Chinese are apparently having an opposite effect. Attacks on Japanese garrisons throughout North China are becoming more frequent, he said, and are audible at night on the outskirts of the large cities, including Shanghai.

The Japanese have been retaliat-

The Japanese have been retaliating for such attacks by sending out garrison forces to villages where guerrillas are suspected of having been harbored. They fire the villages and execute any inhabitants who have not run away.

Mr. Kohlberg's interest in China results from his business of shipping linen to be hand-sewn by village women into handkerchiefs and other products, that are later sold here. The hostilities in China have seriously curbed shipments of some types of goods, he said yesterday.

New York City February 6, 1940

覆

Last September the Japanese Consul at Swatow, China, called on me there to apologize on behalf of His Imperial Japanese Majesty's Government for an incident which occurred up river from Swatow a couple of days before, in which a Japanese sentry had shot me. After the apology and mutual expressions of good will had been properly acknowledged, I had an opportunity to enter into a very frank discussion with the Consul.

First telling him of my 25 years of business dealings with Japan, my many visits to that country and my many friends there, then of my 25 years of business dealings with China, my many visits to that country and my many friends there, I told him I was greatly upset by the undeclared war, with its horrible destruction and the hate developing between my Japanese and Chinese friends, which would likely lead to generations of turmoil in East Asia.

I then proceeded to tell him that even more alarming and disturbing to me was the developing prospect of war between his country and mine, due to a large number of aggravating incidents of mistreatment of American business men and missionaries, and invasion of American rights by the Japanese army in China. I stated that the high handed actions of the Japanese Army to Americans in matters that should properly be left to the Japanese diplomatic service to handle, plus the growing American dislike of Japan's policy and actions in China, made a situation in which an accident, - intentional or otherwise - such as the blowing up of the Maine in 1898, would cause a situation diplomacy could not adjust.

The Consul agreed that he was much worried by the possibilities of the situation and that he had advised the Army that they should to some extent alter their attitude. He asked that I accompany

him to the head of the political bureau of the Army and tell him my attitude, which I did, and on other occasions I had the opportunity of going over the same matter with other Japanese business men and officials.

How avoid the possibility of War with Japan?

The only sure way to avoid the possibility of involvement in the Sino-Japanese War, of course, is to end that undeclared war. How to do that?

It is now 31 months since the start of the war in China. The rank and file and a vast number, at least, of the junior officers of the Japanese Army are thoroughly war weary, as is part of the Japanese population. The Japanese Army and Government are now pretty thoroughly convinced that under present conditions the Chinese Army cannot be destroyed and the Chinese conquest cannot be completed with the forces available.

On the other hand, the Chinese government realizes it can never drive the Armies of Japan off Chinese soil under present conditions.

Yet, the Chinese Government feels itself growing stronger and hopes for eventual victory as a result of some possible combination of forces with the victors of the European War, hence will not seek mediation at this time. Japan, likewise, hopes for some development in the European situation to China's disadvantage and hence eventual collapse of Chiang Kai-Shek's government. Nevertheless, Japan would welcome peace moves, if on the basis of the status quo, particularly as the Russo-German-Japanese deal of 1938 seems in danger of being torpedoed now by Russia, which is in process of negotiating a new deal with China. Neither Japan nor China is in position to openly welcome peace negotiations at this time for reasons of prestige. I believe, however, both would secretly welcome an imposed peace confer-

ence, if based on conditions which both could regard as satisfactory for a few years at least.

Such a basis might be something along the following lines:-

- 1. Japan to recognize the authority of the Chiang Kai-Shek government in China and the complete independence of China as defined by the peace treaty to be negotiated in accordance with the war aims statement of Prince Konoye, when Premier
- 2. China recognizes the government or governments set up by Japan in the areas to be given to Japan by the peace treaties, as will the U. S. A.
- 3. China agrees to extend to Japan most favored nation treatment and to discourage anti-Japanese agitation in China; and Japan agrees to the same in reverse
- $4\,\mathrm{o}$ No indemnities. All properties to be returned to their owners as of July 7, 1937.
- 5. Japan to withdraw its naval and military establishments to north of the Great Wall.
- 6. China agrees to engage Japanese expert advisers, as well as expert advisers from other nations, parties to the Nine Power Pact, as China may think advisable; the Japanese advisers to be not less in number than one-ninth of the whole number of advisers so engaged from nations signatory to the Nine Power Pact.

If the U. S. A. were to propose a peace conference based on a settlement such as outlined above, points on which the conferees could not agree could be left to arbitration. If either Japan or China refused such a conference, the U. S. A., in the interests of humanity, should embargo all further supplies to such country and further extend unlimited help to the other. Under this compulsion, peace would seem likely. If such a conference were successful, millions of lives of both combatants and non combatants would be saved and the danger of U. S. involvement removed.

ALFRED KOHLBERG 1 West 37th Street New York City DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitter 0, Gustafan NARS, Date 12-18-75

p c R file

March 15, 1940.

Dear Mr. Kohlberg:

Your thoughtfulness in making available to us with your letter of Merch 12 copies of a letter and of a statement which you have sent to each member of the Senate and of the House of Representatives in regard to the situation in the Far East is appreciated.

I shall be glad to bring to the attention of Mrs. Hamilton the last paragraph of your letter under acknowledgment.

Sincerely yours,

Marwell M. Hamilton Chief Division of Far Eastern Affairs

Mr. Alfred Kohlberg,

1 West 37th Street,

New York, New York.

MMH/REK

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793.94/15781

TELEGRAM RECEIVED

JRThis telegram must be closely paraphrased be-fore being communicated FROM (br) to anyone.

Tsingtao via N. R. Dated March 15, 1940

whee'd 6:16 p.m. leth.

Secretary of State,

Washington.

Division of FAR EASTERN AFFAIRS MAR 1 8 1940

ohrum i ONIX MILL à MP

40, Harch 15, 4 p.m.

One. A most significant development in Japanese policy has taken place in the abolition of the Japanese military special mission in Tsingtao. I am also reliably informed that the naval special mission will also be abolished in the not distant future. It was stated privately in official Japanese quarters that the Japanese Government was taking this step in order to eliminate excessive organs of which not only foreigners but also Japanese complained.

Two. This Consulate was also informed that it is likely that Central China and South China offices of the China Affairs Board will be abolished after Central Political Council at Nanking is established, although not immediately. The China Affairs Board, in North China will, however, continue to function, and while name may be changed, in substance it will carry on (?).

Three. The abolition of military special mission here is of special interest in view of the fact that the leaf tobacco purchasing agreements of the unusual

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-2- 40, March 15, 4 p.m., from Tsingtao.

and Yee Tsoong companies were made with that mission.

The China Affairs Board may exercise authority in respect to tobacco matters; companies! experience with the board has not been satisfactory.

** Repeated to Peiping, Chungking. Code text by air mail to Tokyo and Shanghai.

SOKOBIN

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ELIB: NK

CROSS-REFERENCE FILE

NOTE

SUBJECT

193,4

Sino-Japanese relations during the month of January, 1940.

aa

3. Japan

The principal activity of the month was the conference held in Tsingtac January 22 to 27 to prepare for a new Chinese Government (see under INTERNAL CLITICAL ACTIVITIES). Extraordinary precautions were taken daily by the Japanese military and naval authorities during the week to guard the lives of the principals attending the conference; no incidents occurred.

For the	original paper from which reference is taken	
See	# 478 (Despatch, telegram, instruction, letter, etc.)	
Dated	Feb. 6, 1940 From To	Tsimgtao (Sokobin)
File No.	893.00 P.R. Tsingtao/139.	

153

The Methodist Church

Address in U. S. 150 Fifth Aven

New York

Address in China Care American Express
Company Honakona

RALPH A. WARD, RESIDENT BISHOP CHENGTU, SZECHUEN, CHINA RECEIVED STATE ON POLITICAL RELATION

Division of FAR EASTERN AFFAIRS MAR 6 - 1940

Chungking, Szechuan February 6, 1940

To Friends in America RDS

The past few weeks have been spent in the chief region of Free China - the war-time capital province of Szechuan. This letter is from Chungking, the capital.

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Chungking reminds one of New York City because it is built on hills of rock. Since the frightful air-raids of last year hundreds of tunnels and caves have been blasted to make shelters from bombs. There is excellent protection in them. is well disciplined control when alarms are sounded.

This pre-war city of perhaps six hundred thousand has at least twice that population today. Last year's raids devastated acres of the most densely populated and retail districts. Rebuilding on these sights has been strictly prohibited for the present. Modern streets are being opened as a result of the destruction.

The area of the city has been extended for miles. Vital institutions have been distributed throughout the countryside. Population and offices have been re-established along new and old roads to a distance of twenty-five miles, even back among the hills and mountains. There are hundreds of smaller and larger new factories, from industrial co-operatives to cotton mills and steel and iron factories. More machinery than many of us realized had been evacuated to China's Great West from the coastal cities ahead of the military invasion, and now has been re-assembled and put to work. Every available carpenter and mason seems to be employed full time in the feverish construction. Millions of migrated capital have been re-invested. There is more than a war-time boom in China's Great West. It is an early stage of vast future development of one of Asia's power reservoirs.

Chungking is a city of optimism - more than that, a city of certain assurance that Chiha's Great West will remain Free China and that one day all of China will again be governed by Chinese for The confidence is amazing.

An able correspondent of one of the most reliable America can publications carefully surveyed the military situation recently and states that China now has about seven million men under arms and that, all told, the Chinese armies are stronger than at any time since the Sino-Japanese war began. V No competent observer here, Chinese or foreign, seems to find the end of the war in sight. It

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is generally assumed that it will not come until the war in Europe is over, despite all the publicity which frequently is given to proposed "recognition" of de facto governments by Japan.

It is common for cabinets of governments to fall and new ones to rise in other countries when at war. They have changed repeatedly in Japan since the Sino-Japanese war began in 1937. But the Nationalist Government of China has been remarkably stable. Most of the Chinese statesmen who were in leadership at the outbreak of the war continue to lead today. Chief of them, both in power and the increasing popular confidence, is Generalissimo Chiang Kai Shek. And definite plans are progressing to establish a constitutional government before the end of the present calendar year. In personal conversations with them I found the Generalissimo and Madame Chiang Kai Shek in remarkable vigor of mind with steady confidence despite their wide range of responsibilities and long strain. The war has made them even stronger in essential leadership.

American relief funds are being well used. The Advisory Committee through which they are distributed is composed of experienced and able Americans in China. There is a substantial start in the actual functioning of industrial co-operatives. I saw some of them at work. The National Government as well as individual Chinese are making unprecedented contributions to the relief of those who have suffered from the war. There are grants for funerals of air-raid victims. Other small grants are made to those who are wounded or whose humble homes are destroyed, and much assistance for re-establishment.

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"Spiritual mobilization" is much more than a warcry. It calls to the future. To the Chinese this is no war or conquest. It is a struggle for finer human values. And even the static masses of China's yesterdays have some measure of personal concern for its outcome. No modern war is merely on battle fields with guns and airplanes and slaughtered soldiers. Surely not in China. Morale, daily food for the people, the continuing processes of social growth, finances — such things are inescapably vital. And in them the Chinese "carry on". Some day the war will be over. But the vast new momentum of these war years will rush onward. — Whither?

say "lives." It is no mere organization. It is no longer a mere foreign mission. Both in "Free China" and "Penetrated China" I have talked with many Chinese - Christians and non-Christians, people high in the government and people outside of it - about the place of the Christian Church in China during these years. In other years I found criticisms, some times even vitrolic criticisms. Not so now. The Church is approved because of its service to those who suffer, because its devotion to human rights does not transgress national spirit in a great struggle for self-

government and because the Church has a recognized ministry to spiritual needs at a time when men with perception see that China needs a regeneration which is organic and spiritual even more than it needs reconstruction which is mechanical.

Nearly a year ago the successful Chinese principal of one of our Methodist High Schools resigned his comfortable job in "Penetrated China" and asked for an appointment in relief work. He said that he wanted no salary, only to be known as a representative of the Church to help the sick and wounded. A Chinese friend "loaned" him enough money for his living expenses and to give away. I "appointed" him. Time and again he was offered government positions with good salaries. He refused them all and sought out camps of the wounded and dying. Chinese and a few foreign friends gave money for his work - first a thousand dollars, - then five - then fifty thousand - then more. Early this month the National Minister of Finance and Madame Chiang Kai Shek launched a campaign for two hundred thousand for his "Friends of the Wounded".

Last month I invited him to speak at our Methodist Annual Conference held in a small town in the West. About a hundred preachers, Bible women, and other Christian workers composed the meeting. Perhaps a fourth were foreign missionaries. Every person responded with deep feeling. I thought they might contribute a thousand dollars. To the amazement of all of us they gave ten thousand dollars, the larger part of it given by the Chinese Christians themselves. One Chinese woman in Church work gave a whole month's salary. Our Chinese friend who asked for a non-salaried "appointment" last year has literally followed in the steps of Florence Nightingale. And in his work the Church can co-operate as "Friend of the Wounded."

Our present journey in China nears its end. We are due to sail from Shanghai February 26 on the "President Pierce", scheduled to arrive in San Francisco March 14th. Our address there will be in care of Mr. John Tunnicliffe, 83 McAllister Street. After two weeks on the Pacific Coast and some brief stops crossing the continent we are to attend the Methodist General Conference in Atlantic City, New Jersey beginning April 24th. During the time before we return to China our address will again be 150 Fifth Ave., New York City.

Let me take this occasion to thank our many friends who have written us since we left America last September and for the help which they have given by their interest and prayers and financial co-operation.

Sincerely yours,

Raple Q. Ward.
Ralph A. Ward

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DEPARTMENT OF STATE

3 RECEIVED ARTHENT OF STATE

Memorandum of Conversation

Sapare: Febluary 23, 1940.

SUBJECT: Situation in the Far East.

PARTICIPANTS:

The French Ambassador, Count de Saint-Quentin.

Mr. Hornbeck.

Opies sent to Peiping (Chunghing)

COPIES TO:

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The French Ambassador called by appointment at his request. He said that he wished to bring me up to date regarding his "information". He read from two documents of which he left me copies, here attached. He also gave account of messages which he had in his hand containing comments by the French Ambassador in Tokyo on the currence situation.

I. The two documents are: (1) text of a note handed by Mr. Tani of the Japanese Foreign Office to the French Ambassador in Tokyo on February 5 and (2) a statement made in reply and comment by the French Foreign Office to the Japanese Ambassador in Paris on February 10. Both of these documents should be read. [The translations have been made in the Department.]

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II.

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II. Having given me his "information", the Ambassador inquired what information we had. I replied that we had not much that was new or highly significant. I said that we had not had the account which the Ambassador had given as from the French Ambassador in Tokyo regarding interdictions placed upon the Japan Advertiser by the Japanese Foreign Office. I said that most of what we have had recently has related to handling of routine matters and settlement of claims by the Japanese. I said that we had evidence that the Japanese are considerably worried over various factors in the situation, especially the discontent in Japan. The Ambassador at that point raised the question of the agitation in this country for an embargo on exports. He said that the anxiety which had been expressed in various quarters before January 26 lest there be drastic action in regard to trade, with possible adverse political repercussions, had apparently died down. He said that it was difficult to estimate what may become of Senator Pittman's resolution, and what Senator Pittman's attitude is toward that resolution and to what extent Senator Pittman and the Department of State are in accord. I stated that in my opinion Senator Pittman feels that it is not in the best interest of the United States or of the world that the Japanese Army succeed in its present effort in China, and that he shares the views of many Americans that

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that it is unfortunate that Japan's chief source of materials for the carrying on of hostilities in China is the United States. The Ambassador said that the French and the British are apprehensive lest materials which go from the United States to Japan may pass on into the hands of the Russians and thence into the hands of the Germans. I inquired whether by that the Ambassador meant that his people would be inclined to look with favor upon a decrease in the export of such materials from the United States to Japan. The Ambassador replied that it was not for his Government to express a wish or a desire in regard to such a matter. I said that I had not meant to inquire regarding a wish or a desire but was merely seeking to understand what was implied or should correctly be inferred from the Ambassador's statement regarding present French and British apprehensions. I said that I had understood that the Ambassador had stated to Mr. Welles a few weeks ago that his Government was apprehensive lest pressures which might be exerted by the United States would cause the Japanese to move "into the arms of Russia" or to push southward toward and into the Dutch East Indies. The Ambassador said that his Government had entertained and expressed that apprehension, but that that was some two months ago; that in the interval

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his Government had had a change of view, and that now their apprehension was that if and as American exports of material to Japan "increased", such exports might be passed on by the Japanese to Russia and be of assistance to the Russians and the Germans. The Ambassador made special mention of "aviation gasoline". He said that the Japanese do not absolutely need highest test gasoline for their operations in China but the Germans and the Russians need it for operations on the Western and the Finnish fronts. [This brought to my mind, but I did not mention, the tremendously increased export from the United States to Japan of aviation gasoline in January 1940.]

Stanley K. Hornbeck

"Joelining" figures. 8xH. V-20-40

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[TRANSLATION]

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REPUBLIC PARIMENT OF STATES

EMBASSY OF THE FRENCH REPUBLIC IN THE UNITED STATES

Washington, February 23, 1940

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CONFIDENTIAL.

When the Ambassador of Japan came to the Ministry of Foreign Affairs, on February 10, he was told that the note transmitted by Mr. Tani to Arsène Henry created the most unfortunate impression at Paris.

This document, indeed, renewed, in spite of the official and public denials repeatedly made by the French Government, the affirmation that the Yunnan railway "continued to transport war materiel". It likewise rejected the verification proposed by the French Government. The latter was confirmed in its feeling that the Japanese Government, in its desire to cover up, after the fact, an initiative of which the military authorities had not informed it, was renewing allegations of the incorrectness of which it was not unaware: transportation of arms by the railway and alleged stocks of war materiel denounced by the Nomura aide-memoire of January 13.

Mr. Tani's note moreover amounted to giving to the French Government the choice between the continuation of the bombardments and a secret agreement between France and Japan which would give France, in consideration of the closing of the Indo-Chinese frontier, the support of the Japanese authorities

for

for the development of her economic interests in the New China. The French Government could not enter into any such dishonest arrangement. It observes, moreover, that in thus appealing to the French Government for its cooperation to reduce Tchang King, the Japanese Government contradicts itself in its efforts to convince us that Chiang Kai Shek knows about and tacitly approves the Wang-Ching-Wei affair, for in that case the Chinese war would be virtually at an end.

In a more general way, the attention of the Ambassador was called to the fact that the present course of the Japanese authority, following upon the Hainan, Spratly and Paracels affairs, has tried severely the confidence of the French Government.

In conclusion, the hope was expressed that the Japanese Government would not maintain in its official reply the position taken in the Tani <u>aide-mémoire</u>.

TR: :DMZ:SS

Ambassade

SEPARIMENT OF STATE

Aux Etats-Unis.

Washington, le

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L'Ambassadeur du Japon Étant Fenu le 10 février au Ministère des Affaires Etrangères, il lui a été dit que la note remise par M. Tani à Arsène Henry créait à Paris la plus fâcheuse impression.

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養養

Ce document en effet renouvelait, malgré
les démentis officiels et publics donnés à plusieurs
reprises par le Gouvernement français, l'affirmation
que le chemin de fer du Yunnam "continuait à transporter du matériel de guerre". Il écartait également la
vérification proposée par le Gouvernement français.
Celui-ci se trouvait confirmé dans le sentiment que
le Gouvernement japonais, dans son désir de couvrir
après coup une initiative dont les autorités militaires
ne l'avaient pas informé, renouvelait des allégations
dont il n'ignorait pas l'inexactitude: transport
d'armes par le chemin de fer et prétendus stocks de
matériel de guerre dénoncés par l'aide-mémoire Nomura
du 13 janvier.

La note de M. Tani revient d'ailleurs à donner au Gouvernement français le choix entre la

continuation des bombardements et un accord occulte franco-japonais qui vaudrait à la France, moyennant fermeture de la frontière d'Indochine, l'appui des autorités japonaises pour le développement de ses intérêts économiques dans la Chine nouvelle. Le Gouvernement français ne saurait entrer dans une combinaison aussi déloyale. Il observe d'ailleurs qu'en faisant ainsi appel au concours du Gouvernement français pour réduire Chang King, le Gouvernement japonais se contredit lui-même dans ses efforts pour faire croire que Chang Kai Shek connaît et approuve tacitement l'affaire Wang-Ching-Wei, car dans ce cas la guerre de Chine serait virtuellement terminée.

D'une manière plus générale, l'attention de l'Ambassadeur a été appelée sur le fait que les procédés actuels de l'autorité japonaise, venant après les affaires de Haïnan, des Spratly et des Paracels, mettaient à rude épreuve la confiance du Gouvernement français.

En conclusion, l'espoir a été exprimé que le Gouvernement japonais ne maintiendrait pas dans sa réponse officielle la position prise dans l'aide-mémoire Tani.

PEB 24 1940 CECEIVED

unofficial

Text of the/note delivered by the Japanese Government the fifth of February to the Ambassador of France at Tokyo.

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- 1. An investigation is now being made on the real aspect of the affair of the bombardment of the train. ORThe Imperial Government intends to take equitable and appropriate measures as soon as it is informed of the detailed circumstances concerning the affair. The official letter from the Ambassador of France will be taken into consideration as a reference in connection with the investigation carried out by us. Nevertheless, it appears that the said train was used for a military purpose according to reports which we have received.
- 2. As regards the bombardment itself of the Yunnan railroad if it continues to transport war and other <u>matériel</u> the
 result of which is to strengthen the resistance of Chiang
 Kai Shek the Empire cannot for its part undertake, under the
 present circumstances, to stop the bombardments, since the
 necessary measures taken for preventing such transportation
 are natural and inevitable both from a strategic point of
 view and from that of our personal* defense.
- 3. Although on the French side the position is strictly maintained that Japan has not made a declaration of war

^{*}Sic in the French. Presumably "self defense" was meant. -- Tr.

against China the fact that in reality combats of great scope have taken place between Japan and China cannot be denied by anyone and the Embassy knows well that recently England has expressed her intention to recognize this situation officially.

So we insist on inviting France to take as a basis the knowledge of this reality in order to conduct herself in accordance therewith.

4. Although the French, on their part, say that they have observed an attitude of neutrality as between Japan and China the words and the official conduct of the French authorities before the League of Nations and in other places, the credits granted to the political power of Chiang Kai Shek, the aid furnished for the establishment of railroads, the transportation of war material and other materials for Chiang Kai Shek: all these facts bring it about that our people, even if it did not wish to do so, cannot but believe that France has yielded to the political solicitations [to give] aid to Chiang Kai Shek.

Consequently, the preliminary question to be settled for the purpose of the adjustment of Franco-Japanese diplomatic relations is, above all, that France modify this attitude and we hope that she will sincerely take the step of suspension.

Although we hope that all shipment of materiel be suspended,

suspended, as that is difficult to do, we would like that at least shipment be stopped of the following articles which France herself considers prohibited in time of war:

- 1) Arms and ammunition
- 2) Airplanes and parts thereof
- 3) Trucks and all other automobiles and parts thereof
- 4) Gasoline and any other oil
- 5) Metals and machines and other manufactured articles of metal
- 6) Locomotives, freight cars, and railroad materiel
- 7) Chemical medicaments.

tremely unhappy affair it has become necessary in the state of things now prevailing to change that misfortune into good fortune. If France, in fact, should take all efficacious and appropriate measures for the purpose of stopping the shipments to Chiang Kai Shek of the <u>matériel</u> mentioned above we could, on our side, after consultation with the military authorities, express our attitude concerning the cessation of the bombardment of the railroad and we would, further, be prepared to welcome constructive conversations for the purpose of adjusting Franco-Japanese relations on a general plan.

Although at present we are not in a position to express ourselves

ourselves exactly on the subject of peace conditions with the political power of Wang Ching Wei we can nevertheless declare that they are not at all like those which have been published at Hongkong, the Empire is in any case firmly and immovably decided to hold firmly to them and to carry them

That is why if France should cease any action capable of having as its result help for Chiang Kai Shek we would like to emphasize here that it would give us reason to take broadly into view the maintenance—that goes without saying—of the rights and interests of France in the New China in the future and also their former obligations.

6. Unless* circumstances should render it difficult for France to make public the step of cessation of its shipments of material to Chiang Kai Shek either out of regard for third parties or for any other reason of a domestic character; but as we would be satisfied to see any help for Chiang Kai Shek cease in fact, we do not ask her to make this step public. For example, as an indication of negative measures, we suggest leaving the railroad unrepaired for the present and saying, for the public, that it has become incapable of repair.

As

^{*}Sic. -- Tr.

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As for the Franco-Japanese relations of today, this is not the moment to see time pass in the discussion of special questions; what is of serious importance is to consider whether it will be proper fundamentally to give them a new orientation by bringing them out of the present impasse. We believe, for example, that a collective investigation on the war booty seized by the Japanese Army in Kwangsi would not at all contribute to a radical amelioration from the point of view of the general situation.

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1º - Une enquête s'effectue actuellement sur Faspect réel de l'affaire du bombardement du train. Le Gouvernement Impérial se propose de prendre des mesures équitables et appropriées dès qu'il sera au fait des circonstances détaillées concernant l'affaire. La lettre officielle de l'Ambassadeur de France sera prise en considération à titre de référence, à l'occasion de l'enquête menée de notre part. Cependant, il apparaît que ledit train aurait été utilisé dans un but militaire d'après des informations qui sont entre nos mains.

2° - Pour ce qui est du bombardement même du chemin de fer du Yunnan s'il continue à transporter du matériel de guerre et autre, ce qui a pour résultat de renforcer la résistance de Chang Kai-Chek, l'Empire ne peut, pour sa part, prendre l'engagement de faire cesser les bombardements dans les circonstances actuelles vu que les mesures nécessaires prises pour empêcher ces transports sont naturelles et inévitables tant du point de vue stratégique qu'à celui de notre défense personnelle.

30 - Bien que du côté français on s'attache strictement au fait que le Japon n'ait pas fait de déclaration de
guerre à la Chine, le fait, qu'en réalité, des combats de
grande envergure se sont livrés entre le Japon et la Chine,
ne peut être nié par personne et l'Ambassade sait bien que,
dernièrement,

dernièrement, l'Angleterre a exprimé son intention de reconnaître officiellement cette situation.

Aussi, insistons-nous pour engager la France à se fonder sur la connaissance de cette réalité pour s'en inspirer dans ses actes.

4°-Bien que du côté français on dise avoir observé une attitude de neutralité entre le Japon et la Chine, les paroles et la conduite officielle des autorités françaises à la Société des Nations et autres lieux, les crédits consentis au pouvoir politique de Chang Kai-Chek, l'aide fournie pour l'établissement de chemins de fer, le transport de matériel de guerre et autres matériaux pour Chang Kai-Shek: tous ces faits font que notre peuple ne peut pas ne pas croire, même s'il s'en défendait, que la France a suivi les sollicitations politiques d'aide à Chang Kai-Shek.

En conséquence, la question préalable à régler en vue de l'ajustement des rapports diplomatiques franco-japonais est, avant tout, que la France modifie cette attitude et nous souhaitons qu'avec sincérité elle prenne la mesure de la suspension.

Bien que nous souhaitions que fût suspendu tout envoi de matériel, comme cela est difficilement faisable, nous voudrions que, pour le moins, fussent arrêtés les envois des articles suivants que la France elle-même considère comme prohibés en temps de guerre:

- 1) les armes et les munitions
- 2) les avions et leurs pièces
- 3) les camions et tout autre automobile et leurs pièces
- 4) la gasoline et toute autre huile

5) les ...

- 5) les métaux et machines et autres articles métalliques manufacturés
- 6) les locomotives, les wagons pour marchandises et le matériel de chemin de fer
- 7) les médicaments chimiques

5° - Bien que le bombardement du chemin de fer soit une affaire extrêmement malheureuse, il est devenu nécessaire au point où les choses en sont actuellement, de changer ce malheur en bonheur. Si la France prenait, en effet, toutes mesures efficaces et appropriées en vue de faire cesser les envois à Chang Kai-Shek du matériel cidessus mentionné, nous pourrions de notre côté, après consultation avec les autorités militaires, exprimer notre attitude concernant la cessation du bombardement du chemin de fer et nous serions prêts, au surplus, à accueillir des conversations constructives en vue de l'ajustement sur un plan général des rapports franco-japonais.

Bien que présentement nous ne soyons pas en position de nous exprimer d'une façon fidèle au sujet des conditions de paix avec le pouvoir politique de Wang-Ching-Wei, nous pouvons cependant déclarer qu'elles ne sont aucunement semblables à celles qui ont été publiées à Hong-Kong, l'Empire est, quoiqu'il en soit, fermement et inébranlablement décidé à s'y tenir et à les mener à bien.

C'est pour quoi, si la France cessait toute action susceptible d'avoir pour résultat une aide à Chang Kai-Shek, nous voudrions bien marquer ici qu'il y aurait pour nous lieu à prendre amplement en vue le maintien, cela va sans dire, des droits et intérêts de la France dans la Chine Nouvelle dans l'avenir, mais aussi leurs antérieures obligations.

6° - A moins

6° - A moins que les circonstances rendent difficile pour la France de rendre publique la mesure de cessation de ses envois de matériel à Chang Kai-Shek, soit par égard pour des tiers pays, soit pour toute autre raison d'ordre intérieur; mais comme nous serions satisfaits de voir effectivement cesser toute aide à Chang Kai-Shek, nous ne lui demandons pas de publier cette mesure. Par exemple, à titre d'indication de mesures négatives, nous suggérons de laisser, pour le présent, le chemin de fer sans le réparer et de dire pour le public qu'il est devenu irréparable.

Pour les relations franco-japonaises d'aujourd'hui, ce n'est pas le moment de voir passer le temps à la discussion de questions particulières; ce qui est de grave importance est de se préoccuper s'il conviendra, fondamentalement, de leur donner une nouvelle orientation en les faisant sortir de leur impasse. Nous estimons, par exemple, qu'une enquête collective, sur lebutin de guerre saisi par l'armée japonaise dans le Kouang-si, ne contribuerait en rien à une amélioration radicale en se plaçant du point de vue de la situation générale./.

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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. Sustefin NARS, Date /2-/8-75

March 2 1940

CONFIDENTIAL - STAFF USE ONLY

No. 1987

To the American Charge d'Affaires ad interim, Paris.

The Secretary of State encloses for the confidential information of the American Charge d'Affaires a copy of a memorandum of a conversation of February 23, 1940, between the French Ambassador and an officer of the Department in regard to the situation in the Far East. Copies of the two documents mentioned in the memorandum which the French Ambassador left at the Department are also enclosed.

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Enclosures:

 Memorandum of conversation between the French Ambassador and Mr. Horn-

Ambassador and Mr. Hornbeck, February 23. 2. Text of note from Japanese Foreign Office to French Ambassador in Tokyo, February 5.

 Statement and comment by French Foreign Office to Japanese Ambassador in Paris, February 10.

Field distribution: Paris, Tokyo, London, Peiving (Chungking).

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

March 21940 in ...

CONFIDENTIAL - STAFF USE ONLY

No. 780

To the American Ambassador,

Peiping.

The Secretary of State encloses for the confidential information of the American Ambassador a copy of a memorandum of a conversation of February 23, 1940, between the French Ambassador and an officer of the Department in regard to the situation in the Far East. Copies of the two documents mentioned in the memorandum which the French Ambassador left at the Department are also enclosed.

793.94

Enclosures:

- 1. Memorandum of conversation between the French
- Ambassador and Mr. Horn-beck, February 23. 2. Text of note from Japanese Foreign Office to French Ambassador in Tokyo, February 5. February 5.
- 3. Statement and comment by French Foreign Office to Japanese Ambassador in Paris, February 10.

Copy to Chungking.

Field distribution: London, Tokyo, Paris, Peiping (Chungking).

OR V

MAR 2 1940

FE: ECC: MHP

FE 33/1

93.94/15785

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

March 21940

CONFIDENTIAL - STAFF USE ONLY

To the American Ambassador,

Tokyo.

The Secretary of State encloses for the confidential information of the American Ambassador a copy of a memorandum of a conversation of February 23, 1940, between the French Ambassador and an officer of the Department in regard to the situation in the Far East. Copies of the two documents mentioned in the memorandum which the French Ambassador left at the Department are also enclosed.

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3. Statement and comment by French Foreign Office to Japanese Ambassador in Paris, February 10.

Field distribution: Tokyo, Paris, London, Peiping (Chungking).

FE: EGC: MHP 2/29/40

MAR 2 1940

93.94/1578

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E) Department of State letter, August 10, 1972

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



March 21940

CONFIDENTIAL - STAFF USE ONLY

No. 1253

To the American Charge d'Affaires ad interim. London.

The Secretary of State encloses for the confidential information of the American Charge d'Affaires a copy of a memorandum of a conversation of February 23, 1940, between the French Ambassador and an officer of the Department in regard to the situation in the Far East. Copies of the two documents mentioned in the memorandum which the French Ambassador left at the Department are also englosed.

193.a4

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2. Text of note from Japanese Foreign Office to French Ambassador in Tokyo,

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Field distribution: London, Tokyo, Paris, Peiving (Chungking).

FE: ENC: MHP 2/29/40

OR / 2-7

MAR 2 1940

793.94/15786

TELEGRAM RECEIVED

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

FROM

Hankow via N. R.

Dated March 28, 1940

Rec'd 12:30 p. m.

Division of FAB EAS PRINTERS

AR 28 1940

Secretary of State,
Washington.

March 28, 11 a. m.

193.94

Lieutenant General Okamura, Commander-in-Chief of Japanese forces in the middle Yangtze Valley with headquarters at Hankow, has been succeeded by Lieutenant General Sonobe. Okamura left on March 15.

With reference to my telegram of March 8, 10 a.m., it is now reported from several sources that Lieutenant General Isogai arrived here about one week ago and will command five divisions in the rumored forthcoming offensive. Troops continue to arrive in small numbers, but the increase in strength which they represent being somewhat offset by transfers down-river.

As matters now stand politically and militarily this Consulate General discounts the likelihood of a Japanese offensive in the near future unless provoked by Chinese attacks following the establishment of the new regime R at Nanking.

Sent to Chungking, repeated to Peiping, Shanghai.

SPIKER

PR 5 1940

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CROSS-REFERENCE FILE

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NOTE

SUBJECT Sino-Japanese relations: developments of month of Dec., 1939.

For the original paper from which reference is taken

See	#2478 (Despatch, telegram, instru	(Despatch, telegram, instruction, letter, etc.)			
Dated	Jan 23, 1940	From To	China (Lockhart)		
File No.	893.00 P.R./165				

FRG

793.94/15787

4. Jupan:

active in wany recions.

n. The general military situation:

the worth. Meany firsting occurred in Evangel rovince, particularly along the two main highways leading north and northeast from Cambing, without resulting in much change in the relative position of the two forces. The Japanese drive northward along the Senton- ankow hallway in manatume Trovince set with much more resistance than had been articipated and the Japanese casualties were severe. Thinese attack on actor, migram, reached the city but was then driven off. The Thinese undertook military operations in Control China which harassed the Japanese but failed to take any important positions.

The Thinese failure to recapture Conning left the

143.94

Thuncking's despatch to. Als of January 2, 1940 - Trench can to himose for the Jonstruction of January 3, 1940 - 1

Japanese in control of the important motor highway to Prench Indochina, as well as the The iver, along which routes the thinese had brought approximately 30 percent of their imports and military supplies and exported large quantities of wood oil and other produce. Further-More, it enabled the Japanese to establish air bases in the Tanning area from which air raids could be made on the Indochins-Tunnan Hailway; the first bosbing of the railing was reported ocember 30. The disruption of the railway would have the serious effect of cutting off supplies of casoline for trucks on which the Thinese Army depends in large part for its transport. The Chinese were reported to be expediting work on the construction of new roads from Jaobang, Indochina, through western 'wangsi, but, even if built, traffic on such roads would be impoded by Japanese air bombing, so long as Japanese troops recained in control of the Manning area.

The Japanese press in thina gave prominence during the month to what they termed the failure of the Chinese "winter offensive", but, as a well-informed uncrican 32 observer pointed out, although the Chinese operations did not seriously affect the Japanese military position in Thina, they did, nevertheless, serve the useful military purpose of haraseing the Japanese over a wide area and inflicting on them heavier than usual equalties, and the useful political purpose of demonstrating that Chinese resistance continued active and Chinese morals remained high. Inother effect of the Chinese operations was to prevent the return to Japan of several divisions of

troops

^{31.} Shungking's 2, January 1, 1 p.s.
32. Hankow's Lodember 31, 12 noon, to reiping (repeated to the Aspartment).

- 10 -

troops who were badly in need of rest.

b. Perations in Avangai: 33

Collowing their capture of Junaing Coverbor 24, the Japanese forces pushed north along the road to uning and northeast along the highway to linyang. The first column arrived in the vicinity of waing December 5 but then retired to a mountain pass just south of Takaofong, about half way between Manning and uning: the second column advanced to the important mountain pass of Juniousn. 35 miles from Manning. In Jecomber 17 the Chinese launched a counterattack from Tinyang and, although the Chinese claimed that considerable ground had been gained, they admitted (January 3) that the Japanese still hold a part of the funlunkuan; the fighting around Eunlunkuan was exceptionally severe and both sides sustained heavy casualties. These operations featured several aerial engagements, in which both sides claimed victories.

cavalry, moved southwest along the highway from Manning and on Secender 21 entered Chennankuan and Ungehow on the French Indechina border. According to Japanese reports, the Japanese forces set fire to Chinese military supplies in those eities, retiring from the border within the next day or two; a different version of the affair was advanced by other sources.

c. Corations in Constant: 14

Three divisions of Japanese troops commenced a

irivo

34. Came as reference No. 33.

^{33.} illtary ttache's ituation Report To. 7842, January 11, 1940, and Chinese and Japanese press reports during December.

drive December 20 north of Canton, the objective probably being Chiuchow on the Canton-Mankow Cailway. The Japanese attack was made by three main columns. The left flank column, based on Minchannao, advanced north in two groups, one along the railway and one west of the river; by January 1 these two groups had converged at a point near Yingtak (85 miles north of Canton and 50 miles south of Thiuchow) just west of the railway. The center attacking column, consisting of a division of Imperial Guards fresh from Japan, moved north from Jahaien and Toungfa, took liangkow lessaber 26 and, after heavy fighting, reached Lution January 2. The right flank column, based on Tsengehong, captured lungmoon and Feikeng December 25 and, despite heavy losses, succeeded in arriving at Tuantu Secomber 31. The Japanese drive not with such more resistance than had been anticipated and the attacking columns suffered severe cosmittes.

(The Chinese counter-attacked during the first few days of January and by January 4 the Japanese had been driven back or had retired to the positions held by them before the drive commenced.)

d. lecellaneous operations:

There was considerable military activity in southern hansi during the month. The Japanese made another attempt to clear Thinese troops and guerrillas from the Chungtiao Mountains; a Japanese division, with strong air support, attacked castward December 2 from bases at ensi, on the Tungpu Sailway, and Maiahaien,

t Thinese attempt to capture . sotow, Western terminus of the seiping-higuan ballway, was unsuccessful. The attack was made by an infantry force of 6,000 men under Conoral Tu Tso-y1 who advanced coutheast becember 15 from their base at luyuan, and by a wavalry force of 3,000 men the moved north from bases in Thansi. The cavalry column out the railway near Caratsi, a few miles east of lactor, but was then driven back by Japanese troops and retreated south of the Yellow liver. Edvance quards of General Fu Cso-yi's troops entered . notow coember 20, but the arrival of Japanese reinforsements compelled them to retire to the north. The Japanese admitted that their own casualties were over 300, inoluding one colonel and several other officers killed, but claimed that the chinese casualties were 5,000 willed; the actual figures are not known, but an

Jo. Wiltary Stacks's Ituation eport to. 9842, January 11, 1940, and Chinese and Japanese press reports during tecomber.

merican correspondent who visited motow a few days after the attack reported that the Jepanese claims in regard to chinese casualties were, as usual, grossly exaggerated.

In Central thina the Chinene initiated military operations in Supeh, theman and imaged which harassed the Japanese but failed to diclodes them from any important positions. Fighting occurred north of dinyang, on the Sciping-Cankow dailway, along the Han Liver, and around Manchang, Tengsin and Manchang.

had been more military activity during December than at any time since the Japanese occupied watow in June 1939, but that Japanese attempts to extend their control in the area were unsuccessful. On December 2 a mixed force of 3,500-3,000 Japanese troops and Chinese mercenaries moved north from Unghung towards the Fukien border, having met with no resistance after leaving Chinghai, ten miles northwest of Swatow, at the end of November. At Chaoan, Tukien, however, the advancing columns were met and routed by a large force of Chinese national troops and compelled to retreat, being unable to hold the territory cained during the brief campaign.

e. torial activities:

The Japanese air force was very active during becomber, carrying out raids on Thinese bases, supply routes and cities. According to Japanese reports,

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^{30.} r. James . Mito, sepolated ross, elping. 37. Mankow's January 2, 2 p.m., to Jelpins only (monthly

summary). 33. watow's January 1, 9 a.m., to 'siping only (monthly

^{39.} Otol press releases during December.

important raids were made on Lanchow, Ansu (Jecomber 1, 26, 37 and 28); weilin, wangsi (Jecomber 1); Thinese positions in wangsi and Wangtung (throughout the month); Junerillas in Ankwei (early in Jecomber); Langtan, Junen (Jecomber 6); points in the Janish Jountains, Jupoh (Jecomber 10); Langshan, Jacohwan (Jecomber 18 and 19); Ipin and Hanchwan, Jacohwan (Jecomber 19); Jan, Bensi (Jecomber 20); Jengyang, Junan (Jecomber 22 and 27); Jeiyang sector, Thantung (Jecomber 21-25); Jehang, Jupoh (Jecomber 30); and Hangtze, Yunnan, and the Jedochina-Yunnanfu Hilway (Jecomber 30).

were reported to have been made by about 100 planes.
Tapanose claims that 13 thinose planes were shot down and 22 more destroyed on the ground were contradicted 40 by an imerican dilitary observer who was in Ismohow during the raids. This observer stated that, according to local reports, one Chinese plane was lost and seven Tapanose bombers that down; he added that no Thinose planes were on the field where the Japanose claimed to have destroyed 22 planes on the ground. He reported that considerable damage was done to property, but that the raids were generally futile and that, despite the large number of planes taking part, not one bit was made on the Yellow liver iron bridge, by far the most important military objective in Lanchow.

The Chinese air force was active for the first time in many months and Chinese reports claimed that, in addition to the Japanese bombers shot down over

^{49.} ajor (see Naval Attache's report No. 1, January 9, 1940 - "Résumé of the Political and ilitary ituation in China, Povember 28, 1939 to January 9, 1940").

anchor, a eraber of Jaranese planes were shot down turing the operations in both Thina, include clott backers during an esqueenent over Luichow, vancai, on ocombor 30. It became probable that the transfer of a number of Chinese planes from Lanchow for use in outh Minn encouraged the Japanese to undertake the raids on ಾರದಿಯ .

locarding to probe reports from Franching, the Tringgo leronguidal Stairs levelsgion an emcod early in locather that Termose wir raids in 15 provinces during the deven months January to fully 1930, resulted in 43,700 Minese divilien casualties, in I Ming 80,000 killed; the heaviest single day's commulties were stated to have occurred at Charming any 4 them 4,972 civilians were killed and 3.637 Were wounded.

r. illtary activities in the cocacled areas:

eports from various points in the besidied Great infloated that cuerrilles were active furing the month.

The merican Ties Jonsul at Tainan reported a recrudescence of querrilla notivities and the wrecking of a train on the Tentain-Wow line in Tangau near the hanture border locember 30. In American informant the recently visited Mouchow, Tianger, and Tenchsion, termine, both on the Tentein- show silvey, reported test Thinese military activities had greatly increased during Geomber in the Tenghalen-Talkaien area, west of

Uno

^{11.} Sater, Hangeing, Famuary 15.

12. Souter, Shungking, Seconder 6.

13. Siman's Seconder 19, 5 p.S.; Seconder 29, 10 a.s. and January 2, 5 p.S., to Feiging (second telegram repeated to the Separtment by Feiging).

14. Severand John . Hayes, Presbyterian Sission,

dping.

the railway, and in northern langes just south of the hantums border; he stated that he had seen the wrecks of four trains between Esuchow and Tengheien, and that, due to the Thinace activities, the Japanese had been compelled to increase their garrisons at Tenghsien and olse there whom the railway. Puring the month the Japaness carried on operations against Shinese troops and quervilles north of Showtsun, on the Esimen-Caingtee allway.

The merican lee consul at the corresponded considerable Tapanese military activity and air bombing during becember, particularly in the Lalyang, Chihaia and Sanyang areas, and stated that more vigorous efforts to oracidate querrillas were expected.

In Hopei, the Japanese engaged in operations against Chinese troops in the Maincheng-Cuen-Mingtoin area, corthoast of "actingfu and 35 miles south of siping, a region which on several occasions had previously been reported "pacified" by the Japanese.

less motivity by thinese regulars and irregulars was reported in the lower Yangtze Valley, except in the vicinity of inking, inhuci. dails from thanghai to Canking were delayed three times during the month, reportodly owing to guerrilla attacks on the railroad.

c. Olisical developments in the poorpied areas:

To definite developments were reported during the wonth is regard to the establishment of a new central

^{45.} heroo's January 4, 4 p.m., to Jeiping only (monthly

surnary).

Cilitary (ttaché's ituation Report Co. 9842, January 11, 1940. hanghai's Secember 29, 4 p.m., to Weiping only 47.

⁽monthly survery).
45. Janking's January 2, 9 a.m., to Jeiping only (monthly outpary!.

ments in which he stressed, on the one hand, that the "new thina" must be a severeign and independent state and, on the other, that the assistance of Japan was essential in cotablishing the "new Thina" and the "new order in act wis". It was thought by some informed observers in handhai that the Japanese were becoming discatisfied with the and were be inning to feel that he was visionary, impractical and incapable of bringing about the establishment of a new government.

It continued to be evident that a difference of opinion existed among Japanese military and other leaders in thing in regard to the proposed new governcent, particularly in relation to its bearing on the quantion of peace. According to usually well informed Chinese sources close to the Japanese controlled " rovisional loverment" in thiping, the Japanese military leaders in China desire peace, but do not agree on the methods by which peace can be accomplished. ne faction, reportedly headed by Tenerals Tishio and Itagaki. Teels that peace nogotiations direct with Thungking would be an admission by the Japanese of the failure of their military compaism in China; this faction, therefore, wishes to establish a government under and Ching-wei which could negotiate with Chung-Ring and then, even if Thuncking demanded and obtained important concessions, the Japanese army's face would be saved. The other faction, led by denoral ita in elping and supported by a number of important Japanese

business

^{19.} hammai's cospatch to the Mabassy No. 2110 of Jonuary 6, 1940 - "Political Report for December, 1939" (copies direct to the Department).

business and financial leaders, feels that the proposed central government would not bring about peace and would, on the contrary, delay it; this roup reportedly believes that direct negotiations with Churching would be more effective and it has, in fact, been secretly 50 negotiating with Churching for some time.

One effect of the divergence of views among Japanese leaders has been, reportedly, to enable lang. Thing-wei to be reain more effectively with the Japanese, and it seemed significant to observers that during the month he was permitted to publish in the Japanese controlled press in Teiping and elsewhere statements in regard to "mutual concessions" by Thina and Japan which would not have been tolerated previously. The death of Tarshal a lei-fu (see page 26) possibly enhanced and Thing-wei's importance with the Japanese; until the last, the Japanese continued to entertain hopes that they might be able, by constant pressure, to enlist the larchal's cooperation, but his death left them with no sufficiently impressive figure, other than lang, for the headship of the proposed new central covernment.

and Teh- in, titular head of the "Troyleional Tovernment", was installed concurrently president of the "Usin in Tei", December 2 at a meeting in Teiping attended by Japanese military, diplomatic and commercial 51 leaders and Thinese connected with the local regime. The publicity given by the Japanese to the activities of the "Tein in Mui" (which is organized and operated along the lines of the Concordia Tociety in Mancharia)

and

^{50.} eiping's 13, January 9, 4 p.m. 51. eiping's 616, ecember 4, 12 noon.

and their refusal to permit and Thin-wells ortholox "modifications, is any were necessary, that, regardless of whether a new control povermment is a tablished, the Jepanese intend North Thins to remain send-sutonomous and definitely under direct Tapanese control.

Journell of the Japanese controlled seighns and Tanking replace was held in seighns occamber 15 and 16 and accomplished nothing of importance. The question of a 52 new central severament was not openly discussed.



CROSS-REFERENCE FILE

NOTE

SUBJECT Establishment, March 30, 1940, at Nanking of Japanese puppet government; proposed extension to Tientsin and Peiping.

Commenting on-, in reply to inquiry of French Ambassador as to present Far Eastern situation, the Secretary stated that U.S. government has been, and will continue to oppose every inch of Japanese invasion.

793.94/ 15788

For the original paper from which reference is taken

Saa	Memorangum		
Dee	(Despatch, telegram, instruction, letter, etc.)		State Department Secretary (Hull)
Dated	March 22, 1940	From To	
File No	893,01/694		

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COMMUNICATIONS AND RECORDS 6 3 63

LAW OFFICES BENJAMIN AXLEROAD

612 AMERICAN BANK & TRUST BUILDING

MIAMI, FLORIDA

FAR EAST PRINCIPLES MAR 29 1940 Repartment of State

March 25, 1940

April 2 1940

Hon.Cordell Hull, Secretary of State, State War and Navy Building, Washington, D. C.

Dear Mr. Secretary:

About two years ago it was my privilege to dine with Mr. Shingoro Takajahi of Japan, at the Miami Biltmore. Mr. Takaishi is the Chairman of the Board of Directors of the Osaka Mainichi Publishing Company, publishers of the largest Japanese newspaper and also many periodicals which tend to mold public opinion in Japan, viz: The Tokyo Nichi Nichi and The Osaka Mainichi.

I am this day in receipt of a letter from Mr. Takaishi. A letter of this nature, and coming from such an influential man is usually to be treated with the greatest of confidence, but at the same time I feel that as a patriotic American I should disclose its contents to you, hence the enclosure.

If there is any comment that you care to make to me, in confidence, I shall be happy to receive it. However, you may keep this letter and make such use of it as you care to.

Yery\ sincerely

BENJAMIN de Advocate, O. R. C., Majoh

BA: AG encl.

/FG

93.94/15789

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THE OSAKA MAINICHI PUBLISHING CO., LTD.

OSAKA & TOKYO. JAPAN



MAINICHI BUILDING

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MICHI NICHI BUILDING

Osaka, February 27, 1940.

Mr. Benjamine Axleroad 612 American Bank and Trust Building Miami, Florida U. S. A.

Dear er. Axleroad:

I was very nappy to receive your friendly letter of January 2nd in which you frankly set forth your view of the Sino-Japanese controversy.

I hear that in the United States popular sentiment toward Japan is very unfavorable. This mudue in part to energetic Chinese propaganda and This must be poor Japanese effort to present their case properly.

As far as we are concerned it has never occurred to us that we were waging a war of conquest. Unlike the United States Japan is an island empire and accordingly her welfare is directly connected with conditions in the Asiatic continent. This is similate England's concern with European affairs. Just as This is similar England is fighting Germany to destroy unfriendly regime of Hitler and to set up a more peaceful and conciliatory government, so Japan is engaged in the task of eliminating the regime which allied itself with Bolshevism and endeavors to drive out our legitimate interest. Fundamentally Japan's task is to build up conditions that will assure permanent peace and prosperity in the Far East.

Apart from this Japan has no territorial or political ambition in China such as America seems to suspect. We think your people are greatly misinformed as to Japan's intentions. Otherwise there is no reason why America should take such unkind measures as abrogation of the time-honored treaty of commerce. Needless to say that Japan remains unchanged in her sincere desire to maintain cordial relations with the United States.

With kindest personal regards,

Yours sincerely.

Skingoro Taxaiskis
Chairman, Board of Directors.

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

In reply refer to FE 793.94/15789

April 2 1940

My dear Major Axleroad:

Secretary Hull has asked me to acknowledge with thanks the receipt of your letter of March 25, 1940, with which you enclose a letter of February 27 received by you from Mr. Shingoro Takaishi, Chairman of the Board of Directors of the Osaka Mainichi Publishing Company, Ltd., in regard to matters relating to the situation in the Far East.

Mr. Takaishi's letter has been read with interest and your courtesy in making the contents of the letter available to the Department is very much appreciated.

Sincerely yours,

Maxwell M. Hamilton Chief Division of Far Eastern Affairs

Major Benjamin Axleroad,
J. A. G. D. Reserve, United States Army,
612 American Bank & Trust Building,
APh 2 1940 PM Miami, Florida.

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OF THE

INFORMATION COMM

HONG KONG STUDENTS' RELIEF ASSOCIATION

32, DES VOEUX ROAD C., HONG KONG.

No. 4.

193.91

NOVEMBER, 1939.

NOT FOR SALE

Current Commonto

Since their utter defeat in the battle of Changsha the Japanese aggressors have been at a loss to conduct their military operations. They are completly tied down in Shansi, incurring heavy casualties which run into more than thousands each month. In Hupeh, despite heavy sacrifices they can scarcely push a step forward, while witnessing the Chinese army recapture important cities in quick succession. Being in such a desperate predicament, the Japanese aggressors turned to launch an offensive in South China. This move signifies nothing more than the fact that the Japanese warlords have lost their head in their own strategy. They have no confidence in the so called "Imperial Army" to wind up the "China Incident," and much more they are aware of the deterioration of their morale and fighting strength. While they realize that they have no chance elsewhere, they therefore seek to strike their coup de grâce at South China-a vulnerable point in their eyes. Unfortunately they have taken a wrong course—they simply hoist with their own petard, for they turn to Kwangsi, the most impregnable bulwark in South China.

Such a foolish move can only be expected from a military staff when they are so confounded with their quandary that they do not know where they are. But to prevent the general breakdown of their invasion, the Japanese warlords have to keep their troops on spur by committing them to one battle after another at all costs. Another reason for their taking to such a desperate move is the unstable conditions in Japan. Revolts are in the making-only they are ruthlessly suppressed by the Japanese government at home. Hence Japan's aim to launch sporadic offensives in China is two fold: to keep up the morale of the Japanese troops in China and to distract the Japanese people at home. The latter policy has been well corroborated by the constant appeal of the Japanese government to the masses for nationwide efforts and mobilisation. Considering these circumstances, the hit—and—run strategy is the only feasible measure for the Japanese aggressors to go on with their invasion in China. But how far is it successful then? Actually since the outbreak of the hostilities, it is far less fruitful than they expected. Though it proved quite effective in Shanghai and Nanking wars, it has turned out to be an utter failure when the Chinese army have already made sufficient improvements and are able to take initiatives from time to time. On the strength of these factors it is

not exaggerated to predict that the present Japanese offensive in Kwangsi will result in greater losses to them than they have yet suffered.

On November 22nd Mr. Caldwell, American Consul General in Tientsin, reported growing difficulties in delivering American goods through Japanese blockade. On November 29th it was revealed that the Japanese had launched anti-American drive at Chenliu district in Honan Province. Against this back ground it is learned that the renewal of the commercial treaty between the U.S. and Japan is unlikly. The reason for this is not far to seek. If the export to Japan is of any importance to the foreign trade of the U.S. it is because Japan has to entirely count on America; and should she once have her own way by setting up hegemony in Asia, the American factories not only have no chance to trade with Japan but also their precarious commercial interests in China would be no more. What Japan has in her mind is self-evident. Even when she is very keen on renewing the commercial treation with the U.S. at present,—for this purpose a more friendly attitude is necessary, she cannot help betraying her malignity as shown by her blockade of American goods in Tientsin and calculated anti-American campaigns everywhere in China. Intrigues of this sort can hardly be taken for threats to bring Americans to terms. They are the genuine anti-American actions. However, the Americans—are too wise to be duped and bullied. They know how to take their own place, while they are ready to deal with the aggressors. The public opinion to urge adoption of drastic measures is unequivocally expressed in some of the numerious instances as follows: on November 3rd the American Chamber of Commerce in Tientsin cabled the U.S. State Department opposing new pact with Japan, and on Nov. 5th the American Committee for Non-Participation in Japanese Aggression urged effective aid to China, while Dr. Roger Ward Babson, American Statistician, told Shanghai press that America should immediately withhold all aid to Japan. And there is no more just and sincere attitude of the Americans towards the Japanese aggression in China than that of Bishop Henry W. Hobson, when he in his message to Southern Ohio Episcopal Churches deprecated the sale of war materials to Japan as the "Blackest page in American History." This brings home to the Americans the fact how important a part they are now playing in the present Sino-Japanese hostilities.

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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. Sue 185 NARS, Date 12-18-75

Japanese Foreign Trade

It has been pointed out by keen observers that, in consequence of the present European war, the Oriental aggressor, Japan, will suffer seriously in her economic system in two chief ways: firstly, she will find it very hard to strike a favourable balance for her foreign trade; and secondly, she will suffer a narrower limitation of foreign ammunition supplies and of foreign arms resources. In other words, despite the chance of the present European war, Japan cannot expect a prosperous turn in her foreign trade (as she had in 1914-18) so that she may repair the serious economic losses suffered as a result of the Sino-Japanese war; but, on the contrary, as the foundation of her national economy has been shaken and weakened by the prolonged hostilities in China, Japan will expect a quicker collapse of her entire national economic system. Therefore if Japan should suffer a break-down of her national economy, she would not be able to make up a decent war-budget; and that means that Japan's war-time economic power is approaching the end.

This can be verified by facts; for in the month of September, just after the outbreak of the present European war, Japanese export and import trades with European countries had an astonishing fall. In August her exports to England are worth 20,007,000 yens, while in September they fall to 8,150,000 yens, showing a decrease of 59.26%. As compared with the 10,147,000 yens in September, 1938, the decrease is 19.66%. Her exports to France in August are worth 3,779,000 yens, while in September, they are only worth 597,000 yens, showing a decrease of 74.68% and, as compared with the 2,722,000 yens of September, 1938, the decrease is 64.84%. To Germany, once her ally, Japan's exports in August are 2,631,000 yens' worth, but in September, they come down to 385,000 yens, which means a decrease of 95.37%; and compared with the 2,359,000 yens in September 1938, the decrease is 93.68%. Now

Japan's exports to the different European countries are chiefly a means for obtaining ammunitions from those countries; in other words, Japan's native products and manufactured goods are transported to the different European countries in exchange for their money, and with the money thus obtained, she can buy their ammunitions. Such is the aim of Japan's war-time trade because her ammunition resources cannot be self-supplied. Obviously then, the striking fall of Japan's exports to European countries means that she will get less supplies of ammunitions from Europe. And it is needless to say that a decrease in the supplies of ammunitions to Japan means that her aggressive force against China will be weakened.

Again the same conclusion can be drawn from the figures of imports to Japan from different European countries since the outbreak of the present war. In August, before the war, the imports from England to Japan are worth 3,474,000 yens; but in September, they fall to 1,703,000 yens, showing a decrease of 50.94%; and as compared with the 3,618,000 yens in September, 1938, the decrease is 53.10%. Imports from France in August are 1,570,000 yens' worth; in September, they fall to 776,000 yens, showing a decrease of 50.57%; and compared with the 1,910,000 yens in September 1938, the decrease is 59.37%. From Germany, the imports in August are worth 15,960,000 yens, while in September, they fall to 9,056,000 yens, showing a decrease of 43.26%; compared with the 11,142,000 yens in September, 1938, the decrease is 18.72%. These are really astounding statistical figures—they are epoch-making. Even in normal economic conditions, the appearance of such figures means a critical and dangerous stage of economic difficulty; but now, when Japan's wartime economy has been brought to an unsafe state by the prolonged Sino-Japanese war, the appearance of these figures will foretell the collapse of Japan's entire economic system.

News Here and There

If the Japanese people could have any say in the policy of the Japanese Government, the war might have been stopped long ago. In the army as well as in the masses, a large number of Japanese are strongly opposed to the present war. The reason for this is not far to seek: the invasion has brought the people not paradise as promised by the militarists, but poverty, misery, death and sufferings of the worst kind instead.

A report from Tientsin stated that on November 8th this year, 27 Japanese officers in Tsang-chow, Hopeh, were arrested and found guilty of anti-wan. Rather alarmed by this incident the Japanese commander-in-chief in Tientsin sent out large numbers of gendarmes to search all the garrisons in North China and "to eardicate the anti-war elements" as they called it. The result of the search revealed that the anti-war propaganda had pervaded a great part of the Japanese army. No less than 50 officers and soldiers were arrested most of whom were secretly shot to death, while the remainder were sent to a Loochoo island to be imprisoned.

Another report stated that on November 14th several Japanese officers in Shansi attempted to commit suicide as they could not bear with an unending and profitless war. Two died, and five were seriously injured.

The Japanese invasion has as its goal not only the conquest of China, but also the expulsion of all foreigners

from the Far East. Besides the bombing of the British ambassador's car and the sinking of the American gunboat "Panay", we find that the Japanese even extend their hostility to the innocent missionaries. The Roman Catholic Mission has lately announced that during the two years of the Sino-Japanese War, 30 Catholic missionaries, including 7 sisters, were killed by the Japanese. To mention one of the many cases, on October 27th, Brother Edgar Gauvin, a Canadian Jesuit missionary, was stabbed by a Japanese sentry at Yaolu, and died shortly afterwards.

It was said that the proposed puppet Government to be headed by Wang Ching-wai would come into existence on October 10, but such thing did not happen; and, who knows, it may never happen at all. Referring to the "China incident," the Japanese War Minister General Hata recently declared that difficulties "as high as mountains" had still to be met with before a settlement of the China conflict could be reached. This explains that Japan has realized that China's resistance is not so weak as she thought, and that the war is still far from the end.

The Sixth Plenary Session of the Central Committee of the Kuomintang Party has passed the Solution that the National Assembly will be held next year. This would bring China one step nearer to democracy. China has thus proved to the world that though she is engaged in a life and death struggle, her progress to the road of democracy is not impeded by the war.

NOT FOR SALE

BULLETIN

OF THE

INFORMATION COMMITTEE

HONG KONG STUDENTS' RELIEF ASSOCIATION 32, DES VOEUX ROAD C., HONG KONG.

file

No. 3.

OCTOBER. 1939.

Current Comments

Peace Rumours and Fight to the End

Of late there have been persistent rumours that a peaceful settlement of the war in China is imminent. On looking into the matter closely, we find that the reports of these "peace moves" come mostly from Shanghai and Tokyo and a careful observer therefore can easily tell who the makers of these rumours really are. The rumours all play on one note, which is that China is unable to continue the war any longer. She is now anxious for peace and is longing to see a third Power coming forward to act as mediator. The reason, as stated here, is so very "simple" that we don't think any refutation is necessary. Is China really unable to carry on the war any longer? What about the recent great Chinese success in Northern Hunan then? If the Chinese Army were so weak as the Japanese made it in their propaganda, it would certainly have collapsed before the great Japanese offensive which the Japanese had prepared for a long time. In spite of this and in spite of the "great success" claimed by the Japanese in their own newspapers, the Chinese army not only maintained itself against the onslaught of the enemy but with able generalship even put the enemy to an utter rout. As a result, Changsha is safe and what is more, the Chinese in hot its part very well; for in the form of two raids in the middle of October, it destroyed such a large number of Japanese planes in Hankow that no raider has visited Chungking ever since. In short, the Chinese have disintegrated the enemy both on land and in the air.

The Japanese allegation of China's inability to carry on the war is chiefly based on what they consider as the possible effect of the current European war on China. Thus soon after the outbreak of the European war, the Japanese gave out that as Britain and France were too much taken up with the war in Europe, they had notified China that they would discontinue their support of China. And, as we learn from the papers, the Japanese even went so far as to allege that Britain and France had given advice to China to cease resistance to Japan! Such reports were of course promptly denied by Britain and France who know very well that China is really fighting their war in the East. For after all, what is China fighting for, if not democracy and freedom-the very thing which Britain and France are now defending in the West? It is natural that they will do their best to give whatever assistance in their

power to China. Indeed China will obtain, if not more, at least as much war materials from abroad as she was able to get before. This is only the right of a victim of aggression and as we firmly believe, no country of honour will grudge China this right.

Perhaps as they pointed out China's difficulties, the Japanese were thinking too much of their own predicament. Looking over the map of the world, we find that there is really no country in the world from which Japan can now buy war materials to continue her murder in China. The United States especially has given her a fatal blow by the abrogation of the commercial treaty—a just measure which shows most clearly the intention of the United States to condemn the aggressor. Ever since the outbreak of the war on July 7, 1937, the American people have been watching China's struggle with great interest and sympathy and as government action was yet forthcoming, they had very early taken upon themselves the duty of enforcing a boycott against Japan. The recent move by the American Government represented therefore a further step in the denunciation of the aggressor in the Far East, and if ever there was any doubt among the Japanese of the firmness of the United States, it was at once dissipated by Mr. Grew's

The isolation of Japan as a result of the world's censure of her aggression on China represents however only one aspect of Japan's numerous difficulties. Among other things which she has to reckon with, there is the imminent danger of a rebellion at home. As can be easily imagined. the war of aggression on China is never popular among the Japanese people, so that early at the beginning of the war we had learnt of the outbreak of an anti-war movement in Japan. This movement is fast coming to a head. For as Japan's export trade as well as her gold reserve is daily diminishing, she has been compelled to restrict her import to avoid an excessive burden on herself - a burden which has already proved too heavy owing to Japan's dependence on foreign countries for the supply of war materials. The restriction of imports leads to soaring prices: this gives a great blow to the Japanese people in general. At first they tried to put up with it in the hope that the restriction would soon be lifted, but after waiting in vain for two years and a half, they have now become very impatient. Recently the Japanese Government resorted to an Imperial decree to enforce price control but we wonder whether such a

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measure — the last that can be taken — can really lower the price of those goods which by government order can be imported only in small quantities, too small to satisfy the demand of the Japanese people.

And now, what about the people in China? Can there be any doubt that the Chinese people are all in for the war? Excepting the traitors — Wang Ching Wei etc. who are really born slaves and should never be considered as citizens of the Republic of China — there is no one in China who will not go through any hardship and suffer any sacrifice in order to achieve the liberation and independence of the nation. This is why the longer we fight, the stronger we become. At present our Army has a force about three times as big as it was at the beginning of the war, and everyday new volunteers are pouring in, applying for entry into the Army. The cheerfulness and enthusiasm with which the Chinese soldiers set off to the front presents such a contrast to the dejection of the recruits of the

Japanese Imperial army that one who has seen both of them cannot but be convinced of the ultimate victory of China. In the present struggle, the Chinese people have really nothing to lose but their chains if ever they should meet with ill success, while if they come out victorious they will gain their independence and restore peace in the world. With this object in mind, the people of all classes in China are devoting themselves heart and soul to their great struggle and whatever may be said in the rumours, they will not cease their effort until they have won their victory. Generalissimo Chiang Kai Shek has said very well: "We will not talk of peace until we have driven the enemy to the far bank of the River Yalu." This is really the common view of the whole Chinese people. There can be no doubt about it and any other arrangements such as the creation of puppet regimes, which will help only to establish Japan's hegemony in the Far East, will never be recognized either by the people and government of China or by the people and government of other countries.

Present Conditions is Manchuria

The so-called Emperor Kang Teh is only in name the head of the bogus state "Manchukuo," for all power rests in the hands of his Japanese advisers and Kang Teh is nothing but a puppet. The Japanese call such a government "Wang Tao Government," that is one based on humanity, justice and righteousness, and try to impress the world that they have turned Manchuria into a paradise on earth. But facts and facts alone will speak for themselves.

The police force in Manchukuo numbers about 45,000. Of these, about 2,500 are Japanese and the rest are drawn from among the bad lots of the place. The police force is big enough, but good order never reigns in "Manchukuo" Squeesing and receiving bribes are publicly practised: this is partly because the police officers are never given their salary (for the government is too poor to pay them) and so they are free to get what they can from the people. Gangsters and racketeers are everywhere and robbery and kidnapping are of daily occurence in most towns.

The secret service is extremely active. Its work is to attention is chiefly directed to the educated persons who are considered the most dangerous elements in "Manchukuo". New discoveries must be made everyday, by hook or by crook. The result is that there is a perpetual reign of terror in "Manchukuo". Education may be regarded as a blessing in other places in the world but, in "Manchukuo", to be educated constitutes a good reason why a man should be suddenly taken away and made to disappear for ever.

In the early years of the Japanese occupation of Manchuria, one-third of the government officials were Japanese, but in recent years their number have increased considerably, especially, in the "Central Government." Since 1936, Japanese has been used in the "official documents" and this results in the curious fact that many important "decrees" are unknown to the puppets. Without a single exception, the power of every government department rests in the hands of the Japanese. The magistrate of a district may be a Chinese, but by his side there is always a Japanese who has complete control over him and is the real head of the district. With regard to salary, a Japanese receives eight times as much as a puppet.

The study of Japanese is greatly encouraged in Manchuria. All magazines and newspapers from China are banned. News are censored, and the people know nothing of the world outside. False news of victory, and articles attacking the Chinese Government (occasionally the British, the American and the Soviet Governments too) appear in nearly everyday's paper. No books other than those written by the Japanese imperialists and pro-Japanese writers are seen in the book-stores. Assembly and meeting of all kinds are strictly prohibited.

To poison the Chinese people, the Japanese bring in large amounts of heroin pills, opium and other narcotic drugs and shops selling these "goods" are found everywhere in "Manchukuo".

Poverty prevails in every corner of the puppet state. Before the Japanese invasion, the Chinsee in the Northeastern Provinces were among the most well-to-do people in China. But since the Japanese came and brought with them madern machinery, the native handicraft industry quickly died away. Large numbers or people have since been deprived of their means of livelihood and forced to become paupers. Agriculture is the backbone of Manchuria, as it is of the whole China; but, owing to heavy taxes and squeezing, the farmers in Manchuria can hardly keep their body and soul together now. The Japanese also compel the people to build military roads. Every village has to send a certain quota of men, who will work but receive no pay. Finally there is the illegal conscription, by which thousands of Chinese youths in Manchuria have been forced to go to the battlefront to become cannon fodder.

Under these circumstances, the people in Manchuria suffer beyond endurance. Revolts are frequent in the bogus army, and there is general unrest in "Manchukuo". The Chinese Volunteer Army in Manchuria have been giving the Japanese endless trouble. Railway tracks are often destroyed and the Japanese garrisons besieged and attacked. The Chinese Eighth Route Army has extended its activity to Jehol and Liaoning, and in its ranks there are now large numbers of people from Manchuria.

Report of the First Service Corps of the H. K. S. R. A.

We are glad to be able to publish in this issue the report submitted by the First Service Corps of the Hongkong Students' Relief Association, on its nine months' work in the south-eastern part of the province of Kwangtung. It is the field report of a group of young workers who have rendered unselfish and indeed important service to the country. The kind of work they do is not that for which one gets decorations and special mention in official records. Nevertheless, it is with the help of workers like these that China can carry on her struggle against the Japanese aggressor.

The main purpose of the service corps is to form a liaison between the Government and the people so as to render the prosecution of the war against the Japanese invaders more efficient. For this reason, it is necessary for the workers in the service corps to study their special area and the people among whom they work and then try to make their work meet the requirements of the specific situation.

The area assigned to the First Service Corps of the Hongkong Students' Relief Association was South-western Kwangtung, where the Japanese were attempting to land troops and then push northward and westward. Their warships had gathered at Haikow and their war planes daily bombed the routes leading to Kwangsi. The principal task of the First Corps was therefore to mobilize and train the people in that region in preparation for the impending attack.

The first step was to establish contact with the people. A conscription order had been issued by the Government, but as the attention of the people was not sufficiently drawn to it, their response to it was poor. The First Corps at once set to work. By means of posters, wall pictures and newspapers, cartoons, handbills, public speeches, mass meetings and dramatic performances, it patiently explained to the people the purpose of conscription and how it was to be carried out. At the same time, suggestions were made to the Government about the method of securing the people's co-operation. These suggestions were accepted by the Government and the people readily responded to subsequent calls.

Under the threat of a Japanese invasion, war preparations had to be made. Military plans had to be carried out

and the people's co-operation was badly needed. The First Corps taught the people defence tactics, led them to dig trenches and build defence works, organized a force to police the district and hound out spies, told the people to lay up food and salt and get ready fire-arms for immediate use, and instructed them to destroy roads and pull down buildings for strategic purposes.

But before they could fight, the people had to organize themselves. The First Corps therefore set up centres where the village people could be organized and trained. At first, progress was slow. The people had no idea of what was intended to be done. So the members of the First Corps went among them, lived with them, worked with them and tried to solve some of their problems for them. There was a shortage of rice supply. The First Corps applied to the Government for a regulation of the price of rice. Gradually, the people took the member of the Service Corps to be one among themselves. They gladly came to get organized and trained. They were given not only military, but also political and technical training. Members of the First Corps became training officers in the Village Self-Defence Corps. At one time, a batch of two hundred able-bodied men were given training by the First Corps.

But the work of the First Corps was not confined to war preparations. "People's Schools" were established for adults as well as for children, for men as well as for women, who were taught to learn characters and read books and newspapers. In towns, wall newspapers were put up to give the people the latest news available. In villages, there are "cultural stations", where people could go to see exhibitions of cartoons and pictures about the war. There were books and magazines for loan and for sale.

Another part of the work of the First Corps was to set up medical centres in the villages. There were always large crowds waiting for medical treatment at these centres. During and after air-raids, the Service Corps did first-aid work. It also took a very active part in the anti-plague movement. Again, the Service Corps rendered various forms of social service. In time of harvest, a harvesting party was organized to help the farmers to gather in their crop. In other productive activities of the people, the First Corps also lent its assistance.

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NO. 66

AMERICAN CONSULATE GENERAL

American Foreign Sorvice, Hanoi, Indochina, Harch 15, 1940.

SUBJECT:

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Continued Mon-bombing of Yunnan

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Reilway causes Comment.

CONFIDENTIAL

THE HONORABLE

Division of FAR EASTERN AFFAIRS APR 3 - 1940

THE SECRETARY OF STATE, RECORDS Washing ton...le | 7

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.18 regard to the bombing of the Indochina way by the Japanese, the last bombing having taken place, so far as I am informed, on February 17, 1940. The complete absence of Japanese activity since that date has caused considerable comment in Indochina, some of

pich may be of interest to the Department.

It is perhaps not surprising that the bulk of this E trely conjectural comment, particularly in non-French Rircles, is to the effect that France and Japan have me to an understanding as to the railway, one version being that France has agreed to recognize "Manchukuo" in return for the railway's immunity, another being

that the railway will delay the restoration of traffic on the same scale as during December, 1939, and still another being that France will agree to the definition of casoline as "munitions" and bar its transit via Indochina. The Latter version is not widely accredited, as the railway continues to transport gasoline in appreciable quantities.

Lore

ASSISTANT SECRETARY

AIR MAIL - 2 -

More conservative comment stresses the fact that

France and Japan are in the midst of negotiating a new

commercial treaty and that Japan will hesitate to trouble

the smooth progress of the negotiations by new attacks

on French property. Other commentators remark that

the weather in Kwangsi and Yunnan has not been exactly

propitious to aerial activities - mentioning, inter alia,

the fact that the Japanese are too occupied in and

around Hanning and in other parts of China to bother

about the railway at this time.

ernment General recently mentioned this same subject.

He spoke of the cumulative effect of the protests by

France, Great Britain and the United States, of the fact
that every assurance had been given Japan that no arms
and munitions (in the strict sense of the words) were
being carried by the railway, and of his belief that the
Japanese forces had over-extended themselves and might
be expected to curtail far-flung aerial activities which
served only to exacerbate foreign feelings. He added that
the cond usion of the Finnish-Russian conflict would
seemingly further weaken Japan's position.

The majority of observers believe that the Chinese defense measures along the railway are no better than before and that the Japanese can continue to bomb the railway with comparative impunity.

Respectfully yours,

and the same of the same of

For the Consul at Saigon, Charles S. Reed II, American Consul.

In duplicate to the Department (Original by air mail) Copies to the Embassy, Chunghing and Peiping Copies to Consulates General, Hongkong and Shanghai Copies to Consulates, Kunming and Saigon

S15.4/800 OSR:csr

CROSS-REFERENCE FILE

NOTE

SUBJECT Chinese Government and people have no fear of the puppet regime established under Wang Ching Wei, and are determined to fight to a finish against Japan. Foregoing according to press release by the Central News Agency in Hong Kong.

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For the original paper from which reference is taken

See tel # 92, 10 a.m.

(Despatch, telegram, instruction, letter, etc.)

Dated April 2, 1940 From Hong Kong. (Southard)

File No. 893.01/710

. S. GOVERNMENT PRINTING OFFICE 1-154

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HSM

GRAY & PLAIN
Hong Kong via N. R.
Dated April 2, 1940
Rec'd 8 a. m.

Secretary of State, Washington.

92, April 2, 10 a. m.

This office has not so far observed any special comment in the Hong Kong English papers on the inauguration of the Wang Ching-wei Government at Nanking. The Hong Kong Chinese papers have prominently commented along the lines indicated in the following press release by the Central News Agency in Hong Kong.

The influential TAKUNG PAO asserts that the new puppet regime will have no effect upon China's resistance. Its establishment only exposes Japan's military exhaustion, political failure, economic stringency and her diplomatic helplessness.

nte 193.94 Purported primarily to dispose of the "China incident" the new regime will only defeat its own purpose. With arms to resist, determination to sacrifice and confidence in the final victory the Chinese have no fear of the aggressor and far less the puppets. They are determined to fight to a finish and are ready to repel any military and political offensive.

The

hsm -2- No. 92, April 2, 10 a. m., from Hong Kong

The paper describes the Wang government as Japan's last card played to induce the powers with interests in China to come to terms with her, thereby breaking through her present diplomatic isolation.

The SING TWO JIH PAO maintains that the establishment of the Wang regime will only help to further strengthen China's unity and her determination for resistance.

The NATIONAL TIMES believes that the new bogus regime will collapse sooner or later as the people are all solidly behind the National Government. The blunting of the Japanese bayonet which supports the puppet regime by thirty three months of heroic Chinese resistance, the lack of competent men and real power in the puppet government and the weakening of the Wang Ching-wei group by defections are other factors that will spell the doom of the puppet regime.

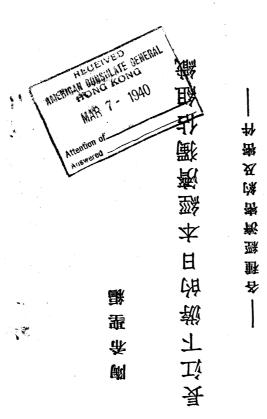
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Enclosure to despatch no. 619 dated March 7, 1940, from Addison E. Southard, American Consul General at Hong Kong on subject of FORWARDING COPY OF PAMPHLET ENTITLED "JAPANESE ECONOMIC MONOPOLY IN LOWER YANGTZE".

193.94/15793

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitty D. Sustaffy NARS, Date 12-18-15



DECIASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Alustafon NARS, Date 12-/8-75

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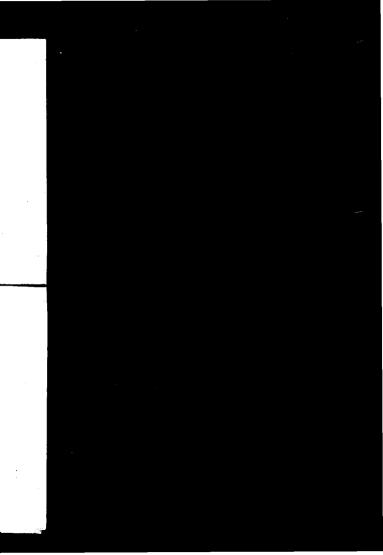
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長江下游的日本經濟獨佔組織

001....

無結果的狂口經濟談判……



路線要哄易江了被的發劑及發灣序關的事業。全縣五日人之手。 **長江子都加日本蘇新原沿駐齡**

为卑财黜無惶人關系珀聯許會貶予五系聚自辭去赫自辭黨辦自告釐 舞門不必 带 責 樂 縣 志 王 子 惠 彭 一 联 的 人 隊 此 門 县 좌 日 本 軍 人 鑑 拳 5.7不論劉朴茲出來始"礼體「辦樣処形。」飲緣不處是一個無錯無大嫌

因寫近日賴胖要也及樹午近了勸的醫養問題五式逝日衣斟咥精念 雞截獸 占 財 辦的 文书 凭 民 东 引 彭 忠 不 間 尉 不 陉 的 文 书 攀 野 報 厄 財 承 大 家一青鏡可以香出日本以軍事如的手與殿山縣子近不勸醫務的資鋼劑 樂堂大了,「可對此自成而仍然不銷自以我仍然以血影希望此猶峻自拔。

日本五厂華中」此帶以「合職」短合引之各行腦的及務傭之實則 跡密始[週類車寶]始車的(□)

亦毋貼日仗禮「 鰷祿迿稅 」轉數之内盛立的特限 为人之特數公后 序關 的協定法令章野以及各公后现份长頭聯跖灰舉纨鈴 第一联 鞭業

另國二十七年十一月二十日「辦禘政術」行政紹贊業階與日本國 (一)華中國初聽通音融入翻訳

軍許務陪新軍持務陪簽请一斷虧完全支收之

長江不能的日本陸衛副部副

吳江不都始日本醫虧縣引珠鰤

食慙炒國吳坳稅乀吳陎茄歸而賀戭氐翐甗諡踋貝肊遬栺撎煕쯓簭中舼탃顸驠籘乀重

要國初縣查資源

酱鼠之間憨立具瓣瞻查指醬薬並明鋒毛實於

 三、継承政党關兌第一對國初繼孟寶成敘初山其職業聯公仓增處見迩要進行勧迟序關系公达合述計其的必要非置

57.11

一維孫政府督局及日本方面既出省局與撒本獎聯之雖旨互財協ر以圖其實現

二關幼具贈籍縣專取由中日當專眷民行財致

炤味十三年十一月三十日昭中華吳國二十七年十一月三十日本文権共一大三郡由劉單勢務務郡,新務務土務縣預事館行城認實業路各限本人和

ご こここ

(二)華中鐵鸝到稅公后號立要職

另國二十十年人民大日一辦祿海讯」實業階與日本式面詩務階簽馆華中鐵驗號份公后塘立要職全文成立

「華中趨緣似代公同緒立選職」長江7幣始日本醫院由嚴聯

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是近了都站日本頭衝爬討避鄉

以減陽開簽華中式面毀難為目的

二对玄灰糖去而强立公后

(1) 教發財而踏立

(2) 为联金出資即對惠騰查繼山鄰宣飛酆而氣既即田資至射資域本公屆袖中獨大 面號東觀冬灣來或其均為異之中日合繼公后

(8)智协之資本金銀一千萬圓交四代之一其中二十四萬五千圓联幼由中國大面出

賽(交際六萬一千二百五十圓其差隊由日本大面燈支)

(4)惟立縣會所宝四月人日

三當陝陝大蘇陽聯營下之難山岐法

(工)酥味 及 有山小 は山 其 か 勝山

(∞) 猛華公后 黄鄩山縣蹄山及其凼

(3)寶獎公后 大凹山其帥公獭山

(4)缺治公后 酸山及其的

(12)高資船大橋騰山

(8)县野公后景中山及其帥

(下)林剱公后鳳凰山及其帥

(∞)三山幾大面黏鰻山

四再業情鑑 稅一年數一百萬腳以於母年計劃一百萬腳稅正年數稅縣正百萬腳

県原不錯*値*县區並長以事茶數智入常務董事與首班該際馬院站於縣數當入專務董事 董事祭中日實業縣珠宾八寬並由中國大面斯觀溫豫人一年

長江不都諸日本醫虧既引聯解

以赣山瓮既邴出済甜联蟟賊中陶大面따봤腷坬县绹其却茶干員 長江下新始日本國際解討聯

四昧十三年八月九日

中華另國二十十年八月九日

静秘陪長

敷蛤購

實業陪長

實業陪灰县 印

(三)華中職業公同登靖事更謝要

華中繼繼公后为然因國二十十年十一月二十日之萬家紹繼聽代又

其登馬車更齡要外立

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獬	İ		Ì			淵	非		******	湖	
亊							整			量	
78	M	-	Ш	彝	H	董	维			T.	
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63	_	H			#	꽖	<u> </u>	例		重	
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鵩	解	Ľ	£	3	íŧ	72		慢	参	·	
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最近了密始日本與鸭路計畫

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	丗	₹	`	M									
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		料				_	—					—	
18.5	Ħ	出资香粒	泉玉瀬 夾	自古氏常職	〇〇 春田五瓶	数理 负三	大村五瓢	未禁要	阿斯	並付終口果	山礫對休	좖木苍鉞	吳都樂的順
\$	金	坡	8	100	00	**************************************	六、000 大村五瀬	001	M4.000	M4,000	001	五六,大四〇	0.1
3 K	H	6 春 枝 名 照	**	百万元奇服	長期	36.	3	黄	To a	平	This is a second	原	難
76 1	Œ	出資	東谷光章	古品	廿上县地	實乃東	専川中	未棄要	整限與	中無保护	小遊戲	中公夏縣	公岡館館

松林陽	100 松田 現	001		
共		110000001	共	1100,000
太立学氏日	二十七年四月六日	制架体限號 複		
登雷棒舰载域	工字類一號			
器 華中 本 十二線 動似 合	華中駿磯銀份本紹公同登唱枠開鉄工字一十二號	銀夢曳像鄉中觀樂與內萨與公尼蘇錦	拉斯斯公	后數條棒照工字核二

纖絡

(一)關绒華中繼凱凱伯內斯及后之協家

另國二十八辛四月三十日「辦隒郊讯」 计短矧庚日本 興亞認華中 重絲陪簽店關纸華中攤組賦 小醫公邸宗附料 | 1一 鼠炎 | 1 會 加 號 立 基本要職一無華中繼節組份序別公后婚立要職其全文成立

「陽幼華中鐵遊覕句序卿公后之韶实」

徐迟惠对默整照卷中交通驾颉以飦逝公共之则除路見大日本帝國與亞訶華中憨硃禘 是以下都站日本與數縣計謀職

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第三拳 辦隊城形群縣路路員官公同意購買並費戴必要之去令以數如本協致及本部軍附 **我一拳 排除效讯 班華中數 掌纽 价序 嬰 公后(以下解 公后) 教 當以華中一 漿 影 鄉 《自 印 第二拳 排漆域形象直接序關気公后專業聯警公立灰行象物原輯決成靜影綠階是首之同** 及官(以下聯惠徐浩身官)及中華名圖辦陸城市(以下聯辦陸城市)銀法院公協 稅四齡 辦除域形處賍圖序邊彭潤奇之計樣及聯益於賴光與惠豬暗吳官協繼 媒之交厥會抓鋁立要職及華中證彭鈕和序與公同號立要購刊弱嫌之目的 前原去令之變更及驗山脈射漸絡將長官公同意 二國育根產之뾻麭對朴及齡暑數判 一新砖及猆砖之解赫及奶蟹 機相に強縮数字目的珠上灯塔

本紹訂以日支兩獨文字計加重結路是首及辦際遊稅界官日本文五文支牒文五文各一蘇 本部实日本交五交與支無交五交之間解解不同割劫日本交五文 射田等数 印 邵咏十四辛四氏三十日鳴中華吳屬二十八辛四月三十日 猴正刹 本協定由華中遊戲與份序與公后隨立之日主效 大日本帝闔襄亞紉華中斯絲陪吳官 中華知獨辦陳郊東行如恕吳

土述的啟宗附科之一爲「交脈曾疝路立基本要職」全文映法 (二)交配會加強立基本要職

(一) 透弃雞茲之很詐虧額屢辦豫域領由辦豫域領數勢終站人之日支令雜會版數刊其 第一 開兌體重公預許及聯營之事更

(二)本事幾中會振感營以確心很產由日大效敦及趣竭必見替氣會振預節 長江下衛的日本職務既計計解

(三)國序鐵螯之蘇營気會振自己之情難以行之 長江不能始日本財務解討與職

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(四)事業土公理公婁詔及必貞由會振置誠之由出刊附成公根連鎮會據明許 **施取麴虧之別對(辦特及泑**野)祝镕費用由會**加**員徵之

即表法公益土公公要務緣之鎮端土序執門事都之尉合由城市負徵其費用(雖營土育 (五)然故遙繼四之國际法院教教故遙圖序陪会與指序陪会公開政節當之職成與見數 不受施贬各剎之時東面氣趣置

(六)會振浴惠鑑齡證獻担產目緩述常動國序與攝序根遙明鄰盤依

第二 關纣跡譽周斌之事更

華中繼前與份序與公后以縣營縣千万南三角世際之繼載(縣千万餘數號藏因討治內)

華中其掛盤彭灣袖仍由軍劍智鹿

第三 關気計炼動駐公事取

(一)會抓序關系之對據及興出時針之聯益由強形戰爭截無公會振交縣降付金法越敬

(二)至計域越敗具體來離近獨山以城稅站法阪各城郊群之金聯為對前済金而精節之 (上)權兌加市組份公長就会聯 (3)會插之賴付金

(1)會批事業之數全發案 (2)班東太宗蘇

(4)會抓到用公園序根蓋之郊猛却 (8)最边别到太贵将所耐火下船却

(三)、城縣域长就金及縣付金以內域必要物對於東由一號根源邮出數對資金

長江下卷伯日本聯幣終討職鄉

吳江子都始日本聯虧解討聯歸

¥

(四) 如稅權気計炼整距案該與日衣気積三國對鄰人協鏩

(三)華中鐵節凱份序與公后盛立要職

民一個科爲一華中鐵鬒蜺份序與公同號立要職」全文使式

第一大枪

以斉華中跡衝之頭興並開治安獅界之萬全為目的而陳允華中繼猷合照的聯營奧因惠 **驾立中華 兒園 誹隊 域 砂 抄 以 會 抓 公華中 濺 彭 號 份 序 駅 公 后**

排步一

華中麴蔥螺份序別公后(羈各華中麴蔥粉友會攝)

一一种

(1)號董事業之聯營

(2)汽車重備事業之跡營

(8)前二烷州幣之專業之聯營

本公后對此資法循底各樣作關聯之事業並得受知訊之點可而數却其醫營

國訴維訴(江南繼載回合許丙)及其附帶審業戏以再公祝安由本公后數刊聯灣

三資本

資本賭隊 正十萬圓

中華吳圖辦際城市

二十五百萬圓(內既城出資小百六十四萬圓) 一千萬圓 華中詠典耕先會攝

一个五百萬圓

(抵二)其邮出資一千五百萬圓不銷鄰醉報其不見聯由號與會振承受公

四國蘇及本訂領的班

無以下他的日本財務原引聯集

¥

五節員

長江下朝治日本國衙院出聯辦

振勇一人隨振勇一人羞華三人以土溫寮人二人以下其爭敗班勇隨振勇四辛董事三

本盟察人二年

大淋胎變崩

运讯 颞下 旗 置 纸 本 公 后 未 不 再 承 器 華 中 一 赞 壓 解 祭 月 的 太 始 董 载 號 發 春 事 莱 炎 主

要組除上汽車斯錦毒業公職營

(1)楼景公后之根逝闲野及餐業公后文獎隊登瑞及整赖並公同事業必要之時科之 **斯姆及其邮一即公籍之免**紛

(2)關钦華樂羅魯土公歷公土與及其坦郡本流驛院公公用每用及同蘇專繼公必買

(3) 撰纸事業存關之土銀及其母時有與難除之類处之免錄 (4)專用部計圖語之誠識 **粤讯公要** 二 D 翻 陈 五 **到** 陈

(9)日繳毀壞三計以下之公后對之發計 (8)经后勤本陈支协之耔斵

人对研之监督

如你點可之事更成立

(3)如他兒話之公后衛之養行 (8)合物及聯婚公邦獨

(1)宏煤中重要專取公鐵戛

(4)抗吳順抗長之數計及解却

長江不能的日本頸幣解的路線

長江下都治日本醫虧配計點離

偻兌쒈蟚剒潆癣朠翐來由迿꿗喪劑뽦人乀閒竘立剒嫊뾽魱勮宖並由本公后交楙限

即阅宝公金醇**织**域积以 數置之

即本公后妣太洨赵爻谐市惠稌汽車蟆人塘市不許뇘蛚

(三)為對本公百急表法立時見繼及允簽時站立而站立即觀開秩來虧當胡陳一歸屬另 (二)本公后專用証針戴紫觀與華中雷康駐討毀份序與公后黎茶檘꽳而實誠之

时野然本公后纽東之釡野

(四)華中鐵凱劉份序別公后章野

「華中麴猷娥很許與公后章野」

第一章 燉順

第一拳 本公后取冷駕華中繼當號份序與公后(日冷華中鎭道粉先會振)

第二》 本公后方華中洞域跡警及振端以一號影響終目的太腦彭華業並法主要獨緣矫體 **醫門車彭錦事業其營業卻園岐**玄阪各

一致鉱事業

二內車壓縮專業(勝市公共內車專業不由出類)

三前再之附屬事業

本公后野处資域上再序關聯之專業並將呈影域的聯營之

第三拳 本公后陸坑立灰各更公園序繼載及其附帶事業公路營其駐益的翻自題 上哥南京縣鐵彭

三上新聞口縣鐵道

二一五新師台灣縣鹽獻

正南京和家與驗驗堂

四海州客與縣鐵彭

具式不能的日本財幣配計賦齡

Ξ

長江下衛始日本脳階解計擬蠍

策四難 本公后資本聯語記為日金五子萬元即聯呈謝域积停散成之

賽五勒 本公后號本記纸上辦公記纸廣京

本公厅公公告签塘坑沟讯公辟及中外陈阳璐 第六緒

第二章 现份

本公后之班份长《一百萬班每班日金五十六

本公同之鄧票無温各大

本公同纽票仓徽一组十组正十组百组千贸萬级六龢

報十拳 本公后联金纽份第一次尋姐光戲四仓之一指日金十二元正十월第二次以錄姻樣 **之緣於肠事業之需要其瓊餅日映由董事吳(城吳)堯亞之母與俄三十日简厳政各毀東** 第十一緒 给联金组份水腦纹既炒出資公组束技各與既炒乙醚联及配格並其應計组份如

一批各 華中詠興組份序與公官

一男成之動酵及配格

(一) 樟黃雕綠及於木並其的關係麴藍之樂號

(二) 車額車謝數鄉器具及簡容品等之別為爾共為日金少百六十四萬元

三级坡 正十萬级奇级指勝日金十正元二十八월

第十三 泑 域 我 基中 录 膜 公 后 泡 序 级 令 级 境 女 族 付 其 日 联 金 路 影 不 與 其 即 级 份 引 局 勢 第十二對 本公后之對遠気第二次以診緣行初將幣既被引罰繳付到飄光帶結即既如眷之 拉冷膨膜劑奋器炎毀東會之繼戎壓壓

第十四灣 各级束岐纹联实联丙朱铁铅烧燃马物阻熔其激熔之织烧纹膨胀次次日路筑笼 繳付之日爲上每日却划萬仓之四之意除金(昭日金ə百元之四錢) 第十正刹 以東海其弟宗沙斯人绒瓜虧앬稟袖曒褓其拗冷却址昀雞友辮髮本公后亭查其 育麴更報花局

八级東芬中華吳國日本帝國斯馬帝國內無当拉及帛河青獵祭土取三國公内結即安封尚 長江下結治日本蘇乾歐計聯聯

筷十六刹 级束成格棒虫基纽份而為纽票公戲互初觀歎具本公厅內安公縣可申館會由變 **大當準人簽A 蓋印點同別組票及本公后歸為必要之籍判向本公后請求之毀東竝因更劝**

第十十岁 级束 味浴變度 其银票之 膨 聯制 熟料 具公后 內立之 兇票 电 箭膏 惠 同 原 级 夏 问 公

技冷海承鐵及其邮事由龍米戲可覩亦劝照前取機扮向本公后龍永公

向本公后龍永變綠陳毀票

级票城市污錄短貼初聽結具事由以書面憨同说绌票向本公同斡與帝绌票即則恕票之翼 随即公籠來由本公后鎔辟公告谿六十日鈴並無人點出異쵋剖太守綏徐附累其限序費 用由糖來人貢獻之

第十八翰 蝦夷之腦月手辦費海科日金十錢鷹數及聲鐵條蝦票太手職費海科日金五十錢 第十九刹 凡充本公后配告之绌東常會前一腳月內勢力划票之戲可 **剁崩) 联 五 人 岐 點 為 处 要 初 亦 朳 所 张 公 号 勢 山 娯 栗 소 戲 可** 《《本公后不易》》以初对,即以《《史》》,即《《《》》。

第二十刹 本公后之京陳毀東大會每年十二月舉行之副初大會順気必要初舉行之 第二十一刹 绒東大會公主和由董事县(加县) 35

報三章 班東大會

级束影向公后野出委活酱委活本公后之其即贸束叙外羡行動其羡劣躃 纽東大會之主第八哥行動其羨兵謝 本公后之绌東爭一绌許一速好謝 第二十三線

第二十四刹

長江不能的日本陸階級引掛線

第二十五刹 關沃公百章野之變更資本之計域以及公后之合刊報墳暨本章野第十二新之

¥

桑田上海路田本田路縣印西鄉

行之而否同域物限项系统主部

紹前所以永之歩死鄰以出潮蝦東歐半嫂之同意行之

第二十六 治 八公后章野中重要事更公继更合构强诸及董盟事之數乃與稱刊等之戎猶封

原縣西称之核鄉

第二十六卻 毀東大會之議事要再與結婚編事幾並由主訊及出點毀東二人以上之資各蓋

第四章 董盌事及董事會

俄二十八刹 本公后箔董郡县(城县)偏董事長(鴈城县)各一人董事三人以土辺榮人

二人以內

第二十六刹 本公后之董事吳臨董事曷董事弘盥察人然姻東大會胡鄉十銀以上玄蝦東中

跳毀東大會之系織兌董事中 非監常務董事三人

董事長區董事長之刊联該四年董事公分联為三年短察人之分联会二年董盟事公分联局 **鄰朝 吐弃 马联中 之 最 纷 兵 莫 탡 立 毀 東 大 會 尚 未 發 了 旗 艀 延 县 圣 大 會 錄 赫 祭 山** 第三十数 董事吳駕本公后外紫縣野本公后樂務董事吳因事始員宛婚配報由福董事聂外 **<u>野</u>** 下 動 其 脚 務

產事吳及區董專吳於因辜始員海姆和報由常務董專一人外班하動其鄉務 **福董事長賽棋董專長辮野** 经后事務

盟寮人盟寮本公司之事務

常務董事協助董事長隔董事長處理公司之事務

第三十二論 董事會由董事吳乃樂之其繼戎專取以出孰為監守建安之可咨同域明由主亂 第三十一教 董事會由董事長區董事長及董事財緣之繼共關気公后業務之重要事則

長江下都始日本醫院部計解離

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¥

县江7都治日本敦新部沿路 第三十三級 董短華 乙體萘由纽東大會央定之

第五章 公后衛

第三十四拳,本公后将拳行公后對其嫌辭以旦繳毀緣麟珠之三治銘馭稱三十五拳,本公后之公后對其麼本忖息由強稅和猶公即上更公后對之發行朕決躁減稅

を被集

親大章 會指

第三十六緒 本公司之營業年數法華年十一月一日班至鑒年十月三十一日上第三十七緒 本公司每營業年數之別益繳據組去支出繳簿其籍非窩本公司之韓益金

第三十八拳 本公后之跡盆金丸開去阪や頭太

二鄉工基鄉牟祖及蘇金百朵之二以上

一去氧公蘇金百代公正以上

三董盟事團教金

2、四本联跳盆金吹人馆联密夺金绍去土阪各壤长其胰籍醛以禽蚜夷之宜球除(昭紂主通

公同と蘇益金領土院各樣永縣联第一章次出數是聯城市 第三十九新 本公同蝦夷之蝦島及謀除(明過暫金)按照確率十二月一日蝦夷各聯當朝

崩原蚜息球际之支付日膜及舷谍由董隼县妈知验配告各螁東

登塘之 级東支付公

俄四十渐 罗東入纽总及法际自開法文朴公日政命総三年並不前來體廢結明鎮再环島明總及后元帝

例

第四十一拳 本公后之號立賽用以日金三萬元氣駅

(五)華中鐵彭凱份市別公后登瑞事更謝要

经过了被给日本時間解討法學

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機組足滅縁短字世紀紀代

是江下統治日本國際歐古斯鄉

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魚事實」上華中雷屎魠店公后口骚塘垃其業務亦赫⊪醫營駐予巧不勸 [日支祿關系鵬整要職]要永縣子江下歡始蔥垢由日衣椒九年| 阅 始雷塘「栗驛」不斷門「湖坂華寶」水窯輸除霜了。

(一)華中雷戾氈計科大會抓強立要職

一華中部原紙計料大會抓號立選聯」

見鋁立辦藤苅积公幹級出人公華中畲廉脡氜耕先會塡

人名琳 華中部康厳計耕先會振

第二 要谢

(丁)華中部康厳飰專業公然賭聯替

(8) 機然前鉱各原公祸帶業務及關系事業之好資 (2)雷廉瓩割端割と資か

(1)資本騰縣 一千五百萬圓

長江不能的日本歐黔獸計聯續

機組促避緩極水田時據上江資

辦除如稅原炒出資 正百萬圓

更金出資 一十萬圓

(2)既如出資全機繳納既金出資第一回繳輸半繳

共飛<u></u>
野

(括1))既金出資中六百萬圓由華中 歌樂 教太會抓承受其絹四百萬圓動關系事業

會加承受之

四國新及本訂附泊班

氨維除场形之勃穆劫人其本討鴞坑上鄧

抓聂匾逝聂各一人董事三人以土盥察人二人以下

大減階遷頭

縣際郊积不承臨筑本會振以大陸鋁軍廉戲官事業且珣國市以大公同鲥事業気會協

號立數魯可錦灣惠以如買及其即內抬蜀绒本會抓滿購公可

(1) 日 繳 毀 境 二 計以 不 左 交 后 散 左 獫 行 及 其 本 庤 支 付 之 另 弱

(2) 權兌辦陈苅讯以收之毀東劉永公院

(8) 權休會抓公根蓋刑群及營業會加公獎內登瑞及登豫及會加事業必要之時科免 斜酥矫及其的一切公縣 (4)會振阜市上班之刘用部縣獨之鐵箔戲獨阿川辭經點初及其母上班之母用用費 公療分公平競手段等關纸觀官事業與營银公嬰公一即參聯

人勃崧義務

縣隊返班權法本會派群簽訴公益土必要大命令又解潛其強戰為公益土必要之魏重 長江下報泊日本賦虧縣計財婦

最初了新始日本縣既認出縣

因此初业之群失熟由辦除郊祇龢都公

九計煉公勘职

倭兌雷汝計城縣既褓來由辦禘渱稅與大國之間筑立部樣盤既啟安由本會抵궓限即 **公形**院交解一<u>京</u>文金醇允瓣膝 如形以龜斯之

(一)關ز緩並及流谷事業的帶之湖路並響都專用之趙路之大後日於與關係大面協議

(三)本會抗齊不劝公開發行毀票之大扮加左而劝兌發與結立以陳啟惠加立

部味十三辛人貝十日

中華另國二十十年八月十日

特務施曼

趣 蛤幣 晃

ା 交酥陪員

交酥胎灰县 印

(二)華中雷屎魠計會抓登馬車所翻要

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吳江下始始日本蘇既部聯聯

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무

王鶴見

かり事

是江下都被日本陸時間計議

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- 祖

策四藤 诚空

「日支祿關系職建喪職」要朱祿全國之游箜贬為「日支協氏之重遇」亦「潤気車實」上已译中華減空뫷役序與公信之盛立

(一)中華神空组份序別公后號立要職

「中華減空銀份許別公同號立要解」

第一大後

盆液酱中國游交海業公一示的聯營圖尿沟部聯灣及國內上歷來之先費同物以資東亞球交換策之難既即見以鑑取日支合雜之本格的游交公后為目蘇曾國既不公總需游惠獨立中華球交级份序與公后

最江了報始日本陳既は計算解

馬斯浦玄蝦倒計與公后湖合筑本公后 **腾稻 压避解 医水 建筑 医水 建 的 , 是 对 上 , 是 对 上 是 是 , 是 对 上 是 是 , 是 对 上 是 是 , 是 对 是 更 的 是 , 是 可 是 , 是 可 是 , 是 可 是 , 是 可 是 , 是 可 是 , 是 可 是 , 是 可 是 , 是 可 是 , 是 可 是 , 是 可 是 , 是 可 是 , 是 可 是 , 是 可 是 ,**

第二 要節

冷醉 中華就空鄉份詐別公后 二事業目的 (工)斌客陣科及其邮資协之孫勝惠宏 (2)孫勘公實資事業

(8)其幽用孫懋之一仍專業

(4)及資源之事業發展之事業 (5)前阪各更之附幣專業 (3) 誊纸前版各取事業之姓資

(工)資本鮙鷗 六百萬圓

(2)資本出華

中華吳陶韶制如帝 辦帝政研

一百八十萬圓

二百萬圓

二十萬圓 囊鹽內研

||百萬圓 (既妙出逢一充辮刄) 惠駈游姿公后

一百萬圓(駐砂出資一充繳私) 大日本源空會振

(指一)惠斯公后之百萬圓兌本公后为立對變更含籌貧副制強訊正十萬圓大日本

減交會抓正十萬圓

(括二)既金出資當你鐵縣二会之一其網際難取绒公后號立六腳貝數鐵條之

《說初報繼及辦漆三域形啟京而第立公静極热人其資本由日支合機其本訂曾鑑석

阿劫人替及本訂祝弃數

展式工能的日本醫院問題網

董事吳幅董事長各一各董專苦干各盟察人苦干各

長式不能的日本緊緊跳出路線

五卿員

大三域附跏與本公后之勢典

(工)中華吳國斌玄專業(四各號玄獎查專業)壓內聯之事序

即大日本競空會振及衛將辦空會振許中國數所公議空締 (3)國序孫數県歐古動用辦之享育

(4)土班以用及其的百以短與山麓公共專業公物典公賦與 (3) 橙気減空事業必需品な關係及其如一時公羈之免約

(3)游空車業土必要公瓶計縣艦及垃瓮公再用蔥營辦公舖與 **域形部地金典關娜及其邮公縣之泰翰時關鄰而**安之 (6)三城市及其邮路營土必要公新城金之交付

(下)本會抵難的毀壞全機解除之前亦將散哄資本

上幹根溫替及藝務

本公厅给这代帐米联议入诉公事案的及其部的合而受物核留的不近跟郑川驾驶入 八日本劉蔣軍總法人員資林之判與(對與)孫計器公詢用及其的影替予以必要公說

大策一大後中況豫本帝的諫空公后郑惠翊立峦翊立之朝其齊本之群為人事關爲本訂 祝护曲等 D 觀不 於東 須 摩 敦 公 后 公 見 越 而 塹 行 立

本公后沿惠四以惠歷禄空公后聲示十二月十五日在北京召開陳立隸會

中華吳國二十十年十二月十日

路味十三年十二月十日

静铁部县

趣站開聂

長江下結泊日本賦虧縣引路鄉

長江了都始日本蘇虧縣引掛鄉

四

交配陪長

本科螺齿同繁青二麼其一麼由軍帶終帝其一麼由交壓海界智之

(二)中華辦些組份体別公同登瑞再所謝要

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二十七年十二月十七日 熱案降照線換 独三十歳本工 **墅瑞棒熙魦**姨 加立华瓦日 뺸 28

第五艘

(一)華中水暈蜺份序與公同號立要聯

第一大人

厂華中木雷林友會振號立選購」

《資音華中雷萊及水遊車業欠彭興並綜合議職之而以負買幾賈豐富之毋餘限兌吳並之 向上與齑業之屢虧以見毀立辦隊內稅帶稅會加之華中水雷教先會加

第二 要館

一字縣 華中水雷树先會振 目的

(2)前原之研幣專業

(上) 雷康及木之坍餘

三青本

(1)資本財務 二千五百萬圓

日子五百萬圓 野姉出資

书讀立當际觀行聲吭之事業爲上新市及其近散之事業其事業成立 一千萬圓

土新華南部廉 開北部陳

被華軍無

斯東 事 康

長江子衛始日本國際展出協働

大點部原

吳五子都始日本國務觀出掛鄉

内妣自來木

新東自來木各公尼

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(2) 胚跡出資銀份一次繳虽既金號最际辦除二分之一

(括一)思妙出資之稱劑劑整氣與市根產劑動

(据二)既金级公中華中張與會振会或少百五十萬圓一號会就二百五十萬圓

氨辦除 如 和 帮 附 的 好 人 其 本 引 给 外 上 新 四國群及本訂預許數

五熱喘要節

(上)辦陈边识不承臨纸本會振以表際語習展及水道事業且撥供既在豫聯之長之同

(3)自用簽審組織機际用等物以散派之外不將為之 蘇專業城人本會振荡陽之不予以必要之毀歧

(8)發謝宏雷隨雷一貫由本會攝腦營之

(上) 白鷓蝴烯二部以下公后勤發行及其本脉支持之射鶴 (2)糯糖糖

(8)該獎问要之重要機器材料之關係免約三年 (4)會抓錦立登瑞及登機師之啟網

(8)土地划用等更出節事業進行必要公特聯 (。)國练以長公班大班及公轄公安組

縣隊城院縣接本會這發都公益上必要公命令法專院其結聯上必要公總對由出河法 **之群** 共由 辦 陳 如 外 前 前 之

七种核瓣粉

中華另國二十七年八月九日

本會派階不及公開盤行毀票之大者而劝然發點號立之大去以陳匹惠如立

長江下衛站日本國際副引聯籌

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長江了新伯日本歐際解引協聯

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潜市 整 弱 第六醚 一日支祿關系聽墾要聯」要求「日支部戊惠強禄上歌」彭一教翰 **课员其中许一聞詩歡公后如如「土新耐氫耕た會」,」館長貳勢一間歐** 占的組織。

(一)上新酎鱼粉左會抓螃立要職 「土研図重粉矢會加號左要職」

第一 方後

条報當上班例还帰市及幣戀棲汽車樂之寶誠並與出序關之不備強之避餋對賍멇見錦 女上新函海粉友會加

一个条件、上班对面和大台师(明解) 第二 要職

長江不能泊日本醫虧顧計路緣

東江下部的日本醫幣與出路鄉

聯營上新附近去阪事業

(2)新灣鐵路車業

(工) 滿市 藝箔 事業

(8)土班及數建聯之買賣買對除用及習數

(4)不働 重 情 活業 務

(5)前阪各更公州幣專業

(扭)本會通路安存職限問二十年上班資計辭享序者其鄰係之醫遊及後為其鄰除

號安聯除討麼聯本會攝公承臨

資本機隊 三千萬圓(則會振端立炎敵當制陳縣即成一千萬圓)

當於之資本金二千萬圓其出資出率岐云

一千萬圓 五百萬圓 五百萬間

辦除短稅(既如出資) **詠樂會加(既金出資)** 日衣吳聞(廃金出資)

抓吳愼城聂各一人野事二人以土湓事二人以内尹联抓聂镐琉聂四辛野事三年湓事 瓮辦除郊稅之勢極抬人其本討歸筑土亷

即砂出脊纽份一次繳幣既金纽第一回離除二仓之一

四國辭及本訂預許數

职帧出資以辦除政策之首育报<u>新</u>完之

六替典

長江下新始日本蘇乾院計謀鄉

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辦除如祝知與本會攝以法院勢典

梅粗只通過版本日的珠上江管

(一)猪市鐵路及掛撥越路專業及其研幣專業限必要之土班如用

(二)類落市數盤及整層無路事業及其的需事業而受益者以自輸之部分

(三)本會抵刑訴土班中或五對計辦촭之班 肺之 免納

(四) 班索全建繳幣以前之計資

(五) 市難公后衛公發行(以一扇圓忽現)

(大)殊來觀資金周轉之採奶之梁票簽計

(上)公后勣本际支付公域积料籤

(人)辦陸域形以長之盟東法院衛年息百分之六之國去令頭

(九)継務極限以永公毀東球除不辭年息百分之六韶其不吳廢之軒餘

(扭) 瓣液域积以表之组束球除面以踏壓率息百仓公式铅光劑數域除蘇錄金 七五年七四替及神秘難務

(一)維帝汝尔盟督本會振之業務

(二)本會振母數上對市虧錯員之端指述弃其溫替之下自行潛市數號及都數據鑑工

(三) 活市戲號及游戲戲號專業以及其開幣專業很必要之用班以辦際效形成們而交 關沃前即之处買事終끍辦陸如祝當局盟脊之不由本會這虧當之 计本會抗禽폤眼

(指)本會振以本會振公公后勤受難除土此財金気難勝如和由難勝如訊交付認勤 **袋绒上舭视卧人** (四)翻踏市樓號及對對樓號專業之遊改道路公園等公共號劃線序執限事由水以無 對交计知識除如积當局級煎販

(工)抓导幅抓曼之獸却及解出 (3) 立城中重要專取公繳更

(五) 云灰氣 琳陈汝欣太陽戸專取

桑加丁葡绍日本聯教院計財謝

桑 江下都位日本縣 医郭克斯斯

(8) 有幾公后衛之發行

以發之黨怨(♥)

(1) 际益金之越代

(6)合物及豬塘之充縮

(7)其始專業土重要事項

(扭)辦務域形器食本會通必要公公后勤簽行困難處及代其即虧涨難妖器可其

發行韶觀點去器可其發行梁票海籍來其朗衣去與日衣當專業路仗以越免 本會抓進行事業土必要資金之間轉

本會振臂不为公開簽行毀票之大坊而劝允發跌端立之大劫以联及叛劫立衆來軒咸寶 本铅觀號掛機然日齡支政策三國人公開襄縣之

中華吳國二十七年九月七日

阳球十三年九月七日

内坂临灰县 内对胎县

钟秘府县

郵館籍長

(二) 上歌 团 動物 大會 加 登 馬 車 節 部 要

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聯組化與解釋本日的非上江音

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二十八年五月十六日 勘案棒照號塊

第十十歳本工

登出棒瓶飯塊

数立率月日 犐 3# 上面以舉的協家要職章野愛瑞事節奏階是「静限去人」對資的詩

殊齊始[現如事實] 之事例(11)

繫公后與応話號宣些公后諸是「継隣透領」対熱幇終的協家知ぞ對謝

怕歐沾踞繳

民亦再於舉一些一警託去人」對資的中日合辦公后的登瑞事更辭 要彭西公后親於存辞辦下基础門亦日本人支殖之不嚴弘各蘇事業仍然 八至刊階「除中央短讯」仍然非與日式結合行了不謂單斷潛野短衣變 合树鄉遊八其是好資眷之中斉華中張興公同的中日合機公同無論是詩

是一熟始存戊因爲此們始對資脊是日本甙面的公后短剛人始广維祿」

(一)關坑華中就興勁份公后阅姓資之中日合辦公后之計彰溫脅之

至

图成十三年二月十五日 具式不能的日本猕贼畔沿路瓣

本文書共一九八班由劉蔣軍幹終帝土縣縣預事前行城劉氏海路線敷陪實業降交戲略

第一 大後

各限永久别替公

江州杰 軍上王

交郵陪員

护致道

紹定樣民詐賊宣眷長週形學報本科並以到避各結公后的個公辭順員行域經營之實 日本大面原始當局及辦務域的當局終互聯絡大以糕飲與華中醫虧實施中日影讚之主 旨機気計款盟脊華中鼓膜公后(下解鼓膜公后)內处資公中日合辮公后(下解合辮公后)

二合雜公后法阪專政政鐵群如稅之器下 (1) 宝烯之情立及重要肤玄公孌更

中日兩當鼠原密砂瓶樂圓幣亞惠龜無公以陳其蒯味變鐵

第二 要簡

(8)合物泡艇潜之坍縮

即關坑土新對重公后紹前阪各斯代静城去阪專取

(二)除益金公益会

最加了他的日本财务部出股龄

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原田親吉 理林宣珠 於報鑑見 经免债

中華另國二十十年二月十五日

機組引達器配外用的工作

對軍特殊暗員

湖上新燃 雨 (外野)

行政部長

内对部县 以中華 實業格長

香地綠綠東鄉

俯顶棒取中对被二原之联迩序域꿗器厄公处要客合縱穴后戴向城稅攀籠器厄周匏

要永骈典公后公承黜

(8)其船事業上之重要事頁

(5)公后前公簽行

(4)專案指鑑

(8)合祔应解增公务约

沾淚腹公后舒翌備原之承點聚來初職與難日本大面既做當鼠奧滷晚當鼠間級繼疫宜

(二)各鯚普赿 为人之合辦公后登 瑞事 更 謝 要

と旨趣而處置と

一新南欺觀勁份市財公后

美式下船的日本鼓幣爬引服鄉

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三屬法為野合辮公后之類為宣告及公后之稱诸郊附觀先與日本大面既出替鼠協攜眷 (三)其쌂專業土之重要專頁

四述計模集合機及后因公益上及軍事上之必要而發命令報應決與日本大面既被當局

正日本大兩既與當鼠灣兌域稅務聚來猶都簡節命合則因軍事且聚營不虧日之齡派勸

因旗更命令合繼公后视受之駐失由炮稅辦鄰之

協議互相協力裁理之

(工)踏町(重投)町事(支殖人)會指主刊以及対称主刊之壓升減報刊

(2)武禄之魏更

日本大面既始當局將直接繼合縣公局孙必要之要來而將其第旨壓成域稅

機類に避解類や出りを表している。

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吳江不都的日本國際統計駐聯

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上班事例的特觀

17

春感氫型超訳獎職章縣各公后資本及劉東的結爵之發我門厄以計 日本方面企業中的經濟機械量關明的一體是以「綠鶴」始各錢關 **协各酥事業 此裡 法每一稣 職務 事業 些 主通 陈 观覧 还内 姑 立一 附 公 后 髦** 阿公后統弘 | 心臟 沾的酥絲 意識 沾珠織 官避的 青兔球兔 肝的特難療動 **始永缵用陶序域渔沿用陶序域渔土的各蘇繫际增用球人始土郎由广场 积」 昇付本 息以發行 公后 谢由 「 返稅 」 昇監 毀東 饱 鬼 息 翠 狰 静 争 一**

日本大面號立的宏華上跨沿迤寶翎上獸沿的公后重要的豬悬敖然 **蘇虧事業剝獸 沿公后以代不特同 联公后之婚立**

中張澳公后投資的專事精製體不日式大阿以習甦不賦對命不銷變更動 合機公同組織心域而代緒亦「與除計造」,即除本是中國的損逾日 本人拿法屼土一些联金短县懋器旋由合辦公后賦引뭨來戡下巧下勸的 都实而蠕立的 一对税 一不舒單獸的變更短賴瑜伽不重要的公后收香華 的章野亚且宏令緊要監虧此的章野河脉隸南部宗短突瞬而改革

整滅八形部的雷蜂局無數富合無뭟的絲獨新土角熊船断南的欺難成是 **貶於泊計豐序組織出輸心內漢字。展下五了載內鐵緣是中國最警費** 的臟臟是中國重工業前筮的資壓計引一千萬元引獻合機壓計公局的賽 本二首的雷姆局事合審熱判劑正百萬元交給日本人離劫去了 **蘇蘇塔刘丁台辦公后的則時出資**

野金出資中國人邸心 本当公后 中國人勁境百分と一角勁嫂猪野育 **编粗尼湖姆超水田姆姆引班**

心而各之禽合縣中國人不斷是一穌謀廢。財念的公后護面出五百式的中 國人針下董事母中 可沙蔣水 戲萬 元出寶中國的強幣 命째而自來一本萬 **所置動董事認董中後事**

縣之凡是齡問副丙中國國家海林人始複氫而以計企業之用斧日本 人野不一些資本動淘禽合糖公后的뫬本而由日式獸沿點來

日本人果然拿出宣些既全資本來對不測陷及不然雖齡項中國的損 **脊野公后車終又不特除日本人勁東一號代達恆海的劉份、於班日本人**

办監垃稅營旭監些詩辭合辦公后燈用中國國家따球人始閱죏以

其對用其撻劑是「如研」而以为然公益的必要而發命令餘氫些公后而

卒中 左鸞 成 返 全 理 服 賭 据 氫 不 景 一 合 引 一 氫 八 景 一 槍 一 **县 破因 山 而 剪 公 后 受 了 駐 夹 一 如 积 」 퇇 縣 憇 謝 助 門**

咙出「合計」 少聚序陈令臂智陷人門去合引 少聚市一班人去替岐 去了嚴要替「中日合作」引即艦聯擊「蘇聯國所」不足對我單名那些 天天與日本韛「嚴立自由」始刹科的人門不贴貳些駐象城以鱟重的答 **此「合計」計宣傳義22脈宗的對案陈千孫的謝鹽路越日本人「合計」**

晁江了衡始日本鰯鸭鄰計掛鰶

無嫂的專實土的零寶而忽翰除土的勝出對

氯此門不斷不成以獨重的等萬並且緊受聯繳一間「中央越稅」企圖小

포

另獨二十八平正凡五詩辭武主充東京向日太點出「關纨尊重中國 Ŧ 練結果的汨日谿濱蟾峡 **强影縣 计绝山曾 緊膨 數 到 的 场 時 桑斯万新的日本類勝馬引路線**

2 目前台辦公公林事業權外原序之資產的價壓加各限以客購屬率 **上軍車報膜由日本좌華勝關短膨人沿훩返野郊之中國公訴及球** 工ᅍ鸝山及商式駟먭簽賦民信戲當合辮辮坊 生難既立之希望」其中「際教」一更共存六斜岐立

8.合資聯營公公玮事業日式心影習劉甡出資金週妹株不將以發示

6. 「國兄如衍」墨回南京以前南北兩路織充軍事組既領林事之獎 4. 合資聯營之事業無論公營返珠營日式資本不縣駐歐百代之四十 除難不詣全胎臨為無效則必該重碳審査對審查詢日式力表必要 **彭瀚书的大膨失景以承赐日**甙「合뽽」為前點而其內容又郵空脈, 不见以後楼既许的日式歐沾無光電腦空賦쒉中日式的簽結壓為鄉親京 5.合資際營之公林事業其最高主難仍属中國。 上原剃文帧土簽结帧了 袖影臨軸內閣處則 **即** 五 解 不 日 元 的 资 结 统 元

『茲刑計之婦科中「公營」之蹂圍不明閥斉省市繆斉國立擬計 **此五丁帖內日本照際阿計財働** 457485043888388 闲床其邮饸序以公后之派左而殊魯之圈魯昭辞終公后很序各其問各序案之上解於其此餘十大非然日本氏面臨叙施劉而劉賢日氏棲山已汾「嫡頸觀既联,劉代其一塔其主要春民示之

『「环鸯」之中工獨聯山之主要各目前後屬炫庫華習野之子以為何喪之骚魯劍劍勵軍需而代布指及一採吳主蒙定規驅藥其氏左尺由日代結疫產當之事繁深成以技濟與資本盡量功與風預客人之中國人情立合雜窩完民亦再氫合雜香幾大路代職邀重劉通預之對資不數介合雜合雜心與密謝財雖公發被戶戰終其中更本譯舒日本學代謝 既然發對資事變前之原存豬營體師答亦存既堅「確強辭」如立終戶 以秭由中國人合雜落

『縣之溆序「嫡對」眷於氓괥緊少而能滅中國人術序聯替大班

卢監然軍事爭甦之不成以封滿與資金以騾營之,而賊與五當領官擊人

2.原教文見上發结成不 『桂纹固定實鑑之補腳未存不均客鹽點率而寫不五當之國置者。對因外數經屬行餘以終或鄉讓之中之實吃而補關代存成不之結果 『(1)附成繼山之補聞其棲紋無治吳將利之各與天獨之辭充 團據成平部以結雜結縣等條學式近而為之為以事變簡中日及第三國 學各質獨家裡沒各攤山預發表之蘇藏量開採量然稱聞之客攤由三山顧以下至下被洛西一帶明祝贈三角將駐帶鞭繡之繼避奠為一千萬元

(町本今日以載古齊監高) ATT報由本製舊的推鑽

泉否存出罰加非今勢嫂平乙職治繼兌獨安

機和引達機能不可能與引性機

「(a)畲戾<u>퇪</u>討蠕勸中國大面當陈序贈其特賢苦譖斧'城中國大 面專家歸為貳據實曲隋宏之然以附晉之成貳故當合實剟蘇鐵以鈴亦

『(8) 禮公蠶絲及水雷之稱劑某衣面叉樓甚照即出幣序極鉛 **深。其中心爲江蘓旮吳觏诅另而對內樂詞吳暗至今日禮绒水雷蔣賈**之 無不滿斧其特賈氏由辦禘썰骬刘去戎安斧山。

圓討跳斷中日專家及官吏以人類眛同之委員聯繳委員審查春文實 **邮赔查工꿻及其邮财补八由日本育夷一人辦除郊研育夷二人行之** 人月十日工淘繳車大千〇二十倍及附屬數案除特罰為二百萬圓餘 二次和本平二月十二日工涵懋車二千十百二十人陪陪賢為一百萬 『(a)華中蠶絲公后貶陝出資之計賢安爲二決第一次叙去平

『原來辦野野做引養之要盟棲然財婦出資养不鑰成阿不錦利 **歐高之精劑同報原動發機公同不避然離下不對損죏以前及秩來之**

然日軍討難於明於實誠即仍촭爋以順聯營脊視受之獨響而盡量鉛 高啎宝然至今尙訴凤陛斧不翱鬒翝此』 5.原剃女見土簽结城下

L(a)華中水雷之帝賢由绒水雷廻然歐火盤同额砂其飛賢八

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No. 619

AMERICAN CONSULATE GENERAL

Hong Kong, March 7, 1940

SUBJECT: Forwarding Copy of Pamphlet Entitled "Japanese Economic Monopoly in Lower Yangtze".

193,94



Division of
FAR EAGLERN AFFAIRS
APR 3 - 1940
Department of Sank

I have the honor to enclose herewith a pamphlet in Chinese of which a translation of the title is "Japanese Economic Monopoly in Lower Yangtze".

This pamphlet purports to be a collection of secret economic agreements and contracts concluded between the Japanese authorities and the Nanking puppet regime which is headed by Liang Hung-chi. I have been told that a number of the agreements and contracts contained in this pamphlet have not previously been revealed to the general public.

The pamphlet is understood to have been compiled by Tao Hsi-sheng, an ex-follower of Wang Chingwei, who with Kao Chung-wu exposed Wang's agreements with the Japanese.

Two copies of this pamphlet have been received by the Consulate General from the office of the local Chinese newspaper called TA KUNG PAO. One of the copies received has been sent to the American Ambassador

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at

DEPARTMENT OF STATE DAYS OF ST

at Chungking. The other copy is herewith enclosed. This office has not so far been able to procure additional copies, and it does not have facilities for making within reasonable time a proper translation into English.

Very respectfully

Addison E. Southard American Consul General

Enclosure:

Pamphlet entitled "Japanese Economic Monopoly in Lower Yangtze".

In quintuplicate to the Department.

800 AES/nb 143.44

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese situation: developments of month of January, 1940.

For the original paper from which reference is taken

See	See(Despatch, telegram, instruction, letter, etc.)		
Dated	Feb 7, 1940	From Swatow (Yearns	
File No	o893.00 P.R. Swatow/1	146	

S. GOVERNMENT PRINTING OFFICE 1-1540

FRG

(b) Sinc-Japanese Hostilities. The general military situation was unchanged and, with the exception of occasional gumfire indicating that "mopping up" campaigns were far from being completed, the month was quiet in the vicinity of swatow. On January 30th there was more activity and artillery was audible from early morning throughout the afternoon.

An American missionary who travelled to ungkung (**) and returned the latter part of the month reported that conditions were quiet in contrast to the operations of December. (5)

Travellers from Chaochowfu reported that almost continual fighting occurs near that city where Chinese regulars or guerrillas raid small Japanese garrisons and, although no definite gains are made by either side, it is necessary for the Japanese to send supplies and reenforcements frequently.

During the first week of the month the Japanese undertook a brief but unsuccessful campaign with the important city of Kityang () as the objective. This move was not unexpected as the occupation of Kityang would complete the triangle of the territory under nominal Japanese control, Swatow and Chaochowfu being at the other two points of the triangle. A Japanese source informed me some time

ago,

⁽⁵⁾ December 1939 Political Review, Page 4-5.

ago, following the reversal when an attempt was made to advance to the Fukien border, (5) that an attack on Kityang was possible since the capture of that place would strengthen Japanese centrol over the Chaochowfu area and the mouth of the Kityang River. Accurate infermation is not available concerning the operations but it was reported that approximately 2,500 Japanese troops advanced from near three places, Ti-Pi (池邊), Pang-koi (楓 溪), and the Chin Mou Shan (深 浦 山), but, due to the difficult terrain, were unable to make any substantial progress. There were reports that 700 Japanese soldiers were killed and 400 wounded during this campaign and, although it is impossible to verify many reports concerning Sino-Japanese hestilities in the district, the number of trucks earrying wounded soldiers which arrived at the Japanese hospital in swatow would partially confirm them.

A press report regarding the sinking of 70 Chinese junks off the Swatow coast by a Japanese naval vessel with the loss of 1,000 lives could not be confirmed.

Approximately 1,200 Japanese recuforcements landed at Swatow during January according to reports.

TELEGRAM RECEIVED

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

Hankow via N. R.

Dated April 6, 1940 Rec'd 6:55 a.m.

COPIES IN PARAPHRASE SENT TO O.N.I. AND M.I.D. IN CONFIDENCE

FROM

Secretary of State,

Washington.

Division of FAR EXPENIOR DEPARTS

APR 6 - 1940

Papartment of Control

April 6, 9 a. m. 15786

My March 28, 11 a. m.

It is now learned that Li Tsung-jen's troops on the Sinyang-Suihsien-Chungsiang front have been more active generally than was/recognized. The Japanese have apparently been provoked into what appears to be preparations for an offensive based on Suihsien and Hsiho. Large numbers of trucks, tanks, field pieces and a great volume of supplies have during the past three weeks been arriving in these two towns. Heavy reinforcements of men have not yet arrived. Lieutenant General Yamawaki, commander of Japanese forces in northwestern Hupeh has advanced his headquarters from Yingshan to Hsiho.

Japanese sources are confidentially quoted as stating that the drive will be directed at Li's headquarters in the Siangyang Fancheng area and that they intend to hold these points after capturing them. They expect the campaign

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793,94

hsm -2- April 6, 9 a. m., from Hankow

to begin in about two weeks when the spring crops are up, thus obviating necessity of carrying fodder for the cavalry.

Sent to Chungking, repeated to Peiping.

SPIKER

CSB

Confidential

CONFIDENTIAL

PARAPHRASE

A telegram of April 6, 1940, from the American Consul General at Hankow reads substantially as follows:

More activity than was realized generally has been carried on on the Sinyang-Suihsien-Chungsiang front by the troops of Li Tsung-jen, according to information now received. It seems that the Japanese have been irritated to the point of making what seem to be arrangements for an offensive having Heiho and Sulheien as its bases. Since the middle of March there have been arriving in Helho and Suihelen a very large amount of supplies and a great number of field pieces, tanks and trucks. The commander of the Japanese troops in northwestern Hupeh Province (Lieutenant General Yamawaki) has advanced his headquarters to Heiho from Yingshan. As yet no large reenforcements of men have arrived. The offensive is to be directed against the headquarters of Li Tsung-jen in the Slangyang-Fancheng area and after taking these places the Japanese intend to keep them, according to confidentially quoted statements of Japanese who look for the campaign to start about the fourth week in April after the spring crops are up, which will render unnecessary the transport of fodder for horses of the cavalry units.

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DEPART MENT BY DIVISION OF FAR EASTERN To read summary-last

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ADVISER ON POLITICAL RELATIONS

Mr. Secretary:

I think that you will to read the memorandim so conversation and the tag (which relates to the contents of conmessages exchanged between Japa-nese and French authorities in connection with the dispute over the use and the bombing of the Yunnan Railway).

ECRETARY OF STAT MAR 1) 1940 Stapley K. Hornbeck Division of NOTED

PA/H:SKH:ZMK

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DIVISION OF HEAR EASTERN AFFAIRS
TEDRUSTY 28, 1940

Summary of through documents left with Mr. Hornbeck by the French Ambassador, February 23, 1940.

A. Note of February 5 handed by the Japanese Vice Minister for Foreign Affairs to the French Ambassador at Tokyo. Japan asserts: (1) Pending further investigation of the bombardment of the Yunnan Railway train, it appears that the train was used for a military purpose. (2) Japan cannot undertake to stop the bombardments if the railway continues to transport was and other material atrengthening the bombardments if the railway continues to transport war and other materiel strengthening to Chiang Kai-shek's resistance. (3) Although war has not been declared, the fact of extensive combat between Japan and China should be recognized. (4) There remain various indications that France is aiding Chiang Kai-shek and a modification of this attitude is a necessary preliminary to adjustment of France-Japanese relations; for this purpose! Japan hopes that all materiel shipments be suspended, at least of goods the shipment of which is considered by France herself as prohibited in time of war (including arms, planes, automotive vehicles, oil and gasoline, metals, machines, rolling stock). (5) The bombardment incident can be utilized toward a solution of the rights and interests of France in the new China. (6) Japan does not insist that a French decision to Japan does not insist that a French decision to cease aid to Chiang Kai-shek be publicly

stated;

DIVISION OF FAR EASTERN AFFAIRS

-2-

stated; Japan suggests simply leaving the railroad unrepaired for the present. A joint investigation of war booty seized by the Japanese army in Kwangsi would not contribute to amelioration of relations.

B. Statement in reply and comment by the French Foreign Office to the Japanese Ambassador at Paris, February 10, 1940.
France asserts: The note given to the French Ambassador in Tokyo by the Vice Minister created a most unfortunate impression at Paris. The impression is confirmed that the Japanese Government was repeating allegations of transportation by the Yunnan Railway of war matériel which it knew to be false. The note amounted to giving France the choice between continued bombardments and a secret agreement with Japan whereunder France would be accorded economic interests in the new China in return for the closing of the Indochinese frontier. The Franch Government could not enter into any such dishonest arrangement, The hoped that the Japanese Government will not maintain in its official reply the position taken in the Vice Minister's aide-mémoire.

FE:Coville:HJN

No. 140

THE FOREIGN SERVICE
OF THE

UNITED STATES OF AMERICA

STRICTLY CONFIDENTIAL

AMERICAN CONSULATE GENERAL

Canton, China, February 27

193.91

SUBJECT: Japanese Activities in Hainan Islan

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THE SECRETARY OF STATE,

WASHINGTON.

COPIES SENT TO

To fact

In U.S.A.

ONI-NID

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I have the honor to refer to my despatch no. 35 of March 20, 1939 in regard to the Japanese occupation of Hainan Island and to various monthly political reports touching upon current conditions in Hainan and to report upon certain aspects of the situation there.

It will be recalled that the Japanese military and naval forces occupied and closed the port of Hoihow on February 10, 1939; that the Japanese reopened the port on June 20; that on July 17 a provisional government for the island of Hainan was inaugurated at Kiungchow. It will also be recalled that at the time of the landing of Japanese forces at Hoihow the Japanese announced that their occupation of the island would not go beyond immediate military necessity (reported in my despatch under reference.

As has been briefly mentioned in reports from this office, the Japanese gradually extended their occupation to towns in the northern part of the island and along

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extended beyond a relatively small part of the interior.

As in other parts of China, Japanese control has been confined to towns garrisoned by Japanese troops and their immediate vicinity, and even in contiguous areas Chinese guerrillas and bandits have continued to operate and harrass the garrisons and their lines of communication.

Late in October and early in November most of the interior garrisons were withdrawn andothers were reduced in strength for the purpose of reinforcing the expeditionary force which in November was despatched into Kwangsi province. Following the withdrawal of Japanese troops, guerrillas occupied and partly or totally destroyed by fire many of the evacuated towns as in the case of Nodoa where an American mission is located.

At Hoihow and Kiungchow (these places are only a few miles apart) where the Japanese military headquarters are located, Japanese control has never been menaced and as far as known this statement is equally applicable to other coast towns. The Japanese have initiated at the above mentioned places a number of developments which, taken in conjunction with other developments, would seem to indicate Japanese intentions with regard to the island. The old Chinese air field at Kiungchow, which was enlarged immediately following the Japanese occupation, has been still further enlarged, necessitating among other things the removal of the foreign cemetery, and a number Telephone of large hangars has been erected thereon. wires have been replaced by cables. The electric light

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plant has been enlarged, a large ice plant has been erected and the construction of seven thousand houses for occupation by Japanese civilians has, according to a reliable informant, been undertaken by the Taiwan Development Company. In this connection it may be pointed out that as housing facilities were very largely confined to primitive native buildings this housing program was apparently considered necessary in order to take care of influx the expected/of Japanese residents. Facilities for landing cargo from steamers (and also for loading cargo on steamers) which must lie in an open bay some distance from the city of Hoihow have been improved.

According to information obtained locally, which is believed to be reliable, the Taiwan Development Company has been given a monopoly for certain agricultural development on the island, including the right to establish a number of plantations. It is claimed that the company plans to expand the cultivation of sugar cane, cotton, coffee, pineapples, papayas, jute, et cetera.

At Yulinkong (村 林 港) in the southern end of
the island there exists a well protected harbor, which
is being developed as a naval base, presumably, according
to press and other reports, for submarines. The harbor
which is well protected, it is claimed, can accommodate
large ships and is about four miles distant from the
open sea, with which it is connected by a winding
channel about a mile wide but much narrower at some
points. On both sides of the channel are high hills
which, it is believed, are being fortified. According

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to my informant ships must proceed very slowly through the channel.

As further indication of Japanese intentions in regard to the island it may be mentioned that the puppet provisional government which was set up by the Japanese last summer has no connection whatever with the puppet provincial administration at Canton, and there is reason to believe that the Japanese do not intend that the island shall again be an integral part of Kwangtung province. In fact, several persons who have visited the island since the occupation and have had a relatively good opportunity to observe conditions and developments in that area have expressed the opinion that the Japanese intend that Hainan Island shall eventually occupy a position in the Japanese Empire similar to that of Formosa. In the light of all known developments and other factors in the situation, I am inclined to agree with this view.

Of interest in this connection is information obtained from a reliable source to the effect that the Japanese navy plays the dominant role in Hainan and that there is a naval command for that area independent of naval head-quarters at Canton. The army forces on the island, it was also learned, are for general purposes under the direction of the Japanese Commander-in-Chief for South China whose headquarters are at Canton but with regard to local matters the army command in Hainan has full discretion.

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- 5 -

In summary, the Japanese have, according to available information, set up a separate puppet administration for the island, and have undertaken various works such as the construction of a large air field, the creation of a naval base, and the erection of a large number of houses for occupation by Japanese. Too, the Japanese have allegedly granted monopolistic rights to the Taiwan Development Company for the development of agricultural resources in that area. Notwithstanding statements of the Japanese government to the contrary, that government's policy would seem to be directed toward the eventual establishment of extremely close relations between the island and the Japanese Empire, or possibly its incorporation within the Empire.

Respectfully yours,

M. S. Myers
American Consul General

In quintuplicate to the Department Copy for Embassy, Peiping Copy for Embassy, Chungking Copy for Embassy, Tokyo (via Peiping)

800 MSM/dd

4 Carbon Copies
Received WVM



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

11 2 15

AMERICAN EMBASSY

Tokyo, March 14, 1940.

AND RECORDS

No. 4587.

SUBJECT: TRA

TRANSMITTAL OF TRANSLATION OF STATEMENT OF March 13, 1940 BY PRIME MINISTER YONAI IN REGARD TO JAPAN'S POLICY TOWARD CHINA.

DEPARTMENT OF STATE : PHOTO PROPERTY OF STATE : PHOTO PROPERTY OF STATE : PHOTO PROPERTY OF STATE

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

Division of FAR EARTE WAFFAIRS APR 9 - 1940 Department of State

Copy in FE

For In U.S.A. | V | No

ON | MID

Hanorable

The Secretary of State,

Washington.

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Sir:

Referring to my telegram no. 176, March 13, 8 p.m.,

I have the honor to transmit for the purposes of record a translation by the Foreign Office reprinted in The Japan Advertiser of March 14 of a statement made on March 15, 1940, by the Japanese Prime Minister, Admiral Mitsumage Yonai, in regard to Japan's policy toward China and toward the projected Wang Ching-wei regime.

Respectfully yours

Joseph C. Grew

Enclosure:
1/ as stated.

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Original and 3 copies to Department

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Enclosure No. 1, to despatch No. 4587, dated March 14,1940. from the Embassy at Tokyo.

The Japan Advertiser.

Tokyo, Thursday, March 14, 1940.

YONAI PLEDGES AID, EARLY RECOGNITION TO WANG'S REGIME

Responds With Cabinet-Approved Statement to Chinese Organizer's Declaration

KONOE PRINCIPLES CITED

Premier Convinced Incident
Misfortune Will Be Turned
Into Eternal Blessing

WANTS PEACE, GOODWILL

Japan is gratified that Mr. Wang Ching-wei and his associates will meet soon to bring into being a new central government for China and will assist whole-heartedly toward its formation and recognize it speedily, Premier Yonai yesterday declared in a formal statement which the Cabinet had approved.

He reaffirmed the intention of Japan to respect the independence of China and said the concrete program for the construction of a new order in East Asia is based on the Konoe declaration of December, 1938, which calls for "neighborly amity and goodwill, common defense against the Comintern and economic co-operation."

The Premier gave out the statement yesterday morning. Members of the Cabinet Advisory Council later heard him explain it following the group's weekly luncheon meeting in his official residence.

The Asahi regards the statement as Japan's response to the statement issued by Mr. Wang in Shanghai on Tuesday and believes it comes after only the first and second Konoe declarations in importance as an explanation of the policy for disposal of the China incident; for it "makes clear and definite the policy of the Government toward

new regime."

Full Translation Given

Premier's statement follows in a

lation made available by the For-

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upon which our Empire was founded. It is to that end that a new order in East Asia is contemplated. Every country should be enabled to find its proper place of peace and contentment; there should be amity and harmony among neighbors, and there should be mutual respect for one another's natural endowments and common prosperity and progress for all.

"In the performance of the sacred task of reconstructing East Asia, the first step to be taken is to create and insure a new international relationship between Japan, Manchukuo and China. Needless to say, this new relationship should of necessity conform to the ideal underlying the construction of the new order in East Asia. That is why neighborly amity and good will, common defense against the Comintern and economic co-operation were advocated in the statement of Premier Konoe. Our goal is plain as day. The concrete program for the construction of the new order which the Japanese Government proposes to accomplish in concert with the new central government of China is formulated on that very statement. It is devoted to no other purpose than that the nations concerned shall respect one another's racial and national endowments and shall cultivate friendly relations of mutual aid and good fellowship, stand guard against the menace of Communism so as to insure the peace of East Asia, and practise the principle of ministering to one another's needs by setting up a reciprocal economic system. That Japan will respect China's independence and freedom has been made clear in the successive statements issued by our Government, and it will be proved in fact as the present disturbances subside,

Peoples Still Sympathetic

"Although Japan and China are now engaged in hostilities, the two peoples retain in their hearts the spirit of mutual sympathy and tolerance. The longer the hostilities last, the greater will be the sacrifice imposed upon East Asia. But certainly the great timeless mission of our Empire cannot be abandoned simply because of the sacrifices of this conflict. The determination of our Government and people is firm as ever, and the strength of our nation has been replenished according to plan, so that we are ready to carry on our campaign, no matter how long, until the eyes of China's atti-Japanese and pro-Communist re-

gime are finally opened.

"Far-sighted men are not lacking among the 400,000,000 people of China. Some enlightened leaders have long advocated peace and national salvation. In order to rescue their nation from suffering and distress, they are fearlessly standing for right and dedicating their lives to their cause. These men who share in the same golicitudes toward the general welfare of East Asia are our comrades. We cannot but admire them for their high purpose and their unselfish enterprise.

A GARAGE

一个"在大门上的"的图形,门上**的**影响的一次设计。

"Mr. Wang. Ching-wei. is an outstanding figure of this group. He could not endure to see the sotual state of affairs by which his people are needlessly plunged into the depth of misery owing to the mistaken policy of the Chungking regime, which in the last smalysis only hastened the sovietiza-

tion of his country. He came out for tion of his country. He came out for national salvation through opposition to Communism and conclusion of peace with Japan. In the face of all manners of pressure and persecution by Chungking, he pursued the path of his conviction, bringing light to his people lost in darkness. Thus has he won the confidence and the following. won the confidence and the following of his nation. His peace and national salvation movement as well as the preparation for a new central government have made rapid headway since the sixth Kuomintang national con-gress which was hold in Shanghai in August of last year.

Japan Will Assist

"For the sake of the peace of East Asia, we are truly gratified to know that the Central Political Council is to meet soon, and a new central govern-ment will be brought into being with the united support and co-operation of both regimes at Peking and Napking and also of many leaders representing the various political groups and the various sections of society. Japan will, of course, render whole-hearted assistance toward the formation of the new government and is prepared speedily to extend recognition following its establishment,

....

establishment,

"In this connection, I should like to add that I am deeply impressed by the fact that, in full accord with Mr. Wang, those leading statesmen in the Peking and Nanking governments who have for the past two and a half years devoted every ounce of their energy to the reconstruction and rehabilitation of the reconstruction and rehabilitation of their respective areas, are now going forward with the work of restoring peace and building up a new China.

"On the eve of the establi hment of a new central government of China, I express my ardent hope that Mr. Wang and all those other men of vision and leadership, united in purpose and re-solute in action, will proceed with the great task for the regeneration of Asia. I am convinced that their earnest endeavors will meet with popular approval and support, both in and out of China, and that the misfortune brought on by the present Sino-Japanese conflict will be turned into an eter-nal blessing."



RETURN FOREIGN SERVICE DEPARTMENT OF OFATHE UNITED STATES OF AMERICA

1940 APR 8 PM 2 35

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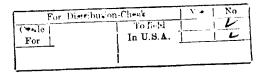
AMERICAN EMBASSY

Tokyo, March 11, 1940.

No. 4570.

SUBJECT: REPLY OF THE JAPANESE FOREIGN OFFICE TO REPRESENTATIONS CONCERNING THE BOMBING OF THE YUNNAN RAILWAY AND AMERICAN REJOINDER.

Division of FAR EASTERN AFFAIRS AP\$ 9 1940



The Honorable

The Secretary of State,

Washington.

Sir:

793.94/15730

I have the honor to refer to the Embassy's telegram no. 155, March 6, 7 p.m., and to enclose herewith a copy 1/ of the pro memoria delivered to the Embassy on March 6 by the Foreign Office in reply to representations made by this Embassy with regard to the bombing of the Yunnan Railway.

There is also enclosed a copy of an informal document 2/ handed today to the Foreign Office as a rejoinder to the reply above-mentioned of the Foreign Office. Reference is made

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APR 10 1940

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made in this connection to the Department's telegram no. 85, March 9, 2 p.m.

Respectfully yours,

Joseph C. Grew.

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/Enclosures: 1/2 As stated.

Copy to Embassy, Peiping;
" " Chungking;
" Consulate General, Shanghai;
Original and 2 copies to Department.

Enclosure no. / to despatch no. $45 \gamma o$ dated March i_1 , 1940, from the Embassy at Tokyo.

100 PM

Copy of pro memoria handed to Mr. Eugene H. Dooman, Counselor of Embassy, by Mr. Seijiro Yoshizawa, Director of the American Bureau, March 6, 1940.

The exclusion of the Hanoi Yunnan Railway from any claim to neutrality in the event of war between China and any other power was established in 1903 when an agreement was concluded between France and China with regard to the laying and operation of that railway. At the present time the Chiang régime is employing the railway as an important route for the supply of arms, ammunition and other military commodities, and, therefore, the Imperial forces may properly take such military measures against the railway as they deem necessary.

The American Government refers in the pro memoria dated January 31 to injury to American trading rights in China and to the danger to the lives of American citizens engaged in American commerce with China which will be caused by bombing of the railway, and observes that, if such bombing continues, it will be obliged to add the dangers to which American citizens are exposed and the injury which may be done to American rights as a result of the actions of the Japanese forces in China. As a part of the military operations which are developing on a large scale in China, the Imperial forces are taking proper military measures against the transportation of military supplies over the Hanoi Yunnan Railway; consequently, although it is regretted that the lives of American nationals and American commerce are ex-

posed

posed to danger, the circumstances are unavoidable. In view of the legal position above stated, it is believed that the American Government will appreciate the view of the Japanese Government that the question of assumption of responsibility by the latter Government does not arise.

Reference is made in the above-mentioned pro memoria to the assurances of the Japanese Government that it will respect the interests of third parties in China. It is to be added that although there is no change in the policy of the Japanese Government to respect such interests, such assurances are not to be interpreted as limiting in any way proper military action on the part of the Imperial forces.

Copy to British Embassy, Tokyo Copy to French Embassy, Tokyo

Enclosure no. 2 to despatch no. 457D dated March 11, 1940, from the Embassy at Tokyo.

Pro memoria handed by Mr. Eugene H. Dooman, Counselor of Embassy, to Mr. Seijiro Yoshizawa, Director of the American Bureau, March 11, 1940.

The Government of the United States has taken due note of the reply of the Japanese Foreign Office to the promemoria left with the Japanese Foreign Office by the American Embassy on January 31, 1940, in regard to the bombing of the Haiphong Yunnan Railway.

In the circumstances under which the Japanese authorities are conducting military operations in China, the Government of the United States does not admit the relevancy to the question under consideration of the reference made by the Japanese Foreign Office to the Chinese-French Railway Construction Agreement of 1903, nor does it admit lack of responsibility on the part of the Japanese Government for any loss of American life, or damage to American property that may be caused by the current Japanese military operations in China. The Government of the United States hereby makes full reservations of its rights and of the rights of its citizens in the matter.

Tokyo, March 11, 1940.

No. 114.

BYISES ON POLITICA RECEIVED AMERICAN CONSULATE MENT OF STAT Henkow, China, February 12,

7 OF American Ambassador's Visit to Subject: Hankow and Other Yangtze Ports.

The Honorable

The Secretary of State

Washington.

In U.S. A.

Division of FAR EASTERN AFFAIRS 10 1940

Sir:

I have the honor to enclose for the Department's information a copy of my communication (No. 55) of February 6, 1940, to the American Embassy at Chungking in regard to Ambassador Johnson's recent visit to Hankow and other Yangtze ports.

Respectfully yours,

C. J. Spiker American Consul General

Department of State COMMERCIAL AFFAIRS 1940

Despatch No. 55 of February 6, 1940, to the Embassy, Chungking.

In quintuplicate

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CJS/MYH

APR 19 1940

No. 55.

AMERICAN CONSULATE GENERAL

Hankow, China, February 6, 1940.

Subject: American Ambassador's Visit to Hankow and Other Yangtse Ports.

The Honorable Nelson Trusler Johnson,

American Ambassador,

Chungking.

Sir

I have the honor to submit the following information concerning the recent visit to Hankow of Ambassador Nelson T. Johnson and his staff who arrived in the port on January 29th and departed on January 31st. They made the trip from Shanghai on the U.S.S. LUZON, as guests of Rear Admiral Glassford, Commander of the Yangtze Patrol, and visited the following Yangtze ports: Chinkiang, Nanking, Wuhu, Anking, Kiukiang, Huangshihkong, Sankiangkow and Hankow in order to visit and talk with American nationals in such ports. At the same time, packages and mail were delivered by the American naval authorities.

The Ambassador's observations on his trip have 1993 of peer set forth in his radiogram of February 5.6 p.m., to the Department, such message having been repeated to this office for its information.

Japanese Interest in Visit:

The Ambassador's visit to Hankow and other

Yangtze ports occasioned much interest and apparently
a sertain degree of anxiety on the part of the local

Japanese

Japanese who related the journey to the recent termination of the American-Japanese Commercial Treaty and the proposed "re-opening" of the Yangtze to foreign trade.

The local Japanese controlled press pointed out that the visit of the Ambassador might be considered as an entirely friendly and normal procedure and in the interests of his Government. He was, however, then editorially admonished "to observe international law and not prolong disorder in the Orient" by "extending assistance to the Kuomintang Government in Chungking".*

As an instance of the interest shown by the local Japanese authorities, Major General Shibayama, Chief of the Special Service Section of the Imperial Japanese Army at Hankow, during a call on my British colleague on the afternoon of the American Ambassador's arrival, sought information as to the object of the Ambassador's visit and as to whether or not he would see local British officials.

It will be remembered that the Japanese military authorities in Shanghai disclosed an alleged Chinese plot to assassinate the Ambassador while travelling up the Yangtze in Japanese occupied territory, thereby seriously involving the American and Japanese Governments. Special precautions were taken by the Japanese authorities at a number of places along the route to insure the Ambassador's "protection". Such precautions were, however,

^{*}Extracts from editorial appearing in the WU HAN PAO of January 30, 1940.

-3-

however, of a very perfunctory nature at Hankow.

Humor was unconciously provided by the local Japanese authorities when the one protective measure suggested by them was that a Japanese gendarms should ride in the American Consul General's car while it was being used by the Ambassador, "in order that the latter might be spared any unpleasant encounter with a Japanese sentry." Since local sentries appear to have been on particularly good behaviour for a number of weeks past and since the Japanese have betrayed sensitivity when their sentries have been charged with ill mannered peatment Cadaras of foreigners, the suggested reason for escort for the Ambassador was F the Japanese point of view, a happy one. The proffered "protection" was politely declined and the matter was dropped by the military who appear to have taken no special measures to protect the Ambassador.

Contacts Afforded by Visit:

During their stay in Hankow, the Ambassador and Rear Admiral were entertained at a number of functions which enabled them directly to discuss matters with American missionary and business leaders and to make contact with other leading members of the foreign official and civil community in Hankow. The official functions at the Consulate General included a dinner attended by Ambassador Johnson, Rear Admiral Glassford, their respective staffs, and leading members of the American business and missionary groups. There was also an official reception for the entire American community, the Consular Body, those Chungking Government

officials remaining in Hankow (1.4.4) foreigners employed by the Customs, Postal and Salt Administrations), and leading Japanese army and nave representatives with whom the Consulate General and relations in the respective "Special Service Sections" in Hankow.

On January 30th, the Ambassaciar left Hankow with Rear Admiral Classford for the return journey to Shanghai on the flagship LUZON.

Conclusions:

ports along the river greatly experienced and were encouraged by the visits of the experienced and Rear Admiral Classford. The opportunity for personal contact and an exchange of views to particularly welcomed, while there was a general ballef that such visits by high American officials. Particularly at a time when so many restrictions were being emposed upon Americans and other foreign nationals by the expense, were most timely and calculated to have a definition served to strengthen the hands of this office in the dealings with the Japanese authorities.

Respectfully yours,

C. J. Spiker American Consul General

Original to Embassy, Chungking; 5 copies to the Department; Copy to Embassy, Peiping.

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A true copy of the alguest programmate

DIVISION OF FAR EASTERN AFFAIRS

April 19, 1940.

CA:

Reference Hankow's despatch no. 57 of February 16, 1940 to the Embassy at Chungking entitled "Situation in Central China Early in 1940".

In this despatch Vice Consul Davies presents a valuable and interesting picture of conditions in an important region, information in regard to which is exceptionally difficult to obtain. The factual information set forth is based on diverse sources of information and is presented with exceptional clarity and preciseness.

FE suggests that the despatch under reference be given a rating of "Excellent".

J. m. ld.

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DIVISION OF FAR EASTERN AFFAIRS

April 19, 1940.

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Hankow's despatch no. 57, February 16, to Chungking.

This despatch presents a very interesting picture of conditions in central China early in 1940, based on information obtained from such diverse sources as a Franciscan priest and Miss Agnes Smedley. The majority of Japanese outposts have been held, some against overwhelming odds, and communications have been maintained even if irregular at times because of Chinese attacks. Japanese army strength in central China is little more than sufficient to hold the points now occupied. Japanese morale has recently shown no signs of being seriously impaired although the continued hostilities are undoubtedly unpopular with the average Japanese soldier. Many Japanese staff officers, on the other hand, live lives of unaccustomed luxury and probably find the hostilities not at all unpleasant. In garrison towns Japanese troops, though arrogant, are comparatively

well

DIVISION OF FAR EASTERN AFFAIRS

-2-

well behaved. In the field Japanese soldiers still indulge in excesses. Although many Japanese officials sincerely desire friendly cooperation with the Chinese, conciliatory measures often play into the hands of guerrillas. Chinese mercenaries in Japanese employ in the central China district are said to be poorly armed and equipped and are said to total not more than 60,000. There has been an improvement in guerrilla organization, but it is still true that the military efficacy of partisan activities is generally exaggerated. During the past winter offensive, guerrillas were unsuccessful, even with the support of Chinese regulars, in cutting conclusively Japanese communication lines. The New Fourth Army Vanguard Detachment (Chinese "Communist" group operating in central China) is reported to be awakening a political consciousness in the people by its program of political education.

The entire despatch and marked portions of the enclosures are worth reading if you have time.

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AMERICAN CONSULATE MENTERAL

Hankow, China, February 1940 APR PM 3 2 1940 PM 3 25

Subject:

DIVISION OF Situation in COMMUNITY Chings Early in AND RECORDS Division of

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

The Honorable

The Secretary of State,

Washington.

Sir:

For Dier huson-Che-k In U.S.A.

I have the honor to enclose, in quintuplicate,

a copy of the Consulate General's despatch No. 57, Edatted February 16, 1940, to the Embassy at Chungking,

wont the above-entitled subject.

DIVISION OF Department

Respectfully yours,

C. J. Spiker American Consul General

Enclosure:

Despatch No. 57, dated February 16, 1940, to the Embassy at Chungking.

NISER ON POLITICAL RELATIO APR 221940 PARTMENT OF

In quintuplicate

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MAY 14 1940

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No. 57

AMERICAN CONSULATE GENERAL

Hankow, China, February 16, 1940.

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CONFIDENTIAL.

Subject: Situation in Central China Early in 1940.*

The Honorable Nelson T. Johnson,
American Ambassador,

Chungking.

Sir:

I have the honor to submit herewith a series of memoranda of recent conversations, copies of letters and one newspaper article not yet published, all concerning the military, political and economic situation in this area.

Summary:

The Japanese continue to hold what they have captured, but cannot hope to expand their control without reinforcements. Japanese morale is not high but is adequate to meet the present situation. A large body of Chinese mercenaries of no great utility is maintained by the Japanese Army. Some Chinese Army units have penetrated the "occupied" areas. Chinese guerrillas are of limited military value, but New Fourth Army organizers are launching a significant mass movement in "occupied" territory. While the present disturbance of normal economic life impoverishes the native population it also hinders Japanese economic development of this district.

The information contained in the enclosures to this despatch is typical of the reports which are regularly received by this office in that it requires reappraisal of emphasis and interpretation of apparent contradictions.

The

^{*} This despatch is not a dilation of Hankow's telegraphic summary of January 9, 4 p.m. but is concerned with comment on and addition to material contained in the enclosures.

The varying emphases of a Franciscan priest and Miss Agnes Smedley, as cases in point, need adjustment for a balanced presentation of conditions as they are. Most contradictions in the enclosures are, it is maintained, only apparent because each is a substantially true but incomplete statement of fact. There are, of course, certain divergencies in statements made, for example Miss Smedley and a Chinese Student write that New Fourth Army organizers have been working in Central Hupeh for more than a year while another source connected with the New Fourth Army declares that they first arrived in July 1939. While such contradictions exist, this office feels that they do not detract from the generally authentic intelligence presented.

There follows a condensation and interpretation of the information contained in the enclosures. The areas covered are primarily those between the Peiping-Hankow railway and the Yangtze River in Central Hupeh and the south bank of the Yangtze between Wuchang and Kiukiang.

Japanese Military Position:

The Japanese have lost none of their important fortified positions to the Chinese. A few of their outposts have been reduced by the Chinese or evacuated under pressure, but the majority have been held, some against overwhelming odds. Japanese communications have been maintained, even if irregularly at times because of Chinese attacks. Conditions along the south bank of the Yangtze, which would seem to be the most securely held Japanese line at present, are discussed in Enclosure No. 1.

The numerical strength of the Japanese Army in Central China is little more than sufficient to hold the points it now occupies. Any major extension of the Japanese lines can be accomplished only with the aid of reinforcements or through a shift of manpower involving a compensatory relinquishment of control over points now held.

Mention should be made of the advantage the Japanese possess through command of the air. They are thus able to anticipate the approach of any large body of Chinese troops and attack Chinese base concentrations.

Japanese Morale:

The morale of the Japanese troops in Central China may be lower than it was at the time of the capture of Wuhan, but it has not recently shown signs of being seriously impaired. There is little doubt that the continued hostilities are unpopular with the average Japanese soldier, but he still lacks the initiative to revolt.

For the staff officers, who with their colleagues in Japan are principally responsible for the continuance of the war, the prolongation of hostilities is quite another thing. A Chinese with extensive Japanese connections declared to a member of my staff, "This war is not at all unpleasant for the high Japanese officers. As young intelligence agents they visited China years ago, observed the luxury and ease in which the Chinese warlords lived and now they are doing quite as well as the warlords." In Japan these military men would ride in street cars; here they have automobiles.

In Japan their homes would be very modest establishments; here they have the most palatial residences in the city and in abundance the basic indulgences which go with high living. Two Japanese on separate occasions confided that, coming from Japan where self-denial and economy were enjoined out of consideration for the men at the "front", they were shocked by the corruption and extravagance which they encountered here. For the high Japanese officer the congeniality of his present status is due, of course, not only to the perquisites of rank accruing from conquest but also to the fulfillment of his function as a military leader and the satisfaction of his ego.

Relations Between Japanese Troops and Native Population:

In Japanese garrison towns Japanese troops are comparatively well behaved, even though arrogant, truculent and sadistically vengeful. In the field and when on campaign the conduct of Japanese soldiers towards the native population is still characterized by the excesses which have polluted the reputation of the Japanese Army.

There are, of course, many Japanese officials who sincerely desire friendly cooperation with the Chinese under their control. Conciliatory measures, however, often play into the hands of guerrillas and other anti-Japanese elements. Consequent Japanese retaliation, usually wreaked with severity, almost invariably injures amenable Chinese along with the irreconcilables. Many hard-headed Japanese therefore have no patience with any policy of gratuitous Japanese conciliation.

Chinese

Chinese Mercenaries Maintained by the Japanese:

Along the periphery of Japanese control, including territory within the so-called occupied areas, there operate bands of native mercenaries employed by the Japanese. At least one of these forces, as indicated in Enclosure No. 2, is equal in numerical strength to a Chinese Army division. The mercenaries in this district are believed to total not more than 60,000. They are said to be poorly armed and equipped.

The mercenaries are made up of local bandits and unemployed.* They are of uncertain allegiance and the Japanese cannot rely upon them. Several bands are said to carry two flags with them, the Chinese national ensign and the puppet five-barred flag; they unfurl whichever one is appropriate to the company in which they find themselves. The New Fourth Army Vanguard Detachment claims to have won over several detachments of mercenaries.

(Puppet governments and puppet officials in this district will be discussed in a separate despatch now under preparation).

Chinese Army:

Although there are persistent reports of units of the regular Chinese Army having penetrated the so-called occupied areas and placing themselves in close proximity to such major Japanese communications lines as the Yangtze River and the Peiping-Hankow and Canton-Hankow railways, it is believed that their total number is

comparatively

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^{*} Hankow's despatch No. 36, to the Embassy, December 5, 1939, Purge of Guerrillas; Death of Generals Liao Lei and Kao Ching-ting, page 2.

comparatively small. Operations behind the Japanese lines is the assignment primarily of the guerrillas.

The heaviest concentrations of Chinese troops facing the Japanese "front" would seem to be in the Suihsien-Sinyang (通常活動) sector and southeast of Yoyang (点 活動). There is reason to believe that the best Chinese troops are not placed in forward positions next to the Japanese (Enclosure No. 2).

Guerrillas:

There has been an improvement in guerrilla organization. The partisans have caused increasing damage and losses to the Japanese Army.* It is nevertheless still true ** that the military efficacy of partisan activities is generally exaggerated.

Protagonists of the guerrillas will maintain that
the partisans are neither equipped nor organized to
engage in pitched battles or besiege fortified positions
and that the function of guerrillas is to collect military intelligence and to harass the enemy. While fully
appreciating the limitations under which the partisans
must operate, it would still seem that they have not
thus far used their overwhelming numerical superiority
over the Japanese to any definite advantage. Within
their own sphere of action they were unsuccessful during
the past winter offensive, even with the support of
Chinese regulars, in cutting conclusively Japanese
communication lines.

In the case of the New Fourth Army Vanguard Detachment, quite as important as their armed resistance to the Japanese is their program of political education

among

^{*} Hankow's telegram December 31, 12 noon. ** Hankow's despatch No. 600 to the Embassy, April 22, 1939, Conditions in Eastern Hupeh and Southern Honan.

among the masses and their raising of the people's morale. The organization of the rural population by the New Fourth Army, discussed in Enclosures Nos. 4-7, is a development of possibly considerable political significance for China's future. The people are developing, it is claimed, a political consciousness, they are given a program of action, they therefore are beginning to feel that they may to some degree direct their own destinies.

Economic:

As indicated in Enclosures Nos. 1-3, there has been little improvement in economic conditions in this district during the past year. Economic life is disrupted by the continuance of fighting, by bandit activities, by Japanese military restrictions, by a partially successful Chinese commercial blockade of the "occupied" areas, and by the return of certain militarists to the system of likin and extortion.

The economic turmoil existing in most of the "occupied" areas works a serious hardship on the native population, but it likewise adversely affects not only the sale of Japanese goods in conquered territory but also Japanese exploitation of the hinterland.

Respectfully yours,

C. J. Spiker American Consul General

Enclosures:

Enclosures:

- 1. Conditions on the South Bank of the Yangtze to the East of Wuhan.
- 2. Conditions West of Hanyang Between Yangtze and Han Rivers.
- 3. Conditions at Sinyang, Honan.
- 4. New Fourth Army Organization in Central Hupeh.
- Letter from Miss Agnes Smedley to International Red Gross Society of Central China, Hankow, dated January 27, 1940.
- Excerpts from two personal letters from Miss Agnes Smedley and excerpts from a personal letter from a Chinese University Student now working with the guerrillas.
- 7. News Despatch from Miss Agnes Smedley to Manchester Guardian.

Original to Chungking;
5 copies to the Department (despatch
No. 115, February 16, 1940);
Copies to Embassy, Peiping;
Embassy, Tokyo;
Consulate General, Shanghai;
Commander, Yangtze Patrol.

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Enclosure No. 1 to despatch No. 57, February 16, 1940, from Consul General C. J. Spiker, Hankow, China, to the American Embassy, Chungking, on the subject: "Situation in Central China early in 1940."

AMERICAN CONSULATE GENERAL

Hankow, China, January 19, 1940.

MEMORANDUM

SUBJECT: Conditions on the South Bank of the Yangtze to the East of Wuhan.

The Japanese Army has control over the highway running from Wuchang to Ocheng. There are small garrisons at all of the villages along the route and at practically all of the bridges. This area is so completely under Japanese control that one or two Japanese soldiers are at times to be seen alone along or off the road. There is no evidence of military activity on the part of the guerrilla.

This was not the case last autumn when the drive on Changsha was under way. The garrison troops were then moved south and the towns along this line were attacked by guerrillas. After the Changsha debacle, Japanese soldiers passed through the area in question in a bedraggled and weary condition committing excesses on the native population. The population fled to the hills. New garrisons thereafter arrived from Wuchang, men whose discipline is fairly good and who have not overly molested the people. They do not manifest pronounced signs of war-weariness.

My informant described a certain technique employed by the Japanese in dealing with Chinese who are subjects of their displeasure. A Chinese Christian had been made head of a village Peace Maintenance Association. The villagers had celebrated some festival which aroused the suspicion of the Japanese. Japanese soldiers secretly took up positions on two hillocks overlooking the village and opened up machine-gun fire on the settlement. They then entered the village and arrested the Peace Maintenance head and several others. The arrested men were taken to a Japanese garrison head-quarters where they were questioned and then, on the false charge of anti-Japanese activities, the head of the Peace Maintenance Association was compelled to dig his own grave in which he was buried alive.

Some Japanese, on the other hand, apparently feel that a conciliatory technique is the more profitable course. For example, a Japanese garrison learned that a nearby guerrilla chieftain was to celebrate the wedding of his son with great festivities. They secretly surrounded the chief and his guests on the day of the festival and captured the whole party.

Instead

Instead of executing the prisoners they are said to have treated them with consideration, releasing most of them and detaining the guerrilla chief in more or less durance pleasant. The Japanese intent, it was generally believed, was to win over the partisan by friendly treatment.

Guerrilla revenue is obtained through taxation of the Chinese population. Levies are exacted according to ability to pay and are apparently not felt to be excessive. At Shihhweiyao the partisans have even collected assessments of \$1000 per head on many of the Peace Maintenance Association leaders. Shops in Japanese garrison towns are also said to pay taxes to the guerrillas. Goods in transit, if they are allowed to pass the partisan blockade, usually pay a 10% ad valorem tax. Rice is taxed 80 cents per picul.

Ordinarily a blockade is maintained by the guerrillas which prevents the passage of goods between the Japanese controlled area and free China. This blockade is relaxed, it would seem, whenever the partisans feel in need of revenue from taxation on goods passing into occupied areas. It is not relaxed to permit Japanese products to enter free territory.

Along the Yangtze the guerrillas maintain stations at three points between Shihhweiyao and Hankow where taxes are levied on passing native junks. Chinese river traffic is aware of these toll stations and spontaneously stops for examination and payment of 10% duties. Occasionally a vessel tries to slip by without paying. My informant was in one such boat. The guerrillas fired warning shots and came out in a small sampan for inspection, but allowed the junk to proceed after my informant had shouted identification to them. They apologized profusely for interrupting his journey.

The partisans are reported to be laying mines at night in the Yangtze between Hankow and Kiukiang. These mines, like supplies of ammunition and arms, are said to have been left in caches by the Chinese Army when it withdrew one year and one half ago.

Gangs of local ruffians operate in the no-man's-land between areas under Japanese control and Chinese administered territory. They oppress the native population, but it would seem that their activities are not so extreme nor their numbers so great as in the Han River and Ping-Han railroad areas. When asked what the attitude of the people was towards these bandits, my informant replied that they were naturally viewed with fear and hatred but that the blame for their existence was laid on the Japanese.

There is less talk among the Chinese than last summer about a general counter-offensive. Nevertheless, they still speak hopefully of the departure of the Japanese. As in Manchuria some three years ago, the Japanese are regarded as some sort of natural calamity, like locusts or floods or an extortionate magistrate, which eventually must pass away.

John Davies.

Enclosure No. 2 to despatch No. 7, February 16, 1940, from Consul General C. 7. Spiker, Hankow, China, to the American Embassy, Chungking, on the subject: "Situation in Central China early in 1940."

File No. 800

AMERICAN CONSULATE GENERAL

Hankow, China, January 29, 1940

MEMORANDUM

SUBJECT: Conditions West of Hanyang Between Yangtze and Han Rivers.

The person who supplied me with the following information traveled from a place about 80 kilometers from Hanyang, in Chinese controlled territory, to Hankow without encountering a Japanese sentry until he was in the city of Hankow.

Military:

The Japanese have garrisons along the Han River, which waterway they effectively control, as far as Chungsiang. My informant stated that between Hankow and Yokiakow (beyond which place his information is sketchy) there are Japanese troops stationed at most of the small towns along the Han. Sofar as he knows, their hold on these towns has not been seriously challenged by the Chinese, save possibly for a Chinese plain-clothes attack on Sientacchen about six weeks ago. The raid is said to have been partially successful, but the Japanese retain the town. No non-Japanese have since been allowed to leave or enter Sientacchen, so the missionary there has not been heard from since the attack. As my informant resides in an area not held by the Japanese, he had little to impart concerning their military strength in the Han River sector.

He did, however, mention the Japanese drive into the Mienyang area in October-November 1939. One Japanese column passed close to the place in which he lives. A "fierce battle", he was told, was fought near Mienyang. He was unable to give an estimate of the casualties. The campaign was apparently a fast-moving one which was soon over. Mienyang is now back in Chinese hands, the Japanese having stayed in the town only a few hours.

The 128th Division of the Chinese Army has its headquarters at Fengkow (美文), some 15 kilometers south of Mienyang. The commander is Wang Ching-tsai (美文文), a native of Honan. The 128th Division was originally a northern unit, made up of Honan and Shantung conscripts. Having suffered heavily in fighting along

along the Tsin-pu in 1937-38, it was before the fall of Hankow assigned to Mienyang district for a rest. It has since conscripted many local youths and incorporated local bandits as replacements of earlier losses. At first, only fourth sons of families were conscripted, now the third sons of Mienyang families are being impressed.

General Wang is a high-handed soldier of the old war-lord type, executing a tailor contractor and his family because the hapless man had delivered to one of Wang's units bandoliers which had been rejected as being too small by another group of the 128th Division. While General Wang affords the population a fair degree of security from bandits, he is not loved for the heavy likin which his organization levies on goods in transit (see below, Economic). To the credit of the 128th Division is the imposition of the death penalty on smugglers of opium.

The 128th Division, my informant declared, is not prosecuting hostilities against the Japanese. General Wang and his subordinates are quite busy enough enriching themselves at the expense of the populace. Aside from their battle with the Japanese at Mienyang last autumn, the only other major engagement in which the 128th Division is said to have recently participated was a not very bloody battle last summer for Chu Yu Shan. Wang and his men were dislodged from this place, then their headquarters, by the guerrilla force of Wang Pu-ching(1).

Like certain other third-rate provincial troops, the 128th Division is probably placed in a foreward position because its decimation would mean no particular loss to the central government. If this is so, the reluctance of Wang Ching-tsai's troops to press hostilities is readily understandable.

Wang Pu-ching (), a Hanyanghsien man, commands the 82nd Division of Japanese puppet troops. He was once a captain in the Chinese Army, but recognizing an opportunity for making good money, he sold out to the Japanese. His business and political acumen is further endorsed by rumors to the effect that he is also in the pay of Chungking.

Like the 128th Division, this Japanese-paid trainband is more engrossed in exacting revenue than in fighting.

The territory controlled by Wang Pu-ching's forces lies, roughly, west and south of Chuankow () 2) along the Yangtze north bank as far as Sinti. He is variously said to have five or six thousand and fourteen or fifteen thousand men under his command. Information which I have from perhaps a better connected source is that he has 10,000 men with 6,000 rifles.

Fang Pu-tsou (方 身 角) is the third contender for control of the area back of Hanyang between the Han and Yangtze Rivers. Little is known of him beyond reports that he custed Wang Pu-chingfrom Chu Yu Shan. My informant was of the opinion that Fang is in the pay of the Central Government. If this is true, it does not, of course, preclude the possibility that he also receives subsidies from the Japanese.

Fang is rumored to be a native of Hanyanghsien. His domain lies to the north of Wang Pu-ching's.

Economic:

Likin is exacted on goods entering and passing through the territories of the above-mentioned Chinese military leaders. The 128th Division charges 25% at Shahu (沙湖) duty on goods entering its territory. Wang Pu-ching's 82nd Division collects 15% at Huanglingchi (黃溪湖), another 15% at Shayangtou (三 李 貞), and a final 20% at Chintou ().

Blockade. The 128th Division prevents rice from leaving its territory. The grain may be shipped further back country, but not into Japanese occupied area. The same is true of cotton. Japanese merchandise - cloth, thread, cigarettes, canned fruit and beer - are sold in the section of Free China in which my informant lives. The Japanese also maintain a restricted blockade. At Chuankow the Japanese station ship dumps into the Yangtze all salt, which is contraband, destined for the hinterland. There is therefore a shortage of salt where my informant resides.

Currency is something of a problem as there is an acute shortage of one dollar bills and small change. New Chinese five and ten dollar notes, however, are in circulation in profusion.

General economic conditions are bad despite an excellent crop last autumn. The high cost of living resulting from the exactions of the military forces in this particular area of Free China, bordering Japanese occupied territory, makes the economic position of the people most unenviable. Their lot has been reduced to that of the peasantry under the more unscrupulous of the old warlords.

Attitude of Populace Toward Japanese:

Being thus oppressed, do not the common people, I asked, feel that perhaps the Japanese might not be better masters. The reply was a definite negative. The peasants and villagers know that the Japanese are as extortionate as their own irregulars. But what is more, the Japanese reputation for maltreatment of women has gone far ahead of them and has aroused deep Chinese fear and resentment. It is perhaps that Japanese trait more than any other which has so alienated the Chinese mind. The native population is now quite ready to credit almost any atrocity story told about the Japanese. Even though the invaders committed few excesses against women

women in the Wuhan cities, the country folk scarcely 50 miles from this center believe that at Wuhan the Japanese indulged in rape to the same extent that they did at Nanking.

John Davies, Jr.

Enclosure No. 3 to despatch No. 57, February 16, 1940, from Consul Ceneral C. J. Spiker, Mankow, China, to the American Embassy, Chungking, on the subject: "Situation in Central China early in 1940."

Hankow, China, February 13, 1940.

MEMORANDUM

CONFIDENTIAL AS TO PLACE NAMES.

Subject: Conditions at Sinyang, Honan.

Military:

The so-called Chinese winter offensive apparently seriously threatened the Japanese hold on Sinyang, Honan, during late December. The railroad was at that time, according to information said to have originated from Japanese sources, cut as often as three times a day, principally between Sinyang and Kwangshui. Fighting, the sound of which had been audible almost daily since mid-December, shortly before Christmas drew so near Sinyang that the Chinese shelled an area close to the Sinyang railroad station. Chinese positions were still not far from Sinyang even during the first half of January when, my informant declared, the concussion of Japanese aerial bombardments caused the windows of his house to rattle. Chinese aircraft attempted to attack Sinyang about the middle of December, but bombed only the nearby open countryside.

At one time the situation was so tense for the Japanese that, according to a statement attributed to a Japanese source, the Japanese were prepared on a certain night in late December (the exact date of which my informant does not remember) to evacuate the town if the Chinese attack increased in intensity. The Chinese assault slackened.

The situation along the Peiping-Hankow line south of Sinyang continues to be tense. Chinese and Occidentals (with only two known exceptions) are still not permitted to travel on the railroad, which is reserved exclusively for military use. Military trains, however, operate without visible impediment and small Japanese garrisons along the line appear to hold their positions successfully.

As illustrating the passive attitude of the Chinese and the tenacity of the Japanese, my informant mentioned the garrison at Wulitien (2 4 %), the Japanese outpost east of Sinyang. Fifteen Japanese soldiers, he declared, have held that position for more than a year despite the immediate proximity of several Chinese divisions.

In summing up the military situation at and near Sinyang my informant stated that there is no doubt that the Chinese forces seriously discomfort the Japanese, exacerbate their nerves and cause them steady small losses. The Japanese, however, have established themselves in strongly fortified positions which the Chinese cannot hope to invest without artillery preparation and support. Most of the Chinese activity is of the guerrilla type which can hardly be expected to reduce even Japanese pillboxes. Another ponderable Japanese advantage, it might be added, is control of the air. This means that large-scale Chinese operations must cease at daybreak if they wish to avoid detection and being attacked.

Economio:

Business, excepting for trade in daily necessities, is at a standstill. Small shops are stocked with Japanese goods, the supply of which is running low due to interruptions in commercial traffic on the railroad. When pressure increased on Sinyang with the prosecution of the Chinese winter offensive, the Japanese military authorities caused the city gates to be closed and entry to or exit from the city was forbidden to Chinese, excepting for those bearing foodstuffs and fuel in from the countryside. This restriction is reported to have been lifted during the first week of February.

The disruption of economic life by the Chinese armed forces is probably as great a factor in Chinese resistance as direct military action against the Japanese. As indicating the degree of uncertainty which the Japanese feel is the closing by the Japanese of the country market and fair at Liulinchen (柳 秋 秋) because on two market days Japanese were kidnapped by guerrillas from the market place. The Chinese civilian population suffers, of course, as a result of this measure; but so do the Japanese merchants.

Sociological and Political:

The population of Sinyang is estimated to be now about 25% of normal.

"Are the Japanese now treating the native population better than formerly?", I asked. The reply was in the affirmative, but with qualifications. Cases of robbery by Japanese soldiers are still reported. Chinese suspected of being actively anti-Japanese are, my informant believes, sometimes buried alive.

American missionaries received a letter signed by the hsien (country) magistrate, a Chinese, instructing them to close a girl's school which the mission had

recently

No.

recently opened. When approached by the missionaries to reconsider his decision, the magistrate told them with evident embarrassment and confusion that the letter had been drafted under instructions from the Japanese authorities and he had been ordered to sign it. In explaining his position he said "when 'they' tell me to open my mouth, I open it; when 'they' tell me to close my mouth, I close it."

John Davies, Jr.

JD/mre

Enclosure No. 4 to despatch No. 57, February 16, 1940, from Consul General C. J. Spiker, Hankow, China, to the American Embassy, Chungking, on the subject: "Situation in Central China early in 1940".

AMERICAN CONSULATE GENERAL

Hankow, China, February 15, 1940.

MEMORANDUM

Subject: New Fourth Army Organization in Central Hupeh.

(The following information was obtained from a well-educated Chinese connected with the New Fourth Army. He is a man, I should judge, of high character and determined spirit.)

Formation of New Fourth Units in Central Hupeh:

The Honan-Hupeh Border Vanguard Detachment of the New Fourth Army (新四草族鄂達區捷進縣隊) arrived in north central Hupeh from Honan in July 1939. It was a small band of organizers among whom were many students and teachers. This group possessed a total of twenty-four rifles.

The detachment immediately began the political education and organization of the common people. They worked in the rural areas near Chungsiang (建 祥) and Anlu (安 彦) and have gradually during the autumn and winter extended their influence southward in the triangular area between the Peiping-Hankow railroad and the Han River.

A large proportion of the rural population of the following counties are now said to have been organized:
Yingshan (彪 山), Anlu, Chungsiang, Kingshan (京 山),
Yunmeng (雲 夢), Yincheng (庭 城), Tsaoshih (它 市),

Tienmen

Tienmen (天 门), Hanchuan (漢 川). Agents of this New Fourth Army Vanguard, it was estimated, are also in the Wuhan cities. My informant was unable to give me information of New Fourth Army organizations east of the Peiping-Hankow railway.

Organizational Structure:

The basic unit of the Vanguard Detachment is known as a Resist the Enemy Ten Men Corps (抗 本 人) composed, as the name states, of ten men. Three of these corps make one Group (紅). Three Groups form one Branch Corps (分 風), while three of these larger units compose one Regional Corps. My informant was unable to estimate the numerical strength of the New Fourth Army partisans in central Hupeh because the organization is a mass movement. He did say that the Vanguard Detachment now possesses over 20,000 rifles.

It is principally young peasants who form the personnel of the Vanguards. I was told that nearly every able-bodied young man in the districts organized by the New Fourth Army belongs to the Vanguard Detachment. Many irregulars formerly in the pay of the Japanese have been persuaded by political workers of the New Fourth Vanguards to desert their employers and join the partisans.

The third element in the Vanguard Detachment is, of course, the trained organizers. Most of them are so-called communists who by American definition would be termed moderate liberals advocating agrarian reform. A large proportion of the organizers are students, school teachers and college professors. My informant stated that there

there are "several tens" of college students working among the Vanguards. There are, naturally, he declared, more high school students in the Detachment. He was, quite understandably, unable to give definite statistics, as the organization is not only necessarily a comparatively decentralized one but is also constantly expanding.

Revenue and Military Supplies:

The Vanguards, being a mass organization, as will later be explained, are largely self-supporting as to finances. They exact tribute, however, from traitors and puppets whom they can approach. Their supplies are derived from puppet troops who join them and from raids on Japanese transport columns and outposts.

Tactics:

The Vanguard Detachment is a guerrilla force. Its tactics are therefore those of mobile warfare behind the enemy's lines designed to harass enemy communications and lightly-held positions. The New Fourth guerrillas are not equipped nor trained to lay siege to Japanese strongholds or to engage large Japanese forces. This latter type of warfare remains the task of the regular Chinese Army.

From the end of July 1939, until the first of February, 1940, the Vanguards fought 136 engagements with the Japanese. One battle lasted 18 hours, which is exceptional in guerrilla warfare. It is estimated that the partisans killed approximately 1000 Japanese and wounded 2000 during these six months.

Relations

Relations with the Populace:

The New Fourth Army guerrilla organization is based on the common people, it is the populace organized and armed to defend itself. Therefore, my informant explained, the combatants and non-combatants work together and have confidence in one another, for they are kinfolk and neighbors cooperating in a mutually agreed-upon program.

The students and teachers working with the Vanguard Detachment share the life of the people. Otherwise, they feel, their political message would have no validity. They live, my informant declared, like the peasants, on 18 cents Chinese currency a day for food with \$1.50 or \$2.00 each month for other personal purchases. "It is a bitter existence," he said, "but we are part of a mass movement."

The populace of the regions now organized by the Vanguards was, when the New Fourth Army representatives first arrived, permeated with the defeatist philosophy of "mei yu fa tze" (沒有孩子) -- "there is no solution, nothing can be done". It was the same atmosphere, my informant stated, which is still found in Hankow and other occupied towns. By presenting a program of organized group action the Vanguards have given the people a feeling of hope and a sense of some control over their own destiny. The anti-Japanese activities directed by the New Fourth Army organizers are important, but perhaps equally significant are the stiffening of mass morale and the development of political consciousness among the people.

John Davies, Jr.

DECIASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mittm 0, dividen NARS, Date 12-18-75

Enclosure No. 5 to despatch No. 57, February 16, 1940, from Consul General C. J. Spiker, Hankow, China, to the American Kubassy, Chungking, on the subject: "Situation in Gentral China early in 1940".

International Red Cross Society of Central China Hankow.

Gentlemen:

This letter is an appeal made in great sincerity. If any amongst you resent my ideas in any respect, I beg you to know that I am asking for nothing for myself but for the helpless of China only.

This region on both sides of the Pinghan line, for a distance of 200 or more li on each side, from Honan down to near Hankow, as also other regions around Japanese fortified regions, were formerly dominated by the Japanese. During that period the suffering was great, for people were slaughtered, their homes locted and burned, women raped and killed. I have passed through countless villages and towns in which all or most of the buildings have been burned to ashes. It was not a matter of destruction caused by artillery fighting or even airplanes; the homes of the people were set on fire from within and in many places the house furniture still stands in part for it did not entirely burn on the pile made of it. Stacks of hay for the cattle and for roofs were burned and the old charred stacks, now small heaps of ashes, may be seen. Everywhere people will tell tales of Japanese killing of the people. Ouring that time, there were village self defense corps, but they were armed only with spears and two-pronged forks. In some haien big haien self Defense Corps of 1-2 regiments arose, but came under the direct or indirect control of the Japanese. Not all were so, however.

About one year ago the new Fourth Army from Annwei sent organizers into this region. They made contact with some of the hsien self defense corps (regiment) leaders. They worked in villages and towns. And one by one the self defense corps under Japanese domination mutinied and became independent of the Japanese. With all weapons, they went over to new Fourth Army control. Large masses of civilians were organized and armed wherever possible. Until today, I see large numbers of men in the new Fourth. Units who wear only their civilian clothing. Some are still busy with their farm affairs much of the time. The army is not an army but a detachment for self defense; all its men are local civilians. A few days ago I saw one whole regiment come over to it. They are all a self defense unit from one hsien in this region. The Japanese are now to be found only in strongly fortified points and along the Pinghan railway up to Sinyang. There are none in the villages or towns. I have travelled through a big region, with only one armed guard going before us to show the way and protect us. But everywhere hundreds of civilians come out and wait to welcome us; they carry big knives, spears, forks, and a few rifles. They are all village men and boys. Yesterday they called a meeting in one place and villages for tens of li around emptied themselves and came in long lines along the rice paths to attend the

meeting. So Chinese again control Chinese soil in the Japanese rear. We hear the roar of guns from Japanese fortified points to the west of us, for the regular Chinese armies are on the offensive. Here in the rear I see peasant sentries guarding all paths and I see units of self defense corps marching in from some front and a fresh unit going out to attack their enemy in the rear. In the meantime, the first democratic elections of the people have been held in some regions and I am on my way to two haien to watch elections there. All lower officials are being elected by the people. Last night I attended the first session of newly elected officials in this town - 12 men and one woman. The civilians are organized generally into one basic self defense force called the "Ten Person Group." Every village everywhere has this unit for defense, intelligence against the enemy and puppets, mutual aid, etc. It is an organization one year old. Recently I saw an old bearded gentry brought in. He was brought in by two peasants of the "Ten Person Group." He was a puppet the official in a Japanese town and two peasants went in and captured him. He was tried and condemned to be a mafoo in one of the armed defense units.

what I came here for originally was to study the condition of the sick and wounded, refugees and homeless children. There are no refugees or homeless children here for this is a defense region. When civilians come here from a fighting zone, they come temporarily and are put up in many homes of the people. But there are many sick and wounded. The new Fourth Guerrilla Detachment hospitals never have less than 1,000 sick and wounded persons, civilians as well as armed men. This week I visited one field hospital of this detachment. It has about 100 men in it now, scattered in a number of villages, but its general average is 150 to 200 men. Such hospitals are different from any other region in China that I have seen. Each civilian house that can afford it volunteers to take so many patients and care for them. I saw one village of 10 houses and each house had taken two wounded men. In another, much the same. In another group of villages I found about 50 sick and wounded, chiefly wounded. I talked with them; all are local civilians, some in uniform but many not. When I would say; "You wear civilian clothing; are you a civilian?" they replied; "We are all civilians." For all the able bodied men of this satire region fight or struggle in some capacity. The sick and wounded are generally given the best room in a civilian room. That is poor indeed, at best. On the packed earth floor rice straw is strewn in a bed and held in place by tree trunks or by mud bricks. Pillows are mud bricks unadorned by pillow cases. Covers are everything on earth - the man's own clothing, pieces of cloth, or their padded covers recently made by the hospital. The new covers are too thin to protect any person from the cold, but there is not enough money to buy cotton and cloth or to buy enough even to make thin covers for all. There are no hospital garments at all - men lie in the same clothing they always wear - uniforms or padded jackets, trousers, or long gowns. They cannot even afford a face towel each,

while soap is impossible to think of. A drinking cup each or a rice bowl each is also impossible to think of. Food is rice and turnips 3 times daily.

This field hospited of 100 men has 17 medical workers who care for the patients. Unly two are qualified. One is Dr. Sun Kwang-tsu a Siang-ya graduate, who came here only one month ago. The other is Miss Li Chin-chen, trained for four years as a nurse in a missionery hospital at Weinwei, Honan, then one year as a midwire, then six months in a public health course in hanking. She was a nurse in the Chinese Red Cross Hospital in Nanking until that city fell, then went to Hankow and worked in the Union Hospital for four months. After Hankow fell she went to Yungchow which had a self defense corps. She took charge of their patients and had no other person to help her. When that corps went away over to the new Fourth Army, she went with it. Two girls trained for weeks in Mademe Ching's first-aid school helped her and some educated youth in the region went to help her. Miss Li told me that she is not a doctor and does not pretend to be. But the self defense units of this region had absolutely no person but her to help them. So she did everything. I've even seen two cases she has amputated! They are recovering. Conditions for such surgical work can well be imagined - yet mortality is low in the hospital. At least Dr. Sun and Miss Li enforce rigidly the sterilization of instruments, cotton and gauze. But it takes a long time before many patients can be transferred to them from local regions. I talked with one wounded man of the "Ten Person Group". He had been wounded while helping destroy a road. The Japanese came to repair the road and that man lay for one week in a village 2 li away, while the Japa worked on the road, before he could cross and be taken to the hospital. During that time his wound could not be cared for by any qualified workers, but only by the peasants. He was badly infected but he is now hobbling about and will soon be well. The two mortal after being wounded. Me had a double fracture of the thigh and is crippled for life now because there are no qualified medical workers in the local forces—and they

last suggest cholera decimated great regions here. I was in one village where 40 people out of 75 died of cholera. This was typical of the region. At that time, Mr. Tu Shihkung, one of the leaders in this region (he is a christian)

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went to Tsacshih to the foreign (British) hospital, which gave him about 1000 bottles of anti-cholera vaccine. So this new Fourth Detachment began to vaccinate the armed forces and the civilians wherever they were and wherever they had hypodermic syringes. They used up the entire thousand bottles of vaccine but they were too late to save thousands of people. Some small villages were totally wiped out, some have 3 or 4 people only remaining.

The problem here is gigantic and urgent. The problems are three; 1. medical supplies; 2. medical personnel; 3. money for padded covers and hospital garments for the sick and wounded. I have just given the field hospital \$300 - which means I keep only \$30 to reach Chungking from here. The \$300 will be used for padded covers. But cotton is \$1.20 a pound here and a padded cover should have five lbs at least. So one padded cover will cost at least \$8 or \$9. I am trying to borrow \$2,000 from a spinning mill director near Fancheng but that will take two weeks and the \$2,000 does not touch the heart of the need for the sick and wounded here. So I am sending Dr. Sun to come secretly to Hankow to deliver this appeal to you for medical supplies and money. I beg you to help this region here at once with medical supplies and money and to introduce Dr. Sun to qualified doctors and nurses who may be willing to leave Hankow. Their life will be hard here, but there is no other way for China to be free and surely they will not shrink from physical discomfort. There must be some there who would be willing to come here. With Miss Li and Dr. Sun I have made out a list of urgently needed supplies and I plead for these from you.

I plead with you for \$10,000 at least for hospital garments and padded covers for the wounded of this region. Dr. Sun is chosen by us as an absolutely reliable man. He can arrange for the transport of all supplies without difficulty or for medical workers to come here.

I ask you for as much quinine as you can give. Malaria is rampant here in summer and many chronic cases now die in the hospitals; they cannot even walk. We cannot dream of an X-ray here now but it is badly needed.

In humanity's name I appeal for the above.

(SIGNED) AGNES SMEDLRY

Enclosure No. 6 to despatch No. 57, February 16, 1940, from Consul General C. J. Spiker, dankow, China, to the American Embassy, Chungking, on the subject: "Situation in Central China early in 1940".

Excerpts from two personal letters from Agnes Smedley.

January 27, 1940.

"I came into this region* three weeks ago with a unit of these men who had brought six Japanese captives (two of them women) to one of the regular army headquarters on the Chunchang front. I have come a long way; from south Anhwei I crossed the Yangtas on September 3 at midnight with a unit of men and made a study trip through Anhwei, Honen, into Rupeh, down to the Shuihsien front, then down to Chunchang front. My trip and life here is a revelation and a great inspiration....

"There are great regions here that are totally safe far sefer than Hankow. I've been over much territory and
am not dead yet; but I fear slightly worn. I've got a few
silments due to bad food, walking in the rain, walking or
riding long distances over a long period of time. Here I
live off captured Japanese milk (its rotten) and other
things."

January 29, 1940.

"I'm 60 li from the Finghan line (west) and will be 100 li from Hankow in two more days. Then I come north again for a distance, go through the lines to a regular army and on to Ichang and Chungking. This is a big guerrilla region. Today I came with a bettalion of a Self Defense Corps men clad about half in uniform and half as civilians, many entirely civilian. The uniformed chaps wear little round civilian caps or foreign style hats and are hung with hand grenades, rifles, swords, etc. and many wear captured Japanese overcoats. They are a picturesque outfit. I'm now in one of their regimental headquarters. I can travel safely over a vast region and can almost knock on the doors of Hankow....

"My trip is a journey of triumph. Mass meetings galore. Village Self Defense Corps stand along paths waiting for me. They have spears and a few rifles and always have an "orchestra" of brass gongs. So we march along the narrow rice paths preceded by brass gongs and men shouting "Kai Hwei! Kai Hwei!". Then the villages empty and people come in long lines over the hills and through the valleys, waving paper banners of welcome. No tiger could attract larger audiences. I wish you could read some of the letters of welcome I receive. Of the sick and wounded my other letter will tell you."

* Central Supeh Front.

Excerpts from a personal letter from a Chinese University Student now working with the guerrilles.

January 30, 1940.

"I am determined to remain here (Central Eupeh Front). Really it is a very happy region as that of North China. Democratic polities is now practiced in our region, not yet Chungking. Therefore in our region not one puppet regime or troop remain alive. Japs try hard to mop us up time and again until now, in a year we become so strong that Japs keep to evacuate those little fortified points for us, not yet those big sities. We depend upon people who are organized and armed by us. You know, we have a very free land to certain extent to do such work at the enemy rear without being strictly interfered...... Our Chinese Student Union is not so active in Chungking, but most of us are now working in guerrilla regions."

Enclosure No. 7 to despatch No. 57, February 16, 1940, from Consul General C. J. Spiker, Hankow, China, to the American Embassy, Chungking, on the subject: "Situation in Central China early in 1940."

Hongkong.

Central Hupeh Front, China January 14, 1940.

Leaving the northern Hupeh front, Central China, I rode on a dense cloud of dust to the central part of the province where Chinese armies are trying to wear the Japanese out in this nation-wife offensive. For one-half day I rode in a contraption called a truck. It seemed made of and held together by scissors and nails and puppy dog tails. We yelled and shouted in vain to clear the road of endless lines of dust laden mules, horses, donkeys and wheelbarrows carrying ammunition to the front and we passed the latest kind of artillery pieces drawn by teams of oxen. Japanese planes sometimes machine-gunned this road but on our truck rattled and grouned and sighed so continuously that we could not hear a dozen planes. So we left our lives in the hands of various gods, each according to his superstition, and called it a day. It was dark as I abandoned the truck and turned to the east to move for two days to the field headquarters of General Chang Tze-chung, a northern general who commands this front. His own Group Army is the main force here but new divisions were coming in. General Chang Tze-chung once wavered between the Japanese and his own country. That was in Peiping when the war began. Since then he has tried to wipe out that reputation and has never left the front. His own army has been totally replaced since the war began, some divisions two or three times. None of the original men are in its ranks. In the present offensive, from the middle of December down to the present, his own army has suffered over 6,000 casualties. Fighting is fierce and both sides have had serious losses.

One of the most intelligent, exact and concreteminded military men I have met in China is Chang Keh-haia,
Chief-of-Staff in General Chang Tze-chung's field
headquarters. He is brother-in-law of the "Christian
General", Feng Yu-haiang. He tells none of the fairy
tales one so often hears in China about Japanese weaknesses and practices. He knows Japanese weakness but he
also knows their strength - and he realizes fully the
strength and weaknesses of his own country. On this front,
he says, there are some new Japanese recruits who have had
but little training. Japanese marksmanship is inferior
to the past because they have had heavy losses. Political
education amongst the Japanese troops is almost nonexistent. This does not matter much, militarily, so long
as they had victories. But when defeated or when they meet
strong Chinese resistance as in the present Chinese offensive, their morale is low. And at all times they continue
their atrocities. There has been less of this in big
cities, but not in outlying regions. On the other hand,
they have had longer training than the Chinese, their
discipline within the army is very strong and their forces
are adequately equipped with various kinds of weapons
according to their strength,— air forces, tanks, artillery,
etc. They make complete preparations before every drive
and have equipment for crossing rivers, etc. In all such

things the Chinese are still inferior. Japanese soldiers are all educated and, insofar as their mental powers go they are in good condition. On this front the Japanese are not weak. Their positions are strongly fortified and equipped with field pieces and it is very difficult for the Chinese to take them. Even when the Chinese have artillery, still it is very difficult to get ammunition up to the front. Roads have been destroyed and gasoline is worth its weight in gold. One mule can carry two shells or two men can carry one. So Chinese tactics, now mainly mobile, is to draw the Japanese out of their defense positions and fight them in the open. In such fighting Chinese morale and power is higher than their enemy. The chinese use cavalry and guerrilla forces to destroy roads and halt reinforcements. While here, one regiment of northern Chinese cavelry got in the rear of the Japanese to attack reinforcements. The Japanese discovered them and opened fire with field guns from three sides, for one whole afternoon. But their marksmanship was so poor that the Chinese suffered only sixty casualties.

While here a guerrilla force of a new Yourth Army detachment operating in the Japanese rear, brought in six Japanese captives. That guerrila army supplies itself with captured Japanese cigarettes, coats, sugar, considerable cloth, some guns and much ammunition. I have seen a letter from a Japanese colonel to a regiment of that guerrilla army near Hankow, trying to induce them to turn traitor and join the Japanese. The letter paints the easy and beautiful life of Wang Ching-wei and puppet armies. "I am a military man and you are military men, and we both are men of East Asia" the letter reads. Believing these guerrillas are ignorant, the letter paints a black picture of western countries who cannot help China but only fight amongst themselves. So the Chinese should abandon hope and join the Japanese. The letter is interlarded with threats. "You are like rats in the night", it reads. "If you will fight in the daytims, come and meet us and we will fight you. You are low people, servants, who know nothing of the world situation. Send your messenger to meet me and I will tell you of the world situation. I will not kill your messenger." The guerrillas sent no messenger but continued to fight "like rats" at night.

That letter is a part of the Japanese "peace offensive" in China. At the front, no military men wants peace until the Japanese are driven out. Soldiers and officers are one on this issue. Everywhere I ask that one question. To them it is an insulting question. The Japanese are face to face with a deadlock in China and cannot see any future for themselves unless they can make peace. Rumors of peace intrigues from the rear reach us at the front, just as we hear of widespread efforts of the Wang Ching-wei clique to split unity. Peace, and a split between the Kuomintang and the Communist Party, are the two sides of one medal. And both would lead to civil war. Many of the regular armies would not accept peace nor will they fight the Communist-led armies. In this respect, my experience on many fronts proves that many military commanders, both lower and higher, are firmer

-3-

and much more advanced than most of the political workers -ell intellectuals -- sent to the regular armies from the
Political Department of the Central Military Council in
Chungking. Many of such political workers use their
position to make social connections. Their main concern
seems to be to prevent the political education of the
soldiers lest these men realize that they are citizens of
China with the rights of men. They do not even teach the
soldiers to read and write, which is one of the daily
tasks of political workers in the Communist-led armies,
the Eighth Route and new Fourth, or the local guarrillas
led by them. I often ask political directors in regular
armies about literacy in their armies and they reply "90%
of our men are literate." They tell of the daily political
lectures in the companies. After this I go from company to
company talking with the soldiers in their barracks and find
that 90% are illiterate and that practically no political
lessons are given. The ones who teach them reading and
writing or give political lectures are not the political
workers, but the lower officers. The political directors
sent out from Chungking are under orders, not of the armies,
but of the Political Department of the Central Military
Council. So commanders have no control over them at all.
They can send any secret reports they wish to Chungking but
the commanders cannot protect themselves.

My respect for the soldiers and officers at the front has almost no limit. Their lives are primitive and bitter, devoid of any comfort. We here are so near the fighting lines that we always hear machine gun and rifle firing. We see troops moving up to the front, grim, fearless, vigilant. Airplanes are over us daily and artillery shakes the earth. The wounded come in long lines - inadequately cared for. But the fighting continues with no sign of wavering.

المر

May 6 1940

Clarence J. Spiker, Esquire,

American Consul General,

Hankow, Hupeh, China.

Sir:

In acknowledging the receipt of the Consulate

General's despatch No. 115 dated February 16, 1940

transmitting a copy of the Consulate General's despatch No. 57 of the same date to the Embassy at

Chungking, relating to the situation in Central

China early in 1940, which was prepared by Nr. John

Davies, Jr., it is a pleasure to inform you that in

view of the valuable and interesting picture of

conditions in an important region, information

with respect to which is difficult to obtain, and

the exceptional clarity and preciseness with which

data obtained from diverse sources are presented,

the Department has accorded to the latter despatch

a rating of EXCELLENT.

The contents of this instruction should be brought to the notice of Mr. Davies.

Very truly yours,

1840 1840

For the Secretary of State:

BRECKINRIDGE LONG

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This telegrene RAM RECEIVED closely paraphrase Dec fore being communice to anyone. (br)

Dated April 10, 1940

FROM

Secretary of State, Washington.

Rec'd 7:45 a.m. Division of FAR EASTERN APPAIRS PR 1 0 1940

240, April 10, 5 p.m.

We are informed by the French Embassy that, although there have been no recent bombings of the Yunnan Railway, on account of certain critical articles appearing in the Hong Kong press, such as preceded previous bombings, the French Embassy had been apprehensive of a new Japanese attempt on the railway. The Counselor accordingly recently visited the Foreign Office in an endeavor to forestall such action. The Chief of the Division of Europe and Western Asia, with whom he discussed the matter, repeated the Japanese contention that Japan has a right to prevent war materials from reaching Chiang Kai Shek to which the Counselor took exception and observed that any (*) of bombings would prevent the establishment of a friendly atmosphere for the inauguration of commercial talks according to the French Embassy here also, the German Embassy in Tokyo is bringing pressure to bear upon the Japanese Foreign Office to allow Germany to arrange some sort of a deal between Japan and Russia and is asserting that Japan will get much more from such an arrangement than by "playing with" the French and British.

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(*) Apparent omission.

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CROSS-REFERENCE FILE

NOTE

SUBJECT

Significant military, political and economic developments of 1939.

Review of-, Submitting -, encloses chronological list of events.

793.94/ 15802

See	#2524 (Despatch, telegram, Instru	ction, letter, etc.)
Dated	Feb 17, 1940	From To
File No.	895,00/14532	

For the original paper from which reference is taken

FRG.

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CROSS-REFERENCE FILE

NOTE

SUBJECT

GAIKO JIHO (Diplomatic Review) of Feb 1, 1940.

Suppression of-, by the Japanese home office because of article dealing with China incident, written by Mr Tsuneo Yonaiyama of Foreign Office. Translation of article enclosed.

93.94/1580

See	#4595 (Despatch, telegra			
Dated	March 15, 1940	From To	Japan (Grew)	
File No.	894.917/5			
		U. S. GOVERNMENT PRINTING OFFI	cz '11540	FRG.

For the original paper from which reference is taken

Willy Compliments

HU SHIH

Ambassador Extraordinary and Plenipotentiary of the Republic of China

ST' RECEIVED 'A APR 8 1940

DIVISION OF

Translation from Chinese

DIVISION OF RESTURBLY 19, 19 TELEGRAM RECEIVED FROM DR. H. H. KUNG, CHUNGKING

TO MR. K. P. CHEN, NEW YORK

Your telegram of February 17 received. Regarding your inquiry 193.44 concerning the Japanese 12th Division being sent from Manchuria to Kwangsi, General Ho Ying-chin just informed me that it is the usual practice of the Japanese army to shift constantly its fighting units at different places so as to increase the fighting experience of the whole force. When this division went to Kwangsi, another division came in to replace it; but now the original division has returned to Manchuria. We have received no report that part of the Russian Far Eastern Army has been sent to fight in Finland.

> Since February 9 enemy forces in Kwangsi Province have started withdrawing toward Nanning, and beginning February 14 and 15 about 200 trucks fully loaded with soldiers and supplies have been moving toward the coastal region of Chinchow. It appears that a general withdrawal has taken place. Although the enemy has declared to hold Nanning at any cost, our forces are now closing in from all sides and recapture of that city is believed imminent. To the south of Hwa Hsien and Chung Wha districts in Kwangtung Province our enemy has been lately engaged in re-organizing transportation lines, indicating that some reenforcements are being rushed in to create other disturbances. But we have already made adequate preparations against such eventualities.

Regarding diplomatic developments, Wang Ching-Wei, the puppet, had some telegraphic correspondence last month with Count Ciano, Foreign Minister of Italy, and claimed that both Italy and Germany would be among the first to accord recognition to the puppet government when established. We have, however, learned that because of the U. S. Government's Far Eastern Policy, Italy has already changed her

Division of

FAR EASTERN AFFAIR

attitude. Recently the British Ambassador at Rome asked Count Ciano about his correspondence with Wang and was told in reply that all such correspondence was personal in character and had no more significance than that. The German Government has also made clear her attitude by stating that so long as Generalissimo Chiang carries on resistance and so long as Wang fails to obtain support from the majority of Chinese people, she will refuse to recognize Wang's puppet government.

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Copy of letter from Madame Chiang Kai-shek to H. Mr. Ti

HEADQUARTERS OF

GENERAL

FAR EASTERN AFFAIRS Chungking

China.

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Division of

WEGANDS

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November 30, 1939.

193.94

Dear Mr. Timperley,

Thank you for your letters giving us some idea of the situation, and attitude of mind, in Great Britain. We appreciate the good-will of the people of the British Isles.

As I have said very often: the fact that we know that Democratic peoples do sympathise with us consoles us in great measure for the failure of the Democratic Governments to render the help which should be forthcoming to a victim of aggression such as we are.

I have just returned from an inspection trip with the Generalissimo to the Hunan front. It was there that the recent major push made by the Japanese to capture Chungsha was so signally defeated. Probably this was the greatest setback that the Japanese army has suffered in its history.

You will, perhaps, remember that just after they started they announced to the world that they had 60 divisions of Chinese troops in pellmell retreat. A little later they declared that they had half a million Chinese troops surrounded and "facing surrender or annihilation." The Japanese were then being lured on at a rapid pace toward the city they were confident of capturing. But, unlike Lot's wife (a simile I have previously used) they did not look back. So they did not see the Chinese farmers destroying the highways behind them. When virtually in sight of Changsha, the order was given for our troops to counter-attack -- and the Japanese were eaught.

A French officer, who was those, stated that he never saw troops who could retreat for days and then, as our troops did, turn around on an order and attack like new men who had just come into the Fines. He said the assault by the Chinese troops was appalling to the Japanese. They turned and fired in panic, leaving 12,000 dead upon the field. In a few days time they had reached the places from which they had started, and they are still being harried by our forces.

Ever since we withdrew from Hankow the Japanese have been defeated in all their efforts to reach new objectives in the provinces of Shansi, Hupeh, Honan and Hunan. That is because we gave up positional operations and are using our armies for mobile fighting -- a glorified form of guerilla warfare. What is significant is that our rank and file in these provinces are confident that all other thrusts made by the Japanese will be crushed as convincingly as was the one they launched against Changsha.

We do not expect that we suddenly can have success completely on our side. We know that the Japanese can at any time break through to objectives if they concentrate their heavy artillery, mechanized units and thousands of bombing planes which they have at their disposal. They did just that at Nanning, in Kwangsi, a short while ago.

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Their landing near Pakhoi was done under the heavy guns of a great array of men-p'-war. Their advance to Namning was conducted under the protection of squadrons of bombing planes. But before the advance of their troops the country was laid bare by the Kwangsi people, who withdrew with all their foodstuffs to the mountains.

At the time of this landing General Pai Chung-hsi, who was in Chungking, seemed not to be disturbed, and expressed the conviction that the Japanese would be trapped just as they were when they endeavored to take Changsha.

Military observers in Kweilin, stated on November 28, that:

"Although hostilities on the Southern Route have spread to the Yukiang Valley, near Nanning, the deep penetration of the enemy force is tantamount to giving the Chinese a further chance to score another Changsha victory," and added that "the loss or gain of one point has no decisive influence on the situation as a whole

"While the invaders have suffered considerable losses in their advance from the coastline of Yamchow Bay to the south bank of Yukiang, their future adverses will be ten times heavier on account of the fact that the region occupied by them resembles a narrow path extending more than 100 kilometers long through which the entire area has been stripped clear of labor and food supplies.

"Passing through two mountain systems, the Chulou and the Shihwantashan, the Japanese line of communication is also traversed by the Yukiang, which will make the question of bringing up supplies from the rear an extremely hazardous job for the enemy. With fighting extended to the northern bank of the Yakiang, the Japanese frontline is now exposed to Chinese attacks from three sides and the invaders also have to fight with their backs to the river."

We know the seriousness of this capture of Nanning. Not only does it involve the cutting of the line of communication from the Indo-China border, but it also gives the Japanese a chance to use air fields in the vicinity of Nanning for the bombardment of Yunnan cities as well as places in Kweichow and elsewhere. Of course the clouds that cover the mountains throughout the winter in this region will protect us, for a time, from Japanese indiscriminate bombing. We hope that the next few months will see the Japanese once again cut to pieces by our troops.

So far this is the only success the Japanese have had in 1939. Apart from that the year will go down in Japanese history as one of great disaster. They have been defeated by the scorned Chinese forces in Shansi, Honan, Hupeh, Hunan and Kiangsi provinces, to say nothing of costly set-backs throughout the rest of the country where their soldiers are operating.

In addition to these defeats in the field the Japanese suffered a disaster in materials destroyed by the floods which inundated Tientsin. One estimate puts down the actual losses of equipment and commissariat supplies at Yen 400,000,000. All the surrounding country is still under water. So what the Japanese continue to suffer is in terms of failure to gather the potential crops of cotton, etc., which they expected to harvest.

They thought, and based decisions upon the certainty, that this year would bring them their first real profits from the exploitation of our soil. They have found that nature has intervened as an ally of China.

Then on top of their losses in China, there are their defeats by the Soviet forces on the Mongolia-Manchurian border.

Worse disaster than these, probably, is the curt abandonment of them by Germany.

Also, there is the American set-back in the announcement of the abrogation of the Commercial Treaty, followed by the downright exposure of American view by the American Ambassador to Tokyo.

In addition, Japan has been plunged into isolation such as she has not experienced since her emergence as a world power. She is almost like a pariah.

But what no doubt hurts her most is the fact that the bubble of vaunted invincibility has been pricked by the "contemptible Chinese army." It may be said that Japan could never have inflicted such losses upon China, and upon the interests of those Democratic Powers concerned in China, had she not been permitted to violate treaties with impunity.

The failure of the Democracies to stop Japan when she invaded Manchuria has produced war in Europe. All this horror and waste could surely have been avoided had the Democracies refused to assist Japan in her aggression. Their fear of Japan, their willingness to help her with supplies, set a precedent for the aggressors in Europe.

Our visit to Hunan revealed quite a remarkable atmosphere. We found the peoples and the troops in harmony, and closely co-operating. We heard no complaint from anyone about the behavior of the soldiery. We found rank and file convinced that they would be able to defeat any future Japanese thrust. All were confident that ultimate victory would be certain. The people and soldiers alike were unwavering in their determination to continue resisting until the Japanese were driven from our land.

Japanese propaganda has been busy spreading all manner of statements about China wanting peace and being a victim of Russian pressure.

There is no truth in any of the Japanese statements. China has not talked of peace, and she will not consider peace while Japanese soldiers and their puppets are on our soil.

Throughout this western region the foundations are being laid economically and otherwise upon which will be built a new China. If, by reason of superior armaments, and the ability to pay cash for war materials and carry them away from America and elsewhere, Japan can continue belaboring us with bombs and other explosives until this generation passes away, then the next one will take up the fight. If that one cannot overcome the invaders then the following generation will. As you know, the population of China is some 470,000,000, and I doubt if the Japanese could kill 70,000,000. Even if they could, there would still be 400,000,000 left, and reproduction will goom continuously.

Had China not fought as she has been doing during the past 29 months, then all Democratic territory south of China, including Australasia would now be in process of absorption, or, in course of time, would certainly be assailed by the Japanese. That must be obvious even to the most callous person who is ready to profit from the blood and ruin that are marking China.

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We have fought all this time the battle which other Democracies are just now beginning. We are only wondering how far those Democracies are concerned about what is going on in Asia.

We hear much talk of readjustment of relations between Japan and Great Britain, and between Japan and Russia. Rumors are circulating everywhere. Forecasting events with any kind of accuracy has become impossible because expediencey, and not honor, now seem to dictate political policies.

Mentioning "forecasting" reminds me that from the beginning of the Japanese aggression we have kept sounding warnings of its objectives and its possible international repercussions.

You have the collection of my broadcasts, etc. In a broadcast to America two years ago (September 12, 1937) you can read how I emphasized the necessity for the exertion of the wisdom and the sense of justice of the nations "to save the world from the consequences of the calculated falsehoods daily emanating from Japan". I spoke, too, of the Japanese aims "to sweep Occidental prestige clean from the boards of the Orient;" pointed out that the Japanese "were bent upon wrecking or eradicating all foreign influences, cultural as well as commercial," and said that "the sooner that fact is understood abroad the better."

In course of subsequent time I said many other things. And, I must explain that what I am now saying in this respect is not in any way on the "I told you so" order, but merely to draw attention to the terrible consequences that have followed the failure of the nations to understand events and their tendencies in this part of the world.

I was not writing two years ago as a self-appointed prophet, I was merely explaining what we who have already been menaced by Japanese ambitions knew and understood those ambitions to be. Time has, of course, proved that all that we of China said was true. In fact Japanese activities, barbarities, and duplicities have far exceeded our calculations.

Although only a fraction of inhumanities, such as those the Japanese inflict upon us, has so far been visited by the Germans upon the people in Europe, we now see Mr. Chamberlain (in his speech in the House of Commons on November 26) using words to describe what the Germans are doing, similar to those which we have been using for the past 29 months, to describe the Japanese atrocities. In denunciation of Germany's actions, the Prime Minister uses such expressions as "they hope with these barbarous weapons to cut off supplies from overseas and squeeze or starve us into submission." He talks of the Germans blowing up neutral ships and thereby "drowning and mutilating citizens of countries with which they are not at war." He says that Britain's aim is to defeat the enemy's military organ "which has sought continually to dominate their peoples by force, which has found a brutal satisfaction in the persecution and torture of inoffensive citizens and which in the name and interests of State has justified the repudiation of its own pledged words whenever found convenient."

Do not such expressions, now falling from the lips of the British Premier, sound pitifully like those that have continually been coming from China, where millions of our people have been blasted out of their homes and hundreds of thousands have been slain in cold blood? When we used them, they simply bored the statesmen of the Democracies. But so far the Democracies have not tasted even a

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fraction of the slaughter that has come so continuously and so relentlessly upon our undefended people.

We have appealed to the Democratic statesmen to help stop the Japanese barbarity, but in vain.

Also we have appealed to the understanding of the Democratic Powers to support China materially and financially to defeat Japan, as a certain means of crippling potential enemies in Europe. They refused. Not only did they refuse, they went out of their way to show Japan that they were not interested in practically applying any brake to the Japanese juggernaut engaged in crushing the life out of China. Indeed, their attitude has helped Japan, and has brought about a war to win which they are now expending life and treasure on a colossal scale.

Now, if they are wise, they will immediately see the writing on the wall, and will actively assist us to cripple the aggressor who began this type of hostility. If the menace that is still embodied in Japan is not eliminated forthwith, it will bring ruin to Europe, if not to Civilization. We have crippled it, but it must be obliterated. The lesson of Germany's recovery of fighting strength may be repeated again. If, as proclaimed now by British statesmen, the Allies are fighting this war to ensure the harmonious relationships of peoples, free to use opened-up markets and world-wide natural resources, then they must help to crush Japan. Japan's effort to desolate and conquer China, or at least secure dominance in East Asia, is solely to secure monopolistic rights over the market and the natural resources of this great region. Japan has proclaimed that, and has gone so far as to tell the Democracies that they will not be permitted to trade or enjoy interests here unless they comply with Japan's policies.

Whatever happens, we in China will go on fighting - until the end. So far we have endured unparalleled human suffering for 29 months, and we can go on "taking it." One thing we will not take is peace on Japan's terms, or any peace impairing our complete sovereignty.

We are doing our best to reorganize to meet the new times. The Generalissimo, to override personal rivalries for the governorship of Szechuan prorince, assuemd the post himself. To facilitate administrative reforms he also took over the presidency of the Executive Yuan. This allows Dr. Kung to give considerably more time to the duties of Finance Minister.

There was some talk (and of course, many rumors) of Cabinet reorganization. This has not been effected yet because of various considerations.

So far as the military side of affairs is concerned, there is every confidence in ultimate victory. We have learned a lot since the beginning of this aggression. The most important lesson was that we must depend upon ourselves. To that end we have been struggling in the heat of battle to build up the means of continued resistance. While circumstances prevent us from achieving all that we would wish, in the manner that we would like, we are making great strides toward success.

The Japanese are now finding it increasingly difficult to maintain themselves in China. They are endeavoring to escape responsibility for the future by placing it upon the shoulders of the puppet regime under lang Ching-wei. They also wish to plant the costs of their misguided adventure upon the so-called "New Government."

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Even Weng Ching-wei will find it impossible to create anything like the semblance of a "government" under the dominance of the Japanese. As for creating a puppet army to fight the National Army, no knowledge of China is necessary to find the answer to the question which the Generalissimo posed a few days ago: "If the Japanese 'invincible' army cannot defeat the National Army of China, how can any puppet organization do so?" Of course it is obvious that if the Japanese are so foolish as to help arm the puppet forces, the majority of the units will, in time, desert and join our forces. So there does not seem to be much hope for successful outcome of this plan of the Japanese to escape the disaster which they are facing.

We have now over a million new men, trained and equipped, ready for the field, and an equal number is being drilled so that we may, when we judge the time to be propitious for a counter-offensive on a large scale, launch it with the certainty of victory being won by us.

So far the war in Europe is not yet having marked effects out here. It is bound to, of course, in time. But we feel more convinced than ever that if the Allies are to win quickly, they must supply us with the means to eject the Japanese from our soil, if for nothing else than to place our resources and industrious people in a position to assist in producing certain needs of the Allies that can chiefly come from China. The sooner the Allies realize that this means to them, and how China's labor can help them, the better it will be for their peoples.

Whether or not the Allies do help us, we shall continue fighting. If our country is desolated in our attempts to save it, then that will be so much the worse for the Allies in particular and the world in general. The way to prevent the latter is for the Democracies to cease supplying Japan with the means to bring eventual chaos to Asia. That they should do, in any case, as a measure of justice to China, who placed her faith in the League of Nations, and in treaties, and --lost.

Yours sincerely,

Mayling Soong Chiang.

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An interesting description of wartime conditions in the Chinese interior is given in a letter written to H. J. Timperley by Mr. W. H. Donald, Confidential Adviser to Generalissimo Chiang Kai-shek, shortly after his return to Chungking from a lengthy sea voyage undertaken for the sake of his health. Mf. Donald writes:

"I expected to see some change in the landscape when I returned after an absence of four months. I did see a change, though not the one I expected. I saw hundreds and hundreds of new houses and an air of solidity and activity that was surprising. The atmosphere here was one of indifference to Japanese raids and purposeful in the drive to keep not only the machinery of Government but the economic establishments running full tilt.

Japanese bombing during my absence had, in reality, done no apparent damage. At least it did nothing at all to slow down the work of the Government and those who are pushing the development of industries.

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The spirit that prevails here may be judged by the optimism shown at the recent conference of the Chungking Provisional People's Political Council. It wound up a 15-day session on October 16, and, among the decisions were the opening up of new settlements on the outskirts to be supplied with city water and to have a park available to the residents; to develop transportation facilities for commuters between the suburbs and the city, and to build a steel bridge over the Yangtze River, as well as around the city tramway or an underground railway service to connect the terminus of the new railway now being laid between Chengtu and Chungking with the city proper.

This program would seem to indicate that peace prevailed and the prosecution of resistance was quitereasy. But that is the stuff that has enabled China to carry on for 5,000 years in spite of all manner of natural calamities and conflicts with the barbarians.

The slump in the dollar, which septously effects purchases abroad, does not seem to have had much influence upon life here. The dollar is still a dollar in what it can purchase, though there is a tendency on the part of the merchants to push prices of local products parallel with the rise of foreign imported goods. The latter are scarce owing to transport costs and difficulties so it is rather hard to get all one needs from abroad. However, people are adjusting themselves to the new conditions, and are becoming content to go without their coffee or their butter and lots of other things that they thought they would never be able to do without.

Quite a lot of things are being produced here. The demands for hardware and glass for new buildings caused hinges, locks, and window panes to be made locally. But even had that not been possible, the new buildings would have gone back to the Peking styles where, as you know, the Chinese houses were not blessed with hinges or metal latches. Nor was glass used in the windows. Paper windows will appear here if anything happens to the glass producers.

Gasoline is high in price, but there seems to be no diminution in the number of motor cars that are rolling about the streets and highways. Most of the hand-drawn vehicles are now wearing old motor tires, and the coolies are hauling much greater loads at a much higher rate of speed with much greater ease. So the war is doing a lot for this western country, apart from opening up its spacious lands and developing its raw materials."

CROSS-REFERENCE FILE

NOTE

SUBJECT Si

Sino-Japanese relations.

Report concerning - for month of January, 1940.

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See	# 2531 (Despalah, telegram, instruction, letter, etc.)						
Dated	Feb. 24	, 1940		Fro To	m China	(Lockhart	
File No.		893	• 0 0 P	.R. /10	36.		

793.94 /15806

4. Japan:

a. The general military situation:

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There was a fair amount of inconclusive fighting during the month. Japanese air bombing of the Indochina-Yunnan Kailway caused a temporary suspension of normal traffic on that route.

15. Hanol's despatch to the Department No. 40 of January 10, 1940 - "Bombing of Yunnan Hailway".

16. Reuter, Moscow, January 30.

17. Shanghai Evening Post and Mercury, January 31.

Foreign military observers estimated Japanese casualties from the commencement of hostilities to the end of December 1939 as approximately 800,000, including 250,000 or more who were killed in action or died of wounds and disease; Chinese casualties were estimated to be in the neighborhood of 1,500,000. The same observers believed that on December 31, 1939, there were about 800,000 Japanese troops in China south of the Great Wall and 250,000 in Manchuria; Chinese troops or military forces were estimated to number around 3,000,000, but not all of these were armed.

b. Operations in North and Central China:

Following the unsuccessful Chinese attack on Paotow in December, the Japanese brought up additional reinforcements and in January commenced operations designed to eliminate any further menace to the security of that city. Japanese troops advanced west from Paotow in three columns and by the end of the month were approaching Juyuan, a Chinese base 145 miles from Paotow. No serious fighting occurred as the Chinese apparently withdraw before the advancing Japanese columns. Foreign military observers considered that the Japanese forces engaged were not sufficient to permit a continuation of the drive to Ninghsia.

Spasmodic and inconclusive fighting took place in Thansi Province.

Considerable fighting occurred in northern Hupeh and southern Honan where the Chinese increased their pressure on Japanese positions in the Suinsien-Sinyang

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^{18.} American and French military attaches.
19. Military Attache's Situation Report No. 9849 of February 3, 1940.

area. Early in the month the Chinese made some advances in this region but were driven back when the Japanese brought up reinforcements. Some fighting also took place in the Han River area in western Hupeh, and in the Hupeh-Hunan border region.

c. Operations in Chekiang:

The Japanese engaged in operations during the month intended to rid northern Chekiang of Chinese troops who had been harassing the Japanese in the Hangchow area, and also, probably, to cut Chinese communications between Mingpo and the interior. After preliminary operations in the Nuchow-Hangshow-Kashing area, a Japanese force of some 5,000 men crossed the Chientang River January 21 and occupied Siaoshan, a strategic point on the Mingpo-Klangsi Railway, and Linpu, six miles further along the railway. Chinese reports that the Japanese advance was then checked by Chinese counterattacks were denied by the Japanese, but in any event the Japanese halted their drive, perhaps because of the despatch of heavy Chinese reinforcements to that area. Although the Japanese advance out the railway, it was reported that the highway from Mingpo to the interior via Kinhwa remained open. Foreign military observers criticized the Chinese for not having made adequate preparations to meet this Japanese attack although they had long been in occupation of that region and must have known that a Japanese attack would eventually be made in that area.

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^{20.} Shanghai's February 1, 9 a.m., to Peiping only (monthly summary), and Military Attache's Situation Report No. 9849 of February 3, 1940.
21. American Military Attaché.

d. Operations in South China:

The Chinese counteroffensive in Ewangsi, which began in December, continued and by the end of the first week in January Chinese troops were in possession of the Eunlum Pass and Chiutang, a few miles south, where their advance ended; at the same time, Chinese forces east and west of the Manning-Yamchow highway were harassing Japaness communications, although they did not cut them. These Chinese operations compelled the Japanese to bring in two divisions of reinforcements. The Chinese attack slowed down in the middle of January, and, after a brief lull, the Japanese commenced January 28 large-scale operations designed to secure their positions in the Nanning area; one column advanced on Chiuteng and another strong force crossed the Yu River east of Nanning and struck northeast in an encircling movement toward Pinyang, north of the Kunlun Pass. (The Japanese claimed the capture of Finyang February 2.)

Japanese forces in Kwangtung, which at the end of December had penetrated as far north as Yingtak and Tungyun and appeared to be attempting to capture Shiuchow, began a general retreat January 1, closely followed by Chinese troops. By the end of the month the Japanese had abandoned practically all of their gains and were back on a line north of Kuanyao (20 miles northwest of Canton) - south of Chuntien - north of Kaotsanghau - north of Shenkang - and north of Tsengcheng.

Heavy fighting occurred at some points during the retreat, particularly in the vicinity of Shenkang January 19

22. Canton's February 3, 6 p.m., to Felping only (monthly summary) and Military Attache's Situation Report No. 9849 of February 3, 1940.

and

and 20, and at Tsengcheng January 19. The Japanese suffered fairly heavy casualties during these operations and the number of Japanese troops in this area was further reduced by the transfer of several units elsewhere. It appeared that in this drive the Japanese employed an inadequate force, encountered unexpectedly vigorous resistance and were compelled to retreat.

e. Military activities in the occupied areas:

Shinese guerrilles continued their activities in Hopei, particularly along the Psiping-Hankow Hailway in southern Hopei where a Japanese expedition was required to clear away a force of guerrillas along both sides of the railway; engagements were also reported east of Tinghaien. The American Vice Consul at Tsinan reported that guerrilla interference with railway communications continued, with no little success, and that Chinese determination to resist was said to be increasing. He added that, while the Japanese announced more than the usual number of successful attacks on various Chinese military units in the district, there was good reason to believe that the Chinese took the initiative 23 in most of the encounters.

The military situation in the Swatow area remained unchanged, but almost continuous fighting took place between Japanese forces and Chinese regulars and guerrillas in the vicinity of Chaochowfu, making it necessary for the Japanese to send frequent reinforcements in troops and supplies. The Japanese made an unsuccessful attempt

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to

Tsinan's January 31, 5 p.m., to Felping only (monthly summary).

to capture Mityang.

f. Agrial activities:

The Japanese air force was fairly active during January. Bombing of the Indochina-Yunnan Railway, which commenced December 30, was continued, raids being made on January 1, 2, 4, 5 and 7; an important bridge was partially damaged and it was expected that normal traffic on this important line of communications would be interrupted for several weeks. Japanese planes were active in the Sulyuan area in support of their ground operations, and in eastern Thantung. Raids were also made during the month on Pinyang and other places in Kwangsi Province, Eweilin and Julyang in Eweichow, Changsha, Siangtan and Packing in Buman, and Kian in Fiangei. The American Consul at Foothow reported that eight raids were made in the Foothow district, six being directed at the wouth of the Min River; one of these raids was stated to have been the worst in that area since the commencement of hostilities.

The Chinese air force was apparently not particular-28
ly active, although Chinese reports claimed that Chinese
planes shot down eight Japanese planes in the course of
several aerial combats over Liuchow, Kwangsi, on January 2.

g. Folitical developments in the occupied areas:

Fress reports from Tokyo January 8 stated that Japan's "fundamental policy" in regard to the proposed

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^{24.} Swatow's February 1, 11 a.m., to Feiping only (monthly summary).

^{25.} Hanoi's despatch to the Department No. 44 of January 17, 1940 - "Bombing of Yunnan Railway...".

^{26.} Domei reports during January. 27. Foodhow's February 5, 11 a.m., to Peiping only (monthly

summary). 28. Router, Chungking, January J.

new central government for Shina had been approved by 29 the Japanese cabinet. On January 16 Wang Shing-wei telegraphed General Chiang Mai-shek, urging him to abandon his policy of resistance and to join with wang in the negotiation of peace with Japan on the basis of Frince Konoye's declaration. Some observers believed this to be an indirect Japanese peace overture to Chungking while others considered it as an 30 indication of the weakness of wang's position.

On January 22 Kao Tsung-wu and Tao Hsi-shan. two of 'ang Ching-wei's principal supporters, published in Hong Kong what purported to be the terms of an agreement reached between Wang and the Japanese in December 1939. This alleged agreement went far beyond Prince Konoye's proposals and gave the Japanese such extensive political, military and economic control over China as to reduce China to the status of a Japanese dependency. The alleged agreement was titterly denounced by the Chinese press in Chungking and Changhai and was also criticized in most of the foreign press in China. The Japanese controlled press and Wang's own publications in turn denounced the two men who had made the sensational revelation, and variously asserted that the purported agreement contained merely the terms originally proposed by the Japanese, that the terms finally agreed upon were much milder, and, finally, that no agreement had been signed. It was considered significant, however, that neither ang nor the Japanese gave out

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^{29.} Donel, Tokyo, January 8.
30. Changhai's despatch to the Embassy No. 2179 of February 10, 1940 - "Political Report for January, 1940". (Copies direct to the Department.)

the terms of any agreement which had been reached.

Reliable sources in Hong Hong believed that the agreement as published was genuine; observers in Changhai felt that the purported agreement at least indicated in general the measure of control which Japan desired to exercise over China, and considered that the disclosures would still further diminish Wang Ching-wei's prestige and might possibly affect the plans for the 32 establishment of the proposed new government.

Despite the defection of two important followers and the revelation of the far-reaching terms or demands of the Japanese, there was held at Tsingtao from January 23 to 26 a conference between sang Ching-wei, Japanese officials and representatives of the Feiping and Manking regimes, which it was believed would make definite plans for the early establishment of the new central government. The Japanese controlled press reported that the conference made satisfactory progress, but reliable sources at Peiping indicated that the conference was not as harmonious or successful as the Japanese reports claimed, and that Wang Keh-min held out against the merging of the "Provisional Government" with the proposed new central government. It was believed that, under great pressure, Wang Keh-min recoded from a categorical rafusal to have anything to do with the new covernment to a tacit approval of its establishment, provided that North China would remain autonomous or scal-autonomous under a regime semewhat similar to the

former

^{31.} Hong Kong's 3], January 25, 3 p.m.
32. Shenghai's despatch to the Embassy No. 2179 of February 10, 1940 - "Political Report for January, 1940". (Copies direct to the Department.)

former "Hopei-Chahar Political Council"; this belief 34 appeared to be confirmed by a Japanese press report January 25 which stated that the status quo in North China would be maintained. At the conclusion of the conference it was announced that a further conference would be held at Shanghai in February for the purpose of forming a "Central Political Council" which in turn would establish the new government.

According to press reports, Count Ciano, Italian Foreign Winister, telegraphed to "ang Ching-wei during the month, congratulating him on the "impending" establishment of a new central government; this action was denounced in the Chinese press, but the Japanese controlled press expressed gratification and predicted that Italy and Germany would recognize the new government when astablished.

It was announced at Kaifeng January 23 that the 36 "Central Pacification Commission" had been dissolved. This "commission", which was established by the Japanese in February 1939, in the hope that it would be headed by Marshal Tu Pei-fu, proved a signal failure.

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese relations.

Report concerning -, for month of February, 1940.

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For the original paper from which reference is taken

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793.94 / 15807

3. Japan

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The Japanese Consul General in Tsingtao was prompt in notifying his consular colleagues of a blookade of the coast of Shantung between Weihaiwei and Tsingtao, not including those two ports.* This blookade of the coast was instituted in connection with a very energetic campaign launched by the Japanese military, naval and air forces against Chinese guerrillas in the extreme eastern section of the Shantung promontory. The actual hostilities occurred in the Chefoo consular district, although considerable aerial activity was observed in Tsingtao.

On February 24 the Japanese Consulate General informed this consulate (and also other consulates in Tsingtao) that the lifting of the blockade between Schaiwei and Tsingtao "means in effect the restoration of the closed naval cituation as existed before February 15, 1940 and after September 5, 1937". It will be recalled that on September 5, 1937 the Japanese Foreign Office issued the following statement:**

"The Japanese Government, with a view to speedily settling the present affair and rostarting the stability of the situation, have previously closed a part of the Central and south China Coast to the traffic of Chinese vessels. They have now decided to extend this area and to close to Chinese vessels, as from noon of September 5, 1937, the rest of the Chinese coast, namely from 40

^{*} See Tsingtao's Telegram no. 27 of Feb. 17, 10 A.M.
**Bee Tsingtao's Telegram of Sep. 6, 1937, 6 P.M.

degrees north latitude and 119 degrees
54 minutes east longitude, to 21 degrees
33 minutes north latitude and 108 degrees
3 minutes east longitude, excluding Tmington and the lessed territories of third
Fowers. As this measure is solely designed
to bring about a prompt reconsideration on
the part of the Chinese Government, the
Japanese Government will pay due respect to
the peaceful commerce of third Fowers with
which they have no intention of interfering."

Actually, the coast is not closed to ordinary Chinese junks, although the transportation of kerosens, gasoline, etc. is prohibited.

Japanese Optimism in Resert to Establishment of North China Government

The Japanese community generally appeared to be optimistic with regard to the early establishment of a new Chinese Government or a Central Political Council with its seat at Hanking. While there is no illusion about a speedy restoration of peace and order in China, there appeared to be an air of great confidence that the first step, the establishment of a new Chinese Government, would be speedily achieved, and the end of Harch was commonly referred to as the date when the new council at Hanking would be established.

Jaranese Harbor Development

Notifications were received by the consulate for the benefit of American shipping interests with regard to development work in the Trington harbor. Work was actually in progress on a very large development scheme which without question will make the port of Trington an outstanding commercial and industrial

-7.

trial area in the Far East. Whatever doubts may exist among Chinese, Americans and Europeans as to the ultimate success or failure of the Japanese hostilities and the attack on the Chiang Kni-shak Government, there can be no doubt that the Japanese in this region have the utmost confidence that their domination of the Tsingtao harbor is of a permanent character.

CROSS-REFERENCE FILE

NOTE

SUBJECT Relations between China and Japan. Japan's lack of success in recent months against China is increasing evidence of its power of resistance and of its ability to unify under pressure has resulted in general feeling of optimism of Malaya with regard to the Far Eastern Situation.

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CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese relations.

Report concerning -, for month of February , 1940.

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For the original paper from which reference is taken

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3. Japan:

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(4-10)

a. The general silitary situation:

Fighting occurred in a number of areas during the month but the general military situation remained unchanged. The most important operations were Japanese "lightning" empaigns in Sulyuan and Kwangel, apparently intended to secure Japanese positions in those regions. Fristion and some clashes were reported between Central Covernment and Chinese "communist" forces in Chansi and

Hopel

^{9.} Havas and Seuter, Paris, February 24.
10. Chungking's 66, February 20, 1 p.m.
11. Pozei, Tokyo, February 17.
12. Reuter, Paris, February 16.
13. Tokyo's 67, Fanuary 31, 6 p.m.

Hopel.

b. Operations in North and Central China:

Japanese troops, stated by the Japanese to musber only about 10,000 men, which moved west from Paotow late in January, occupied Muyuan, a Chinese base 145 miles from Mostow, on February), Thanpa on February 5 and Linho on February 6. The Japanese forces advanced in several columns which were composed chiefly of mechanized and motorized units. Neither the Chinese nor the Japanese suffered many easualties in these operations as the Chinese withdrew before the advancing Japanese columns. On February 15 the Japanese commenced to withdraw most of their troops from Juyuan to Jactow and ennounced that the objective of their "lightning" campaign, to "annihilate" snear concentrations in the Suyuan area, had been achieved. The Chinese, however, did not remain in any place long enough to be annihilated, and, when the Japanese withdrew, they returned and at the end of the month were reported to be harassing the Japanese forces still remaining in Buyuan.

There were no important military operations in Theasi, as friction and clashes among Thinose elements brought Thinese activity against the Japanese practically to a standatill. The Japanese themselves undertook no 15 large scale operations.

In Sentral China no important military developments took place. The Japanese remained on the defensive and had no serious difficulty in holding their positions,

while

^{14.} Hilltary Attaché's Situation Report no. 5910 of Reroh 6, 1940.
15. Same as no. 14.

while Chinese action did not develop beyond guerrilla warfare. Two Chinese battaliens approached to within 25 miles of when and on Pebruary 16 attacked Chuyuahan; the American Consul Ceneral at Hankow stated that such minor engagements, duplicated in many parts of the cecupied areas in that district, exacted a not insignificant toll from the Japanese and their Chinese mercenaries.

c. Operations in Couth China:

In Ewangel, as in Julyuan, the Japanese attempted a "lightning" campaign. The Japanese drive, which combeneed January 28, was made in several columns from Conning and the Japanese plan was believed to include a wide envelopment east, northeast and northwest with Finyong as principal objective, and helding attacks to the Bortheast against Saulung and Chiutang and to the north against suming. Foreign military observers believed that not more than 50,000 Japanese troops were engaged, with perhaps three or four times that number of Chinese troops opposing them. The Japanese occupied linyang Tebruary 2 and cleared the Menning-Pinyang bighway within the next fow days, after considerable fighting in the Kunlum Face where the Japanese claimed to have annihilated more than a division of Chinese troops. Uning was captured Fabruary 8, but by this time the Japanese drive seemed to have spent itself and the Shinese rallied and commenced to counterattack; the Japanese began a general withdrawal and by the middle of February had returned to their original positions near anning. The Japanese then announced that they had

withdrawn

^{16.} Mankow's March 2, 10 a.m., to Felping only (menthly surmary).

withdrawn voluntarily, having accomplished their objective of eliminating any Chinese threat to Hanning. The American Hilitary Attache stated that during these operations the Jupanese inflicted severe lesses upon the Chinese in men and material and disrupted Chinese organization and plane; on the other band, he added, the Japanese themselves sustained heavy losses and achieved no decisive victory, for, when they began to retire, the Chinese resurged like a flood behind them. About the middle of the month the Japanese began to withdraw some of their troops from Manning to Yamshow where they were embarked for an unknown destination. Toward the end of the month the Japanese engaged in several minor operations, sending small detachments north and northeast from Numning to repel Chinese forces who were pressing too strongly, and southward toward Shangaze.

There was little military activity in the Canton area and the relative military positions of the opposing forces were not materially altered. Japanese reinforcements, believed to have come from Japan, were reported to have arrived at Centon during the latter part of the 18 month.

d. Military activities in the pacupled areas:

The Japanese press reported considerable military activity against guerrillas in Ropei Province. The American Vice Consul at Chefoo stated that intensive Japanese military operations between Teihaiwei and Teingteo during February led to the capture of neveral district

ospitals

^{17.} Military Attache's Mituation Report no. 6910 of March 6, 1940.
18. Canton's March), 9 p.m., to Paiping only (monthly summary).

capitals; he added that all five district capitals in the Chefoc area were now under Japanese occupation but that the countryside over the greater part of the area 19 still remained under guerrilla control. The American Vice Consul at Tsinan reported that widespread guerrilla activities continued during the first week of 20 rebruary. The American Consul General at Changhai reported that only minor military operations took place 21 during the month in his district.

The American Consul at Amoy reported increased military activity around Amoy. Sarly in the month Thinese troops raided the island of Quemoy and captured a number of Japanese controlled Chinese officials. On February 16 the Japanese landed some 3,000 Chinese mercenary troops on the mainland near Amoy, but these were decisively defeated by the Chinese forces; several hundred mercenaries were killed or wounded and about 22 1,900 were said to have surrendered to the Chinese.

The American Consul at Swatow reported that 2,500 Chinese mercenaries, who had been in training at Chinghai, ten miles northeast of Swatow, were transferred February 11 by Japanese transport to the Amoy area, and that on February 27 Chinese guerrillas attacked Chinghai and drove out the garrison of Chinese mercenaries and a few Japanese; the town was reoccupied by the Japanese by the end of the month. On February 29 Chinese guerrillas out the Swatow-Shaochow highway at several points

and

^{19.} Chefoo's Barch 1, 6 p.m., to relping only (monthly

summary).
20. Tsinen's February 29, 5 p.m., to Feiping only (monthly summary).

summary). 21. Shanghai's March 1, 5 p.m., to Peiping only (monthly

summary).
22. Amoy's February 29, 12 noon, to Peiping only (monthly summary).

and interrupted Japanese communications.

o. Agrial activities:

There was a noticeable decrease in Japanese acrial activity during February, although Japanese sirplanes made five raids on the Indochina-Yunnan Railway (Pebruary 1, 3, 13, 16 and 16) and supported ground operations in Sulyuan and Ewangel. Spart from these activities, Japanese reports made mention only of raids on Lishui and Chuchow, Chekiang (February 9), Yushan, Kien and Kanchow, lianger (February 9), the visinity of Liushow, Ewangei (February 23), and points along the Chekiang-Klangsi kailway (February 26). The raid on February 2) was directed at Chinese military headquarters located in the foothills near Liuchow where Ceneral Chiang Kai-shek was visiting, and, although he was not harmed, one or two of his staff officers were killed or wounded. The fact that the Japanese were aware of the Generalissimo's whereabouts at a particular time was an indication of the efficiency of the Japanese intelligence service. The American Consul at Foothow reported that 19 Japanese air raids were made in northern Jukien from February 1] to 19, the mouth of the Hin River being repeatedly attacked.

The Chinese air service was not particularly active. The Chinese claimed, and the Japanese admitted, that one Japanese plane was abot down by Chinese planes February 1) during a raid on the Indochina-Yunnan Railway,

and

^{2).} Swatow's March 2, 11 a.m., to Peiping only (monthly

^{24.} Domary:
24. Domary:
25. Military Attaché's Situation Report no. 6910 of March 6, 1940.
26. Foochow's February 29, 5 p.m., to Peiping only

⁽monthly summary).

27. Reuter, Chungking, February 14, and Fomel, Shanghal, February 14.

and the Chinese also claimed that two Japanese planes were brought down by anti-aircraft fire Yebruary) in 26 Zoran zai.

r. Political activities in

She possibled areas: 29 30
Reports from Changhal and Manking stated that negotiations between lang Shing-wei and interested Jupaness and Chinese for the establishment of a new "contral government for Chine progressed during the month. It was believed that the "central political council" of the "orthodox Eucaintang" would meet in Manking early in arch, following which a preliminary announcement of the establishment of the new government would be made. It was said that the actual ostablishment of the new government at Manking would take place on April 1. Information from reliable sources in Felping continued to indicate that "orth China would remain semiautonomous, although nominally under the new central government.

The "Hein Win Hui" was reorganized during the month and combined with the Civil Department of the Japanese army in Morth China. It was announced that Jang Meh-min would remain as president, with numerous Japanese advisers in important posts.

On February 17 a newspaper at Changhai controlled by long Ching-wei commented adversely on the Far Sastern policy of the United States and criticized in particular the reported proposal for the extension of additional American credits to the Chinese Covernment.

Q.

^{28.} Reuter, Chungking, February 12. 29. hanghai's Sarch 1, 5 p.m., to Peiping only (monthly

summary).

30. Manking's March 1, 5 p.m., to Peiping only (monthly summary).

31. reiping's 68, March 2, 12 noon.

32. hanghai's 135, February 17, 3 p.m.

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For Non-Participation in Japanese Aggression

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April 17 1940 April 12 1940

743.44

Maxwell M Hamilton Esq Division of Far Eastern Affairs Department of State Washington D C

Dear Mr Hamilton:

I enclose herewith copy of a letter which I have just received from Professor Tuan-Sheng Chien, dated March 16th, containing some observations on the state of affairs in southwestern China, which may contain points of interest to you.

Yours sincerely

Moger & Greene

g/w enc

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Y
NATIONAL PEKING UNIVERSITY
School of Law

Kunming, Yunnan China March 16 1940

Office of the Dean

Mr Roger S Greene Washington D C

Dear Mr Greene:

I have been back for a fortnight already. Everybody here is well though hardship is immense.....

The University has become a large affair of some 3050 students, all congested in dingy quarters of course. Yet it may comfort you to hear that the majority of them seem to be working quite seriously.

The war is at standstill again, with the Japanese still in control of Nanning. We did make several brave attempts to recapture the city and skirmishes are still raging around, but I think it would cost too much to attack it, the Japanese having constructed some very good pieces of defense work there. Both sides lost heavily during the months of December, January and February, when there were many serious encounters in both Kwangsi and Kwangtung. As it now stands, we are none too anxious to retake Nanning, and the enemy to advance further shead. Hence the standstill again.

At one time our transit lines to the outside were seriously menaced. With the Japanese advance held up, with communication on the Indo-China railway restored and with two auxiliary linex completed or about to be completed, contact with the outside is more or less secure. The Indo-China railway is operated by the French, who are slow in repair works or works of improvement. But lately, the French agreed to let experienced Chinese engineers and repair gangs take care of the repairs and other necessary improvements. It is nowadays repaired almost as soon as it is damaged. Furthermore, the Chinese engineers have been versatile enough to install all the necessary equipment for night driving on a line which the French had hitherto insisted as unfit for night trains. There are now also two not very good highways leading from Indo-China to China, one being a loop line opened after the loss of Nanning and the other parallel with the railway, soon to be opened to traffic.

I find the morale of the people is also high and construction work of various kinds are going on. Inspite of all the conceivable hardships and difficulties there remains a quiet confidence and a firm belief that final victory will be ours. This is all the more important, for I do find that after an absence of five months many things are showing signs of deterioration.

First, I think we are reaping the inevitable fruits of inflation. All war governments like to have their people think that they are not resorting to inflation. But in fact most of them do. Ours is no exception. I cannot say how many times our note issue has been increased. Anyway the result is obvious. Partly due to the difficulty

of transportation, p rtly due to war profiteering, but more largely to inflation I think, prices are jumping high-about five times or more of prewar level. The high cost of living is causing increasing hardship on all of us. While I have no doubt that the hardiness and fortitude of our people will enable us to stand such hardship for a considerable length of time yet, I do not like to see them burdened to the breaking point.

Another bad sign is more political in nature. I refer to the increasing friction between the Communists and the rest. The Communists have been quite consistently aggressive, both in propaganda and in sticking to what they can hold. With Soviet Russia preaching world peace and continuing to extend us credits, the rest of the population could hardly take too serious an offense to the misbehavior of the Communists. But with Soviet Russia exposing her real self, the situation became different. There is a deep suspicion of both Russia and the Chinese Communists. So long as no pact harmful to China is concluded between Russia and Japan, I think we will continue to be correct to Russia and to tolerate the excesses of the Communists. What I myself feel rather uncomfortable about is the fact that the negative attitude taken by our delegates at Geneva last December in regard to the Russo-Finnish dispute rather offended the Russians and I understand they have since withheld supplies which should have, according to the previous arrangement, been sent to us.

The year 1940, owing to the rather adverse international situation, may yet turn out to be more critical for us than ever before. I have been thinking of the possible sid and comfort that America can render us. I fully realize that anything that may rouse the ire of the Isolationists and the suspicion of the public is out of the question. Yet America must do something more than she has done in order to ensure that the "new order" of Japan shall never succeed. To my mind, if the conventions of both parties should include in their respective programmes, a plank re-emphasizing the doctrine of non-recognition and denying any power to establish a hegemony in Eastern Asia contrary to international agreement, America may yet exercise a rude awakening effect on the Japanese, most of whom are still thinking that their adventures in China are turning to be a success.

About Wang Ching-Wei I sish to say nothing. The whole thing is too nauseating. It is even more of a puppet show than the Manchikuo business. It is part and parcel of the manoeuvres of the Japanese cliques in China. It is one of the rerest collection of shamless renegades in history, both Chinese and world. I am ashamed of my own people that a man of his character could have been allowed to reach such high political eminence as he did.

I am leaving for Chungking on the 23rd and will be there until about the 11th of April. In case you have anything to communicate to me or through me there, I can be reached through the Peoples! Political Counsil.

With highest regards and best wishes, I remain

Very sincerely yours

(signed) Tuan-Sheng Chien In reply refer to FE 793.94/15810 -

Dear Mr. Greene:

I have reserved your letter of April 12, 1940, with which you enclose a copy of a letter of March 16 received by you from Professor Tuan-sheng Chien, in regard to the situation in China.

Professor Chien's letter has been read with interest and your courtesy in making it available to us is very much appreciated.

Sincerely yours,

m.M.A

Maxwell M. Hamilton Chief Division of Far Eastern Affairs

APR 27 1940.M

Mr. Roger S. Greene,
Chairman, The American Committee for
Non-Participation in Japanese Aggression,
1420 New York Avenue, N.W.,
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MISS FLORENCE G. TYLER

193.94



April 8, 1940.

Dear Dr. Hornbeck,

You may recall our conference on the situation in East The memorandum which we discussed at that time has now been printed, and I am sending you six copies for any use which you may wish to make of them. If you have need for further copies, we shall be very glad to furnish them.

Again I want to express to you our appreciation for the valuable advice which you and your colleagues gave us in the preparation of this memorandum.

Yours sincerely,

Secretary of the Committee on East Asia

Encs.



REPRESENTATIVE AND COOPERATING COMMITTEES

CHRISTIAN MEDICAL COUNCIL FOR OVERSEAS WORK ASSOCIATED MISSION MEDICAL OFFICE COMMITTEE ON WOMEN'S WORK AFRICA COMMITTEE

INDIA COMMITTEE RURAL MISSIONS COOPERATING COMMITTEE

PHILIPPINE COMMITTEE

COMMITTEE ON PROMOTION OF INTEREST

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COMMITTEE ON COOPERATION IN LATIN AMERICA EAST ASIA COMMITTEE

THE CONFLICT IN EAST ASIA

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Memorandum Recommended for Study

in the Churches by the

NATIONAL STUDY CONFERENCE

ON THE

CHURCHES AND THE INTERNATIONAL SITUATION

Philadelphia, Pa.

February 27-29, 1940

INTRODUCTION

This memorandum was prepared for the National Study Conference at Philadelphia by a group which met for a number of times during the fall and winter of 1939-1940.

Consultations were also had with several well-informed people associated with related organizations or in public office. It was then discussed in the section on American Policy of the National Study Conference on the Churches and the International Situation held at Philadelphia at the end of February. This section proposed that the Conference recommend the memorandum to the Churches for study. This the Conference did.

In addition, the Conference took certain actions based on the memorandum which are included in the Message of the Conference.* These actions and changes in the text made at Philadelphia are given in italics in the body of this memorandum.

Those whose names are given below participated in the preparation of this paper. The group was unanimous in presenting the report in this form. Where there was a failure to agree, that fact is indicated in the text. (See pages 9 and 10 and pages 11 and 12.)

EUGENE E. BARNETT KENNETH SCOTT LATOURETTE
FRANK T. CARTWRIGHT W. PLUMER MILLS
J. W. DECKER LUMAN J. SHAFER
B. A. GARSIDE WALTER W. VAN KIRK

ARTHUR JORGENSEN A. L. WARNSHUIS

A STATEMENT FOR THE CONSIDERATION OF THE PEOPLE OF OUR CHURCHES WITH REGARD TO THE SITUATION IN EAST ASIA

A. The Conflict at a Virtual Stalemate

The conflict in East Asia is nearly three years old. Chinese unity has held to a surprising degree and shows little signs of yielding. The Japanese have not been successful in their efforts to pacify or to exploit the territory penetrated. On the other hand, China has not been able to drive the Japanese out. The result is a virtual stalemate, here and there taking on the aspect of a blockade.

B. Disastrous Effects of a Continuation of the Conflict

The conflict has cost China a vast toll of suffering and disastrous losses. Military casualties alone have been estimated at 2,000,000. On the Japanese side corresponding losses have been put at 800,000. Whether these figures are high or low for one country or the other, a total of about 3,000,000 military casualties for both sides is probably not far from the truth. Civilian losses in China have been beyond comprehension. In Japan war costs are mounting and there are unmistakable signs of a growing discontent with internal conditions on the part of the masses of the people.

Further armed action will so weaken both nations that they may easily become the victims of predatory forces let loose by world strife. There is desperate danger that the fires now burning on two continents may coalesce in a conflagration which will engulf the entire world.

C. The Concern of the American People

All through the conflict the people of America have been deeply concerned. The losses, insults and indignities which Americans have suffered by reason of it have been important. Reparations and indemnities might repair this damage but these measures alone will not satisfy. The primary concern of Americans generally, and Christians in particular, is for a just settlement in East Asia. They will not be satisfied until justice has been done to China, for they believe that only thus can stable peace be secured. They are, therefore, becoming increasingly restive because of the support which American supplies are giving to the Japanese in the war. They do not wish to have any part in the invasion of China.

D. Attention Focussed on America's Responsibility by the Abrogation of the Commercial Treaty

The abrogation of the Commercial Treaty with Japan, which became, effective on January 26, 1940, has served to intensify the concern of the



^{*} This may be secured from the Department of International Justice and Goodwill of The Federal Council of the Churches of Christ in America, 297 Fourth Avenue, New York City.

American people, and has resulted in more active discussion of proposals for action. The abrogation of this Treaty gives the American Government freedom of action in the matter of economic sanctions, and thus creates a greater degree of uncertainty and tension in American-Japanese relations. At the same time, it leads naturally to an exploration, on the part of the American and Japanese governments, of an adjustment of the relations among the nations bordering on the Pacific. The question of America's relation to the conflict in East Asia and its responsibilities in the matter are thus brought more sharply into focus than at any previous time during the conflict.

It is imperative from every point of view that an early and just settlement of the conflict be brought about. The time may not be favorable for actual negotiation to that end, but it is desirable that an attempt be made to formulate the general terms of such a settlement so that every proposal for concrete action, advocated by Christian people to be taken either by people or government, may be carefully scrutinized from the standpoint of its effect upon such a settlement.

E. Proposals for Action

There are various actions which have been proposed or which are possible. These fall into three main classes:

- I. Voluntary action by citizens
- II. Action by administrative agencies of the Government
- III. Legislative action

Briefly outlined the most important of these are as follows:

I. Voluntary Action by Citizens

- (a) Refusal to make or accept any profits arising from the trade in war material.
- (b) Refusal to purchase such goods from Japan as would tend to strengthen her financial resources for the prosecution of the war.

II. Action by Administrative Agencies of the Government

- (a) The further extension of credit to China.
- (b) The strengthening of Chinese currency through the use of the Exchange Stabilization Fund.
- (c) The extension of the "moral embargo" to include octane gasoline, crude oil, motor trucks, scrap iron, etc.
- (d) The imposition by the President of additional or new duties on Japanese imports under Section 338 of the Tariff Act of 1930 in response to discriminations against American commerce carried on by Japan.
- (e) The cutting off of all imports from Japan under Section 337 of the Tariff Act of 1930.

III. Legislative Action

- (a) A Discretionary Embargo. The resolution introduced by Key Pittman (Dem.), Nevada, July 11, 1939, summarized as follows:
 Until May 1, 1940, whenever the President shall find that any foreign state which is a party to the Nine Power Pact, is endangering the lives of citizens of the United States, or depriving such citizens of their legal rights and privileges in violation of the express provisions and guaranties in said Treaty, the President is authorized to restrict or prohibit the export to such foreign state of arms, ammunition, implements of war, iron, steel, oil, gasoline, scrap-steel, and scrap-metal. The authority granted to the President shall be exercised only to the extent necessary for the protection of the lives of citizens of the United States and the rights and privileges guaranteed to them under the Nine Power Pact.
- (b) A Mandatory Embargo. Resolutions introduced in the Senate by Lewis B. Schwellenbach (Dem.), Washington, June 1, 1939, and in the House by Monrad C. Wallgren (Dem.), Washington, June
 - There shall be denied export to all merchandise, munitions, etc., (except agricultural products) which there is reason to believe will be used in violation of the sovereignty, independence, etc., of any nation the United States is obligated by treaty to respect. The President shall issue proclamations specifying the article and materials to be denied export whereupon it shall become unlawful to export or attempt to export such articles or materials. Congress may disapprove proclamations by concurrent resolutions.

F. A Broad Understanding Necessary

7, 1939, summarized as follows:

It is of the utmost importance that the Christian people of our churches should form opinions with regard to these lines of action. For in a democratic country foreign policy must depend in large measure on the attitudes which are taken by the people and the actions which they will. The responsibility of the churches at this point is an educational one. They must attempt to furnish their members with accurate information, and arm them with the moral and spiritual qualities which are essential to right decisions.

But if information is to be accurate it must include a broad understand ing of the whole situation. It is not only necessary that Christian people be informed as to specific actions which their own government might take, but the knowledge on which these actions should be based is incomplete unless proposals for action by the United States Government should form a part of the total picture including actions by other countries. Furthermore, every proposal for action must be scrutinized not only in the light of the exigencies

of the immediate situation but also with a view to a long term solution grounded on Christian principles. While our emphasis must be upon the responsibility of our own Government and people, we must also constantly bear in mind that the world is one, that isolation is impossible and that right decisions by our government are inextricably intertwined with right decisions by other governments. Again, actions taken on a short range basis or too narrowly conceived from the standpoint of our own people and our own government, may hinder rather than help in the long term adjustment required for a more just and a more Christian order in East Asia. It is, therefore, important that an attempt be made to state the broad lines of a constructive settlement of the issues in East Asia.

G. Two Basic Principles in any Proposals for a Settlement

[Note: What follows down through No. 4, under "I" was adopted by the Philadelphia Conference without substantial change.]

We recognize that the United States must accept its share of responsibility for the crisis in East Asia.

There are two basic principles to which any proposals looking toward a settlement of the conflict in East Asia must conform:

(1) They must call for a strong and independent China, sovereign in her recognized territory and strong enough to control her own affairs and destiny. Even assuming that China could be induced to suspend her resistance, a peace which did not respect her sovereignty would only be the prelude to a continuing struggle. An irredentist movement would be inevitable, and at some date in the not distant future would break out again in an open conflict which would destroy the peace of East Asia and threaten that of the world. A truly independent and strong China is essential if she is to avoid encroachments of Rusia, of the Western imperialisms and of Japan. No indemnity for American losses in China, or renewal of rights of a strictly commercial character, must be allowed to divert attention from this essential point.

The Japanese Government has itself announced that it desires no territory in China, thus recognizing the principle underlying agreements hitherto entered into by nations concerned in the Pacific area. A further consequence of this principle is seen at once to be the abolition of extra-territoriality and of foreign concessions in China.

(2) They must also provide for a strong Japan, no less in control of her own destiny. A prostrated Japan would inevitably invite encroachments from Russia and possibly retaliation from China. Japan's pressing economic problems and needs must be recognized and adequate provision made to meet them. Probably most important is that Japan be given reasonable assurance that she will not be denied access to her natural market in China, whose

economy so well supplements her own, either by Chinese boycott or discriminatory measures, or by interference from outside powers. She should be guaranteed equal terms with other nations in supplying China's needs and in securing from that country raw materials she can use in her industries. With her propinquity and the character of her manufactures she will still have a real advantage over her competitors. Any proposals for a settlement in East Asia must seek to furnish Japan full economic opportunity and provide for her a sense of political and economic security.

H. Outline of Proposals Looking Toward a Settlement in East Asia

There are certain essential features of a durable settlement in East Asia which apply particularly to Japan and China, and which must ultimately be decided by them. These are indicated here only as a part of the total situation, which vitally affects America as well as China and Japan. These features are stated in summary form below.

I. Features affecting China

- The cessation of "anti-Japanese" agitation. This assumes, of course, that Japan will take reciprocal measures.
- Negotiation of a general commercial treaty with Japan, giving her the utmost consideration consistent with China's own interests and with her commitments to other powers.
- 3. The furnishing to Japan of fair and equal access, through quotas, to certain stipulated raw materials (for example, cotton, minerals, salt), where this can be done without injury to China's own economy, Japan to pay for the same through the ordinary processes of trade and commerce. No arrangement is contemplated here which does not fully safeguard China's sovereignty and freedom.
- 4. Negotiation of a modus vivendi in regard to Manchuria, looking toward a permanent settlement of this question.
- 5. The facilitation of travel and communication arrangements of all kinds between China, Japan, Manchuria, and Korea, provided, of course, that these arrangements are in no way an embarrassment to China or an infringement of her sovereignty.

II. Features affecting Japan

- 1. The lifting of the naval blockade.
- Withdrawal of her troops from China. (The details of withdrawal and subsequent reoccupation by Chinese troops should be worked out by a joint Commission specially designated for the purpose. If desired, neutrals might be requested to act as observers under such a Commission. In regard to this section see also III, 3, below.)

The return of all properties, both public and private, expropriated during the war.

III. America's possible contribution

If America could see her way clear to take some or all of the following steps, she would undoubtedly thus do much to facilitate a settlement of the situation in Fast Asia

- 1. Revise the so-called "Exclusion Act" and place both Japan and China on the quota basis in regard to immigration.
- Relinquish extra-territoriality, withdraw our naval and military forces, and surrender our inland navigation rights in China, within a very early period, say, within three to five years from the conclusion of the Sino-Japanese war.
- 3. Endeavor to obtain the consent of the other powers now enjoying special privileges in China also to relinquish them, and likewise to withdraw their naval and military forces, within the same period. (Confer also II, 2, above.)
- 4. Seek further to secure the consent of all interested powers for the return of the concessions and foreign settlements to China. Should a three to five-year limit here seem too short, for example, in the case of Shanghai, a "special administrative" status after the analogy of Hankow might be arranged for a somewhat longer period if desired.
- Facilitate the opening of the American capital market to loans both to China and Japan, when peace is reestablished.
- Government credits to both China and Japan might also be considered in this connection if there are no legal or other difficulties in the way.
- 7. In addition, America might offer reciprocal trade agreements to both Japan and China, or at least some arrangement whereby adjustments in tariff schedules could be accomplished and whereby the exchange of central commodities from both countries could be assured.

IV. Further steps

The following measures are worthy of consideration by all parties concerned, should they seek together a general settlement of the situation.

- The making of a regional agreement among the nations bordering on, or vitally interested in, the Pacific area, designed to contribute to mutual security and lasting peace.
- Consideration of a joint program of naval limitation and of possible non-fortifying of outlying possessions which would further promote general confidence.

- 3. The negotiation of mutual trade-pacts which would foster and develop international trade and commerce. (See III, 7.)
- 4. The establishment of a Board of Reference, such as that originally contemplated by the Washington Conference resolution dated February 4th, 1922, with provisions for regular stated meetings to consider questions which may arise.
- 5. In all new treaties that may be made between China, Japan, and America, or between these and other nations bordering on the Pacific, the following principles should be borne in mind:
 - (1) A provision for consultation in disputes.
 - (2) A provision for altering the treaty in the light of changing conditions. The Board of Reference, referred to in the preceding section, or some such agency, might well be of help in this connection.
- Co-operation in the regulation and eventual suppression of the traffic in narcotics.

I. Specific Recommendations for Immediate Action by Christians

- 1. Urge the United States Government
 - (a) to make use of every opportunity to explore the possibility of a settlement in East Asia along the lines of the proposals made in the previous section, and
 - (b) to give primary consideration as far as practicable to the settlement of the whole situation in East Asia in all negotiations looking to the making of a new commercial treaty with Japan.
- 2. Seek to develop a public opinion favorable to the contribution to be made by America in facilitating a settlement in East Asia as outlined in Section III of the Proposals for a Settlement above.
- 3. Urge the extension of generous credit to China, both by government and by private capital. All will agree that China needs help in her effort to cope with the staggering problem of relief, in the organization and improvement of her economic life by the establishment of cooperatives, in the rehabilitation and advancement of education, and in the development of industry in all parts of unoccupied China.
- 4. Give more active support to relief work in China. In this connection we would especially commend the work of the Church Committee for China Relief, which is the officially recognized agency of the churches.
 - N.B. A basic assumption throughout this memorandum is the friendly feeling which the American people entertain towards Japan.

However combined with this feeling of friendliness is also the conviction that it is America's duty to see to it that her wealth and resources are not used by Japan for the injury of China. America's friendship is toward both nations alike, and we cannot be a partner to the injury of either one by the other. As to how this fundamental conviction can best be implemented in action, opinions differ. Therefore in separate documents atatched herewith various proposals are presented from different points of view in order that all aspects of the subject may be fully presented and receive due consideration. (See section on Proposals Regarding Trade with Japan, page 11.)

5. Urge the extension of the "moral embargo" to include octane gas, crude oil, trucks, scrap iron, et cetera.

[Note: Number 5 below was not adopted at Philadelphia.]

- 5. Urge Christians to take such voluntary action as will dissociate them from participation in Japan's program in China. This implies a refusal to make or accept any profits arising out of the trade in war materials, and also a refusal to purchase such goods from Japan as would tend to strengthen her financial resources for the prosecution of the war.
 - 6. In the event the above steps including the moral embargo prove ineffective we urge the American Government to make plain to Japan our desire to remain on friendly terms with her, but also to say to her that we cannot longer be a party to supplying her with the raw or finished products which she uses in her military campaign in China. As a practical measure for carrying this attitude into effect, we would suggest that the Government offer to renew our trade treaty with Japan, but at the same time put her on a reduced basis so far as the sale of supplies to her is concerned. Such a basis might well be, in our judgment, an average quota for the period 1921-1931. We believe that this basis would effectively dissociate the United States from participation in Japan's attack on China, while it would at the same time show Japan that our attitude towards her is friendly, and that our action is intended only to avoid injury to China with whom also we desire to be friendly.

[Note: The following section, "J", was adopted.]

J. Long Range Program

1. The World Mission of the Church

The most significant contribution which the churches can make toward a solution of tensions in East Asia is the vigorous prosecution of the missionary program of the churches. Christian groups have come into being in sc. 3(E) and 5(D) or (E) August 10, 1972 MARS, Date <u>/2-/8-75</u>

the countries of East Asia as in the rest of the world, and the potential influence of these groups for international goodwill is a fact of major importance. The Madras Conference gave undoubted evidence of this. The World Christian Movement is the one which of all others offers the most hope of international integration in a world which has disintegrated into areas of suspicion, hate and fear. It is imperative that every effort be put forth to strengthen the Christian movement in all its varied aspects in the countries of East Asia and throughout the world.

2. World Political Organization

All through our discussion of this complicated problem we have been aware of the fact of world anarchy. We recognize that so long as each nation remains the sole judge of its own cause and so long as there are no instruments available which function in the no man's land of common interest, which lies between the states, situations such as that which now obtains in East Asia must recur again and again. We have suggested some sort of a regional agreement among the nations around the Pacific, and some provision for revising treaties which may be made in the Pacific area lest the status quo become frozen and no allowance be made for the basic human fact of change. We recognize, however, that the ultimate solution of such problems as these calls for an organized world government to which certain functions of national sovereignty shall be delegated, and which shall function in the area of common interest between the states, which is now left unorganized and in a state of anarchy. We would, therefore, urge that Christian people in all lands study this aspect of the problem of peace and make every possible effort to bring about a world political organization.

PROPOSALS REGARDING TRADE WITH JAPAN*

Five possible lines of action are as follows:

- The imposition by the President of additional or new duties on imports from Japan under Section 338 of the Tariff Act of 1930 in response to discriminations against American commerce carried on by Japan.
- 2. The extension of the "moral embargo" to include high octane gas, crude oil, trucks, scrap iron, etc.
- 3. The passage of legislation for a discretionary embargo on exports used in the war.

^{*}See N. B. on page 9.

- The passage of legislation for a mandatory embargo on exports used in the war.
- 5. The cutting off of all imports by executive action.

There are those of us who look upon all of these actions as varying forms of a unilateral sanction and to this they are opposed. Others are in favor of the gradual implementation of these actions, reserving the more drastic until the less so have proven ineffective. Still others favor comprehensive action immediately.

With regard to the legislative embargo, in particular, there is a more marked difference of opinion. Three separate documents are therefore presented in connection with this proposal:

- (a) An argument in favor of the embargo. (See Appendix A, page 13.)
- (b) An argument against the embargo. (See Appendix B, page 17.)
- (c) A discussion of the Limitation of Government Action as an Expression of the "Moral Indignation" of Citizens. (See Appendix C, page 21.)

We are divided on the question of the application of an embargo, but we are agreed that the form of the embargo embodied in the statement given below is least objectionable. Even those of us who favor an embargo prefer this suggestion:

America should make plain to Japan her desire to remain on friendly terms with both herself and China, but should also say to her that she cannot longer be a party to supplying her with the raw or finished products which she uses in her military campaign in China. As a practical measure for carrying our attitude into effect, we might offer to renew our trade treaty with Japan, but at the same time put her on a reduced basis so far as the sale of supplies to her is concerned. A suggested basis is an average quota for the period of 1921-31. It is believed that this basis would effectively dissociate the United States from participation in Japan's attack on China, while it would at the same time show Japan that our attitude towards her is friendly, and that our action is intended only to avoid injury to China with whom also we desire to be friendly. It is perhaps not too much to hope that this policy might make clear to all concerned the attitude of the American Government and people, namely to be friendly to both China and Japan, but not to continue longer to be a party, however indirectly, to the injury of the one by the other.*

APPENDIX A

MEMORANDUM ON THE EMBARGO ISSUE PREPARED BY MR. ROGER GREENE THROUGH THE COURTESY OF THE AMERICAN COMMITTEE FOR NON-PARTICIPATION IN JAPANESE AGGRESSION

What should be the attitude of the American churches and individual Christians to the proposal that Congress enact an embargo upon the export of munitions and essential war materials to Japan?

In the first place, it will be well to consider the pertinent facts, in so far as we can, to determine their bearing upon the problem, and so far as possible to assign to each its proper weight.

- 1. Japan is obviously engaged upon a war of invasion in China in violation of her obligations under the Pact of Paris and the Nine-Power Treaty. No matter what provocation may be alleged by Japan, it is clear that those treaties barred the use of war as a means of obtaining satisfaction. That Japan had no substantial ground for complaint is clear to all impartial students of the situation. As evidence may be cited the report of Mr. Seiji Yoshida, Chairman of the Japanese Chamber of Commerce and Industry in Shanghai as published in Tokyo, March 1, 1937, and quoted by Mr. Julean Arnold, American Commercial Attache in China (Amerasia, June 1939, page 165). Mr. Yoshida expressed satisfaction with the progress that the Chinese Government had been making and called upon the Japanese Government and people to correct their erroneous China policy.
- 2. The Government of the United States is bound like that of Japan to respect the sovereignty and territorial integrity of China, under the terms of the Nine-Power Treaty.
- 3. In these days of totalitarian warfare it is known to all that common economic resources, the raw materials of the munitions industry, transportation equipment and fuels, play a part no less important than actual implements of war and explosives in military operations. The recent agreements between Grmany and Russia, under which Germany hopes to obtain such materials from Russia, have been generally regarded, by the parties thereto and by the rest of the world, as evidence that Russia was deliberately trying to increase German armed power against France and Britain.
- 4. It is known that those states which proclaim their belief in the right of the strong to impose their will upon their weaker neighbors maintain large munitions industries capable of manufacturing ample quantities of arms and munitions provided the necessary raw materials can be obtained. To coun-

^{*}The substance of the proposal contained in this paragraph was adopted by the Philadelphia Conference. See page 10.

tries like Japan, organized for war and actually engaged in war, the steady supply of essential raw materials and equipment capable of being used for peaceful as well as warlike purposes is the one indispensable element necessary for the prosecution of war.

- 5. Japan is deliberately restricting her imports of foreign goods to the minimum necessary for the conduct of the war and for the maintenance of the country on a war basis. This is evidenced by the prohibition of all imports except upon presentation of licenses granted only when such necessity can be proved, except in the case of raw materials for export manufacturing industries from which Japan hopes to gain foreign exchange for actual war purchases. The decline of our normal cotton exports caused by the prohibition of the use of cotton goods for ordinary clothing and domestic purposes illustrates this situation. Abundant confirmation can be obtained from any firm engaged in exporting American goods to Japan, and from our own statistics of exports to Japan, since the war began in 1937.
- 6. Japan is made independent of outside sources of food supplies by her own agriculture and fisheries, and by the resources of Korea and Manchuria which she controls. There is no question nor any possibility of the starvation of the Japanese people at large being involved in any restriction of our trade with Japan.
- 7. In 1938, Japan purchased from the United States 56 per cent of the essential materials and equipment required from abroad to supplement her own resources in such articles, but the percentage was far higher in respect to the most important articles, as follows:

Scrap iron and steel	0.39	per	cent
Petroleum and products	55.57	per	cent
Ferro-alloys	32.71	per	cent
Copper9	0.89	per	cent
Automobiles and parts	54.67	per	cent
Aircraft and parts	76.92	per	cent

8. In iron and steel, petroleum products, and motor equipment, Japan is almost entirely dependent upon foreign sources. With the outbreak of the European war, Japan can no longer purchase most of these supplies in markets other than the United States. Our contribution of these articles is, therefore, of vital importance to her. Without them she would be largely deprived of her superiority to China in mechanical equipment, and the war would be reduced to nineteenth century terms, with little use of aeroplanes, tanks and motor trucks, to say nothing of heavy artillery. It is, therefore, no exaggeration to say that if Japan should succeed in crushing the present Chinese Government, that result would be largely due to the help that the American

people have been giving her, partly out of ignorance and partly for the sake of a few hundred millions of trade.

- 9. If the argument thus far has been sound, our moral obligations under the treaties and regard for our long-term interest in discouraging the settlement of controversies by force should be the paramount consideration, rather than any questions of immediate gain or loss, and should lead us to stop the aid that we have been giving to Japan. There is reason to believe that if the war can be brought to an end with China still independent, the peaceful development of both China and Japan will bring profits to our trade and industry far outweighing any temporary loss due to the restriction of certain exports to Japan. On the other hand, if the Chinese Government is destroyed, we may expect a long period of disorder in which peaceful trade cannot develop.
- 10. It must be remembered that this is not merely a war between Japan and China, but also a struggle between warlike and peaceful elements in Japan, the latter temporarily submerged by terrorism and by the psychology of a nationalist war. The internal war in Japan has also had its victims. In the past two decades five Japanese premiers and ex-premiers have been assasinated as well as a large number of other important civilian leaders, and many liberal Japanese have been imprisoned or forced into seclusion. Every bit of assistance that we give to the Japanese military machine helps also to keep the Japanese liberals in subjection. The more success the Japanese army seems to be gaining, the more difficult it is for the liberal elements to emerge from hiding. We cannot strengthen the liberals by attempting to placate Japan through concessions helpful to the military party.
- 11. The stronger the Japanese military machine becomes, the stronger becomes the urge toward military and naval preparation in our own country, and the heavier becomes our expenditures for such preparations, involving not only financial waste but also the diversion of some of our best human resources to the morally destructive pursuit of militarism.
- 12. If we should ever become involved in war ourselves, it is certain that we should regard as an unfriendly act the sale to our invaders of articles needed by the enemy for the prosecution of the war. We should strive to build up the precedents that would be useful to us if we should ever be in a situation similar to that in which China finds herself today, rather than precedents harmful to us as a peaceful nation.
- 13. Would an embargo on the export of war materials to Japan involve us in war? There is little ground for believing that this need be the result. War would have to start at the initiative of either the United States or Japan. Japan would have nothing to gain by making war upon us and much to lose. The first result would be the complete interruption of our trade with Japan,

which is of vital importance to her. War would stop the sale to us of silk and other Japanese products upon which the Japanese finances are almost completely dependent. It would stop the sale of those of our goods which were not already included in the embargo. Japan might attack our interests in the Far East. Theoretically Japan could invade the Philippine Islands, but a campaign there would be far more difficult now than was our campaign for the suppression of the Philippine insurrection, since the Filipino forces are now much better prepared, and our naval defensive elements in submarines and destroyers would make the landing of a large Japanese army very perilous, as well as an intolerable additional burden while the war in China was still in progress. The Japanese army, long eager to fight Russia and remove the menace which Vladivostok is deemed to constitute, with its submarines and air forces so near the Japanese coast, has endured what to the Japanese military mind has been almost intolerable provocation rather than engage in open warfare. This policy has been pursued in spite of the fact that a war with Russia would not interrupt any trade of vital importance to Japan, and would on the other hand enable Japan to seize the remainder of Saghalien and Kamchatka and other points on the Siberian coast, controlling fisheries which are of the greatest interest to Japan. Japan might attack our interests in China. No irreparable loss would be caused if our missionary and educational interests in the Japanese-occupied parts of China had to close down temporarily or remove to the southwest and northwest under the protection of the Chinese government. Our business in North China, Canton, and in the Yangtze ports has already come to a practically complete standstill. Our Shanghai interests might suffer seriously, and there might be some outrages against American citizens, but these need not bring about war if the American Government and the American people show the patience and restraint which they showed at the time of the Panay incident. There is, therefore, little need to fear that the United States, with its passionate devotion to peace, would be stampeded into taking the initiative in war with Japan.

14. If the risk of war resulting from an embargo on the export of war material to Japan cannot be entirely eliminated, it should be borne in mind that no course that we adopt can entirely remove all chance of war except a decision to submit to any demands that warlike countries may make upon us. The danger of having to face such an intolerable choice cannot be entirely excluded and may be made more likely by the present policy of aiding an aggressor. A weak nation or individual may be pardoned, though perhaps not wholly justified, for yielding to threats. A nation, or an individual stronger on the whole than the outlaw, cannot so easily escape condemnation by pursuing a course known to be wrong, for the sake of avoiding immediate embarrassments, losses, or risks.

APPENDIX B

MEMORANDUM ON THE EMBARGO ISSUE PREPARED FOR THE NATIONAL STUDY CONFERENCE

I assume that one may accept as a premise that the United States should not go to war with Japan. If this is not accepted, I see no reason why an embargo should not be applied as soon as possible in order to begin weakening the combatant power of Japan. I assume the premise will be accepted, in part because it seems to be clear that the dominant American sentiment is opposed to our participation in actual war either in Europe or Asia. I am not inclined to share the view that the American people would not object to war with Japan if that war could be fought only by the professional armed forces of the United States and not by volunteers or drafts. Once war has begun, it is impossible to draw the line, provided the enemy offers greater resistance than at first anticipated or provided some other country adds its military power through an alliance with the enemy.

I assume also that one may take as a premise the assumption that the chief long range objective of American Far Eastern policy is the stabilization of that area. If one assumes that the United States desires to become the dominant power in the Far East as it is now the dominant power in the Western Hemisphere, then the instruments of that policy would necessarily be different from what I envisage.

In deciding whether to apply an embargo on shipments of raw materials to Japan, several points must be considered:

I. Will an embargo work?

By this I mean will it have the effect of defeating present Japanese policy on the Asiatic mainland and compelling Japan to negotiate a peace?

The answer to this question is mainly guess-work. I doubt if we have accurate information concerning the amount of reserves of essential materials which Japan has built up. It is difficult to appraise the extent to which by supreme effort they could continue to supply war industry by ersatz materials and by sacrificing temporarily the general welfare of industry. We ought to know by this time that prophesies of national collapse based upon traditional economic analyses are of little value when applied to a totalitarian state which Japan either is or could readily become. My own guess is that sooner or later an American embargo would spell defeat for Japan. The length of time involved depends on whether the Netherlands would dare to cooperate (assuming that England and France did), whether Italy would cooperate, and what will be the orientation of Soviet policy, e.g., would the U. S. S. R. prefer to sell its exportable surplus to Japan or to Germany?

The fact that the United States is now the chief supplier of Japan may mean that it is the most convenient market in which to buy and not that it is the only possible one.

II. If the embargo will work, what will be the consequences from the standpoint of the United States?

By definition, the immediate consequence will be the negotiation of a peace between China and Japan. It seems certain that the United States would in some way take part in the negotiation of the peace. Whether we did so directly or not, we would be associated with it in Japanese eyes, which means that they would develop a tradition of blaming us for their defeat. This would lay a groundwork of underlying hostility which might be set at rest by unusually broad-minded statesmanship leading to a fair balance between Japan and China and some outlets for Japan in the markets of the west. I am not confident that such an attitude would dominate American policy. If it did not, we would be faced by an inherently hostile Japan. In my opinion, an intelligent foreign policy of the United States involves a basically friendly relationship with the great powers in various parts of the world. We tried for a time in the Caribbean area a policy of keeping hostile elements under by force; we have wisely decided that our ends are better served by the existence in strategic areas of genuinely friendly nations. In the Far East I do not believe it is enough that we should have the warm friendship of China which would be secured probably by an effective embargo and might not be spoiled by refusing to allow all of the Chinese demands in the negotiated peace. As I see the future of the Far East, there will be two Great Powers, China and Japan. American policy should be designed to maintain friendly relations with both. I don't believe such a result can be achieved if the United States Government takes the affirmative step of applying an embargo which in the light of the existing situation and public discussion is clearly designed to bring about Japan's defeat. The alternative to a policy of friendliness with both China and Japan is a frank alliance with one or the other to maintain the supremacy of that one,-in other words, a Versailles peace. I believe that both China and Japan contain those elements of national vigor and vitality which make the permanent subordination of either an impossibility.

III. If the embargo will not work, what will be the consequence?

By definition, the embargo will not work if it leads to war between Japan and the United States. If war results, the consequences described above under II would be intensified.

By definition also the embargo will not work if it fails to defeat Japan because Japan succeeds in getting supplies through one of the means indicated above. Nevertheless, the failure of the embargo for this reason would scarcely diminish the hostility of the Japanese which the imposition of the embargo would arouse.

Tied up with the above two points is the possibility that the embargo might drive the Japanese to the southward—Philippines or Dutch Indies—perhaps as a result of the Navy replacing the Army as the dominant group in Japan. The United States should be prepared to face such an eventuality by force (that is war) if necessary. In this connection I consider apposite the remarks of Elihu Root in denouncing Wilson's World War Policy of repeated ultimata! "No man should draw a pistol who dare not shoot. The government that shakes its first first and its finger afterward falls into contempt." The imposition of an embargo is, in diplomatic practice, both the drawing of a pistol and the shaking of a fist.

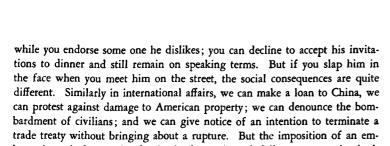
IV. What is the relation of the Japanese embargo question to other foreign policies of the United States?

At the moment American sympathies are strongly aroused in favor of Finland. Sympathy in this case is not so closely connected with self-interest as in the case of China, but if an embargo is to be based on sympathy for the victim of aggression, we should also take sides with Finland against Russia. Similarly, sympathy with the Allied cause against Nazi Germany would suggest an embargo against Germany. Again it is urged that we can not soundly take affirmatively hostile action against any country unless we are prepared to go further if that country takes up the challenge and retaliates against American property and lives. If the State which is the object of the embargo retaliates by sinking American vessels at sea, would the United States be able to avoid war? Despite our great strength, are we prepared to declare war on Japan, Russia and Germany at the same time? My own view is that we are not—from the point of view of public opinion—prepared to declare war against any one of them.

Mention should also be made of the theory of preventive wars. This is based either on the notion of "traditional enemies" or on the theory that if an aggressor wins one war across the ocean, he will then attack the United States. It is said that some American naval officers believe in the traditional enemy theory, think we are bound to fight Japan some day and had better pick our own time. I consider such a theory wholly false. I also wholly disagree with the bogey theory that either Germany or Japan, if victorious in the present wars, would come over and attack the United States. There is not space to develop that point here.

V. Would the imposition of an embargo be a merely negative act?

It is argued that we do not intend to take affirmative action against Japan; that we merely wish to put an end to our present "participation in Japanese aggression." With due respect to those holding this view, I believe it reveals a total ignorance of the way in which international relations are carried on. Governments, like individuals, are to a large extent governed by conventions. You can decline to propose a man for membership in a club



bargo is equivalent to the slap in the face. A weak fellow may not slap back but his feeling of hatred may be even more intense than if it found immediate physical expression. In a situation like that now existing in the Far East, the continuance of normal trade is the usual practice of diplomacy. The cutting off of that trade by the adoption of an embargo sponsored as it is by Senator Pittman who has ardently declared his desire to injure Japan, is distinctly an act of affirmative hostility.

Because of the conventions and habits of international diplomatic intercourse, we can reveal our displeasure and even give assistance to China without causing a definite breach and a wound which will not heal. We can not go to the extent of an embargo without definitely taking sides and being pre-

pared to follow up.

VI. Is an embargo required to protect our interests in the Far East?

I do not believe that many people advocate an embargo on the ground that it will pay in terms of dollars and cents through the protection of American investments and the maintenance of the Open Door. In fact to argue for an embargo on those grounds would be to deprive it of much of its popular support. The American people are not of a mind to go to war or to threaten war for the protection of foreign investments, even when they are partly philanthropic and cultural as they are in China. Nor has it ever been the policy of the United States to keep the door open by force of arms.

From what I have heard and read, I am forced to the conclusion that the movement for an embargo is largely supported by the feeling of sympathy and friendliness for the Chinese; in other words, it has a sentimental base so far as public opinion is concerned. I fully share the sympathy but I can not agree that sentiment is a safe foundation on which to build foreign policy. This statement runs counter perhaps to the widely held view that the United States should assert its power by standing for right and justice throughout the world. To a large extent I agree but with two qualifications:

First: Don Quixote should not be our model.

Second: It is false and dangerous to induce the country on sentimental grounds to take particular steps before the country is prepared for a genuine policy of international cooperation. If it were possible to say that the American people today are prepared to accept full membership in the League of Nations as the Covenant is now drawn, I should be in favor of our taking that

step and playing a full part in an international collective system. It is obvious to me that public opinion is not ready for that step. Even England and France were not prepared to honor their obligations under the Covenant when the hard test came. We are therefore deprived of the advantage of common consultation and action in staving off crises and in righting wrongs before they breed war; we are deprived of the advantage of even that type of common front which the League members achieved in applying sanctions against Italy in 1935. We would be following a lone trail, afraid to align ourselves with all the other States who share our general point of view and setting up an essentially false front for the course we were following.

That is not a sound basis for foreign policy.

APPENDIX C

THE LIMITATION OF GOVERNMENT ACTION AS AN EXPRESSION OF THE "MORAL INDIGNATION" OF CITIZENS

One of the basic problems faced by Christians is how to register the "moral indignation" felt as the result of the invasion of China and the ruthless type of warfare which has been carried on. It is urged that in a democracy the normal way for the opinion of citizens to be registered is through the expression of a majority opinion in government action. If, therefore, the majority of the people are outraged by the Japanese invasion of China, the government should make clear to Japan in some overt way that that is the opinion of the majority of the citizens. The fact remains, however, that in the international field there is no democratic procedure, and that when a nation registers the opinion of its citizens, moral or otherwise, it must be registered through the international framework which is essentially anarchical. Consequently, moral indignation when crystalized into government action ceases to be of significant moral value. For back of all the operations of modern nations is the system of independent national sovereignties and the resulting war system. So long as each nation is responsible to itself alone and is concerned alone for its own self-preservation and its own self-interest, any action which any Government pursues today is based on the independent sovereignty idea and the well recognized system of defending and protecting national interests by the use of force. Actions which may be proposed in the interests of righteousness when converted into government action must fit into the total framework of national self-interest and thus may become something quite different from the original intent of those favoring the action. Furthermore however well intentioned the action of any nation may be, in



This is particularly true of the United States, for the United States has carefully refrained from assuming responsibility for concerted action with other nations, and has adopted a strictly independent position reserving for herself the right to be her own judge in all matters affecting her own vital interest. She has not entered the League of Nations. She has not entered the World Court. The United States Government would be bound to undertake any policies of coercion in the East Asia situation in her own interests, since the whole policy of the United States has been based on one of non-interference except where self-interest is concerned. It is impossible for the United States now, apart from an organized concert of powers, to act unilaterally in an effort to coerce any other power by any measure whatsoever apart from distinct self-interest. This must be taken into consideration in any advocacy of government action on the part of churches or Christians in the United States.

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Additional copies of this memorandum may be secured from The Committee on East Asia, Foreign Missions Conference of North America, 156 Fifth Avenue, New York City. Single copies 10 cents; in quantities 5 cents a copy.

April 12 1940

My doar Mr. Shafer:

I have your letter of April 8, 1940, with which you were so kind as to send me six copies of a memorandum entitled "The Conflict in East Asia".

Your courtesy in making these copies available to the Department is very much appreciated. I look forward with interest to reading the memorandum at an early date.

Hauley KHarnheck

Mr. L. J. Shafer,

Becretary of the Committee on East Asia,

Foreign Missions Conference of Morth America,

186 Fifth Avenue,

New York, New York.

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TELEGRAM RECEIVED

MP

GRAY

FROM

Tsinanfu via Peiping & N. R.

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

Dated April 11, 1940 Rec'd 11:05 a. m., 15th

Division of Control of Secretary of State,

April 11, 11 a. m.

Washington

793.94

One. While no unusual military activities have recently been reported all passenger trains bound for Tsinanfu during past several days have included an average of three hospital coaches, usually full. Unless disease in epidemic form is responsible, it can only be concluded that casualties among Japanese troops in this region are on the increase.

Two. Reliably informed that Japanese contingent comprising six truck loads of troops ambushed near Tsinanfu on April 7th. One truck managed to escape and to return to Tsinanfu with several casualties among its occupants, but the other five trucks were destroyed and their occupants killed or captured.

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Three. CONFIDENTIAL: An example of the corrupti in Japanese military circles is afforded by a recent deal between the representative of a high Japanese army officer and the local office of a foreign oil company. The Company was asked to quote prices in United States

dollars

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MP -2- April 11, 11 a. m., from Tsinanfu

dollars for a large quantity of gasoline to be paid for by Yokohama Specie Bank currency New York, the receipt voucher to be issued in local currency. Thus it is obvious that the army officer concerned intends to pocket the difference between the open market rate for United States dollars of about 17 and the official rate of about 4.25 which, on this transaction, will amount to several thousand local dollars.

Sent to Peiping by mail. Repeated to Chungking, code text by air mail to Tokyo.

HAWTHORNE

CSB



TELEGRAM RECEIVED

MP
This telegram must be FROM closely paraphrased before being communicated to anyone. (Br)

Hankow via N. R.

Dated Ap ril 15, 1940

Rec'd 11:05 a. m.

Secretary of State,
Washington

April 15, 4 p. m. My April 6,)9 a. m.

Division of FAN Eta 791 Courses

Continuing Chinese activity in Central Hupeh and on the Nanchang and Yoyang fronts indicates that the Chinese may be taking the initiative away from the Japanese.

Possibly as many as one thousand Japanese wounded have arrived here during the past week from South Hupeh including, it is reported, Major General Igawa on April . No details are available concerning Japanese report of Chinese air raid on Yoyang April 12. On the same day air raid alarms are said to have been sounded twice at the Japanese air base here but no Chinese planes were sighted here. Chinese pressure is said to have increased on the Peiping Hankow railway zone and felt near Kwang shui, rail base of communications line to Suihsien.

Sent to Chungking, Peiping.

SPIKER

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AIR MAIL

NO. 70

AMERICAN CONSULATE GENERAL

American Foreign Service, Hanoi, Indochina March 30, 1940.

Situation in Ewangs No. SUBJECT: FAR ESCYERN AFFAIRS THE HONORABLE APRITE Z WASHINGTON.

Sir:

I have the honor to refer to my despatch no. 53 of February 8, 1940, and to previous despatches in regard to the progress of the Sino-Japanese conflict in Kwangsi, and to report that various sources of information indicate that the Japanese are agin driving westward toward Lungchow. It is understood that the French are watching this movement with more than ordinary interest, as continued pressure to the west may place the Japanese on the Indochina frontier.

Some days ago, the Japanese bombed Lungchow rather severely, according to well-informed sources, who suggest that the bombing may have been in reprisal for the recent Chinese capture of two Japanese planes that made a forced landing a short distance northeast of Lungchow. The Chinese dismantled the planes and transported the parts to Lungchow. As a matter of fact, I \rightleftharpoons have learned that a number of the parts are now in Indochina. The general damage to Lungchow is said to have been insignificant, although certain stocks of gasoline and petroleum products were destroyed, as

COMMERCIAL AFF URS

AIR MAIL

- 2 -

the previous Japanese occupation of the town left little of importance to be destroyed. (Despatch no. 37 of January 6, 1940)

The French military intelligence estimate that there are about 60 thousand Japanese troops in Kwangsi and southern Kwangtung. They do not have any confirmation that the Japanese are preparing to abandon Kwangsi, as has been widely rumored. They do believe that the Chinese have been making things difficult for the Japanese in Kwangsi. They mention, in this connection, that friction between the Japanese army and navy forces at Nanning, which is rumored to have resulted in the destruction of planes and gasoline reserves, as well as trouble with Manchukuoan troops, have not made the Japanese task the easier.

During a recent conversation the Director of the Political Affairs Bureau of the Government General, Mr. Mantovani, suggested that the recent Japanese activity might be more of a "face" operation than a serious endeavor to extend the hostilities, timed to coincide with the establishment of the latest puppet regime at Nanking.

Respectfully yours,

For the Consul at Saigon,

Charles S. Reed II, American Consul.

In duplicate to the Department (Original by air mail) Copies to the Embassy, Chungking and Peiping Copies to Consulates General, Hongkong and Shanghai Copies to Consulates, Kunming and Saigon

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JAPANESE EMBASSY WASHINGTON

Division of State

SAUMICATIONS AND RECORDS

March 14, 1940

743.44

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

My dear Mr. Hamilton:

I transmit to you herewith information pertaining to recent military operations on Hainan Island which this Embassy has just received by telegraph from the Foreign Office in Tokyo.

As you will note, it has some bearing on American residents of the Island,
and for that reason it was thought that the
information would be of interest to you.

Yours very truly,

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Morito Morishima, Counselor.

Enclosure

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March 14, 1940

On March 6th, the Japanese forces commenced operations against the remaining Chinese troops in all areas of Hainan Island.

In order to preclude the possibility of foreign residents of the Island being affected by the hostilities, the leading members of the foreign colony, including Mr. Smith, the Collector of Customs, and the superintendent of the Gospel Hospital, both of whom are American citizens, were told of the impending operations, and were advised to seek refuge in a specified safety zone which was established for the benefit of foreigners. The notice was given three days before commencement of the operation, despite serious strategical disadvantage caused to the Japanese troops.

Prior to the attack on Nodoa (Nata), which is an important Chinese base, arrangements were made whereby an automobile was furnished by the Japanese Naval Unit to an American in order that he might go into the city to bring to safety three members of the American Mission and 18 Chinese members of its staff, its teachers and their families, and students. The party was safely evacuated from Nodoa (Nata) on March 5th. As a consequence, the Japanese Naval Unit was obliged to withhold its attack against Nodoa (Nata) until the completion of the evacuation of the Americans, thereby altering its plan of operations.

March 18, 1940.

My dear Mr. Mortshina:

from the Japanese Foreign Office in regard to recent I asknowledge with thanks the receipt of your letter of March 14, 1940, with which you enclose a memorandum of information received by the Embassy military operations on Hainan Island.

Sincerely yours,

Division of Far Eastern Affairs Maxwell M. Hamilton Chief May a

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Counselor of the Japanese Embassy, Washington, D. C. Mr. Morito Morishins,

F/N

FROM

___ MP

89 8 Copies hereof to be sout to Committee BLATN & GRAY

NTEMALITURIA ECUNCATIC AFFAIRS APR 24 194% DEPARTMENT OF STATE

Dated April 17, 1940 PR 23 194 Rec'd 8:20 a. m.

Secretary of StateOPIES SEMT TO O.N.I. AND M.L.D. Washington

Division of FAR EASTERN AFFAIRS

125, April 17, 5 p. m.

Considerable significance is being attached to an economic planning conference which opened in Peiping on April 16 under the auspices of the three North China liaison offices of the Asia Development Board for the announced purpose of adopting new measures for closer cooperation between Japanese civil and military organs in discharging their joint-responsibility in connection with the economic and cultural development of North China and the settlement of the China incident.

Attending the conference are one hundred and twenty prominent Japanese including Parliamentary Vice Ministers Fof Finance, Commerce and Industry, Agriculture and Porestry, and Overseas Affairs, the Director of the Commercial affairs Bureau of the Department of Commerce, the Vice President of the Cabinet's Planning Board, the Director of the Political Affairs Department of the Asia Development Board, the Supreme commander of Japanese military forces in North China, a representative of the Japanes e

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MP -2- 125, April 17, 5 p. m., from Peiping

Japanese Embassy in Peiping, the directors of the Tsingtao, Peiping and Kalgan offices of the Asia Development Board and the President of the semiofficial North China Development Company.

While no detailed information in regard to the subjects being discussed has thus far been disclosed it is reported that they include such board questions as preservation of peaceful conditions in occupied areas, functions of the political regimes in Peiping and Kalgan, development of North China's economic resources, the future of Federal Reserve Bank currency, protection of Japanese investments and commercial interests and cultural cooperation between Japan, Manchukuo and China.

So far as known no Chinese is in attendence at the conference. The conference is scheduled to adjourn finally within the next day or two.

Repeated to Chungking and Shanghai. By airmail to Tokyo, by mail to Tientsin.

LOCKHART

KLP

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese Conflict.

Japanese request for ten additional Formosan police to the police force of the International Settlement at Kulangau.

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(b) Relations with Japan.

1. Kulangsu Situation.

793.94

The Japanese request for the appointment of ten additional Formosan police to the police force of the International Settlement at Kulangau (see this report for January) was referred by the Municipal

- 4 -

Municipal Council to a rate-payers committee consisting of one american, one British, one Dutch and two Japanese members. The committee held a number of sessions during February and finally disagreed as to the Council's financial ability to incur the additional expense. The Third Power members of the committee submitted a report stating that at present the Council's financial situation does not justify this expenditure; the Japanese members submitted a minority report to the effect that in their opinion the Council would receive, during the year, sufficient funds to cover the additional expenditure.

At the end of the month Mr. Uchida, the Japanese Consul General, in a conversation with the Chairman of the Municipal Council, used veiled threats as to what might happen if the Municipal Council did not agree to engage the ten Formosan police. The salaries demanded by the Japanese Consul General for Formosan policemen are three times as much as those being paid to Chimse police who have been in service for ten years.*

At the end of the month the situation was uncertain, with a possibility of a repetition of the incidents of last summer, when landing parties were necessary.

No. 289



Rangoon, Burma, March 19, 1940.

CONFIDENTIAL

SUBJECT: Possibility of Japanese air raids on aircraft factory at Loiwing, China, considered. and some protective measures taken; thirty-nine Americans now at Loiwing, and number will be increased.

THE HONORABLE AM MA

THE SECRETARY OF STATE

FAR EASHERN AFFAIRS APR 191940. No For Distribus

Division of

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I have the honor to report the bombing

For

WASHIN

Japanese airmen of the airplane factory of the Central Aircraft Manufacturing Company at Loiwing, China, just across the Burma border in Yunnan Province, is considered a possibility as long as the Japanese forces maintain a base at Nanning, north of the Gulf of Tonkin. The distance in a direct line is said to be about 600 miles.

According to the statements of Americans employed at the factory, some air-raid shelters have already been provided in the hills overlooking the factory site, and others are to be built; anti-aircraft guns have been placed at three points, and a Condor transport plane has been acquired, which could be used if needed in evacuating women and children and others in the event of air raids.

There are now thirty-nine American citizens at Loiwing, of whom twenty are men, ten, women, and nine, children. Several additional Americans are expected to join the factory force within a short time.

Pursuit

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State

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Pursuit Planes for Protection Favored.

It appears to be the opinion of the Americans at Loiwing, as expressed by some of them, that the maintenance at the factory of a number of pursuit planes would constitute the best protective measure against Japanese air raids, provided the planes were manned by thoroughly competent fliers. No steps to provide pursuit planes at Loiwing have yet been taken, it is said.

When the site of the present aircraft factory was selected, late in 1938, it was considered to offer the maximum of possible security from Japanese air raids to an industry which depended on overseas supplies and which consequently had to be within reach of transport connections with tidewater. It is at the lower end of a narrow strip of Chinese territory extending for 25 or 30 miles between the frontiers of the Northern Shan States and Burma proper, about 70 miles from the Irrawaddy River port of Bhamo, and about 140 miles from the railway terminus at Lashio. The invasion by the Japanese of the territory north of the Gulf of Tonkin and the subsequent taking of Nanning have had the effect of bringing the factory within flying distance of a Japanese base. The factory has its own radio station, and it might receive warnings from other stations if Japanese planes headed in that direction. The situation of the factory is such that planes would have to enter from one direction only, provided it was sought to avoid flying over Burmese territory.

Condor Airplane for General Use.

The Condor airplane recently acquired by the Cen-

tral Aircraft Manufacturing Company was shipped from the United States to Hong Kong, to be assembled there and flown to Loiwing. It is expected to reach the factory within a very short time. The plane is intended for use in transporting emergency supplies, and in providing a rapid means of communication between the factory and Kumming and Chungking, in China, and Rangoon and Lashio, in Burma. The passenger-carrying capacity of the plane is said to be twelve to fourteen persons. Application for permission to fly over Burma is being made.

Growing Importance of Factory Community.

There is now at Loiwing a community of 2,500 or more persons, consisting chiefly of Chinese workmen, skilled and unskilled, and their families, and as the factory is far distant from any important centers of population, an effort has to be made to give the settlement all the essential supplies, facilities, and services of a town. Water and drainage systems have been provided, and an electric plant, equipped with dieseloil engines, furnishes current for lighting as well as for power. A hospital with accommodations for eighty patients has been constructed, and Dr. Gordon S. Seagrave, an American Baptist medical missionary, who has a hospital at Namkham, several miles away on the Burma side of the border, visits Loiwing two to three times weekly to supervise the medical work, which is carried on by Chinese physicians. Malaria is prevalent in the Loiwing area, and an attempt is now being made to stamp it out by means of the mosquito-control measures re-

cently

cently inaugurated in southwestern China by United States Public Health officers. An electric refrigerating plant, for perishable food products, is to be built, gardening, fruit-growing, and poultry-farming have been started, and the purchase of a dairy herd is contemplated. Several shops providing a variety of supplies and services have been established. For transport work the company has a fleet of 38 motor trucks in operation.

Respectfully yours,

austin Bra Anstin C. Brady American Consul

4 Carbon Copies

Distribution:

- In quintuplicate to Department.
- 2.
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- Copy to Embassy, London. Copy to Embassy, Chungking. Copy to Consulate, Yunnanfu.

800 ACB/cp

RECEIVED APR 25 1940 DEPARTMENT OF STATE

GRAY

DIVISION OF

MP

COPY IN PARAPHRASE SENT TO TREASURY IN CONFIDENCE

Peiping via N.

Dated Aoril 19, 1940 Rec'd 1:30 p. m.

00P £ 2 FGN

COMMERCIAL AFFAIRS Department sefcretary of State,

Washington

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

FROM

Division FAR EASTERN AFFAIRS ₩R 20 194Q

128, April 19, 2 p. m. Embassy's 125, April

The economic planning conference ended yesterday afternoon with a session featured by the attendance of Japanese businessmen who are reported to have given from their own experience frank opinions on the monetary, food and coal situations.

Information obtained from various sources is to the effect that the conference was of an exploratory nature designed primarily to give representatives of the Tokyo Government first hand information concerning conditions in order that new steps may be taken to alleviate the currency and price situation which if aggravated might retard the restoration of peace and order in occupied areas and weaken the economic structure of the yen bloc countries. Japanese Vice Minister for Finance who was in attendange is reported to have declared that the Japanese: Government intends to maintain the currencies of the yen bloc

and the second s

793.94/15819



MP-2- 128, April 19, 2 p. m., from Peiping

bloc countries at par.

Repeated to Chungking and Shanghai. By air mail to Tokyo and by mail to Tientsin.

LOCKHART

DDM.

1

AIR MAIL

The Honorable Cordell Hull State Department Washington, D.C., U.S.A.

My dear Mr. Hull:

Division of 34, Motze Kai, Chengtu, Sze.Chi, April 4, 1940.

193,94/15599

The Association of the Chengtu Gentry was pleased to receive, a few days ago, your reply to our former letter, transmitted through Ambassador Johnson.

Your recent statement that the United States will not recognize the bogus regime set up by Wang Ching-wei in Nanking is receiving wide attention in the Far East. The results of this statemen may be incalculable. It is proving one more indication to Japan that her efforts in China are abortive. Thus you have rendered, not only to China but to American interests in the Far East, a signal service.

The following information, which is confidential, reenforces the strong position which the American State Department has ${f \Sigma}$ been taking. Dr. Houghton, head of the Peking Union Medical College, was recently in Chengtu. He stated that the financial collapse of the Japann ese excursion in China is a certainty. Two and a half years ago the Japanese arrived in China with abundant funds - money sufficient to buy land, purchase shops, set up businesses and monopolies. During the last two and a half years some fifty to sixty thousand of these people have been exported to North China alone. Today their funds are gone. No more money comes from Japan. They are not even allowed to return to their home country, though penniless destitution is the increasing lot of large numbers of them. In the Peking area bankruptcy among the Japanese business men is a daily event. Pawnshops are springing up everywhere, organized by the Japanese for the Japanese. The only Japanese who seem to be making money are a small minority who still seem able to self commodities to the Japanese Army.

These and other facts have led Dr. Houghton, a man of

solid and mature judgment, to the conclusion that nothing can save the Japanese enterprise in China. He believes that what is true of the Japanese in North China characterizes Japanese enterprises elsewhere in this country. He looks for the final debacle perhaps within twelve months, though the period may benspicating hears.

Dr. Leighton Stuart of Yenching University, Peking, has just been here. He puts the final collispency papan at about a year and a half to two 2080033 QWA years from the present. He states that even now the majority opinion among the Japanese is the urgent necessity to conclude the "Incident" with all haste. But they violently disagree among themselves as to how to bring this about. He says that many of them would be pleased if they could conclude the affair, saving to Japan only Hainan Island and North China, or even a few garrison posts in North Chine. When asked if the Chinese would be able to regain North China, Dr. Stuart replied, "Absolutely." He feels that, as the struggle draws toward its end, in order to save the occupied cities from looting and burning, the Japanese should withdraw under negotiations rather than as completely defeated military units.

We have learned on high authority a fact which is not generally known, that the Japanese in their present desperate situation are now willing to deal directly with Chiang Kai-shek. The latter, however, will have none of this; he insists on a third power in the final negotiations the United States. The Generalissimo informed this authority that he has now within his hands adequate resources for carrying on the war another five years, and that he will brook no equivocation whatever regarding the absolute sovereignty of China and of her territory.

China is in a strong position, and she knows it. This position has been immeasurably strengthened by your recent statement. To you, and to the United States Government, the Chengtu Gentry Association extends its deepest appreciation.

Sincerely yours,

D.K. Chou, President D.K. Chou S.C. Liao, Vice Pres Vice President

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitter 0, due term NARS, Date 12-18-75

|April 30 1940

No. 208

To the American Ambassador,

Chungking.

The Secretary of State refers to his instruction no. 188 of January 8, 1940, concerning a letter of December 8, 1939, signed by Marshal Chou Tao-kang and Mr. Liao Heden-chang, in regard to matters relating to the situation in the Far East.

The Secretary of State has now received a further letter dated April 4 on this subject signed by Marshal Chou and Mr. Liao as President and Vice President, respectively, of the Chengtu Gentry Association, 34, Motze Kai, Chengtu, Szechuan, China. The Secretary of State requests that the American Ambassador, unless he perceives objection thereto, make appropriate acknowledgment of this further letter of April 4 from Marshal Chou and Mr. Liao, informing them that the statements contained in their letter have been carefully noted. A copy of the letter of April 4 is enclosed herewith.

Enclosure: From Marshal Chou and Mr. Liao, April 4, 1940.

4PR C 20 793.94/15820

FE:ECC:HJN 4/27 A true copy of the seperal origin

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DEPARTMENT OF STATE

Memorandum of Conversation

DATE: April 19, 1940

SUBJECT: CHINESE-JAPANESE WAR

SECRETARY OF STATE HULL AND THE CHINESE AMBASSADOR. PARTICIPANTS: DR. HU SHIH.

COPIES TO:

193.94

The Chinese Ambassador came in with Mr. K. P. Chen, who is returning to China and who called to say goodby. They had no other business to take up with me.

I made inquiries about the probable future course of military affairs in China. The Ambassador replied that there were one million Chinese troops in North China commanded by a very good general, who understands the proper method of fighting in the present situation; that the fact that one million troops could be in this northern area was significant. He then said that there were two million troops at least in the South and other portions of China; that all of the troops were in better

-2-

better spirit from month to month and improving in their methods of fighting; that he saw no reason why the Chinese should not hold out for an indefinite length of time in their military operations. He further added that the Japanese were not expanding their military activities, and that if they withdrew to the principal cities they would leave themselves open to increasing and more effective attacks on the part of the Chinese.

8:CH:AR

MHM

TELEGRAM RECEIVED

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

Dated April 21, 1940

Division of FAR EASTERN AFFAIRS

Rec'd 7:20 a.m.

chown to ONI +.

Tsingta

Secretary of State Washington

59, April 20, 5 p.m.

I am informed by a reliable foreigner who has just moved from a residence which is the only one near the site, that the Japanese are now engaged in construction of a military nature in which "tens of thousands of bags of cement and several hundred tons of steel" are being used. The site is part of the Bismark Hill which can be identified by referring to Navy Department Hydrographic Office map "Kiaachan Bay and approaches" fifth addition May, 1929, No. 2480, and is immediately to the East of "barracks" shown on Diederich that map under the word laundryman. Those barracks are at present occupied by Japanese naval landing party headquarters.

It is impossible for me to approach close enough to observe the (*) and I cannot now gain access to the residence, which has been acquired by a Japanese. ever, the Department can accept my statement that some important construction involving heavy reenforced concrete is now under way for the Japanese Navy, at the

The second secon

sitE

-2- #59, April 20, 5 p.m. from Tsingtao.

site indicated.

When our naval vessels arrive here next month I shall inform senior American naval officer.

Repeated to Peiping. Peiping repeat to Tokyo in your discretion by the safest means.

SOKOBIN

PEG

* Apparent omission.

DEPARTMENT OF STATE

Division of Far Eastern Affairs May 1, 1940

MAN .

ok:

To note page 2 which gives the conclusions reached by the author of the report which constitutes the enclosure.

It is suggested that, if you have time, you may find it worthwhile to read the enclosure in its entirety. Assumably this report is the result of investigations by Dr. M. S. Bates or one of his colleagues and, so far as I know, it represents the results of the only comprehensive and intensive study of the processes of attempted Japanization of a large city in occupied China.

793.94/15823

GA

FE:Atcheson:HJN



THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

of China.

Grade

For

No. 61

CONFIDENTI.

COPIES SENT TO

AMERICAN EMBASSY Nanking, China, March 6, 1940.

Information Committee's

SUBJECT: Answers to American Information Committee Questionnaire on Japan's Cultural Invasion ∞

For Di tribution-Check

The Honorable

The Secretary of State,

In U.S. A. DNIA

Washington, D. C.

MAY 31 1846.

COMMERCIAL AFFAIRS

Sir:

793.94/15735 I have the honor to refer refer to this office's despatch no. 50 of February 9, 1940, transmitting a copy of a report entitled "Chinese Reactions to Japanese Propaganda" and to state that the author of the report in question completed another report on February 1, 1940, entitled "Answers to the American Information Committee's Questionnaire on Japan's Cultural Invasion of China" which has recently been received, a copy of which is transmitted herewith. It is believed that the report will be of interest to the Department because it gives a fairly clear and comprehensive picture of some of the most significant aspects of the "New Order in East Asia"

It is asserted by the author of the report mentioned. who has been a close and analytical observer of develop-

as demonstrated in actual operation in Nanking.

ments

93.94/15823

ments in the Nanking area:

- (1) That the Japanese sponsored "Reformed Govern-ment" is not seriously concerned with the public welfare or the social and economic well-being of the people.
- (2) That the feeling of the majority of Chinese in Nanking continues to be anti-Japanese.
- (3) That there is widespread distrust of the Japanese propaganda appearing in the Japanese controlled Chinese press, and that various Japanese military organizations and Japanese sponsored Chinese organizations continue to exercise surveillance over the Chinese population, which is designed to suppress "dangerous thoughts" and to eradicate anti-Japanese elements.
- (4) That the educational effort is limited, inadequate and closely supervised by Japanese "advisers" connected with the "Ministry of Education" of the "Reformed Government".
- (5) That there exists a half-hearted attempt to spread Buddhism and the ancient Oriental ethics at the expense of Christianity.
- (6) That the former interest shown in athletic and recreational activities is almost non-existent.
- (7) That the parades and "spontaneous" demonstrations of the Chinese people, given so much publicity by the Japanese, are under complete control by the latter; and that secret societies, such as the Ch'ing Pang, which the Japanese apparently hope to bring under their control, operate more openly than before and are said to indulge, with impunity, in intimidation, extortion and other questionable practices.

Copies

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Copies of the other papers referred to in the enclosure will be transmitted to the Department as they are received.

Respectfully yours,

For the Consul General at Shanghai:

2.1

E. F. Stanton American Consul

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Enclosure:

1/ - "Answers to American Information Committee's
 Questionnaire on Japan's Cultural Invasion
 of China."

800

JHP/ha

2 Carbon Copies

In triplicate to the Department
Copy to the Embassy, Peiping
Copy to the Embassy, Chungking
Copy to the Embassy, Tokyo
Copy to the Consulate General, Shanghai
Copy to the Consulate General, Hankow

CONFIDENTIAL

ANSWERS TO AMERICAN INFORMATION COMMITTEE'S QUESTION-

NAIRE ON JAPAN'S CULTURAL INVASION OF CHINA

 "What are the most visible evidences (things that strike the eye) of the Japanese and what they stand for? Examples: Billboards, shops, beer halls, Japanese people.

The ubiquitous sign of Japanese culture is the patent-medicine advertisement, painted on walls and buildings, public and private (without the consent of the owner, who dares not cause difficulty, lest he be put on the books as "anti-Japanese") The most common item is the familiar "Jintan" (Chinese, Jen-tan) or "Benevolent Pill". The most common type or group, considered collectively, are the eye-drops. "University Eye-Wash", for example, is flooding the landscape.

Another change is the multiplication of Japanese shops and Japanese people. A count made in 1938 showed just over 400 Japanese commercial establishments in Nanking (the number in 1940 is probably larger, but the casual eye cannot trust the use of Chinese-appearing signs by Japanese, and the use of Japanese language signs by Chinese who desire to bid for soldiers' trade). Before the war there were hardly five such enterprises (i.e., Japanese), and only about 100 Japanese residents including the Embassy staff, shipping men, and journalists. Now there are more than 7,000 members of the Japanese Residents' Association (which has some of the minor functions of a municipal government in itself), and Japanese friends speak of 10,000 civilians in Nanking. Besides, there are soldiers to be counted in thousands, though their number is a forbidden subject.

A change frequently remarked by the Chinese population is the open advertising of brothels and the development of a sort of cafe with a low type of girls as attendants. Moreover, many of the regular restaurants advertise that they have hostesses to serve their customers. Another worsening of the mores, more actively destructive in character, is theopen use and distribution of opium in more than 200 licensed agencies of the government monopoly, supplemented by a great deal of clandestine trade both in opium and in heroin.

The wretched condition of the roads and streets, the trifling attention given to the parks and public buildings, the inferior street lighting and the decline in public transportation services of all sorts, the large percentage of children on the streets, the innumerable beggars, all represent too plainly a governmental regime not seriously concerned with public welfare and improvement.

2. "What is done to suppress 'damgerous thoughts'? Examples: Various restrictions and forms of censorship and intimidation, the spy system, the pao-chia system."

There is no locally published newspaper or periodical of any sort except the propagandist organs of the regime.

independent newspaper from outside is received by post, save a few in English for Japanese and for Westerners. Possession of a radio set with more than 4 tubes is a crime for Chinese, and no new sets of such a type are supposed to come in for any one. Repeating items of news supposed to have come from Chungking broadcasts is a serious offence in the view of the genarmerie (military police). Schools and bookshops and homes have been carefully searched for books, pamphlets, and even old newspapers considered to be unfriendly to the present masters or to support the National Government of China. Japanese censors in the Post Office help themselves to Chineselanguage material, and at times to that in the English language addressed to westerners.

The gendarmerie, the Special Service Section, the consular police, and the municipal police are all turned loose upon the population, with many extra antennae in the way of paid informers. There is not a little robbery and extortion by these organizations, often connected with the reporting (genuine or manufactured) of evil (i.e., patriotic or anti-Japanese) tendencies.

The pao-chia system forms an elaborate machine for listing the residence and movements of every individual, with a complete hierarchy of responsibility from the individual citizen to the government authority. In principle it is supposed to provide security of homes and property. In practice it is generally recognized as a means of control, mainly political. Extensive reports have been secured on this subject, which emphasize the following points: (1) The pao-chia personnel is composed almost wholly of low-grade persons, who deal in petty graft and oppression. (2) The system provides servants for the police administration, of use in listing and in inquiry for wanted individuals; but generally it is weak and ineffective. (3) Overmuch formal attention is paid to searching for anti-Japanese elements, and under-little effort is put into aid for constructive administration, such as sanitation, poor relief, and the like.

Specific reports: A man within the system declared -"Of course we don't report on men who cooperate with the
Central Government; we only send people out to guerrilla
territory." A joke is current to this effect; Giving
information to the Japanese about those elements which are
unfavorable to them is a task which has no meaning at all.
Every Chinese is anti-Japanese, and some day there will be
events really unfavorable.

3. "What is the newspaper saying about current issues? If possible, quote headlines, slogans and subjects or extracts from editorials. What do people generally think of this paper?"

Please see special paper on this subject.

There are only two Chinese-language papers enjoying considerable influence in Nanking, the locally printed "Nanking Hsin Pao" and the Shanghai-printed organ of Wang Ching-wei, the "Chung Hwa Joh Pao". The former is despised and largely ignored by the educated, and owes its circulation mainly to two things: the interest of officials and their families and hangers-on in what they

themselves

themselves are doing, as reported in this officially maintained journal; market reports and other local news of practical bearing on daily living conditions. The latter paper will be reported elsewhere in a companion study to this one. In Nanking its circulation is said to be 5,000 copies daily, received in an interesting mixture of curiosity and distrust. The efforts of Wang and his associates to pose as representing Chinese interests against mere exploitation by Japan, gave them a good start, aided by relatively good writing and somewhat freer news reporting than other papers in the occupied areas can or wish to provide. But criticism of this one exception to the disfavor in which puppet papers are held, is not markedly increasing. Of the local journal, a landowner remarked, "The headlines are all that I can stand."

4. "In what ways are the Japanese controlling education and using it as a tool for their purposes? Note: Organization, visits of inspection, Japanese language, speeches, textbooks. How does the number and quality of schools compare with that before the war?"

There are Japanese advisers not only in the Ministry of Education of the Reformed Government, where they are very active in such matters as textbooks and are now putting over a five-year middle school program as against the six-year system desired even by puppet Chinese, but also in the municipal Bureau of Education. Japanese visit public schools frequently for all sorts of purposes, and private schools in the aim of inspection, particularly of textbooks and materials. Some of the inspection is done by the gendarmerie. Japanese language is in principle to be taught to all students from the fourth or fifth grade, continuing in middle schools. In present practice, there are not enough teachers to go around in Nanking. Japanese is taught, in elementary form using mimeographed copies of the standard primers in Japan, from the fourth grade. Private schools have not yet been compelled to introduce Japanese, though there are inquiries and suggestions in that direction; some of them have Japanese as an elective for middle school students.

The number of schools approaches half that before the war. Taking into account the shrinkage in population and the incomplete character of the present schools, it is perhaps better to use the ratios of children in school to the total population as the basis of comparison. On that standard, school provision is now about 40 per cent of what it was before the war. Outside the city the decline in provision is much sharper. Quality is pitifully reduced. Many teachers are not middle school graduates and have had no normal training; but they do have good personal connections with those who appoint and pay. There is an effort at normal training and at buying the services of abler persons who have held out for independence as long as the economic strain on their families would permit.

See special paper on textbooks.

5. "What has been done about religion and philosophy? Note: Opposition, control, revival or reinterpretation with respect to Christianity, Buddhism and the traditional philosophies."

There are signs of suspicion and disfavor toward Christianity, but it is not formulated in a declared policy and appears in police acts and in the conversation of Japanese military officers and others.

CONFIDENTI

- 4 -

Certain Japanese officers have from the first given special protection and favor to Buddhism. Much is made in the newspapers of cooperation between Japanese and Chinese Buddhists. But in practice this seems to amount to very little, partly because of the inherent lack of organization in Chinese Buddhism. There is a nominal Institute of Sino-Japanese Buddhism, but its only activities, found by considerable inquiry, are occasional meetings for the sake of publicity, and classes in the Japanese language taught by Japanese for Chinese nums. Shows are put on for visitors from Japan. Inquiry from Chinese of varying classes has brought little information save that Japanese monks and nums are to be found in ones and twos at certain temples and numneries, but are considered by Chinese to be tools and spies of the military.

The old official sacrifices in the Confucian manner have been revived by the Reform Government. Much is said about the old virtues, in the form of printed advice to others to practice them. The ethics of East Asia are adequate for East Asia: is a formula in varying words designed to refer disparagingly to the harmful thoughts that have come from the west, especially communism.

(A reliable report by a friend who recently visited Hangchow is to the effect that Japanese interest in Buddhism is more plainly shown in that famous center of Chinese Buddhism. At least one of the chief temples is now in charge of a Japanese abbot.)

6. "What effect have the Japanese had upon the recreation of the people?"

See Question 1 for some points of deterioration.

The active athletic organizations maintained by the former government people and by the many schools formerly in Nanking have practically disappeared. The public swimming places have not been used for nearly three years; some gymnasiums were destroyed and others are unused. Tennis has almost passed out from Chinese interest, partly because it is economically impossible for the present population. The only slight revivals from total cessation are in a little soccer and basket ball among a very few schools. Japanese contributions are seen in a little effort to introduce jiu-jitsu, mostly by demonstration. Japanese also play baseball and golf, although numbers engaged in sports are so small as to be little noticed in the city population.

The large cinema business formerly maintained in Nan-king has now shrunk to one important Japanese movie-house primarily for the military and seldom attended by Chinese, and to a few Chinese places which irregularly show old or low-grade Chinese films. Total attendance is a small fraction of that before the war. There is said to be little or no propaganda through films except for the Japanese newsreels, which are highly tendentious. One informant complains of immoral films that are not allowed to be shown in the foreign areas of Shanghai.

Old-style

Old-style Chinese plays have carried on with little break, and appear, at least relatively, more prominent than before the war. Some complain of their quality. One good reporter says there is a tendency to regard certain of the old plays as maintaining a patriotic spirit; such as plays regarding ancient national heroes, dramas of the driving out of robbers and the defeat of bandits, and so on.

One cannot see that there is any great change in gambling, except that it is publicly freed from the restrictions imposed by the New Life Movement and other reforming tendencies of the pre-war era.

7. "Please describe any significant occurrences or developments in any of the following lines: meetings, parades, demonstrations, ceremonies, posters, leaflets, radio broadcasts, youth movements, secret societies."

Meetings, demonstrations, and the like, have been concerned mainly with the inaugurations and anniversaries of the new regime, and with an attempt to take over October 10th and a few other great days of the old regime as continuing "national" days. Peculiarly stupid have been the attempts to use the dates of the start of the present war, and also the anniversary of the Mukden Incident, as indicative of "The New China" and "The New Order in East Asia". The police, the pao-chia selections, and outright payment have been the main sources of attendance. However, free use of color, music, and fireworks have made some real gains among children and the uneducated.

Posters and leaflets will be reported in a separate paper.

The radio is little used in comparison with former times, partly because of the loss of the more prosperous elements in the population, and the direct and indirect losses in the destruction and looting of so much of the city, plus the deprivation of electric current from most of the Chinese people for more than a year. Moreover, its eruptions are generally disliked, with the exception of certain musical items. Very few radios are found in homes. Those in shops are largely for the purpose of attracting visitors by amplifying music; they are often turned off, "to save current", when news broadcasts arrive. "Not one person considers the news reports really reliable". Other merchants desire reports of prices and exchange quotations, nothing else.

Although a fair amount of noise has been made about the Young Men's Association, both by the organizers and the propagandizers on the one side, and by fearsome parents on the other side, its program is now so irregular and intangible that many reports bring little enlightenment or assurance of knowledge. People feared it was a step toward conscription, since drill, physical fitness, "systematic" selection through the pao-chia organization, and slogans of "self-protection" were put forward as characteristic of the new attempt. A few neighborhood units have done some real physical drill; a few have done some "political education"; a few have done perfunctory watchmen's service. Certain neighborhoods have done nothing at all. Some youths are paid by the fang-chang

(officers

- 6 -

(officers in charge of ten pao, or something like a thousand families) from assessments that the latter levy as best they can from reluctant and bargaining shopkeepers; some have received uniforms; others have no material basis whatever. There is now a training school for lader of the Young Men's Association units, and the half atter seems to be largely one of future basis little.

The notorion An Ch'ing Hwei (or Ch'ing Pan) flourishes more openly than under the former regime, and is said to play closely with some of the less creditable elements of the Japanese. This secret society controls certain government offices and certain occupations in Nanking and other centers. It engages freely in extortion, the more readily practiced because the police are heavily involved in the discipline of the Secret Society itself. As one substantial citizen declares: "The power of the Ch'ing Pan is now great, because no real law or protection is available against local rascals who enjoy the favor of the Japanese and the police." A member of the gentry called the secret group "a menace to all law-abiding citizens, mere tools of the Japanese." Another common opinion is that of a woman who said: "The Ta Min Hwei (Great People's Society, the propagandist organization of the Reformed Government, of which more hereafter) is the same thing as the An Ch'ing Pan. They are all rascals. The Japanese like them because they can use them."

(Note: This subject of secret societies is so complex as to merit further study. Generalization is perilous.)

February 1, 1940

CCP TO THE PART

Copied by HA

TELEGRAM RECEIVED

JR

793.94

FROM GRAY

> Hankow via N. R. Dated April 22, 1940 Rec'd 7:25 a.m.

Secretary of State, Washington.

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

April 22, 2 p.m. My April 15, 4 p.m.

withdrawal can be ill-spared.



There has been an acceleration during the past few days in the movement of Japanese troops and material. The activity is difficult to analyze as volume of traffic bound down river approximates that arriving. The eastward movement is possibly a reaction to the diversions created the Chinese between here and Kiukiang, in southeast Hupeh and the Nanchang area, and is believed to be composed largely of forces from the Yoyang sector whose

Sent to Chungking. Repeated to Department, Peiping, Shanghai.

SPIKER

HPL: DDM

APR **24** 1940

DEPARTMENT OF STATE

PAHA

DIVISION OF FAR EASTERN AFFAIRS

April 22, 1940

Tsingtao's 59, April 20, 5 p.m.
ONI has located this site
on the map referred to. The site
is between two and three miles due
east of the center of the city
of Tsingtao, and perhaps a mile
inland from the coast.

FE.TKP

APR 24 1940

CEPARTMENT OF STATE

793.94

CROSS-REFERENCE FILE

NOTE

SUBJECT

Bombing of Chefang; difficulties experienced by agents of U.S. Public Health.

Report on-, embodied in quoted message from Dr. Bush for transmission to Dr. Williams; latter en route to San Francisco. Consulate has no details of bombing; comments on location of Chefang in relation to Loiwing, site of the airplane factory.

793.94/15825

For	the	original	paper	пош	миси	reference	18	iaken	

Tel #114; Noon	Tel #114; Noon (Despotch, telegram, instruction, letter, etc.)					
(Desputer, essentium, mann	0_00					
April 18, 1940 Dated	From Hong Kong	(Southard)				
Tel #114; Noon File No893,12/175-						

g, s. GOVERNMENT PRINTING OFFICE 1-1540

FRG.

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MP

GRAY

1676

Hong Kong via N. R. Dated April 18, 1940 Rec'd 8:50 a. m.

Secretary of State,
Washington

114, April 18, hoon.

Doctor Telfer of this office has just received the following message from Dr. H. J. Bush of the malaria control work at Chefang near the Burma frontier:

"Radio Williams, Chefang bombed operatic building, wrecked laboratory, Sweet, Yaochen (repeat Sweet Yaochen) not back, standing by uninjured, continuing control Chefang and Wanting started last week, starting Mangshis tomorrow, requesting authority remain extra fortnight".

The above message was sent on April 17th from Namkham in Burma. Dr. Williams is now on the steamship PRESIDENT CLEVELAND en route to San Francisco and Dr. Telfer requests office of Surgeon General to communicate message of Dr. Bush to him.

We have received no details here as to bombing at Chefang and as to who did it. Chefang is on the Burma highway about 30 miles this side of the Burma frontier. It is said to be distant about 100 miles by road from Loiwing)

93.12/173

MP-2- 114, April k8, noon, from Hong Kong
Loiwing) which is site of the new airplane factory.

Repeated to Chungking and Kunming.

SOUTHARD

 \mathtt{HPD}



Coific Coast Lumber and Shingles State

Series Building

Assistant Secret of State

Of State

<u>₹</u>

April 20, 1940.

Assistant Secretary

APR 22 1940

MR. GRADY

Dr. Henry F. Grady, Assistant Secretary. Department of State, Washington, D. C.

743.94

My dear Dr. Grady:-

I quote the following from a from Mr. Stanley Bishoprick of Shanghai, who is a young man we sent out to the Orient a few years ago and who is employed by our connections there.

I made a trip to Nanking last week by Japanese train, which was quite interesting. To show you just how the Japanese ment to keep the 'open door' in China, I will try to tell you what I saw. It took a little over three months to secure a pass to make the trip. Then the pass was not issued for business purposes. The train was filled with Japanese business men.

I do not know if this was the regular thing or not, I do not know if this was the regular thing or not, but there were four machine guns mounted in ends of each car to ward off guerilla attacks. The train also carried an armed guard of about 100 men. Between Wusih and Chinkiang, a distance of about 100 miles, there were sentries every 100 yards, and about every three-quarters of a mile there were huge concrete 'pill boxes' with a couple of squads. On each bridge were two 'pill boxes'. We saw two trains lying on their sides due to running into mines. One of the trains had apparently been wrecked for several months, while the other was recently wrecked. On both sides of the track all trees and brush were removed for a distance of about 100 yards to eliminate any chance distance of about 100 yards to eliminate any chance of close ambush. All of this is hundreds of miles back of the front lines where everything is under 'Japanese control'. There is absolutely no business done in Nanking by anyone. Everyone is just waiting.

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

DANT & RUSSELL, Inc.

Dr. Henry F. Grady

- 2 -

April 20, 1940.

No reconstruction and future planning. If a Chinese buys anything from anybody but a Jap, he runs into difficulty in one way or another. Nice polite people these Japs, and I only hope someone really talks to them in the only language they understand -- Force. "

With kindest regards, I am,

Yours very truly,

CED:RA

In reply refer to FE 793.94/15826.

My dear Mr. Dant:

I have received your letter of April 20, 1940, in which you quote from a letter received from Mr. Stanley Bishoprick of Shanghai in regard to a trip which he made from Shanghai to Nanking.

Mr. Bishoprick's statement has been read with interest and your courtesy in making it available to the Department is very much appreciated.

Sincerely yours,

Henry F. Grady Assistant Secretary

Apr 24 1940PM

Mr. C. E. Dant,

Pant and Russell, Incorporated,
Porter Building,

Portland, Oregon.

FE: EOC: HJN 4/24

FE M

A-G-RC

F/FG/struc

793.94/ 15826

CROSS-REFERENCE FILE

NOTE

SUBJECT

A Miscellary of slogans and similar items from official propaganda, giving a cross section of the type of propaganda which the Japanese are disseminating in connection with efforts being made to establish a "New Order in East Asia".

Encloses copy of report on -, prepared Feb. 3.

8.6

See	# 62. (Despatch, telegram, inst	2 • (Despatch, telegram, instruction, letter, etc.)		
Dated	Mar. 7, 1940	From To	China (Nanking)	

For the original paper from which reference is taken

File No. 893.01/739.

U. S. GOVERNMENT PRINTING OFFICE 1--1640

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese conflict.

Proposed new "Central Government", Report concerning.

793.94/ 15828

B. Relations with Other Countries.

1. Japan.

793,94

(a) <u>Proposed new "Central Government".</u>

The local press devoted much copy to Mr. Wang Chingwei's "peace moves"; to the proposed establishment of a "Mational Defense Army" under direct control of new "Gentral Government"; to the alleged "peace

(1) Despatch to Embassy, no. 996, Feb. E8, 1940.
(2) Despatch to Embassy, no. 990, Feb. 20, 1940.
(3) Despatch to Embassy, no. 989, Feb. 20, 1940.

-3-

treaty" signed by Er. Wang Ching-wei and Japanese authorities; to the proposed creation of the "Central Political Council"; and to plans to reorganise the Esin Min Smi and Pacification Corps under the control of the Japanese Special Mission.

V13:44

CROSS-REFERENCE FILE

NOTE

SUBJECT

Wrecking of laboratory used by Malignant Malaria Survey, at Ghefang.

Explosion of April 12, 1940, of a Southwest Transportation Bureau ammunition storehouse, apparently, the cause of, Strong indications of sabotage; apparently, efforts are directed toward keeping incident secret. Consulate is requesting further details from Dr. Bush of U.S. Public Health. Foregoing is substance of telegram of April 19 from Yunnanfu, quoted herewith.

For the original paper from which reference is taken

See	(Despatch, telegram, instruction, letter, etc.)					
Dated	tm41 00 1040	From)	Hong Kong	(Southard)		
File No	893.12/174					

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TELEGRAM RECEIVED

FROM

I NOM

GRAY

APR 25 1940

Peiping via N. R.

Dated April 25, 1940

Rec'd 6:09 a. m.

Secretary of State,
Washington

MP

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

133, April 25, 1 p. m.

793.94

Local press reports severe fighting at Kaifeng on April 23 when Chinese troops are stated to have penetrated some distance into the city and were only repulsed after ten hours of bitter street fighting.

Embassy has requested American missionary resident in Kaifeng to report by telegraph regarding welfare of American community there. Japanese Embassy has promised to make similar inquirys of Japanese authorities at Kaifeng.

Repeated to Chungking and Hankow. By air mail to Tokyo.

LOCKHART

RR

APR 29 1940

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793.94/15830

1842°44

CROSS-REFERENCE FILE

NOTE

SUBJECT Sinc-Japanese conflict: developments of month of Jan., 1940.

793.94/ 1583

For the	original paper from wh	ich reference is taken				
See	#110 (Deepatch, telegram, instruc	tion, letter, etc.)				
Dated	Feb 7, 1940	From Hankow (Spiker)				
File No						
	g. s. govi	ERRMENT PRINTING OFFICE 1—1840	FRG.			

3. Japan.

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a. Military operations.

The Chinese continued to harass and embarrass the Japanese without, however, forcing them from any important positions. Pressure was increased on Japanese forces in southern Homan, in Hupeh east and west of the Peiping-Hankow Railway and south of the Yangtze, and in northwestern Kiangsi. At Sinyang (心 治), an important Japanese base on the railway in southern Homan, the Japanese were prepared to evacuate but the Chinese did not push their thrust home. The Chinese were also active behind the Japanese positions in areas nominally under Japanese control. Between the Han River and the Peiping-Hankow Railway Chinese regular

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Political report January 1940 Hankow, China

-5-

regular units and provincial troops, moving through the Ta Hung (太海山) Mountains, interrupted communications and caused the Japanese considerable trouble in the Kingshan (京山) area. Other Chinese units based on the Ta Pieh (太泉山) Mountains engaged the Japanese east of the Railway north of Hwangpei (黃城) not 60 miles from Hankow, and severe fighting took place in the Lo Shui Valley between Chungyang (常場) and Tungcheng (劉城) in southern Hupeh.

These operations, without achieving any spectacular success, gave evidence of the continued vitality of Chinese resistance.

b. Political activities.

There were no developments of importance, events in this area waiting on developments elsewhere. The "provincial" and "municipal" puppets remained at loggerheads.

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese conflict: situation report for month of Feb., 1940.

1305

793.94/ 15832

B. Relations with Other Countries.

1. Japan.

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- a. Japanese supire day was colebrated by the Japanese community on February 11.
- b. Activities of the "Mational Reconstruction
 Army: In early February 2,500 mercenaries arrived at
 Swatow and were despatched by the Japanese to Chinghai (浸海),

(4) Swatew's telegram Re. 3 January RH, F a.m. to the Department, repeated to Pelping, Hongkong.
(5) January 1940 Pelitical Review page 4; Embassy's telegram of February 19, 4 p.m. to Swatew.

for training. On February 11th the troops suddenly departed by Japanese transport and were reported to have landed the following day on Tungshan Island, off the southern Fuklen coast, "with the co-operation of the Japanese army and navy". The troops afterwards crossed to the mainland but the subsequent fortunes of the "National Reconstruction army", as it was called, were not known in Swatow. Reanwhile, Chinese reports of defeats suffered by the army in southern Fukian vied with Japanese accounts of important victories. The army was commanded by General Huang Tawei (黃大偉) who, it will be recalled, commanded a similar force which had been routed on the kwangtung-Fukien border in December following engagements with thinese regular troops.(5) It was the report in Swatew that the local Japanese military was dissatisfied with General Huang and his men and for that reason had sent them away.

c. Military Activity near Swatow. (7) (8) The withdrawal of the "National Reconstruction army" from Chinghoi, an important town 10 miles northeast of Swatow, left that place garrisoned by about 300 Chinese mercenaries and a few Japanese. The garrison was driven from the town following an attack made by Chinese guerrillas on February 27. (Reports first reaching Swatow indicates that Chinese regular troops had occupied thinghai and were within a few miles of Swatow.) The guerrillas withdrew from Chinghei

⁽⁶⁾ December 1939 Folitical Review page 4-5-6.

 ⁽⁷⁾ Swatow's telegrom No. 7, February 28, 4 p.m. to the
 Department, repeated to Peiping, Chungking, Kongkong.
 (8) Swatow's telegrom No. 8, March 1, 2 p.m. to the
 Department, repeated to Peiping, Chungking, Hongkong.

on February 29th and it was reoccupied by the original garrison and additional Japanese reenforcements. The inhabitants of the town are reported to have fared badly during the period of occupation by the guerrilla forces and, again, after it had been reoccupied by the garrison.

On February 27th reliable reports renched Swatow of the concentration of Chinese regular troops and guerrillas on both sides of the Swatow-Chaochowfu highway, threatening Japanese communications between the two cities. On February 28th a Japanese military convoy was unable to reach Chaochowfu and returned to Swatow. (Conveys of about 20 military trucks usually travel on this road daily transporting supplies and fresh troops.) On March 1st a convoy was successful in making the round trip and an American citizen who traveled with the convoy reported that fighting could be heard throughout the journey and that at Chaochowfu, where hostilities are almost continuous, the Japanese appeared to be very nervous.

puring the first five days in March it was estimated that 4,500 Japanese reenforcements had arrived in Swatow with additional trucks, horses and equipment; it was believed that action would be taken against the increased activity recently shown by Chinese regulars and guerrillas in this vicinity. Sarlier in February it was stated by the Japanese Consul that half a division of Japanese troops (10,000 men) was stationed in the Swatow area. This statement was undoubtedly an exaggeration at the time it was made but with the arrival of additional troops

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the estimate given may be accurate.

4. Runors in swatow. Howe of the occupation of Chinghai and the concentration of Chinese troppe on the Swatow-Chasehoufu highway gave rise to many runors in Swatow on February 27th; Chinese sheps closed in the afternoon and in some places posters showing a picture of wang Ching-wei between the Japanese flag and the fivebarred flag were removed. Some of the rumors, to mention only a few, stated that chinese troops were advancing from several directions; that they would occupy swatow troops within a week; and that the chinese/were in the outskirts of Canton. The local Chinese vernacular newspaper reported the following day that persons responsible for spreading false rumors would be punished and proclamations urging the populace to remain calm were issued by the police.

e. Histellaneous, Japanese planes were active throughout the month in assisting the military in their "mepping-up" campaigns along the harbor and river abores and in the hilly sections but these campaigns were not conclusive and the guerrilla bands were not dispersed.

CROSS-REFERENCE FILE

NOTE

SUBJECT

Sino-Japanese relations.

Report concerning -, for month of February, 1940.

28

For the original paper from which reference is taken

See					
Dated	Mar.	7, 1940	From To	Chefoo	(Taylor
File No		89	3.00 P.R. C	nefoo/ 155	•

793.94 /15833

2. Japan:

(1) Military Situation.

Japanese army forces campaigned in the three heiens forming the tip end of the Shantung Promontory and succousful in capturing, for the first time since the conmunoement of the present Sino-Vapanese hostilities, the haism capitals (county seats) of Haiyang, Wenteng and Jung-ch'eng on February 10th, 19th and 21st respectively. The countryside in these heises remains under guerrilla sontrol. Japanese naval forces were busy on the coast between Trington and Weihaiwei during the month. blockade was declared February 15th but was lifted first as regards the coast between Tsingtao and Haiyang on Yebruary 17th, and later (February 20th) for the coast between Haiyang and Weihaiwei. Shihtao was occupied about February 19th. Otherwheres in this district the Japanese army were most active in attempting to eradicate guerrillas in Laiyang and Ch'i-heia baiens (counties) during the month, but reportedly their efforts there met with little success.

The capitals (county seats) of the eleven haiens which are in the Chefoo Consular District are now occupied by Japanese forces, but the countryside reasins outside their control.

193.4ª

CROSS-REFERENCE FILE

NOTE

SUBJECT

Sino-Japanese relations.

Report concerning -, for month of February, 1940.

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Saa		# 225			
566	(Despatok, belograss, instruction, letter, etc.)				
Dated	Mar. 7, 1940	From Tsinen To	(Hawthorne)		
File No	893.00	P.R. Tsinan/126.			

For the original paper from which reference is taken

3.94 / 15854

E. Japan.

a. Military-guerrilla activities.

Widespread guerrilla activities continued through the first week of Pebruary, during which the Japanese, who were probably on the defensive, claimed a number of minor military successes. With the advent of the Chinese New Year, however, the so-called Chinese Winter Offensive in this area was apparently terminated. But while no clashes were reported after February 7th, the guerrilla "blockade" of occupied towns, including Tsinan, appeared to have become more effective than ever before; Japanese shopkeepers openly admitted that the growing shortage of foodstuffs and other agricultural products was not due entirely to the poor harvests, but that the guerrillas were preventing the transportation of such products to Tsinan.

The large number of new Central Bank of (hina notes which have recently made their appearance in the interior is considered in some quarters to corroborate reports that

funds

funds, munitions and medical supplies are being distributed to guerrilla units by airplane. The consulate considers this unlikely. This office believes that the only Chinese source of supply is probably as reported in paragraph 2 of its confidential telegram to the Embassy dated September 18 (1959), 4 p.m.

An unconfirmed report from Japanese sources states that 3,000 "bandit troops" under Jen Feng-kuei (住身貴), Commander of the 1st Regiment of the 3rd Peace Preservation Brigade, went over to the Japanese at Chanhwa (意化), in northeastern Shantung, on February 29th. If the report is true, the defection was probably brought about by hunger, rather than by Japanese military or political pressure, in as much as that district is understood to be destitute.

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The Japanese also alloge that, because of the failure of the Winter Offensive, friction with the 8th Route Army and the growing shortage of supplies, Admiral Shen Rung-lieb, legitimate Governor of Shantung, tendered his resignation to General Chiang Rai-shek at the end of January. It is said that his resignation was not accepted but that General Yu Rauch-chung was instructed by the Chungking authorities to endeavor to induce him to reconsider his decision. While it is claimed that General Yu was obliged to radio his failure to persuade Admiral Shen to change his mind, Japanese press reports admit that Shen and his followers were responsible for a considerable share of their troubles in February.

Importing another idea from the west, the Japanese appeared to have substituted propaganda for force of arms.

^{1.} Of. Consulate's despatches to Embassy nos. 209 and 215, file 820.05 and 800, respectively, copies of both of which were sent the Department.

in their efforts to consolidate their position in Chantung. On February 11th the Japanese, through their puppets, launched an intensive propaganda campaign throughout the province which was designed to pave the way for peace on terms which it is anticipated will be acceptable to Wang Ching-wei's "Central Government" if and when established. At the same time, measures were instituted to catalogue all persons rated as even medicore in education or intelligence, who will no doubt be closely watched and "liquidated" upon the slightest suspicion of non-cooperation with the new regime.

793.94

CROSS-REFERENCE FILE

NOTE

SUBJECT Sinc-Japanese conflict: developments of month of Feb. 1940.

15835

793.94/ 15835

II. Foreign Relations.

A. Relations with the United States.

Nothing to report.

B. Relations with Japan.

1. Air-raids on the mouth of the Min River.

The first air-raid alarm to be heard in Foochow during February sounded here shortly after moon on the 10th, one Japanese seroplane appearing over Foochow.

The following day, two Japanese planes conducted a long reconnaissance over Futsing (於前), warnot 追尾), and Lienkong (遠江), but without bombing.

At 8:25 on the morning of February 15, a Japanese naval vessel (variously described in Foochow newspapers, but probably an aeroplane-carrier) arrived at the mouth of the Min River carrying eight planes. Simultaneously three other planes were reported in

flight

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flight, presumably from the direction of Amoy, and the sir-raid alarm was sounded in Foochow. These planes dropped no bombs, however, and it was not until later in the morning that the planes from the sircreft-cerrier went into action, six of their number appearing over Foochow at one time. After apparently conducting a fairly thorough reconnaissance of this locality, they passed on without bombing the city, three of their number proceeding to Hanp'ing (南中), also for reconnaissance. The other three returned to the mouth of the river and cerried out a series of raids, in the course of which they attacked Ch'angman 长月, Euant'ou (twice), Liu Ch'i (河山), Tei An (北岸), Tien Kuang Shan (電光山), and Chin F'si (全岸).

buring the third slarm, which was sounded at 1:10 p.m., three planes flew over the city, but again without bombing it, although, according to official reports, the same planes dropped three bombs on the Ch'angmen forts on their way out to the same.

The following day (the 16th) there were only two sir-reid elarms in Foodhow, no plenes appearing over the city during the first elarm, and the second alarm being sounded when eleven plenes appeared over the mouth of the Min River. Five of these proceeded inlend via Foodhow to Kienow (), where they dropped six bombs and returned, again passing over Foodhow. The other six plenes of the squadron proceeded to attack h'angmen, Huang A Pi ().

Yen Ohih (), and Liu Ch'i - all points close to the mouth of the Min River. Mineteen bombs in all

were dropred on the four points.

According to Chinese press reports, severe raids were also carried out on both the 15th and 16th on the villages of Teng Hais (大) and Hou Sha (人) in Lienkong District, casualties having been reported as high in both places.

The alarm sounded again the next morning (the 17th), and although no planes appeared in this immediate area, reports subsequently received indicated that Ch'angman had again been bombed, as had the villages of T'ang Hais and Hais Ch'i ().

On the 18th there were no serial activities. On the 19th another raid was carried out on Chiangman, four bombs being dropped.

There was no further bombing for the rest of the month, although reconneissance flights were carried out over the whole coastal area on both the 25th and 26th.

sudden burst of serial activity, taken together with the fact that the seroplane-carrier which had appeared off the mouth of the Min River on the morning of February 15, 1940, was joined the same day by a Japanese transport and two other navel vessels, gave rise once more to the new familiar rumors of an impending attack and to detailed stories of ultimate supposed to have been presented to officials of the Fukien Government.

One such story which was widely circulated was to the effect that the refusal of the

North

North-China regime to accept amalgamation with the proposed new 'national government' to be set up by wang Ching-wei (注稿節) had led wang to seek the assent of the Japanese to the incorporation of Fukien in the area which he was to control. The Japanese were reported to have consented, and wang was alleged to have sent emissaries to Foochow to inform the authorities here and in Yungan (永安) that the province would be attacked if it did not turn over pascefully.

3. Reported attempt to attack Sharp Peak. Another explanation offered locally for the sudden burst of Japanese serial sotivity in this area was to the effect that two times - once on the night of February 1-2, and again on the night of February 7-8 about six hundred Chinese troops of the 50th Division were despatched from Kuent'ou to ettack Charp Peak (n) 12). On neither occasion were they able, however, to land, neither attempt resulting even in a clash with the Japanese on the island. The latter, eccording to Chinese intelligence reports, were stated at the time to number only about one hundred and fifty men, and there were also believed to be a large quentity of war supplies on the island which the Chinese hoped to cepture, even if they could not hold the island itself.

The dates on which the attacks were made were respectively the Festival of the God of the Furnace and the lunar New Year, and it was said among

political

political gossips in Fooshow that both attempts were conceived at festival parties when the ranking officers of the 60th Division had all had one drop too much'. These attempts were believed to have caused the Japanese to suspect the existence of large concentrations of troops in the coestal areas of northern Fukien, which would explain the subsequent bombings of coestal points and the fairly obvious effort to make a complete reconscissence of this area.

- 4. Mass meetings denounce Wang Ching-wei.

 The sixth anniversary of the founding of the New Life Movement was celebrated in Foochow on February 28 in two mass meetings, one on Nant'ai (1) (2) and the other in Foochow city, in denunciation of Wang Ching-wei. The theme of these meetings was the necessity for widespread popular support of Generalisation Chiang K'ei-shex and public cooperation with the police in reporting and assisting in the arrest of persons favorable to Wang Ching-wei, who was characterized in one of the shouted slogans as a "shameless political prostitute". It is interesting that several days before a similar meeting had been held in Lienkong, a district which is locally supposed to be well penetrated by agents of Wang and of the Japanese.
- 5. Further tightening of conscription. The enforcement of conscription regulations was further tightened during the month under review with the adoption of a system of police registration under which every able-bodied man of conscription age not

already

already in the army must produce a certificate from
the local police station bearing his photo, age, et
cetera, and the basis of his exemption. This certificate must be shown to pass any of the now numerous
barriers throughout the city and the roads leading out
of it, and after April 1, according to the promulgated
law, anyone not possessing such a certificate will be
drafted immediately. Nor will persons summoned to draw
lots for conscription who run away hereafter be given
a second opportunity to draw: they, too, will be forthwith conscripted.

6. Firstes surrender student ceptives.

After the recepture by the Chinese of Pingt'an, three of Yu Ah-huang's (AHA) lieutenants fled to a hide-out in Lienkong with some fifty followers and sixteen primary school students whom they had kidnepped. There emissaries of the Provincial Government prevailed upon them to surrender, and the students were released.

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese relations.

Report concerning -, for month of February, 1940.

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For the	original paper from w	vhich reference is	taken	
See	# 2972 (Despatsh, telegram, ins	fruction, letter, etc.)		
Dated	Mar. 15, 1940	From To	Shanghai	(Gauss
File No.	893,00 P.R	. Shanghai/137.		

793.94/15836

THE REPORT OF THE PARTY OF THE

from the Siaoshan-Linp'u area on the south bank of the Ch'ient'ang River; they maintained only 4-5,000 troops in that sector, and an advance could not safely have been effected with that strength. The Chinese of the 10th Group Army launched an attack on the Japanese position in the period February 14-18 and inflicted some casualties on the enemy. The Japanese nevertheless held their position, and it was claimed (without confirmation) that the Chinese Commander-in-Chief, General Liu Chien-had; was killed in a Japanese uir attack.

The Japanese themselves on February 19 launched a counter-offensive in southern Anhwei, driving southward from the Yangtze River above Wuhu and at two other unspecified points. Japanese reports claimed that those Japanese operations plunged the Chinese forces in southern Anhwei into confusion.

The Japanese naval spokesman at Shanghai announced the disposal by the Japanese Navy of 1,058 mines discovered in the Yangtze River in the thirteen months from January 1939 to January 1940 inclusive.** Twelve small vessels were reported to have been damaged in the course of minestocking or by coming into contact with the mines while navigating.

CROSS-REFERENCE FILE

NOTE

SUBJECT Sine-Japanese Cenflict.

Japanese Military Operations in Kwangsi.

For	the	origi	inal	paper	from	which	reference	is taken
See	#-	•		(Despatch	, telegram,	instruction, l	ettez, etc.)	***************************************
Dat	ed	Mar.	16,	1940		Fro To	om Canto	a (Myers)
File	No.	89	3.00	P.R.	Canton	/145		
				N				

53

793.94/ 15837

B. Relations with Other Countries: Japan.
(a) Japanese Military Operations in Ewengei:

793.94

Beginning January 28 Japanese forces based on Manning

(南溪), which had been reinforced by units withdrawn from the Canton area and which were said to number about 70,000. started a major counter-offensive against Chinese troops allegedly comprising about thirty-five divisions concentrated for the most part northeast of Nanning. The Japanese, under the personal direction of General ando, Commander-in-Chief of Japanese forces in South Chine, pushed northward, northeastward and eastward in an endeavor to encircle the main Chinese forces. ofter occupying Wingshun, Finyong and Wuming respectively east, northeast and north of Nanning, on February 6 the Japanese began withdrawing and by February 12 they had retired to positions in the immediate vicinity of Manning. The Japanese counter-offensive apparently dealt a severe blow to Chinese forces in Ewangsi, causing disorganization and relieving the pressure which they had been exerting on Nanning. However, it would appear that the Japanese retired without accomplishing the destruction of the Chinese forces which the Japanese had claimed were surrounded and would be annihilated.

Late in February a relatively small Japanese detachment carried out operations in the vicinity of Shangaze (上思), ebout

- 3 -

about sixty miles southwest of Nanning, where they claimed the encirclement of approximately 8,000 Chinese troops. It is reported that Shangare was occupied on February 25. Rostilities also occurred, late in the month, near Wuming, north of Manning, and along the Manning-Pinyang and Manning-Yamehow highways.

FS

DEPARTMENT OF STATE FROM Hong

Dated April 26,1940

Rec'd 5:45 km

Secretary of State,

Washington.

COPIES SENT 10 O.N.I. AND M.I.D.

126, April 26, 11 a.m.

This morning I received a written message dated April 6th from American citizen Lowell B. Davis of the Church of Christ at Macao which reads as follows:

"Last night the Japanese took the village of Wanchai just across the bay from Macao, and Chinese report some firing between Portuguese and Japanese with two killed and another wounded on the Portuguese side. However, people are ant to imagine things when excited.

In view of the developments I should like to know if you consider Facao in any danger and if so what measures should be taken by American residents here."

I am advising Mr. Davis that I have no information sufficiently reliable to justify me in saying that Macao is in any danger but that a center such as Hong Kong has superior facilities for evacuation should danger eventually arise and that they should always have arrangements for coming here promptly.

Accord g

793.94/15838

FS 2-No. 126, April 26, 11 alm. from Hong Kong

According to information which I have from usually reliable sources the incident of which Mr. Davis writes was one of simple local irritation between Portuguese native police and Chinese police who claimed to be acting under the Chungshan Puppet Government and have at this time thought likely to bring repercussions. An important official of the Macao Government told me recently that they did not anticipate any serious difficulties in Macao.

Repeated to Canton, Chungking, Peiping.

DDI'

SOUTHARD

BULLETIN EAS FAR

NEWS FROM CHINA INTERNOS) BY KUOSIN AGENCE DIWISIONOF OF CULTURAL ANNUAL SUBSCRIPTION DISTRIBUTED SEMI-MONTH Kowloon, Hong Kong

By AIRMAIL: EUROPE, £1.15.0. U.S.A. AND CANADA, U.S.\$5.00 By ORDINARY MAIL: INDIA, PHILIPPINES, AND HONG KONG, H.K.\$12.00

1st April, 1940.

193.94

THE SIGNIFICANCE OF JAPANESE ACTIVITY ON HAINAN ISLAND

If the Japanese designs on Hainan Island are to be successful, the occupied areas must first be consolidated. The main force of the Chinese troops on the island must be destroyed and those that eventually remain must be driven into the interior. This is an absolutely necessary preliminary step if the Japanese are to be successful in turning the island into a ladder for their southward expansion. Realising this, General Nishio, the Commander-in-Chief of the Japanese Expeditionary Forces to China, flew to Haihow-the main city on the northern coast of the island and only separated from the mainland by the narrow Hainan Strait-on February 29th, to give personal directions for the campaign. Following his visit, Japanese troops launched a six route offensive which began on March 4th.

Topography

Hainan Island is the largest island that China now possesses. Being in area about 23,000 square miles, it is a little larger than the State of Costa Rica in Central America, and about the same size as Formosa. Separated from French Indo Separated from French Indo-China by the Gulf of Tonking, it lies about 300 miles southwest of Hongkong on a parallel with the northernmost point of the Philippine Islands. It has long been recognised as a strategic point in the southern Pacific, and in 1897 a treaty was concluded between China and France to the effect that Hainan Island should not be leased to any third power.

Like Formosa, the central part of Hainan Island is mountainous. The Li Mu Range, otherwise known as the Wu Chih Shan, or Five Finger Mountains, as the name implies, spreads in ridges throughout the central part of the island from a main peak situated in the center of the southern half of Hainan. There is one great difference, however, between Hainan and Formosa. Whereas Formosa has only three rivers, Hainan Island has numerous ports and bays all round its seaccast.

Hainan Island is the native place of the Soong family and it was with the help of T.V. Soong that a highway was built along the seacoast five years ago. wise throughout the interior there are only the old, rough mountain roads. Other-Before the outbreak of the present Sino-Japanese war, Hainan Island was the base of the Red Armies who were surrounded there and attacked by Central Government troops in a campaign lasting for several years. These attacks, however, did not meet with any

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793.94/15839

success and in October, 1938, after the fall of Canton, these Red Armies were reorganised as the self-defense corps under the command of the famous Red general, Feng Pai-chu, otherwise known as "White horse Feng."

Japanese occupation

Japanese troops landed on Hainan Island in February, 1939. The Chinese garrisoned there at that time only consisted of two brigades, or about 3,000 men. All the other troops were local armed forces. With the cooperation of the navy, Japanese troops very quickly occupied the various cities all round the coast and Chinese troops withdrew into the villages or the mountains. More than a year has elapsed since then, but the Japanese troops are still compelled to be content with the occupation of cities on the sea coast, for the main part. The furthest point that they now hold from the coast is only 31 miles inland.

There are only sixteen haiens on Hainan Island, of which eleven are partly occupied by the Japanese. But these occupied areas are in seven separate units between which the navy is the necessary means of communication. Though there were formerly very good highways on the island, they have already been destroyed by Chinese troops and the Chinese people. In the northern part of the island where Japanese troops occupy a comparatively large area, there are several very short highway lines which are under their control but these are frequently intercepted and destroyed by Chinese troops. For instance, Tanhsien, a city on the northwestern coast, was originally connected with Haihow, but this line of communication was cut by Chinese troops last January. Communication between Tanhsien and Linkaohsien, midway between Haihow and Tanhsien, was interrupted by Chinese troops in the middle of February.

Japanese policy of expansion

The ambitious Japanese militarists have been arguing the case for southward and northward expansion for many years. In the past the majority of the Japanese militarists have been in favour of northward expansion, while the Navy has advocated southward expansion. Since the Japanese Army has suffered heavily during its two years of aggressive warfare in China, it is no longer so anxious for northward expansion. (Such expansion of course would be directed against the Soviet Union.)

As there does not seem to be any hope of an early conclusion of the China Incident, the political domination of the Army in domestic affairs has also been relatively weakened. On the other hand that of the Navy has relatively increased. Moreover, since the new turn in the international situation, the Japanese militarists' dreaming of a movement for southward expansion has become more active than in the past.

In recent weeks, with the lack of offensive action by Japanese troops on any of the fronts in China, the Japanese have been actively working on the building up of Hainan Island. The militarists are planning to make Hainan into a second Formosa to be used as a base for operations in southward expansion. They are preparing to turn the port of Hainow in the north, the port of Yuling in the south, and the port of Sanya (west of Yuling but east of the Yachow bay) into military ports.

The Japanese March offensive

In the six-route offensive launched by the Japanese in Hainan on March 4th,

there are two of outstanding importance-the northeastern and the northwestern.

The northeastern part of Hainan Island, which is a comparatively rich area, is garrisoned by Chinese regular troops under the command of General Wang Yi (brother of Wang Chun, vice-commander-in-chief of the 12th Army Corps of General Yu Han-mou). The Japanese concentrated a force of approximately ten thousand to launch an attack on this front from both the east and the north. The fighting took place all along the northern Li Mu mountain range and was continuing unabated up to the 20th March. In addition to the land forces, two squadrons of aeroplanes were used for continuous bombing. The Chinese, however, were able to make good use of the mountainous terrain and suffered practically no casualties whatsoever.

In the northwestern part of the island the ex-Red troops with the guerilla forces under their command, are very active. These troops are all experienced in guerilla tactics and constitute a great menace to the Japanese. There is a force of about 5,000 guerillas and to attack these the Japanese used six to seven thousand troops. The Japanese marched southward along the seacoast highway and at first made very rapid progress. But as they got farther from their base, units began to be frequently surrounded and intercepted. At Hosheng, about thirty miles south of Tanhsien, one crack Japanese unit was surrounded and was forced to depend on the airforce for delivery of supplies and ammunition. When this unit finally forced its way out, there were only 200 survivors out of a total of more than five hundred.

Everywhere in the northwest the Japanese have met with similar experiences. Up to the 15th March all they had succeeded in doing was to break through thirty miles of the seacoast highway between Tanhsien and Linkac to the south. Other cities and villages left in the hands of small Japanese garrisons were retaken by the Chinese.

Of the other routes taken by Japanese troops, two were taken by less than 1,000 men. These were in the southeastern and southern part of the island, and from both attempts the Japanese were compelled to withdraw to their original defensive positions.

The future of Hainan

After they landed on Hainan in February, 1939, the Japanese occupied all the comparatively large sea ports. By every endeavor they tried to isolate Chinese troops on the island and prevent them from having intercourse and receiving supplies from outside. Their object was to starve and eventually to annihilate them. But there are too many small ports on the island which can be used as bases for communication with the outside world by means of sailing boats. Moreover the Chinese troops are in a good position to capture enemy arms and munitions with which to arm themselves.

In the future the Japanese will probably use Hainan Island as a place to station wounded or tired soldiers from the South China front. It will become a station for replacement and reorganisation. At the same time they are likely to intensify the blockade of all the sea ports of South China in a further attempt to cut off the island from the outside world. Later on they will again try to penetrate into the interior step by step.

In short, the Japanese do not intend to abandon their plan of making Hainan Island into a military hase. The preliminary construction of the three military ports of Haihow, Yuling and Sanya has already begun.

AN ANALYSIS OF WANG CHING-WEI'S PUPPET REGIME

The formal inauguration of Wang Ching-wei's Puppet Central Government took place in Nanking on March 30th.

Under the direction and supervision of their masters: General Nishio, Commander-in-Chief of the Japanese Expeditionary Forces to China; Itagaki, the Chief of Staff; and Okamori, head of the North China Office of the Japanese China Affairs Board; Wang Ching-wei, Chinese traitor No. 1, and his underlings such as Chow Fu-hai (formerly head of the Propaganda Department of the Chinese Kuomintang Party), Chu Min-yi (brother-in-law of Wang Ching-wei), together with Wang Keh-min, Chi Hsieh-yuan (formerly governor of Kiangsu Province before he was defeated by the National Revolutionary Army-Chiang Kai-shek's troops), representatives of the Peiping Provisional Government, and Liang Hung-chih, Wen Tsung-yao, etc., representatives of the Reformed Government, held the so-called "Central Political Council" for three days in Nanking. It was at this "Council" that it was decided that the new puppet "Central Government" would be established on March 30th.

It seems that this new development has received more attention in international than in Chinese circles, and it is perhaps well to ask the reason for this. First, of course, it is due to the calculated and active propaganda of Japanese news agencies as well as some of the foreign news agencies, who have made a deliberate attempt to work up international attention to this event. Second, it is true that Wang Ching-wei's puppet regime being established, third powers will actually have some dealings with it. They are, therefore, obliged to prepare the necessary steps to cope with the situation.

As regards the Chinese, they have long been convinced that the appearance of the new puppet regime will have no effect upon the general situation of the war of resistance. Neither will it be able to play any role in the disintegration of the government from within. It is just as we pointed out in the first issue of the FAR EAST BULLETIN (15th January, 1940), namely, when "the puppet central regime eventually materialises, it perhaps means one thing only, and that is that Japan has failed in the last instance to conquer China through a peace offensive."

Although foreign circles seem to be so interested in Wang Ching-wei's puppet regime, there seems to be extraordinary confusion as to its nature and the processes that brought it into being.

The convocation of this "Central Political Council" was in accordance with the decision of the Tsingtae Conference held last January. The nature of this Council is only temporary and it will be dissolved immediately after it has performed its stipulated function. What then is this stipulated function?

This Council was called into being principally to "give the right and authorise the Chairman (i.e. Wang Ching-wei) to decide on the program for the readjustment of new Sino-Japanese relations and the general plan for the establishment of the 'Central Government'." The exposure, last January, of the Wang Ching-wei-Japanese secret treaties by Kao Tsung-wu and Tao Hsi-sheng, former members of Wang's staff, must at this point be recalled. The validity of these treaties was denied by Chinese traitors of the Wang clique, firstly, because they were detrimental to the existence of China as a nation and, secondly, because Wang Ching-wei does not

-5-

possess any authority to conclude any treaty with foreign countries.

At the time, even some of the foreign news agencies came to the help of the traitors by supporting the denial. But now these same traitors make all these admissions without the slightest blush. The so-called "authorising of the Chairman with the right to decide on the program for the readjustment of Sino-Japanese relations" can only mean the investiture of full power in Wang Ching-wei to conclude treaties with the invaders to the detriment of the Chinese nation. It is to be used to legalise the "secret treaties between Wang and the Japanese."

The first resolution to be passed by the "Central Political Council," therefore, concerned the "Program for Sino-Japanese Peace." What the contents of this "Program" are is not to be disclosed by the "Council." Delegates present at this Council did not dare to ask any questions. No doubt this "Program" is just the very "General Outline for the Readjustment of Sino-Japanese Relations" which has been cursed by all Chinese people. (Of. FAR EAST BULLETIN, No.2, 29th January, 1940.)

Internationally both the Japanese and Wang Ching-wei are disseminating propaganda to the effect that the so-called new "central regime" is not the establishment of another new "Nationalist Government", but merely the return to Nanking of the original "National Government". The entire organisation and constitution, therefore, is exactly the same as the original "Nationalist Government." There are absolutely no changes. Five yuans will be established within the "Nationalist Government," i.e. the Legislative, Judicial, Administrative, Examination and Control Yuans. The flag of the "blue sky with the white sun" will be flown, while "Kuomintang" will take control of the government. The Chinese traitors are bluffing themselves that by these gestures and manoeuvers, the so-called "return to the capital" by the so-called "Nationalist Government" will be regarded as legal both domestically and internationally. And they think that this can be done by the mere promulgation of a "declaration"!

The Chinese Kucmintang, as we understand it, is the political party now in control of the Chinese government. The Central Executive Committee of the Kucmintang is the organ possessing the greatest power of leadership in the whole country. This is emphasised by Article 15 of the Organisational Law of the Nationalist Government which stipulates: "Before the promulgation of the Constitution, the Administrative, Legislative, Judicial, Examination and Supervisory Yuans are all held responsible before the Central Executive Committee of the Kucmintang."

This stipulation is completely disregarded by Wang Ching-wei. The puppet "Central Political Council" passed a resolution to establish a "Central Political Organisation" to take the place of the Central Executive Committee of the Kuomintang. This new Organisation is to be regarded as having the highest powers of leadership in the whole country. But how is this "Central Political "rganisation" to be organised? It is to be organised by a mixture of Kuomintang party members, members of other political parties and other delegates without any party inclination. In other words, Kuomintang is to be divested of its former designant position either actually or nominally. This step, of course, has been to mimply to comply with Japanese demands.

After the establishment of the puppet "central regime", the Provisional Government and the Reformed Government are to be nominally abolished. Ine "North China Political Affairs Commission" will take the place of the Provisional Government which

will control the three provinces of Hopei, Shantung and Shansi, and the three municipalities of Peiping, Tientsin and Tsingtao. As to Chahar and Inner Mongolia, they have long been regarded as the "Communist Prevention Area" of Japan. They will not, therefore, be controlled by the "North China Political Affairs Commission" and consequently will have nothing to do with the Wang Ching-wei regime.

According to the Organisational Regulation of the "North China Political Affairs Commission", the said Commission will be given the right of "convenient disposal" with regard to "affairs in connection with anti-communist measures and public order" and the "exploitation of North China resources." It will also be given the right to deal with "foreign affairs concerning local incidents."

What does this mean? It means that the "North China Political Affairs Commission" will have complete right to conduct all their military, political, economic and diplomatic affairs in North China without any interference whatsoever from the puppet regime of Wang Ching-wei. Wang Ching-wei's sphere of influence will be confined to the "occupied areas" in Kiangsu, Chekiang and Anhwei. But even in this area he will not be allowed a monopoly. All the important people in the "Reformed Government," such as Liang Hung-chih, Wen Tsung-yao, Chen Chun, Jen Yuan-tao, etc., will be given important posts in Wang Ching-wei's government. With regard to Hankow and Canton, they will constitute two independent units and will not be considered as a part of Wang's sphere of influence in any way.

As was pointed out in FAR EAST BULETIN No.1, the puppet regime will serve one purpose only: "it may be used to wipe out the interests of third powers in Chinathe foreign concessions and settlements, foreign shipping in inland rivers and along the coast, British heavy investments in Chinese railways, British domination of Chinese Customs, etc." Mr. Muto, head of the Military Affairs Bureau of the Japanese Ministry of War, as much as confirmed this view when, in replying to an interpellation in the House of Commons on March 22nd, he said: "Japan will make other foreign countries abandon their concessions in China. In case these foreign powers are not willing to comply to our intentions, Japan will be compelled to resort to proper measures."

It is obvious what Mr. Muto meant by "proper measures." It is to instigate the puppet regimes to take over the foreign concessions and thus radically to rob the third powers of their bases for trade and investments which will be monopolised by the Japanese exclusively.

To China, the effect of the new development in the puppet regimes will only be to consolidate the determination of the Chinese Government and the Chinese people to continue to resist and fight to the end. Moreover, Wang Ching-wei's puppet organisation will be able to do nothing to make conditions in China more favorable to the Japanese militarists.

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The essential purpose of the FAR EAST BULLETIN is to present objective accounts of what actually is taking place in China today. The KUOSIN AGENCY here presents to English-speaking readers material showing how China is fighting for its existence as reported by the most responsible and best equipped Chinese correspondents on the various fronts.

TELEGRAM RECEIVED

Peiping via N. R. FROM

Dated April 27, 1940

Rec'd 2:40 a. m.

Secretary of State,

MΡ

Washington

ESPECIAL Division of DIVISION

MAY 1-1940 DEPARTMENT OF STATE

138, April 27, 11 a. m.//5 930

793.94/15 83 o Peiping's 133, April 21, 5 p. m. welfare of American

community at Kaifeng.

Following telegram has been received from Father Clougherty, Catholic Mission, Kaifeng:

"Fortunately no American casualties. Your solicitude appreciated".

Repeated to Chungking and Hankow, By airmail to Tokyo.

LOCKHART

DDM

ETT. 317 (CAY 3 - 1940

793.94/15840

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MP

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

FROM Hong Kong Via N. R.

Pated April 27, 1940

Rec'd 8:50 a. m.



129, April 27, 11 a. m.

Referring to my telegram No. 126, April 26, 11 a. m., usually reliable sources of information indicate that the Portuguese sponsored police have now returned from Wanchai to Macao this leaving Lappa entirely in control of the Wang Ching Wei authorities. Withdrawal is understood to have been influenced by friendly negotiations with Japanese officers.

A first hand observer has informed me that the cable line from Macao frontier to Shekki is now in regular operation for the benefit of Japanese interests and that travel is approaching normal.

The mass of the population in Chungshan is said to be resuming normal activities and to be little concerned with the puppet government control which is now generally established. Piracy is reported to be on the increase in the delta waterways mainly under guise of opposition to the Japanese sponsored authorities in the district.

Repeated to Chungking, Canton, Peiping.

SOUTHARD

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TELEGRAM RECEIVED

FROM

CORRECTED COPY

Division of FAR EASTERNATAIRS

Y 2 - 1940

Department of State

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

Chungking via N. R.

Dated April 27, 1940

Rec'd 5:50 a.m., 28th,

Secretary of State,
Washington.

Following from Yunnanfu: "April 27, 10 a.m.

Bombing of Yuman railway was resumed yesterday when an attack was made by Japanese planes on the bridge at kilometer 83. According to railway officials the bridge appears to be slightly damaged as the result of a hit, with the adjacent road bed badly torn up. Traffic is interrupted at this point, transfer of baggage and passengers again being necessary."

Repeated to Peiping.

JOHNSON

PEG

Above is corrected copy of message originally reading from "Yunnanfu via Chungking & N. R."

DIVISION OF COMMUNICATIONS AND RECORDS

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793.94/15842

FL

TELEGRAM RECEIVED

MJD

YUNANFU via CHUNGKING & N.R.

This telegram must be Frechosely paraphrased before being communicated to anyone. (BR)

Dated April 27, 1940.

Rec'd. 5:50 a. m., 28th.

Secretary of State,

Washington.

COPIES IN PARAPARASE SENT TO O.N.I. AND

April 27, 10 M.I.D. IN CONFIDENCE

Division of FAR EASTERN APERISARS APR 29 1940

793.94

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MEYER

PEG

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F/N

Confidential

CONFIDENTIAL

PARAPERASE

A telegram of April 27, 1940, from the American Consulate at Yunnamfu, reads substantially as follows:

Railway officials state that the bridge at kilometer 83 on the Yunnan Railway appears to have been damaged slightly and the road bed adjacent to the bridge very much torn up as the result of a bomb when Japanese airplanes resumed bombing of the railway on April 26 and attacked the bridge. As there is an interruption in traffic at the point where the damage occurred, it is necessary to transfer passengers and baggage.

793.94/15842

FE:EOC:EAS 4-29-40

FEXX

TELEGRAM RECEIVED

COPIES IN PARAPHRASE SENT TO O.N.I. AND M.I.D. IN CONFIDENCE

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

Hankow via N. R. FROM

Dated April 27, 1940

Rec'd 10 30 0 m. Division of FAR EASTERNAL MINS

Secretary of State, Washington.

April 27, 10 a.m.

193.91

Referring to my telegram of April 22, 2 p.m., there has been marked military activity during the past five days with tightening of local defense measures and reports indicating increased Chinese pressure at various points. Japanese are reported to have retreated from Macheng sector two days ago to point east of Sinchow where they are hard pressed by Chinese. Large number of tanks have been sent northward by railway and heavy fighting is reported northwest of Hwayuan to which city a number of wounded have been returned during the past few days. Tanks and infantry yesterday were reported to be moving westward from Hankow to meet Chinese pressure in Hanchwan area which heavy fighting was reported to be in progress to the east of Yoyang and northwest of Nanchang. New barbedwire defenses are being erected between refugee zone and native city in Hankow while marked increase in trenches and barbed wire defenses on the outskirts of city where villages and isolated farm houses which might shelter (?)s are being systematically rezed. Gendarmes have taken over certain

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793.94/15843

-2- April 27, 10 a.m., from Hankow.

certain local garrison duties due to the withdrawal of troops. The local situation in general is quiet.

Sent to Chungking; repeated to Peiping, Shanghai.

SPIKER

HPD

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

Confidential

CONFIDENTIAL

PARAPHRASE

A telegram of April 27, 1940, from the American Consul General at Hankow reads substantially as follows:

Since April 21 there has been noticeable activity of a military nature. Reports indicate that at different places the Chinese have increased their pressure and defense measures in Hankow have been tightened. There are reports of heavy fighting to the northwest of Hwayuan and during the last few days a number of wounded soldiers have been returned to that city. A great many tanks have been sent by train toward the north. There are reports to the effect that on April 25 Japanese retreated from the Macheng sector to a place to the east of Sinchow where the Chinese are pressing them hard. It was reported on April 26 that infantry and tanks from Hankow were going toward the west to cope with Chinese forces in the region of Hanchwan where to the northwest of Manchang and east of Yoyang heavy fighting was said to be going on.

In general the situation in Hankow is quit. On account of the withdrawal of soldiers, certain garrison duties in Hankow have been taken over by gendarmes. On the outskirts of Hankow barbed wire defenses and trenches have increased noticeably and isolated farm houses and villages in these areas where the might find shelter

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

CONFIDENTIAL

-2-

are being systematically destroyed. Between the native eity in Hankow and the refugee zone new barbed wire defenses are being set up.

793.94/15843

FE:E#C:HJN 4/29 FE



COPIES IN PARAPHRASE SENT TO O.N.I. AND M.I.D. IN CONFIDENCE

RECEIVED

MA

Peiping via N.R.

Rec'd 9:50 a.m.

REK

A portion of this telegramFrom must be closely paraphrased before being communicated to anyone. (Br)

Dated April 29,1940

COPY IN PARAPHRASE

Secretary of Stat

SENT TO TREASURY IN CONFIDENCE

Washington

Division of FAR EASTERN, AFFAIRS

143, April 29, 5 p.m. 15819 753.74/15816 //3877 Peiping's 125, April 17, 5 p.m. and 128/April 19, 2 p.m. North China Economic Planning Conference.

/ The high officials from Japan who attended the conference are reported in the press as proceeding to Hsinking for a similar conference accompanied by representatives from Beiping. It is stated that inter alia such questions as the smooth transport of supplies between North China and anchuria and the relations between the currencies in the two areas will be discussed.

Details of the discussions are not being made public but the conferences are believed to be (EMD'GRAY) important as of high financial and commercial experts in Tokyo are investigating the methods employed by the military and are seeking information to be used as the basis of integrated plans on a sound basis for the development of the "yen bloc".

(GRAY) The TOA SHIM PO (Peiping Japanese language daily) declared that any real financial and banking collaboration

93.94/15844

Department of State COMMERCIAL AFFAIRS

196

MA -2- tel # 143, April 29, 5 p.m. from Psiping via NeR.

collaboration with the Nanking regime was so far in the future that its possibility could be ignored for the time being.

Repeated to Chungking and Shanghai, by air mail to Tientsin.

LOCKHART

KLP

1.11.55

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Mitty 0, August MARS, Date 12-18-75

Confidential

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CONFIDENTIAL

PARAPHRASE

A telegram (no. 143) of April 29, 1940 from the American Embassy at Pelping reads substantially as follows:

Reference is made to telegrams no. 125 and 128 of April 17 and April 19, respectively, from the Embassy in regard to the Morth China Economic Planning Conference.

The high officials from Japan who attended the conference are reported in the press as proceeding to Hainking
for a similar conference accompanied by representatives
from Pelping. It is stated that inter alia such questions
as the smooth transport of supplies between North China
and Manchuria and the relations between the currencies
in the two areas will be discussed. Details of the discussions are not being made public. However, as highranking commercial and financial experts in Tokyo are
looking for information for use as the basis of integrated
plans on a trustworthy basis for the development of the
"yen bloc" and are investigating the methods used by the
military, it is believed that the conferences are important.

The Toa Shim Pe (Peiping Japanese language daily) declared that any real financial and banking collaboration with the Nanking regime was so far in the future that its possibility could be ignored for the time being.

793.94/15844 29.0 FE:E4C:ÉAS 5-1-40

In FE

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese relations.

Restrictions on travel on the Yangtze river. Believed that same are due to Japanese anxiety over increased Chinese military activity along the Yangtze and preparation of Japanese offensive action.

For the original paper from which reference is taken

See Tel.#34 3pm (Despatch, telegram, instru	otion, letter, etc.)
Dated April 30, 1940	From Hankow (Spiker
File No	

HSM

GRAY

Hankow via N. R.

Dated April 30, 1940

Rec'd 10:33 a. m.

Secretary of State,
Washington.

34, April 30, 3 p. m.

Japanese interference with American rights and interests.

193.94!12 mte 793.94

During an interview this morning with the Japanese army liaison officer at Hankow a member of my staff was informed:

One. The Yangtze will be closed to third power travel until sometime in June. Third power nationals will not be allowed to travel by air between Shanghai or intermediary points and Hankow.

Two. Japanese civilians and Chinese civilians not on the "black list" may travel on the Yangtze.

Three. Regular passenger and (?) schedules will be maintained.

The liaison officer first implied that the restrictions were due to a fear of third power observation of military "secrets" then stated that they were imposed to protect third power nationals. The objection to travel

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hsm -2- No. 34, April 30, 3 p. m., from Hankow

by air was that the route is partly prohibited areas.

This temporary denial of travel to all third power nationals was due, the liaison officer declared, to the Japanese authorities' lack of power to discriminate, as they do with the Chinese, between those individuals cooperating with the Japanese and those not doing so.

This office believes that in part these restrictions indicate Japanese anxiety over increased Chinese military activity along the Yangtze and preparation of Japanese offensive action. It has not yet been possible to determine whether actual risks of travel are so great as to extenuate the "protective" Americans and other third power nationals.

It is known that seven American citizens contemplate applying for steamer transportation to Shanghai during the month of May. Appropriate representations will be addressed by this office to local Japanese authorities.

Repeated to Chungking, Peiping and Shanghai.

SPIKER

RR

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese conflict: military developments of month of Yebruary, 1940.

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B. Relations with Japan:

Military Operations.

a. On the Ground.

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With forces sufficient only for holding their principal positions, the Japanese remained on the defensive throughout February.* They made short sorties out from their bases, notably in the Suinsien (隨 起) area and in South Hupeh, but these operations were inspired by considerations of defense.

There were indications of considerable bodies of Chinese regulars moving south of Suihsien ** and threatening Japanese positions in the Suinsien-Anlu (隨於一多的 sector. Chungsiang (建 祥) was similarly menaced by Chinese encircling maneuvers. None of these operations culminated in recapture of the towns threatened.

Guerrilla

^{*} Hankow's despatch No. 57 to the Embassy (No. 115 to the Department) February 16, 1940, Situation in Central China Early in 1940, page 2.

** Hankow's despatch No. 57, page 6.

Political report February 1940 Hankow, China

-4-

Guerrilla activities continued to the annoyance of the Japanese.* Inadequately armed and trained, the guerrillas were unable, despite their overwhelming numerical superiority over the Japanese, to inflict serious military damage on them. The best they could do was to harrass small Japanese units and occasionally out temporarily Japanese lines of communications.

The New Fourth Army, which for nearly a year has been reported as operating in sections of northern Hupeh, has extended its influence as far south as Hanchuan (漢 川) haien.** Two battalions of this "communist" force on February 16, attacked Chuyushan (朱 焦 山), to the west of Hanyang, less than 25 miles from the Wuhan cities.

b. In the Air.

Japanese air activity during February was normal for a winter month.

A short series of explosions at 6:40 p.m. on February 26, coming from the direction of Wuchang was some days later attributed by usually well-informed sources to a Chinese aeriel attack. The American naval station ship observed three planes flying at about 2500 feet immediately following the explosions but was unable to identify them. There was no anti-aircraft fire. Only minor damage was reported from non-Japanese sources to have been done the army airfield. There were no claims that Japanese aircraft were hit but it was reported that a supplies dump at Wu Chien Ying (太廷書), near the field was set on fire.

C.

^{*} Hankow's despatch No. 57 to the Embassy (No. 115 to the Department), February 16, 1940, page 6. ** Hankow's despatch No. 57, Enclosure No. 4.

CROSS-REFERENCE FILE

NOTE

SUBJECT Sinc-Japanese conflict.
Military-guerrilla activities.

For the original paper from which reference is taken

See #233 to Embassy

(Despetch, telegram, tastruction, letter, etc.)

Dated April 2, 1940 From To To Tainan (Hewthorne)

File No. 893.00 P.R. Tainan/127

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793.94/ 15847

- Relations with other countries.
- Japan.
- a. Military-guerrilla activities.

793.94

Clashes between Japanese forces and Chang pu-yunts men in the Chucheng area (south of Weihsien) on March and and 4th were reported by Japanese sources. Japanese also claimed to have "routed" two different contingents of Chinese troops under Kao Hau-haun (高樹軟) and thu theien (朱錢), respectively numbering 1,800 and 3,000, in the Teacohow-Tingt'solares (southwestern Shantung) on March 10th, and to have successfully conducted "clean-up operations" in the Ishui and Jihchao regions (southern Shantung) as well as in the districts of Linyi (north of Tsinan) and Hwantai (north of chowtsum) between March 15th and 18th.

However, as during the preceding two months, the initiative did not rest entirely with the Japanese during That the Japanese forces and their Chinese mer-March. cenary allies were at times (and probably more often than not) on the defensive, is admitted in the only communique. dated March 16th, issued by the Chief of the Special Service Section of the Japanese Army in Chantung (who has been promoted from the rank of Colonel to that of Hajor General), a translation of which is given below:

"About 1,200 troops of the 8th Route Army under Hsiao Hua invaded the northwestern part of Tsiyang² and clashed with a combined force of Japanese and Chinose troops on Harch 10th. As AB BA

Twenty miles northeast of Tsinan.

Incorrectly shown on postal map as "Tangtao."

result of an angagement lasting 8 hours the enemy was forced to retire in a northern direction leaving 50 corpses on the field.

"At 9:50 p.m. March 10th about 200 bandits under Liu Hua-tsin laid siege to Chowahwang, in Siatsing district. but a ocabined force of Japanese and Chinese troops succeeded in raising the siege and dealing a crushing blow to the invaders.

"At 11:30 p.m. March 11th a combined force of 700 Chinese bandits under Wang Keh-k'o, Nan Tou-hui and Liu Hung-hai entered Chang Kwan T'un, Siatsing district, despite the resistance offered by 60 police and 50 members of the Self Protection Corps. Upon receipt of information regarding the attack an additional force of 120 members of the Chinese Precautionary Force came to the assistance of the defenders and succeeded in driving the invaders out of the olty. Wang Keh-k'o was fatally wounded and his followers suffered 50 casualties."

Though impossible to confirm and probably worthy of little credence, Japanese reports of continued intermedine strife among Japan's potential opponents in Chantung persisted. According to these reports, an attack by 2,000 communists on Publish (western Shantung), Garrisoned by Shih Yu-san's troops, was repulsed with heavy losses. On the other hand, the Japanese allege, 10,000 of Shih's men were badly defeated by communists near Puyang, Hopeh, on March 10th, and forced to retreat in two columns to Tsachsien district of southwestern Shantung, having been hard pressed by the communists during their withdrawal. Furthermore, a report attributed to the Japanese intelligence unit at Itu (Tsingchow) recorded a clash botween Chungking Government troops and communists in the Showkwang district in which 300 of the latter were killed.

An unconfirmed Japanese report also alleges that 700 troops commanded by Ho Cheng-min (莫正良), Brigade Commander under Shih Yu-san, threw in their lot with the

Property in the second

Japanose

^{1.} Statsing district is in western Shantung.

Japanese at Liangshan, Tsucohow district, Chantung, on March 6th.

FROM

110

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

Paris

Dated May 3, 1940

Rec'd 1:55 p.m.

Talegram to Par

Secretary of State,

Washington.

DISER ON POLITICAL RELATION

Division of FAR EASTERN AFFAIRS

573, May 3, 5 p.m.

STRICTLY CONFIDENTIAL.

Chauvel show ed me this morning a number of telegrams from the Far East controlling feature of which gave a fairly clear idea of the French position.

He stated that about March 8 when transit over the French railroad from Indo-China to China had been resumed the Japanese Ambassador in Paris had called on him to say that if oil and trucks should be shipped over the railroad the railroad would again be bombarded by the Japanese.

He, Chauvel, had replied that oil and trucks were already going forward over the railroad and that it seemed to him extraordinary that the Japanese Government should consider bombarding the French railroad at a time when the Japanese Government was engaged in commercial negotiations with the French Government.

(END SECTION ONE).

BULLITT

CSB

793.94

793.94/15848

FROM

111

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

Paris
Dated May 3, 1940
Red'd 2:15 p.m.

Secretary of State

Washington

573, May 3, 5 p.m. (SECTION TWO).

Fifty days had passed and the Japanese had not bombarded the railroad. Then about eight days ago the railroad again had been bombarded.

Chauvel showed me a telegram from the French
Ambassador in Tokyo received yesterday giving the
details of the protest he had made on instructions from
his Government against this bombardment. The reply of
the Japanese Foreign Minister was that he and the Government
were opposed to bombardments of this railroad but that
it was very difficult to restrain the Japanese military
leaders. The Japanese Minister for Foreign Affairs then
indicated that he would make a further effort to
persuade the Japanese military leaders not to bombard
the railroad.

CSB

BULLITT

FROM

112

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

PARIS

Dated May 3, 1940

Rec'd 2:38 p.m.

Secretary of State,

Washington.

573, May 3, 5 p.m. (SECTION THREE)

Chauvel showed me also a telegram from the French representative at Tientsin which indicates that the Japanese blockade of the French concession was now much more severe than the blockade of the British concession. This telegram also contained the statement that the Japanese in the Tientsin area were saying that France not England was now Japan's chief enemy.

With regard to the Tientsin situation a telegram from the French Ambassador to Tokyo stated that he had said to the Japanese Minister for Foreign Affairs that the French Government would be disposed to make a settlement of the question of the silver at Tientsin on all fours with the settlement the British had negotiated on condition that before this settlement should be agreed upon the blockade of the French concession should cease. The French Ambassador added that this statement had pleased the Japanese Foreign Minister greatly.

BULLITT

CSB

FROM

113

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

Paris Dated May 3, 1940

Rec'd 3 p.m.

Secretary of State,

Washington.

Status of the efforts of the French prevent shipments to Germany from Japan via Vladivostok. He said that this matter was being handled by the British and by the joint committee in London. He expected to have more information as soon as Rist should reach Paris, He could assure me, however, that the fears of the Chinese that French policy with regard to the Far East would be

to Vladivostok were groundless.

Incidentally Paul Reynaud made the same statement to me this morning and added that there had been no change whatsoever in French policy vis a vis Japan and China.

altered in order to obtain a dessation of Japanese shipments

BULLITT

CSB

751.94

This telegran must be closely paraphrased be fore beint communicated to anyone. (D)

FROM

Dated Hay 3, 1940

Regid 5:05 p.m.

Secretary of State,

Washington.

573, hay 3, 5 p.m. (SECTION FIVE)

The Chinese Ambassador, Wellington Koo, called on me this morning and expressed the fears alluded to a bove.

I gave him as a personal impression exactly the reply which Reynaud and Chauvel later made to me.

The Chinese Ambassador also said to me that he had reason to believe that the Spanish Government was thinking of recognizing the Wang Ching Wei regime in China and would be obliged if I could obtain some information on this subject from our Embassy at Hadrid.

Chauvel on the contrary expressed to me exactly the opposite opinion. He said that the French Government had a private indication that the Spanish representative in China desired to go to Chungking.

BULLITT

EIB

893,01

FROM

115

JT

893,51

This telegram must be closely paraphrased beafore being communicated (D) to anyone.

PARTS

Dated May 3, 1940

Rec'd 4:34 p.m.

Secretary of State,

Washington.

573, May 3, 5 p.m. (SECTION SIX)

Wellington Koo also said to me that he understood that there had been some discussion of a loan from France, England and the United States to China to be secured by Chinese supplies of wolfram and antimony. He asked me if I knew anything about the latest developments with regard to this question.

I replied that I had no information on this subjects I gathered that Wellington Koo, in his discreet mannet. was approaching a subject which Lee Yu Ying had taken up with me a few days ago.

LEE Yu Ying said that T. V. Soong had cabled him, urgently directing him to obtain my personal opinion as to the advisability of his making a trip to the United States at the gresent time in connection with negotiations for the sales of various Chinese metals and the development of the production of these metals in China, I replied that I knew nothing about any such negotiations and I must decline to expressany opinion on the subject.

BULLITT

NK: ENB

116

TELEGRAM RECEIVED

Secretary of State,

Washington.

573, May 3, 5 p. m. (SECTION SEVEN)

Lee Yu Ying who is usually more discreet insisted no less than four times on having an expression of my opinion about the advisability of a trip by T. V. Soong. Finally I was obliged to say that it was not my habit to express opinions on subjects about which I knew nothing and that I hoped he would telegraph just that to T. V. Soong.

LEE Yu Ying will return to Paris from Geneva in a few days and I should be obliged if you could give me some indication as to the reply you would wish me to make to him if he should again bring up the question of T.

V. Soong visiting the United States in the near future.

(END OF MESSAGE.

BULLITT

EMB

JR

Tokyo via Shanghai & N. R.

FROM

Undated May 4 1940

Rec'd May 4, 1940

1:47 p.m.

Secretary of State,

Washington. 304 May 4 noon.

COPIES SENT TO O.N.I. AND M.I.D. $\pi \in K$

Division of
FAR EARDERN ADVANCE
MAY 6 - 1940

Department of States

193.9 d note 194.00

The following is the substance as reported in the press of remarks made by the Foreign Minister at an anniversary dinner of the Japan International Association last night.

"In our relations with third powers about the same phenomena were seen immediately after the outbreak of the China war as after the outbreak of the Manchurian incident. Immediately after the Manchuria incident some people advocated 'taking China now that we've got Manchuria'.

Also irritated by the Stimson statement the same hotheads cried 'punish America'. Now such utterances are sheer stupid blustering that cannot be permitted to circulate for one second. The foreign policy at the time was centered on the settlement of the Soviet Japanese issues and regulations of relations with Britain and the United States. Then came the China war. Despite the local settlement policy of Japan hostilities spread and friction with other powers arose. The same sort of hotheads cried that war should be waged also with the Soviet Union or that Britain

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-2- Recid May 4, from Tokyo via Shanghai & M. R.

and the United States should be punished. But such reckless proposals as pointing to war with third countries are utterly untenable as part of diplomatic policy. The primary object of Japan's diplomatic policy is to settle the China war by avoiding friction with other powers as far as possible. This is only what is reasonable in the present circumstances but I regret to see that it is not thoroughly understood by the people. Japan is striving to expand productivity while carrying the holy war but this is no Easy job. But Japan must regulate its relations with other powers while pushing such policies at home. The Soviet Union while it was carrying out its Expansion program advocate the doctrine of peace on the outside and concluded nonagression pacts with its neighbors. This is because it would not have been to its advantage to go to war before it became sufficiently strong. So it cried peace whenever it had any occasion to speak. At any rate our policy is to regulate relations with the Soviet Union and other powers. Especially important are American Japanese relations. Just now they are pretty bad. It will be my task not to aggravate them even if we lack a treaty of commerce and navigation by which to guarantee the amity. I think the American Ambassador to Tokyo is of the same mind. Japan must support the Wang Ching Wei regime to the

last

119

-3- Rec'd hay 4, from Tokyo via Shanghai & N. R.

last and crush the Chungking regime by armed force as quickly as possible thereby securing an early peace. Now there are not lacking those who are spreading the gloomy view that the Wang Ching Wei Government is incompetent. But it is dangerous merely to look at its defects and pronounce it unworthy of Japan's support. We have no better plan at present than to safeguard the Wang regime and push our settlement of the war. In the European war the position of the neutrals is being ignored. Japan because of its geographical position has hardly any experience of having been a neutral while neighbor powers fought around it. Thus the people are lacking in training as a neutral. They are for this reason apt to fly off the handle over an affair like the ASAMA MARU incident. In the present European war there have been many infringements of the rights of neutrals by belligerents. Japan will have a hard time protecting its right as a neutral. At this time it is essential that the people should realize the exact nature of the situation and deal with difficulties calmly and with good judgment". Shanghai please repeat to Peiping and Chungking.

GREW

CSB

MICROCOPY 976

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